



Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

STML/PSX/CS/26

March 05, 2026

Mr. Akbar Ali,
Manager – Trading & TREC Affairs,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Review of Draft Offer Document for Right Share Issue – Observations
& Required Compliance – Shadab Textile Mills Limited

Dear Sir,

This refers to your letter No. **PSX/LD/C-542-222** dated **February 16, 2026** regarding the captioned subject.

In this regard, we are pleased to submit herewith the **Final Offer Document** of the Company's Right Issue after incorporating and addressing all observations communicated by the Exchange.

For your kind review and consideration, the following documents are enclosed:

- **Final Offer Document** for the Right Issue duly revised in accordance with the observations of the Exchange.
- **Detailed response to the observations** in tabular form indicating compliance with each comment of the Exchange along with relevant supporting documents.

We would also like to inform you that the above documents have been uploaded on the Company's website for information of the shareholders and investors.

We shall be grateful if the Exchange may kindly review the submitted documents and accord its approval for issuance of the Right Shares by the Company.

Thanking you.

Yours faithfully,
For **Shadab Textile Mills Limited**


Company Secretary



Encl: As above.

ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (HEREIN REFERRED TO AS 'OFFER DOCUMENT') AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS.

THIS DOCUMENT IS ISSUED FOR THE PURPOSE OF PROVIDING INFORMATION TO SHAREHOLDERS OF THE COMPANY AND TO THE PUBLIC IN GENERAL IN RELATION TO THE RIGHTS ISSUE OF PKR 250,000,000 CONSISTING OF 6,250,000 NEW ORDINARY SHARES BY SHADAB TEXTILE MILLS LIMITED. A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE SECURITIES EXCHANGE.

THIS OFFER DOCUMENT IS VALID TILL June 01, 2026 (60 days from the last day of payment of subscription amount).

Last date of trading is March 25, 2026 and Last date of payment is April 1, 2026



**Shadab Textile Mills Limited
Right Share – Offer Document**

Date and place of incorporation: Pakistan

Incorporation number: 0007162

Registered Office: A-601/A, City Towers 6-K, Main Boulevard Gulberg-II, Lahore Pakistan

Date & Place of Incorporation: 19th August, 1979, Karachi.

Contact Person: Tariq Javaid, **Contact Details:** +92 300 4650377 **Email:** shadstm@brain.net.pk **Website:** www.shadabtextile.com

Total Issue Size: The Right Issue consists of 6,250,000 Right Shares (i.e. 37.65% of the existing paid-up capital of Shadab Textile Mills Limited) at an offer price of PKR 40.00 per share (i.e. including a premium of PKR 30.00 per share) for an aggregate issue size of PKR 250,000,000 (Pak Rupees Two Hundred Fifty Million) at a ratio of 37.65 rights shares for every 100 shares held.

Date of Placing Offer Document on PSX for Public Comments:	N/A
Date of Final Offer Letter:	March 11, 2026
Date of Book Closure:	March 10, 2026 to March 10, 2026
Subscription Amount Payments Dates:	From March 13, 2026 to April 1, 2026
Trading Dates of Letter of Rights:	From March 12, 2026 to March 25, 2026



Details of the relevant contact persons:

Description	Name of person	Designation	Contact Number	Office Address	Email ID
Authorized Officer of the Issuer	Tariq Javaid	Company Secretary	03004650377	A-601/A, City Towers, 6-K Main Boulevard, Gulberg, Gulberg-II, Lahore.	tariq@shadabtextile.com

Underwriters:

Underwriter	Name of person	Designation	Contact Number	Office Address	Email ID
Muhammad Munir Muhammad Ahmed Khanani Securities Limited	Muhammad Munir	Chief Executive Officer	0334-9314771	Room No. 624, 6 th Floor, Main Stock Exchange Building I.I. Chundrigar Road, Karachi.	Support@munirkhanani.com

Bankers to the Issue:

Banks	Name of person	Designation	Contact Number	Office Address	Email ID
Meezan Bank Limited	Rai Muhammad Naeem Qaiser	Branch Manager	0321-8403639 042-35879870-2	60-Main Boulevard, Gulberg II, Lahore	bm.lhr01@meezanbank.com

Website: This offer document is available for download at: www.shadabtextile.com.

Web Link: <https://www.shadabtextile.com/pdf/Final Offer Document.pdf>.

E-STAMP



ID : PB-LHR-3666421E678901C4
Type : Low Denomination
Amount : Rs 100/-



Scan for online verification



Description : CERTIFICATE OR OTHER DOCUMENT- 19
Applicant : Shadab Textile Mills Ltd [35201-7540786-1]
Representative From : Shadab Textile Mills Ltd
Agent : Sheraz Ali [35201-7540786-1]
Address : Lahore
Issue Date : 23-Feb-2026 12:39:06 PM
Delisted On/Validity : 2-Mar-2026
Amount in Words : One Hundred Rupees Only
Reason : Undertaking in favor of Pakistan Stock Exchange / SECP
Vendor Information : Syed Ali Raza Bukhari | PB-LHR-1427 | Main Market Gulberg

Syed Ali Raza Bukhari
LIC. # 1427
Sr. # 7230
Main Market, Gulberg, Lahore.

ATTESTED
RAJA ZULFIQAR AHMAD
OATH COMMISSIONER

نوٹ: یہ فرائزیشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیوں کوڈ سے کی جا سکتی ہے۔

UNDERTAKING OF CEO AND CFO

The following undertaking by the Issuer:

"WE, AAMIR NASEEM, THE CHIEF EXECUTIVE OFFICER AND MUHAMMAD ADEEL ANWAR KHAN, THE CHIEF FINANCIAL OFFICER OF Shadab Textile Mills Limited CERTIFY THAT;

- (i) THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
- (ii) THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
- (iii) THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
- (iv) THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
- (v) ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED."

For and on behalf of
Shadab Textile Mills Limited

(Aamir Naseem)
Chief Executive Officer

(Muhammad Adeel Anwar Khan)
Chief Financial Officer

E-STAMP



ID : PB-LHR-AA6FF109872DD9E4
Type : Low Denomination
Amount : Rs 100/-



Scan for online verification



Description : CERTIFICATE OR OTHER DOCUMENT- 19
Applicant : Shadab Textile Mills Ltd [35201-7540786-1]
Representative From : Shadab Textile Mills Ltd
Agent : Sheraz Ali [35201-7540786-1]
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Reason : Undertaking in favor of Pakistan Stock Exchange / SECP
Vendor Information : Syed Ali Raza Bukhari | PB-LHR-1427 | Main Market Gulberg

Syed Ali Raza Bukhari
LIC. # 1427
Sr. # 7231
Main Market, Gulberg, Lahore

نوٹ: یہ فرمائیکشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے، ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیو آر کوڈ سے کی جا سکتی ہے۔

ATTESTED
RAJA ZULFIQAR AHMAD
OATH COMMISSIONER

UNDERTAKING OF THE BOARD

Undertaking by the Board of Directors (Board) [or an officer of the Company authorized by them in this behalf]

WE, THE BOARD OF DIRECTORS OF Shadab Textile Mills Limited HEREBY CONFIRM THAT:

- I. ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.
- II. WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.
- III. RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.
- IV. NO PUBLIC COMMENTS WERE SOUGHT FOR THE DRAFT OFFER DOCUMENT.
- V. COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON FEBRUARY 06, 2026 AND FEBRUARY 19, 2026 RESPECTIVELY.
- VI. THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE PUBLIC COMMENTS (IF SOUGHT), SECURITIES EXCHANGE AND SECP COMMENTS.
- VII. THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.
- VIII. THE FINAL OFFER DOCUMENT WAS SUBMITTED TO THE COMMISSION AND PLACED ON SECURITIES EXCHANGE WEBSITE ON FEBRUARY 24, 2026 ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 5 DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX AND SECP).
- IX. THE STATUTORY AUDITOR M/s. FAZAL MEHMOOD AND CO OF THE ISSUER SHALL SUBMIT HALF YEARLY REPORT TO THE ISSUER REGARDING UTILIZATION OF PROCEEDS IN THE MANNER REFERRED TO IN THE FINAL OFFER DOCUMENT. THE ISSUER WILL INCLUDE THE REPORT OF THE STATUTORY AUDITOR, ALONG WITH ITS COMMENTS THEREON, IF ANY, IN ITS HALF YEARLY AND ANNUAL FINANCIAL STATEMENTS.
- X. NAMES OF THE DISSENTING DIRECTOR (IF ANY) ARE Nil.
- XI. THE COMPANY SHALL INDEMNIFY AND HOLD HARMLESS THE **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**, THE COMMISSION, AND THEIR RESPECTIVE DIRECTORS, MEMBERS, OFFICERS, EMPLOYEES, AND AGENTS AGAINST ANY CLAIMS, LOSSES, LIABILITIES, DAMAGES, COSTS, OR EXPENSES (INCLUDING LEGAL FEES) ARISING OUT OF OR IN CONNECTION WITH THE ISSUANCE OF RIGHT SHARES, INCLUDING ANY MISSTATEMENT, OMISSION, OR NON-COMPLIANCE BY THE COMPANY.

FOR AND BEHALF OF SHADAB TEXTILE MILLS LIMITED

Aamir Naseem
Chief Executive Officer



DISCLAIMER:

- In line with the Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities and Exchange Commission of Pakistan (SECP).
- The Securities Exchange and the SECP disclaim:
 - a) Any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
 - b) Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.
 - c) Any responsibility with respect to the quality of the issue.
- It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.



GLOSSARY OF TECHNICAL TERMS AND DEFINITION

BOD	Board of Directors
Company or Issuer	Shadab Textile Mills Limited
Companies Act	Companies Act, 2017
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
PKR or Rs	Pakistani Rupees
PSX or Securities Exchange	Pakistan Stock Exchange Limited
SECP or Commission	Securities & Exchange Commission of Pakistan
STML	Shadab Textile Mills Limited
USD	UNITED STATE DOLLAR

DEFINITIONS

Banker to the Issue	Any bank with whom an account is opened and maintained by the Issuer for keeping the issue amount. Meezan Bank Limited, has been appointed as Bankers to the Issue, in this Right Issue
Book Closure Dates	The Book Closure shall commence from [March 10, 2026 to [March 10, 2026].
Issue	Issue of 6,250,000 right shares representing 37.65% of the total paid-up capital of the Company.
Issue Price	PKR 40.00/- per share The price at which right shares of the Company are being offered for subscription by the existing shareholders of the Company
Market Price	The latest available closing price of the share.
Net Worth	Total assets minus total liabilities.
Ordinary Shares	Ordinary Shares of Shadab Textile Mills Limited having face value of PKR 10.00/- each.
Regulations	The Companies (Further Issue of Shares) Regulations, 2020
Right Issue	Shares offered by a company to its members strictly in proportion to the shares already held in respective kinds and classes.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.



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7. SALIENT FEATURES OF THE RIGHT ISSUE

(i) Brief Terms of the Rights Issue:

a)	Description of issue	Issuance of new ordinary shares by way of rights to existing shareholders of the Company, at PKR 40.00/- (Pak Rupees Forty only) per share, as per their proportional entitlement.
b)	Size of the proposed issue	The Company shall issue 6,250,000 (Six Million Two Hundred Fifty Thousand) ordinary shares, at a price of PKR 40.00/- (Pak Rupees Forty only) per share, aggregating to PKR 250,000,000/- (Pak Rupees Two Hundred Fifty Million).
c)	Face value of the share	PKR 10.00/- each
d)	Basis of determination of price of the Right Issue	The Right Issue is being carried out at a premium. Considering the current market price of the Company and its breakup value, the premium charged over the par value is justified and is also in line with the prevailing market practice. In fact, the Right Issue price constitutes a discount to the prevailing market price (as of 3 rd February, 2026 being the date of announcement of the Right Issue).
e)	Proportion of new issue to existing issued shares with condition, if any	37.65 right shares for every 100 ordinary shares held i.e. 37.65% % of the existing paid-up capital of the Company
f)	Date of meeting of the BOD wherein the Right Issue was approved	February 03, 2026
g)	Names of directors attending the BOD meeting	<ol style="list-style-type: none"> 1. Saad Naseem 2. Farrukh Naseem 3. Yasir Naseem 4. Hamza Naseem 5. Fahad Shafiq 6. Ghazanfer Feroz 7. Mrs. Fatima Aamir 8. Aamir Naseem (Chief Executive)
h)	Brief purpose of utilization of Right Issue proceeds	<p>The main purpose of utilization of Right Issue Proceeds is to:</p> <ol style="list-style-type: none"> 1. Make BMR (Balancing, Modernization, and Replacement) of the existing plant and machinery to make the plant and machinery more efficient and cost effective. 2. Enhancement in Solar System to reduce the energy cost and, 3. Reduce the short term bank borrowings by using the proceeds to meet working capital requirements.



i)	Purpose of the Right Issue - Details of the main objects for raising funds through present Right Issue	<p style="text-align: center;">Purpose of the Right issue</p> <p>1. <u>BMR of Plant and Machinery</u></p> <p>The proceeds of the Rights Issue will be utilized for the purchase of plant and machinery under the Balance, Modernization and Replacement (BMR) program of the Company's existing facilities. The proposed machinery is expected to be energy efficient, resulting in reduced energy consumption, lower labor requirements, and decreased maintenance costs, thereby contributing to improved operational efficiency and profitability.</p> <p>Detail of the machinery is as follows:</p> <p>a) Import of Four (04) Sets of Saurer Card Machines Card machines are being imported from China based Supplier M/s Saurer (Changzhou) Textile Machinery Company Limited. Cost of 04 sets card machines is USD 216,000, against which the Letter of Credit was established on 01 December 2025. The estimated landed cost will be around PKR 65.00 million. Shipment and retirement of the L/C are expected by the end of March 2026. Tentative date to complete the erection and to become fully operational is 31 May 2026.</p> <p>b) Import of Three (03) Sets of Tianmen Drawing Machines Drawing machines are being imported from China Based supplier M/s Hubei Tianmen Textile Machinery Company Limited. Costing USD 54,000, against which the Letter of Credit was established on 10 December 2025. The estimated landed cost will be around PKR 16.50 million. Payment against L.C has been done on 19-02-2026 and Shipment has been reached on port. Tentative date to complete the erection and to become fully operational is 31 March 2026.</p> <p>c) Import of 250 kW Compressor & High-Speed Card Compressor and High Speed Card will be imported from China. Estimated landed cost of 250 KW Compressor and High speed card will be around</p>



PKR 50.00 million for which L.C will be established after the receipts of proceeds of right share issue. Tentative date to complete the erection and fully operational is 31 December 2026.

The above machinery of Rs. 131.50 million shall be solely financed through the proceeds of right issue.

By adding this machinery there will be no impact on production capacity but cost effective (as described above) as this is back process machinery in the production line.

2. Installation of 730 KW Solar System

In addition, the Company will enhance its solar capacity by adding 730.00 KW solar system of estimated cost of Rs. 47.50 million. This initiative will further reduce dependence on conventional energy sources, lower energy costs, and positively impact the Company's profitability. This will generate around 90,000 units per month on average annual basis and will save energy cost up to Rs. 2.88 million per month (Annual Rs. 34.56 million). Thereby, increasing the profitability and more value for shareholders.

The project will be executed by DSG Energy and Techno solar International (Pvt) Limited and is expected to be completed by the end of June 30, 2026.

3. Working Capital Requirements

Out of the total proceeds of the Rights Issue, an amount of PKR 71.00 million will be utilized to meet the Company's working capital requirements, including the purchase of raw materials, payment of utility bills, and other operational expenses. The utilization of proceeds for working capital purposes is expected to reduce reliance on short-term borrowings, thereby lowering finance costs and further enhancing the Company's profitability.



j)	Minimum level of subscription (MLS)	Not Applicable (Sponsors and underwriter undertakes to subscription to subscribed 100% right issue therefore no Minimum Level of subscription not required)
k)	“Application Supported by Blocked amount” (ASBA) facility, if any, will be provided for subscription of right shares.	Not Applicable (simple issuance of Right Shares and 100% underwritten and committed)
(i)	Clear justification for issuance of shares of different kind or class, if applicable. N/A	

(ii) **Principal Purpose of the Issue and funding arrangements:**

A. Details of the principal purpose of the issue.

Proceeds from Right Subscription will be used as follows:

<u>Item Breakup</u>	<u>Funds (Millions)</u>	<u>% of Funds</u>
a) Purchase of Plant & machinery	131.50	52.60%
b) Installation of Solar System	47.50	19.00%
c) Working capital requirements	<u>71.00</u>	<u>28.40%</u>
Total	250.00	100.00%

% Completion Status of Purchase Plant & Machinery and Solar System

1. **Plant & Machinery**

a) **Drawing Machines**

L. C was established on December 10, 2025 Payment against L.C has been done on February 19,2026 and Shipment has been reached on port. Tentative date to complete the erection and to become fully operational is March 31, 2026.

b) **Saurer Cards**

The Letter of Credit was established on 01 December 2025 and Shipment and retirement of the L/C are expected by the end of March 2026. Tentative date to complete the erection and to be become fully operational is 31 May 2026.

c) **Compressor & High Speed Card**

The letter of credit for import of Compressor and card will be established after the receipts of proceeds of right share issue. Tentative date to complete the erection and fully operational is 31 December 2026.

2. **Solar System**

Contracts for installation of 730 KW Solar System has been finalized and will be completed by June 30, 2026.



B. Additional disclosures relating to purpose of the issue shall be made in case of the following:

(a) If purpose of the issue is to finance working capital:

The Company has been significantly reliant on short-term bank borrowings to meet its working capital requirements. As on June 30, 2025, short-term borrowings stood at PKR 505.469 million, which were reduced to PKR 460.401 million as of September 30, 2025. The Company further improved its position by bringing down short-term borrowings to 280.736 million as of December 31, 2025.

While this reduction reflects improved liquidity management, the level of short-term borrowings still remains relatively high. Accordingly, the Company intends to raise additional working capital to further reduce its dependence on short-term bank borrowings, consequently lower finance cost and strengthen its overall financial stability.

	Year (2025)	Year (2024)	Year (2023)
Cash Conversion Cycle (in Days)	26.26	35.13	36.35

If purposes of the issue are to purchase Plant/ Equipment/ Technology:

Plant and machinery including solar system aggregating approximately PKR 179.00 million, to be financed out of the proceeds of the proposed Right Issue. Management informed the Board that, due to timing differences between the expected receipt of Right Issue proceeds and the payment schedules for the machinery, the Company may be required to make certain advance payments prior to the receipt of such proceeds. It was noted that any such interim payments shall be met through internal cash generation and/or short-term bank borrowings, which shall subsequently be adjusted against the proceeds of the Right Issue upon receipt.

a) Import of Four (04) Sets of Saurer Card Machines

Card machines are being imported from China Based Supplier M/s Saurer (Changzhou) Textile Machinery Company Limited. Cost of 04 sets card machines is USD 216,000, against which the Letter of Credit was established on 01 December 2025. The estimated landed cost is PKR 65.00 million. Shipment and retirement of the L/C are expected by the end of March 2026. Tentative date to complete the erection and to be become fully operational is 31 May 2026.

b) Import of Three (03) Sets of Tianmen Drawing Machines

Drawing machines are being imported from China Based supplier M/s Hubei Tianmen Textile Machinery Company Limited. Costing USD 54,000, against which the Letter of Credit was established on 10 December 2025. The estimated landed cost is PKR 16.50 million. L. C was established on December 10, 2025 Payment against L.C has been done on February 19, 2026 and Shipment has been reached on port. Tentative date to complete the erection and to become fully operational is March 31, 2026.

c) Import of 250 kW Compressor & High Speed Card

Compressor and High Speed Card will be imported from China. Estimated landed cost of 250 KW Compressor and High speed card is PKR 50.00 million for which L.C will be established after the



receipts of proceeds of right share issue. Tentative date to complete the erection and fully operational is December 31, 2026.

- (a) Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be.

Installation of plant, machinery and solar system will be completed separately in one go as below mentioned tentative dates:

<u>Item Breakup</u>	<u>Cost (Millions)</u>	<u>Tentative Date for Installation</u>
a) Drawing Machines	16.50	31 March 2026
b) Saurer Cards	65.00	31 May 2026
c) Compressor & High Speed Card	50.00	31 December 2026
d) Solar System	<u>47.50</u>	30 June 2026
Total	179.00	

- (b) Where the issuer is implementing the project in a phased manner, the cost of each phase including the phase, if any, which has already been implemented.

Installation of plant, machinery and solar system will be completed separately in one go. The cost of the project is as under:

<u>Item Breakup</u>	<u>Cost (Millions)</u>	<u>Tentative Date for Installation</u>
a) Drawing Machines	16.50	31 March 2026
b) Saurer Cards	65.00	30 April 2026
c) Compressor & High Speed Card	50.00	31 December 2026
d) Solar System	<u>47.50</u>	30 June 2026
Total	179.00	

- (c) Details of all material existing or anticipated transactions in relation to the utilization of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies.

There is no transaction in relation to the utilization of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies.



Financial Effects Arising from Right Issue:

As at 30 th June 2025	Unit	Pre-Issue	Post-Issue	Increase in %
Authorized Share Capital	PKR	400,000,000	400,000,000	0.00%
Paid-up Capital	PKR	166,000,000	228,500,000	37.65%
Number of Shares	Unit	16,600,000	22,850,000	37.65%
Total Equity	PKR	1,757,072,000	2,007,072,000	14.22%
Net Asset/Breakup value per share*	PKR	105.85	87.83	(20.51%)
Gearing Ratio**	%	41.39%	32.70%	(20.99%)
Production Capacity	Unit	21,817,513	21,817,513	-
Market Share	%	0.36%	0.36%	-

* The break-up value is calculated as follows: Total Equity ÷ No. of Shares.

** Gearing Ratio is calculated as follows: Net Debt (Total Borrowings – Cash & Bank Balances) ÷ Total Equity

GEARING RATIO CALCULATION:

Pre Issue Gearing (757,035,000-29,618,000) ÷ 1,757,072,000 = 41.39%

Post Issue Gearing (686,035,000-29,618,000) ÷ 2 007,072,000 = 32.70%

(iii) Total expenses to the issue: (i) banker's commission (ii) others, if any.

Underwriting Commission	1.50%
Underwriter Take-up Commission	3.00%
Bankers Commission	100,000
PSX Fee (0.2% of increase in paid-up capital)	125,000
SECP Supervisory Fee (10% of fees paid to PSX)	12,500
CDC Fee – Fresh Issue Fee	360,000
Auditor Fee for Auditor Certificates	50,000
Legal Advisor Fee	400,000
Financial Advisor Fee	400,000

(vi) Details of Underwriters:

Name of the Underwriter	Amount Underwritten (PKR)	Associated Company/ Associated undertaking of the Issuer (YES /NO)
Muhammad Munir Muhammad Ahmed Khanani Securities Limited	108,725,000	NO



(vii) Commitments from substantial shareholders/directors:

Name of the Person	Status (Substantial Shareholder /Director)	No. of Existing Shares	Number of Shares Committed to be Subscribed*	Amount Committed to be Subscribed (PKR)*	Shareholding %pre-issuance	Shareholding %post issuance**
Saad Naseem	Chairman / Director	955,215	359638	14,385,520	5.75	5.75
Aamir Naseem	CEO / Substantial Shareholder	2,835,209	1067456	42,698,240	17.08	17.08
Farrukh Naseem	Director	1,057,000	397960	15,918,400	6.37	6.37
Yasir Naseem	Director	500,000	188250	7,530,000	3.01	3.01
Hamza Naseem	Director	955,215	359638	14,385,520	5.75	5.75
Fahad Shafiq	Director	2,766	1041	41,640	0.02	0.02
Ghazanfer Feroz	Director	5,533	2083	83,320	0.03	0.03
Mrs. Fatima Aamir	Director	614,545	231376	9,255,040	3.70	3.70
Anam Omer	Family Member	477,607	179,819	7,192,760	2.88	2.88
Ali Naseem	Family Member	500,000	188250	7,530,000	3.01	3.01
Mrs. Hina Farrukh	Family Member	477,608	179,819	7,192,760	2.88	2.88
Ahmad Naseem	Family Member	1,000,157	376,559	15,062,360	6.03	6.03

*Subject to subscription of additional shares which may be unsubscribed, or disposal of shares otherwise held, or shares entitlement subscribed by persons arranged by such substantial shareholder/ director in accordance with the applicable laws

** Including through persons arranged by such substantial shareholders/ directors

(viii) **Fractional Rights Shares:** Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer;

The Board of Directors of the Company have resolved in their meeting held on February 3, 2026 that all fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust), and consolidated fraction shall be offered as advised by board.

(ix) Important Dates:

Credit of unpaid Right into CDC	Wednesday, March 11, 2026
Dispatch of Physical Right to Shareholders	Friday, March 13, 2026
Intimation to PSX regarding Credit/Dispatch	Friday, March 13, 2026
Commencement of Trading	Thursday, March 12, 2026
Last date of Splitting and deposit of Request in CDC	Friday, March 13, 2026
Last date of Trading of Right letter	Wednesday, March 25, 2026
Last date for acceptance and payment for Physical/CDC	Wednesday, April 1, 2026
Allotment of Shares in CDS	Tuesday, April 14, 2026
Date of dispatch of Physical Shares	Tuesday, April 14, 2026



8. SUBSCRIPTION AMOUNT PAYMENT PROCEDURE:

- (i) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of “Shadab Textile Mills Limited-Right Shares Subscription Account” through any of the authorized branches of Meezan Bank Limited on or before April 1, 2026 along with this Right Subscription Request duly filled in and signed by the subscriber(s).
- (ii) Right Subscription Request can be downloaded from the Company website: www.shadabtextile.com.
Web Link: [https://www.shadabtextile.com/pdf.Right Subscription Request.pdf](https://www.shadabtextile.com/pdf.Right%20Subscription%20Request.pdf)
- (iii) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of the equivalent amount in Pak Rupees should be sent to the Company Secretary, (Mr. Tariq Javaid) at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- (iv) All cheques and drafts must be drawn on a bank situated in the same city where the Right Subscription Request is deposited. Cheque is subject to realization.
- (v) The Banker(s) to the Issue will not accept Right Subscription Requests delivered by post which may reach after the closure of business on April 1, 2026 unless evidence is available that these have been posted before the last date of payment.
- (vi) Payment of the amount indicated above to the Issuer’s Banker(s) to the Issue on or before April 1, 2026 shall be treated as acceptance of the Right offer.
- (vii) After payment has been received by the Banker(s) to the Issue, the Right Securities will be credited into respective CDS Accounts within 10 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

9. PROFILE OF MANAGEMENT AND SPONSORS

(e) Profile of the Board of Directors of the company

Board of Directors		
Name	Position	Tenure of Directorship
Saad Naseem	Chairman/Non-Executive Director	26-08-2025/28-03-2025
Aamir Naseem	Chief Executive Officer	10-04-2025
Farrukh Naseem	Executive Director	28-03-2025
Yasir Naseem	Non-Executive Director	28-03-2025
Hamza Naseem	Non-Executive Director	28-03-2025
Fahad Shafiq	Independent Director	28-03-2025
Ghazanfer Feroz	Independent Director	28-03-2025
Mrs. Fatima Aamir	Non-Executive Director	28-03-2025



Saad Naseem
Chairman/Director/Sponsor

Saad Naseem, is a graduate from City University, London, and has been a Director at Shadab Textile Mills Limited since 2013 and Chairman of Board since August 26, 2025. He is also a certified director under the Code of Corporate Governance, reflecting his commitment to best practices in corporate governance. His diverse experience in the textile industry, combined with his educational background, positions him as a valuable asset to the board and a contributor to the strategic direction of the organizations he is associated with.

Aamir Naseem/Sponsor
Chief Executive

Aamir Naseem is the Chief Executive of Shadab Textile Mills Limited, where he has served as Director Incharge since January 1990. With an MBA in Finance from the USA, he brings over 35 years of extensive experience in the textile industry, demonstrating strong leadership and operational expertise. His managerial acumen and strategic vision have significantly contributed to the growth and development of the organizations he leads.

Farrukh Naseem/Sponsor
Executive Director

Farrukh Naseem is an esteemed figure in the textile industry with an extensive career spanning over 45 years. An alumnus of Commerce College, Sargodha, he currently serves as the Chief Executive of Sargodha Spinning Mills Limited and has been a Director of Shadab Textile Mills Limited for nearly four decades. His vast experience and strategic oversight play a crucial role in driving the success and governance of the organizations he leads.

Yasir Naseem
Non-Executive Director

Yasir Naseem holds a Bachelor of Science (Hons) Degree in Business Management from Queen Mary, University of London, graduating in 2016. His academic background has provided a strong foundation in strategic management, leadership, and business operations, equipping him with the expertise to drive innovation and growth in the industry. He is equipped with DTP certification under the Code of Corporate Governance, Regulations, 2019, highlighting his dedication to corporate governance standards.

Hamza Naseem
Director

Hamza Naseem, a law graduate from Lahore Grammar University (LGU) through the University of London External Program, has served as a Director of Shadab Textile Mills Limited since April 2016. He is equipped with DTP certification under the Code of Corporate Governance, Regulations, 2019, highlighting his dedication to corporate governance standards. His legal background and governance expertise contribute significantly to the strategic management and compliance of the businesses he oversees.

Fahad Shafiq
Independent Director

Mr. Fahad Shafiq, an Independent Director of Shadab Textile Mills Limited since 2019, brings a wealth of experience from the Pakistan Capital Market and the yarn and fabric industry. His freelance work in financial analysis and investment consultancy, combined with hands-on knowledge of the textile sector, provides valuable insights that enhance the company's strategic decision-making.

Mr. Shafiq also holds a Directors' Certification, underscoring his commitment to corporate governance and effective leadership. His ability to foster transparency and accountability ensures that the interests of stakeholders are prioritized, making him a key asset to the board and integral to the company's growth and success.



Ghazanfer Feroz
Independent Director

Ghazanfer Feroz is an independent director with a solid educational background, holding a Bachelor's degree in Chemical Engineering and Economics from the USA. With 26 years of diverse experience, he has progressed from grassroots operations to senior management roles in various sectors, including manufacturing, marketing and sales, new product development, research, and international trade.

Mr. Feroz possesses extensive expertise in industrial specialty chemicals, fluids, and lubricants, specializing in their specifications for production and maintenance processes. He is proficient in specifying sensors and instrumentation for various industrial operations and has significant experience in designing process parameters and scaling up production to achieve economies of scale. His skill set includes project startup and feasibility evaluations aimed at long-run cost analyses to meet corporate strategic goals. Additionally, he has led reliability maintenance (RM) analysis programs focused on predictive maintenance solutions relevant to sectors such as polymer, textile processing, wood processing, and oil and gas production.

Mrs. Fatima Aamir
Female Non-Executive Director

Mrs. Fatima Aamir is a prominent female director at Shadab Textile Mills Limited, a position she has held since March 2013. An alumna of Beacon House School, she brings valuable insights to the management team, leveraging her experience. Her contributions are instrumental in advancing the strategic objectives and governance of the organizations she is involved with.

(i) Other Directorships held (provide names of the company(ies))

Other Directorships		
Name	Designation	Name of The Company
Farrukh Naseem	Executive Director	Sargodha Spinning Mills Ltd., (C/E)
		Tariq Textile Mills Ltd.,
Aamir Naseem	Chief Executive	Sargodha Spinning Mills Ltd.,
		Tariq Textile Mills Ltd.,
		Sargodha Textile Mills Ltd.,
		Blue Star Enterprises (Pvt) Ltd.,
Mr. Saad Naseem	Chairman/Non-Executive Director	Sargodha Spinning Mills Ltd.,
		Tariq Textile Mills Ltd., (C/E)
		Shadab Innovations (Pvt) Ltd.,(C/E)
		Blue Star Enterprises (Pvt) Ltd.,
Mr. Yasir Naseem	Non-Executive Director	Tariq Textile Mills Ltd.,
		Shadab Innovations (Pvt) Ltd.,
Mr. Hamza Naseem	Non-Executive Director	Sargodha Spinning Mills Limited
Mr. Fahad Shafiq	Independent Director	None
Mr. Ghazanfer Feroz	Independent Director	None
Mrs. Fatima Aamir	Director	Tariq Textile Mills Ltd.,
		Shadab Innovations (Pvt) Ltd.,



- (iii) Profile of Sponsors
- (iv) If sponsor is company registered in Pakistan, date of incorporation, names of directors % age of shareholding

Sponsors Company		
-	-	-

- (v) If sponsor is foreign registered company, % age of shareholding, Form 43, form 45 be provided

10. DETAILS OF THE ISSUER:

- (i) Financial highlights of Issuer for last three years

(Pakistani Rupee IN Millions)	Audited Account	Audited Account	Audited Account
	Year 2025	Year 2024	Year 2023
Name of the Statutory Auditors	Fazal Mahmood and Company	Fazal Mahmood and Company	Fazal Mahmood and Company
Gross sale	9,507.951	8,648.591	7,046.469
Gross Profit	564.638	399.065	183.652
Profit before Interest & Tax	382.152	248.818	44.473
Profit / (loss) after Tax	185.025	98.466	(107.742)
Net Profit / (loss)	185.025	98.466	(107.742)
Accumulated Profit / (loss)	720.599	548.024	449.558
Total Assets	3,215.029	3,089.043	2,849.311
Total Liabilities	1457.072	1476.646	1396.650
Net Equity	1,757.957	1,612.397	1,452.661
Break-up value Per Share (PKR)	105.85	97.13	87.51
Earnings / (loss) per share - PKR	11.15	5.93	(6.49)
Dividend Announced	12.50%	7.50%	NIL
Bonus Issue	NIL	NIL	NIL

- (ii) Financial highlights for the preceding year of consolidated financial:
Not Applicable

- (iii) Detail of issue of capital in previous five years:

Bonus Issue	FY2025	FY2024	FY2023	FY2022	FY2021
Percentage	N/A	N/A	N/A	N/A	N/A
Number of Shares	N/A	N/A	N/A	N/A	N/A



(iv) Average market price of the share of the Issuer during the last six months:

Average market price of the share of the Company during the last six months (from August 11, 2025 to February 9, 2026) was Rs. 56.81 to Rs. 43.58.

(v) Share Capital and Related Matters

(a) Pattern of shareholding of the issuer in both relative and absolute terms.

Shareholders	Number of Shares	Shareholding %
Aamir Naseem	2,835,209	17.08%
Farrukh Naseem	1,057,000	6.37%
Hamza Naseem	955,215	5.75%
Saad Naseem	955,215	5.75%
Yasir Naseem	500,000	3.01%
Fahad Shafiq	2,766	0.02%
Ghazanfer Feroz	5,533	0.03%
Mrs. Fatima Aamir	614,545	3.70%
Mrs. Hina Farrukh w/o Farrukh Naseem	477,608	2.88%
Executives	0	0%
Banks, Development Financial Institutions, Non-Banking Financial Institutions	53	0.00%
NIT and ICP	521,878	3.14%
General Public -Local	8,548,334	51.50%
General Public -Foreign	0	0%
Others	126,644	0.78%
Total	16,600,000	100%

(b) Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).

S. No.	Directors/Sponsors/Substantial Shareholder	No. of Existing Shares	No. of Shares after Right Shares ¹
1	Aamir Naseem	2,835,209	3,902,665
2	Farrukh Naseem	1,057,000	1,454,961
3	Hamza Naseem	955,215	1,314,853
4	Saad Naseem	955,215	1,314,853
5	Yasir Naseem	500,000	688,250
6	Fahad Shafiq	2,766	3,807
7	Ghazanfer Feroz	5,533	7,616
8	Mrs. Fatima Aamir	614,545	845,921

(c) Details and shareholding of the holding company, if any.

Not Applicable



(vi) Group structure along with respective shareholding in subsidiaries and associates

Name of Concern	Name of Director	Shareholding (Shares)
Sargodha Spinning Mills Limited	Farrukh Naseem	4,829,277
	Aamir Naseem	4,333,652
	Saad Naseem	122,500
	Hamza Naseem	3,100
Tariq Textile Mills limited	Farrukh Naseem	73,929
	Aamir Naseem	71,929
	Saad Naseem	500
	Yasir Naseem	500
	Mrs. Fatima Aamir	2,500
Blue Star Enterprises (Pvt.) Ltd.	Aamir Naseem	609,350
	Saad Naseem	123,500
Shadab Innovations (Pvt.) Ltd.	Aamir Naseem	1,440,000
	Yasir Naseem	30,000
	Hamza Naseem	30,000
	Saad Naseem	30,000
	Mrs. Fatima Aamir	30,000

A company shall disclose the following, if applicable:

- (a) details of any defaults/overdue amount of principal and interest at the date of submission of offer document along with defaults/overdue amounts in last three financial years;
- (b) the carrying amount of the loan's payable in default;
- (c) whether the default was remedied, or the terms of the loan's payable were renegotiated;
- (d) details and status of any debt restructuring;
- (e) whether any part of right issue proceeds would be utilized towards over dues;
- (f) NOC issued by the financial institution(s) in respect of whom the over dues or defaults of the issuing company, its sponsor(s), promoter(s), substantial shareholder(s) or directors appear in the report obtained from the Credit Information Bureau, in relation to right issue; and
- (g) details of recovery proceedings, if any:
 - (i) proceedings initiated by the lenders against company;
 - (ii) the company's actions in response; and
 - (iii) the current status of such proceedings.

Not Applicable



11. RISK FACTORS

There is no risk factor involved in this right issue due to 100% agreed take up by directors, Sponsors and balance is underwritten by underwriter.

There is no PESTEL risk exist in our case because Company is in profitable operation and this right issue due to 100% agreed take up by directors, Sponsors and balance is underwritten by underwriter.

To the best of our knowledge and belief all risk factors (if any) have been disclosed.

Under subscription Risk

There is no under subscription risk exist in our case because Company is in profitable operation and this right issue due to 100% agreed take up by directors, Sponsors and balance is underwritten by underwriter.

NOTE: IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

12. LEGAL PROCEEDINGS:

(i) Legal proceedings be summarized in the following format

S. No.	Legal Order dated	Issuing Authority	Tax Period, if any	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance
1	N/A	Sui Gas GIDC	Lahore High Court	42.330 million	Pending	Provision made in the Financial Accounts and no further financial impact
2	N/A	Sui Gas RLNG	Lahore High Court	15.160 million	Pending	Provision made in the Financial Accounts and no further financial impact

(ii) Action taken by the Securities and Exchange against the issuer on account of non-compliance of its regulations.

N/A.

13. SIGNATORIES TO THE OFFER DOCUMENT

Saad Naseem
Director

Yasir Naseem
Director

SECP Comments & Company's Response

(Annexure-A)

Sr. No.	Comment Received	Whether Agreed / Disagreed	Company's Response
1	Cover Page – Other Detail (Page 1) i. Rectify incorrect company name. ii. Include date and place of incorporation. iii. Update dates and subsequent actions in light of S.R.O. 1665(I)/2025 dated August 29, 2025.	Agreed	i. The name of the Company has been corrected in the Final Offer Document. ii. Date and place of incorporation have been added on the cover page. iii. Relevant dates and subsequent actions have been aligned in accordance with S.R.O. 1665(I)/2025 and shall be updated after finalization by Pakistan Stock Exchange.
2	Undertaking by CEO & CFO (Page 3) – Undertaking shall be signed clearly.	Agreed	The undertaking shall be duly signed by the CEO and CFO in the Final Offer Document.
3	Undertaking by Board of Directors (Page 4) – Amend points (IV) & (V) if no public comments; correct dates in points (VI) & (IX); ensure signatures.	Agreed	The undertaking has been amended where applicable, dates have been corrected, and the document shall be duly signed by all respective signatories.
4	Disclaimer (Page 5) – Delete phrase “Following disclaimer be added”.	Agreed	The referred phrase has been deleted.
5	Glossary (Page 6) – Add acronym USD.	Agreed	“USD – United States Dollar” has been added in the glossary.
6	Table of Contents (Page 7) – Correct numbering and references.	Agreed	Numbering and cross-references have been corrected.
7	Brief Terms of the Rights Issue (Page 8) – Include working capital; provide complete project details.	Agreed	Required disclosures including working capital requirement, total project cost, financing mix, timeline, and impact on production capacity have been incorporated.
8	Principal Purpose & Funding Arrangements – Provide completion status; detailed WC disclosures; plant & machinery disclosures; remove “General Requirements”.	Agreed (where applicable)	All applicable disclosures regarding percentage completion, working capital estimation basis, supplier details, delivery status, import details, regulatory approvals, and accounting references have been incorporated. The “General Requirements” paragraph has been removed.
9	Financial Effects (Page 12) – Rectify paid-up capital; disclose gearing ratio workings.	Agreed	The paid-up capital corrected and gearing ratio disclosures is now correctly presented in line with the latest reviewed financial statements
10	Details of Underwriters (Page 12) – Ensure full underwriting of public portion as per Regulation 3(1)(vi)(b).	Agreed	The underwriting agreement has been revised as per Commitments received by sponsors/directors. Balance is now 100% underwritten.
11	Commitment from Substantial Shareholders/Directors (Page 13)	Agreed	Required confirmations from sponsors/directors and substantial shareholders have been obtained and disclosed in compliance with Regulation 3(1)(vi)(a).
12	Important Dates (Page 13) – Update as per S.R.O. 1665(I)/2025.	Agreed	Important dates shall be disclosed in the Final Offer Document as per revised timelines notified vide S.R.O. 1665(I)/2025 dated August 29, 2025.
13	Subscription Amount Payment Procedure (Page 14) – Mention banker; provide OD link; specify deposit dates.	Agreed	Name of the banker to the issue has been specified, complete download link of the Offer Document has been provided, and relevant subscription deposit dates clearly disclosed.
14	Average Market Price (Page 18) – Update average market price and mitigation measures.	Agreed	The average market price of the Company's shares for the last six months prior to announcement of the Right Issue has been updated along with appropriate mitigation disclosures.
15	Risk Factors – Provide comprehensive internal and external risks with mitigation.	Agreed	A comprehensive and detailed risk factors section including mitigation measures has been incorporated.
16	Legal Proceedings – Provide details of	Agreed	Details of material legal proceedings, if any, other than

	outstanding proceedings and actions by securities exchange.		normal course of business, and actions by securities exchange have been disclosed.
17	Signatories to the Offer Document – Ensure signatures.	Agreed	The Final Offer Document shall be duly signed by all required signatories prior to submission.

Response to PSX Comments on Draft Offer Document

Sr. No	Comment Received	Whether the company agree/disagree	Proposed change,
1	<p>GENERAL POINTS:</p> <p>i. Obtain Undertakings from the directors and substantial shareholders in the final offer document (OD) for subscription of the right shares offered to them according to their entitlement, or arrange for subscription through other person(s);</p> <p>ii. In the heading of "Advice":</p> <p>(a) Point (ii) please clarify the presence of "Organic Meat Company Limited";</p> <p>(b) Point (iii) please include the Date & Place of placing offer document for public comments, correct subscription amount payment dates and complete website address with .pdf extension.</p>	Agreed	Undertakings obtained and disclosed; "Organic Meat Company Limited" reference removed and corrected as SHADAB TEXTILE MILLS LIMITED; and all required dates, subscription details, and website link updated in the revised OD.
2	<p>COVER PAGE – OTHER DETAIL:</p> <p>i. Dates and subsequent actions of Final Offer Document should be updated in light of new regulatory requirements notified vide S.R.O. 1665(1)/2025 dated August 29, 2025;</p> <p>ii. Provide the complete download link of Offering Documents (OD) on company's website.</p>	Agreed	Dates and subsequent actions updated; complete download link incorporated in the final OD.
3	<p>UNDERTAKING BY THE CEO AND CFO:</p> <p>i. The undertaking shall be signed clearly by the respective signatories in the final offer document.</p>	Agreed	Undertaking signed by respective signatories and incorporated in the final OD.
4	<p>UNDERTAKING BY THE BOARD OF DIRECTORS/ COMPANY SECRETARY OR AN OFFICER OF THE COMPANY AUTHORIZED BY THE BOARD OF DIRECTORS OF THE COMPANY IN THEIR BEHALF:</p> <p>i. Power of Attorney / Board Resolution by the Board of Directors authorizing the Company Secretary / an officer to act in their behalf;</p> <p>ii. In clause iv of final offer document, provide the number of days for the comments from Securities Exchange and Commission and for placement on the website of PSX via PUCARS along with the book closure dates as per revised timelines notified vide S.R.O. 1665(1)/2025 dated August 29, 2025;</p> <p>iii. Inclusion of clause that no public comments are being taken;</p> <p>iv. Indemnity clause to safe guard the directors / officials of Securities Exchange and Commission;</p> <p>v. The undertaking shall be signed clearly by the respective signatories in the final offer document.</p>	Agreed	All clauses incorporated accordingly & undertakings signed as per requirement in final OD.
5	<p>DEFINITIONS:</p> <p>i. Write the Complete heading i.e. "Glossary of The Technical Terms and Definition";</p> <p>ii. Include the acronym "USD".</p>	Agreed	Heading corrected and acronym "USD" included in final OD.
6	<p>TABLE OF CONTENTS;</p> <p>i. Please follow Schedule-1 and use N/A where required.</p>	Agreed	Incorporated

7	SALIENT FEATURES OF THE RIGHTS ISSUE – BRIEF TERMS OF THE RIGHT ISSUE: i. Point (h) - Board approved business plan with forecasted figures; ii. Point (i) – provide all the detail as per schedule-I; iii. Point (j) – Provide reason for N/A, Minimum level of subscription iv. Point (k) - Provide the reason of N/A, Details of ASBA facility.	Agreed	Points (h)–(i) incorporated; point (j) and (k) marked Not Applicable, reasons given in final OD.
8	PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS: i. Include: a. Item-wise Utilization breakup (amount & %); b. Compliance status of each item; c. Bank financing details (if any); d. Details of “General Requirements” specific to company; e. Additional disclosures as per Schedule-I.	Agreed (where applicable)	All applicable details incorporated in final OD.
9	FINANCIAL EFFECTS ARISING FROM RIGHT ISSUE: i. All information should be relevant and updated.	Agreed	Updated in final OD
10	TOTAL EXPENSE TO THE ISSUE: i. All information should be relevant and updated.	Agreed	Updated in final OD
11	FRACTIONAL RIGHT SHARES: i. Alignment of fractional shares distribution with Clause 7(viii) of Schedule I.	Agreed	Incorporated in final OD.
12	IMPORTANT DATES: i. Inclusion of dates at the time of final offer documents.	Agreed	Dates updated in final OD.
13	SUBSCRIPTION AMOUNT PAYMENT PROCEDURE: i. Name of banker to be mentioned; ii. Provide complete download link of OD; iii. Align number of days for credit of right securities in CDS as per revised S.R.O. 1665(1)/2025.	Agreed	All points incorporated in final OD.
14	PROFILE OF MANAGEMENT AND SPONSORS: i. Complete details from point (i) to (v); ii. Identification and profile of Sponsors.	Agreed	Incorporated in final OD.
15	DETAILS OF THE ISSUER - FINANCIAL HIGHLIGHTS OF ISSUER FOR LAST THREE YEARS i. Financial Highlights for the Preceding Year of Consolidated Financial; ii. Confirmation from the auditor the correct amount with the amount disclosed in the financial statements; iii. Reason for charging high premium in relation with the face value. iv. Disclosure of the complete details of Right Issue made during last 5 years as prescribed format given in clause10 (iii) of Schedule I of the Regulations Under clause (iii) v. Average market price of the share of the issuer during the last six month.	Agreed	All points incorporated in final OD. A specific certification/comfort letter has been obtained from the statutory auditors confirming that the financial figures disclosed in the Offer Document in respect of the audited financial statements have been correctly extracted from and are in agreement with the audited financial statements of the Company.
16	RISK FACTORS: i. The risk factors need to be modified specifically w.r.t company and rights issue; ii. Elaborate impact of PESTAL instability; iii. Additional risk factors as per Schedule-I; iv. Statement confirming disclosure of all risk factors by authorized officer.	Agreed	All points accordingly incorporated in final OD.
17	Legal Proceedings: Provide point-wise details as per Schedule-I.	Agreed	Incorporated in final OD.
18	SIGNATORIES TO THE OFFER DOCUMENTS: i. OD needs to be signed clearly by respective signatories.	Agreed	Incorporated in final OD.



Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

CERTIFIED COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF SHADAB TEXTILE MILLS LIMITED BY WAY OF CIRCULATION ON JANUARY 24, 2026

RESOLVED THAT pursuant to the provisions of the Companies Act, 2017 and other applicable laws, rules and regulations, consent of the Board be and is hereby accorded for the purchase and addition of the following plant and equipment as part of the Company's approved capital expenditure program:

Plant and Equipment

d) Import of Four (04) Sets of Saurer Card Machines

Costing USD 216,000, against which the Letter of Credit was established on 01 December 2025. The estimated landed cost is PKR 65.00 million. Shipment and retirement of the L/C are expected by the end of March 2026.

e) Import of Three (03) Sets of Tianmen Drawing Machines

Costing USD 54,000, against which the Letter of Credit was established on 10 December 2025. The estimated landed cost is PKR 16.50 million. Shipment and retirement of the L/C are expected during February 2026.

f) Import of 250 kW Compressor & High-Speed Card

Estimated cost of 250 Kw Compressor and High-speed card is PKR 50.00 million.

RESOLVED FURTHER THAT installation of solar power system of 730.00 KW of estimated cost of Rs. 47.50 million to enhance its existing solar capacity be and is hereby approved.

RESOLVED FURTHER THAT Mian Aamir Naseem Chief Executive Officer and Mr. Saad Naseem, Director, be and is hereby authorized to negotiate, finalize and execute all necessary agreements, purchase orders, delivery challans, invoices and other related documents and to do all acts, deeds and things necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to complete all the legal formalities in this regard.

Verified to be true copy
For SHADAB TEXTILE MILLS LIMITED



Company Secretary





AUDITORS' CONFIRMATION CERTIFICATE

To
 The Board of Directors
 Shadab Textile Mills Limited,
 A-601/A, City Towers, 6-K,
 Main Boulevard, Gulberg-II,
 Lahore.

March 03, 2026

Subject: Confirmation of Financial Highlights Disclosed in the Right Issue Offer Document

We have audited the financial statements of Shadab Textile Mills Limited (the "Company") for the years ended:

- i) June 30, 2023
- ii) June 30, 2024
- iii) June 30, 2025

and have issued our Independent Auditor's Reports thereon.

At the request of the Company, we have examined the "Financial Highlights of the Issuer" for the last three (3) years as disclosed in the Right Issue Offer Document dated 10 February, 2026 (the "Offer Document") prepared in connection with the proposed Right Issue of ordinary shares of the Company.

Based on our examination, we hereby confirm that:

1. The financial information relating to the years ended June 30, 2023, June 30, 2024 and June 30, 2025, as disclosed under the heading "Financial Highlights of the Issuer", including but not limited to:

<i>(Pakistani Rupee in million)</i>	Audited Account	Audited Account	Audited Account
	Year 2025	Year 2024	Year 2023
Gross sale	9,507.951	8,648.591	7,046.469
Gross Profit	564.638	399.065	183.652
Profit before Interest & Tax	382.152	248.818	44.473
Profit / (loss) after Tax	185.025	98.466	(107.742)
Net Profit / (loss)	185.025	98.466	(107.742)
Accumulated Profit	720.599	548.024	449.558
Total Assets	3,215.029	3,089.043	2,849.311
Total Liabilities	1,457.957	1,476.646	1,396.650
Net Equity	1,757.072	1,612.397	1,452.661
Break-up value Per Share (PKR)	105.85	97.13	87.51
Earnings / (loss) per share - PKR	11.15	5.93	(6.49)
Dividend Announced	12.50%	7.50%	NIL
Bonus Issue	NIL	NIL	NIL





FAZAL MAHMOOD & COMPANY
CHARTERED ACCOUNTANTS



*The Association of
Advisory and Accounting Firms*

The above figures have been correctly extracted from and are in agreement with the audited financial statements of the Company for the respective years.

2. The audited financial statements for the above-mentioned years were prepared in accordance with the applicable financial reporting framework as notified under the Companies Act, 2017 and were audited in accordance with International Standards on Auditing as applicable in Pakistan.
3. Our audit opinions on the financial statements for the aforesaid years were:
 - [Unmodified]

This certificate is issued solely for submission to **Pakistan Stock Exchange Limited** in compliance with the requirements of the applicable Listing Regulations and Public Offering Regulations in connection with the Company's Right Issue and for no other purpose.

For and on behalf of
M/s. Fazal Mahmood & Company
(Chartered Accountants)

Fazal Mahmood & Co



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