

ANNUAL REPORT 2026

CONTENTS

	Pages
1. Company Information	2
2. Profile	3
3. Mission / Vision Statement	4
4. Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulation, 2017	5-7
5. Chairman Review Report (English & Urdu)	8-9
6. Directors' Report (English & Urdu)	10-15
7. Financial Summary	16
8. Notice of Annual General Meeting (English & Urdu)	17-28
9. Gender Pay Gap Statement Under Circular No. 10 of 2024	29
10. Auditors' Review Report on statement of Compliance	30
11. Auditors' Report to the Members	31-34
12. Balance Sheet	35-36
13. Statement of Profit or Loss	37
14. Statement of Comprehensive Income	38
15. Statement of Changes in Equity	39
16. Statement of Cash Flow	40
17. Notes to the Financial Statements	41-77
18. Pattern of Share Holding	78
19. Information required as per Code of Corporate Governance	79
20. Notice to the Shareholders in terms of section 244 of the Companies Act 2017 to files their respective claims in respect of unpaid Dividend that remained unclaimed for a period of three years (or more)	80
21. Mandatory Requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment as Per the Companies Act, 2017	81
22. Jama Punji	82
23. Form of Proxy (English & Urdu)	83-84

COMPANY INFORMATION

Board of Directors

Mian Muhammad Anwar	(Chairman)
Asif Bashir	(Director)
Adil Bashir	(Director)
Ali Kamal	(Nominee: NIT)
Amjad Mehmood	(Independent Director)
Khurram Mazhar Karim	(Director)
Minail Mishal Adamjee	(Independent Director)

Chief Executive Officer

Khalid Bashir

Chief Financial Officer

Tariq Javed

Company Secretary

Muhammad Haroon Arif

Head of Internal Audit

Imran Abbas

Audit Committee

Amjad Mehmood	(Chairman)
Khurram Mazhar Karim	(Member)
Adil Bashir	(Member)

Human Resource & Remuneration Committee

Minail Mishal Adamjee	(Chairperson)
Asif Bashir	(Member)
Khurram Mazhar Karim	(Member)

Risk Management & Sustainability Committee

Asif Bashir	(Chairman)
Amjad Mehmood	(Member)
Khurram Mazhar Karim	(Member)
Minail Mishal Adamjee	(Member)

Share Registrar

Corptec Associates (Pvt) Ltd.
503-E, Johar Town, Lahore.

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

MCB Bank Limited
Meezan Bank Limited
Sindh Bank Limited
United Bank Limited

Registered Office

Office No. 801, Tricon Corporate Centre, 73-E,
Main Jail Road, Gulberg II, Lahore
Ph: +92-423-576 0379, 576 0381
Email: info@shams.com.pk
Web: www.shams.com.pk

Project Locations

Kotla Kahloon, District Nankana Sahib, Punjab
3-KM, Faisalabad Road, Chiniot, Punjab

PROFILE

Shams Textile Mills Limited is a public limited company incorporated on January 10, 1968. The company is primarily engaged in the manufacturing and trading of high quality Yarn.

The Company initially setup up its composite project consisting of spinning, weaving, dyeing and finishing at Chiniot in 1968. The plant today comprises of 22,080 spindles having capacity of producing 400,000 Kg/month (approx.) of yarn. During the initial years of operations the management successfully marketed the cotton yarn, grey and finished fabrics produced from these facilities, generating substantial export business. These operations resulted in the manufacturing of premium quality products leading to higher profitability for the company.

The company successfully built enough reserves over time inducing the management to think about the expansion of its existing facilities. The Management therefore decided to increase its spindle age capacity to 39,216 by installing another spinning unit at Sheikhpura Road near Shahkot. The facility started its commercial production in August 01, 1994 and ever since has contributed positively to the results of the company.

Our 17,136 spindle-spinning unit located at Shahkot has the capacity of producing 500,000 Kg (approx.) of the finest Knitting and weaving yarns monthly. Our strength is our commitment to customer satisfaction. Every product passes stringent quality control tests conducted on highly sophisticated machinery before it is dispatched to a customer.

The Company has grown steadily and has distinction of being associated with several prestigious local and foreign firms. The modern yet conservative policies of the company helped in attracting investment in the form of equity participation and loans. The weaving, dyeing and finishing facilities have been shut down with the passage of time due to lower profitability and the management's decision to primarily focus on the spinning business which has always been the company's strength.

The specialized yarn based new spinning unit of 12,096 spindles has been added to existing facilities of the Company at Shahkot to cater the demand of coarse count Slub, Multi and Lycra yarns. The plant started its commercial production in January 2006.

Shams Textile Mills Limited is managed by people who have had vast experiences in the textile sector. The management is constantly looking to avail opportunities in the field of textiles and to grow on its strengths. It has a low cost and growth driven approach to its businesses and is looking to grow further on the same policies.

MISSION / VISION STATEMENT

Our Business

We are a manufacturing organization operating spinning facilities in textile industry and our end products are sold to international and national customers.

Vision of Future Business

We are committed to becoming the premier manufacturing organization in the textile industry maintaining market leadership in the present business and diversifying into value added projects with the object of maximizing returns for all the stakeholders.

Our Strengths

We have made pioneering efforts in development of new products, which has enabled us to emerge as a market leader. This together with an innovative and professional management style has helped us to build a strong and financially sound base.

Our Strategy

We are determined to convert our vision into reality by using innovation to create a market niche for our products and by investing in facilities, people, systems and new technology, diversification into value addition and improvements in productivity and service to customers.

We shall aggressively exploit new markets by drawing strength from our corporate image and by promoting a culture that encourages initiatives at all levels of decision-making.

Our Values

- We take pride in adhering to ethical business practices and in being a good corporate citizen.
- We respect our people and endeavor to provide them opportunities to realize their full potential.
- We recognize our responsibility to our stakeholders and society.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 ("the Regulations")

Name of Company:
Year ended:

Shams Textile Mills Limited
June 30, 2026

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

- The total number of Directors are eight **(8)** as per the following:

a. Male: **7**

b. Female: **1**

- The composition of board is as follows:

Category	Names
Independent Directors	Mrs. Minail Mishal Adamjee (Female Director) Mr. Amjad Mahmood
Non-Executive Directors	Mr. Muhammad Anwar (Chairman) Mr. Khurram Mazhar Karim Mr. Adil Bashir Mr. Ali Kamal
Executive Directors	Mr. Khalid Bashir (Chief Executive Officer) Mr. Asif Bashir

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 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;
- 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.
- 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;
- 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
- Following Directors have attained the directors training program certification:

Names of Director
Mrs. Minail Mishal Adamjee Mr. Ali Kamal

The 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 Directors' training program:

Names of Directors
Mr. Muhammad Anwar Mr. Khurram Mazhar Karim Mr. Amjad Mahmood Mr. Adil Bashir Mr. Khalid Bashir (Chief Executive Officer) Mr. Asif Bashir

- 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
Mr. Amjad Mahmood	Chairman
Mr. Khurram Mazhar Karim	Member
Mr. Adil Bashir	Member

b) Human Resource, Nomination and Remuneration Committee

Names	Designation held
Mrs. Minail Mishal Adamjee	Chairperson
Mr. Khurram Mazhar Karim	Member
Mr. Asif Bashir	Member

c) Risk Management and Sustainability Committee

Names	Designation held
Mr. Asif Bashir	Chairman
Mr. Amjad Mahmood	Member
Mr. Khurram Mazhar Karim	Member
Mrs. Minail Mishal Adamjee	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 meetings were held during the financial year ended 30 June 2026.

b) Human Resource, Nomination and Remuneration Committee

One meeting of Human Resource, Nomination and Remuneration Committee was held during the financial year ended 30 June 2026.

c) Risk Management and Sustainability Committee

No meeting of the Risk Management and Sustainability Committee was held during the financial year ended 30 June 2026.

15. The board has set up an effective internal audit function by appointing Head of Internal Audit and has outsourced the internal audit function to M/s Tahir Consulting (Private) Limited, 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, the 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;

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

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, nomination and remuneration committee. The Board shall consider to constitute separate nomination committee after next election of directors.	29
2	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
3	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)
4	Significant policies The Board is required to approve anti-harassment policy to safeguard the rights and well-being of employees.	Securities and Exchange Commission of Pakistan (SECP) amended regulation 10 of the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(4)(xvi)
5	Role of the Board & its members to address Sustainability Risk & 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.	SECP introduced new regulation 10A in the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(A)
6	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
7	Responsibilities of the Board & its members The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	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, the appointment of a third independent director is not warranted.



MUHAMMAD ANWAR
Chairman

28 September, 2026
Lahore

CHAIRMANS' REVIEW REPORT

I am delighted to share the Chairman's Review Report of our company for the fiscal year ending on 30 June 2026.

Effectiveness and Overall Performance of the Board

During the year under review, the Board of Directors continued to discharge its responsibilities with due care, diligence and commitment. The Board remained focused on providing strategic direction to the Company, overseeing business operations, monitoring financial performance and ensuring that appropriate systems of internal control, risk management and corporate governance remained in place.

The Board considers that it has effectively performed its oversight responsibilities during the year. The Board's deliberations were directed towards the sustainable operation of the Company and the protection of the interests of shareholders and other stakeholders.

Economic Overview

The textile spinning industry remained under significant cost and competitive pressure during FY2025-26. High energy and operating costs, raw-material availability, taxation distortions, and intense regional competition continued to constrain margins and capacity utilization. The State Bank of Pakistan has also highlighted that high energy and operational costs adversely affected upstream textile segments, particularly spinning.

The industry also continued to face structural challenges relating to domestic cotton availability and energy competitiveness. The Pakistan Economic Survey noted the sector's dependence on an integrated supply chain from cotton and ginning through spinning, making the performance of spinning particularly important for the wider textile value chain.

Corporate Governance

The Chairman's review report for Shams Textile Mills Limited highlights the company's commitment to strong corporate governance practices. The Board of Directors plays a crucial role in ensuring adherence to the Corporate Governance Code established by the Securities and Exchange Commission of Pakistan (SECP). This involves maintaining sound internal control policies and conducting continuous operational reviews. The company has taken proactive measures to align its governance structure with regulatory requirements and industry standard practices.

Furthermore, the company emphasizes transparency in financial reporting and risk management. The Board and its committees, including the audit and risk committees, actively manage financial and operational risks, including market fluctuations and interest rates.

Shams Textile also integrates Corporate Social Responsibility (CSR) into its business strategy, focusing on environmental sustainability and worker welfare as part of its governance framework.

Acknowledgement

In conclusion, I express my heartfelt appreciation to all shareholders for their sustained trust in our Company. The Board and I also extend our gratitude to every member of the STML team for their unwavering support and dedication. Despite the present challenges, our focus on effective management bolsters our confidence in enhancing shareholder value.



MUHAMMAD ANWAR

(CHAIRMAN)

28TH September, 2026

چیئر مین کی جائزہ رپورٹ

مجھے 30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے اپنی کمپنی کی چیئر مین کی جائزہ رپورٹ پیش کرتے ہوئے انتہائی مسرت ہو رہی ہے۔

بورڈ کی مؤثریت اور مجموعی کارکردگی

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز نے پوری احتیاط، مستعدی اور عزم کے ساتھ اپنی ذمہ داریاں ادا کرنے کا سلسلہ جاری رکھا۔ بورڈ کی توجہ کمپنی کو اسٹریٹجک سمت فراہم کرنے، کاروباری امور کی نگرانی، مالیاتی کارکردگی کا جائزہ لینے اور اس امر کو یقینی بنانے پر مرکوز رہی کہ داخلی کنٹرول، رسک مینجمنٹ اور کارپوریٹ گورننس کے مناسب نظام بدستور قائم رہیں۔

بورڈ سمجھتا ہے کہ اس نے سال کے دوران اپنی نگرانی کی ذمہ داریاں مؤثر طریقے سے انجام دی ہیں۔ بورڈ کے غور و خوض کا محور کمپنی کے پائیدار آپریشنز اور شیئر ہولڈرز و دیگر اسٹیک ہولڈرز کے مفادات کا تحفظ رہا۔

معاشی جائزہ

مالی سال 2025-26ء کے دوران ٹیکسٹائل اسپننگ کی صنعت بدستور لاگت اور مسابقت کے شدید دباؤ کا شکار رہی۔ توانائی اور آپرٹنگ کے بلند اخراجات، خام مال کی دستیابی، ٹیکسیشن میں پائے جانے والے عدم توازن اور شدید علاقائی مسابقت منافع کے مارجن اور پیداواری گنجائش کے استعمال کو محدود کرتے رہے۔ اسٹیٹ بینک آف پاکستان نے بھی اس امر کی نشاندہی کی ہے کہ توانائی اور آپریشنل کے بلند اخراجات نے ٹیکسٹائل کے ابتدائی شعبوں، بالخصوص اسپننگ، کو بری طرح متاثر کیا۔ صنعت کو ملکی سطح پر کپاس کی دستیابی اور توانائی کی مسابقت سے متعلق ڈھانچے جاتی چیلنجز کا بھی مسلسل سامنا رہا۔ پاکستان اکنامک سروے میں اس شعبے کے کپاس اور جنگ سے لے کر اسپننگ تک ایک مربوط سپلائی چین پر انحصار کا ذکر کیا گیا ہے، جس کی وجہ سے اسپننگ کی کارکردگی ٹیکسٹائل کی وسیع تر ویلیو چین کے لیے خصوصی اہمیت کی حامل ہے۔

کارپوریٹ گورننس

شس ٹیکسٹائل ملز لمیٹڈ کی چیئر مین کی جائزہ رپورٹ مضبوط کارپوریٹ گورننس کے طریقہ کار سے کمپنی کی وابستگی کو اجاگر کرتی ہے۔ بورڈ آف ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے وضع کردہ کوڈ آف کارپوریٹ گورننس کی پاسداری کو یقینی بنانے میں کلیدی کردار ادا کرتا ہے۔ اس میں داخلی کنٹرول کی مستحکم پالیسیوں کو برقرار رکھنا اور آپریشنز کا مسلسل جائزہ لینا شامل ہے۔ کمپنی نے اپنے گورننس ڈھانچے کو ریگولیٹری تقاضوں اور صنعت کے معیاری طریقہ کار سے ہم آہنگ کرنے کے لیے پیشگی اقدامات کیے ہیں۔

مزید برآں، کمپنی مالیاتی رپورٹنگ اور رسک مینجمنٹ میں شفافیت پر زور دیتی ہے۔ بورڈ اور اس کی کمیٹیاں، بشمول آڈٹ اور رسک کمیٹیاں، مارکیٹ کے اتار چڑھاؤ اور شرح سود سمیت مالیاتی اور آپریشنل خطرات کا فعال انداز میں انتظام کرتی ہیں۔

شس ٹیکسٹائل اپنے گورننس فریم ورک کے حصے کے طور پر کارپوریٹ سماجی ذمہ داری (CSR) کو بھی اپنی کاروباری حکمت عملی میں شامل کرتی ہے، جس میں ماحولیاتی پائیداری اور کارکنان کی فلاح و بہبود پر خصوصی توجہ دی جاتی ہے۔

اظہار تشکر

آخر میں، میں تمام شیئر ہولڈرز کا ہماری کمپنی پر مسلسل اعتماد کے لیے تہ دل سے شکریہ ادا کرتا ہوں۔ بورڈ اور میں STML ٹیم کے ہر رکن کے بھی ان کی غیر متزلزل حمایت اور لگن پر شکر گزار ہیں۔ موجودہ چیلنجز کے باوجود، مؤثر انتظام پر ہماری توجہ شیئر ہولڈرز کی قدر میں اضافے کے حوالے سے ہمارے اعتماد کو مزید تقویت دیتی ہے۔

— محمد انور

محمد انور

(چیئر مین)

28 ستمبر 2026ء

DIRECTORS' REPORT

The Directors of the Company are pleased to present their Report, together with the audited financial statements of the Company and the Auditors' Report thereon for the year ended June 30, 2026.

OVERVIEW

The financial year 202526 remained challenging for the domestic textile sector, with subdued global demand, elevated energy and input costs, and a high interest rate environment continuing to affect operating conditions. Despite these challenges, the Company improved its operating and gross margins through better capacity utilization and cost discipline. Elevated finance costs, however, continued to affect the overall profitability. The Board remains focused on strengthening the Company's core spinning operations, improving product mix and managing liquidity prudently.

BUSINESS PERFORMANCE

During the fiscal year ended June 30, 2026, the Company generated sales of Rs. 3.757 billion, compared with Rs. 4.104 billion in the corresponding period. Despite the decline in sales, improved gross and operating margins reflected better capacity utilization and continued cost discipline.

FINANCIAL PERFORMANCE AT A GLANCE

Rupees in millions

Income Statement	2026	2025	% change
Sales	3,757	4,104	(8.46) %
Gross Profit	272	92	195.65 %
Operating Profit	165	8	1962.50 %
Financial cost	162	106	52.83 %
Profit/(Loss) before taxation	3.08	(97)	103.18 %
Taxation	47.25	39.72	18.96 %
Net (Loss)	(44.17)	(137.19)	(67.80) %
(Loss) per Share (EPS)	(5.11)	(15.88)	

The Company achieved a gross profit of Rs. 272.929 million during the year under review, compared with Rs. 91.979 million in the previous financial year. The improvement reflects better capacity utilization and cost discipline.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the manufacturing and sale of yarn, along with allied trading activities. The Company operates spinning units at Chiniot and Shahkot in Punjab, and there was no material change in these principal activities during the year under review.

FINANCIAL STATEMENTS

In accordance with Regulation 25 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG Regulations, 2019"), the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for

consideration and approval of the Board of Directors. Upon consideration and approval, the Board authorizes the signing of the financial statements for issuance and circulation. The financial statements of the Company have been audited by M/s Riaz Ahmad & Co., Chartered Accountants, whose report is attached to the financial statements. The auditors have issued an unqualified report to the members.

RISK MANAGEMENT FRAMEWORK

The Company's activities expose it to a variety of financial risks, including market risk (comprising currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management framework focuses on identifying, assessing, monitoring and managing financial risks and minimizing their potential adverse impact on financial performance. Risk management is carried out by the Finance Department under policies approved by the Board of Directors, covering specific areas including currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

- The financial statements prepared by the Company's management present fairly its state of affairs, results of operations, cash flows and changes in equity.
- Proper books of account 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 (IFRSs) and Islamic Financial Accounting Standards (IFASs), as applicable in Pakistan, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed and explained.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- Outstanding taxes and levies are disclosed in the Notes to the Financial Statements.
- During the year, Mrs. Minail Mishal Adamjee completed the Directors' Training Program in accordance with the applicable requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Accordingly, she has fulfilled the applicable requirements relating to Directors' training under the said Regulations and is duly qualified to serve as a Director of the Company.

The majority of the Board members have the prescribed qualifications and experience required for exemption from the Directors' Training Program. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company has complied, in all material respects, with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Statement of Compliance in this regard is annexed to this report.

COMPOSITION OF THE BOARD

The Board of Shams Textile Mills Limited comprises eight (8) Directors, including seven (7) male Directors and one (1) female Director. The composition of the Board as at June 30, 2026 is as follows:

S. No.	Category	Name
1	Independent Directors	Mr. Amjad Mehmood Mrs. Minail Mishal Adamjee
2	Non-Executive Directors	Mr. Muhammad Anwar (Chairman) Mr. Khurram Mazhar Karim Mr. Adil Bashir Mr. Ali Kamal
3	Executive Directors	Mr. Khalid Bashir (CEO) Mr. Asif Bashir

ELECTION OF DIRECTORS / COMPOSITION OF THE BOARD AND ITS COMMITTEES

An Extraordinary General Meeting (EOGM) was held on June 1, 2026, during which elections were conducted for two positions on the Board of Directors following the resignations of Mr. Muhammad Shafiq Gill, Non-Executive Director, and Mr. Shahid Arshad, Independent Director. Accordingly, Mr. Ali Kamal, Non-Executive Director, and Mr. Amjad Mehmood, Independent Director, were elected to serve on the Board.

BOARD COMMITTEES

The Board of Directors has constituted the following three (3) Committees to assist in carrying out its fiduciary duties. The Committees, their membership details and meetings held during the financial year 202526 are set out below:

Committees	Meetings Held During the FY 2026
Audit Committee (AC)	4
HR, Nomination & Remuneration Committee (HRN&RC)	1
Risk Management & Sustainability Committee (RM&SC)	-

AUDIT COMMITTEE

The Board of Directors, in compliance with the Code of Corporate Governance, has established an Audit Committee. Four meetings of the Audit Committee were held during the financial year 202526. The composition of the Committee is as follows:

Sr. No.	Name of Directors	Category
1	Mr. Amjad Mahmood	Chairman
2	Mr. Khurram Mazhar Karim	Member
3	Mr. Adil Bashir	Member

HUMAN RESOURCE, NOMINATION & REMUNERATION COMMITTEE

The Board of Directors, in compliance with the Code of Corporate Governance, has established a Human Resource, Nomination & Remuneration Committee. One meeting of the Committee was held during the financial year 202526. The composition of the Committee is as follows

Sr. No.	Name of Directors	Category
1	Mrs. Minail Mishal Adamjee	Chairperson
2	Mr. Khurram Mazhar Karim	Member
3	Mr. Asif Bashir	Member

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE

The Board of Directors, in compliance with the Code of Corporate Governance, has established a Risk Management & Sustainability Committee. The composition of the Committee is as follows:

Sr. No.	Name of Directors	Category
1	Mr. Asif Bashir	Chairman
2	Mr. Amjad Mahmood	Member
3	Mr. Khurram Mazhar Karim	Member
4	Mrs. Minail Mishal Adamjee	Member

MEETINGS OF THE BOARD AND COMMITTEES

During the fiscal year 2026, five (05) meetings of the Board of Directors were held, along with the requisite meetings of its committees to complete the full cycle of activities. The names of the Directors and their attendance at these meetings are presented below:

Name(s) Of The Director(s)	EOGM	BOD	AC	HRN&RC
Mr. Muhammad Anwar	1/1	5/5		
Mr. Khalid Bashir	1/1	5/5		
Mr. Asif Bashir	-	5/5		1/1
Mr. Adil Bashir	-	4/5	4/4	
Mr. Khurram Mazhar Karim	1/1	5/5	4/4	1/1
Mr. Shahid Arshad	-	5/5	4/4	
Mr. Mohammad Shafiq Gill	-	5/5		
Mrs. Minal Mishal Adamjee	1/1	5/5		1/1
*Mr. Ali Kamal	-	-		
*Mr. Amjad Mahmood	-	1/5		

After the election of Directors, the Committees were reconstituted. Mr. Shahid Arshad ceased to be a member of the Audit Committee and the Risk Management & Sustainability Committee.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

The evaluation of the Board's role in oversight and its effectiveness is a continual process undertaken by the Board. The core areas of focus include:

- Alignment of corporate goals and objectives with the vision and mission of the Company.
- Strategy formulation and planning for sustainable operations.
- The Board's independence and effectiveness.

Individual feedback was obtained and, based on the feedback received, the average assessment of the performance of the Board and the role of the Chairman in governing the Board was found to be up to the mark.

DIRECTORS' REMUNERATION

The Board of Directors has established a policy for determining Directors' remuneration. Its salient features are as follows:

- The Company does not pay any remuneration to Non-Executive Directors other than meeting fees for attending meetings of the Board and its Committees.
- The remuneration of Directors and meeting fees for attending meetings of the Board of Directors or its Committees are determined and approved by the Board of Directors.
- The remuneration of Directors is paid as approved by the Board. The remuneration package is designed to attract suitable candidates and talent to the Board.

A Director is provided or reimbursed for travelling, boarding, lodging and other expenses incurred in attending meetings of the Board, its Committees and General Meetings of the Company.

Details of remuneration paid to Executive Directors of the Company for FY 2026, as required under Regulation 34(3) of the Code of Corporate Governance Regulations, 2019, are annexed with this report.

RELATED PARTY TRANSACTIONS

All related party transactions are entered into on an arm's length basis in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2017. All related party transactions during FY 2026 were placed before the Audit Committee and the Board for review and approval.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2026, as required under the applicable reporting framework, is annexed to this report.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of this Directors' Report.

ADEQUACY OF INTERNAL AND FINANCIAL CONTROLS

The Board of Directors has established an effective system of internal and financial controls designed to ensure:

- Effective and efficient conduct of operations.
- Safeguarding of the Company's assets.
- Compliance with applicable laws and regulations.
- Reliable financial reporting.

The independent Internal Audit function of Shams Textile Mills

Limited is outsourced to Tahir Consulting, which regularly appraises and monitors the implementation of standard operating procedures. Internal Audit Reports are presented to the Audit Committee on a quarterly basis in accordance with the approved Annual Internal Audit Plan. The Audit Committee reviews the effectiveness of the internal control framework and the financial statements in its meetings.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company believes in integrating corporate social responsibility into its business. It maintains occupational health and safety standards and considers the well-being of its employees a key responsibility. The Company provides in-house dispensaries supervised by qualified doctors at its production facilities. It also owns and operates firefighting equipment and maintains the relevant certificates. The Company is certified under various social compliance programmes to support worker health and safety and initiatives aimed at reducing its carbon footprint.

AUDITORS

M/s Riaz Ahmad & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment for FY 2027. The Audit Committee has recommended their re-appointment, which has been endorsed by the Board for consideration and approval of the shareholders at the forthcoming Annual General Meeting.

FUTURE OUTLOOK

Despite the challenges facing the textile sector, the Company remains focused on strengthening its core operations and creating sustainable value for its stakeholders. The Company is preparing for the impact of high interest rates and potential cash flow pressures by actively seeking additional financing. Management remains committed to enhancing product quality through the upgrading of facilities and equipment, with the objective of improving operational efficiency and consistency in product quality. The Company is also prioritizing the production of certified yarns using recycled and synthetic fibres to enhance product value. In a competitive market, the Company will continue to work towards expanding its product range, strengthening its market position and improving profitability.

ACKNOWLEDGEMENTS

The Board of Directors would like to thank all stakeholders of the Company, including customers, shareholders, vendors, government agencies, banks and other business associates, for their continued support during the year. The Board also recognizes the contribution of the Company's dedicated team and appreciates their commitment and efforts throughout the year.

For and on behalf of the Board of Directors



Khalid Bashir
Chief Executive



Asif Bashir
Director

28 September, 2026

Lahore

شمس ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ

اپنے دستخطوں سے توثیق کے بعد بورڈ آف ڈائریکٹرز کے غور اور منظوری کے لیے پیش کرتے ہیں۔ غور اور منظوری کے بعد، بورڈ مالیاتی گوشواروں کے اجراء اور تقسیم کے لیے ان پر دستخط کی اجازت دیتا ہے۔ کمپنی کے مالیاتی گوشواروں کا آڈٹ میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کیا ہے، جن کی رپورٹ مالیاتی گوشواروں کے ساتھ منسلک ہے۔ آڈیٹرز نے اراکین کو غیر مشروط (unqualified) رپورٹ جاری کی ہے۔

رسک مینجمنٹ فریم ورک

کمپنی کی سرگرمیاں اسے مختلف مالیاتی خطرات سے دوچار کرتی ہیں، جن میں مارکیٹ رسک (بشمول کرنسی رسک، دیگر قیمتوں کا رسک اور شرح سود کا رسک)، کریڈٹ رسک اور لیکویڈیٹی رسک شامل ہیں۔ کمپنی کا مجموعی رسک مینجمنٹ فریم ورک مالیاتی خطرات کی نشاندہی، تجزیہ، نگرانی اور انتظام، اور مالیاتی کارکردگی پر ان کے ممکنہ منفی اثرات کو کم سے کم کرنے پر مرکوز ہے۔ رسک مینجمنٹ کا کام شعبہ مالیات بورڈ آف ڈائریکٹرز کی منظور شدہ پالیسیوں کے تحت انجام دیتا ہے، جو کرنسی رسک، دیگر قیمتوں کے رسک، شرح سود کے رسک، کریڈٹ رسک اور لیکویڈیٹی رسک سمیت مخصوص شعبوں کا احاطہ کرتی ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق بیان:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کی مصنفانہ عکاسی کرتے ہیں۔
- کھاتوں کی باقاعدہ کتابیں رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا تسلسل کے ساتھ اطلاق کیا گیا ہے، اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRSs) اور اسلامی مالیاتی اکاؤنٹنگ معیارات (IFASs) کی پیروی کی گئی ہے، اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر اور واضح کیا گیا ہے۔
- کمپنی کے کاروبار جاری رکھنے (going concern) کی صلاحیت کے بارے میں کوئی نمایاں شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی نمایاں انحراف نہیں کیا گیا۔
- واجب الادا سیکسز اور محصولات کو مالیاتی گوشواروں کے نوٹس میں ظاہر کیا گیا ہے۔
- سال کے دوران، محترمہ منیل مشعل آدم جی نے سیکرٹری (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کے قابل اطلاق تقاضوں کے مطابق ڈائریکٹرز ٹریننگ پروگرام مکمل کیا۔ چنانچہ، انہوں نے مذکورہ ریگولیشنز کے تحت ڈائریکٹرز کی تربیت سے متعلق قابل اطلاق تقاضے پورے کر لیے ہیں اور وہ کمپنی کی ڈائریکٹرز کے طور پر خدمات انجام دینے کی باقاعدہ اہل ہیں۔

بورڈ کے اراکین کی اکثریت ڈائریکٹرز ٹریننگ پروگرام سے استثنیٰ کے لیے مقررہ اہلیت اور تجربہ رکھتی ہے۔ تمام ڈائریکٹرز کارپوریٹ اداروں کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

کمپنی نے سیکرٹری (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کے تقاضوں کی تمام اہم

کمپنی کے ڈائریکٹرز 30 جون 2026ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں اور ان پر آڈیٹرز کی رپورٹ کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

جائزہ

مالی سال 2025-26 ملکی ٹیکسٹائل شعبے کے لیے ایک مشکل سال رہا، جس میں عالمی طلب میں کمی، توانائی اور خام مال کی بلند لاگت، اور بلند شرح سود کا ماحول کاروباری حالات پر بدستور اثر انداز ہوتا رہا۔ ان چیلنجز کے باوجود، کمپنی نے پیداواری گنجائش کے بہتر استعمال اور لاگت پر سخت کنٹرول کے ذریعے اپنے آپریٹنگ اور مجموعی منافع کے مارجن میں بہتری حاصل کی۔ تاہم، بلند مالیاتی اخراجات مجموعی منافع پر بدستور اثر انداز ہوتے رہے۔ بورڈ کی توجہ کمپنی کے بنیادی اسپیننگ آپریشنز کو مستحکم کرنے، پروڈکٹس کو بہتر بنانے اور لیکویڈیٹی کے دانشمندانہ انتظام پر مرکوز ہے۔

کاروباری کارکردگی

30 جون 2026ء کو ختم ہونے والے مالی سال کے دوران، کمپنی نے 3,757 ارب روپے کی فروخت حاصل کی، جبکہ گزشتہ سال کی اسی مدت میں فروخت 4,104 ارب روپے تھی۔ فروخت میں کمی کے باوجود، مجموعی اور آپریٹنگ مارجن میں بہتری پیداواری گنجائش کے بہتر استعمال اور لاگت پر مسلسل کنٹرول کی عکاس ہے۔

مالیاتی کارکردگی ایک نظر میں

گوشوارہ آمدن	2026	2025	تبدیلی
(ملین روپے میں)			
فروخت	3,757	4,104	(8.46)%
مجموعی منافع	272	92	195.65%
آپریٹنگ منافع	165	8	1962.50%
مالیاتی لاگت	162	106	52.83%
ٹیکس سے قبل منافع / (نقصان)	3.08	(97)	103.18%
ٹیکس	47.25	39.72	18.96%
خالص (نقصان)	(44.17)	(137.19)	(67.80)%
نیٹ حصص (نقصان) (EPS)	(5.11)	(15.88)	

زیر جائزہ سال کے دوران کمپنی نے 272.929 ملین روپے کا مجموعی منافع حاصل کیا، جبکہ گزشتہ مالی سال میں یہ 91.979 ملین روپے تھا۔ یہ بہتری پیداواری گنجائش کے بہتر استعمال اور لاگت پر کنٹرول کی عکاس ہے۔

بنیادی سرگرمیاں

کمپنی کی بنیادی سرگرمی دھاگے (یارن) کی تیاری اور فروخت کے ساتھ ساتھ متعلقہ تجارتی سرگرمیاں ہیں۔ کمپنی پنجاب میں چنیوٹ اور شاہ کوٹ کے مقامات پر اسپیننگ یونٹس چلاتی ہے، اور زیر جائزہ سال کے دوران ان بنیادی سرگرمیوں میں کوئی نمایاں تبدیلی نہیں ہوئی۔

مالیاتی گوشوارے

سیکرٹری (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء ("2019, CCG Regulations") کے ضابطہ 25 کے مطابق، چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر مالیاتی گوشوارے اپنے

کی تشکیل درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	حیثیت
1	محترمہ منیل مشعل آدم جی	چیئر پرسن
2	جناب خرم مظہر کریم	رکن
3	جناب آصف بشیر	رکن

رسک مینجمنٹ و پائیداری کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں رسک مینجمنٹ و پائیداری کمیٹی قائم کی ہے۔ کمیٹی کی تشکیل درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	حیثیت
1	جناب آصف بشیر	چیئر مین
2	جناب امجد محمود	رکن
3	جناب خرم مظہر کریم	رکن
4	محترمہ منیل مشعل آدم جی	رکن

بورڈ اور کمیٹیوں کے اجلاس

مالی سال 2026ء کے دوران بورڈ آف ڈائریکٹرز کے پانچ (05) اجلاس منعقد ہوئے، نیز سرگرمیوں کا مکمل دور پورا کرنے کے لیے اس کی کمیٹیوں کے مطلوبہ اجلاس بھی منعقد کیے گئے۔ ڈائریکٹرز کے نام اور ان اجلاسوں میں ان کی حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	EOGM	BOD	AC	HRN&RC
جناب محمد انور	1/1	5/5		
جناب خالد بشیر	1/1	5/5		
جناب آصف بشیر	-	5/5		1/1
جناب عادل بشیر	-	5/4	4/4	
جناب خرم مظہر کریم	1/1	5/5	4/4	1/1
جناب شاہد ارشد	-	5/5	4/4	
جناب محمد شفیق گل	-	5/5		
محترمہ منیل مشعل آدم جی	1/1	5/5		1/1
* جناب علی کمال	-	-		
* جناب امجد محمود	-	5/1		

ڈائریکٹرز کے انتخاب کے بعد کمیٹیوں کی از سر نو تشکیل کی گئی۔ جناب شاہد ارشد آڈٹ کمیٹی اور رسک مینجمنٹ و پائیداری کمیٹی کے رکن نہیں رہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ

نگران میں بورڈ کے کردار اور اس کی مؤثریت کا جائزہ بورڈ کی جانب سے جاری رہنے والا ایک مسلسل عمل ہے۔ توجہ کے بنیادی شعبے درج ذیل ہیں:

- کارپوریٹ اہداف و مقاصد کی کمیٹی کے وٹن اور مشن سے ہم آہنگی۔
- پائیدار آپریشنز کے لیے حکمت عملی کی تشکیل اور منصوبہ بندی۔
- بورڈ کی خود مختاری اور مؤثریت۔

پہلوؤں میں تعمیل کی ہے۔ اس سلسلے میں تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ کی تشکیل

شس ٹیکسٹائل ملز لمیٹڈ کا بورڈ آٹھ (8) ڈائریکٹرز پر مشتمل ہے، جن میں سات (7) مرد ڈائریکٹرز اور ایک (1) خاتون ڈائریکٹر شامل ہیں۔ 30 جون 2026ء تک بورڈ کی تشکیل درج ذیل ہے:

نمبر شمار	زمرہ	نام
1	آزاد ڈائریکٹرز	جناب امجد محمود محترمہ منیل مشعل آدم جی
2	نان ایگزیکٹو ڈائریکٹرز	جناب محمد انور (چیئر مین) جناب خرم مظہر کریم جناب عادل بشیر جناب علی کمال
3	ایگزیکٹو ڈائریکٹرز	جناب خالد بشیر (چیف ایگزیکٹو آفیسر) جناب آصف بشیر

ڈائریکٹر کا انتخاب / بورڈ اور اس کی کمیٹیوں کی تشکیل

یکم جون 2026ء کو ایک غیر معمولی اجلاس عام (EOGM) منعقد ہوا، جس میں نان ایگزیکٹو ڈائریکٹر جناب محمد شفیق گل اور آزاد ڈائریکٹر جناب شاہد ارشد کے استعفوں کے بعد بورڈ آف ڈائریکٹرز کی دو نشستوں کے لیے انتخابات کرائے گئے۔ چنانچہ، نان ایگزیکٹو ڈائریکٹر جناب علی کمال اور آزاد ڈائریکٹر جناب امجد محمود بورڈ کے رکن منتخب ہوئے۔

بورڈ کمیٹیاں

بورڈ آف ڈائریکٹرز نے اپنے امانتی فرائض کی انجام دہی میں معاونت کے لیے درج ذیل تین (3) کمیٹیاں تشکیل دی ہیں۔ کمیٹیوں، ان کی رکنیت کی تفصیلات اور مالی سال 2025-26ء کے دوران منعقدہ اجلاسوں کی تفصیل درج ذیل ہے:

کمیٹیاں	مالی سال 2026ء کے دوران منعقدہ اجلاس
آڈٹ کمیٹی (AC)	4
ہیومن ریسورس، نامزدگی و معاوضہ کمیٹی (HRN&RC)	1
رسک مینجمنٹ و پائیداری کمیٹی (RM&SC)	-

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں ایک آڈٹ کمیٹی قائم کی ہے۔ مالی سال 2025-26ء کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ کمیٹی کی تشکیل درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	حیثیت
1	جناب امجد محمود	چیئر مین
2	جناب خرم مظہر کریم	رکن
3	جناب عادل بشیر	رکن

ہیومن ریسورس، نامزدگی و معاوضہ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں ہیومن ریسورس، نامزدگی و معاوضہ کمیٹی قائم کی ہے۔ مالی سال 2025-26ء کے دوران کمیٹی کا ایک اجلاس منعقد ہوا۔ کمیٹی

سالانہ داخلی آڈٹ پلان کے مطابق داخلی آڈٹ رپورٹس سہ ماہی بنیاد پر آڈٹ کمیٹی کو پیش کی جاتی ہیں۔ آڈٹ کمیٹی اپنے اجلاسوں میں داخلی کنٹرول کے فریم ورک کی موثریت اور مالیاتی گوشواروں کا جائزہ لیتی ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی کارپوریٹ سماجی ذمہ داری کو اپنے کاروبار کا حصہ بنانے پر یقین رکھتی ہے۔ کمپنی پیشہ ورانہ صحت اور حفاظت کے معیارات برقرار رکھتی ہے اور اپنے ملازمین کی فلاح و بہبود کو ایک اہم ذمہ داری سمجھتی ہے۔ کمپنی اپنی پیداواری تنصیبات پر مستند ڈاکٹروں کی نگرانی میں اندرونی ڈیپنٹریاں فراہم کرتی ہے۔ کمپنی آگ بجھانے کے آلات کی مالک ہے، انہیں چلاتی ہے اور متعلقہ سرٹیفکیٹس رکھتی ہے۔ کمپنی کارکنوں کی صحت و حفاظت اور اپنے کاربن فٹ پرنٹ میں کمی کے اقدامات کی معاونت کے لیے مختلف سماجی تعمیل کے پروگراموں کے تحت سند یافتہ ہے۔

آڈیٹرز

میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر سبکدوش ہو رہے ہیں اور انہوں نے مالی سال 2027ء کے لیے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے، جس کی بورڈ نے توثیق کی ہے، اور یہ آئندہ سالانہ اجلاس عام میں حصص یافتگان کے غور اور منظوری کے لیے پیش کی جائے گی۔

مستقبل کا منظر نامہ

ٹیکسٹائل شعبے کو درپیش چیلنجز کے باوجود، کمپنی کی توجہ اپنے بنیادی آپریشنز کو مستحکم کرنے اور اپنے اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے پر مرکوز ہے۔ کمپنی اضافی مالی وسائل کے حصول کی فعال کوششوں کے ذریعے بلند شرح سود کے اثرات اور نقدی کے بہاؤ پر ممکنہ دباؤ سے نمٹنے کی تیاری کر رہی ہے۔ انتظامیہ آپریشنل کارکردگی اور مصنوعات کے معیار میں یکسانیت کو بہتر بنانے کے مقصد سے تنصیبات اور آلات کی اپ گریڈیشن کے ذریعے مصنوعات کے معیار میں اضافے کے لیے پُر عزم ہے۔ کمپنی مصنوعات کی قدر بڑھانے کے لیے ری سائیکل شدہ اور مصنوعی ریشوں سے سند یافتہ دھاگوں کی تیاری کو بھی ترجیح دے رہی ہے۔ مسابقتی مارکیٹ میں، کمپنی اپنی مصنوعات کی رینج میں توسیع، مارکیٹ میں اپنی پوزیشن کے استحکام اور منافع میں بہتری کے لیے کوشاں رہے گی۔

اظہار تشکر

بورڈ آف ڈائریکٹرز سال بھر مسلسل تعاون پر کمپنی کے تمام اسٹیک ہولڈرز بشمول صارفین، حصص یافتگان، سپلائرز، سرکاری اداروں، بینکوں اور دیگر کاروباری شراکت داروں کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی کی مخلص ٹیم کی خدمات کا بھی اعتراف کرتا ہے اور سال بھر ان کے عزم اور کوششوں کو سراہتا ہے۔

منجانب ویرائے بورڈ آف ڈائریکٹرز

محمد آصف بشیر

آصف بشیر

ڈائریکٹر

خالد بشیر

چیف ایگزیکٹو آفیسر

28 ستمبر 2026ء

لاہور

انفرادی آراء حاصل کی گئیں اور موصولہ آراء کی بنیاد پر بورڈ کی کارکردگی اور بورڈ کی قیادت میں چیئرمین کے کردار کا اوسط جائزہ معیار کے مطابق پایا گیا۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کے تعین کے لیے ایک پالیسی وضع کی ہے، جس کی نمایاں خصوصیات درج ذیل ہیں:

- کمپنی نان ایگزیکٹو ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی۔
- ڈائریکٹرز کے معاوضے اور بورڈ آف ڈائریکٹرز یا اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کا تعین اور منظوری بورڈ آف ڈائریکٹرز کرتا ہے۔
- ڈائریکٹرز کا معاوضہ بورڈ کی منظوری کے مطابق ادا کیا جاتا ہے۔ معاوضے کا بتکینج بورڈ کے لیے موزوں امیدواروں اور باصلاحیت افراد کو راغب کرنے کے لیے ترتیب دیا گیا ہے۔
- ڈائریکٹر کو بورڈ، اس کی کمیٹیوں اور کمپنی کے اجلاس عام میں شرکت کے لیے سفر، قیام و طعام اور دیگر اخراجات فراہم ہان کی ادائیگی کی جاتی ہے۔

کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019ء کے ضابطہ 34(3) کے تحت مطلوبہ، مالی سال 2026ء کے لیے کمپنی کے ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے معاوضے کی تفصیلات اس رپورٹ کے ساتھ منسلک ہیں۔

متعلقہ فریقوں کے ساتھ لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین معمول کے کاروبار کے دوران مساوی بنیاد (s' arm length) پر اوپنیز ایکٹ، 2017ء کی قابل اطلاق دفعات کی تعمیل میں کیے جاتے ہیں۔ مالی سال 2026ء کے دوران متعلقہ فریقوں کے ساتھ تمام لین دین جائزے اور منظوری کے لیے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیے گئے۔

حصص داری کا نمونہ (پٹرین آف شیئر ہولڈنگ)

قابل اطلاق رپورٹنگ فریم ورک کے تحت مطلوبہ، 30 جون 2026ء تک کمپنی کی حصص داری کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

بعد از سال واقعات

جس مالی سال سے یہ مالیاتی گوشوارے متعلق ہیں اس کے اختتام اور اس ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی نمایاں تبدیلی یا وعدہ رونما نہیں ہوا۔ داخلی اور مالیاتی کنٹرولز کی موزونیت بورڈ آف ڈائریکٹرز نے داخلی اور مالیاتی کنٹرولز کا ایک مؤثر نظام قائم کیا ہے جس کا مقصد درج ذیل کو یقینی بنانا ہے:

- آپریشنز کی مؤثر اور مستعد انجام دہی۔
- کمپنی کے اثاثوں کا تحفظ۔
- قابل اطلاق قوانین و ضوابط کی تعمیل۔
- قابل اعتماد مالیاتی رپورٹنگ۔

شس ٹیکسٹائل ملز لمیٹڈ کا آزاد داخلی آڈٹ کا شعبہ طاہر کنسلٹنگ کو آڈٹ سوس کیا گیا ہے، جو معیاری طریقہ کار (SOPs) کے نفاذ کا باقاعدگی سے جائزہ اور نگرانی کرتا ہے۔ منظور شدہ

FINANCIAL SUMMARY

For the year ended June 30, 2026

rupees in '000's	2026	2025	2024	2023	2022	2021
Net Sales	3,756,865	4,104,812	6,916,185	3,309,014	8,674,940	7,122,421
Cost of sales	3,484,936	4,012,833	6,645,455	3,363,623	8,035,081	6,393,472
Gross Profit/(Loss)	271,929	91,979	270,730	(54,609)	639,859	728,949
Distribution cost	22,050	25,623	60,871	36,846	69,108	65,917
Administrative expenses	129,811	121,152	123,365	116,296	94,130	81,593
Other expenses	568	791	33,049	3,928	31,865	63,489
	152,429	147,566	217,285	157,070	195,103	210,999
	119,500	(55,587)	53,445	(211,679)	444,756	517,950
Other income	45,284	63,766	89,788	114,621	17,463	18,843
Operating Profit/(Loss)	164,784	8,179	143,233	(97,058)	462,219	536,793
Finance cost	(161,700)	(105,650)	(90,503)	(10,658)	(96,538)	(70,327)
Profit/(Loss) before taxation	3,084	(97,471)	52,730	(107,716)	365,681	466,466
Taxation	(47,245)	(39,723)	(86,625)	(45,576)	(145,529)	(104,967)
(Loss) / Profit after taxation	(44,161)	(137,194)	(33,895)	(153,292)	220,152	361,499
Performance Ratio						
Gross (Loss)/Profit Margin (%)	7.24	2.24	3.91	(1.65)	7.38	10.23
Fixed Assets Turnover	4.21	4.64	9.31	4.60	11.74	8.83
Return on capital employed (%)	(6.00)	(17.59)	(3.64)	(16.24)	19.93	40.36
Return on equity (%)	(6.00)	(17.92)	(3.73)	(16.12)	20.04	40.39
Operating Profit/(Loss) Margin (%)	3.18	(1.35)	0.77	(6.40)	5.13	7.27
Net (Loss)/Profit Margin (%)	(1.18)	(3.34)	(0.49)	(4.63)	2.54	5.08
(Loss)/Earning per share (Rupees)	(5.11)	(15.88)	(3.92)	(17.74)	25.48	41.84
Working Capital Ratios						
Debtors Turn Over Ratio	8.32	9.09	10.50	4.60	10.59	17.17
Debtors in no of Days	43.85	40.14	34.77	79.40	34.47	21.26
Stock Turn Over Ratio	5.40	6.22	12.39	5.34	10.44	8.29
Stock in no of Days	67.60	58.71	29.46	68.40	34.97	44.04
Liquidity Ratio						
Current Ratio	0.88	0.87	1.05	1.11	1.24	1.06
Quick Ratio	0.49	0.30	0.72	0.64	0.71	0.47
Interest Cover Ratio	1.02	0.08	1.58	(9.11)	4.79	7.63
Financial Performance Ratio						
Gearing Ratio	17:83	13:87	0:00:00	0:00:00	0:00:00	0:00:00
Break-up value per share (Rupees)	85.19	90.26	107.79	109.22	127.83	103.66
Dividend per share	-	-	-	-	-	2.00
Price to Book Value	0.42	0.42	0.30	0.42	0.52	0.60
Total Assets	2,684,645	2,606,094	2,547,470	2,458,085	2,455,457	2,573,292
Current Assets	1,581,465	1,473,075	1,689,548	1,685,571	1,675,484	1,766,313
Current Liabilities	1,794,334	1,702,143	1,616,152	1,514,384	1,351,022	1,674,050
Operating Fixed Assets	1,019,736	1,049,957	765,738	719,628	719,645	758,780
Long Term Debts	154,231	124,092	-	-	-	-
Share holders' Equity	736,080	779,859	931,318	943,701	1,104,435	895,594

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 59th Annual General Meeting ("AGM") of the shareholders of Shams Textile Mills Limited (the "Company") will be held on Friday, October 23, 2026 at 10:00 A.M. at the Registered Office of the Company, i.e., Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditor's Reports thereon and the Review Report of the Chairman.

In accordance with Section 223(7) of the Companies Act, 2017, and in terms of S.R.O. No. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company's website, which can be downloaded from the following Weblink and QR-enabled code.

<https://shams.com.pk/wp-content/uploads/2026/09/4th-proof-COLOR-Annual-Report-2026-Shams.pdf>



2. To appoint Auditors and fix their remuneration for the next Annual General Meeting. The members are hereby given notice that the Audit Committee and Board of Directors have recommended the name of the retiring auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, for reappointment as auditors of the Company.
3. To transact any other ordinary business of the Company with the permission of the Chairman.

SPECIAL BUSINESS:

1. To consider and, if deemed fit, to pass the following resolutions as a special resolution under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s):

Resolved that approval of the members of Shams Textile Mills Limited (the "Company") be and is hereby accorded, and the Company be and is hereby authorized, in terms of Section 199 and other applicable provisions of the Companies Act, 2017, to make further equity investment of up to Rs. 2,956,270 by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share.

Resolved further that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, and take any or all necessary actions to complete all legal formalities as may be necessary or incidental for the purpose of implementing the aforesaid resolution.

By Order of the Board

Lahore

October 02, 2026

Muhammad Haroon Arif

Company Secretary

NOTES:

Closure of Member Register and Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 16, 2026 to October 23, 2026 (both days inclusive). Transfers received in order at the company's Share Registrar Office, M/s Corptec Associates Private Limited, 503-E, Johar Town, Lahore, by the close of business hours on or before October 15, 2026, will be considered in time for entitlement to the final cash dividend and to attend and vote at the AGM.

For Attending the Meeting

In case of individuals, the Account Holders or sub-account holders and/or the persons whose securities are in a group account and whose registration details are uploaded as per the Regulations shall authenticate their identity by showing the original CNIC or original passport at the time of attending the meeting. In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

For Appointing Proxies

A member entitled to attend and vote at this General Meeting may appoint another member as his/her proxy to attend, speak, and vote on his/her behalf. The duly completed Proxy Form, accompanied by a copy of the CNIC of the proxy, must be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting. The Proxy Form shall be witnessed by two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form. In the case of a corporate entity, a Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee and a copy of the nominee's CNIC, must be submitted at least 48 hours before the time of the meeting. The Proxy Form in English and Urdu is annexed with the Notice of Meeting and is also available on the Company's website.

Participation in the AGM proceedings via the Video Conference Facility

The members may also participate in the Annual General Meeting (AGM) through the video link facility. To attend the AGM via video link, members and their proxies are requested to register by sending an email to info@corptec.com.pk with the following particulars:

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with those shareholders whose emails, containing all the required particulars, are received at the given email address at least 48 hours before the close of business before the AGM. Shareholders may also include their comments and questions relating to the agenda items of the AGM in their email at the time of registration.

E-Voting/Postal Ballot Facility

Members of the Company have the right to vote through the electronic voting facility and voting by post for all businesses classified as special business under the Companies Act, 2017 (the "Act") in the manner and subject to conditions contained in the Companies (Postal Ballot) Regulations, 2018 (the "Regulations").

Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 14, 2026.
- II. The web address, login details, and password will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of Corptec Associates Private Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast their vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. Members shall cast their vote online at any time from October 20, 2026, 9:00 a.m. to October 22, 2026, 5:00 p.m. Voting shall close on October 22, 2026, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting through Postal Ballot:

The members shall ensure that the duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC), reaches the Chairman through post at the Company's registered address, Tricon Corporate Center, 8th Floor, 73-

E, Main Jail Road, Gulberg II, Lahore, Pakistan, or by email at chairman@shams.com.pk on or before October 22, 2026, up to 5:00 p.m., during working hours. The signature on the Ballot Paper shall match the signature on the CNIC.

This postal Ballot Paper is also available for download from the website of the Company at www.shams.com.pk or use the same as attached to this Notice and published in newspapers.

Please note that in case of any dispute in voting, including the casting of more than one vote, the Chairman shall be the deciding authority.

Scrutinizer:

In accordance with Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed M/s Riaz Ahmad & Company, Chartered Accountants, a QCR-rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

E-voting Service Provider:

M/s. Corptec Associates Private Limited.

Updating of particulars:

The Shareholders are requested to notify the Company's Share Registrar without delay in case of any change of address. In the case of corporate entities, any modification in the particulars of the authorized representative, if applicable, should also be promptly reported.

Submission of copies of valid CNIC not provided earlier:

Individual shareholders are reminded to provide a copy of their valid CNIC to the Company's Share Registrar, if not already submitted. In the absence of a valid CNIC on record, the Company will be constrained to withhold the dividend in accordance with Section 243 of the Companies Act, 2017.

Payment of Cash Dividend Electronically (E-mandate)

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 Company's Share Registrar, at the address given hereinabove with an electronic dividend mandate on the E-Dividend Form provided in the annual report and also available on the website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

Replacement of Physical Shares with Book-entry Form

As per Section 72 of The Companies Act, 2017 every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e., May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares to the book-entry form. For this purpose, the shareholders may open a CDC Sub-account with any of the brokers or an investor account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares at any time they want, as the trading of physical shares is not permitted as per the existing Regulations of the Pakistan Stock Exchange Limited.

Electronic transmission of Annual Report 2026

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended 30 June 2026, along with Auditors' and Directors' Reports thereon, and Chairman's Review on the website of the Company: www.shams.com.pk

Any other Information

For any queries or further information, please contact the Share Registrar, M/s Corptec Associates (Pvt.) Limited, 503 - E, Johar Town, Lahore, at Phone: 042-35170336-7, Email: info@corptec.com.pk

and/or the Company at Phone: 042 35760381, Email: haroon.arif@shams.com.pk.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on October 23, 2026

Approval & Authorization for Investment in the Right Shares of associated company, i.e., Premier Insurance Limited.

Premier Insurance Limited (PIL), an associated company of Shams Textile Mills Limited (the Company), has decided, in its meeting of the Board of Directors held on September 24, 2026, to issue further share capital by offering 20,226,042 Ordinary Right Shares of Rs. 10/- each, in the proportion of 40 right shares for every 100 Ordinary Shares held, at a price of Rs. 10/- per right share.

As Shams Textile Mills Limited legally and beneficially owns 739,069 ordinary shares of Premier Insurance Limited, PIL has offered 295,627 Ordinary Right Shares to Shams Textile Mills Limited at a price of Rs. 10/- per share. The offered right shares are to be subscribed before the tentative last date of October 23, 2026.

The total subscription amount for the offered Right Shares would be Rs. 2,956,270/- (Rupees Two Million Nine Hundred Fifty-Six Thousand Two Hundred Seventy Only). Hence, approval of the members of the Company is being sought in terms of Section 199 and other applicable provisions of the Companies Act, 2017 to make further equity investment of up to Rs. 2,956,270 by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share.

Due Diligence:

The Directors have carried out necessary due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking have been kept at the registered office of the Company for inspection and shall also be available for inspection of members in the annual general meeting along with the latest audited and interim financial statements of the associated company.

The names of Common Directors are:

1. Mr. Khalid Bashir (10.99% shares in the Company and 0.58% shares in PIL)

Information Under Regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Investment in the Right Shares of Premier Insurance Limited

Sr. No.	Description	Information Required	
(a) Disclosure for all types of investments			
(A) Disclosure regarding Associated Company			
(i)	Name of Associated Company or Associated Undertaking	Premier Insurance Limited	
(ii)	Basis of Relationship	Common Directorship	
(iii)	Earnings per share for the last three years	Year	EPS in PKR
		2023	0.16
		2024	1.37
		2025	2.43
(iv)	Break-up value per share, based on the latest Audited Financial Statements	PKR 25.57	
(v)	Financial Position, including main items of the statement of financial position and profit and loss account based on its latest Financial Statements	As per the Un-Audited Financial Statements for the Half Year Ended 30 June 2026	
		Financial Position Details	PKR in 000
		Authorized Capital	1,500,000
		Issued, Subscribed and Paid-up Share Capital	505,650
		Total Equity	1,353,434
		Total Liabilities	1,972,086
		Total Assets	3,325,520

Sr. No.	Description	Information Required		
		Profit & Loss Account Details		PKR in Million
		Revenue		131,062
		Gross Margin		-16,890
		Profit After Tax		57,431
(B) General Disclosures				
(i)	Maximum amount of investment to be made	Rs. 2,956,270 by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share		
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To earn Dividends and for capital appreciation		
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:		The investment will be made from own sources of the Company.	
	(I)	Justification for investment through borrowings	NA	
	(II)	Details of Collateral, guarantees provided, and assets pledged for obtaining such funds	NA	
	(III)	Cost-benefit analysis	NA	
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regard to the proposed investment	NA		
(v)	Director or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Investing Company i.e. the Company is an associated company of PIL due to common directorship and one Director is common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.		
(vi)	in case any investment in an associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write-offs;	The Company already holds 739,069 fully paid ordinary shares of Rupees 10 each of PIL. Cost of these 739,069 shares is Rs. 6,196 thousand and fair value of these shares as of 30 June 2026 was Rs. 7,236 thousand.		
(vii)	any other important details necessary for the members to understand the transaction;	N/A		
(b) Additional Disclosure regarding Equity Investment				
(i)	maximum price at which securities will be acquired;	Rs. 10/- per Right Share.		
(ii)	in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Issue price is Rs. 10 per share. In last 1 year (24 Sep 2025 - 24 Sep 2026), highest quoted price on PSX was 15.39 per share and lowest quoted price on PSX was Rs. 5.81 per share. The Company intends to hold the investment for long term.		
(iii)	Maximum number of Securities to be acquired	295,627 offered Right Shares		
(iv)	Number of securities and percentage thereof held before and after the proposed investment;		No. of Shares	Percentage
		Before	739,069	1.46%
		After	1,034,696	1.46%
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities;	Current volume weighted price as of 24 September 2026 is Rs. 11.19 per share and volume weighted price for preceding twelve weeks is Rs. 11.89 per share.		
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	N/A		

Information Under Regulation 4 of The Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about the interest of the associated company or associated undertaking and its sponsors and directors in the investing company.

The individual mentioned below is common directors in the investing and investee company. Name and his holding in the investing company are provided hereunder:

	Name of Director	Holding in Investing Company
1.	Mr. Khalid Bashir	294,467 Shares

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ شمس ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے حصص یافتگان 59 واں سالانہ اجلاس عام ("AGM") بروز جمعہ، 23 اکتوبر 2026 کو صبح 10:00 بجے کمپنی کے رجسٹرڈ آفس، یعنی ٹرانیکلون کارپوریٹ سینٹر، آٹھویں منزل، E-73، مین جیل روڈ، گلبرگ II، لاہور میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا:

عمومی امور:

1. 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں، بشمول ان پریڈائزڈ اور آڈیٹڈ رپورٹس اور چیئرمین کی جائزہ رپورٹ، کی وصولی، ان پر غور اور ان کی منظوری۔
- کمپنیز ایکٹ 2017 کی دفعہ 223(7) اور ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 کے تحت کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں، جنہیں درج ذیل ویب لنک اور کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے۔

[Shams.pdf-2026-Report-Annual-COLOR-proof-4th/09/2026/uploads/content-wp/shams.com.pk//:https](https://shams.com.pk/uploads/content-wp/Shams.pdf-2026-Report-Annual-COLOR-proof-4th/09/2026/)



2. آئندہ سالانہ اجلاس عام تک کے لیے آڈیٹڈ کی تقرری اور ان کے مشاہرے کا تعین۔ اراکین کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے سبکدوش ہونے والے آڈیٹرز، میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لیے تجویز کیا ہے۔
3. چیئرمین کی اجازت سے کمپنی کے کسی بھی دیگر عمومی امور کی انجام دہی۔

خصوصی امور:

1. کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت، بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، درج ذیل قراردادوں پر غور کرنا اور مناسب سمجھے جانے پر انہیں ترمیم، اضافے یا حذف کے ساتھ یا اس کے بغیر بطور خصوصی قرارداد منظور کرنا:
- قرار پایا کہ شمس ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے اراکین کی منظوری دی جاتی ہے اور کمپنی کلینیز ایکٹ 2017 کی دفعہ 199 اور دیگر قابل اطلاق دفعات کے تحت اختیار دیا جاتا ہے کہ وہ کمپنی کی ایسوسی ایٹڈ کمپنی، پریمیر انشورنس لمیٹڈ، کی جانب سے 10 روپے فی حصص کی قیمت اجرا پر جاری کیے جانے والے 10 روپے مالیت کے عام رائٹ حصص کی خریداری کے ذریعے 2,956,270 روپے تک مزید ایکویٹی سرمایہ کاری کرے۔
- مزید قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور/یا چیف فنانشل آفیسر اور/یا کمپنی سیکرٹری کو انفرادی طور پر یہ اختیار دیا جاتا ہے کہ وہ مذکورہ بالا قرارداد پر عمل درآمد کے لیے ضروری یا ضمنی تمام افعال، امور، دستاویزات اور اقدامات انجام دیں اور تمام قانونی تقاضے پورے کرنے کے لیے ہر ضروری کارروائی کریں۔

بحکم بورڈ

محمد بارون عارف
کمپنی سیکرٹری

لاہور

2 اکتوبر 2026

نوٹس:

اراکین کے رجسٹر اور حصص کی منتقلی کے کھاتوں کی بندش:

کمپنی کے حصص کی منتقلی کے کھاتے 16 اکتوبر 2026 سے 23 اکتوبر 2026 تک (بشمول دونوں ایام) بند رہیں گے۔ کمپنی کے شیئر رجسٹرار، میسرز کارپیک ایسوسی ایٹس پرائیویٹ لمیٹڈ، E-503، جوہر ٹاؤن، لاہور کے دفتر میں 15 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک یا اس سے قبل موصول ہونے والی درست منتقلیاں حتیٰ نقد منافع منقسمہ کے استحقاق اور سالانہ اجلاس عام میں شرکت اور ووٹ دینے کے لیے بروقت تصدیق کی جائیں گی۔

اجلاس میں شرکت کے لیے

انفرادی حیثیت میں، اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز اور/یا وہ افراد جن کے حصص گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔ کارپوریٹ ادارے کی صورت میں، نامزد فرد کے نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اجلاس میں شرکت کے وقت پیش کرنا ہوگا (اگر پہلے فراہم نہ کیا گیا ہو)۔

پراسی کی تقرری کے لیے

اس اجلاس عام میں شرکت اور ووٹ دینے کا حق رکھنے والا رکن کسی دوسرے رکن کو اپنی جانب سے شرکت، اظہار خیال اور ووٹ دینے کے لیے اپنا پراسی مقرر کر سکتا ہے۔ مکمل طور پر پُر شدہ پراسی فارم، پراسی کے CNIC کی نقل کے ہمراہ، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرانا لازم ہے۔ پراسی فارم پر دو افراد بطور گواہ دستخط کریں گے، جن کے نام، پتے اور CNIC نمبر فارم پر درج کیے جائیں گے۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، نامزد فرد کے نمونہ دستخط اور اس کے CNIC کی نقل کے ہمراہ، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کرانا لازم ہے۔ انگریزی اور اردو میں پراسی فارم اجلاس کے نوٹس کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

ویڈیو کانفرنس سہولت کے ذریعے سالانہ اجلاس عام کی کارروائی میں شرکت

اراکین ویڈیو لنک سہولت کے ذریعے بھی سالانہ اجلاس عام (AGM) میں شرکت کر سکتے ہیں۔ ویڈیو لنک کے ذریعے اجلاس میں شرکت کے لیے اراکین اور ان کے پراسیز سے درخواست ہے کہ وہ درج ذیل معلومات کے ساتھ info@corpsec.com.pk پر ای میل بھیج کر اپنی رجسٹریشن کروائیں:

فولیو/سی ڈی سی اکاؤنٹ نمبر	حصص کی تعداد	نام	CNIC نمبر	موبائل نمبر	ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی تفصیلات ان حصص یافتگان کو فراہم کی جائیں گی جن کی تمام مطلوبہ معلومات پر مشتمل ای میلز اجلاس سے قبل کاروباری اوقات کے اختتام سے کم از کم 48 گھنٹے پہلے مذکورہ ای میل ایڈریس پر موصول ہو جائیں گی۔ حصص یافتگان رجسٹریشن کے وقت اپنی ای میل میں سالانہ اجلاس عام کے ایجنڈا سے متعلق اپنی آراء اور سوالات بھی شامل کر سکتے ہیں۔

ای ووٹنگ/پوسٹل بیلٹ کی سہولت

کمپنی کے اراکین الیکٹرانک بیلٹ 2017 ("ایکٹ") کے تحت خصوصی امور کے طور پر درج تمام امور کے لیے الیکٹرانک بیلٹ (پوسٹل بیلٹ) ریگولیشنز 2018 ("ریگولیشنز") میں درج طریقہ کار اور شرائط کے مطابق، الیکٹرانک ووٹنگ کی سہولت اور بذریعہ ڈاک ووٹ دینے کا حق حاصل ہے۔

ای ووٹنگ کا طریقہ کار:

- I. ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان اراکین کو ای میل کے ذریعے فراہم کی جائیں گی جن کے درست CNIC نمبر، موبائل نمبر اور ای میل ایڈریس 14 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک کمپنی کے رجسٹرڈ آفس میں موجود ہوں گے۔
- II. ویب ایڈریس، لاگ ان کی تفصیلات اور پاس ورڈ اراکین کو ای میل کے ذریعے بھیجے جائیں گے۔ سیکورٹی کوڈز اراکین کو کارپنک ایسوسی ایٹس پرائیویٹ لمیٹڈ (ای ووٹنگ سروس فراہم کنندہ) کے ویب پورٹل سے ایس ایم ایس کے ذریعے فراہم کیے جائیں گے۔
- III. ای ووٹنگ کے ذریعے ووٹ دینے کے خواہشمند اراکین کی شناخت کی تصدیق الیکٹرانک دستخط یا لاگ ان کے لیے تصدیقی عمل کے ذریعے کی جائے گی۔
- IV. اراکین 20 اکتوبر 2026، صبح 9:00 بجے سے 22 اکتوبر 2026، شام 5:00 بجے تک کسی بھی وقت آن لائن ووٹ دے سکیں گے۔ ووٹنگ 22 اکتوبر 2026 کو شام 5:00 بجے بند ہو جائے گی۔ کسی رکن کی جانب سے قرارداد پر ایک بار ووٹ دینے کے بعد اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار:

اراکین اس بات کو یقینی بنائیں کہ مکمل طور پر پُر شدہ اور دستخط شدہ بیلٹ پیپر، کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل کے ہمراہ، 22 اکتوبر 2026 کو شام 5:00 بجے تک، دفتری اوقات کے دوران، بذریعہ ڈاک کمپنی کے رجسٹرڈ پتے، ٹرانسپورٹ کارپوریٹ سینٹر، آٹھویں منزل، E-73، مین جیل روڈ، گلبرگ II، لاہور، پاکستان پر، یا بذریعہ ای میل chairman@shams.com.pk پر چیئرمین کو موصول ہو جائے۔ بیلٹ پیپر پر دستخط CNIC پر موجود دستخط کے مطابق ہونے چاہئیں۔

یہ پوسٹل بیلٹ پیپر کمپنی کی ویب سائٹ www.shams.com.pk سے بھی ڈاؤن لوڈ کیا جاسکتا ہے، یا اس نوٹس کے ساتھ منسلک اور اخبارات میں شائع شدہ بیلٹ پیپر استعمال کیا جاسکتا ہے۔ براہ کرم نوٹ فرمائیں کہ ووٹنگ میں کسی تنازع کی صورت میں، بشمول ایک سے زائد ووٹ ڈالنے کے، فیصلہ کرنے کا اختیار چیئرمین کو حاصل ہوگا۔

اسکروٹینا نذر:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے ضابطہ 11 کے مطابق، کمپنی کے بورڈ نے میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، جو کہ QCR ریگڈ آڈٹ فرم ہے، کو اجلاس میں انجام دیے جانے والے خصوصی امور کے لیے کمپنی کا اسکروٹینا نذر مقرر کیا ہے، جو ریگولیشنز کے ضابطہ 11A میں بیان کردہ دیگر ذمہ داریاں بھی انجام دے گا۔

ای دوٹنگ سروس فراہم کنندہ:

میسرز کارپنیک ایسوسی ایٹس پرائیویٹ لمیٹڈ۔

کوائف کی تجدید:

حصص یافتگان سے درخواست ہے کہ پتے میں کسی بھی تبدیلی کی صورت میں بلا تاخیر کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ کارپوریٹ اداروں کی صورت میں، مجاز نمائندے کے کوائف میں کسی بھی تبدیلی کی اطلاع بھی، اگر لاگو ہو، فوری طور پر دی جائے۔

پہلے سے فراہم نہ کی گئی درست CNIC کی نقول کی فراہمی:

انفرادی حصص یافتگان کو یاد دہانی کرائی جاتی ہے کہ اگر پہلے جمع نہیں کرائی تو اپنے درست CNIC کی نقل کمپنی کے شیئر رجسٹرار کو فراہم کریں۔ ریکارڈ پر درست CNIC نہ ہونے کی صورت میں کمپنی کمپنیز ایکٹ 2017 کی دفعہ 243 کے مطابق، منافع منقسمہ روکنے پر مجبور ہوگی۔

نقد منافع منقسمہ کی الیکٹرانک ادائیگی (ای مینڈیٹ)

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت لسٹڈ کمپنیوں پر لازم ہے کہ نقد کی صورت میں قابل ادا منافع منقسمہ صرف الیکٹرانک طریقے سے براہ راست حقدار حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں ادا کیا جائے۔ اس کے مطابق، فزیکل حصص رکھنے والے حصص یافتگان سے درخواست ہے کہ وہ سالانہ رپورٹ میں فراہم کردہ اور کمپنی کی ویب سائٹ پر بھی دستیاب ای ڈیویڈنڈ فارم پر الیکٹرانک ڈیویڈنڈ مینڈیٹ مذکورہ بالا پتے پر کمپنی کے شیئر رجسٹرار کو فراہم کریں۔ سی ڈی سی میں رکھے گئے حصص کی صورت میں یہی معلومات اپ ڈیٹ کرنے اور کمپنی کو بجھوانے کے لیے متعلقہ سی ڈی ایس پارٹنیشن کو فراہم کی جائیں۔ معلومات فراہم نہ کرنے کی صورت میں مستقبل میں منافع منقسمہ کی تمام ادائیگیاں روکی جاسکتی ہیں۔

فزیکل حصص کی بک انٹری فارم میں تبدیلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کے مطابق ہر موجودہ کمپنی پر لازم ہے کہ وہ SECP کے مقرر کردہ طریقہ کار کے مطابق اور اس کی مطلع کردہ تاریخ سے کمپنیز ایکٹ 2017 کے نفاذ، یعنی 31 مئی 2017، سے زیادہ سے زیادہ چار سال کی مدت کے اندر اپنے فزیکل حصص کو بک انٹری فارم میں تبدیل کرے۔ فزیکل صورت میں حصص رکھنے والے حصص یافتگان سے درخواست ہے کہ وہ اپنے حصص کو بک انٹری فارم میں تبدیل کروائیں۔ اس مقصد کے لیے حصص یافتگان کسی بھی بروکر کے پاس سی ڈی سی سب اکاؤنٹ یا براہ راست سی ڈی سی کے ساتھ انویسٹر اکاؤنٹ کھول کر اپنے فزیکل حصص کو اسکرپ لیس فارم میں منتقل کر سکتے ہیں۔ اس سے انہیں کئی طرح سے سہولت ہوگی، بشمول حصص کی محفوظ تحویل اور جب چاہیں حصص کی فروخت، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل حصص کی تجارت کی اجازت نہیں ہے۔

سالانہ رپورٹ 2026 کی الیکٹرانک ترسیل

کمپنی نے سالانہ اجلاس عام کانوٹس اور 30 جون 2026 کو ختم ہونے والے سال کے سالانہ مالیاتی گوشوارے، بشمول ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اور چیئرمین کا جائزہ، کمپنی کی ویب سائٹ www.shams.com.pk پر فراہم کر دیے ہیں۔

دیگر معلومات

کسی بھی سوال یا مزید معلومات کے لیے براہ کرم شیئر رجسٹرار، میسرز کارپنیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، E-503، جوہر ٹاؤن، لاہور، فون: 35170336-042، 7، ای میل:

info@corptec.com.pk

اور/یا کمپنی سے فون: 35760381-042، ای میل: haroon.arif@shams.com.pk پر رابطہ کریں۔

کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت اہم حقائق کا بیان

یہ بیان 23 اکتوبر 2026 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں انجام دیے جانے والے خصوصی امور سے متعلق اہم حقائق پر مشتمل ہے۔

ایسوسی ایٹڈ کمپنی، یعنی پریمیر انشورنس لمیٹڈ، کے رائٹ حصص میں سرمایہ کاری کی منظوری اور اختیار۔

نئس ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کی ایسوسی ایٹڈ کمپنی، پریمیر انشورنس لمیٹڈ (PIL)، نے 24 ستمبر 2026 کو منعقدہ اپنے بورڈ آف ڈائریکٹرز کے اجلاس میں 10 روپے فی حصص کی قیمت پر، ہر 100 عام حصص کے عوض 40 رائٹ حصص کے تناسب سے، 10 روپے مالیت کے 20,226,042 عام رائٹ حصص کی پیشکش کے ذریعے مزید سرمایہ جاری کرنے کا فیصلہ کیا ہے۔

چونکہ نئس ٹیکسٹائل ملز لمیٹڈ قانونی اور حقیقی طور پر پریمیر انشورنس لمیٹڈ کے 739,069 عام حصص کی مالک ہے، اس لیے PIL نے نئس ٹیکسٹائل ملز لمیٹڈ کو 10 روپے فی حصص کی قیمت پر 295,627 عام رائٹ حصص کی پیشکش کی ہے۔ پیش کردہ رائٹ حصص کی خریداری کی متوقع آخری تاریخ 23 اکتوبر 2026 ہے۔

پیش کردہ رائٹ حصص کی مجموعی رقم 2,956,270 روپے (انٹیس لاکھ چھپن ہزار دو سو ستر روپے صرف) ہوگی۔ لہذا کمپنیز ایکٹ 2017 کی دفعہ 199 اور دیگر قابل اطلاق دفعات کے تحت کمپنی کے اراکین سے منظوری طلب کی جارہی ہے تاکہ کمپنی کی ایسوسی ایٹڈ کمپنی، پریمیر انشورنس لمیٹڈ، کی جانب سے 10 روپے فی حصص کی قیمت اجرا پر جاری کیے جانے والے 10 روپے مالیت کے عام رائٹ حصص کی خریداری کے ذریعے 2,956,270 روپے تک مزید ایکویٹی سرمایہ کاری کی جاسکے۔

ڈیوڈ پلینچنس:

ڈائریکٹرز نے مجوزہ سرمایہ کاری کے لیے ضروری ڈیوڈ پلینچنس مکمل کر لی ہے، اور ڈیوڈ پلینچنس رپورٹ/انڈر ٹیکنگ کی باضابطہ دستخط شدہ سفارشات کمپنی کے رجسٹرڈ آفس میں معائنے کے لیے رکھی گئی ہیں، جو ایسوسی ایٹڈ کمپنی کے تازہ ترین آڈٹ شدہ اور عبوری مالیاتی گوشواروں کے ہمراہ سالانہ اجلاس عام میں بھی اراکین کے معائنے کے لیے دستیاب ہوں گی۔

مشترکہ ڈائریکٹرز کے نام درج ذیل ہیں:

1. جناب خالد بشیر (کمپنی میں 10.99% حصص اور PIL میں 0.58% حصص)

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگز میں سرمایہ کاری) ریگولیشنز 2017 کے ضابطہ 3 کے تحت معلومات۔

پریمیر انشورنس لمیٹڈ کے رائٹ حصص میں سرمایہ کاری

نمبر شمار	تفصیل	مطلوبہ معلومات
(a)	ہر قسم کی سرمایہ کاری کے لیے انکشافات	
(A)	ایسوسی ایٹڈ کمپنی سے متعلق انکشافات	
(i)	ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ کا نام	پریمیر انشورنس لمیٹڈ
(ii)	تعلق کی بنیاد	مشترکہ ڈائریکٹرشپ
(iii)	گزشتہ تین سال کی فی حصص آمدن	سال
		فی حصص آمدن (روپے)
		2023
		2024
		2025
		0.16
		1.37
		2.43
(iv)	تازہ ترین آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر فی حصص بریک اپ ویلیو	25.57 روپے
(v)	تازہ ترین مالیاتی گوشواروں کی بنیاد پر مالی حیثیت، بشمول مالی حیثیت کے گوشوارے اور نفع و نقصان کھاتے کی اہم مدات	30 جون 2026 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے مطابق

روپے ہزاروں میں	مالی حیثیت کی تفصیلات		
1,500,000	مجاز سرمایہ		
505,650	جاری کردہ، خرید اگیا اور ادا شدہ سرمایہ		
1,353,434	کل ایکویٹی		
1,972,086	کل واجبات		
3,325,520	کل اثاثے		
روپے ہزاروں میں	نفع و نقصان کھاتے کی تفصیلات		
131,062	آمدن		
-16,890	مجموعی		
57,431	بعد از ٹیکس منافع		
(B) عمومی انکشافات			
(i)	سرمایہ کاری کی زیادہ سے زیادہ رقم	2,956,270 روپے، جو کمپنی کی ایسوسی ایٹڈ کمپنی، پریمیر انشورنس لمیٹڈ، کی جانب سے 10 روپے فی حصص کی قیمت اجراء پر جاری کیے جانے والے 10 روپے مالیت کے عام رائٹ حصص کی خریداری کے ذریعے کی جائے گی	
(ii)	مقصد، اس سرمایہ کاری سے سرمایہ کار کمپنی اور اس کے اراکین کو متوقع فوائد، اور سرمایہ کاری کی مدت	منافع منقسمہ کے حصول اور سرمائے میں اضافے کے لیے	
(iii)	سرمایہ کاری کے لیے استعمال ہونے والے فنڈز کے ذرائع، اور جہاں سرمایہ کاری قرض لیے گئے فنڈز سے کرنے کا ارادہ ہو:	سرمایہ کاری کمپنی کے اپنے وسائل سے کی جائے گی۔	
	(I) قرض کے ذریعے سرمایہ کاری کا جواز	لاگو نہیں	
	(II) ایسے فنڈز کے حصول کے لیے فراہم کردہ ضمانت، گارنٹی اور گروی رکھے گئے اثاثوں کی تفصیلات	لاگو نہیں	
	(III) لاگت اور فائدے کا تجزیہ	لاگو نہیں	
(iv)	ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ کے ساتھ مجوزہ سرمایہ کاری کے حوالے سے معاہدے/معاہدوں کی نمایاں خصوصیات، اگر کوئی ہوں	لاگو نہیں	
(v)	ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ یا زیر غور لین دین میں ڈائریکٹرز، اسپانسرز، اکثریتی حصص یافتگان اور ان کے رشتہ داروں کا براہ راست یا بالواسطہ مفاد، اگر کوئی ہو	سرمایہ کار کمپنی، یعنی کمپنی، مشترکہ ڈائریکٹر شپ کی وجہ سے PIL کی ایسوسی ایٹڈ کمپنی ہے، اور دونوں کمپنیوں میں مشترک تین ڈائریکٹرز اپنی حصص داری کی حد تک مفاد رکھنے والے تصور کیے جاسکتے ہیں۔ کمپنی کے رکن ہونے کے علاوہ کوئی بھی ڈائریکٹر یا ان کے رشتہ دار یا وابستگان مذکورہ بالا قرارداد میں کسی بھی طرح مفاد نہیں رکھتے۔	
(vi)	اگر ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ میں کوئی سرمایہ کاری پہلے ہی کی جا چکی ہو، تو اس سرمایہ کاری کی کارکردگی کا جائزہ، بشمول کسی بھی امیٹیئر منٹ یا رائٹ آف کی مکمل معلومات/جواز؛	کمپنی پہلے ہی PIL کے 10 روپے مالیت کے 739,069 مکمل ادا شدہ عام حصص کی مالک ہے۔ ان 739,069 حصص کی لاگت 6,196 ہزار روپے ہے اور 30 جون 2026 کو ان حصص کی منصفانہ قدر 7,236 ہزار روپے تھی۔	
(vii)	کوئی دیگر اہم تفصیلات جو اراکین کے لیے لین دین کو سمجھنے کے لیے ضروری ہوں؛	لاگو نہیں	

(b) ایکویٹی سرمایہ کاری سے متعلق اضافی افشادات								
(i)	زیادہ سے زیادہ قیمت جس پر سیکورٹیز حاصل کی جائیں گی؛	10 روپے فی رائٹ حصص۔						
(ii)	اگر قیمت خرید لیسڈ سیکورٹیز کی صورت میں مارکیٹ ویلیو اور ان لیسڈ سیکورٹیز کی صورت میں منصفانہ قدر سے زیادہ ہو، تو اس کا جواز؛	قیمت اجراء 10 روپے فی حصص ہے۔ گزشتہ ایک سال (24 ستمبر 2025 تا 24 ستمبر 2026) کے دوران PSX پر زیادہ سے زیادہ قیمت 15.39 روپے فی حصص اور کم سے کم قیمت 5.81 روپے فی حصص رہی۔ کمپنی اس سرمایہ کاری کو طویل مدت تک رکھنے کا ارادہ رکھتی ہے۔						
(iii)	حاصل کی جانے والی سیکورٹیز کی زیادہ سے زیادہ تعداد	295,627 پیش کردہ رائٹ حصص						
(iv)	مجوزہ سرمایہ کاری سے قبل اور بعد میں رکھی گئی سیکورٹیز کی تعداد اور ان کا فیصد؛	<table><tr><th>فیصد</th><th>حصص کی تعداد</th></tr><tr><td>1.46%</td><td>739,069</td></tr><tr><td>1.46%</td><td>1,034,696</td></tr></table> قبل بعد (یہ فرض کرتے ہوئے کمپنی کو کوئی غیر خریدے گئے رائٹ حصص پیش نہیں کیے گئے)	فیصد	حصص کی تعداد	1.46%	739,069	1.46%	1,034,696
فیصد	حصص کی تعداد							
1.46%	739,069							
1.46%	1,034,696							
(v)	جہاں لیسڈ سیکورٹیز میں سرمایہ کاری کی تجویز ہو، وہاں موجودہ اور گزشتہ بارہ ہفتوں کی اوسط وزنی مارکیٹ قیمت؛	24 ستمبر 2026 تک موجودہ جی اوسط وزنی قیمت 11.19 روپے فی حصص اور گزشتہ بارہ ہفتوں کی جی اوسط وزنی قیمت 11.89 روپے فی حصص ہے۔						
(vi)	ان لیسڈ سیکورٹیز میں سرمایہ کاری کے لیے ضابطہ 5 کے ذیلی ضابطہ (1) کے تحت متعین کردہ منصفانہ قدر	لاگو نہیں						

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگز میں سرمایہ کاری) ریگولیشنز 2017 کے ضابطہ 4 کے تحت معلومات۔

اگر ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ یا اس کے اسپانسرز یا ڈائریکٹرز میں سے کوئی سرمایہ کار کمپنی کا رکن بھی ہو، تو سرمایہ کار کمپنی میں ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ اور اس کے اسپانسرز اور ڈائریکٹرز کے مفاد کے بارے میں معلومات۔	ذیل میں مذکور سرمایہ کار کمپنی اور سرمایہ وصول کنندہ کمپنی دونوں میں مشترکہ ڈائریکٹرز ہیں۔ ان کا نام اور سرمایہ کار کمپنی میں ان کی حصص داری درج ذیل ہے:
	ڈائریکٹر کا نام سرمایہ کار کمپنی میں حصص داری 1. جناب خالد بشیر 294,467 حصص

**Gender pay gap statement under
Circular No. 10 of 2024**

Following is gender pay gap calculated for the year ended 30 June 2026

(i)	Mean Gender pay gap:	-66%
(ii)	Median Gender Pay gap:	-107%
(iii)	Any other data/ details as deemed relevant.	-

The Board is committed to formulate a gender diversity policy for recruitment, promotion, gender pay gap analysis, retention and development of female employees.



Chief Executive Officer on behalf of Board of Directors of the Company

Date: 28 September 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SHAMS TEXTILE MILLS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shams Textile 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

Date: 28 September 2026

UDIN: CR202610168AWMK0Qqiz

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF SHAMS TEXTILE MILLS LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of Shams Textile 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 loss, 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 704.357 million and represented a material position in the statement of financial position, break up of which is as follows: - Stores and spare parts amounting to Rupees 105.814 million - Stock-in-trade amounting to Rupees 598.543 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 26.24% 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 2.8 to the financial statements. - Stores and spare parts note 19 and stock-in-trade note 20 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 transaction; ● 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; ● In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs; ● We also made inquiries 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.	Revenue recognition The Company recognized net revenue of Rupees 3,756.865 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 indicators 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 on revenue recognition, refer to the following: - Material accounting policy information, Revenue recognition note 2.21 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

Sr. No.	Key audit matters	How the matters were addressed in our audit
	- Revenue from contracts with customers note 27 to the financial statements.	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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Mustafa Ali.



RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

Date: 28 September 2026

UDIN: AR202610168PjtCAD07X

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 (Rupees in thousand)	2025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
25,000,000 (2025: 25,000,000) ordinary shares of Rupees 10 each		250,000	250,000
Issued, subscribed and paid-up share capital	4	86,400	86,400
Reserves	5	649,680	693,459
Total equity		736,080	779,859
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	6	138,384	124,092
Lease liabilities	7	15,847	-
Gas Infrastructure Development Cess (GIDC) payable	8	-	-
		154,231	124,092
CURRENT LIABILITIES			
Trade and other payables	9	623,994	725,494
Contract liabilities - un-secured		176,948	176,561
Accrued mark-up	10	28,961	16,905
Short term borrowings	11	890,543	733,547
Current portion of non - current liabilities	12	69,266	45,014
Unclaimed dividend		4,622	4,622
		1,794,334	1,702,143
Total liabilities		1,948,565	1,826,235
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		2,684,645	2,606,094

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



Chief Executive



Director



Chief Financial Officer

	Note	2026 (Rupees in thousand)	2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	995,325	1,049,957
Right-of-use assets	15	24,411	-
Long term investments	16	52,779	52,397
Long term security deposits	17	30,665	30,665
Deferred income tax asset - net	18	-	-
		1,103,180	1,133,019
CURRENT ASSETS			
Stores and spare parts	19	105,814	110,042
Stock-in-trade	20	598,543	847,718
Trade debts	21	408,252	121,110
Advances	22	13,061	4,249
Other receivables	23	16,771	11,918
Taxation and levy - net	24	53,543	18,552
Sales tax refundable		304,113	331,030
Cash and bank balances	25	58,859	28,456
		1,558,956	1,473,075
Non-Current assets classified as held for sale	26	22,509	-
		1,581,465	1,473,075
TOTAL ASSETS		2,684,645	2,606,094



Chief Executive



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 (Rupees in thousand)	2025
REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	27	3,756,865	4,104,812
COST OF SALES	28	(3,484,936)	(4,012,833)
GROSS PROFIT		271,929	91,979
DISTRIBUTION COST	29	(22,050)	(25,623)
ADMINISTRATIVE EXPENSES	30	(129,811)	(121,152)
OTHER EXPENSES	31	(568)	(791)
		(152,429)	(147,566)
		119,500	(55,587)
OTHER INCOME	32	45,284	63,766
PROFIT FROM OPERATIONS		164,784	8,179
FINANCE COST	33	(161,700)	(105,650)
PROFIT / (LOSS) BEFORE LEVY AND TAXATION		3,084	(97,471)
LEVY	34	(47,245)	(44,662)
LOSS BEFORE TAXATION		(44,161)	(142,133)
TAXATION	35	-	4,939
LOSS AFTER TAXATION		(44,161)	(137,194)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	36	(5.11)	(15.88)

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



Chief Executive



Director



Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended JUNE 30, 2026

	2026 (Rupees in thousand)	2025
LOSS AFTER TAXATION	(44,161)	(137,194)
OTHER COMPREHENSIVE INCOME / (LOSS)		
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	382	(14,265)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year - net of tax	382	(14,265)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(43,779)	(151,459)

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


Chief Executive

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	RESERVES							TOTAL EQUITY	
	CAPITAL			REVENUE			TOTAL RESERVES		
	SHARE CAPITAL	Premium on issue of right shares	Fair value reserve FVTOCI investments	Sub Total	General reserve	Accumulated loss			Sub total
		(Rupees in thousands)							
Balance as at 30 June 2024									
	86,400	86,400	47,423	133,823	600,000	111,095	711,095	844,918	931,318
Loss for the year	-	-	-	-	-	(137,194)	(137,194)	(137,194)	(137,194)
Other comprehensive loss for the year	-	-	(14,265)	(14,265)	-	-	-	(14,265)	(14,265)
Total comprehensive loss for the year	-	-	(14,265)	(14,265)	-	(137,194)	(137,194)	(151,459)	(151,459)
Balance as at 30 June 2025									
	86,400	86,400	33,158	119,558	600,000	(26,099)	573,901	693,459	779,859
Loss for the year	-	-	-	-	-	(44,161)	(44,161)	(44,161)	(44,161)
Other comprehensive income for the year	-	-	382	382	-	-	-	382	382
Total comprehensive loss for the year	-	-	382	382	-	(44,161)	(44,161)	(43,779)	(43,779)
Balance as at 30 June 2026									
	86,400	86,400	33,540	119,940	600,000	(70,260)	529,740	649,680	736,080

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



Chief Executive



Director



Chief Financial Officer

STATEMENT OF CASH FLOWS

For The Year Ended JUNE 30, 2026

	Note	2026 (Rupees in thousand)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	132,680	29,492
Finance cost paid		(149,644)	(107,223)
Income tax and levy paid		(82,236)	(67,684)
Workers' profit participation fund paid		-	(2,863)
Long term security deposits made		-	(5,143)
Net cash used in operating activities		(99,200)	(153,421)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(78,925)	(357,325)
Proceeds from sale of property, plant and equipment		8,929	4,585
Proceeds from disposal of non-current assets classified as held for sale		10,637	-
Return on bank deposits received		4,129	8,483
Dividends received		900	900
Net cash used in investing activities		(54,330)	(343,357)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		35,100	137,880
Short term borrowings - obtained		3,209,187	1,281,920
Repayment of lease liabilities		(8,163)	-
Short term borrowings - repaid		(3,052,191)	(953,579)
Net cash from financing activities		183,933	466,221
Net increase / (decrease) in cash and cash equivalents		30,403	(30,557)
Cash and cash equivalents at the beginning of the year	25	28,456	59,013
Cash and cash equivalents at the end of the year	25	58,859	28,456

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



Chief Executive



Director



Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 Shams Textile Mills Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at Office No. 801, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II, Lahore. The Company is engaged in the business of manufacturing, sale and trading of yarn.

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

Manufacturing units and offices	Address
Manufacturing units:	
Spinning unit I	3-KM, Faisalabad Road, Chiniot
Spinning units II and III	Kotla Kahloon, District Nankana Sahib
Registered and head office	Office No. 801, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II, Lahore
Office	1 st Floor, 949 Regency Arcade, Mall Road, Faisalabad

1.3 The Board of Directors of the Company in its meeting held on 29 October 2025 has approved the disposal of old plant and machinery of Spinning unit I of the Company (with insignificant carrying amount) located at Chiniot. Further, one of the two manufacturing units of the Company remained temporarily closed for most of the year in view of low demand and prices of yarn and the Company was unable to fully utilize the plant capacity resulting in losses after tax. The management has carried out a going concern assessment of the Company and believes that the going concern assumption used for the preparation of these financial statements is appropriate and no material uncertainty exists. The assessment is based on: the Company has embarked upon various capital expenditure projects including solar power generation that shall result in savings in costs and ultimate profitability; the Company is availing fresh borrowing limits from a financial institution for operations of the Company; chief executive of the Company, his spouse and his son (executive director) are committed to support the Company to continue as a going concern; and firm commitment to ramp-up production in view of favorable prices. As at the reporting date, the balance due to chief executive of the Company, his spouse and his son (executive director) is interest free and they have provided support to the Company. Accordingly, no material uncertainties leading to a significant doubt about going concern have been identified.

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. 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 judgements

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 judgement in the process of applying the Company's accounting policies. Estimates and judgements 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 judgements were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual value 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net 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.

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.

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.

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.

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

Following amendments to published approved accounting standard are 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.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

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

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 Naturedependent 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 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 Property, plant and equipment

Operating fixed assets

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land and capital work-in-progress are stated at cost less any

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

identified impairment loss. Cost of operating fixed assets comprises historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition. 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.

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 benefit 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 is charged to 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 life at the rates given in note 14.1 to the financial statements. Depreciation on additions is charged from the month in which the asset is put to use, while for disposals depreciation is charged upto the month of disposal.

Useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

An item of property, plant and equipment 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.

2.3 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.

2.4 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt instruments 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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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 rate 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 rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for 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.

2.5 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.6 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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.

2.7 De-recognition of financial assets and financial liabilities**a) Financial assets**

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

b) Financial liabilities

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

2.8 Inventories

Inventories, except for stock in transit and waste stock are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores and spare parts

These are valued at moving average cost except for items in transit, which are valued at cost comprising invoice value

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

plus other charges paid thereon. Provision is made against slow moving and obsolete items.

Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

- (i) For raw materials: At weighted average cost.
- (ii) For work-in-process and finished goods: At average manufacturing cost including a proportion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock is 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.

2.9 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.

2.10 Taxation**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 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 recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.11 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.

2.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

2.13 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2.15 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.

2.16 Employee benefits

Defined contribution plan

The Company operates a funded employees' provident fund scheme for its permanent employees. Equal monthly contributions are made both by the Company and employees to the fund.

Compensated absences

Compensated absences are accounted for in the period in which the absences are earned.

2.17 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.

2.18 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 the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.19 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.

2.20 Noncurrent 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.

2.21 Revenue recognition

i. 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.

ii. 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

the expected life of the financial asset to the net carrying amount of the financial asset.

iii. Dividend

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

iv. Rent

Rent revenue 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

2.22 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.

2.23 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.

2.24 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.

2.25 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.

2.26 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 periods in which these are approved by the Board of Directors.

3. SUMMARY OF OTHER ACCOUNTING POLICIES**3.1 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.

3.2 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.

3.3 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.

3.4 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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.

3.5 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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.

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026 (Number of shares)		2025 (Rupees in thousand)	
7,510,000	7,510,000	Ordinary shares of Rupees 10 each fully paid in cash	75,100 75,100
1,130,000	1,130,000	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	11,300 11,300
8,640,000	8,640,000		86,400 86,400
		2026 (Rupees in thousand)	
4.1 Ordinary shares of the Company held by associated companies:			
	Premier Insurance Limited	399,000	399,000
	The Crescent Textile Mills Limited	812,160	812,160
	Crescent Powertec Limited	1,720,105	1,720,105
		2,931,265	2,931,265
4.2 The share capital of the Company consists only of fully paid ordinary shares with a nominal (par) value of Rupees 10 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
5. RESERVES		
Composition of reserves is as follows:		
Capital		
Premium on issue of right shares (Note 5.1)	86,400	86,400
Fair value reserve FVTOCI investments (Note 5.2)	33,540	33,158
	119,940	119,558
Revenue		
General reserve	600,000	600,000
Accumulated loss	(70,260)	(26,099)
	529,740	573,901
	649,680	693,459

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 is as under:

	2026 (Rupees in thousand)	2025
Balance as on 01 July	33,158	47,423
Fair value adjustment during the year	382	(14,265)
Balance as on 30 June	33,540	33,158

6 LONG TERM FINANCING - SECURED**From banking company**

Long term loan (Note 6.1)	172,980	137,880
Less: Current portion shown under current liabilities (Note 12)	(34,596)	(13,788)
	138,384	124,092

6.1 This represents demand finance facility of Rupees 172.98 million for a period of six years including grace period of one year. This is repayable in 10 equal semi-annually installments commenced from 26 February 2026 and ending on 26 February 2030. The facility is secured against first exclusive charge of Rupees 281 million (2025: Rupees 281 million) on entire fixed assets of Unit-II and Unit-III of the Company. It carries mark up at the rate of three months KIBOR + 1.25%. The rate of mark-up ranged from 11.83% to 13.59% (2025: 12.39% to 13.41%) per annum during the year.

	2026 (Rupees in thousand)	2025
7 LEASE LIABILITIES		
Total lease liabilities	19,291	-
Less: Current portion shown under current liabilities (Note 12)	(3,444)	-
	15,847	-
7.1 Reconciliation of lease liabilities		
Balance as at 01 July	-	-
Add: Additions during the year	27,454	-
Add: Interest on lease liabilities (Note 33)	1,540	-
Less: Payments during the year	(9,703)	-
Balance as at 30 June	19,291	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
7.2 Maturity analysis of lease liabilities is as follows:		
Upto 6 months	2,907	-
6-12 months	2,907	-
1-2 year	5,814	-
More than 2 years	14,216	-
	25,844	-
Less: Future finance cost	(6,553)	-
Present value of finance lease liabilities	19,291	-
7.3 Implicit rates against lease liabilities range from 12.31% to 14.03% per annum.		
8. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE		
Gas Infrastructure Development Cess payable at amortized cost	31,226	31,226
Less: Payments made during the year	-	-
Balance as on 30 June	31,226	31,226
Current portion shown under current liabilities (Note 12)	(31,226)	(31,226)
	-	-

8.1 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. GIDC payable has been recorded at amortised cost in accordance with IFRS 9 'Financial Instruments'.

	2026 (Rupees in thousand)	2025
9. TRADE AND OTHER PAYABLES		
Creditors (Note 9.1)	135,120	338,454
Accrued liabilities	324,085	233,394
Infrastructure cess payable (Note 9.2)	19,393	19,393
Due to related parties (Note 9.3)	123,215	113,965
Income tax deducted at source	2,345	1,269
Payable to employees' provident fund trust	1,547	959
Workers' profit participation fund payable (Note 9.4)	166	-
Workers' welfare fund payable (Note 9.5)	18,123	18,060
	623,994	725,494
9.1 These include amounts due to following associated companies in the ordinary course of business:		
Premier Insurance Limited	1,454	1,537
Suraj Cotton Mills Limited	7,788	7,788
	9,242	9,325

9.2 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 04 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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 detail of provision is as follows:

	2026 (Rupees in thousand)	2025
Balance as on 01 July	19,393	19,010
Add: Provision made during the year	-	383
Balance as on 30 June	19,393	19,393

9.3 This amount is due to Chief Executive of the Company, his spouse and his son (executive director) and has been utilized for working capital purposes. It is unsecured, interest free and repayable on demand.

	2026 (Rupees in thousand)	2025
9.4 Workers' profit participation fund payable		
Balance as on 01 July	-	2,863
Add: Provision for the year (Note 31)	166	-
Less: Payments during the year	-	(2,863)
Balance as on 30 June	166	-

9.5 Workers' welfare fund payable

Balance as on 01 July	18,060	18,060
Add: Provision for the year (Note 31)	63	-
Balance as on 30 June	18,123	18,060

10. ACCRUED MARK-UP

Long term financing	2,327	1,665
Short term borrowings	26,634	15,240
	28,961	16,905

11. SHORT TERM BORROWINGS**From banking companies - secured**

Running finances (Note 11.1 and 11.2)	578,797	359,917
Cash finances (Note 11.1 and 11.3)	211,746	84,395
Import loan (Note 11.1 and Note 11.4)	-	189,235
	790,543	633,547
From associated company - unsecured		
Crescent Powertec Limited (Note 11.5)	100,000	100,000
	890,543	733,547

11.1 These finances are obtained from banking companies under markup arrangements and are secured against first joint pari passu hypothecation charge on all present and future current assets of the Company and pledge of stocks amounting to Rupees 2,322 million (2025: Rupees 1,255 million). These form part of total credit facilities of Rupees 1,200 million (2025: Rupees 700 million).

11.2 The rates of mark-up range from 12.24% to 14.40% (2025: 12.83% to 23.52%) per annum during the year on the balance outstanding.

11.3 The rates of mark-up range from 11.99% to 13.39% (2025: 13.38% to 22.04%) per annum during the year on the balance outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

11.4 The rates of mark-up ranged from 12.52% to 12.64% (2025: 12.58% to 13.66%) per annum during the year on the balance outstanding.

10.5 This represents unsecured loan from Crescent Powertec Limited (CPL) - associated company for working capital requirement. Total credit facility amounts to Rupees 100 million (2025: Rupees 100 million). This carries mark-up at the rate of 1 month KIBOR plus two percent per annum or average borrowing cost of CPL, whichever is higher. Effective rate of mark-up charged on this short term loan ranged from 12.74% to 14.03% (2025: 13.33% to 22.83%) per annum.

	2026 (Rupees in thousand)	2025
12 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Current portion of long term financing (Note 6)	34,596	13,788
Current portion of lease liabilities (Note 7)	3,444	-
Current portion of GIDC payable (Note 8)	31,226	31,226
	69,266	45,014

13. CONTINGENCIES AND COMMITMENTS**a) Contingencies**

- i)** Bank guarantees of Rupees 99.249 million (2025: Rupees 99.249 million) million are given by the banks of the Company in favor of Sui Northern Gas Pipelines Limited against gas connections and Director Excise and Taxation, Karachi against infrastructure cess.
- ii)** The Company is contesting Punjab sales tax demand of Rupees 10.547 million along with default surcharge before the Appellate Tribunal, Punjab Revenue Authority, Lahore and confident of favourable outcome of the matter. Hence, no provision thereagainst has been recognized in these financial statements.
- iii)** The Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 2.879 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.

b) Commitments

- i)** Contracts for capital expenditure are approximately of Rupees 0.177 million (2025: Rupees 7.571 million).
- ii)** Letters of credit for other than capital expenditures amounted to Rupees 0.053 million (2025: Rupees 358.067 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

14. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 14.1)
Capital work-in-progress (Note 14.2)

	2026 (Rupees in thousand)	2025 (Rupees in thousand)
	976,874	886,851
	18,451	163,106
	995,325	1,049,957

14.1 Reconciliation of carrying amounts of operating fixed assets at the beginning and at the end of the year is as follows:

	Freehold land	Factory building on freehold Land	Residential and other building on freehold land	Plant and machinery	Electric & sui gas Installations	Factory equipment	Furniture, fixtures and fittings	Vehicles	Total
At 30 June 2024									
Cost	3,192	310,102	125,678	1,765,228	47,129	2,115	900	62,196	2,316,540
Accumulated depreciation	-	(160,318)	(54,538)	(1,303,707)	(39,035)	(1,932)	(766)	(26,981)	(1,587,277)
Net book value	3,192	149,784	71,140	461,521	8,094	183	134	35,215	729,263
Year ended 30 June 2025									
Opening net book value	3,192	149,784	71,140	461,521	8,094	183	134	35,215	729,263
Additions	-	68,205	25,371	132,174	-	-	-	4,944	230,694
Disposals:									
Cost	-	-	-	(20,091)	-	-	-	(1,413)	(21,504)
Accumulated depreciation	-	-	-	18,130	-	-	-	1,199	19,329
Depreciation charge	-	(7,773)	(4,149)	(1,961)	-	-	-	(214)	(2,175)
Closing net book value	3,192	210,216	92,362	541,429	7,285	165	120	32,082	886,851
At 30 June 2025									
Cost	3,192	378,307	151,049	1,877,311	47,129	2,115	900	65,727	2,525,730
Accumulated depreciation	-	(168,091)	(58,687)	(1,335,882)	(39,844)	(1,950)	(780)	(33,645)	(1,638,879)
Net book value	3,192	210,216	92,362	541,429	7,285	165	120	32,082	886,851
Year ended 30 June 2026									
Opening net book value	3,192	210,216	92,362	541,429	7,285	165	120	32,082	886,851
Additions	-	-	-	199,020	-	600	-	-	199,620
Disposals:									
Cost	-	-	-	(5,454)	(1,429)	(222)	-	(5,851)	(12,956)
Accumulated depreciation	-	-	-	4,788	1,421	205	-	4,271	10,685
Depreciation charge	-	-	-	(666)	(8)	(17)	-	(1,580)	(2,271)
Assets transferred to held for sale (Note 26):									
Cost	-	-	-	(227,718)	-	-	-	-	(227,718)
Accumulated depreciation	-	-	-	204,157	-	-	-	-	204,157
Depreciation charge	-	(10,511)	(4,616)	(23,561)	-	-	-	-	(23,561)
Closing net book value	3,192	199,705	87,746	654,718	6,549	697	108	24,159	976,874
At 30 June 2026									
Cost	3,192	378,307	151,049	1,843,159	45,700	2,493	900	59,876	2,484,676
Accumulated depreciation	-	(178,602)	(63,303)	(1,188,441)	(39,151)	(1,796)	(792)	(35,717)	(1,507,802)
Net book value	3,192	199,705	87,746	654,718	6,549	697	108	24,159	976,874
Annual rate of depreciation (%)									
		5	5	10	10	10	10	20	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

14.1.1 Detail of operating fixed asset, disposed of during the year is as follows

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchaser
-------------	-----	------	--------------------------	----------------	---------------	------	------------------	--------------------------

(Rupees in thousand)

Aggregate of operating fixed assets with individual book values exceeding Rupees 500,000**Vehicle**

Changan Alsvin Comfort AHZ-960	1	2,604	1,530	1,074	2,592	1,518	Negotiation	Mr. Maqsoom Abdullah, Bannu
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Plant and machinery

Amsler Power Slub Device With E-Profi Light	1	5,454	4,788	666	666	-	Negotiation	Mr. Ali Raza, Faisalabad
		8,058	6,318	1,740	3,258	1,518		

Aggregate of operating fixed assets with individual book values not exceeding Rupees 500,000

	4,898	4,367	531	5,671	5,140
	12,956	10,685	2,271	8,929	6,658

2026 2025
(Rupees in thousand)

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

Cost of sales (Note 28)	74,316	60,751
Administrative expenses (Note 30)	9,449	10,180
	83,765	70,931

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

Manufacturing units	Address	Area of land	Covered area of buildings
---------------------	---------	--------------	---------------------------

Square feet

Manufacturing units

Spinning unit II and unit III	Kotla Kahloon, District Nankana Sahib	27.043 acres	533,160
Industrial site	3-KM, Faisalabad Road, Chiniot.	28.256 acres	428,644
Head Office	Office No. 801, Tricon Corporate Centre 73-E, Jail Road, Gulberg II, Lahore	5,760 square feet	5,760

2026 2025
(Rupees in thousand)

14.2 Capital work-in-progress

Residential and other buildings on freehold land (Note 14.2.1)	-	-
Plant and machinery (Note 14.2.1)	18,451	163,106
	18,451	163,106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

14.2.1 Movement in capital work in progress

	Residential and other buildings on freehold land	Plant and machinery	Total
----- (Rupees in thousand) -----			
At 30 June 2024	17,725	18,750	36,475
Add: Additions during the year	7,646	179,118	186,764
Less: Transferred to operating fixed assets during the year	(25,371)	(34,762)	(60,133)
At 30 June 2025	-	163,106	163,106
Add: Additions during the year	-	62,783	62,783
Less: Transferred to sales tax refundable	-	(23,960)	(23,960)
Less: Transferred to operating fixed assets during the year	-	(183,478)	(183,478)
At 30 June 2026	-	18,451	18,451

15 RIGHT-OF-USE ASSETS

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

	Vehicles (Rupees in thousand)
Balance as at 30 June 2025	-
Add: Additions during the year	27,454
Less: Depreciation for the year (Note 15.2)	(3,043)
Balance as at 30 June 2026	24,411

Lease of vehicles

15.1 The Company obtained vehicles on lease for its employees. Lease period is five years.

	2026 (Rupees in thousand)	2025
15.2 Depreciation charge for the year has been allocated to administrative expenses (Note 30)	3,043	-

16. LONG TERM INVESTMENTS

Equity instruments - Fair value through other comprehensive income

2026			2025		
Cost	Fair Value adjustment	Fair Value	Cost	Fair Value adjustment	Fair Value
----- (Rupees in thousand) -----					

Quoted - Investments in related parties (Note 16.1)

Premier Insurance Limited
739,069 (2025: 739,069) fully paid ordinary shares of Rupees 10 each. Equity held 1.46% (2025: 1.46%)

6,196 1,040 7,236 6,196 (1,237) 4,959

Quoted - Others

Crescent Jute Products Limited (Note 16.2 and Note 16.3)
12,476 (2025: 12,476) fully paid ordinary shares of Rupees 10 each.

- - - - - -

Crescent Cotton Mills Limited
176,790 (2025: 176,790) fully paid ordinary shares of Rupees 10 each.

876 6,473 7,349 876 9,408 10,284

Jubilee Spinning and Weaving Mills Limited
7,788 (2025: 7,788) fully paid ordinary shares of Rupees 10 each.

9 392 401 9 84 93

Crescent Fibres Limited
31,920 (2025: 31,920) fully paid ordinary shares of Rupees 10 each.

256 1,560 1,816 256 1,348 1,604

Samba Bank Limited
2,764,113 (2025: 2,764,113) fully paid ordinary shares of Rupees 10 each.

8,383 18,234 26,617 8,383 18,014 26,397

EFU Life Assurance Limited
60,000 (2025: 60,000) fully paid ordinary shares of Rupees 10 each.

3,519 5,841 9,360 3,519 5,541 9,060

13,043 32,500 45,543 13,043 34,395 47,438

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2026			2025		
Cost	Fair Value adjustment	Fair Value	Cost	Fair Value adjustment	Fair Value

----- (Rupees in thousand) -----

Unquoted - Others

Crescent Modaraba Management Company Limited (Note 16.3)
193,000 (2025: 193,000) fully paid ordinary
shares of Rupees 10 each.

-	-	-	-	-	-
19,239	33,540	52,779	19,239	33,158	52,397

16.1 This Company is related party due to common directorship.

16.2 Crescent Jute Products Limited (CJPL) has discontinued its business since long.

16.3 Full amount of impairment has been provided against investment in Crescent Modaraba Management Company Limited and Crescent Jute Products Limited.

17. LONG TERM SECURITY DEPOSITS

These mainly includes interest free security deposits with utility companies against utility connections. These are not being carried at amortized cost, as required by IFRS 9 'Financial Instruments' as it will have immaterial impact and thus carried at historical cost.

2026 2025
(Rupees in thousand)

18. DEFERRED INCOME TAX ASSET - NET

The asset for deferred income tax originated due to temporary differences relating to:

Deferred income tax assets

Minimum tax carried forward
Workers' welfare fund
Workers' profit participation fund
Allowance for expected credit losses
Lease liabilities
Carried forward tax losses
Provision for slow moving and obsolete stores and spare parts

126,295	119,531
5,256	5,237
48	-
331	244
5,594	-
117,553	87,624
1,154	1,493
256,231	214,129

Deferred income tax liabilities

Accelerated tax depreciation
Right-of-use assets

(167,927)	(112,158)
(7,079)	-
175,006	112,158

Net deferred income tax asset

Deferred income tax asset not recognised in these financial statements

81,225	101,971
(81,225)	(101,971)

Deferred income tax asset recognised in these financial statements

- -

18.1 The gross movement in net deferred income tax asset / (liability) recognised in these financial statements during the year is as follows:

Opening balance
(Charged) / credited to other comprehensive income
(Credited) / charged to statement of profit or loss

-	-
-	-
-	-

Closing balance

-	-
---	---

18.2 Deductible temporary differences are considered to the extent that the realization of related tax benefits is probable from reversals of existing taxable temporary differences and future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Accounting year to which the minimum tax carry forward relates	Amount	Accounting year in which minimum tax carry forward will expire
(Rupees in thousand)			
Minimum tax carried forward	2026	47,110	2028
	2025	51,433	2028
	2024	27,416	2027
	2022	336	2027
		126,295	
	Accounting year to which tax loss relates	Amount	Accounting year in which tax loss will expire
(Rupees in thousand)			
Available unused tax loss - unabsorbed tax depreciation	2026	146,602	Unlimited
Available unused tax loss - unabsorbed tax depreciation	2025	97,554	Unlimited
Available unused tax loss - business loss	2025	38,700	2031
Available unused tax loss - unabsorbed tax depreciation	2023	32,138	Unlimited
Available unused tax loss - business loss	2023	90,362	2029
		405,356	
		2026	2025
		(Rupees in thousand)	
19. STORES AND SPARE PARTS			
Stores		8,691	6,599
Spare parts		101,104	108,592
		109,795	115,191
Less: Provision for slow moving and obsolete items (Note 19.1)		(3,981)	(5,149)
		105,814	110,042
19.1 Provision for slow moving and obsolete items			
Balance as on 01 July		5,149	21,400
Less: Reversal during the year (Note 32)		(1,168)	(16,251)
Balance as on 30 June		3,981	5,149
20. STOCK-IN-TRADE			
Raw materials (Note 20.1)		307,846	484,663
Work-in-process		53,540	70,249
Finished goods		233,369	286,008
Waste stock		3,788	6,798
		598,543	847,718

20.1 Raw materials include stock-in-transit of Rupees 64.369 million (2025: Rupees 72.274 million).

20.2 Stock-in-trade of Rupees 122.009 million (2025: Rupees 296.569 million) is being valued at net realizable value.

20.3 The aggregate amount of write-down of inventories to net realizable value recognized during the year was Rupees 21.649 million (2025: Rupees 46.648 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
21. TRADE DEBTS		
Considered good:		
Unsecured:		
- Others than related parties (Note 21.1)	409,393	121,952
	409,393	121,952
Less: Allowance for expected credit losses (Note 21.2)	(1,141)	(842)
	408,252	121,110
21.1 As at 30 June 2026, trade debts due from other than related parties of Rupees 147.936 million (2025: Rupees 99.061 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:		
Up to 30 days	140,394	41,565
31 to 60 days	1,864	46,616
61 to 90 days	3,285	8,462
91 to 180 days	-	2,389
181 to 360 days	2,393	29
	147,936	99,061
21.2 Allowance for expected credit losses		
Balance as on 1 July	842	12,897
Add: Recognized during the year (Note 31)	299	-
Less: Reversal during the year (Note 32)	-	(12,055)
Balance as on 30 June	1,141	842
21.3 Type of counterparties		
Corporate	409,393	119,536
Others	-	2,416
	409,393	121,952
21.4 Jurisdiction		
Pakistan	409,393	121,952
22. ADVANCES		
Considered good:		
Advances to employees - interest free	2,001	531
Advances to suppliers	8,451	3,062
Advance against letters of credit	2,609	656
	13,061	4,249
23. OTHER RECEIVABLES		
Considered good:		
Cotton claim receivable	3,192	1,089
Margin against bank guarantee	10,000	10,000
Accrued profit on bank deposits	27	
Others	3,552	829
	16,771	11,918

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
24. TAXATION AND LEVY - NET		
Provision for taxation	(24,877)	(24,877)
Levy payable	(47,368)	(51,568)
	(72,245)	(76,445)
Advance tax and prepaid levy	125,788	94,997
	53,543	18,552
25. CASH AND BANK BALANCES		
Cash with banks:		
On deposit accounts (Note 25.1)	56,388	23,929
On current accounts	1,375	4,244
	57,763	28,173
Cash in hand	1,096	283
	58,859	28,456

25.1 Rate of profit on bank deposits ranges from 2.47% to 9.5% (2025: 2.78% to 19.00%) per annum.

26 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Balance as on 01 July	-	-
Add: Transferred from operating fixed assets (Note 14.1)	23,561	-
Less: Disposed of during the year	(1,052)	-
Balance as on 30 June	22,509	-

26.1 These represent items of plant and machinery. The Board of Directors of the Company in its meeting held on 29 October 2025 has approved the disposal of old plant and machinery of Spinning unit I of the Company located at Chiniot. Carrying amounts of these assets will be recovered principally through sale transaction rather than through continuing use. The Company intends to dispose of these fixed assets and anticipates that the disposal will be completed subsequent to the reporting period. The Company is currently in negotiation with some potential buyers.

26.2 Non-recurring fair value measurements

Plant and machinery classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write-down of Rupees Nil as expense in the statement of profit or loss. The fair value of the plant and machinery was determined by an independent valuer. This is a level 3 measurement under the fair value hierarchy set out in note (Note 46).

26.3 Detail of assets disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book	Sale proceeds	Gain	Mode of disposal	Particulars of purchaser
----- (Rupees in thousand) -----								
Plant and machinery								
Ring Frame	4	9,879	9,370	509	3,602	3,093	Negotiation	Usman Traders, Faisalabad
Aggregate of other items of assets held for sale with individual book values not exceeding Rupees 500,000		13,144	12,601	543	7,035	6,492		
		23,023	21,971	1,052	10,637	9,585		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
27. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Export sales	-	-
Local sales (Note 27.1 and 27.2)	3,756,865	4,104,812
	3,756,865	4,104,812
27.1 Local sales		
Sales	4,434,327	4,843,633
Less: Sales tax	(677,462)	(738,821)
	3,756,865	4,104,812
27.2 Local sales include waste sales of Rupees 70.147 million (2025: Rupees 117.505 million).		
27.3 The amount of Rupees 57.007 million included in contract liabilities on 30 June 2025 has been recognized as revenue in 2026 (2025: Rupees 41.858 million).		
27.4 Revenue is recognized at a point in time as per the terms and conditions of underlying contracts with customers. Sales of yarn represent 98% (2025: 97%) of the total sales of the Company. Remaining sales represent waste sales. 100% (2025: 100%) of the sales of the Company relate to customers in Pakistan.		
	2026 (Rupees in thousand)	2025
28. COST OF SALES		
Raw materials consumed (Note 28.1)	2,126,779	3,086,189
Salaries, wages and other benefits (Note 28.2)	270,620	217,859
Stores and spare parts consumed	132,403	95,078
Packing materials consumed	43,276	49,441
Repair and maintenance	5,850	11,534
Fuel and power (Note 25.3)	741,191	651,687
Insurance	7,700	6,989
Other factory overheads	10,443	8,685
Depreciation (Note 14.1.2)	74,316	60,751
	3,412,578	4,188,213
Work-in-process		
Opening stock	70,249	61,963
Less: Closing stock	(53,540)	(70,249)
	16,709	(8,286)
Cost of goods manufactured	3,429,287	4,179,927
Finished goods and waste		
Opening stock	292,806	125,712
Less: Closing stock	(237,157)	(292,806)
	55,649	(167,094)
Cost of sales	3,484,936	4,012,833
28.1 Raw materials consumed		
Opening stock	484,663	255,446
Add: Purchased during the year	1,949,962	3,315,406
	2,434,625	3,570,852
Less: Closing stock	(307,846)	(484,663)
	2,126,779	3,086,189

28.2 Salaries, wages, and other benefits include provident fund contribution of Rupees 4.890 million (2025: Rupees 6.176 million) by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
29. DISTRIBUTION COST		
Salaries and other benefits (Note 29.1)	7,477	6,535
Freight - local	24	34
Commission to selling agents	14,549	19,054
	22,050	25,623

29.1 Salaries and other benefits include provident fund contribution of Rupees 0.111 million (2025: Rupees 0.297 million) by the Company.

30. ADMINISTRATIVE EXPENSES		
Salaries and other benefits (Note 30.1)	72,190	62,544
Directors' meeting fee	740	700
Rent, rates and taxes (Note 30.2)	450	1,052
Insurance	895	1,400
Travelling and conveyance	4,487	6,016
Vehicles' running	10,464	8,597
Entertainment	2,940	2,729
Legal and professional	1,313	2,562
Auditor's remuneration (Note 30.3)	2,197	1,848
Advertisement	208	81
Postage and telephone	1,845	1,660
Electricity and gas	3,823	4,636
Printing and stationery	1,283	1,444
Repair and maintenance	4,794	5,180
Fee and subscription	9,508	9,993
Depreciation (Note 14.1.2)	9,449	10,180
Depreciation on right-of-use-assets (Note 15.2)	3,043	-
Miscellaneous	182	530
	129,811	121,152

30.1 Salaries and other benefits include provident fund contribution of Rupees 3.036 million (2025: Rupees 2.683 million) by the Company.

30.2 This represents rent expense relating to lease of low value assets.

	2026 (Rupees in thousand)	2025
30.3 Auditor's remuneration		
Audit fee	1,670	1,518
Half yearly review	182	165
Other certifications	121	110
Out-of-pocket expenses	61	55
Punjab sales tax on auditors' remuneration	163	-
	2,197	1,680

31. OTHER EXPENSES		
Exchange loss - net	40	-
Workers' profit participation fund (Note 9.4)	166	-
Workers' welfare fund (Note 9.5)	63	-
Sales tax refundable written off	-	791
Allowance for expected credit losses (Note 21.2)	299	-
	568	791

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
32. OTHER INCOME		
Income from financial assets		
Dividend income (Note 32.1)	900	900
Profit on deposits with banks	4,129	8,483
Reversal of allowance for expected credit losses (Note 21.2)	-	12,055
	5,029	21,438
Income from assets other than financial assets		
Gain on sale of property, plant and equipment (Note 14.1.1)	6,658	2,410
Gain on disposal on non-current assets classified as held for sale (Note 26.3)	9,585	-
Reversal of provision for slow moving and obsolete stores and spare parts (Note 19.1)	1,168	16,251
Scrap sales	11,974	9,858
Rental income (Note 32.2)	10,870	13,502
Credit balances written back	-	307
	40,255	42,328
	45,284	63,766

32.1 Dividend income**Other than related parties:**

EFU Life Assurance Limited	900	900
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32.2 This mainly represents rental income earned from leasing out a portion of factory building constructed on freehold land at industrial site of the Company at Chiniot. Net book value of such leased out land and building is very insignificant due to very old premises, hence disclosures required by IAS 40 'Investment Property' have not been given.

	2026 (Rupees in thousand)	2025
33. FINANCE COST		
Mark-up on:		
Long term financing	18,233	3,919
Lease liabilities (Note 7.1)	1,540	-
Short term borrowings	135,236	97,248
Interest on employees' provident fund trust	3	8
Bank charges and commission	6,688	4,475
	161,700	105,650

34. LEVY**For the year**

Final taxes	135	135
Minimum tax differential	47,110	51,433

Prior year

Current tax	-	(6,906)
	47,245	44,662

34.1 Levy represents final tax levied under the Income Tax Ordinance, 2001 and minimum tax (excess over the amount designated as provision for current tax) on local sales under section 113.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
35. TAXATION		
For the year		
Current tax	-	-
Deferred tax	-	-
Prior year		
Current tax	-	(4,939)
	-	(4,939)
35.1 Reconciliation of tax and levy expense and product of accounting profit / (loss) multiplied by the applicable tax rate is as follows:		
Accounting profit / (loss) before levy and taxation	3,084	(97,471)
Applicable tax rate	29%	29%
Tax on accounting loss	894	(28,267)
Effect of final tax regime income	(126)	(126)
Effect due to minimum tax	47,110	51,433
Effect of prior year adjustment	-	(11,845)
Effect of income and expenses that are not considered in determining taxable liability	(633)	28,528
Levy and taxation as per applicable tax laws	47,245	39,723
Levy (Note 34)	(47,245)	(44,662)
Taxation (Note 35)	-	4,939
	-	-
	2026	2025

36. LOSS PER SHARE - BASIC AND DILUTED

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

Loss attributable to ordinary shares	(Rupees in thousand)	(44,161)	(137,194)
Weighted average number of ordinary shares	(Numbers)	8,640,000	8,640,000
Loss per share	(Rupees)	(5.11)	(15.88)

	2026 (Rupees in thousand)	2025
37. CASH GENERATED FROM OPERATIONS		
Profit / (loss) before levy and taxation	3,084	(97,471)
Adjustments for non-cash charges and other items:		
Depreciation (Note 14.1)	83,765	70,931
Depreciation on right-of-use-assets (Note 15.2)	3,043	-
Finance cost (Note 33)	161,700	105,650
Gain on disposal of property, plant and equipment (Note 32)	(6,658)	(2,410)
Gain on disposal on non-current assets classified as held for sale (Note 32)	(9,585)	-
Dividend income (Note 32)	(900)	(900)
Allowance for / (reversal of allowance for) expected credit losses (Note 31 and Note 32)	299	(12,055)
Profit on deposits with banks (Note 32)	(4,129)	(8,483)
Reversal of provision for slow moving and obsolete stores and		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
spare parts (Note 32)	(1,168)	(16,251)
Provision for workers' profit participation fund (Note 31)	166	-
Provision for workers' welfare fund (Note 31)	63	-
Credit balances written back (Note 32)	-	(307)
Reversal of provision for electricity duty	-	(30,226)
Sales tax refundable written off (Note 31)	-	791
Exchange loss - net (Note 31)	40	-
Working capital changes (Note 37.1)	(97,040)	20,223
	132,680	29,492

Working capital changes

(Increase) / decrease in current assets:

- Stores and spare parts	5,396	(7,481)
- Stock-in-trade	249,175	(404,597)
- Trade debts	(287,441)	672,574
- Advances	(8,812)	7,983
- Other receivables	(4,893)	1,103
- Sales tax refundable	50,877	(37,599)
	4,302	231,983
Decrease in trade and other payables	(101,729)	(211,098)
Increase / (decrease) in contract liabilities	387	(662)
	(97,040)	20,223

37.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2026			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	(Rupees in thousands)			
Balance as at 01 July 2025	137,880	-	733,547	4,622
Long term financing obtained	35,100	-	-	-
Short term borrowings - obtained	-	-	3,209,187	-
Lease liabilities recognised during the year	-	27,454	-	-
Repayment of lease liabilities	-	(8,163)	-	-
Short term borrowings - repaid	-	-	(3,052,191)	-
Balance as at 30 June 2026	172,980	19,291	890,543	4,622

	2025		
	Liabilities from financing activities		
	Long term financing	Short term borrowings	Unclaimed dividend
	(Rupees in thousands)		
Balance as at 01 July 2024	-	405,206	4,622
Long term financing obtained	137,880	-	-
Short term borrowings - obtained	-	1,281,920	-
Short term borrowings - repaid	-	(953,579)	-
Balance as at 30 June 2025	137,880	733,547	4,622

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
37.3 Non-cash financing activities		
Lease liabilities recognised during the year	27,454	-

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Director		Executives	
	2026	2025	2026	2025
	(Rupees in thousand)			
Managerial remuneration	13,136	11,846	23,239	25,786
Allowances				
House rent	5,911	5,331	10,428	11,612
Conveyance	-	-	-	488
Medical	-	-	1,793	1,928
Utilities	1,314	1,185	357	386
Contribution to provident fund	1,094	987	1,936	2,148
	21,455	19,349	37,753	42,348
Number of persons	1	1	10	12

38.1 Chief executive, director and certain executives of the Company are provided with fully maintained vehicles.

38.2 Aggregate amount charged in the financial statements for meeting fee to six directors (2025: six directors) was Rupees 0.740 million (2025: Rupees 0.70 million).

38.3 No remuneration was paid to chief executive officer and non-executive directors of the Company.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related parties, key management personnel and provident fund trust. 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 (Rupees in thousand)	2025
Associated companies		
Sale of goods	999	6,263
Purchase of goods and services	327,165	268,509
Purchase of operating fixed asset	12,508	14,750
Insurance premium	10,355	9,801
Rent expense	450	1,001
Markup paid	13,297	17,234
Other related parties		
Company's contribution to employees' provident fund trust	8,037	9,156
Loan obtained from chief executive and his spouse	11,950	500
Loan repaid to chief executive and his spouse	2,700	22,801
Loan obtained from director	21,160	6,941
Loan repaid to director	21,160	7,107

39.1 Detail of compensation to key management personnel comprising of directors and executives is disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

39.2 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		Percentage of shareholding
		2026	2025	
Suraj Cotton Mills Limited	Common directorship	Yes	Yes	None
Crescent Powertec Limited	Common directorship	Yes	Yes	None
Premier Insurance Limited	Common directorship	Yes	Yes	1.46%
The Crescent Textile Mills Limited	Common directorship	No	Yes	None
S2 Solar Limited	Common directorship	No	No	None
Crescot Mills Limited	Common directorship	Yes	Yes	None
S2 Hydro Limited	Common directorship	No	No	None
Bhikki Spinning Mills (Private) Limited	Common directorship	No	No	None
Suraj Brands (Private) Limited	Common directorship	No	No	None
Suraj Fabrics Limited	Common directorship	No	No	None
Crescent Educational Trust	Director is trustee of the Trust	No	No	None
The Shams Textile Mills Limited	Post-employment benefit plan	Yes	Yes	None
Employees Provident Fund Trust	Common directorship	Yes	Yes	None
Equity Textiles Limited	Chief Executive Officer	Yes	Yes	None
Mr. Khalid Bashir	Director	Yes	Yes	None
Mr. Muhammad Anwar	Director	Yes	Yes	None
Mr. Adil Bashir	Director	Yes	Yes	None
Mr. Shahid Arshad (Note 39.2.1)	Director	Yes	Yes	None
Mr. Khurram Mazhar Karim	Director	Yes	Yes	None
Mr. Ali Kamal	Director	No	No	None
Mr. Amjad Mahmood	Director	No	No	None
Mr. Muhammad Shafiq Gill (Note 39.2.1)	Director	Yes	Yes	None
Mr. Asif Bashir	Director	Yes	Yes	None
Ms. Minail Mishal Adamjee	Director	Yes	Yes	None
Ms. Tanveer Khalid Bashir	Spouse of Chief Executive	Yes	No	None

39.2.1 Ceased to be a related party with effect from 01 June 2026.

40. PROVIDENT FUND

As at the reporting date, The Shams Textile Mills Limited 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.

	2026	2025
41. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	343	351
Average number of employees during the year	371	399

42. FINANCIAL RISK MANAGEMENT**42.1 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 minimise potential adverse effects on the financial performance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). 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 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 currency exposure, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from the foreign entities. The Company's exposure to currency risk was as follows:

	2026 (Rupees in thousand)	2025
Other receivables - USD	11,479	3,860
The following significant exchange rate was applied during the year:		
Rupees per US Doller		
Average rate	277.88	279.98
Reporting date rate	278.05	285.35

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit before levy and taxation (2025: loss before levy and taxation) for the year would have been Rupees 0.148 million higher / lower (2025: Rupees 0.055 million lower / higher) 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 instrument traded in the market. The Company 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 the Company's equity (fair value reserve). 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 (Rupees in thousand)	2025
PSX (5% increase)	2,639	2,620
PSX (5% decrease)	(2,639)	(2,620)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

(iii) Interest rate risk

This represents the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market instruments.

The Company has no long-term interest-bearing asset. The Company's interest rate risk arises from long term financing, short term borrowings, lease liabilities and bank balances in deposit accounts. Financial instrument obtained at variable rates expose the Company to cash flow interest rate risk. Financial instrument obtained 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 (Rupees in thousand)	2025
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Floating rate instruments		
Financial assets	-	-
Bank balances - deposit accounts	56,388	23,929
Financial liabilities		
Short term financing	172,980	137,880
Short term borrowings	890,543	733,547
Lease liabilities	19,291	-

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 levy and taxation (2025: loss before levy and taxation) for the year would have been Rupees 9.546 million lower / higher (2025: Rupees 8.475 million higher / lower) mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities 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 (Rupees in thousand)	2025
Long term investments	52,779	52,397
Long term security deposits	30,665	30,665
Trade debts	408,252	121,110
Advances	2,001	531
Other receivables	16,771	11,918
Bank balances	57,763	28,173
	568,231	244,794

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Rating				2026	2025
Short Term	Long Term	Agency	(Rupees in thousand)		
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	103	103
MCB Bank Limited	A1+	AAA	PACRA	23,213	26,837
Faysal Bank Limited	A1+	AA	PACRA	875	879
Allied Bank Limited	A1+	AAA	PACRA	23	35
United Bank Limited	A1+	AAA	VIS	1	-
Meezan Bank Limited	A1+	AAA	VIS	33,497	309
Abhi Microfinance Bank Limited	A2	A-	VIS	51	10
				57,763	28,173
Investments					
Premier Insurance Limited		A	PACRA	7,236	4,959
Samba Bank Limited	A1+	AA	PACRA	26,617	26,397
EFU Life Assurance Limited		AA++	VIS	9,360	9,060
Crescent Cotton Mills Limited		Unknown	-	7,349	10,284
Crescent Fibres Limited		Unknown	-	1,816	1,604
Jubilee Spinning and Weaving Mills Limited		Unknown	-	401	93
				52,779	52,397
				110,542	80,570

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 from these customers to calculate the net exposure towards these customers.

The expected loss rates are based on the payment profiles of sales over a period of time 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 of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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

At 30 June 2026

	Local Sale		
	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)	
Not past due	0.00%	260,910	-
Up to 30 days	0.00%	140,394	-
31 to 60 days	0.00%	1,864	-
61 to 90 days	0.08%	3,285	3
91 to 180 days	6.10%	-	-
181 to 360 days	24.72%	2,393	591
Above 360 days	100.00%	547	547
		409,393	1,141

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

At 30 June 2025

	Local Sale		
	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)	
Not past due	0.00%	22,328	-
Up to 30 days	0.00%	41,565	-
31 to 60 days	0.10%	46,616	47
61 to 90 days	0.90%	8,462	76
91 to 180 days	6.40%	2,389	153
181 to 360 days	9.86%	29	3
Above 360 days	100.00%	563	563
		121,952	842

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 409.457 million (2025: Rupees 128.573 million) available borrowing limits from financial institutions and Rupees 58.859 million (2025: Rupees 28.456 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	172,980	229,906	28,327	27,142	50,728	123,709
Lease liabilities	19,291	25,844	2,907	2,907	5,814	14,216
Trade and other payables	582,420	582,420	582,420	-	-	-
Accrued mark-up	28,961	28,961	28,961	-	-	-
Short term borrowings	890,543	899,834	899,834	-	-	-
Unclaimed dividend	4,622	4,622	4,622	-	-	-
	1,698,817	1,771,587	1,547,071	30,049	56,542	137,925

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	137,880	178,426	-	21,621	40,819	115,986
Trade and other payables	685,813	685,813	685,813	-	-	-
Accrued mark-up	16,905	16,905	16,905	-	-	-
Short term borrowings	733,547	741,399	741,399	-	-	-
Unclaimed dividend	4,622	4,622	4,622	-	-	-
	1,578,767	1,627,165	1,448,739	21,621	40,819	115,986

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 11 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

42.2 Financial instruments by categories

	Amortized cost	FVTOCI	Total
(Rupees in thousand)			
Assets as per statement of financial position			
As at 30 June 2026			
Long term investments	-	52,779	52,779
Long term security deposits	30,665	-	30,665
Trade debts	408,252	-	408,252
Advances	2,001	-	2,001
Other receivables	16,771	-	16,771
Cash and bank balances	58,859	-	58,859
	516,548	52,779	569,327
	Amortized cost	FVTOCI	Total
(Rupees in thousand)			
Assets as per statement of financial position			
As at 30 June 2025			
Long term investments	-	52,397	52,397
Long term security deposits	30,665	-	30,665
Trade debts	121,110	-	121,110
Advances	531	-	531
Other receivables	11,918	-	11,918
Cash and bank balances	28,456	-	28,456
	192,680	52,397	245,077
			Financial liabilities at amortized cost
			2026 2025
			(Rupees in thousand)
Liabilities as per statement of financial position			
Long term financing		172,980	137,880
Lease liabilities		19,291	-
Trade and other payables		582,420	685,813
Accrued mark-up		28,961	16,905
Short term borrowings		890,543	733,547
Unclaimed dividend		4,622	4,622
		1,698,817	1,578,767

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

42.3 Reconciliation 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	52,779	-	52,779
Long term security deposits	30,665	-	30,665
Trade debts	408,252	-	408,252
Advances	2,001	11,060	13,061
Other receivables	16,771	-	16,771
Cash and bank balances	58,859	-	58,859
	569,327	11,060	580,387

2026		
Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position

(Rupees in thousand)

Liabilities			
Long term financing	172,980	-	172,980
Lease liabilities	19,291	-	19,291
Trade and other payables	582,420	41,574	623,994
Contract liabilities - unsecured	-	176,948	176,948
Accrued mark-up	28,961	-	28,961
Short term borrowings	890,543	-	890,543
Unclaimed dividend	4,622	-	4,622
	1,698,817	218,522	1,917,339

2025		
Financial assets	Non-financial assets	Assets as per statement of financial position

(Rupees in thousand)

Assets			
Long term investments	52,397	-	52,397
Long term security deposits	30,665	-	30,665
Trade debts	121,110	-	121,110
Advances	531	3,718	4,249
Other receivables	11,918	-	11,918
Cash and bank balances	28,456	-	28,456
	245,077	3,718	248,795

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2025		
Financial liabilities	Non-financial liabilities	Liabilities as per statement financial of position

(Rupees in thousand)

Liabilities			
Long term financing	137,880	-	137,880
Trade and other payables	685,813	39,681	725,494
Contract liabilities - unsecured	-	176,561	176,561
Accrued mark-up	16,905	-	16,905
Short term borrowings	733,547	-	733,547
Unclaimed dividend	4,622	-	4,622
	1,578,767	216,242	1,795,009

42.4 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.

43. 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. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2026	2025
Borrowings	Rupees in thousand	1,063,523	871,427
Total equity	Rupees in thousand	736,080	779,859
Total capital employed	Rupees in thousand	1,799,603	1,651,286
Gearing ratio	Percentage	59.10	52.77

Increase in gearing ratio is due to increase in borrowings.

44. UNUTILIZED CREDIT FACILITIES

Non-funded		Funded	
2026	2025	2026	2025

(Rupees in thousand)

Total facilities	1,000,000	800,000	1,372,980	900,000
Utilized at the end of the year	(155,811)	(193,326)	(963,523)	(771,427)
Unutilized at the end of the year	844,189	606,674	409,457	128,573

2026		2025	
------	--	------	--

45. PLANT CAPACITY AND ACTUAL PRODUCTION

Number of spindles installed	29,232	51,312
Number of spindles operated	8,798	12,056
100% plant capacity converted to 20s count based on 3 shifts per day (Kgs)	9,543,874	19,346,188
Actual production converted to 20s count based on 3 shifts per day (Kgs)	1,570,928	2,087,980
Solar system		
Installed capacity (kWh)	4,017,819	580,564
Actual production (kWh)	4,303,521	585,320

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

45.1 Reasons for low production:

Under utilization of available capacity was due to low demand and temporary closure of one of the Company's spinning units during the year. Capacity utilization of solar system is due to combination of environmental, technical, structural and maintenance factors.

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL STATEMENTS**(i) Fair value hierarchy**

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company 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 thousands)

Financial assets				
Fair value through other comprehensive income	52,779	-	-	52,779
Total financial assets	52,779	-	-	52,779

Recurring fair value measurements At 30 June 2025	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

(Rupees in thousands)

Financial assets				
Fair value through other comprehensive income	52,397	-	-	52,397
Total financial assets	52,397	-	-	52,397

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which 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 technique used to value financial instruments is use of quoted market prices on Pakistan stock exchange.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

47 DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS THEIR CORE BUSINESS ACTIVITIES

	2026	2025
	(Rupees in thousand)	
Description		
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	-	-
Interest or mark-up accrued on any conventional loan or advance	28,961	16,905
Long-term and short-term Shariah compliant Investments	9,566	11,981
Shariah-compliant bank deposits, bank balances, and TDRs	34,468	1,284
Revenue earned from a Shariah-compliant business segment	3,756,865	4,104,812
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	-	-
Unrealized loss on re-measurement of investments fair value through other comprehensive income	(2,415)	(6,287)
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		
Profit on deposits with banks	208	767
Exchange gain earned from actual currency	-	-
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	-	-
Total Interest earned on any conventional loan or advance	-	-
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income		
Shariah-compliant		
Profit on deposits with banks	208	767
Reversal of allowance for expected credit loss - trade debts	-	12,055
Credit balances written back	-	307
Gain on disposal of property, plant and equipment - net	6,658	2,410
Gain on disposal on non-current assets classified as held for sale	9,585	-
Scrap sales	11,974	9,858
Rental income	10,870	13,502
Reversal of provision for slow moving and obsolete stores and spare parts	1,168	16,251
Non-compliant		
Dividend income	900	900
Profit on deposits with banks	3,921	7,716
Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc		
Name	Relationship	
National Bank of Pakistan (Islamic)	Bank balance	
Meezan Bank Limited	Bank balance	
Faysal Bank (Islamic)	Bank Balance	

48 OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

Sales of yarn represents 98.00% (2025: 97.05%) of the total sales of the Company.

100% (2025: 100%) of the sales of the Company relates to customers in Pakistan.

All non-current assets of the Company at 30 June 2026 are located in Pakistan.

66.86% (2025: 55.65%) of the total sales of the Company are made to a single customer in Pakistan.

49 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 September 2026 by the Board of Directors of the Company.

50 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassification have been made except for presentation of contract liabilities - un-secured amounting to Rs. 176.561 million on the face of statement of financial position instead of grouping under trade and other payables for better Presentation.

51 GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

The Companies ACT, 2017
The Companies (General Provisions and Forms) Regulations,
2018[Section 227(2)(f)]
Pattern of Shareholding

Form - 34

Name of The Company

PART -I
Shams Textile Mills Limited
PART -II

Pattern of Holding of the Shares held by the Shareholders as at :June 30, 2026

Number of Shareholders	Shareholding		Total Shares held
	From	To	
5	30,001	35,000	165,451
3	35,001	40,000	113,335
1	45,001	50,000	49,364
1	50,001	55,000	54,152
1	55,001	60,000	55,983
1	75,001	80,000	76,929
1	105,001	110,000	109,742
1	110,001	115,000	110,806
1	115,001	120,000	118,517
1	120,001	125,000	125,000
1	225,001	230,000	229,994
1	260,001	265,000	263,067
1	295,001	300,000	298,722
1	310,001	315,000	313,979
1	395,001	400,000	399,000
1	635,001	640,000	635,500
1	810,001	815,000	812,160
1	945,001	950,000	949,726
1	1,005,001	1,010,000	1,008,248
1	1,720,001	1,725,000	1,720,055
983			8,640,000

As On: June 30, 2026

2.3 Categories of Shareholder	Share held	Percentage
2.3.1 - Directors, CEO, Their Spouse and Minor Childern	2,541,755	29.40
2.3.2 - Associated Companies, Undertakings & Related Parties	2,532,265	29.31
2.3.3 - NIT & ICP	1,008,248	11.67
2.3.4 - Banks, DFIs, NBFCs	14,759	0.17
2.3.5 - Insurance Companies	339,300	4.62
2.3.6 - Modarabas and Mutual Funds	13,151	0.15
2.3.8 - A. General Public (Local)	1,853,950	21.48
2.3.9 - A. Other Companies (Local)	276,572	3.20
	8,640,000	100.00

Shareholders More Than 10.00%

CRESCENT POWERTEC LIMITED	1,720,105	19.91
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,008,248	11.67
KHALID BASHIR	949,726	10.99

Notice to the Shareholders in terms of section 244 of the Companies Act 2017, to files their respective claims in respect of unpaid Dividend that remained unclaimed for a period of three years (or more)

Dear Shareholder,

In terms of section 244 of the Companies Act, 2017 (the Act) promulgated on May 30, 2017, Companies are required to deposit with the Federal Government, all the dividends, which remain unclaimed or unpaid for a period of three years from the date of issue. In view of the forgoing, it is to inform you that if you have any outstanding/unclaimed dividend(s), in respect of your account, you are therefore, advised to contact and lodge your claim to the share Registrar of the Company at following address and arrange to receive your cheque against unclaimed/outstanding dividend after completing necessary formalities.

M/s Corptec Associates (Pvt) Ltd.

503-E Johar Town Lahore

Tel:042-35170335 -7

You are requested to submit your claim along with supporting evidence at your very earliest.

Yours sincerely

Company Secretary

Mandatory Requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment as Per the Companies Act, 2017

Date: 28 September, 2026

Dear Shareholder,

This is to inform you that in accordance with the section 242 of the Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly into the bank account designed by the entitled shareholders. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in book Entry Form) OR to our Share Registrar M/s. Corptec Associates (Pvt) Ltd. 503-E Johar Town Lahore. (in case your shareholding is in Physical Form):

Details of Shareholders	
Name of Shareholders	
Folio / CDC Account No.	
CNIC No. (Copy attached)	
Cell number of shareholders	
Landline number of shareholders, if any	
Email	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) "Mandatory"	PK_____ (24 digit) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the Company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and address	
It is stated that the above mentioned information is correct and in case of any change herein, I / We will immediately intimate Participant / Share Registrar accordingly.	
Signature of Shareholders	

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PROXY

I/We _____
 _____ of _____ being a member of Shams Textile
 Mills Limited and holder of _____ shares as per
 Registered Folio No. _____

For Beneficial Owners as per CDC list

CDC Participant I. D. N o. _____

Sub-AccountNo. _____

NICNo. _____

or Passport N o. _____

hereby appoint _____ of _____ who is also a member of the
 Company, Folio No. _____ or failing him/her _____
 of _____ who is also member of the Company vide Registered Folio No. _____ as
 my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the 59th Annual General Meeting
 of the Company to be held on Friday, 23 October, 2026 at 10:00 a.m. at Registered Office, Tricon
 Corporate Center, 8th Floor, 73-E Jail Road, Gulberg-II, Lahore and at any adjournment thereof.
 Dated this _____ day of _____, 2026. Signature of the Shareholder _____

For Beneficial owners as per CDC list

1-Witness:

Signature _____

Name _____

Address _____

2-Witness:

Signature _____

Name _____

Address _____

Affix
 Revenue of
 Stamps of Rs. 5/-

 Signature of Member

Note:

- Proxies in order to be effective must be received at the Registered Office of the Company at Tricon Corporate Center, 8th Floor, 73-E Jail Road, Gulberg-II, Lahore not later than 48 hours before the meeting.
- CDC Shareholders and their Proxies are each requested to attach an attested Photocopy of their National Identity Card or Passport with this proxy form before submission to the Company.

ریونیو چسپاں کریں

گواہ

(دستخط کمپنی میں پہلے سے موجود

نمونہ کہ مطابق ہونے چاہیے)

(۱) دستخط _____

نام _____



سی این آئی سی

(۲) دستخط _____

نام _____

سی این آئی سی

Shams Textile Mills Limited
Tricon Corporate Center, 8th Floor,
73-E Jail Road, Gulberg-II,
Lahore - Pakistan.
T: 92 (42) 3576 0381
E: info@shams.com.pk

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