



Shadman

Cotton Mills Limited

47th ANNUAL REPORT 2026

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VISION STATEMENT

To be a dynamic, profitable and growth oriented Organization through dedication, integrity and professionalism.

MISSION STATEMENT

Our mission is to achieve higher level of sustainable growth and profitability by:

- a) Striving for excellence and sustaining position as a preferred supplier of yarn with a customers focused strategy.
- b) Providing diversified and value added textile products.
- c) Building a long term relationship with our customers, suppliers and other stake holders.
- d) Enhancing the profitability by employing latest technologies for achieving higher levels of efficiency, quality and productivity.
- e) Continuously responding to the changing needs of all our customers.
- f) Nurturing a work culture that generates creativity, enthusiasm, participation and professionalism.
- g) Developing motivation and retaining people to achieve high team performance.
- h) Being a good corporate citizen by fulfilling our social responsibilities.

COMPANY INFORMATION

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

Shadman Cotton Mills Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Seventh Annual General Meeting of the Shareholders of **SHADMAN COTTON MILLS LIMITED** will be held at Registered Office 3.5 KM Feroze Watoan Warburton Road, Kot Shah Muhammad Near Chandi Kot Tehsil & District Nankana Sahib on Wednesday, **October 28, 2026 at 10:30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Extra Ordinary General Meeting of the members of the Company held on Wednesday, March 11, 2026.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026 together with the Chairperson's Review, Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending June 30, 2027 and fix their remuneration. The present Auditors M/s Mushtaq & Co. Chartered Accountants, retire and being eligible offered themselves for re-appointment.

ANY OTHER BUSINESS:

4. To consider and approve the lease or rent out any vacant buildings of the company as disclosed in Investment Property note of the financial statements for increase in funds inflow of the company by passing the following resolutions, with or without any modification, addition or deletion.
5. "RESOLVED, that approval and consent of the general meeting be and is hereby accorded for the lease or rent out any vacant buildings as disclosed in Investment Property note of the financial statements of the company and the Chief Executive Officer of the company be and is hereby authorized to lease or rent out any portion of buildings of the company in such manner, on such basis and on such terms and subject to such conditions as may be deemed in the best interest of the company."

"FURTHER RESOLVED, that the Chief Executive Officer or his nominee(s)/representative(s) be and is/are hereby authorized and empowered on behalf of the company to do all acts, deeds and things and take all necessary steps including negotiations and signing of the documents, deeds and papers, agreements and all other documents as may be necessary to give effect to implement the resolution as aforesaid and all matters connected, necessary and incidental thereto."
6. To transact any other business with the permission of the Chair.

By order of the Board



(KHURRAM SHAHZAD)

Company Secretary

Place: Lahore

Dated: October 06, 2026

NOTES:

- 1. Closure of Share Transfer Books:** The Share Transfer Books of the Company will remain closed from October 21, 2026 to October 28, 2026 both days inclusive. Transfers received at Hameed Majeed Associates (Pvt.) Ltd. H.M House, 7-Bank Square Lahore by the close of business on October 20, 2026 will be treated in time for the purpose of above entitlement to the transferees.
- 2. Participation in Annual General Meeting (AGM) through electric means:** The shareholders intended to participate in the AGM through electronic means, are hereby requested to get themselves registered with the company Secretary Office by providing the required details by the end of business on Friday, October 23, 2026 through following means:

- a) Mobile/WhatsApp No. 0333-4646499
- b) E-mail address: finance@shadman.com.pk

Required information: Name, CNIC Number, Folio/CDC Account Number and E-mail ID for their identification.

Upon receipt of above information from the interested shareholders, the company will provide login credentials to participate in AGM via electronic means.

- 3. Participation in Annual General Meeting:** A member entitled to participate and vote at this meeting is entitled to appoint another proxy to participate and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the company duly stamped and signed not later than 48 hours before the time of the meeting.

For Appointing Proxies:

- a) In case of individuals the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with proxy form.
 - b) In case of corporate entities, the Board of Directors' Resolution/ Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the Corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company
- 4. CNIC/IBAN for E-Dividend Payment:** Pursuant to section 242 of the Companies Act 2017, members are requested to provide their CNIC's and bank details including name of the bank branch and IBAN Number to receive their cash dividend directly into their bank account. Therefore, all the members who have not

yet provided their CNIC and bank account details are again reminded to immediately submit a copy of their CNIC and duly filled Dividend Bank Mandate Form to the company's share registrar. In absence of valid bank account and CNIC, dividend amount will be withheld in compliance with the provisions of the Act and Regulations made by the commission. The Dividend Bank Mandate Form is available on the company's website.

Members who hold shares in CDC accounts are requested to provide their bank mandates to their respective participants.

5. **Circulation of Annual Report:** Pursuant to the SECP notification SRO 389(I)/2023 dated March 21, 2023, the shareholders of Shadman Cotton Mills Limited had accorded their consent for circulation of Annual Report and notice of Annual General Meeting electronically, i.e. through email. The members are required to submit their email addresses at Registered Office of the Company on a standard request form which is available on Company's website: www.shadman.com.pk.

The audited financial statements of the company for the year ended June 30, 2026 have been made available on the Company's website www.shadman.com.pk.

The shareholders who wish to receive hard copy of Annual Report may send the standard request to the company secretary/ shares registrar on Request Form available on company website. Hard copy of aforesaid documents will be supplied free of cost.

6. **Tax Deduction:** For cash dividend, the rates of deduction of income tax under section 150 of the Income Tax Ordinance, 2001 are as follows:

- | | |
|---|-----|
| • Persons appearing in Active Tax Payers List, (ATL) | 15% |
| • Persons not appearing in Active Tax Payers List (ATL) | 30% |

In case of joint accounts, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the company/share registrar. If no notification is received each joint holder shall be assumed to have equal number of shares.

The CNIC number/NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayer List (ATL) issued by the FBR from time to time.

7. **Exemption from deduction of Income Tax and Zakat:** Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax withholding exemption certificate or necessary documentary evidence for this purpose. Members desiring non-deduction of Zakat are also requested to submit valid declaration for non-deduction of Zakat.

CDC account holders are requested to submit their declaration for non-deduction of Zakat to the relevant members of stock exchange or to CDC if maintaining CDC investor account.

8. **Unclaimed Dividend/Shares:** Shareholders, who by any reason could not claim their dividend/shares, if any, are advised to contact our Share Registrar M/S Hameed Majeed Associates H.M. House, 7-Bank Square Lahore, to inquire about their unclaimed dividend/shares.
9. **Conversion of Physical Shares into CDC Account:** As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the act, i.e. May 30, 2017. Further, vide its letter dated March 26, 2021 SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry system.

In the light of the aforementioned directives, the shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

10. **Video Conference Facility:** Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in a city and holding at least ten percent of the total paid up capital may demand the company to provide the facility of video-link for participating in the AGM. The demand of video-link facility shall be received by the share registrar at the address given above at least seven (7) days prior to the date of the meeting on the Standard Form available on the Company's website www.shadman.com.pk.
11. **Change of Address:** Members are requested to immediately notify the change of address, if any to Share Registrar of the Company.

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

This statement sets out the material facts concerning the Special Business to be transacted at the AGM of the company to be held on October 28, 2026.

Item No. 4 of the notice- Lease or rent out any vacant building of Investment property of the company

	Rs.
Net Book Value of Investment Property as on June 30, 2026	103,220,077/-

The company has rented out vacant portion of this Investment Property in many parts and on utilization basis. It is impracticable to disclose in the notice of AGM the tenure, rental amount, incremental rate, mode/basis of determination of rentals and other important terms and conditions of the agreements.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as provided in the notice of meeting. The Directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding.

شادمان کاٹن ملز لمیٹڈ

سالانہ اجلاس عام کانٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ شادمان کاٹن ملز لمیٹڈ کے حصہ داران کا سینتالیسواں سالانہ اجلاس عام بروز بدھ مورخہ 28 اکتوبر 2026ء بوقت صبح 10:30 بجے کمپنی کے رجسٹرڈ دفتر واقع 3.5 کلومیٹر، فیروز ٹاؤن، وار برٹن روڈ، کوٹ شاہ محمد، نزد چاندی کوٹ، تحصیل ضلع ننکانہ صاحب میں درج ذیل کاروبار کے لیے منعقد ہوگا:

- 1- مورخہ 11 مارچ 2026ء بروز بدھ کو منعقدہ کمپنی کے اراکین کے غیر معمولی اجلاس عام کی کاروائی کو منظور کرنے کے لیے۔
- 2- 30 جون 2026ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو حاصل کرنے، ان پر غور کرنے اور اپنانے، چیئر پرسن کے جائزے، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ منظور کرنے کے لیے۔
- 3- 30 جون 2027ء کو ختم ہونے والے سال کے لیے آڈیٹرز کا تقرر کرنا اور ان کا معاوضہ طے کرنا۔ موجودہ آڈیٹرز میسرز مشتاق اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کر رہے ہیں۔

کوئی اور کاروبار

- 4- کمپنی کی کسی بھی خالی عمارت کو لیز پر دینے یا کرایہ پر دینے پر غور کرنا اور منظور کرنا، جیسا کہ کمپنی کے فنڈز کی آمد میں اضافہ کے لیے مالیاتی گوشواروں کے انوسٹمنٹ پراپرٹی نوٹ میں انکشاف کیا گیا ہے بغیر کسی ترمیم، اضافہ یا حذف کے، درج ذیل قراردادیں پاس کرنا:
- "منظور کیا گیا کہ اجلاس عام کی منظوری اور رضامندی کسی بھی خالی عمارت کو لیز پر دینے یا کرایہ پر دینے کے لیے دی جائے گی جیسا کہ کمپنی کے مالیاتی گوشواروں میں انوسٹمنٹ پراپرٹی نوٹ میں ظاہر کیا گیا ہے اور کمپنی کے چیف ایگزیکٹو آفیسر اس کے ذریعے کمپنی کی عمارتوں کے کسی بھی حصہ کو اس طریقے سے، ایسی بنیادوں پر اور ایسی شرائط کے ساتھ جو کمپنی کے بہترین مفاد میں سمجھی جائیں، لیز پر دینے یا کرایہ پر دینے کے مجاز ہیں۔"
- "مزید منظور کیا گیا کہ چیف ایگزیکٹو آفیسر یا ان کے نامزد کردہ نمائندے اس کے ذریعے کمپنی کی جانب سے تمام اعمال، چیزیں اور ضروری اقدامات کرنے کے لیے مجاز اور بااختیار ہیں مذکورہ قرارداد کو عملی جامہ پہنانے کے لیے ضروری دستاویزات، ڈیڈز اور کاغذات، معاہدوں اور دیگر تمام دستاویزات پر دستخط کرنا اور اس سے منسلک ضروری اور واقعاتی تمام معاملات کے مجاز ہیں۔"

- 5- چیئر کی اجازت سے کوئی دوسرا کاروبار کرنا۔

بحکم بورڈ

لاہور: 06 اکتوبر 2026ء

خرم شہزاد (کمپنی سیکرٹری)

نوٹس:

1- حصص کی منتقلی کی کتب کی بندش:

کمپنی کی حصص کی منتقلی کی کتب مورخہ 21 اکتوبر 2026ء سے مورخہ 28 اکتوبر 2026ء تک (بشمول دونوں دن) بند رہیں گی۔ ہمارے شیئرز رجسٹرار، حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ واقع H.M. ہاؤس، 7- بنک سکیئر، لاہور کے دفتر میں مورخہ 20 اکتوبر 2026ء کو کاروباری کے اختتام تک موصول ہونے والی منتقلیوں کو مذکورہ بالا حقدار کے مقصد کے لیے بروقت سمجھا جائے گا۔

2- سالانہ اجلاس عام میں برقی ذرائع سے شرکت:

جو حصہ داران سالانہ اجلاس عام میں برقی ذرائع سے شرکت کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ بروز جمعہ مورخہ 23 اکتوبر 2026ء کو کاروبار کے اختتام تک مطلوبہ تفصیلات فراہم کرتے ہوئے کمپنی سیکرٹری کے دفتر میں درج ذیل ذرائع سے رجسٹرڈ ہو جائیں:

الف) موبائل / واٹس ایپ نمبر: 0333-4646499

ب) ای میل ایڈریس: finance@shadman.com.pk

مطلوبہ معلومات: ان کی شناخت کے لیے نام، شناختی کارڈ نمبر، فوٹو/IDC کاؤنٹ نمبر اور ای میل آئی ڈی۔
دلچسپی رکھنے والے حصہ داران سے مذکورہ بالا معلومات کی وصولی کے بعد کمپنی برقی ذرائع سے سالانہ اجلاس عام میں شرکت کرنے کے لیے لاگ ان کی اسناد فراہم کرے گی۔

3- سالانہ اجلاس عام میں شرکت:

اس اجلاس میں حصہ لینے اور ووٹ دینے کا حق دار ممبر اپنی طرف سے حصہ لینے اور ووٹ دینے کے لیے ایک اور پراکسی مقرر کرنے کا حق دار ہے۔ پراکسیز کو موثر ہونے کے لیے درست مہر اور دستخط کے ساتھ کمپنی کے رجسٹرڈ دفتر میں 48 گھنٹے پہلے موصول ہونا چاہیئے۔

پراکسیوں کی تقرری کے لیے:

الف) افراد کے معاملے میں کھاتہ داران یا ذیلی کھاتہ داران جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کرائیں گے۔ پراکسی فارم پر دو افراد گواہی دیں گے، جن کے نام، پتے اور قومی شناختی کارڈ نمبر پراکسی فارم پر درج ہوں گے۔ پراکسی فارم کے ساتھ فائدہ اٹھانے والے مالکان اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی کاپیاں پراکسی فارم کے ساتھ پیش کی جائیں گی۔

ب) کارپوریٹ اداروں کے معاملات میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، کارپوریٹ ادارے کی جانب سے نمائندگی اور ووٹ دینے کے لیے نامزد شخص کے نمونے کے دستخط کے ساتھ پراکسی فارم (جب تک یہ پہلے فراہم نہ کیا گیا ہو) کمپنی کو جمع کرایا جائے گا۔

4- ای ڈیویڈنڈ کی ادائیگی کے لیے قومی شناختی کارڈ/IBAN:

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 242 کے مطابق ممبران سے درخواست کی جاتی ہے کہ وہ اپنے قومی شناختی کارڈ اور بینک کی تفصیلات بشمول بینک برانچ کا نام، IBAN نمبر فراہم کریں تاکہ اپنا نقد ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں وصول کریں۔ لہذا تمام ممبران جنہوں نے ابھی تک اپنے قومی شناختی کارڈ اور بینک اکاؤنٹ کی تفصیلات فراہم نہیں کی ہیں انہیں دوبارہ یاد دہانی کرائی جاتی ہے کہ وہ اپنے قومی شناختی کارڈ کی کاپی فوری طور پر کمپنی کے شیئرز رجسٹرار کو ڈیویڈنڈ بینک مینڈیٹ فارم کے ساتھ جمع کرائیں۔ درست بینک اکاؤنٹ اور قومی شناختی کارڈ کی عدم موجودگی میں کمیشن کی طرف سے بنائے گئے ایکٹ اور ضوابط کی دفعات کے مطابق ڈیویڈنڈ کی رقم روک لی جائے گی۔ ڈیویڈنڈ بینک مینڈیٹ فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

سی ڈی سی اکاؤنٹس میں حصص رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے متعلقہ شرکاء کو اپنا بینک مینڈیٹ فراہم کریں۔

5- سالانہ رپورٹ کی گردش:

ایس ای سی پی کے نوٹیفیکیشن SRO 389(I)/2023 مورخہ 21 مارچ 2023ء کے مطابق، شادمان کاٹن ملز لمیٹڈ کے حصہ داران نے ای میل کے ذریعے سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹس کی گردش کے لیے اپنی رضامندی ظاہر کی تھی۔ ممبران کو لازم ہے کہ وہ اپنے ای میل ایڈریسز کمپنی کو ایک معیاری فارم کے ذریعے جمع کرائیں جو کمپنی کی ویب سائٹ www.shadman.com.pk پر دستیاب ہے۔

30 جون 2026ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کی ویب سائٹ www.shadman.com.pk پر دستیاب کر دیا گیا ہے۔

جو حصہ داران سالانہ رپورٹ کی ہارڈ کاپی حاصل کرنا چاہتے ہیں وہ کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم پر کمپنی سیکرٹری/شیئرز رجسٹرار کو درخواست بھیج سکتے ہیں۔ مذکورہ دستاویزات کی ہارڈ کاپی مفت فراہم کی جائے گی۔

6- ٹیکس کٹوتی:

نقد منافع کے لیے، انکم ٹیکس آرڈیننس مجریہ 2001ء کی دفعہ 150 کے تحت انکم ٹیکس کی کٹوتی کی شرحیں حسب ذیل ہیں:

فعال ٹیکس ادا کرنے والوں کی فہرست میں ظاہر ہونے والے افراد	15%
فعال ٹیکس ادا کرنے والوں کی فہرست میں ظاہر نہ ہونے والے افراد	30%

مشترکہ کھاتوں کی صورت میں، ہر کھاتہ دار کو انفرادی طور پر فائلر یا نان فائلر سمجھا جائے گا اور ٹیکس ہر جوائنٹ ہولڈر کے شیئر ہولڈنگ کی بنیاد پر کاٹا جائے گا جیسا کہ حصہ دار کمپنی/رجسٹرار کو تحریری طور پر مطلع کرے گا۔ اگر جوائنٹ ہولڈر کی طرف سے کوئی اطلاع موصول نہیں ہوتی تو ہر جوائنٹ ہولڈر کے پاس حصص کی تعداد برابر سمجھی جائے گی۔

اب قومی شناختی کارڈ/NTN کی تفصیل لازمی ہے اور FBR کی طرف سے وقتاً فوقتاً جاری کردہ ایکٹیو ٹیکس پینرلسٹ کے مطابق ٹیکس کی حیثیت کو جانچنے کے لیے ضروری ہے۔

7- انکم ٹیکس اور زکوٰۃ کی کٹوتی سے استثنیٰ:

جوارا کین انکم ٹیکس کی کٹوتی سے استثنیٰ چاہتے ہیں یا کم شرح پر کٹوتی کے اہل ہیں ان سے درخواست کی جاتی ہے کہ وہ اس مقصد کے لیے ایک درست ٹیکس وڈ ہولڈنگ اسٹنٹی کا سیرٹیفکیٹ یا ضروری دستاویزی ثبوت جمع کرائیں۔ زکوٰۃ کی کٹوتی نہ کرنے کے خواہشمند ارکان سے بھی درخواست ہے کہ وہ زکوٰۃ کی کٹوتی نہ کرنے کے لیے درست اعلامیہ جمع کرائیں۔

سی ڈی سی اکاؤنٹ ہولڈر جو سی ڈی سی سرمایہ کار اکاؤنٹ رکھتے ہیں، سے درخواست ہے کہ وہ زکوٰۃ کی کٹوتی نہ کرنے کے لیے اپنا اعلامیہ اسٹاک ایکسچینج کے متعلقہ ممبران کو جمع کرائیں۔

8- غیر دعویٰ شدہ منافع / حصص:

ایسے حصہ داران جو کسی وجہ سے اپنے کسی بھی منافع یا حصص، اگر ہو، کا دعویٰ نہیں کر سکے، انہیں ہدایت دی جاتی ہے کہ وہ ہمارے شیئر رجسٹرار M/s حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ واقع H.M. ہاؤس، 7- بنک سکیئر، لاہور سے ان کے غیر دعویٰ شدہ منافع / حصص کے بارے میں معلومات حاصل کرنے کے لیے رابطہ کریں۔

9- فزیکل شیئر زکوٰۃ کی سی ڈی سی اکاؤنٹ میں تبدیل کرنا:

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 72 کے مطابق ہر لسٹڈ کمپنی پر لازم ہے کہ وہ کمیشن کی طرف سے مطلع کردہ تاریخ یعنی 30 مئی 2017ء سے چار سال کی مدت کے اندر کمیشن کے ضابطے کی روشنی میں اپنے فزیکل شیئر زکوٰۃ بک انٹری فارم کے ساتھ تبدیل کرے۔ مزید ایس ای سی پی نے اپنے خط مورخہ 26 مارچ 2021ء کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ اپنے حصہ داران کو اپنی فزیکل سیکورٹیز زکوٰۃ بک انٹری فارم میں تبدیل کرنے کے لیے رابطہ کریں۔

مذکورہ بالا ہدایات کی روشنی میں، فزیکل شیئر ہولڈنگ رکھنے والے حصہ داران کی حوصلہ افزائی کی جاتی ہے کہ وہ CDS شرکت کنندہ / CDC انوسٹر اکاؤنٹ کے ساتھ CDC اکاؤنٹ کھولیں اور اپنی موجودہ فزیکل سیکورٹیز زکوٰۃ بک انٹری فارم میں تبدیل کریں۔

10- ویڈیو کانفرنس کی سہولت:

کمپنیز ایکٹ مجریہ 2017ء کی دفعات کے مطابق کسی شہر میں رہنے والے کل ادا شدہ سرمائے کا کم از کم دس فیصد رکھنے والے حصہ داران کمپنی سے مطالبہ کر سکتے ہیں کہ وہ اس میں شرکت کے لیے ویڈیو لنک کی سہولت فراہم کرے۔ سالانہ اجلاس عام میں شرکت کے لیے ویڈیو لنک کی سہولت کا مطالبہ کمپنی کی ویب سائٹ www.shadman.com.pk پر دستیاب معیاری فارم شیئر رجسٹرار کو اجلاس کی تاریخ سے کم از کم سات (7) دن پہلے اوپر دیئے گئے پتے پر موصول ہونا چاہیئے۔

11- پتہ کی تبدیلی:

ممبران سے درخواست کی جاتی ہے کہ پتہ تبدیلی کی صورت میں، اگر کوئی ہو تو، کمپنی کے شیئر رجسٹرار کو فوری طور پر مطلع کریں۔

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ (3) 134 کے تحت مادی حقائق کا بیان

یہ بیان 28 اکتوبر 2026ء کو ہونے والے کمپنی کے سالانہ اجلاس عام میں لین دین کے لیے خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے۔

نوٹس کے آئٹم نمبر 4 - کمپنی کی سرمایہ کاری کی جائیداد کی کسی بھی خالی عمارت کو لیز یا کرایہ پر دینا

30 جون 2026ء تک انویسٹمنٹ پراپرٹی کی خالص بک ویلیو مبلغ Rs.103,220,077 روپے ہے۔

کمپنی نے اس انویسٹمنٹ پراپرٹی کا خالی حصہ کئی حصوں میں اور استعمال کی بنیاد پر کرائے پر دیا ہے۔ سالانہ اجلاس عام کے نوٹس میں مدت، کرایہ کی رقم، اضافی شرح، کرایہ کے تعین کا طریقہ / بنیاد اور معاہدوں کی دیگر اہم شرائط و ضوابط کا انکشاف کرنا قابل عمل ہے۔

اس کے مطابق، ڈائریکٹرز نے اس معاملے کو حصہ داران کے سامنے عام قرارداد کو پاس کرنے کے لیے جیسا کہ اجلاس کے نوٹس میں فراہم کیا گیا ہے، ان کی منظوری کے لیے رکھا ہے۔ ڈائریکٹرز بالواسطہ یا بلاواسطہ، سوائے ان کے شیئر ہولڈنگ کی حد تک، مذکورہ کاروبار میں دلچسپی نہیں رکھتے۔

CHAIRPERSON'S REVIEW

The composition of the Board of Directors represents mix of varied back grounds and rich experience in the fields of business.

The Board provides strategic directions to the company and directs the management to achieve objectives and goals of the company.

Annual evaluation of Board of Directors as required under the Code of Corporate Governance has been carried out to measure the performance and effectiveness of the Board against the objectives of the company set at the beginning of the year and I report that:

1. The overall performance of the Board for the year under review was satisfactory.
2. The Board had full understanding of the vision and mission statements and frequently revisits them to update with the changing conditions.
3. The Board members attended all Board Meetings during the year and participated in important company's matters.
4. The Board undertook an overall review of business risks to ensure effectiveness of risk identification, risk management and internal controls to safeguard assets and interest of the company and shareholders.
5. The Board members regularly received reports on finance / budgets, production and other important matters which helped them to take effective decisions.
6. The board members were updated with regard to achievement of financial results through regular presentations by the management and accordingly received directions and oversight on a timely basis.

I would like to thank the Board members for their commitments, untiring efforts by overcoming the difficulties posed by unstable market environments and safeguard measures taken for against all type of deceases caused during the year.



(Mrs. Ghazala Shahid)

CHAIRPERSON

Place: Lahore

Date: October 06, 2026

DIRECTORS REPROT TO THE SHAREHOLDERS FOR THE YEAR ENDED JUNE 30, 2026

The Directors are pleased to present the 47th Annual Report of the Company together with Audited Financial Statements and Auditors reports thereon for the year ended June 30, 2026.

SUMMARY OF FINANCIAL RESULTS

Following is the brief highlights of the financial results of the Company for the year ended June 30, 2026.

	2026	2025
Rupees in Million		
Turnover-net	737.632	509.964
Gross Profit/(Loss)	2.364	(19.668)
Operating Profit/(Loss)	72.027	13.918
Profit/(Loss) before Levies & Taxation	3.404	(28.928)
Profit/(Loss) after Levies & Taxation	30.821	(16.572)

BREAK-UP VALUE AND EARNING PER SHARE

The break-up value of shares as on June 30, 2026 is Rs. 49.38 as compared to Rs. 45.48 as on June 30, 2025. The profit per share for the year ended June 30, 2026 is Rs. 1.75 as compared to Loss per share of Rs. (0.94) of previous year as per computation given below:

	2026	2025
Rupees		
Profit/(Loss) after Taxation	30,820,719	(16,572,381)
No. of ordinary shares	17,636,719	17,636,719
Profit/(Loss) per share	1.75	(0.94)

OVERVIEW

Regarding amount payable to Excise and Taxation Officer (ETO) Government of Sindh of Rs. 18.317 million it is stated that this amount relates to the year 2008 and the company have submitted the bank guarantees in favor of Excise and Taxation Officer (ETO) Government of Sindh against said liability.

So far as the qualified opinion of auditors regarding trade debts includes an amount receivable from LESCO of Rs. 16.199 million is concerned, it is stated that the matter is in Court of Law. The management is confident of favorable outcome of this case as per opinion of our legal counsel consequently no provision has been recognized against this receivable.

The liability of Meezan Bank Limited of Rs. 28.544 million is already recognized in the books of account of the company on decreed amount as the case is in the Court of Law.

Regarding the BOP Loan liability, we have positive intension and we are making quarterly installments in routine as per the final schedule between company and bank. However, for the restructuring of the loan in books as per IFRS 9 we are hopeful to comply in future.

During the year under review, the Company has profit after tax of Rs.30.821 million as compared to loss after tax of Rs (16.572) million of previous year. The net turnover in the current year is Rs.737.632 million including export sales of Rs. zero as compared to Rs.509.964 million of last year which shows increase of 44.64 % on account of apparel division and alternate options. Profit per share is Rs 1.75 as compared to Loss per share Rs.(0.94) of corresponding previous year.

FUTURE OUTLOOK

Due to worldwide recession in business from many years our textile industry is also facing this while increasing prices of raw materials, electricity and all other items of production are discouraging the industries across the country. Resultantly high manufacturing costs and high competition in international markets causing low margins. Moreover, changes in tax policies of the government also causing adverse impact on the product prices

However, the management is of the view that they will continue to support the Company in the form of interest free directors' loan to meet company's working capital requirement. Further, the management is planning to add more funds in alternate business option in the hope of profits in the coming financial year.

DIVIDEND

The directors have not recommended any dividend in view of weak financial position of the company for the year ended June 30, 2026.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAME WORK

We confirm that:

- The financial statements have been drawn up in conformity with the Companies Act, 2017 and present fairly the state of its affairs, operating results, cash flow, other comprehensive income and changes in equity.
- Proper books of account have been maintained in the manner required under Companies Act, 2017.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There has been no material departure from the best practices of corporate governance, as required by the listing regulations, except as stated otherwise in the statement of compliance with best practices of the code of corporate governance.
- The key operating and financial data for the last six years is annexed to this report.
- Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- The Directors' Report dealing with the performance of the company during the year ended June 30, 2026, future prospects and other matters of concern to the Company forms part of this report.

BOARD OF DIRECTORS

The Board of Directors consist of: -

Total Number of Directors is Seven (7)

- | | |
|-----------|---|
| a) Male | 6 |
| b) Female | 1 |

Composition: -

- | | |
|----------------------------|---|
| a) Independent Directors | 2 |
| b) Non-Executive Directors | 3 |
| c) Executive Directors | 2 |

The name & position of Board of Directors is as under: -

- | | |
|-------------------------------|--|
| 1. Mr. Shahid Mazhar | Executive Director/Chief Executive Officer |
| 2. Mrs. Ghazala Shahid | Non-Executive Director/Chairperson |
| 3. Mr. Ahmed Bin Shahid | Executive Director |
| 4. Mr. Muhammad Afnan Shahid | Non-Executive Director |
| 5. Mr. Muhammad Akhtar | Non-Executive Director |
| 6. Mr. Mubarak Ali | Independent Director |
| 7. Mr. Muhammad Zeeshan Munir | Independent Director |

BOARD OF DIRECTOR'S MEETINGS

The number of Board Meetings held during the year 2025-26 were Four (4). Also held one (1) extra ordinary general meeting during the year. The attendance of the directors is as under: -

<u>Sr. #</u>	<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
---------------------	---------------------------------	--

- | | | |
|----|----------------------------|---|
| 1. | Mr. Shahid Mazhar | 5 |
| 2. | Mrs. Ghazala Shahid | 5 |
| 3. | Mr. Ahmed Bin Shahid | 5 |
| 4. | Mr. Muhammad Afnan Shahid | 5 |
| 5. | Mr. Muhammad Akhtar | 5 |
| 6. | Mr. Mubarak Ali | 5 |
| 7. | Mr. Muhammad Zeeshan Munir | 5 |

AUDIT COMMITTEE

The composition of audit committee members is as under: -

- | | |
|------------------------|----------|
| 1. Mr. Mubarak Ali | Chairman |
| 2. Mrs. Ghazala Shahid | Member |
| 3. Mr. Muhammad Akhtar | Member |

During the year Four (4) meetings of Audit Committee were held and the attendance of these meetings is as under: -

- | | |
|------------------------|---|
| 1. Mr. Mubarak Ali | 4 |
| 2. Mrs. Ghazala Shahid | 4 |
| 3. Mr. Muhammad Akhtar | 4 |

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The composition of Human Resource and Remuneration Committee members is as under:

- | | |
|-------------------------------|----------|
| 1. Mr. Muhammad Zeeshan Munir | Chairman |
| 2. Mr. Ahmed Bin Shahid | Member |
| 3. Mr. Muhammad Afnan Shahid | Member |

During the year One (1) meeting of Human Resource and Remuneration Committee was held and the attendance of this meeting is as under: -

- | | |
|-------------------------------|---|
| 1. Mr. Muhammad Zeeshan Munir | 1 |
| 2. Mr. Ahmed Bin Shahid | 1 |
| 3. Mr. Muhammad Afnan Shahid | 1 |

- We confirm that Directors, CFO and Company Secretary and their spouse and minor children have made no transactions in the Company's shares during the year.
- The Statement of Compliance with the Code of Corporate Governance is annexed to this report.
- The Chairperson's Review is endorsed by the Board of Directors.
- Pattern & Category of shareholding as at June 30, 2026 is annexed to this report.

All the transactions with related parties have been executed at arm's length and have been disclosed in the financial statements along with the interest free loan from directors under relevant notes.

The present Auditors M/S Mushtaq & CO, Chartered Accountants, retire and being eligible offer them-selves for re-appointment. The Audit Committee of Board has recommended the re-appointment of M/S Mushtaq & Co, Chartered Accountants, as external auditors of the company for the year ending on June 30, 2027 on the level of Auditors remuneration to be fixed by the members in the Annual General Meeting.

CORPORATE BRIEFING SESSION

During the year one corporate briefing session was held on November 21, 2025 on the basis of audited accounts for the year ended Jun 30, 2025. On account of CBS an intimation was sent to the PXS on November 17, 2025.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Corporate Social Responsibility (CSR) is about business giving back to society. As routine, we strive to safeguard the health and well-being of our employees, neighbors and customers, as well as the communities in which we live, work and co-operate.

SAFETY, HEALTH & ENVIRONMENT

We maintain a culture of encouraging best health and safety practices amongst our workers by imparting awareness. We are pleased to inform you that there has been no incident of safety and health during the year. The Company actively strives to provide a safe and healthy workplace for its employees toward communities and environment in which it operates. There have been more plantations by increasing the area of green field to improve the environment.

WORK-LIFE BALANCE

In order to promote a health work-life balance, we strictly follow a 9.00 a.m. to 5.00 p.m. working routine. This ensures that our employees have plenty of time after work for extra-curricular activities with their families and friends.

GENDER PAY GAP

The Company is committed to promote a workplace which is free from gender discrimination and which ensures equal pay regardless of gender. Employee remunerations is determined by multiple factors including professional experience, tenure, education, job role, performance and market dynamics. Compensation is based on objective merit base criteria with no gender bias. The company is focusing on increasing the number of female staff to further diversify and enhance its talent pool.

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

The Management is committed to conduct all business activities with integrity, honesty and in full compliances with the current laws and regulations. A code of conduct has been developed and approved by the Board, which is signed by all employees.

ENERGY CONSERVATION

The Company has taken many measures at mills premises to conserve the energy by fixing energy conserving devices.

ACKNOWLEDGEMENT

The Directors of the Company would like to take the opportunity to thank the Shareholders, valued clients and bankers for the co-operation extended by them during the course of business activities. The Directors are also pleased to record their appreciation for the continued diligence and devotion of the staff members and workers of the Company.

On behalf of the Board of Directors

On behalf of the Board of Directors



Chief Executive Officer



Director

Place: Nankana Sahib

Date: October 06, 2026

ڈائریکٹرز رپورٹ

ڈائریکٹرز کو کمپنی کی 47 ویں سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشواروں اور اس پر ختم ہونے والے سال 30 جون 2026 کے لیے آڈیٹرز کی رپورٹ پیش کرنے پر خوشی ہے۔

مالیاتی نتائج کا خلاصہ

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج کی مختصر جھلکیاں درج ذیل ہیں۔

30 جون 2026 30 جون 2025

(روپے ملین میں)

737.632	509.964	ٹرن اوور نیٹ
2.364	(19.668)	مجموعی منافع/(نقصان)
72.027	13.918	آپریٹنگ منافع
3.404	(28.928)	لیویز اور ٹیکسیشن سے پہلے منافع/(نقصان)
30.821	(16.572)	لیویز اور ٹیکسیشن کے بعد منافع/(نقصان)

بریک اپ ویلیو اور کمائی فی شیئر

30 جون 2026 تک شیئرز کی بریک اپ ویلیو 49.38 روپے کے مقابلے میں 30 جون 2025 تک 45.48 روپے ہے۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے فی شیئر منافع 1.75 روپے کے فی شیئر نقصان کے مقابلے میں۔ پچھلے سال کا (0.94) ذیل میں دی گئی گنتی کے مطابق:

2026 2025

(روپے) (روپے)

30,820,719	(16,572,381)	ٹیکس کے بعد منافع/(نقصان)
17,636,719	17,636,719	عام حصص کی تعداد
1.75	(0.94)	فی حصص منافع/(نقصان)

جائزہ

ایکسائز اینڈ ٹیکسیشن آفیسر (ای ٹی او) حکومت سندھ کو قابل ادائیگی رقم کے حوالے سے روپے۔ 18.317 ملین بتایا گیا ہے کہ یہ رقم سال 2008 سے متعلق ہے اور کمپنی نے مذکورہ ذمہ داری

کے خلاف ایکسائز اینڈ ٹیکسیشن آفیسر (ای ٹی او) حکومت سندھ کے حق میں بینک گارنٹی جمع کرائی ہے۔

جہاں تک تجارتی قرضوں کے حوالے سے آڈیٹرز کی اہل رائے میں لیسکو سے 16.199 ملین روپے کی وصول کی جانے والی رقم شامل ہے۔ بتایا گیا ہے کہ معاملہ عدالت میں ہے۔ انتظامیہ کو ہمارے قانونی وکیل کی رائے کے مطابق اس کیس کے سازگار نتائج کا یقین ہے اس کے نتیجے میں اس قابل وصول کے خلاف کوئی شق تسلیم نہیں کی گئی ہے۔

میزان بینک لمیٹڈ کی واجبات روپے 28.544 ملین پہلے ہی کمپنی کے حساب کتاب میں طے شدہ رقم پر تسلیم شدہ ہے کیونکہ یہ مقدمہ عدالت میں ہے۔

BOP قرض کی ذمہ داری کے بارے میں، ہمارا ارادہ مثبت ہے اور ہم کمپنی اور بینک کے درمیان طے شدہ حتمی شیڈول کے مطابق سہ ماہی اقساط معمول کے مطابق کر رہے ہیں۔ تاہم، IFRS 9 کے مطابق کتابوں میں قرض کی تنظیم نو کے لیے ہم مستقبل میں اس کی تعمیل کرنے کے لیے پر امید ہیں۔

زیر جائزہ سال کے دوران، کمپنی نے 30.821 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جبکہ گزشتہ سال (16.572) ملین روپے کا بعد از ٹیکس نقصان ہوا تھا۔ رواں سال میں خالص ٹرن اوور 737.632 ملین روپے رہا (جس میں برآمدی فروخت صفر تھی) جبکہ گزشتہ سال یہ 509.964 ملین روپے تھا؛ اس میں 44.64 فیصد کا اضافہ ملبوسات کے شعبے اور متبادل آپشنز کی بدولت دیکھنے میں آیا۔ فی حصص منافع 1.75 روپے رہا، جبکہ گزشتہ سال کی اسی مدت میں فی حصص نقصان (0.94) روپے تھا۔

مستقبل کا آؤٹ لک

کئی سالوں سے جاری عالمی کاروباری کسادِ بازاری کے اثرات ہماری ٹیکسٹائل کی صنعت پر بھی مرتب ہو رہے ہیں، جبکہ خام مال، بجلی اور پیداوار سے متعلق دیگر تمام اشیاء کی بڑھتی ہوئی قیمتیں ملک بھر کی صنعتوں کی حوصلہ شکنی کر رہی ہیں۔ اس کے نتیجے میں، پیداواری لاگت میں اضافے اور بین الاقوامی منڈیوں میں سخت مقابلے کی وجہ سے منافع کے مارجن کم ہو رہے ہیں۔ مزید برآں، حکومت کی ٹیکس پالیسیوں میں ہونے والی تبدیلیاں بھی مصنوعات کی قیمتوں پر منفی اثرات مرتب کر رہی ہیں۔

تاہم، انتظامیہ کا ماننا ہے کہ وہ کمپنی کے ورکنگ کیپیٹل (کاروباری سرمائے) کی ضروریات کو پورا کرنے کے لیے 'ڈائریکٹرز لون' (بطور بلا سود قرض) کی صورت میں کمپنی کی معاونت

جاری رکھیں گے۔ مزید برآں، انتظامیہ آنے والے مالی سال میں منافع کی امید پر متبادل کاروباری آپشن میں مزید سرمایہ لگانے کا منصوبہ بھی بنا رہی ہے۔
ڈیویڈنڈ

ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی کمزور مالی پوزیشن کے پیش نظر کسی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک

ہم تصدیق کرتے ہیں کہ:

- مالیاتی بیانات کمپنیز ایکٹ، 2017 کے مطابق بنائے گئے ہیں اور اس کے معاملات کی حالت، آپریٹنگ نتائج، نقد بہاؤ، دیگر جامع آمدنی اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنیز ایکٹ، 2017 کے تحت مطلوبہ طریقے سے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط کی ضرورت ہے، سوائے اس کے کہ جیسا کہ کارپوریٹ گورننس کے کوڈ کے بہترین طریقوں کی تعمیل کے بیان میں بیان کیا گیا ہو۔
- پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔
- بقایا ڈیوٹی اور ٹیکس، اگر کوئی ہیں، مالی بیانات میں ظاہر کیے گئے ہیں۔
- 30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی سے متعلق ڈائریکٹرز کی رپورٹ، مستقبل کے امکانات اور کمپنی کے لیے دیگر تشویش کے معاملات اس رپورٹ کا حصہ ہیں۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز پر مشتمل ہے:-

ڈائریکٹرز کی کل تعداد سات (7) ہے

(ا) مرد 6

(ب) خاتون 1

ترکیب:-

(ا) آزاد ڈائریکٹرز 2

(ب) نان ایگزیکٹو ڈائریکٹرز 3

(ج) ایگزیکٹو ڈائریکٹرز 2

بورڈ آف ڈائریکٹرز کا نام اور عہدہ درج ذیل ہے:-

1. جناب شاہد مظہر ایگزیکٹو ڈائریکٹر/چیف ایگزیکٹو آفیسر
2. مسز غزالہ شاہد نان ایگزیکٹو ڈائریکٹر/چینرپرسن
3. جناب احمد بن شاہد ایگزیکٹو ڈائریکٹر
4. جناب محمد افنان شاہد نان ایگزیکٹو ڈائریکٹر
5. جناب محمد اختر نان ایگزیکٹو ڈائریکٹر
6. جناب مبارک علی آزاد ڈائریکٹر
7. جناب محمد ذیشان منیر آزاد ڈائریکٹر

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2025-26 کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے۔ اس کے علاوہ، سال کے دوران

ایک (1) غیر معمولی اجلاس عام بھی منعقد کیا گیا۔ ڈائریکٹرز کی حاضری حسب ذیل ہے:

ڈائریکٹرز کے نام اجلاس کی تعداد

1. جناب شاہد مظہر 5

2. مسز غزالہ شاہد 5

3. جناب احمد بن شاہد 5

4. جناب محمد افنان شاہد 5

5. جناب محمد اختر 5

6. جناب مبارک علی 5

7. جناب محمد ذیشان منیر 5

آڈٹ کمیٹی

ڈائریکٹرز کے انتخاب کے بعد آڈٹ کمیٹی کی تشکیل نو کی گئی۔ آڈٹ کمیٹی کے ارکان کی تفصیل حسب ذیل ہے:-

1. جناب مبارک علی چیئرمین

2. مسز غزالہ شاہد ممبر

3. جناب محمد اختر ممبر

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے اور ان اجلاسوں کی حاضری حسب ذیل ہے:-

1. جناب مبارک علی 4

2. مسز غزالہ شاہد 4

3. جناب محمد اختر 4

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

ڈائریکٹرز کے انتخاب کے بعد ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی تشکیل نو کی گئی۔ ہیومن ریسورس اور ریمونریشن کمیٹی کے ممبران کی تفصیل حسب ذیل ہے:

1. جناب محمد ذیشان منیر چیئرمین

2. جناب احمد بن شاہد ممبر

3. جناب محمد افنان شاہد ممبر

سال کے دوران ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا ایک (1) اجلاس منعقد ہوا اور اس اجلاس کی حاضری حسب ذیل ہے:-

1. جناب محمد ذیشان منیر 1

2. جناب احمد بن شاہد 1

3. جناب محمد افنان شاہد 1

ہم تصدیق کرتے ہیں کہ ڈائریکٹرز، سی ایف او اور کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا۔

• کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

• چیئرپرسن کے جائزے کی توثیق بورڈ آف ڈائریکٹرز کرتی ہے۔

• 30 جون 2026 تک شیئر ہولڈنگ کا پیٹرن اور زمرہ اس رپورٹ کے ساتھ منسلک ہے۔
متعلقہ فریقین کے ساتھ تمام لین دین 'آرمس لینتھ' (یعنی غیر جانبدارانہ کاروباری شرائط) کی بنیاد پر کیے گئے ہیں اور انہیں مالیاتی گوشواروں میں، ڈائریکٹرز کی جانب سے دیے گئے بلا سود قرض کے ساتھ، متعلقہ نوٹس میں ظاہر کیا گیا ہے۔

موجودہ آڈیٹرز M/S مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے ایکسٹرنل آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے جو کہ ممبران کے سالانہ جنرل میٹنگ میں مقرر کیے جانے والے آڈیٹرز کے معاوضے کی سطح پر ہے۔

کارپوریٹ بریفنگ سیشن

اس سال کے دوران، 30 جون 2025 کو ختم ہونے والے سال کے آڈٹ شدہ کھاتوں کی بنیاد پر 21 نومبر 2025 کو ایک کارپوریٹ بریفنگ سیشن (CBS منعقد کیا گیا۔ اس سیشن کے سلسلے میں 17 نومبر 2025 کو PXS کو اطلاع بھیجی گئی تھی۔

کارپوریٹ سماجی ذمہ داریاں

کارپوریٹ سماجی ذمہ داری (CSR) معاشرے کو کاروبار واپس دینے کے بارے میں ہے۔ معمول کے مطابق، ہم اپنے ملازمین، پڑوسیوں اور گاہکوں کے ساتھ ساتھ ان کمیونٹیز کی صحت اور بہبود کے تحفظ کے لیے کوشش کرتے ہیں جن میں ہم رہتے ہیں، کام کرتے ہیں اور تعاون کرتے ہیں۔

حفاظت، صحت اور ماحولیات

ہم بیداری فراہم کر کے اپنے کارکنوں میں صحت اور حفاظت کے بہترین طریقوں کی حوصلہ افزائی کرنے کا کلچر برقرار رکھتے ہیں۔ ہمیں آپ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ سال بھر کے دوران حفاظت اور صحت کا کوئی واقعہ پیش نہیں آیا۔ کمپنی اپنے ملازمین کے لیے ان کمیونٹیز اور ماحول کے لیے جہاں وہ کام کرتی ہے ایک محفوظ اور صحت مند کام کی جگہ فراہم کرنے کے لیے سرگرم عمل ہے۔ ماحول کو بہتر بنانے کے لیے گرین فیلڈ کے رقبے میں اضافہ کر کے مزید شجرکاری کی گئی ہے۔

کام اور زندگی کا توازن

صحت کے کام اور زندگی کے توازن کو فروغ دینے کے لیے، ہم صبح 9.00 بجے سے شام 5.00 بجے تک سختی سے عمل کرتے ہیں۔ کام کرنے کا معمول۔ یہ اس بات کو یقینی بناتا ہے کہ ہمارے

ملازمین کو کام کے بعد اپنے اہل خانہ اور دوستوں کے ساتھ غیر نصابی سرگرمیوں کے لیے کافی وقت ملے۔

تنخواہ میں صنفی امتیاز

کمپنی ایک ایسے کام کی جگہ کو فروغ دینے کے لیے پر عزم ہے جو صنفی امتیاز سے پاک ہو اور جو صنف سے قطع نظر مساوی تنخواہ کو یقینی بنائے۔ ملازمین کے معاوضوں کا تعین متعدد عوامل سے ہوتا ہے جن میں پیشہ ورانہ تجربہ، مدت، تعلیم، ملازمت کا کردار، کارکردگی اور مارکیٹ کی حرکیات شامل ہیں۔ معاوضہ کسی صنفی تعصب کے بغیر معروضی میرٹ کے بنیادی معیار پر مبنی ہے۔ کمپنی اپنے ٹیلنٹ پول کو مزید متنوع اور بڑھانے کے لیے خواتین عملے کی تعداد بڑھانے پر توجہ دے رہی ہے۔

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

انتظامیہ تمام کاروباری سرگرمیاں دیانتداری، ایمانداری اور موجودہ قوانین اور ضوابط کی مکمل تعمیل کے ساتھ انجام دینے کے لیے پر عزم ہے۔ بورڈ کی طرف سے ایک ضابطہ اخلاق تیار اور منظور کیا گیا ہے، جس پر تمام ملازمین کے دستخط ہیں۔

توانائی کا تحفظ

کمپنی نے ملوں کے احاطے میں توانائی کے تحفظ کے آلات کو ٹھیک کر کے توانائی کے تحفظ کے لیے بہت سے اقدامات کیے ہیں۔

اعتراف

کمپنی کے ڈائریکٹرز اس موقع پر شیئر ہولڈرز، قابل قدر کلائنٹس اور بینکرز کا کاروباری سرگرمیوں کے دوران تعاون کے لیے شکریہ ادا کرنا چاہیں گے۔ ڈائریکٹرز کمپنی کے عملے کے ارکان اور کارکنوں کی مسلسل محنت اور لگن کے لیے اپنی تعریف ریکارڈ کرتے ہوئے بھی خوش ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

تاریخ: 06 اکتوبر 2026

جگہ: لاہور

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

SHADMAN COTTON MILLS LIMITED FOR THE YEAR ENDED JUNE 30, 2026

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

1. The total number of directors are 7 as per the following:
 - a) Male: 6
 - b) Female: 1
2. The composition of Board is as follows:

Category	Directors
Independent Directors*	Mr. Mubarak Ali
	Mr. Muhammad Zeeshan Munir
Non-executive Directors	Mrs. Ghazala Shahid (Chairperson)
	Mr. Muhammad Afnan Shahid
	Mr. Muhammad Akhtar
Executive Directors	Mr. Shahid Mazhar (Chief Executive)
	Mr. Ahmed Bin Shahid

* Determination of number of independent Directors comes to 2.33 (rounded to 2) which is based on Seven Directors. The fraction converted in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

3. All directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her 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.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. One of the directors is exempt from Directors' Training Program and rest of the board could not attend the Directors' Training Program due to heavy load of business engagements of directors in other business matters.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and head of internal auditor, 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

Mr. Mubarak Ali	Chairman
Mrs. Ghazala Shahid	Member
Mr. Muhammad Akhtar	Member

b) HR and Remuneration Committee

Mr. Muhammad Zeeshan Munir	Chairman
Mr. Ahmed Bin Shahid	Member
Mr. Muhammad Afnan Shahid	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 of the committee were as per following:
 - a) Audit Committee: Quarterly (Four Meetings)
 - b) HR and Remuneration Committee: Annually (One Meeting)
15. The board has set up an effective internal audit function team who is considered suitably qualified and experienced for the purpose and is well conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of

Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, Company Secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with and.
19. Explanation for non-compliance with requirements other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:
 - i) The Board was not able to comply with the requirement of Directors training program due to heavy load of business engagements of directors in other business matters.
20. The Board may constitute a separate committee designated as “Nomination Committee” of such members and class of directors as it may deem appropriate in its circumstances.

Currently, the board has not constituted a separate Nominee Committee and functions are being performed by the human resource & remuneration committee.

21. The Board may constitute a separate committee designated as “Risk Management Committee” of such members and class of directors as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the Board. Currently, the board has not constituted a separate Risk Management Committee and the senior officers of the company perform the requisite functions and apprise the board accordingly.



Ghazala Shahid

Chairperson

Dated: October 06, 2026

Key Operating & Financial Data For the Period from July 2021 to June 2026

PARTICULARS	July-June	July-June	July-June	July-June	July-June	July-June
	2025-2026	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Turnover –Net	737,631,799	509,963,504	731,306,818	349,129,692	377,849,670	110,031,908
Cost of Goods Sold	(735,267,648)	(529,631,777)	(726,375,015)	(346,552,569)	(352,932,424)	(165,587,176)
Gross Profit / (Loss)	2,364,151	(19,668,273)	4,931,803	2,577,123	24,917,246	(55,555,268)
Operating Profit/(Loss)	72,027,050	13,918,314	(4,840,515)	162,493,366	21,142,116	(47,229,732)
Profit/ (Loss) Before Levies & Tax	3,403,833	(28,927,656)	(12,819,922)	67,899,836	14,908,084	(52,865,581)
Profit/ (Loss) After Levies & Tax	30,820,719	(16,572,381)	(108,697,939)	93,712,371	11,074,544	(56,757,942)
Paid Up Capital	176,367,190	176,367,190	176,367,190	176,367,190	176,367,190	176,367,190
Current Assets	289,200,995	285,066,842	405,474,271	363,867,526	204,557,205	204,402,062
Current Liabilities	305,205,409	352,881,468	491,829,487	440,762,542	760,274,568	781,129,079
Production in '000' Kgs	-	-	-	-	-	1,240

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Independent Auditor's Review Report to the members of Shadman Cotton Mills Limited on the Statement of Compliance with the Code of Corporate Governance

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 Shadman Cotton Mills Limited for the year ended June 30, 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for the below instances of non-compliance, 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 June 30, 2026.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph Reference	Paragraph Reference Description
19 (i)	i) The board was not able to comply with the requirements of Directors Training Program.

Place: Lahore
Dated: October 6, 2026
UDIN: CR2026107240LiFB7ZAX

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Chartered Accountants
Engagement Partner:
Nouman Arshad, ACA



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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Shadman Cotton Mills Limited ('the Company'), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of other 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 except for the effects of the matters described in the Basis for Qualified Opinion section of our report, 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 other 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 June 30, 2026 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- a) As referred in note 12.5 the liability of Rs. 18.317 million was payable to Excise and Taxation Officer (ETO) Government of Sindh. Company had filed the suit against ETO in Sindh High Court against this levy. No copy of suit filed provided to us neither legal advisor confirmed this suit in his direct confirmation. We were also unable to verify the bank guarantees issued in favor of Excise and Taxation Officer (ETO) Government of Sindh.
- b) Trade debts includes an amount receivable from LESCO of Rs. 16.199 million, this receivable is past due since 30th June, 2011. The balance is not directly confirmed by the party as the said balance is also under litigation. In our opinion, this past due balance has been impaired but no loss allowance in respect of this receivable balance has been made in the financial statements. The company is also in litigation which is fully disclosed in Note 17.1.3 of these financial statements.
- c) As disclosed in Note 17.1.4, a suit has been filed by the Meezan bank limited before the banking court, Lahore, against recovery of outstanding balance of ijarah rentals amounting to Rs. 51.419 million. Suit decreed by Banking Court for Rs. 28.544 million. Appeal of said decree has been filed in High Court. Bank's execution is also pending before Banking Court Lahore. We have not received bank confirmation for the said amount.
- d) As disclosed in Note 9 to the financial statements, the Company entered into a restructuring agreement with the Bank of Punjab under which, subject to no default, the Bank agreed to waive off previous and current mark-up. In accordance with IFRS 9 Financial Instruments, the restructured loan should have been measured at amortised cost. However, the Company continues to carry the loan at its face value of Rs. 225.505 million, instead of the amortised cost of Rs. 81.824 million as at June 30, 2026. Had the requirements of IFRS 9 been applied, the loan balance and total liabilities would have been lower by Rs. 143.699 million, and accumulated losses would have been reduced by the same amount.

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


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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.

Material Uncertainty relating to Going Concern

We draw attention of the members to Note 2.2 in the financial statements, The company incurred profit for the year ended June 30, 2026 of Rupees 30.821 million (loss for the year June 30, 2025: Rs. 16.572 million) primarily due to deferred tax impact and as of that date, reported accumulated losses of Rs. 317.701 million as at June 30, 2026 (June 30, 2025: Rs. 353.331 million) against the issued, subscribed and paid up capital of Rs. 176.367 million (June 30, 2025: Rs. 176.367 million). The current liabilities exceeds the current assets by Rs. 16.004 million (June 30, 2025: Rs. 67.815 million). These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, the enclosed financial statements have been prepared on going concern basis for the reasons and mitigating factors mentioned in the aforesaid note. Our opinion is not modified in respect of this matter.

Key Audit Matter(s)

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.

We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key audit matter	How the matter was addressed in our audit
I.	Revenue Recognition Refer to note 3.18 & 32 to the financial statements. Revenue from sale of Company's products for the year ended 30 June 2026 has increased by approximately 45% as compared to last year. The Company recognizes revenue at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. There is an inherent risk that revenue may be overstated since the Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the control has been transferred. Considering revenue recognition a significant risk area, we have identified this as a key audit matter.	Our key audit procedures in this area amongst others included the following; • Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; • Evaluated the appropriateness of the Company's revenue recognition accounting policy and its compliance with IFRS 15: 'Revenue from Contracts with Customers'. • Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; • Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority. • Ensured that presentation and disclosures related to revenue are being addressed appropriately.

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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 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


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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 provided 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 except for the matters referred in Basis for Qualified Opinion section of our report, 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 other 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 **Nouman Arshad, ACA**.


Mushtaq & Co.
Chartered Accountants



Lahore.

Dated: October 6, 2026

UDIN: AR202610724kSIW6fOLo

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Shadman Cotton Mills Limited

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized share capital</i>			
18,000,000 (2025: 18,000,000) ordinary shares of Rs. 10 each		180,000,000	180,000,000
Issued, subscribed and paid-up capital	5	176,367,190	176,367,190
Share premium reserve	6	53,218,752	53,218,752
Accumulated losses		(317,700,610)	(353,330,974)
Director's loan	7	247,336,000	210,000,000
Surplus on revaluation of property, plant and equipment-net of deferred tax	8	711,655,782	715,876,562
TOTAL EQUITY		870,877,114	802,131,530
NON-CURRENT LIABILITIES			
Long term finances	9	176,480,384	215,700,384
Employees benefit obligation	10	2,327,700	9,451,429
Deferred taxation	11	22,785,756	62,629,080
		201,593,840	287,780,893
CURRENT LIABILITIES			
Trade and other payables	12	113,596,475	100,942,687
Short term borrowings	13	88,586,317	154,862,317
Current maturity of non-current liabilities	14	49,025,000	49,025,000
Ijarah lease rentals payable	15	28,544,690	28,544,690
Provision for taxation	16	25,452,927	19,506,774
		305,205,409	352,881,468
TOTAL LIABILITIES		506,799,249	640,662,361
CONTINGENCIES AND COMMITMENTS			
	17		
TOTAL EQUITY AND LIABILITIES		1,377,676,363	1,442,793,891
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	18	953,082,989	1,019,099,301
Intangibles	19	2,109,508	2,698,208
Investment property	20	103,220,077	105,866,746
Long term deposits	21	30,062,794	30,062,794
Long term loan	22	-	-
		1,088,475,368	1,157,727,049
CURRENT ASSETS			
Stores, spares and loose tools	23	1,747,491	11,455,261
Stock in trade	24	-	44,107,838
Trade debts	25	60,601,744	40,285,414
Loans and advances	26	2,748,587	5,924,921
Trade deposits and short term prepayments	27	4,220,472	4,145,939
Other receivables	28	1,109,157	2,788,061
Tax refunds due from Government	29	51,800,209	39,487,065
Short term investments	30	121,750,501	109,500,000
Cash and bank balances	31	45,222,834	27,372,343
		289,200,995	285,066,842
TOTAL ASSETS		1,377,676,363	1,442,793,891

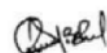
The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Sales - net	32	737,631,799	509,963,504
Cost of sales	33	(735,267,648)	(529,631,777)
Gross Profit / (Loss)		2,364,151	(19,668,273)
Selling and distribution expenses	34	(3,858,862)	(12,498,197)
Administrative and general expenses	35	(30,526,460)	(35,467,909)
		(34,385,322)	(47,966,106)
Other income	36	104,048,221	81,552,693
Operating profit		72,027,050	13,918,314
Finance cost	37	(3,176,825)	(4,999,524)
Other expenses	38	(65,446,392)	(37,846,446)
Profit/(Loss) before levies and taxation		3,403,833	(28,927,656)
Levies	39	(9,220,397)	(6,386,166)
Loss before taxation		(5,816,564)	(35,313,822)
Taxation	40	36,637,283	18,741,441
Profit/(Loss) after taxation		30,820,719	(16,572,381)
Earnings / (Loss) per share - basic and diluted	41	1.75	(0.94)

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Profit/(Loss) after taxation for the year		30,820,719	(16,572,381)
<i>Other comprehensive income/ (loss)</i>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation		829,388	968,112
Deferred tax on remeasurement of staff retirement benefits		(240,523)	(280,752)
		588,865	687,360
Total comprehensive profit / loss		31,409,584	(15,885,021)

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	43	63,703,173	16,097,652
Payments for:			
Employees retirement benefits		(7,802,200)	(310,000)
Finance cost		(3,176,825)	(4,999,524)
Income tax		(21,536,046)	(16,453,543)
		(32,515,071)	(21,763,067)
Net cash generated/(used) in operating activities		31,188,102	(5,665,415)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		64,689,700	27,872,970
Proceeds from disposal of fixed assets held for sale		-	66,136,455
Purchase of property, plant and equipment		(73,311,273)	(39,014,539)
Short term investment		(12,196,907)	(71,637,954)
Rental Income		75,640,869	61,139,834
Long term payables		-	(1,600,000)
Long term deposits		-	(1,863,920)
Net cash generated from investing activities		54,822,389	41,032,846
CASH FLOW FROM FINANCING ACTIVITIES			
Net (decrease) / increase in long term financing		-	-
Repayment of long term loan		(39,220,000)	(39,220,000)
Net (decrease) / increase in short term borrowings / director's loan		(28,940,000)	2,771,000
Net (decrease) / increase in accrued mark up		-	-
Net cash used in financing activities		(68,160,000)	(36,449,000)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		17,850,491	(1,081,569)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		27,372,343	28,453,912
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	44	45,222,834	27,372,343

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2026

Issued subscribed and paid-up capital	Share Premium reserve	Revenue Reserve	Directors' loan	Capital Reserve	Total equity
		Accumulated Profit / (loss)		Surplus on revaluation of property, plant & equipment	
Rupees					
176,367,190	53,218,752	(383,752,398)	210,000,000	762,183,007	818,016,551
-	-	(16,572,381)	-	-	(16,572,381)
-	-	687,360	-	-	687,360
-	-	40,209,254	-	(40,209,254)	-
-	-	6,097,191	-	(6,097,191)	-
176,367,190	53,218,752	(353,330,974)	210,000,000	715,876,562	802,131,530
176,367,190	53,218,752	(353,330,974)	210,000,000	715,876,562	802,131,530
-	-	30,820,719	-	-	30,820,719
-	-	588,865	-	-	588,865
-	-	-	37,336,000	-	37,336,000
-	-	4,220,780	-	(4,220,780)	-
176,367,190	53,218,752	(317,700,610)	247,336,000	711,655,782	870,877,114

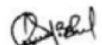
The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1 THE COMPANY AND ITS OPERATIONS

1.1 Shadman Cotton Mills Limited ('the Company') was incorporated in Pakistan as a public limited company on November 24, 1979 and is listed on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing, trading and sale of yarn, staple fibre and apparel products. The registered office of the Company, Manufacturing facilities and land covering 285 Kanals 7 Marlas of the company is located at 3.5 K.M, Feroze Watwan, Warburton Road, Kot Shah Mohammad tehsil, Nankana Sahib.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Going concern assumption

The company incurred profit for the year ended June 30, 2026 of Rupees 30.821 million (loss for the year June 30, 2025: Rs. 16.572 million) primarily due to deferred tax impact and as of that date, reported accumulated losses of Rs. 317.701 million as at June 30, 2026 (June 30, 2025: Rs. 353.331 million) against the issued, subscribed and paid up capital of Rs. 176.367 million (June 30, 2025: Rs. 176.367 million). The current liabilities exceeds the current assets by Rs. 16.004 million (June 30, 2025: Rs. 67.815 million). These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future.

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

2.3 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value. In these financial statements, except for cash flow statements, all transactions have been accounted for on accrual basis.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest Rupee.

2.5 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Recognition of deferred tax and estimation of income tax provisions
- Measurement of defined benefit obligation
- Estimation of provisions and contingent liabilities
- Useful lives, residual values and depreciation method of property, plant and equipment
- Fair value of investment property and certain classes of property, plant and equipment

- Useful lives, residual values and amortization method of intangible assets
- Impairment of non-financial assets including goodwill
- Impairment of financial assets
- Provision for stores and spares and stock in trade

2.6 Standards, interpretations and amendments to published approved accounting standards

2.6.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

2.6.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

		Effective date (annual reporting periods beginning on or after)
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21	The effects of changes in foreign exchange rates	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments (Amendments)	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

2.6.3 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 20	Regulatory Assets and Regulatory Liabilities

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Investment property

Property held for capital appreciation and rental yield, which is not in the use of the Company is classified as investment property. Investment Property comprises of building. The company has adopted cost model for its investment property.

3.2 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3.3 Employee benefits

Post retirement benefits

Defined benefit plans

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

Amounts recognized in the statement of financial position represent the present value of the defined benefit obligation determined through actuarial valuation using the projected unit credit method.

Actuarial gains and losses are recognized in statement of comprehensive income for the period in which these arise.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

3.4 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

3.5 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.6 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoices to the company.

3.7 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

3.8 Property, plant and equipment and depreciation

Owned assets

Operating fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at revalued amount, and buildings, plant and machinery which are carried at revalued amounts less accumulated depreciation. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is charged on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is material.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Impairment

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

3.9 Capital work in progress

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

3.10 Intangible Assets

Acquired

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed out as incurred.

Amortization

Amortization is charged to profit or loss on a straight-line basis at the rates specified in financial statements, over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off. The assets' useful lives and amortization methods are reviewed at each reporting date, and adjusted if material.

3.11 Financial assets and liabilities

Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.12 Impairment

Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only 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 no impairment loss had been recognized.

3.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.14 Stores and spares

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.15 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows:

Raw material	At weighted average cost or replacement cost whichever is lower
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost or net realizable value whichever is lower
Waste	Net realizable value

Valuation of raw material, work in process and finished goods as on 30th June 2026 have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

Raw material in transit is stated at invoice price plus other charges paid thereon upto the reporting date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

3.16 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently after deducting allowance for ECLs.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

3.18 Revenue recognition

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

Interest income is recognized on the basis of constant periodic rate of return.

Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in statement of comprehensive income in the period in which they arise.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

3.19 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

3.20 Ijarah

Leases in which the significant portion of risks and rewards and ownership is retained by the lessor are classified as Ijarah. Payments made under ijarah agreements are charged to statement of profit or loss on straight line basis over the lease term of ijarah agreement.

3.21 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the reporting date.

Exchange differences, if any, are taken to profit and loss account.

3.22 Transactions with related party

Transactions with related parties are priced at comparable uncontrolled market price. All transactions involving related parties arising in the normal course of business are conducted at arm's length using valuation modes, as admissible. Parties are said to be related when they meet the definition as provided in the Companies Act, 2017.

4 CAPITAL MANAGEMENT

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further the company is not subject to externally imposed capital requirements.

Shadman Cotton Mills Limited

5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2026	June 30, 2025		June 30, 2026	June 30, 2025
No. of shares	No. of shares		Rupees	Rupees
Ordinary shares of Rs. 10 each				
11,627,344	11,627,344	Issued for cash	116,273,440	116,273,440
6,009,375	6,009,375	Issued as fully paid bonus shares	60,093,750	60,093,750
17,636,719	17,636,719		176,367,190	176,367,190

The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

6 SHARE PREMIUM RESERVE

This represents premium on issue of right ordinary shares. This reserve can be utilized by the company only for the purposes specified in section 81 of the Companies Act, 2017.

7 DIRECTOR'S LOAN

This represents interest free loan from directors and repayable at the discretion of the Company. Therefore, this amount is accounted for in accordance with the Technical Release- 32' issued by ICAP and is classified under equity.

8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT (NET OF DEFERRED TAX)

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
As at beginning of the year - gross		838,904,297	887,701,144
Add:			
Surplus arising on land		-	-
Surplus arising on building		-	-
Prior year impairment loss reversed		-	-
		-	-
Less:			
Disposal of fixed assets		-	40,209,254
		-	40,209,254
Less:			
Transferred to equity in respect of:			
Incremental depreciation on revalued assets		(5,944,761)	(8,587,593)
Closing balance gross		832,959,536	838,904,297
Less:			
Related deferred tax liability			
Revaluation at the beginning of the year		123,027,735	125,518,137
Amount realized during the year on incremental depreciation		(1,723,981)	(2,490,402)
		121,303,754	123,027,735
As at end of the year		711,655,782	715,876,562

9 LONG TERM FINANCES

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Secured			
These represent long term finances utilized under interest/markup arrangements from banking companies			
The Bank of Punjab - Demand finance - I & II	9.1	264,725,384	303,945,384
		264,725,384	303,945,384
Payments		(39,220,000)	(39,220,000)
		225,505,384	264,725,384
Current maturity presented under current liabilities	14	(49,025,000)	(49,025,000)
		176,480,384	215,700,384

9.1 This represent out of Court settlement through rescheduling/restructuring of entire principal liability of long term financing and short term borrowings of the company payable to The Bank of Punjab as on December 31, 2022, as per bank letter dated January 19, 2023. The finance is secured by charge over operating fixed assets and current assets of the company. The finance carries mark up at the rate of 5.97% and shall be waived 100% at the tail end subject to no default by the company. In case of default, company has to pay a mark up of Rs. 500.94 million (2025: Rs. 461.220 million). The company has paid 10% down payment of Rs. 39.221 million on January 25, 2023 immediately on signing of letter and balance amount is payable in 36 equal quarterly installments commencing from March 31, 2023.

9.2 For restrictions on title and assets pledged as security, refer to note 50 to the financial statements.

Shadman Cotton Mills Limited

10	EMPLOYEES BENEFIT OBLIGATION	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
10.1	Movement in present value of defined benefit obligation			
	As at beginning of the year		9,451,429	7,646,946
	Charged / (credit) to Statement of profit or loss for the year	10.2	1,507,859	3,082,595
	Benefits paid during the year		(7,802,200)	(310,000)
	Remeasurements recognized in statement of other comprehensive income	10.4	(829,388)	(968,112)
	As at end of the year		<u>2,327,700</u>	<u>9,451,429</u>
10.2	Charge to statement of profit or loss			
	Current service cost		855,695	1,977,533
	Interest cost		652,164	1,105,062
			<u>1,507,859</u>	<u>3,082,595</u>
10.3	The charge to statement of profit or loss has been allocated as follows:			
	Cost of sales	33	948,374	1,938,811
	Administrative and general expenses	35	559,485	1,143,784
			<u>1,507,859</u>	<u>3,082,595</u>
10.4	Remeasurements recognized in other comprehensive income	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	Actuarial (income) / loss arising from changes in:			
	Demographic assumptions		-	-
	Financial assumptions		268,407	(16,156)
	Experience adjustments		(1,097,795)	(951,956)
			<u>(829,388)</u>	<u>(968,112)</u>

10.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	Note	June 30, 2026	June 30, 2025
Discount rate		11.75%	11.74%
Expected rates of increase in salary		11.75%	10.75%
Expected average remaining working lives of employees		9 years	9 years

10.6 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is 8 years.

10.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending June 30, 2027 amounts to Rs. 1.05 million.

10.8 Sensitivity analysis

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

		June 30, 2026		June 30, 2025
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		Rupees		Rupees
Discount rate	+1%	2,149,484	+ 1%	8,728,343
	-1%	2,520,535	- 1%	10,234,644
Expected rate of increase in salary	+1%	2,520,695	+ 1%	10,234,418
	-1%	2,149,581	- 1%	8,728,236

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

10.9 Risks associated with defined benefit plan

The Company provides Gratuity benefits to its regular employees. The Gratuity Scheme is an un-funded arrangement. There is no minimum funding requirement for Gratuity Benefit Scheme. The main risk of Gratuity Benefit Scheme is that the accrued benefits may not be paid when they fall due. The Gratuity Benefit liability reflected in the Company's Accounts provides a reasonable security of the accrued rights because it is likely that the accrued Gratuity benefits could be considered as high priority debt in case of insolvency of the sponsor. The Gratuity Benefit Scheme is a defined benefit scheme.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability and vice versa.

Salary risk

The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Withdrawal rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase/decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase/decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

11 DEFERRED TAXATION	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Opening Balance		62,629,080	83,897,051
Recognised / reversed in profit or loss		(40,083,847)	(21,548,723)
Recognised / reversed in OCI		240,523	280,752
Closing balance		22,785,756	62,629,080
Deferred tax asset on deductible temporary differences	11.1	(93,594,897)	(70,275,844)
Deferred tax liability on taxable temporary differences	11.2	116,380,653	132,904,924
Net asset/(liability)		22,785,756	62,629,080
11.1 Deferred tax assets			
Employees retirement benefits		(2,512,659)	(4,076,283)
Provisions		(1,303,719)	(6,523,317)
Unused tax losses and credits		(89,778,519)	(59,676,244)
		(93,594,897)	(70,275,844)
11.2 Deferred tax liabilities			
Accelerated tax depreciation		42,463,643	45,261,081
Revaluation surplus on property, plant and equipment		73,908,971	87,643,843
Short term investment in listed securities		8,039	-
		116,380,653	132,904,924
		22,785,756	62,629,080
12 TRADE AND OTHER PAYABLES			
Trade creditors		18,977,297	23,797,884
Accrued liabilities	12.1	11,671,896	14,627,737
Contract liabilities	12.2	6,163,369	7,421,746
Workers' Profit Participation Fund	12.3	270,303	-
Workers' Welfare Fund	12.4	6,336,642	4,604,722
ETO payable	12.5	18,316,926	18,316,926
GIDC payable	12.6	22,361,383	22,361,383
Security deposits		18,649,362	8,875,000
Other payables		10,849,297	937,289
		113,596,475	100,942,687
12.1 This amount includes Rs. 0.20 million (2025: Rs. 0.21 million) payable to the directors of the company.			
12.2 Contract liabilities			
Advances from customers		6,163,369	5,391,746
Advance against Rent		-	2,030,000
		6,163,369	7,421,746
12.2.1 Advance received from customers is recognised as revenue when performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. 0.21 million (2025: Rs. NIL) has been recognised in current year in respect of advance from customer at the beginning of the year.			

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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
12.3 Workers' Profit Participation Fund			
As at beginning of the year		-	-
Charged during the year		270,303	-
Interest on funds utilized by the Company		-	-
		270,303	-
Less: Paid during the year		-	-
As at end of the year		270,303	-
12.3.1 Interest has been charged at Nil (2025: Nil) per annum.			
12.4 Workers' Welfare Fund			
As at beginning of the year		4,604,722	3,239,899
Charged to profit or loss for the year		1,114,109	878,838
Interest charged for the year	12.4.1	617,811	485,985
Paid during the Year		-	-
As at end of the year		6,336,642	4,604,722
12.4.1 Interest has been charged at 15% (2025: 15%) per annum.			
12.5 Movement in liability recognized in the statement of financial position			
	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Balance at beginning of the year		18,316,926	18,316,926
Accrued for the year		-	-
Paid during the year		-	-
		18,316,926	18,316,926
This represents infrastructure cess levied by Excise and Taxation Officer ('ETO') Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan. The Company and others have filed a suit before the Sindh High Court ('SHC') challenging the levy. The Supreme Court of Pakistan through order has declared all levies and collections before December 26, 2008 to be invalid. During the pendency of decision on the levies and collections on or after December 26, 2008, SHC has directed the petitioners to pay 50% of liability for levies on or after December 26, 2008 to ETO and to arrange bank guarantees for the remaining amount in favor of ETO. The liability represents 50% of levies after December 26, 2008 against which guarantees have been arranged in favor of ETO.			
12.6 Movement in liability recognized in the statement of financial position			
	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Balance at beginning of the year		22,361,383	22,361,383
Accrued for the year		-	-
Paid during the year		-	-
		22,361,383	22,361,383
The Company has filed petition W.P.No. 42176 of 2020. Through this petition court has instructed GIDC for reduced payments. Presently the recovery of arrears of GIDC has been stayed vide W.P.No 23889/2021 by the Lahore High Court, Lahore. It is anticipated that this case would be decided in favor of The Company, However, the time frame for decision of the Court cannot be prejudged for the said case.			
13 SHORT TERM BORROWINGS			
Unsecured -from related parties			
Opening Balance	13.1	364,862,317	362,091,317
Received during the year		17,335,000	21,775,000
Repaid during the year		(46,275,000)	(19,004,000)
		335,922,317	364,862,317
Less: Equity Portion		(247,336,000)	(210,000,000)
		88,586,317	154,862,317
13.1 This represents temporary loan obtained from director of the Company to meet workings capital requirements. The loan is unsecured and interest free.			
14 CURRENT MATURITY OF NON-CURRENT LIABILITIES			
	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Long term finances	9	49,025,000	49,025,000

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		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
15	IJARAH LEASE RENTALS PAYABLE			
	Ijarah rentals payable		28,544,690	28,544,690
15.1	These represent Ijarah obtained under sale and lease back arrangements for acquiring plant and machinery. The lease was priced at three months KIBOR plus 1.75% per annum, subject to floor and cap of 10% and 24% per annum respectively. Lease rentals were payable quarterly over a tenor of three years with the first installment due from November 2012. Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of assets subject to ijarah lease are borne by the Company. The lease term has expired and the entire outstanding balance represents overdue installments.			
		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
16	PROVISION FOR TAXATION			
	Taxation	16.1	25,452,927	19,506,774
16.1	Taxation			
	Balance at the beginning		19,506,774	18,655,862
	Provision made during the year		25,452,927	19,506,774
			44,959,701	38,162,636
	Adjusted/paid during the year		(19,506,774)	(18,655,862)
			25,452,927	19,506,774
17	CONTINGENCIES AND COMMITMENTS			
17.1	Contingencies			
17.1.1	Shadman Cotton Mills Limited had filed a suit (COS No. 26/2012) against Bank of Punjab (BOP) which included various claims, with a total recovery amounting to Rs. 744.348 million. However, the suit was withdrawn on January 30, 2023, following an amicable settlement between the company and the bank. As a result of this settlement, there is no risk of financial loss to the company related to this case.			
17.1.2	The Bank of Punjab (BOP) had filed a suit (COS No. 23/2012) against Shadman Cotton Mills Limited and other parties for the recovery of Rs. 577.391 million. The suit was decreed by consent on February 10, 2023, following a settlement agreement between the parties. The amount involved in the case has been settled with the bank, and no further financial liability is expected for the company.			
17.1.3	A dispute arose between Shadman Cotton Mills Limited and Lahore Electric Supply Company (LESCO) regarding payments due to the company. The matter was referred to arbitration, and an award was announced on January 12, 2016, entitling the company to Rs. 16.114 millions. Shadman Cotton Mills Limited has filed a petition to have the award made a rule of court, and the case is currently pending before the Civil Court, Lahore. There is no financial loss to the company, as it holds a valid claim against LESCO.			
17.1.4	Meezan Bank filed a suit against Shadman Cotton Mills Limited and others for the recovery of Rs. 51.419 million. The suit was decreed by the Banking Court No. VI, Lahore, for Rs. 28.544 million. An appeal against this decree has been filed in the Lahore High Court (RFA No. 7837/2019), and the execution of the decree is also pending before the Banking Court. The amount involved in this case is the decretal sum of Rs. 28.544 million.			
17.2	Commitments			
		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	Letters of credit (LC)-Raw Material Purchase		27,178,262	89,905,661
		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
18	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	18.1	953,082,989	1,019,099,301
	Capital work in progress		-	-
			953,082,989	1,019,099,301

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June 30, 2026											
COST/REVALUED AMOUNT						DEPRECIATION			Net book		
As at	Revaluation	Adjustments	Disposals	As at	Rate	As at	For	Adjustments	Disposals	As at	value as at
July 01, 2025	Additions	Addition/(Reversal)		June 30, 2026		July 01, 2025	the period			June 30, 2026	June 30, 2026
Ruppes	Ruppes	Ruppes	Ruppes	Ruppes	%	Ruppes	Ruppes	Ruppes	Ruppes	Ruppes	Ruppes
456,797,263	-	-	-	456,797,263	-	-	-	-	-	-	456,797,263
365,400,000	-	-	-	365,400,000	2.5%	16,041,625	8,663,959	-	-	26,725,584	338,674,416
188,000,000	164,398	(29,050,625)	(43,954,112)	115,159,661	2.5%	-	4,336,330	(3,603,781)	(732,569)	-	115,159,661
6,279,286	-	-	-	6,279,286	10%	5,290,253	98,903	-	-	5,389,156	890,130
5,351,686	-	-	-	5,351,686	10%	4,003,795	153,789	-	-	4,167,584	1,384,102
54,468,349	73,146,875	-	(59,258,145)	68,357,079	20%	30,051,610	4,692,277	-	(6,564,325)	28,179,662	40,177,417
1,076,595,584	73,311,273	(29,050,625)	(103,212,257)	1,017,584,975		57,797,283	17,963,78	(3,603,781)	(7,296,894)	64,461,986	953,082,989

June 30, 2025												
COST/REVALUED AMOUNT						DEREGOCIATION						
As at	Additions	Revaluation	Adjustments	Disposals	As at	Rate	As at	For	Adjustments	Disposals	As at	Net book
July 01, 2024		Addition/(Reversal)			June 30, 2025	%	July 01, 2024	the period			June 30, 2025	value as at
Ruppes	Ruppes	Ruppes	Ruppes	Ruppes	Ruppes		Ruppes	Ruppes	Ruppes	Ruppes	Ruppes	Ruppes
456,797,263	-	-	-	-	456,797,263	-	-	-	-	-	-	456,797,263
365,400,000	-	-	-	-	365,400,000	2.5%	9,135,000	8,906,625	-	-	18,041,625	347,358,375
189,834,803	44,868,614	(29,475,349)	-	(17,228,168)	188,000,000	2.5%	4,691,336	5,070,203	(9,590,013)	(171,526)	-	188,000,000
6,236,286	43,000	-	-	-	6,279,286	10%	5,180,360	109,893	-	-	5,290,253	999,033
5,551,686	-	-	-	-	5,551,686	10%	3,842,918	170,877	-	-	4,013,795	1,537,891
53,952,954	9,756,355	-	-	(9,240,290)	54,468,349	20%	24,065,337	5,986,073	-	-	30,051,410	24,416,739
1,077,777,992	54,667,999	(29,475,349)	-	(26,469,150)	1,078,499,584		46,915,151	20,243,671	(9,590,013)	(171,526)	57,397,283	1,018,099,201

18.11 Disposal of fixed assets

	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
Disposal of operating fixed assets							
Suzuki Cuthus Ltr-07-9722	607,650	598,163	9,487	650,000	640,513	Negotiation	Muhammad Abbas - House D-9/E183, Street 3, Walton Road, Lahore
Harrel H6 Turbo Sur 1499 Cc	9,234,490	-	9,234,490	9,412,970	178,480	Negotiation	Malik Naeem Ullah Saeed - Wagda Town, House D-2/396, Lahore
Toyota Corolla Ltr-14-4694	1,610,000	1,169,044	440,956	2,300,000	2,059,044	Negotiation	Muhammad Hamad - Wahan Murad Pur, Tehsil Malai, District Vehari
Harrel H6 Turbo Sur 1499 Cc	9,234,490	-	9,234,490	9,412,970	178,480	Negotiation	Ali Abdullah Azhar - Wagda Town, House 67, Block H-3, Lahore
Hyundai Sonata Atrv-091	8,433,890	3,650,933	4,782,957	8,800,000	4,017,043	Negotiation	Hussain Javed - Pak View Society, Multan Road, House 175, Block jasmu, Lahore
Mazda Ltr-13-3066 17-11-25	515,395	42,377	473,018	2,175,000	1,701,982	Negotiation	Abdul Rehman - Fatah Chack, Tehsil Shalor Grah, District Narowal
Honda City Ltr-1786	2,084,230	1,103,808	980,422	2,650,000	1,669,578	Negotiation	Madhina Naeem Khan - House 112-3-B-1, Township, Lahore
Cherry Tigoo 9	13,769,000	-	13,769,000	14,044,380	275,380	Negotiation	Muhammad Ejaz - House 15, Shadhar Town, Lahore
Cherry Tigoo 9	13,769,000	-	13,769,000	14,044,380	275,380	Negotiation	New Shalimar Steel Industries - 14-Soharwari Street, Shalimar Town, Lahore
Total vehicles	59,258,145	6,564,325	52,693,820	63,689,700	10,995,880		
Back Press MACHINES - (Card Drawing, Combers, Simplex)							
Operating Fixed Asset	43,954,112	732,569	43,221,543	1,000,000	(42,221,543)	Negotiation	Abdul Rashid - Watouron Nankana sahib
Total Fixed Assets	43,994,112	732,569	43,221,543	1,000,000	(42,221,543)		
June 30, 2025	103,212,257	7,296,894	95,915,363	64,689,700	(31,225,663)		
Disposal of operating fixed assets							
2025	26,469,138	171,536	26,297,602	27,872,970	1,575,368		
Disposal from Assets held for sale							
2025	64,902,737	256,250	64,646,487	66,136,455	1,489,968		

Notes:.....

Shadman Cotton Mills Limited

Note	June 30, 2026	June 30, 2025
	Rupees	Rupees

18.1.2 The depreciation charge for the year has been allocated as follows:

Cost of sales	33	13,020,309	13,976,828
Administrative and general expenses	35	4,945,069	6,266,843
		<u>17,965,378</u>	<u>20,243,671</u>

18.1.3 Most recent valuation of land and building of the company was carried out by an independent Valuer Messrs Sakina Enterprises as on June 30, 2023. For basis of valuation and other fair value measurements disclosure refer to Note 49.

Had there been no revaluation, the cost, accumulated depreciation and net book values of revalued items would have been as follows:

	June 30, 2026		
	Cost	Accumulated depreciation	Net book value
	Rupees	Rupees	Rupees
Freehold land	43,140,849	-	43,140,849
Building on freehold land	14,121,350	2,736,300	11,385,050
Plant and machinery	329,175,798	34,175,515	295,000,283
	June 30, 2025		
	Cost	Accumulated depreciation	Net book value
	Rupees	Rupees	Rupees
Freehold land	43,140,849	-	43,140,849
Building on freehold land	14,121,350	2,444,376	11,676,974
Plant and machinery	329,175,798	26,611,405	302,564,393

18.1.4 This freehold land and building of 285 Kanals 7 Marlas is located at 21 KM, Sheikhpura Road, Ferozwattwan, Off 3.5 KM Warburton Road, Hadbast Mauza, Kot Shah Muhammad, Tehsil Nankana, District, Sheikhpura.

18.1.5 Forced sales value as per the revaluation reports for land and building and plant and machinery is as follows.

Asset class	Forced sale value	
	Revaluation as of 2026	Revaluation as of 2025
Freehold land	-	-
Building on freehold land	-	-
Plant and machinery	97,885,711	159,800,000
	<u>97,885,711</u>	<u>159,800,000</u>

18.1.6 During the year ended 30 June 2026, the Company reassessed the recoverable amounts of its plant and machinery relating to spinning machines and spindles, consequent to the permanent stoppage of yarn production.

The recoverable amounts were determined using the fair value less costs of disposal method, based on valuations performed by independent professional valuers " Sakina Enterprises". As the recoverable amounts were lower than the respective carrying amounts, an impairment loss of 25.447 million (2025: Rs. 19.885 million) was recognised in the statement of profit or loss.

19 INTANGIBLES

Note	June 30, 2026	June 30, 2025
	Rupees	Rupees

Carrying value as at July 01	2,698,208	-
Addition	-	2,943,500
Amortization charged during the period	(588,700)	(245,292)
Net book value as at June 30	<u>2,109,508</u>	<u>2,698,208</u>

Note	June 30, 2026	June 30, 2025
	Rupees	Rupees

Gross carrying value as at June 30		
Cost	2,943,500	2,943,500
Accumulated Amortization	833,992	245,292
	<u>2,109,508</u>	<u>2,698,208</u>

19.1 Amortization is charged straight line method at the rate % per annum

20%	20%
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Shadman Cotton Mills Limited

20 INVESTMENT PROPERTY	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Carrying value as at July 01		105,866,746	108,581,278
Depreciation charged during the period		(2,646,669)	(2,714,532)
Net book value as at June 30		103,220,077	105,866,746
Gross carrying value as at June 30			
Cost		122,267,095	122,267,095
Accumulated depreciation		(19,047,018)	(16,400,349)
		103,220,077	105,866,746
20.1 Depreciation is charged by reducing balance method at the rate % per annum		2.50%	2.50%
20.2 Depreciation charged for the period has been allocated as follows:			
Other expenses	38	2,646,669	2,714,532
20.3 The market value of investment property was assessed by independent valuers at June 30, 2026 is Rs. 152 million (2025: Rs. 147 million). Valuation of property has been determined by obtaining key market dealers and estate agents to ascertain the asking and selling price of properties of the same nature in the neighborhood and adjoining areas.			
21 LONG TERM DEPOSITS - Unsecured, considered good	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Security deposits			
- LESCO		13,207,123	13,207,123
- SNGPL		14,668,324	14,668,324
- Others		2,187,347	2,187,347
		30,062,794	30,062,794
22 LONG TERM LOAN			
Loan to employees - unsecured, considered good		-	1,800,000
Current maturity		-	(1,800,000)
		-	-
23 STORES, SPARES AND LOOSE TOOLS			
Store, Spares and Loose Tools		1,747,491	24,382,303
		1,747,491	24,382,303
Less: Impairment allowance for obsolete stores, spares and loose tools		-	(12,927,042)
		1,747,491	11,455,261
23.1 Provision for slow moving items			
Balance at beginning of the year		12,927,042	37,404,941
Provision made during the year		-	12,927,042
Written off during the year		(12,927,042)	(37,404,941)
Balance at end of the year		-	12,927,042
23.2 There are no stores, spares and loose tools held exclusively for capitalization (2025: Nil)			
23.3 No item of stores, spares and loose tools is pledged as security as at reporting date.			
24 STOCK IN TRADE			
Raw material		-	2,603,347
Work in process		-	-
Finished goods	24.1	-	30,376,098
Waste		-	709,250
Stock in transit		-	10,419,143
		-	44,107,838
24.1 Finished goods stock cost Rs. Nil (2025: Rs. Nil) have been valued at Rs. Nil (2025: Rs. Nil) being the net realizable value of finished goods. The amount charge to profit or loss in respect of finished goods is at cost.			
24.2 Waste stock is measured at net realizable value.			
24.3 No item of stock in trade is pledged as security as at reporting date.			

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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
25 TRADE DEBTS			
Local - unsecured			
considered good		60,601,744	17,467,995
considered doubtful		417,874	163,670
		61,019,618	17,631,665
Foreign - secured			
considered good		-	22,653,749
considered doubtful		-	11,074,453
		-	33,728,202
		61,019,618	51,359,867
Allowance for ECL on trade debts	25.1	(417,874)	(11,074,453)
		60,601,744	40,285,414
25.1 Allowance for ECL on trade debts			
As at beginning of the year		11,074,453	12,278,436
Written off during the year		(2,685,027)	(1,568,727)
Recognized during the year		417,874	364,744
Allowance reversed during the year		(8,389,426)	-
As at end of the year		417,874	11,074,453
26 LOANS AND ADVANCES			
Advances to suppliers - <i>unsecured</i>			
considered good		-	862,762
considered doubtful		1,036,205	930,506
		1,036,205	1,793,268
Advances to employees - <i>unsecured, considered good</i>	26.1	10,000	99,113
Loan to employees - <i>unsecured, considered good</i>	26.2	1,534,204	1,534,204
Other Advances		2,663,864	3,164,499
Letters of credit		74,723	264,343
		4,282,791	5,062,159
		5,318,996	6,855,427
Allowance for ECL on loans and advances	26.3	(2,570,409)	(930,506)
		2,748,587	5,924,921
26.1 These represent advances to employees for purchases and expenses on behalf of the Company and those against future salaries and post employment benefits in accordance with the Company policy. These advances do not carry any interest or markup.			
	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
26.2 Loan to employees - <i>unsecured, considered good</i>			
Current maturity of loan to employee	22	1,534,204	1,800,000
Deductions against expenses		-	(265,796)
		1,534,204	1,534,204
26.2.1 As at June 30, 2026, loan to an executive employee amounting to Rs. Nil (2025: Rs. 1.5 million) was outstanding. The loan is interest-free and provided in accordance with the Company's policy			
26.3 Allowance for ECL on Loan and Advances			
As at beginning of the year		930,506	-
Written off during the year		-	930,506
Recognized during the year		1,639,903	-
As at end of the year		2,570,409	930,506
27 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits	27.1	3,560,000	3,560,000
Prepayments		660,472	585,939
		4,220,472	4,145,939
27.1 The security deposits include guarantee in favour of ETO which carries return at the rate of 9.60% per annum (June 30, 2025: 9.60%).			

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		Note	June 30, 2026	June 30,2025	
			Rupees	Rupees	
28	OTHER RECEIVABLES				
	considered good		1,109,157	2,788,061	
	considered doubtful		1,507,300	1,507,300	
			2,616,457	4,295,361	
	Less: Provision for doubtful receivables	28.1	(1,507,300)	(1,507,300)	
			1,109,157	2,788,061	
28.1	Movement in provision for doubtful other receivables				
	As at beginning of the year		1,507,300	1,507,300	
	Recognized during the year		-	-	
	Write off during the year		-	-	
	As at end of the year		1,507,300	1,507,300	
29	TAX REFUNDS DUE FROM GOVERNMENT				
	Advance income tax	29.1	51,800,209	36,984,971	
	Sales tax refundable		-	2,502,094	
			51,800,209	39,487,065	
29.1	Advance income tax				
	Opening balance		36,984,971	28,873,965	
	Advance tax deducted during the year		21,486,307	16,453,542	
	Advance tax adjusted during the year		(6,671,069)	(8,342,536)	
	Closing balance		51,800,209	36,984,971	
30	SHORT TERM INVESTMENTS				
	Investments in listed securities	30.1	250,501	-	
	Term deposit certificates	30.2	121,500,000	109,500,000	
			121,750,501	109,500,000	
	Cost		196,907	-	
	Fair value adjustment		53,594	-	
			250,501	-	
30.1	Market value of investments				
	Service Long March Tyres Ltd 9,870 shares (2025: Nil)		250,501	-	
			250,501	-	
30.2	These represent term deposits with the commercial banks having maturity period of one month and carry interest rate ranging from 2.236 % to 14.403% (2025: 0.429% to 21.559%) per annum.				
31	CASH AND BANK BALANCES				
	Cash in hand		53,333	27,092	
	Cash at banks				
	Current accounts-local currency		45,017,029	17,149,287	
	Current accounts-foreign currency		2,228	7,926,876	
	Deposit/saving accounts-Local currency		150,244	2,269,088	
			45,169,501	27,345,251	
			45,222,834	27,372,343	
31.1	Effective markup rate in respect of deposit/saving accounts, for the year, ranges from 1.21 % to 9.85 % (2025: 3.35% to 20.34%).				
32	SALES- NET				
			June 30, 2026		
			Local	Export	Total
			Rupees	Rupees	Rupees
	Apparel sales		8,038,944	-	8,038,944
	Washing stone		2,682,643	-	2,682,643
	Staple fiber - trading income		859,683,937	-	859,683,937
			870,405,524	-	870,405,524
	Sales tax		(132,773,725)	-	(132,773,725)
			737,631,799	-	737,631,799

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		June 30, 2025		
		Local	Export	Total
		Rupees	Rupees	Rupees
Apparel Sales		25,762,647	193,454,565	219,217,212
Washing stone		36,325,585	-	36,325,585
Staple fiber - trading income		311,392,316	-	311,392,316
Sales tax		373,480,548 (56,971,609)	193,454,565 -	566,935,113 (56,971,609)
		<u>316,508,939</u>	<u>193,454,565</u>	<u>509,963,504</u>
		Note	June 30, 2026	June 30, 2025
			Rupees	Rupees
33 COST OF SALES				
Raw material consumed / cost of material sold	33.1		654,778,377	45,143,228
Stores, spares and loose tools consumed			8,993,945	62,031,880
Salaries, wages and benefits	33.2		16,776,859	105,432,672
Power and fuel			3,706,534	24,029,769
Insurance			-	328,128
Repair and maintenance			2,461,758	2,370,568
Travelling and conveyance			1,797,582	2,765,880
Depreciation	18.1.2		13,020,309	13,976,828
Others			2,646,936	10,004,539
Manufacturing cost			<u>704,182,300</u>	<u>266,083,492</u>
Work in process				
As at beginning of the year			-	22,631,110
As at end of the year			-	-
			-	22,631,110
Cost of goods manufactured			<u>704,182,300</u>	<u>288,714,602</u>
Finished goods				
As at beginning of the year			31,085,348	60,830,063
Purchased during the year			-	211,172,460
As at end of the year			-	(31,085,348)
			<u>31,085,348</u>	<u>240,917,175</u>
			<u>735,267,648</u>	<u>529,631,777</u>
33.1 Raw material consumed / cost of material sold				
As at beginning of the year			2,603,347	10,363,651
Purchased during the year			652,175,030	37,382,924
As at end of the year			-	(2,603,347)
			<u>654,778,377</u>	<u>45,143,228</u>
33.2	These include charge in respect of employees retirement benefits amounting to Rs. 0.948 million (2025: Rs.1.939 million).			
34 SELLING AND DISTRIBUTION EXPENSES				
Local				
Commission			3,575,265	1,289,013
Forwarding charges			-	-
			<u>3,575,265</u>	<u>1,289,013</u>
Export				
Ocean freight			16,640	343,771
Forwarding charges			92,404	8,742,768
Export development surcharge			57,553	880,130
Export trailer charges			117,000	1,236,770
Others			-	5,745
			<u>283,597</u>	<u>11,209,184</u>
			<u>3,858,862</u>	<u>12,498,197</u>

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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
35 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and benefits	35.1	11,855,721	13,684,164
Travelling and conveyance		2,972,025	3,495,753
Legal and professional		2,919,782	2,949,530
Fee and subscription		616,634	1,735,798
Rent, rates and taxes		1,299,141	1,494,992
Electricity, gas and water		979,440	977,596
Insurance		740,256	447,112
Repair and maintenance		269,011	351,690
Communication		361,290	391,557
Printing and stationery		65,645	57,246
Vehicle running and maintenance		241,220	135,138
Advertisement		208,019	191,348
Entertainment		389,055	907,636
Auditor's remuneration	35.2	772,800	690,000
Depreciation	18.1.2	4,945,069	6,266,843
Amortization	19	588,700	245,292
Miscellaneous expenses		1,302,652	1,446,214
		<u>30,526,460</u>	<u>35,467,909</u>
35.1 These include charge in respect of employees retirement benefits amounting 0.559 million (2025: Rs.1.105 million).			
35.2 Auditor's remuneration			
Annual statutory audit		660,000	600,000
Half yearly review		60,000	60,000
Sales tax		52,800	30,000
		<u>772,800</u>	<u>690,000</u>
36 OTHER INCOME			
Gain on financial instruments			
Return on Term Deposit Receipts		9,867,301	10,009,308
Return on bank deposits		594,667	1,518,386
Return on Sui Gas security deposits		700,735	517,935
Unrealised gain on short term investments		53,594	-
Foreign Exchange gain/loss		111,692	317,801
Liabilities written back		1,183,663	1,678,162
Realized gain on listed securities		-	39,307
Dividend income		-	69,157
		<u>12,511,652</u>	<u>14,150,056</u>
Other than financial instruments			
Gain on disposal of operating fixed assets	18.1.1	-	1,575,338
Gain on disposal of non-current assets held for sale		-	1,489,968
Rebate Income		-	2,058,920
Agriculture income		573,800	716,440
Sale of Obsolete store items		118,035	422,137
Reversal of allowance for ECL on doubtful debts		11,074,453	-
Rental income		75,640,869	61,139,834
Sales Tax Refund		4,129,412	-
		<u>91,536,569</u>	<u>67,402,637</u>
		<u>104,048,221</u>	<u>81,552,693</u>
37 FINANCE COST			
Interest on workers' profit participation fund	12.3	-	-
Interest on Workers' welfare fund		617,811	485,985
Bank charges		2,559,014	4,513,539
		<u>3,176,825</u>	<u>4,999,524</u>

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		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
38	OTHER EXPENSES			
	Workers' profit participation fund	12.3	270,303	-
	Workers' welfare fund	12.4	1,114,109	878,838
	Allowance for ECL on doubtful debts		417,874	364,745
	Loss on disposal of fixed operating assets		31,225,663	-
	Allowance for ECL on advances		1,639,903	930,506
	Bad debt written off		2,685,027	-
	Foreign exchange loss		-	145,546
	Depreciation on investment property	20.2	2,646,669	2,714,532
	Provision for obsolete store		-	12,927,042
	Impairment loss on fixed assets		25,446,844	19,885,237
			<u>65,446,392</u>	<u>37,846,446</u>
39	LEVIES	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	Minimum tax		9,220,397	6,374,544
	Final tax		-	11,622
			<u>9,220,397</u>	<u>6,386,166</u>
40	TAXATION			
	Current taxation			
	current year		16,232,530	13,120,608
	prior year		(12,785,966)	(10,313,326)
			3,446,564	2,807,282
	Deferred taxation		(40,083,847)	(21,548,723)
			<u>(36,637,283)</u>	<u>(18,741,441)</u>
40.1	Numerical reconciliation between the average tax rate and the applicable tax rate			
			%	%
	Applicable tax rate		0.29	0.29
	Tax effect of amounts that are:			
	Tax at applicable rate of 29%		4.77	(0.45)
	Prior Year tax reversal		(3.76)	0.36
	Permanent differences		0.00	0.00
	Minimum tax		2.71	(0.22)
	Impact of Deferred Tax		(11.78)	0.74
			<u>(8.05)</u>	<u>0.43</u>
			<u>8.34</u>	<u>(0.14)</u>
40.2	Provision for current tax for the year has been made in accordance with section 18 and section 154 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized up to tax year 2025.			
40.3	Assessments for the tax years up to 2025 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filled by the Company.			
41	EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	Unit	June 30, 2026	June 30, 2025
	Profit / (Loss) attributable to ordinary shareholders	Rupees	<u>30,820,719</u>	<u>(16,572,381)</u>
	Weighted average number of ordinary shares outstanding during the year	No. of shares	<u>17,636,719</u>	<u>17,636,719</u>
	Earning / (Loss) per share - Basic	Rupees	<u>1.75</u>	<u>(0.94)</u>
	There is no anti-dilutive effect on the basic profit/ loss per share of the Company.			

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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
42 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART 1 OF SCHEDULE IV OF THE COMPANIES ACT, 2017			
(i) Financing (long term, short term or lease financing) obtained as per Islamic mode			
Long term finance		-	-
Short term finance		-	-
Lease Financing		-	-
(ii) Interest or mark-up accrued or any conventional loan or advances			
Disclosures Required in relation to the Statement of Financial Position - Asset Side:			
(iii) Shariah compliant Investments:			
Long-term investments		-	-
Short term investments	30	250,501	250,501
(iv) Shariah-compliant bank deposits, bank balances, and TDRs			
Term deposit receipts	30	121,500,000	109,500,000
Bank deposits		-	-
Bank Balances	31	44,992,902	24,313,010
Disclosures Required in relation to the Statement of Comprehensive Income:			
(v) Revenue earned from a Shariah-compliant business segment		-	-
(vi) Break-up of late payments or liquidated damages		-	-
(vii) Gain / (loss) or dividend earned on Shariah compliant investments or share of (loss) / profit from Shariah-compliant associates		-	-
(viii) Profit earned from Shariah-compliant bank deposits, bank balances or TDRs:			
Term deposit receipts	36	9,867,301	10,009,308
Bank deposits		-	-
Bank balances		-	-
(ix) Exchange gain earned from actual currency		-	-
(x) Exchange gains earned using conventional derivative financial instruments		-	-
(xi) Profit paid on Islamic mode of financing		-	-
(xii) Total Interest earned on any conventional loan or advance		-	-
(xiii) Source and detailed breakup of other income:		-	-
Shariah Compliant			
Income from financial assets			
Profit on term deposit receipts	36	9,867,301	10,009,308
Profit on bank-saving accounts		-	-
Gain on disposal of property, plant and equipment	36	-	3,065,306
Non-Shariah Compliant			
Income from financial assets			
Profit on Bank-Saving Accounts	36	594,667	1,518,386
Gain on disposal of property, plant and equipment		-	-
Other Disclosure Requirements			
(xiv) Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.			
Financial Institution Name	Relationship		
Bank Islami	Bank Balance & Term Deposit receipts		
43 CASH GENERATED FROM OPERATIONS			
Profit/(Loss) before levies and taxation		3,403,833	(28,927,656)
Adjustments for non-cash and other items			
(Gain)/Loss on disposal of operating fixed assets		31,225,663	(1,575,338)
Gain on disposal of fixed assets held for sale		-	(1,489,968)
Provision for employees retirement benefits		1,507,859	3,082,595
Changes in fair value investments at fair value through profit or loss		(53,594)	-
Finance cost		3,176,825	4,999,524
Rental Income		(75,640,869)	(61,139,834)
Impairment loss on fixed assets		25,446,844	19,885,237
Amortization		588,700	245,292
Depreciation		20,612,047	22,712,911
		6,863,475	(13,279,581)
Operating Profit/(loss) before changes in working capital		10,267,308	(42,207,237)

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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Changes in working capital			
Stores, spares and loose tools		9,707,770	64,397,340
Stock in trade		44,107,838	49,716,986
Trade debts		(20,316,330)	55,280,476
Loan to employee		-	1,800,000
Advances, prepayments and other receivables		7,282,799	29,680,018
Trade and other payables		12,653,788	(142,569,931)
		53,435,865	58,304,889
Cash generated from operations		63,703,173	16,097,652
44 CASH AND CASH EQUIVALENTS			
Cash and bank balances	31	45,222,834	27,372,343
		45,222,834	27,372,343

45 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
45.1 Transactions with related parties			
Nature of relationship	Nature of transactions		
Directors	<u>Short term borrowings obtained</u> (Mr. Shahid Mazhar, 39.49% Shareholding, Director) (Mrs. Ghazala Shahid, 2.28% Shareholding, Director) (Mr. Ahmed Bin Shahid, 24% Shareholding, Director) (Mr. M Afnan Shahid, 24% Shareholding, Director)	8,835,000 - - 8,500,000	18,175,000 2,000,000 1,000,000 600,000
	<u>Short term borrowings repaid</u> (Mr. Shahid Mazhar, 39.49% Shareholding, Director) (Mrs. Ghazala Shahid, 2.28% Shareholding, Director) (Mr. Ahmed Bin Shahid, 24% Shareholding, Director) (Mr. M Afnan Shahid, 24% Shareholding, Director)	100,000 21,000,000 9,322,500 15,852,500	9,565,000 - 4,000,000 5,439,000
Associate	<u>Purchase of vehicle</u> (Delta Oil Mills (Pvt) Limited, Common Directorship) <u>Other Receivables - received</u> Shadman Industries Pvt Ltd (Common directorship) <u>Other Receivables - paid</u> Shadman Industries Pvt Ltd	- - 17,600,000 17,700,000	500,000 - - -
Balances with related parties			
Nature of relationship	Nature of balances		
Directors	<u>Equity</u> (Mr. Shahid Mazhar, 39.49% Shareholding, Director) (Mrs. Ghazala Shahid, 2.28% Shareholding, Director) (Mr. Ahmed Bin Shahid, 24% Shareholding, Director) (Mr. M Afnan Shahid, 24% Shareholding, Director) Total	130,000,000 - 71,150,000 46,186,000 247,336,000	130,000,000 10,000,000 50,000,000 20,000,000 210,000,000
	<u>Short term borrowings</u> (Mr. Shahid Mazhar, 39.49% Shareholding, Director) (Mrs. Ghazala Shahid, 2.28% Shareholding, Director) (Mr. Ahmed Bin Shahid, 24% Shareholding, Director) (Mr. M Afnan Shahid, 24% Shareholding, Director) Total	53,736,317 13,525,000 10,677,500 10,647,500 88,586,317	45,001,317 24,525,000 41,150,000 44,186,000 154,862,317
	<u>Other Receivables</u> Shadman Industries Pvt Ltd (Common directorship) Total	100,000 100,000	- -

46 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Financial assets			
Cash in hand	31	53,333	27,092
Financial assets at amortized cost			
Long term deposits	21	30,062,794	30,062,794
Trade debts	25	60,601,744	40,285,414
Security deposits	27	3,560,000	3,560,000
Loans and advances	26	1,544,204	1,633,317
Other receivables	28	1,109,157	2,788,061
Short term investments	30	121,500,000	109,500,000
Cash at bank	31	45,169,501	27,345,251
		263,547,400	215,174,837
Financial assets at fair value through profit or loss			
Short term investments	30	250,501	-
		263,851,234	215,201,929
Financial liabilities			
Financial liabilities at amortized cost			
Long term finances	9	225,505,384	264,725,384
Short term borrowings	13	335,922,317	364,862,317
Trade creditors	12	18,977,297	23,797,884
Ijarah rentals payables	15	28,544,690	28,544,690
Security deposits	12	18,649,362	8,875,000
Accrued liabilities	12	11,671,896	14,627,737
		639,270,946	705,433,012

47 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

47.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

47.1.1 Maximum exposure to credit risk

The maximum exposure to credit risk as at the reporting date is as follows:

		June 30, 2026 Rupees	June 30, 2025 Rupees
Long term deposits	21	30,062,794	30,062,794
Trade debts	25	60,601,744	40,285,414
Security deposits	27	3,560,000	3,560,000
Loans and advances	26	1,544,204	1,633,317
Other receivables	28	1,109,157	2,788,061
Short term investments	30	121,500,000	109,500,000
		218,377,899	187,829,586

47.1.2 Concentration of credit risk

The Company's maximum exposure to credit risk, as at the reporting date, by type of geographical regions is as follows:

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	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Pakistan	25	61,019,618	17,631,665
Europe	25	-	33,728,202
		<u>61,019,618</u>	<u>51,359,867</u>

47.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to 'insurance claims receivable', 'security deposits' and 'cash at bank'. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

(b) Counterparties without external credit ratings

These include customers which are counter parties to 'trade debts' and utility companies and regulatory authorities which are counter parties to 'long term deposits'. Credit risk in respect of 'long term deposits' is considered to be insignificant as non-performance by these parties is not expected. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts as at the reporting date is as follows:

Note	June 30, 2026		June 30, 2025	
	Gross carrying Rupees	Accumulated Impairment Rupees	Gross carrying amount Rupees	Accumulated Impairment Rupees
Neither past due nor impaired	-	-	-	-
Past due by 0 to 30 days	42,985,417	-	1,083,587	-
Past due by 31 to 90 days	79,711	-	10,577,221	-
Past due by 90 days to one year	1,407,144	-	12,890,422	-
Over one year	16,547,346	(417,874)	26,808,637	(11,074,453)
	<u>61,019,618</u>	<u>(417,874)</u>	<u>51,359,867</u>	<u>(11,074,453)</u>

47.1.4 Collateral held

The Company does not hold any collateral to secure its financial assets.

47.1.5 Credit risk management

As mentioned in note 47.1.3 to the financial statements, the Company's financial assets do not carry significant credit risk, with the exception of trade debts, which are exposed to losses arising from any non-performance by customers. In respect of trade debts, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

47.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

47.2.1 Exposure to liquidity risk

The following is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	June 30, 2026				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	225,505,384	225,505,384	49,025,000	156,880,000	19,600,384
Short term borrowings	335,922,317	335,922,317	335,922,317	-	-
Trade creditors	18,977,297	18,977,297	18,977,297	-	-
Ijarah rentals payable	28,544,690	28,544,690	28,544,690	-	-
Accrued liabilities	11,671,896	11,671,896	11,671,896	-	-
Security Deposits	18,649,362	18,649,362	18,649,362	-	-
	<u>639,270,946</u>	<u>639,270,946</u>	<u>462,790,562</u>	<u>156,880,000</u>	<u>19,600,384</u>

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	June 30, 2025				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	264,725,384	264,725,384	49,025,000	156,880,000	58,820,384
Short term borrowings	364,862,317	364,862,317	364,862,317	-	-
Trade creditors	23,797,884	23,797,884	23,797,884	-	-
Ijarah rentals payable	28,544,690	28,544,690	28,544,690	-	-
Accrued liabilities	14,627,737	14,627,737	14,627,737	-	-
Security Deposits	8,875,000	8,875,000	8,875,000	-	-
	<u>705,433,012</u>	<u>705,433,012</u>	<u>489,732,628</u>	<u>156,880,000</u>	<u>58,820,384</u>

47.2.2 Overdue financial liabilities

As at the reporting date, the following debt finances and accrued interest/markup thereon are overdue.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Ijarah rentals payable	15	28,544,690	28,544,690
		<u>28,544,690</u>	<u>28,544,690</u>

47.2.3 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also has continued financial support from its directors in the form of interest free loans for any short term or long term liquidity requirements.

47.3 Market risk

47.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

(a) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Financial assets			
Trade debts		-	33,728,202
Bank accounts - FCY		2,228	7,926,876
Financial liabilities		-	-
Net exposure		<u>2,228</u>	<u>41,655,078</u>

(b) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	June 30, 2026		June 30, 2025	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
USD	278.05	278.55	283.52	283.52

(c) Sensitivity analysis

A ten percent appreciation in Pak Rupee against foreign currencies would have decreased profit for the year by Rs.0.0002 million (2025: Rs. 0.42 million). A ten percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

(d) **Currency risk management**

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

47.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) **Interest/markup bearing financial instruments**

The effective interest/markup rates for interest/markup bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/markup bearing financial instruments as at the reporting date are as follows:

Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	254,050,074	293,270,074
Variable rate instruments		
Financial assets	121,900,745	111,769,088
Financial liabilities	-	-

(b) **Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

(c) **Cash flow sensitivity analysis for variable rate instruments and cash flow hedges**

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year by Rs. Nil (2025: Rs. Nil). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

(d) **Interest rate risk management**

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

47.3.3 Other Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investment in listed equity securities.

A ten percent appreciation in prices of equity securities as at reporting date would have increased profit for the year by Rs. Nil (2025: Rs. Nil). A ten percent diminution in prices of equity securities as at the reporting date would have had equal but opposite effect on profit. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

48 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. These are subject to operational conditions both internal and external, and generation of cash flows for working capital requirements and meeting of debt obligations. Any temporary shortfall is met through interest free loans from directors. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders and seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances and liabilities against assets subject to finance lease, including current maturity. Total capital employed includes total equity, as shown in the statement of financial position plus surplus on revaluation of property, plant and equipment, plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	Unit	June 30, 2026	June 30, 2025
Total debt	Rupees	264,725,384	303,945,384
Total equity	Rupees	870,877,114	802,131,530
		1,135,602,498	1,106,076,914
		June 30, 2026	June 30, 2025
Gearing	% age	23.31%	27.48%

Shadman Cotton Mills Limited

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finances, including the impact, if any, of recovery suits filed by them against the Company. See note 17.

49 FAIR VALUE MEASUREMENTS

49.1 Financial Instruments

49.1.1 Financial instruments measured at fair value

The Company measures some of its assets at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

a) Recurring fair value measurements

Nature of asset	Hierarchy	Valuation techniques/Key inputs	June 30, 2026	June 30, 2025
			<i>Rupees</i>	<i>Rupees</i>
Financial assets at fair value through profit or loss				
Short term investments	Level 1	Quoted prices in an active market	250,501	-

b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

49.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

49.2 Assets and liabilities other than financial instruments.

49.2.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	June 30, 2026	June 30, 2025
				<i>Rupees</i>	<i>Rupees</i>
Freehold land	-	456,797,263	-	456,797,263	456,797,263
Factory building	-	338,674,416	-	338,674,416	347,358,375
Plant and machinery	-	115,159,661	-	115,159,661	188,000,000

The fair valuation of the revalued assets are considered to represent a level 2 valuation of fair value hierarchy based on significant observable inputs. The fair values are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the observable inputs. The basis of revaluation for items of these fixed assets were as follows:

Freehold land:

Revalued amount of freehold land has been determined by reference to local market values of land taking into account prevailing fair market prices under the position and circumstances present on the date of revaluation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas.

Building:

Revalued amount of building has been determined by reference to present depreciated replacement values after taking into consideration covered area and type of construction, age of civil and ancillary structures, physical condition and level of preventive maintenance carried out by the Company.

Plant and machinery:

Valuation is based on inquiries from the local manufacturers / suppliers of the similar machinery that was compared to the prices of machinery and equipment installed in other comparable companies and the information provided by the client. The invoice value was enhanced to about 20% to cater for the duty structure and overheads like insurance, clearing and freight costs and installation etc. to come to the landed cost, which was compared with the prices of equivalent and similar machinery.

49.2.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

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50 RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY

Note

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Mortgages and charges		
Charge over current assets	638,670,000	638,670,000
Charge over fixed assets	746,667,000	746,667,000

51 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	June 30, 2026		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	-	795,960	-
Allowances and perquisites	-	392,040	-
	-	1,188,000	-
Number of persons	-	2	-
	June 30, 2025		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	-	2,894,400	22,719,700
Allowances and perquisites	-	1,425,600	11,190,300
Post employment benefits	-	-	-
	-	4,320,000	33,910,000
Number of persons	-	2	16

The chief executive and directors are provided with cars maintained by the Company and telephone at their residence. The chief executive and other directors have waived their meeting fees and remuneration.

52 SEGMENT INFORMATION

52.1 The Company has evaluated its operations under IFRS 8 Operating Segments. Its components do not qualify as separate operating segments as they are not engaged in independent business activities. In addition, management does not review or monitor their results separately. Accordingly, the Company has concluded that it operates as a single segment, and these financial statements are presented on that basis.

52.2 Geographical information

The geographic information analysis the entity's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	June 30, 2026	June 30, 2025
	Rupees	Rupees
UK	-	54,164,828
Portugal	-	47,271,877
Italy	-	25,445,697
Germany	-	16,911,549
Denmark	-	26,451,760
USA	-	23,208,854
Pakistan	870,405,524	373,480,548
	870,405,524	566,935,113
less: Sales tax	(132,773,725)	(56,971,609)
	737,631,799	509,963,504

52.3 Information about significant customers

There are three significant external customer " Colony Textile Mills Limited" to whom sales in excess of 10% of the Company's total sales were made during the year.

52.4 All non-current assets of the Company are situated in Pakistan.

52.5 All sales of the Company have originated from Pakistan.

53 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are 39 (2025: 54). Average number of persons employed by the Company during the year are 47 (2025: 108).

54 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, subject to appropriateness of going concern assumption, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

55 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	June 30, 2026	June 30, 2025
<i>Owned</i>			
Total number of spindles installed	No.	39,336	39,336
Average number of spindles worked	No.	-	-
Number of shifts worked per day	No.	-	-
Plant capacity on the basis of utilization converted into 20s count	Kgs	-	-
Actual production converted into 20s count	Kgs	-	-

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist etc. It would also vary according to pattern of production adopted in a particular year.

The company has installed apparel division with main component of 76 sewing machines. The capacity of these machines cannot be determined as these vary very widely with the product and design of the articles produced.

56 EVENTS AFTER REPORTING DATE

There is no event after the reporting period requiring any adjustment in or disclosure in financial statements.

57 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **October 06, 2026** by the Board of Directors of the Company.

58 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever considered necessary, to reflect more appropriate presentation and to facilitate comparison with the current year's financial statements. Such reclassifications do not have any impact on the reported results of the current or prior periods.

59 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

PATTERN OF SHAREHOLDING AS ON JUNE 30, 2026

No. of Folios	From	To	No. of Shares	Percentage
567	1.00	100.00	15,750.00	0.0893
244	101.00	500.00	56,539.00	0.3206
176	501.00	1,000.00	113,992.00	0.6463
118	1,001.00	5,000.00	239,102.00	1.3557
7	5,001.00	10,000.00	40,215.00	0.228
3	10,001.00	15,000.00	39,709.00	0.2251
2	15,001.00	20,000.00	31,179.00	0.1768
4	20,001.00	25,000.00	82,559.00	0.4681
1	25,001.00	30,000.00	29,121.00	0.1651
2	50,001.00	55,000.00	102,484.00	0.5811
1	60,001.00	65,000.00	61,000.00	0.3459
1	70,001.00	75,000.00	74,016.00	0.4197
2	105,001.00	110,000.00	213,308.00	1.2095
1	400,001.00	405,000.00	401,566.00	2.2769
1	515,001.00	520,000.00	519,793.00	2.9472
2	2,115,001.00	2,120,000.00	4,240,000.00	24.0408
1	3,065,001.00	3,070,000.00	3,065,303.00	17.3802
1	8,310,001.00	8,315,000.00	8,311,083.00	47.1237
1,134.00			17,636,719.00	100.0000

CATEGORIES OF SHAREHOLDERS

AS ON JUNE 30, 2026

Sr. #	Name	Shares Held	Percentage
Directors, CEO their Spouse and Minor Children			
1	SHAHID MAZHAR	6,788,717.00	38.49
2	AHMED BIN SHAHID	4,232,813.00	24.00
3	MUHAMMAD AFNAN SHAHID	4,232,813.00	24.00
4	GHAZALA SHAHID	401,566.00	2.28
5	Mr.Mubarak Ali	500.00	0.00
6	Muhammad Zeeshan Munir	500.00	0.00
7	Muhammad Akhtar	939.00	0.01
RUNNING TOTAL:		15,657,848.00	88.78
NIT and ICP			
1	M/S. NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	2,500.00	0.01
2	M/S. INVESTMENT CORPORATION OF PAKISTAN	479.00	0.00
RUNNING TOTAL:		2,979.00	0.02
Banks, Development Financial Institutions and Non Banking Financial Institutions			
1	NATIONAL BANK OF PAKISTAN LTD.	2.00	0.00
2	IDBL (ICP UNIT)	600.00	0.00
RUNNING TOTAL:		602.00	0.00
General Public (Local)			
RUNNING TOTAL:		1,968,735.00	11.16
Joint Stock Companies			
1	Y.S. Securities & Services (Private) Limited	78.00	0.00
2	NH Holdings (Private) Limited	1,077.00	0.01
3	NH Securities (Private) Limited	120.00	0.00
4	Maple Leaf Capital Limited	1.00	0.00
5	Capital Vision Securities (Private) Limited	1,361.00	0.01
6	NCC - Pre Settlement Delivery Account	6.00	0.00
7	AJW Securites (Private) Limited	386.00	0.00
8	Muhammad Ahmed Nadeem Securities (SMC-PVT) Limited	27.00	0.00
9	Fikrees (Private) Limited	999.00	0.01
10	MRA Securities Limited - MF	1,000.00	0.01
11	Rafi Securities (Private) Limited - MF	1,500.00	0.01
RUNNING TOTAL:		6,555.00	0.04
GRAND TOTAL:		17,636,719	100

Shadman Cotton Mills Limited

Folio No./CDC Participant ID

And Account No. _____

CNIC No. _____

PROXY FORM

I/We _____ Son / Daughter / Wife of

_____ being member(s) of **Shadman Cotton Mills Limited** and holder of _____ Ordinary Shares as per Registered Folio No. /CDC Participant ID

No.Account No. _____ do hereby appoint Mr. _____ of _____ or failing him/her _____ of

_____ who is also member of **Shadman Cotton Mills Limited**, vide registered folio no./CDC/ Participant ID No. and Account No. _____ as my

/ our proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on **Wednesday, 28 October 2026** : **10.30 a.m.** at **2-E3.5 KM Feroze Watoan Warburton Road, District Nankana Sahib** and at any adjournment thereof.

As witness my/our hand this _____ day of _____, 2026.

1. Witness:

Signature _____

Name _____

Address: _____

CNIC/Passport No. _____

Please affix here
Revenue Stamp of
Rs.5/-

Members' Signature

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as his / her proxy to attend and vote on his / her behalf. Proxies in order to be valid must be received at the Registered Office of the Company 48 hours before the time of the meeting. A proxy must be a member of the Company.
2. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his / her original CNIC or Passport to prove his / her identity and in case of proxy must encloses an attested copy of his / her CNIC or Passport. Representative of corporate members should bring the usual documents required for such purposes.
3. Signature should agree with specimen signature registered with the company.

فولیئر / CDC پائیسجٹ نمبر (شرکت نمبر)

کھاتا نمبر:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

پراکسی فارم

میں / ہم

جی / جی / اے / جی

محکمہ رکن

شادمان کونٹریمنیٹڈ اور حال

سی ڈی سی پائیسجٹ (شرکت) آئی ڈی اور اکاؤنٹ (کھاتا) نمبر:

کا اے

محترم

یاد ہم موجودگی کی صورت میں محترم

کا اے بھی جو شادمان کونٹریمنیٹڈ کے رکن ملاحظہ مندر ذیلیئر / سی ڈی سی پائیسجٹ

(شرکت) آئی ڈی اور اکاؤنٹ (کھاتا) نمبر: کو اپنے / ہمارے نام پر بدھ مورخہ 28 اکتوبر 2026ء 10:30 بجے منعقد ہونے والے کھیتی کے سالانہ اجلاس عام میں حق رائے دی

استعمال کرنے یا کسی بھی صورت میں اپنا نام پراکسی مقرر کرتا ہوں / کرتے ہیں۔

آج بروز تاریخ 2026ء، بطور گواہ دستخط کئے گئے۔

(1) گواہ

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

پانچ روپے مالیت کی رسیدی
تکٹ چسپاں کریں

(2) گواہ

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

نوٹ:

1- کوئی بھی رکن (ممبر) جو سالانہ اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل حق ہے وہ اجلاس میں شرکت کرنے اور ووٹ دینے کے لئے کسی دوسرے رکن (ممبر) کو اپنا پراکسی مقرر کر سکتا / سکتی ہے۔ پراکسیاں موثر ہونے کے لئے اجلاس کے انعقاد سے 48 گھنٹے قبل کھیتی کے مندر ذیل میں موصول ہونی چاہیں۔ پراکسی کارکن (ممبر) ہونا لازمی ہے۔

2- سی ڈی سی کے غزادی مالک جو اس میں شرکت کے اہل ہیں اپنا کمپیوٹرائزڈ قومی شناختی کارڈ اپنا سپورٹ اپنی شناخت کے لئے فراہم کریں۔ پراکسی کی صورت میں اپنے قومی کمپیوٹرائزڈ شناختی کارڈ اپنا سپورٹ کی تصدیق منسلک کریں۔ کارپوریٹ ممبرز کے نامزدگان شناخت کے لئے اس موقع پر درکار معمول کی وراویزات فراہم کرائیں گے۔