Shadman

Cotton Mills Limited

46th ANNUAL REPORT 2025


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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. NADEEM BHATTI MR. HAMID BASIR
AUDITORS	MUSHTAQ & CO CHARTERED ACCOUNTANTS
LEGAL ADVISOR	MR. FAZAL MAHMOOD (ADVOCATE)
AUDIT COMMITTEE	MR. NADEEM BHATTI (Chairman) MRS. GHAZALA SHAHID (Member) MR. MUHAMMAD AKHTAR (Member)
H.R. AND REMUNERATION COMMITTEE	MR. HAMID BASIR (Chairman) MR. AHMED BIN SHAHID (Member) MR. MUHAMMAD AFNAN SHAHID (Member)
CHIEF FINANCIAL OFFICER	MR. KHURRAM SHAHZAD
COMPANY SECRETARY	MR. MUHAMMAD RAHEEL ARIF
BANKERS	ALLIED BANK LIMITED SONERI BANK LIMITED THE BANK OF PUNJAB HABIB BANK LIMITED MEEZAN BANK LIMITED BANK ISLAMI PAKISTAN LIMITED HABIB METROPOLITAN BANK
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 Sixth 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 Tuesday, **October 28, 2025 at 10:30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Annual General Meeting of the members of the Company held on Wednesday, November 27, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Chairperson's Review, Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending June 30, 2026 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.

   "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."

5. To transact any other business with the permission of the Chair.

By order of the Board

Place: Lahore

(MUHAMMAD RAHEEL ARIF)

Dated: October 06, 2025

Company Secretary

NOTES:

1. **Closure of Share Transfer Books**: The Share Transfer Books of the Company will remain closed from October 21, 2025 to October 28, 2025 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, 2025 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 24, 2025 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, 2025 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/ share registrar on Request Form available on company website. Hard copy of aforesaid documents will be supplied free of cost.

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.

6. **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.

7. **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.
8. **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.

9. **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.
10. **Change of Address**: Members are requested to immediately notify the change of address, if any to Share Registrar of the Company.

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, 2025.

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, 2025	105,866,746/-

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.

نوٹس برائے سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ شادمان کاٹن ملز لمیٹڈ کے حصہ داران کا **چھیالیسواں** سالانہ اجلاس عام مورخہ 28 **اکتوبر** 2025 بروز **منگل** کو صبح 10:30 بجے کمپنی کے رجسٹرڈ آفس ایڈریس واقع 3.5 کلومیٹر فیروز وٹواں واربرٹن روڈ، کوٹ شاہ محمد نزد چندی کوٹ تحصیل اور ضلع ننکانہ صاحب میں درج ذیل کاروبار کے لیے منعقد ہوگا:

عام کاروبار:

1. 27 نومبر 2024 بروز بدھ کو منعقدہ کمپنی کے اراکین کے سالانہ اجلاس عام کے منٹس کی تصدیق کرنے کے لیے۔
2. 30 جون 2025 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 2026 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 اضافے کے لیے مالیاتی گوشواروں کے انوسٹمنٹ پراپرٹی نوٹ میں انکشاف کیا گیا ہے بغیر کسی ترمیم، اضافے یا حذف کے ، درج ذیل قراردادیں پاس کرنا ۔

" **منظور کیا گیا،** کہ جنرل میٹنگ 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 کے نوٹ میں ظاہر کیا گیا ہے اور کمپنی کے چیف ایگزیکٹو آفیسر اس کے ذریعے کمپنی کی عمارتوں کے کسی بھی حصے 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 ایگزیکٹیو 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 پیپرز، 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۔

بورڈ کے حکم سے

کمپنی سیکرٹری

(محمد راحیل عارف)

مقام: لاہور تاریخ: 06 اکتوبر 2025

نوٹس:

1. **حصص کی منتقلی کی کتابوں کی بندش:** کمپنی کی حصص کی منتقلی کی کتابیں 21 اکتوبر 2025 سے 28 اکتوبر 2025 تک دونوں دنوں سمیت بند رہیں گی۔ حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ H.M ہاؤس، 7 بنک اسکوائر لاہور میں 20 اکتوبر 2025 کو کاروبار 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:** حصص یافتگان جو سالانہ اجلاس عام میں الیکٹرانک ذرائع سے شرکت کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ بروز **جمعہ** 24 اکتوبر 2025 کو کاروبار کے اختتام تک مطلوبہ تفصیلات فراہم کرتے ہوئے کمپنی کے سیکرٹری آفس میں درج ذیل ذرائع سے رجسٹرڈ ہو جائیں:

الف) موبائل/واٹس ایپ نمبر 03334646499

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

مطلوبہ معلومات: ان کی شناخت کے لیے نام، CNIC نمبر، فولیو/CDC اکاؤنٹ نمبر اور ای میل آئی ڈی۔

دلچسپی رکھنے والے شیئر ہولڈرز سے اوپر کی معلومات کی وصولی کے بعد، کمپنی الیکٹرانک ذرائع سے سالانہ اجلاس عام میں شرکت کے لیے لاگ ان کی اسناد فراہم کرے گی۔

3. **سالانہ اجلاس عام میں شرکت:** اس میٹنگ میں حصہ لینے اور ووٹ دینے کا حقدار ممبر اپنی طرف سے حصہ لینے اور ووٹ دینے کے لیے ایک اور پراکسی مقرر کرنے کا حقدار ہے۔ پراکسیز کو مؤثر ہونے کے لیے درست مہر اور دستخط کے ساتھ کمپنی کے رجسٹرڈ آفس میں48 گھنٹے پہلے موصول ہونا چاہیے ۔

پراکسیوں کی تقرری کے لیے:

ا) افراد کے معاملے میں اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز 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 CNIC نمبر پراکسی فارم پر درج ہوں گے۔ CNIC کی کاپیاں یا فائدہ اٹھانے والے مالکان کے پاسپورٹ اور پراکسی کو فارم کے ساتھ پیش کیا جائے گا۔

ب) کارپوریٹ اداروں کے معاملے میں، بورڈ آف ڈائریکٹرز کا ریزولیوشن/ پاور آف اٹارنی 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 CNIC/IBAN:** کمپنیز ایکٹ 2017 کے سیکشن 242 کے مطابق، ممبران سے درخواست کی جاتی ہے کہ وہ اپنے CNIC اور بینک کی تفصیلات بشمول بینک برانچ کا نام اور IBAN نمبر فراہم کریں تاکہ اپنا نقد ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں وصول کریں۔ . لہذا، تمام ممبران جنہوں نے ابھی تک اپنے CNIC اور بینک اکاؤنٹ کی تفصیلات فراہم نہیں کی ہیں، انہیں دوبارہ یاد دہانی کرائی جاتی ہے کہ وہ اپنے CNIC کی ایک کاپی فوری طور پر کمپنی کے شیئر رجسٹرار کو ڈیویڈنڈ بینک مینڈیٹ فارم کے ساتھ جمع کرائیں۔ درست بینک اکاؤنٹ اور CNIC 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 سرکولیشن:** ایس ای سی پی کے نوٹیفکیشن SRO 389(I)/2023 مورخہ 21 مارچ 2023 کے مطابق، شادمان کاٹن ملز لمیٹڈ کے شیئر ہولڈرز نے ای میل کے ذریعے سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹس کی گردش کے لیے اپنی رضامندی ظاہر کی تھی۔ ممبران سے لازمی ہے کہ وہ اپنے ای میل ایڈریسز کمپنی کے رجسٹرڈ آفس میں ایک معیاری درخواست فارم پر جمع کرائیں جو کمپنی کی ویب سائٹ www.shadman.com.pk پر دستیاب ہے۔

30 جون 2025 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 شیئر ہولڈرز سالانہ رپورٹ کی ہارڈ کاپی حاصل کرنا چاہتے ہیں وہ کمپنی کی ویب سائٹ پر دستیاب درخواست فارم پر کمپنی سکریٹری/ شیئر رجسٹرار کو معیاری درخواست بھیج سکتے ہیں۔ مذکورہ دستاویزات کی ہارڈ کاپی مفت فراہم کی جائے گی۔

6. **ٹیکس کٹوتی:** نقد منافع کے لیے، انکم ٹیکس آرڈیننس، 2001 کے سیکشن 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 ہولڈر 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 شیئر ہولڈر کمپنی کو تحریری طور پر مطلع کرے گا۔ رجسٹرار کو اگر کوئی اطلاع موصول نہیں ہوتی ہے تو ہر جوائنٹ ہولڈر کے پاس حصص کی تعداد برابر سمجھی جائے گی۔

NTN/ CNIC نمبرتفصیل اب لازمی ہے اور FBR کی طرف سے وقتاً فوقتاً جاری کردہ ایکٹو ٹیکس پیئر لسٹ کے مطابق ٹیکس کی حیثیت کو جانچنے کے لیے ضروری ہے۔

7. **انکم ٹیکس اور زکوٰۃ کی کٹوتی سے استثنیٰ:** جو اراکین 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 ود ہولڈنگ استثنیٰ کا سرٹیفکیٹ 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 ہولڈرز سے درخواست ہے کہ وہ زکوٰۃ کی کٹوتی نہ کرنے کے لیے اپنا اعلامیہ اسٹاک ایکسچینج کے متعلقہ ممبران یا سی ڈی سی سرمایہ کار اکاؤنٹ کو برقرار رکھتے ہیں کو جمع کرائیں۔

8. **غیر دعوی شدہ ڈیویڈنڈ/حصص:** شیئر ہولڈرز، جو کسی بھی وجہ سے اپنے ڈیویڈنڈ/حصص کا دعوی نہیں کر سکے، اگر کوئی ہے تو، انہیں ہمارے شیئر رجسٹرار M/S حمید مجید ایسوسی ایٹس H.M - ہاؤس، 7 بینک اسکوائر لاہور، ان کے غیر دعوی کردہ ڈیویڈنڈ/حصص کے بارے میں پوچھ گچھ کرنے کے لیے رابطہ کرنے کا مشورہ دیا جاتا ہے -

9. **فزیکل شیئرز کو سی ڈی سی اکاؤنٹ میں تبدیل کرنا:** کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر لسٹڈ کمپنی پر لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرے جیسا کہ بیان کیا گیا ہے اور کمیشن کی طرف سے مطلع کردہ تاریخ سے ایکٹ کے آغاز یعنی 30 مئی، 2017 سے چار سال کی مدت کے اندر تبدیل کرے - مزید، 26 مارچ 2021 ایس ای سی پی کے اپنے خط کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ اپنے شیئر ہولڈر کو اپنی فزیکل سیکیورٹیز کو کتاب میں تبدیل کرنے کے لیے آگے بڑھیں۔

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

10. **ویڈیو کانفرنس کی سہولت:** کمپنیز ایکٹ 2017 کی دفعات کے مطابق کسی شہر میں رہنے والے کل ادا شدہ سرمائے کا کم از کم دس فیصد رکھنے والے شیئر ہولڈرز 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 شیئر رجسٹرار کو اجلاس کی تاریخ سے کم از کم سات (7) دن پہلے اوپر دیئے گئے پتے پر کمپنی کی ویب سائٹ www.shadman.com.pk پر دستیاب معیاری فارم پر موصول ہوگا۔

11. **ایڈریس کی تبدیلی:** ممبران سے درخواست کی جاتی ہے کہ ایڈریس کی تبدیلی، اگر کوئی ہو تو کمپنی کے شیئر رجسٹرار کو فوری طور پر مطلع کریں۔

کمپنیز ایکٹ 2017 کے سیکشن(3) 134 کے تحت مادی حقائق کا بیان

یہ بیان 28 اکتوبر 2025 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 2025 تک انوسٹمنٹ پراپرٹی کی خالص بک ویلیو 105,866,746 روپے ہے۔

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

اس کے مطابق، ڈائریکٹرز نے اس معاملے کو شیئر ہولڈرز کے سامنے ان کی منظوری کے لیے رکھا ہے اور عام قرارداد کو پاس کرنے کے لیے جیسا کہ اجلاس کے نوٹس میں فراہم کیا گیا ہے۔ ڈائریکٹرز براہ راست یا بالواسطہ طور پر سوائے ان کے شیئر ہولڈنگ کی حد کے 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.

Ghazala Shahid

Place: Lahore **(Mrs. Ghazala Shahid)**

Date: October 06, 2025 **CHAIRPERSON**

DIRECTORS REPROT TO THE SHAREHOLDERS

FOR THE YEAR ENDED JUNE 30, 2025

The Directors are pleased to present the 46th Annual Report of the Company together with Audited Financial Statements and Auditors reports thereon for the year ended June 30, 2025.

SUMMARY OF FINANCIAL RESULTS

Following is the brief highlights of the financial results of the Company for the year ended June 30, 2025.

	2025	2024
	Rupees in Million	
Turnover-net	509.963	731.306
Gross Profit/(Loss)	(19.668)	4.931
Operating Profit/(Loss)	13.918	6.186
Profit/(Loss) before Levies & Taxation	(28.927)	(12.819)
Profit/(Loss) after Levies &Taxation	(16.572)	(108.697)

BREAK-UP VALUE AND EARNING PER SHARE

The break-up value of shares as on June 30, 2025 is Rs. 43.6 as compared to Rs. 31.99 as on June 30, 2024. The Loss per share for the year ended June 30, 2025 is Rs. (0.94) as compared to Loss per share of Rs. (6.16) of previous year as per computation given below:

	2025	2024
	Rupees	
Profit/(Loss) after Taxation	(16,572,381)	(108,697,939)
No. of ordinary shares	17,636,719	17,636,719
Profit/(Loss) per share	(0.94)	(6.16)

OVERVIEW

Regarding amount payable to Excise and Taxation Officer (ETO) Government of Sindh of Rs. 18.316 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. 16.198 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. 28.545 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 loss after tax of Rs. (16.572) million as compared to loss after tax of Rs (108.697) million of previous year. The net turnover in the current year is Rs.509.963 million including export sales of Rs.193.454 million as compared to Rs.731.306 million of last year which shows decrease of 30.27 % on account of decreased production. The export-oriented apparel division of the company is trying to get out of this production recession by multiple strategic actions. Loss per share is Rs.(0.94) as compared to Loss per share Rs. .(6.16) 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. In last year many changes were made by tax department like removal of zero rating on raw materials, conversion from final tax to normal tax regime for exporters also enhanced 100% tax on export realization.

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 option in apparel division 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, 2025.

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, 2025, 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. Nadeem Bhatti	Independent Director
7.	Mr. Hamid Basir	Independent Director

BOARD OF DIRECTOR'S MEETINGS

The number of Board Meetings held during the year 2024-25 were Four (4). The attendance of the directors is as under: -

Sr. #	Name of Directors	No. of Meetings Attended
1.	Mr. Shahid Mazhar	4
2.	Mrs. Ghazala Shahid	4
3.	Mr. Ahmed Bin Shahid	4
4.	Mr. Muhammad Afnan Shahid	4
5.	Mr. Muhammad Akhtar	4
6.	Mr. Nadeem Bhatti	4
7.	Mr. Hamid Basir	4

AUDIT COMMITTEE

The composition of audit committee members is as under: -

1.	Mr. Nadeem Bhatti	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. Nadeem Bhatti	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. Hamid Basir	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. Hamid Basir	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, 2025 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 under relevant notes.

The present Auditors M/S Mushtaq & Company, 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 & Company, Chartered Accountants, as external auditors of the company for the year ending on June 30, 2025 on the level of Auditors remuneration to be fixed by the members in the Annual General Meeting.

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, 2025**

ڈائریکٹرز رپورٹ

ڈائریکٹرز کو کمپنی کی 46ویں سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشواروں اور اس پر ختم ہونے والے سال30 جون 2025 کے لیے آڈیٹرز کی رپورٹ پیش کرنے پر خوشی ہے۔

مالیاتی نتائج کا خلاصہ

30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج کی مختصر جھلکیاں درج ذیل ہیں۔

	30 جون2025	30 جون 2024
	(روپے ملین میں)	
ٹرن اوور نیٹ	731.306	509.963
مجموعی منافع/(نقصان)	4.931	(19.668)
آپریٹنگ منافع	6.186	13.918
لیویز اور ٹیکسیشن سے پہلے منافع/(نقصان)	(12.819)	(28.927)
لیویز اور ٹیکسیشن کے بعد منافع/(نقصان)	(108.697)	(16.572)

بریک اپ ویلیو اور کمائی فی شیئر

30 جون 2025 تک شیئرز کی بریک اپ ویلیو 43.6 روپے کے مقابلے میں 30 جون 2024 تک 31.99 روپے ہے۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے فی شیئر نقصان (0.94) روپے کے فی شیئر نقصان کے مقابلے میں۔ پچھلے سال کا (6.16) ذیل میں دی گئی گنتی کے مطابق:

	2025	2024
	(روپے)	(روپے)
ٹیکس کے بعد منافع/(نقصان)	(16,572,381)	(108,697,939)
عام حصص کی تعداد	17,636,719	17,636,719
فی حصص منافع/(نقصان)	(0.94)	(6.16)

جائزہ

ایکسائز اینڈ ٹیکسیشن آفیسر (ای ٹی او) حکومت سندھ کو قابل ادائیگی رقم کے حوالے سے روپے۔ 18.316 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 16.198 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 28.545 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 کو(16.572) ملین روپے ٹیکس کے بعد کا نقصان ہوا ہے۔ پچھلے سال کے (108.697) ملین روپے کے ٹیکس کے بعد نقصان کے مقابلے میں۔ رواں سال کا خالص کاروبار 509.963 ملین روپے ہے جس میں 193.454 ملین روپے کی برآمدی فروخت بھی شامل ہے گزشتہ سال کے 731.306 ملین روپے کے مقابلے میں جو پیداوار میں کمی کی وجہ سے 30.27 فیصد کی کمی کو ظاہر کرتی ہے۔ کمپنی کا ایکسپورٹ پر مبنی ملبوسات ڈویژن متعدد اسٹریٹجک اقدامات کے ذریعے اس پیداواری کساد بازاری سے نکلنے کی کوشش کر رہا ہے۔ فی حصص نقصان روپے (0.94) کے مقابلے میں پچھلے سال کی مناسبت سے (6.16) فی شیئر نقصان روپے ہے۔ . .

مستقبل کا آؤٹ لک

کئی سالوں سے کاروبار میں عالمی مندی کی وجہ سے ہماری ٹیکسٹائل انڈسٹری کو بھی اس کا سامنا ہے جبکہ خام مال، بجلی اور دیگر تمام پیداواری اشیاء کی قیمتوں میں اضافہ ملک بھر کی صنعتوں کی حوصلہ شکنی کر رہا ہے۔ نتیجتاً اعلیٰ پیداواری لاگت اور بین الاقوامی منڈیوں میں زیادہ مسابقت کم مارجن کا باعث بنتی ہے۔ مزید یہ کہ حکومت کی ٹیکس پالیسیوں میں تبدیلیاں بھی

مصنوعات کی قیمتوں پر منفی اثرات مرتب کرتی ہیں۔ گزشتہ سال ٹیکس ڈیپارٹمنٹ کی جانب سے بہت سی تبدیلیاں کی گئیں جیسے خام مال پر سے زیرو ریٹنگ ختم کرنا، برآمد کنندگان کے لیے حتمی ٹیکس سے نارمل ٹیکس نظام میں تبدیل کرنا اور برآمدی وصولی پر 100 فیصد ٹیکس بڑھانا۔ تاہم، انتظامیہ کا خیال ہے کہ وہ کمپنی کی ورکنگ کیپیٹل کی ضرورت کو پورا کرنے کے لیے بلا سود ڈائریکٹرز کے قرض کی صورت میں کمپنی کی حمایت جاری رکھیں گے۔ مزید یہ کہ انتظامیہ آنے والے مالی سال میں منافع کی امید میں ملبوسات کی تقسیم میں متبادل آپشن میں مزید فنڈز شامل کرنے کی منصوبہ بندی کر رہی ہے۔

ڈیویڈنڈ

ڈائریکٹرز نے 30 جون 2025 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 2025 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۔

بورڈآف 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/چیئرپرسن
3. جناب احمد بن شاہد	ایگزیکٹو ڈائریکٹر
4. جناب محمد افنان شاہد	نان ایگزیکٹیو ڈائریکٹر
5. جناب محمد اختر	نان ایگزیکٹیو ڈائریکٹر
6. جناب ندیم بھٹی	آزاد ڈائریکٹر
7. جناب حامد بصیر	آزاد ڈائریکٹر

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2024-2025 کے دوران منعقدہ بورڈ کے اجلاس کی تعداد چار (4) تھی۔ ڈائریکٹرز کی حاضری حسب ذیل ہے:-

ڈائریکٹرز کے نام	اجلاس کی تعداد
1. جناب شاہد مظہر	4
2. مسز غزالہ شاہد	4
3. جناب احمد بن شاہد	4
4. جناب محمد افنان شاہد	4
5. جناب محمد اختر	4

.6 جناب ندیم بھٹی	4
.7 جناب حامد بصیر	4

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 ندیم بھٹی	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 ندیم بھٹی	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 حامد بصیر	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 حامد بصیر	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 2024 تک شیئر ہولڈنگ کا پیٹرن اور زمرہ اس رپورٹ کے ساتھ منسلک ہے۔

متعلقہ فریقوں کے ساتھ تمام لین دین کو مکمل طور پر انجام دیا گیا ہے اور متعلقہ نوٹس کے تحت مالی بیانات 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 2025 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 سماجی ذمہ داریاں

کارپوریٹ سماجی ذمہ داری ((CSRمعاشرے 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 کرکے 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 کرکے مزید شجرکاری کی گئی ہے۔

کام اور زندگی کاتوازن

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 پرعزم 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 پرعزم 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 کرکے 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۔

منجانب بورڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

جگہ: لاہور

تاریخ: 06 اکتوبر 2025

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

SHADMAN COTTON MILLS LIMITED

FOR THE YEAR ENDED JUNE 30, 2025

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. Nadeem Bhatti
	Mr. Hamid Basir
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

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 dateof 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. Nadeem Bhatti	Chairman
Mrs. Ghazala Shahid	Member
Mr. Muhammad Akhtar	Member

    b) HR and Remuneration Committee

Mr. Hamid Basir	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.
    ii) 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.

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

iv) 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

Ghazala Shahid

Chairperson

Dated: October 06, 2025

Key Operating & Financial Data
For the Period from July 2020 to June 2025

PARTICULARS	July-June 2024-2025	July-June 2023-2024	July-June 2022-2023	July-June 2021-2022	July-June 2020-2021	July-June 2019-2020
Turnover -Net	509,963,504	731,306,818	349,129,692	377,849,670	110,031,908	111,554,212
Cost of Goods Sold	(529,681,003)	(726,375,015)	(346,552,569)	(352,932,424)	(165,587,176)	(136,658,852)
Gross Profit / (Loss)	(19,717,499)	4,931,803	2,577,123	24,917,246	(55,555,268)	(25,104,640)
Operating Profit/(Loss)	13,918,314	6,186,249	162,493,366	21,142,116	(47,229,732)	15,175,674
Profit/ (Loss) Before Levies & Tax	(28,927,656)	(12,819,922)	67,899,836	14,908,084	(52,865,581)	10,519,460
Profit/ (Loss) After Levies & Tax	(16,572,381)	(108,697,939)	93,712,371	11,074,544	(56,757,942)	1,008,509
Paid Up Capital	176,367,190	176,367,190	176,367,190	176,367,190	176,367,190	176,367,190
Current Assets	285,066,842	405,474,271	363,867,526	204,557,205	204,402,062	127,106,520
Current Liabilities	352,881,468	491,829,487	400,764,233	760,274,568	781,129,079	661,189,788

Production in '000' Kgs	-	-	-	-	-	1,240

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, 2025 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, 2025.

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.

Mushtaq & Co.

Place: Lahore
Dated: October 6, 2025
UDIN: CR202510724C7gUSzeDh

MUSHTAQ & CO.
Chartered Accountants
Engagement Partner:
Nouman Arshad, ACA

Mushtaq & Co. Chartered Accountants

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, 2025, 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, 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, 2025 and of the loss, 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 13.5 this liability of Rs. 18.316 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. 16.198 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 18.1.3 of these financial statements.

c) As disclosed in Note 18.1.4, 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. 28.54 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. 264.725 million, instead of the amortised cost of Rs. 158.725 million as at June 30, 2025. Had the requirements of IFRS 9 been applied, the loan balance and total liabilities would have been lower by Rs. 106 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 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 Loss for the year ended June 30, 2025 of Rupees 16.572 million (June 30, 2024: Rs. 108.698 million) and as of that date, reported accumulated losses of Rs. 353.331 million as at June 30, 2025 (June 30, 2024: Rs. 383.752 million) against the issued, subscribed and paid up capital of Rs. 176.367 million (June 30, 2024: Rs. 176.367 million). The current liabilities exceeds the current assets by Rs. 67.815 million (June 30, 2024: Rs. 86.355 million). These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern. However, the enclosed financial statements have been prepared on going concern basis for the reasons and mitigating factors mentioned in the aforesaid note. Our 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
1.	**Revenue Recognition** Refer to note 3.18 & 34 to the financial statements. Revenue from sale of Company's products for the year ended 30 June 2025 has decreased by approximately 30.27% as compared to last year. The Company recognizes revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the	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'.

	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.	• 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.

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 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 and 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.

Mushtaq & Co. * Chartered Accountants *

MUSHTAQ & CO
Chartered Accountants

Lahore.
Dated: October 6, 2025
UDIN: AR202510724HXgPi5oRk

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		Rupees	*Rupees*
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
18,000,000 (2024: 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		(353,330,974)	(383,752,398)
Director's loan	7	210,000,000	210,000,000
Surplus on revaluation of property, plant and equipment-net of tax	8	715,876,562	762,183,007
TOTAL EQUITY		802,131,530	818,016,551
NON-CURRENT LIABILITIES			
Long term finances	9	215,700,384	254,920,384
Long term payables	10	-	1,600,000
Employees benefit obligation	11	9,451,429	7,646,946
Deferred taxation	12	62,629,080	83,897,051
		287,780,893	348,064,381
CURRENT LIABILITIES			
Trade and other payables	13	100,942,687	243,512,618
Accrued interest/markup		-	-
Short term borrowings	14	154,862,317	152,091,317
Current maturity of non-current liabilities	15	49,025,000	49,025,000
Ijarah lease rentals payable	16	28,544,690	28,544,690
Provision for taxation	17	19,506,774	18,655,862
		352,881,468	491,829,487
TOTAL LIABILITIES		640,662,361	839,893,868
CONTINGENCIES AND COMMITMENTS	18		
TOTAL EQUITY AND LIABILITIES		1,442,793,891	1,657,910,419
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	19	1,019,099,301	1,049,209,509
Intangibles	20	2,698,208	-
Investment property	21	105,866,746	108,581,278
Long term deposits	22	30,062,794	28,198,874
Long Term Loan	23	-	1,800,000
		1,157,727,049	1,187,789,661
CURRENT ASSETS			
Stores, spares and loose tools	24	11,455,261	75,852,601
Stock in trade	25	44,107,838	93,824,824
Trade debts	26	40,285,414	95,565,890
Loans and Advances	27	5,924,921	8,624,839
Trade deposits and short term prepayments	28	4,145,939	4,059,009
Other receivables	29	2,788,061	4,222,147
Tax refunds due from Government	30	39,487,065	57,009,003
Short term investments	31	109,500,000	37,862,046
Cash and bank balances	32	27,372,343	28,453,912
		285,066,842	405,474,271
Non - current asset held for sale	33	-	64,646,487
TOTAL ASSETS		1,442,793,891	1,657,910,419

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		Rupees	*Rupees*
Sales - *net*	*34*	**509,963,504**	731,306,818
Cost of sales	*35*	**(529,631,777)**	(726,375,015)
Gross (loss) / profit		**(19,668,273)**	4,931,803
Selling and distribution expenses	*36*	**(12,498,197)**	(18,414,431)
Administrative and general expenses	*37*	**(35,467,909)**	(43,748,314)
		(47,966,106)	(62,162,745)
Other income	*38*	**81,552,693**	63,417,191
Operating profit		**13,918,314**	6,186,249
Finance cost	*39*	**(4,999,524)**	(12,795,637)
Other expenses	*40*	**(37,846,446)**	(6,210,604)
Loss before levies and taxation		**(28,927,656)**	(12,819,992)
Levies	*41*	**(6,386,166)**	(8,083,733)
Loss before taxation		**(35,313,822)**	(20,903,725)
Taxation	*42*	**18,741,441**	(87,794,214)
Loss after taxation		**(16,572,381)**	(108,697,939)
Loss per share - *basic and diluted*	*43*	**(0.94)**	(6.16)

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, 2025

	Note	**June 30, 2025**	June 30, 2024
		Rupees	*Rupees*
Loss after taxation for the year		**(16,572,381)**	(108,697,939)
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligation		**968,112**	5,705,352
Deferred tax on remeasurement of staff retirement benefits		**(280,752)**	(1,654,552)
		687,360	4,050,800
Total comprehensive loss		**(15,885,021)**	(104,647,139)

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, 2025

	Note	June 30, 2025	June 30, 2024
		Rupees	*Rupees*
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	45	**16,097,652**	10,528,258
Payments for:			
Employees retirement benefits		**(310,000)**	(1,235,000)
Finance cost		**(4,999,524)**	(1,482,289)
Income tax		**(16,453,543)**	(17,173,084)
		(21,763,067)	(19,890,373)
Net cash used in operating activities		**(5,665,415)**	(9,362,115)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		**27,872,970**	70,010,000
Proceeds from disposal of fixed assets held for sale		**66,136,455**	-
Purchase of property, plant and equipment		**(39,014,539)**	(25,286,471)
Short term investment		**(71,637,954)**	-
Rental Income		**61,139,834**	27,998,971
Long term payables		**(1,600,000)**	-
Long term deposits		**(1,863,920)**	-
Net cash generated from investing activities		**41,032,846**	72,722,500
CASH FLOW FROM FINANCING ACTIVITIES			
Net (decrease) / increase in long term financing		-	5,800,392
Repayment of long term loan		**(39,220,000)**	(49,026,000)
Net (decrease) / increase in short term borrowings		**2,771,000**	(19,035,000)
Net (decrease) / increase in accrued mark up		**-**	-
Net cash used in financing activities		**(36,449,000)**	(62,260,608)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(1,081,569)**	1,099,777
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		**28,453,912**	27,354,135
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	46	**27,372,343**	28,453,912

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	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			
Balance as at July 01, 2023	176,367,190	53,218,752	(285,358,788)	210,000,000	768,436,536	922,663,690
Loss for the year	-	-	(108,697,939)	-	-	(108,697,939)
Other comprehensive income	-	-	4,050,800	-	-	4,050,800
Current year incremental depreciation- net off deferred tax	-	-	6,253,529	-	(6,253,529)	-
Balance as at June 30, 2024	176,367,190	53,218,752	(383,752,398)	210,000,000	762,183,007	818,016,551
Balance as at July 01, 2024	**176,367,190**	**53,218,752**	**(383,752,398)**	**210,000,000**	**762,183,007**	**818,016,551**
Loss for the year	**-**	**-**	**(16,572,381)**	**-**	**-**	**(16,572,381)**
Other comprehensive income	**-**	**-**	**687,360**	**-**	-	**687,360**
Transfer on disposal of fixed asset	**-**	**-**	**40,209,254**	**-**	**(40,209,254)**	**-**
Incremental depreciation- net off deferred tax	**-**	**-**	**6,097,191**	**-**	**(6,097,191)**	**-**
Balance as at Jun 30, 2025	**176,367,190**	**53,218,752**	**(353,330,974)**	**210,000,000**	**715,876,562**	**802,131,530**

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, 2025

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 and sale of yarn 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 Loss for the year ended June 30, 2025 of Rupees 16.572 million (June 30, 2024: Rs. 108.698 million) and as of that date, reported accumulated losses of Rs. 353.331 million as at June 30, 2025 (June 30, 2024: Rs. 383.752 million) against the issued, subscribed and paid up capital of Rs. 176.367 million (June 30, 2024: Rs. 176.367 million). The current liabilities exceeds the current assets by Rs. 67.815 million (June 30, 2024: Rs. 86.355 million). These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future.

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

2.3 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

Use of judgements and estimates 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, 2024. 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 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)		January 1, 2026

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 2025;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

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

Short term employees benefits

The company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The Company provides for compensated absences of its employees on unveiled balance of leaves in the period in which the leaves are earned.

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 as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

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 to income 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 2025 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

5 **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2025	2024		2025	2024
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	2025	2024
		Rupees	*Rupees*
As at beginning of the year - gross		**887,701,144**	896,508,931
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		**(8,587,593)**	(8,807,787)
Closing balance gross		**838,904,297**	887,701,144
Less:			
Related deferred tax liability			
Revaluation at the beginning of the year		**125,518,137**	128,072,395
Amount realized during the year on incremental depreciation		**(2,490,402)**	(2,554,258)
		123,027,735	125,518,137
As at end of the year		**715,876,562**	762,183,007

9 **LONG TERM FINANCES - SECURED**

These represent long term finances utilized under interest/markup arrangements from banking companies

	Note	2025	2024
		Rupees	*Rupees*
The Bank of Punjab - Demand finance - I & II	9.1	**303,945,384**	343,183,000
		303,945,384	343,183,000
Payments		**(39,220,000)**	(39,237,616)
		264,725,384	303,945,384
Current maturity presented under current liabilities	15	**(49,025,000)**	(49,025,000)
		215,700,384	254,920,384

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. 461.220 million (2024: Rs. 409.629 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 52 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

10 LONG TERM PAYABLES

	Note	2025	2024
		Rupees	*Rupees*
Security deposit		-	1,600,000
		-	1,600,000

11 EMPLOYEES BENEFIT OBLIGATION

11.1 Movement in present value of defined benefit obligation

	Note	2025	2024
		Rupees	*Rupees*
As at beginning of the year		*7,646,946*	11,081,534
Charged / (credit) to Statement of profit or loss for the year	11.2	*3,082,595*	3,505,764
Benefits paid during the year		*(310,000)*	(1,235,000)
Remeasurements recognized in statement of other comprehensive income	11.4	*(968,112)*	(5,705,352)
As at end of the year		*9,451,429*	7,646,946

11.2 Charge to statement of profit or loss

		2025	2024
Current service cost		*1,977,533*	1,805,358
Interest cost		*1,105,062*	1,700,406
		3,082,595	3,505,764

11.3 The charge to statement of profit or loss has been allocated as follows

	Note	2025	2024
Cost of sales	35	*1,938,811*	1,748,422
Administrative and general expenses	37	*1,143,784*	1,757,342
		3,082,595	3,505,764

11.4 Remeasurements recognized in other comprehensive income

	Note	2025	2024
		Rupees	*Rupees*
Actuarial (income) / loss arising from changes in:			
Demographic assumptions		-	-
Financial assumptions		*(16,156)*	(8,155)
Experience adjustments		*(951,956)*	(5,697,197)
		(968,112)	(5,705,352)

11.5 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	2025	2024
Discount rate		*11.74%*	14.75%
Expected rates of increase in salary		*10.75%*	13.75%
Expected average remaining working lives of employees		*9 years*	9 years

11.6 Average duration of the defined benefit obligation

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

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

The expected charge to profit or loss for the year ending June 30, 2026 amounts to Rs. 3.331 million.

11.8 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:

	2025		2024	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		Rupees		*Rupees*
Discount rate	+1%	8,728,343	+ 1%	7,061,913
	-1%	10,234,644	- 1%	8,280,628
Expected rate of increase in salary	+1%	10,234,418	+ 1%	8,280,445
	-1%	8,728,236	- 1%	7,061,826

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

11.9 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.

		Note	2025	2024
12	DEFERRED TAXATION		*Rupees*	*Rupees*
	Opening Balance		**83,897,051**	-
	Recognised / reversed in profit or loss		**(21,548,723)**	82,242,499
	Recognised / reversed in OCI		**280,752**	1,654,552
	Closing balance		**62,629,080**	83,897,051
	Deferred tax asset on deductible temporary differences	*12.1*	**(70,275,844)**	(94,020,545)
	Deferred tax liability on taxable temporary differences	*12.2*	**132,904,924**	177,917,596
	Net asset/(liability)		**62,629,080**	83,897,051
	Less: Deferred income tax asset not recognised			
			62,629,080	83,897,051
12.1	**Deferred tax assets**			
	Employees retirement benefits		**(4,076,283)**	(2,217,614)
	Provisions		**(6,523,317)**	(14,408,179)
	Unused tax losses and credits		**(59,676,244)**	(77,394,752)
			(70,275,844)	(94,020,545)
12.2	**Deferred tax liabilities**			
	Accelerated tax depreciation		**45,261,081**	88,505,567
	Revaluation surplus on property, plant and equipment		**87,643,843**	89,412,029
			132,904,924	177,917,596
			62,629,080	83,897,051

		Note	2025	2024
			Rupees	*Rupees*
13	TRADE AND OTHER PAYABLES			
	Trade creditors		**23,797,884**	114,268,479
	Accrued liabilities	*13.1*	**14,627,737**	24,292,643
	Contract Liabilities	*13.2*	**7,421,746**	5,053,030
	Workers' Profit Participation Fund	*13.3*	**-**	-
	Workers' Welfare Fund	*13.4*	**4,604,722**	3,239,899
	ETO Payable	*13.5*	**18,316,926**	18,316,926
	GIDC Payable	*13.6*	**22,361,383**	22,361,383
	Other Advances	*13.7*	**-**	49,621,394
	Security Deposits		**8,875,000**	3,750,000
	Other payables		**937,289**	2,608,864
			100,942,687	243,512,618

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

13.1 Accrued liabilities include Rs 0.21 million (2024: 0.21 million) payable to the directors of the Company.

13.2 Contract Liabilities

	Note	2025	2024
Advances from customers	*13.2.1*	**5,391,746**	5,053,030
Advance against Rent		**2,030,000**	-
		7,421,746	5,053,030

13.2.1 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. Nill (2024: Rs.Nill) has been recognised in current year in respect of advances from customers at the beginning of year.

	Note	**2025**	2024
13.3 Workers' Profit Participation Fund		***Rupees***	*Rupees*
As at beginning of the year		**-**	3,817,260
Charged during the year		**-**	-
Interest on funds utilized by the Company		**-**	444,840
		-	4,262,100
Less: Paid during the year		**-**	(4,262,100)
As at end of the year		**-**	-

13.3.1 Interest has been charged at Nil (2024: 25.47%) per annum.

13.4 Workers' Welfare Fund

As at beginning of the year		**3,239,899**	1,793,117
Charged to profit or loss for the year		**878,838**	1,177,814
Interest charged for the year	*13.4.1*	485,985	268,968
Paid During the Year		-	-
As at end of the year		**4,604,722**	3,239,899

13.4.1 Interest has been charged at 15% (2024: 15%) per annum.

13.5 Movement in liability recognized in the statement of financial position

	Note	**2025**	2024
		Rupees	*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.

13.6 Movement in liability recognized in the statement of financial position

	Note	**2025**	2024
		Rupees	*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 43274/2021 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.

13.7 Advances of Rs. 26.14 million against assets held for sale in the prior year were adjusted during the current year

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025	2024
14	**SHORT TERM BORROWINGS**		*Rupees*	*Rupees*
	Unsecured -from related parties			
	Opening Balance	14.1	**362,091,317**	381,126,317
	Received during the year		**21,775,000**	8,815,000
	Repaid during the year		**(19,004,000)**	(27,850,000)
			364,862,317	362,091,317
	Less: Equity Portion		**(210,000,000)**	(210,000,000)
			154,862,317	152,091,317

14.1 This represents temporary loan obtained from director of the Company to meet workings capital requirements. The loan is unsecured and interest free.

		Note	2025	2024
15	**CURRENT MATURITY OF NON-CURRENT LIABILITIES**		*Rupees*	*Rupees*
	Long term finances	9	49,025,000	49,025,000

		Note	2025	2024
16	**IJARAH LEASE RENTALS PAYABLE**		*Rupees*	*Rupees*
	Ijarah rentals payable		**28,544,690**	28,544,690

16.1 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 bome by the Company. The lease term has expired and the entire outstanding balance represents overdue installments.

		Note	2025	2024
			Rupees	*Rupees*
17	**PROVISION FOR TAXATION**			
	Taxation	17.1	**19,506,774**	18,655,862
17.1	**Taxation**			
	Balance at the beginning		**18,655,862**	18,442,831
	Provision made during the year		**19,506,774**	18,655,862
			38,162,636	37,098,693
	Adjusted/paid during the year		**(18,655,862)**	(18,442,831)
			19,506,774	18,655,862

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 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.

18.1.2 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.

18.1.3 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.

18.1.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

19.1 Operating fixed assets

	2025												
	COST/REVALUED AMOUNT							DEPRECIATION					Net book value as at JUN 30, 2025
	As at July 01, 2024	Additions	Revaluation Addition/(Reversal)	Adjustments	Disposals	As at JUN 30, 2025	Rate	As at July 01, 2024	For the period	Adjustments	Disposals	As at JUN 30, 2025	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Assets owned by the Company													
Freehold land	456,797,263	-	-	-		456,797,263	-	-	-	-	-	-	456,797,263
Buildings	365,400,000	-	-	-	-	365,400,000	2.5%	9,135,000	8,906,625	-	-	18,041,625	347,358,375
Plant and machinery	189,834,803	44,868,614	-	(29,475,249)	(17,228,168)	188,000,000	2.5%	4,691,336	5,070,203	(9,590,013)	(171,526)	-	188,000,000
Office equipment	6,236,286	43,000	-	-	-	6,279,286	10%	5,180,360	109,893	-	-	5,290,253	989,033
Furniture and fixtures	5,551,686	-	-	-	-	5,551,686	10%	3,842,918	170,877	-	-	4,013,795	1,537,891
Vehicles	53,952,954	9,756,385	-	-	(9,240,990)	54,468,349	20%	24,065,537	5,986,073	-	-	30,051,610	24,416,739
	1,077,772,992	54,667,999	-	(29,475,249)	(26,469,158)	1,076,496,584		46,915,151	20,243,671	(9,590,013)	(171,526)	57,397,283	1,019,099,301

	2024												
	COST/REVALUED AMOUNT							DEPRECIATION					Net book value as at June 30, 2024
	As at July 01, 2023	Additions	Revaluation Addition/(Reversal)	Adjustments	Disposals	As at June 30, 2024	Rate	As at July 01, 2023	For the period	Adjustments	Disposals	As at June 30, 2024	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Assets owned by the Company													
Freehold land	501,200,000	-	-	(44,402,737)	-	456,797,263	-	-	-	-	-	-	456,797,263
Buildings	365,400,000	-	-	-	-	365,400,000	2.5%	-	9,135,000	-	-	9,135,000	356,265,000
Plant and machinery	255,000,000	5,334,803	-	(20,500,000)	(50,000,000)	189,834,803	2.5%	-	5,364,253	(256,250)	(416,667)	4,691,336	185,143,467
Office equipment	6,236,286	-	-	-	-	6,236,286	10%	5,063,035	117,325	-	-	5,180,360	1,055,926
Furniture and fixtures	5,551,686	-	-	-	-	5,551,686	10%	3,653,055	189,863	-	-	3,842,918	1,708,768
Vehicles	63,171,954	1,600,000	-	-	(10,819,000)	53,952,954	20%	21,929,883	7,886,648	-	(5,750,994)	24,065,537	29,887,417
	1,196,559,926	6,934,803	-	(64,902,737)	(60,819,000)	1,077,772,992		30,645,973	22,693,089	(256,250)	(6,167,661)	46,915,151	1,030,857,841

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

19.1.1 Disposal of fixed assets

		Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
		....	....	*Rupees*	....	....		
Disposal of operating fixed assets								
Washing Machines (Dewelli)	Machinery	16,428,168	136,901.00	16,291,267	17,500,000	1,208,733	Negotiation	Mehmood Textile Mills Ltd, Multan
Bale Press Machine	Machinery	800,000	34,625	765,375	950,000	184,625	Negotiation	Sultania Traders , Faisalabad
Haval	Vehicle	9,240,990	-	9,240,990	9,422,970	181,980	Negotiation	Amir Aziz, Sialkot
	2025	26,469,158	171,526	26,297,632	27,872,970	1,575,338		
	2024	60,819,000	6,167,661	54,651,339	70,010,000	15,358,661		
Disposal from Assets held for sale								
Generator (Caterpillar)	Machinery	20,500,000	256,250	20,243,750	21,136,455	892,705	Negotiation	Kym Matbaa Kagitcilik Ve Reklam, Intanbul, Turkey
Land	Land	44,402,737	-	44,402,737	45,000,000	597,263	Negotiation	M. Irfan, Muhallah Eid Gah, Chungi # 3, Warburton, Tehsil and Distruct Nankana Sahib
	2025	64,902,737	256,250	64,646,487	66,136,455	1,489,968		
	2024	-	-	-	-	-		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		Rupees	*Rupees*
19.1.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	35	**13,976,828**	14,499,253
Administrative and general expenses	37	**6,266,843**	8,193,836
		20,243,671	22,693,089

19.1.3 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 measrements disclosures refer to Note 51.

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

	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***

	2024		
	Cost	Accumulated depreciation	Net book value
	Rupees	*Rupees*	*Rupees*
Freehold land	*47,334,333*	-	*47,334,333*
Building on freehold land	*14,121,350*	*2,144,967*	*11,976,383*
Plant and machinery	*322,035,352*	*18,852,443*	*303,182,909*

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

19.1.5 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 2025	**Revaluation as of 2023**
Freehold land	-	426,020,000
Building on freehold land	-	310,590,000
Plant and machinery	**159,800,000**	216,750,000
	159,800,000	953,360,000

19.1.6 During the year ended 30 June 2025, 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. As the recoverable amounts were lower than the respective carrying amounts, an impairment loss of Rs. 19.885 million was recognised in the statement of profit or loss.

19.2 Capital work in progress has been capitalized during the year .

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

20	INTANGIBLES	Note	2025	2024
			Rupees	Rupees
	Carrying value as at July 01		-	-
	Addition	20.2	2,943,500	-
	Amortization charged during the period		(245,292)	-
	Net book value as at June 30		2,698,208	-
	Gross carrying value as at June 30			
	Cost		2,943,500	-
	Accumulated Amortization		245,292	-
			2,698,208	-
20.1	Amortization is charged straight line method at the rate % per annum		20%	0%

20.2 During the year, the Company capitalized an ERP software amounting to PKR 2.9 million from capital work-in-progress. The ERP software has been classified under intangible assets with useful life of 5 years and is subject to annual impairment testing in accordance with the Company's accounting policy.

21	INVESTMENT PROPERTY	Note	2025	2024
			Rupees	Rupees
	Carrying value as at July 01		108,581,278	111,365,413
	Depreciation charged during the period		(2,714,532)	(2,784,135)
	Net book value as at June 30		105,866,746	108,581,278
	Gross carrying value as at June 30			
	Cost		122,267,095	122,267,095
	Accumulated depreciation		16,400,349	13,685,817
			105,866,746	108,581,278
21.1	Depreciation is charged by reducing balance method at the rate % per annum		2.50%	2.50%
21.2	Depreciation charged for the period has been allocated as follows:			
	Other Expenses	40	2,714,532	2,784,135

21.3 The market value of investment property was assessed by independent valuers at June 30, 2025 is Rs. 147 million (2024:Rs. 145 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.

22	LONG TERM DEPOSITS- unsecured, considered good	Note	2025	2024
			Rupees	Rupees
	Security deposits			
	- LESCO		13,207,123	11,343,203
	- SNGPL		14,668,324	14,668,324
	- Others		2,187,347	2,187,347
			30,062,794	28,198,874

23	LONG TERM LOAN	2025	2024
		Rupees	Rupees
	Loan to employees - unsecured, considered good	1,800,000	5,400,000
	Current maturity	(1,800,000)	(3,600,000)
		-	1,800,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025	2024
24	**STORES, SPARES AND LOOSE TOOLS**		**Rupees**	Rupees
	Store, Spares and Loose Tools		**24,382,303**	113,257,542
			24,382,303	113,257,542
	Less: Impairment allowance for obsolete stores, spares and loose tools		**(12,927,042)**	(37,404,941)
			11,455,261	75,852,601
24.1	Provision for slow moving items			
	Balance at beginning of the year		**37,404,941**	-
	Provision made during the year		**12,927,042**	37,404,941
	Written off during the year		**(37,404,941)**	-
	Balance at end of the year		**12,927,042**	37,404,941

24.2 There are no stores, spares and loose tools held exclusively for capitalization (2024: Rs 44.77 million)

24.3 No item of stores , spares and loose tools is pledged as security as at reporting date.

24.4 During the year, Company capitalized solar panels from stores inventory amounting to PKR 18.336 million which have been classified under Plant and machinery

		Note	2025	2024
25	**STOCK IN TRADE**			
	Raw material		**2,603,347**	10,363,651
	Work in process		**-**	22,631,110
	Finished goods	*25.1*	**30,376,098**	60,330,563
	Waste		**709,250**	499,500
	Stock in Transit		**10,419,143**	-
			44,107,838	93,824,824

25.1 Finished goods stock cost Rs. Nil (2024: Rs. Nil) have been valued at Rs. Nil (2024: 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.

25.2 Waste stock is measured at net realizable value.

25.3 No item of stock in trade is pledged as security as at reporting date.

		Note	2025	2024
26	**TRADE DEBTS**		**Rupees**	Rupees
	Local - unsecured			
	considered good		**17,467,995**	18,321,279
	considered doubtful		**163,670**	1,568,727
			17,631,665	19,890,006
	Foreign - secured			
	considered good		**22,653,749**	77,545,326
	considered doubtful		**11,074,453**	10,408,994
			33,728,202	87,954,320
			51,359,867	107,844,326
	Allowance for ECL on trade debts	*26.1*	**(11,074,453)**	(12,278,436)
			40,285,414	95,565,890
26.1	**Allowance for ECL on trade debts**			
	As at beginning of the year		**12,278,436**	10,709,709
	Realised during the year		-	-
	Written off during the year		**(1,568,727)**	-
	Recognized during the year		**364,744**	1,568,727
	As at end of the year		**11,074,453**	12,278,436

		Note	2025	2024
			Rupees	*Rupees*
27	**LOANS AND ADVANCES**			
	Advances to suppliers - *unsecured*			
	considered good		**862,762**	4,866,377
	considered doubtful		**930,506**	-
			1,793,268	4,866,377

NOTES TO THE FINANCIAL STATEMENTS
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Advances to employees - *unsecured, considered good*	27.1	99,113	124,927
Loan to employees - *unsecured, considered good*	27.2	1,534,204	3,600,000
Other Advances		3,164,499	-
Letters of credit		264,343	33,535
		5,062,159	3,758,462
		6,855,427	8,624,839
Allowance for ECL on loans and advances	27.3	(930,506)	-
		5,924,921	8,624,839

27.1 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.

27.2 Loan to employees - *unsecured, considered good*

Current maturity of loan to employee	23	1,800,000	3,600,000
Deductions against expenses		(265,796)	-
		1,534,204	3,600,000

27.2.1 As at June 30, 2025, loan to an executive employee amounting to Rs. 1.5 million (2024: Rs. 5.4 million) was outstanding. The loan is interest-free and provided in accordance with the Company's policy

27.3 Allowance for ECL on Loan and Advances

As at beginning of the year	-	-
Realised during the year		-
Written off during the year	930,506	-
Recognized during the year	-	-
As at end of the year	930,506	-

	Note	2025	2024
28 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits	28.1	3,560,000	3,560,000
Prepayments		585,939	499,009
		4,145,939	4,059,009

28.1 The security deposits include guarantee in favour of ETO which carries return at the rate of 9.60% per annum (June 30, 2024: 16.28%)

29 OTHER RECEIVABLES

considered good		2,788,061	4,222,147
considered doubtful		1,507,300	1,507,300
		4,295,361	5,729,447
Less: Provision for doubtful receivables	29.1	(1,507,300)	(1,507,300)
		2,788,061	4,222,147

29.1 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	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

As at end of the year		**1,507,300**	1,507,300

30 TAX REFUNDS DUE FROM GOVERNMENT

Advance income tax	*30.1*	**36,984,971**	28,873,965
Sales tax refundable		**2,502,094**	28,135,038
		39,487,065	57,009,003

30.1 Advance income tax

Opening balance	**28,873,965**	25,115,915
Advance tax deducted during the year	**16,453,542**	17,180,467
Advance tax adjusted during the year	**(8,342,536)**	(13,422,417)
Closing balance	**36,984,971**	28,873,965

31 SHORT TERM INVESTMENTS

	Note	**2025** ***Rupees***	2024 *Rupees*
Investments in listed securities	*31.1*	-	*362.046*
Term deposit certificates	**31.2**	***109,500,000***	*37.500.000*
		109,500,000	*37.862.046*

31.1 During the year, the Company disposed of its investment in listed equity securities, and the resulting gain/(loss) has been recognized in profit or loss

31.2 These represent term deposits with the commercial banks having maturity period of one month and carry interest rate ranging from 0.429% to 21.559% (2024: 2.69% to 22.92%) per annum.

32 CASH AND BANK BALANCES

Cash in hand	**27,092**	15,783
Cash at banks		
Current accounts-local	**17,149,287**	12,393,739
Current accounts-foreign	**7,926,876**	8,814,034
Deposit/saving accounts-Local	**2,269,088**	7,230,356
	27,345,251	28,438,129
Total	**27,372,343**	28,453,912

32.1 Effective markup rate in respect of deposit/saving accounts, for the year, ranges from 3.35% to 20.34% (2024: 20.41% to 21.68%).

33 NON - CURRENT ASSETS HELD FOR SALE

Land	*33.1*	**-**	44,402,737
Plant and Machinery	*33.2*	**-**	20,243,750
		-	**64,646,487**

33.1 This represents a land measuring 43 Kanals and 8 Marlas, located at 3.5 K.M, Feroze Watwan, Warburton Road, Kot Shah Mohammad, Tehsil Nankana Sahib, which had been classified as non-current asset held for sale in the previous year. The land was disposed of during the current year.

33.2 This represents a generator which had been classified as non-current asset held for sale in the previous year and was disposed of during the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

34 SALES- NET

	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	311,392,316	-	311,392,316
	373,480,548	193,454,565	566,935,113
Sales tax	(56,971,609)	-	(56,971,609)
	316,508,939	193,454,565	509,963,504

	2024		
	Local	Export	Total
	Rupees	*Rupees*	*Rupees*
Apparel Sales	186,735	542,905,151	543,091,886
Washing Stone	2,281,412	-	2,281,412
Staple Fiber	219,845,820	-	219,845,820
	222,313,967	542,905,151	765,219,118
Sales tax	(33,912,300)	-	(33,912,300)
	188,401,667	542,905,151	731,306,818

	Note	2025	2024
		Rupees	*Rupees*
35 COST OF SALES			
Raw material consumed	*35.1*	45,143,228	285,381,363
Stores, spares and loose tools consumed		62,031,880	67,074,212
Salaries, wages and benefits	*35.2*	105,432,672	134,517,631
Power and fuel		24,029,769	47,904,970
Insurance		328,128	420,307
Repair and maintenance		2,370,568	5,879,569
Travelling and conveyance		2,765,880	3,382,741
Depreciation	*19.1.2*	13,976,828	14,499,253
Others		10,004,539	8,997,861
Manufacturing cost		266,083,492	568,057,907
Work in process			
As at beginning of the year		22,631,110	51,771,748
As at end of the year		-	(22,631,110)
		22,631,110	29,140,638
Cost of goods manufactured		288,714,602	597,198,545
Finished goods			
As at beginning of the year		60,830,063	4,694,500
Purchased during the year		211,172,460	185,312,033
As at end of the year		(31,085,348)	(60,830,063)
		240,917,175	129,176,470
		529,631,777	726,375,015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

35.1 Raw material consumed

	Note		
As at beginning of the year		**10,363,651**	24,930,957
Purchased during the year		**37,382,924**	270,814,057
As at end of the year		**(2,603,347)**	**(10,363,651)**
		45,143,228	285,381,363

35.2 These include charge in respect of employees retirement benefits amounting to Rs.2.013 million (2024: Rs.1.748 million).

	Note	2025	2024
		Rupees	*Rupees*
36 SELLING AND DISTRIBUTION EXPENSES			
Local			
Commission		**1,289,013**	887,510
Forwarding charges		**-**	-
		1,289,013	887,510
Export			
Ocean freight		**343,771**	18,750
Forwarding charges		**8,742,768**	14,358,494
Export development surcharge		**880,130**	1,476,169
Export trailer charges		**1,236,770**	1,654,268
Others		**5,745**	19,240
		11,209,184	17,526,921
		12,498,197	18,414,431

	Note	2025	2024
		Rupees	*Rupees*
37 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and benefits	*37.1*	**13,684,164**	13,687,314
Travelling and conveyance		**3,495,753**	8,283,243
Legal and professional		**2,949,530**	3,919,786
Fee and subscription		**1,735,798**	4,027,850
Rent, rates and taxes		**1,494,992**	983,022
Electricity, gas and water		**977,596**	547,063
Insurance		**447,112**	1,284,322
Repair and maintenance		**351,690**	27,189
Communication		**391,557**	728,785
Printing and stationery		**57,246**	41,545
Vehicle running and maintenance		**135,138**	-
Advertisement		**191,348**	714,567
Entertainment		**907,636**	158,709
Auditor's remuneration	*37.2*	**690,000**	475,125
Depreciation	*19.1.2*	**6,266,843**	8,193,836
Amortization		**245,292**	-
Miscellaneous expenses		**1,446,214**	675,958
		35,467,909	43,748,314

37.1 These include charge in respect of employees retirement benefits amounting 1.069 million (2024: Rs.1.78Million).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025	2024
37.2	**Auditor's remuneration**		*Rupees*	*Rupees*
	Annual statutory audit		630,000	422,625
	Half yearly review		60,000	52,500
			690,000	475,125

		Note	2025	2024
38	**OTHER INCOME**		*Rupees*	*Rupees*
	Gain on financial instruments			
	Return on Term Deposit Receipts		10,009,308	12,599,535
	Return on bank deposits		1,518,386	1,927,765
	Return on Sui Gas security deposits		517,935	991,327
	Unrealised gain on short term investments		-	93,437
	Foreign Exchange gain/loss		317,801	-
	Liabilities written back		1,678,162	-
	Realized gain on listed securities		39,307	-
	Dividend income		69,157	67,507
			14,150,056	15,679,571
	Other income			
	Gain on disposal of operating fixed assets	19.1.1	1,575,338	15,358,661
	Gain on disposal of non-current assets held for sale		1,489,968	-
	Rebate Income		2,058,920	-
	Agriculture income		716,440	4,379,988
	Sale of Obsolete store items		422,137	-
	Rental income		61,139,834	27,998,971
			67,402,637	47,737,620
			81,552,693	63,417,191

		Note	2025	2024
			Rupees	*Rupees*
39	**FINANCE COST**			
	Interest on workers' profit participation fund	13.3	-	444,840
	Interest on Workers' Welfare Fund		485,985	268,968
	Bank charges		4,513,539	12,081,829
			4,999,524	12,795,637

		Note	2025	2024
40	**OTHER EXPENSES**		*Rupees*	*Rupees*
	Workers' profit participation fund	13.3	-	-
	Workers' Welfare fund	13.4	878,838	1,177,814
	Allowance for ECL on doubtful debts		364,745	1,568,727
	ECL for ECL on Advances to suppliers		930,506	-
	Foreign exchange loss		145,546	679,928
	Depreciation on Investment Property	21.2	2,714,532	2,784,135
	Provision for Obsolete store		12,927,042	-
	Impairment Loss on fixed assets		19,885,237	-
			37,846,446	6,210,604

		Note	2025	2024
41	**Levies**		*Rupees*	*Rupees*
	Minimum Tax		6,374,544	2,355,021
	Final Tax		11,622	5,728,712
			6,386,166	8,083,733

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

42 TAXATION

Current taxation		
current year	**13,120,608**	10,572,129
prior year	**(10,313,326)**	(5,020,414)
	2,807,282	5,551,715
Deferred taxation	**(21,548,723)**	82,242,499
	(18,741,441)	87,794,214

42.1 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%	(0.45)	(0.82)
Prior Year Tax reversal	0.36	0.39
Permanent Differences	0.00	(0.74)
Minimum tax	(0.22)	(0.18)
Impact of Deferred Tax	0.74	(6.42)
	0.43	(7.77)
	(0.14)	(7.48)

42.2 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 2024.

42.3 Assessments for the tax years up to 2024 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filled by the Company.

42.4 The Government of Pakistan vide Finance Act 2018 notified 29% for tax year 2025.

	Unit	2025	2024
43 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED			
Profit / (Loss) attributable to ordinary shareholders	*Rupees*	**(16,572,381)**	**(108,697,939)**
Weighted average number of ordinary shares outstanding during the year	*No. of shares*	**17,636,719**	17,636,719
Earning / (Loss) per share - *Basic*	*Rupees*	**(0.94)**	(6.16)

There is no anti-dilutive effect on the basic profit/ loss per share of the Company.

44 SHARIAH COMPLIANT DISCLOSURE

Statement of Financial Position		
Cash at Banks		
Current accounts-local Islamic	16,386,242	10,880,900
Current accounts-foreign Islamic	7,926,768	8,812,455
Other receivables		
Return on Term Deposit Receipts - Islamic	333,165	377,145
Statement of Profit or Loss		
Return on Term Deposit Receipts - Islamic	10,009,308	12,599,535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Relationship With Shariah compliant Financial Institutions
The company maintains its bank deposits and has Investments in Shariah-Compliant TDRs of Bank Islami

45 CASH GENERATED FROM OPERATIONS

Loss before levies and taxation		**(28,927,656)**	(12,819,992)
Adjustments for non-cash and other items			
Gain on disposal of operating fixed assets		**(1,489,968)**	(15,358,661)
Gain on disposal of fixed assets held for sale		**(1,575,338)**	
Provision for employees retirement benefits		**3,082,595**	3,505,764
Changes in fair value investments at fair value through profit or loss		**-**	(93,437)
Finance cost		**4,999,524**	1,768,873
Rental Income		**(61,139,834)**	(27,998,971)
Impairment loss on fixed assets		**19,885,237**	-
Depreciation		**22,958,203**	25,477,224
		(13,279,581)	(12,699,208)
Operating loss before changes in working capital		**(42,207,237)**	(25,519,200)
Changes in working capital			
Stores, spares and loose tools		**64,397,340**	(51,303,480)
Stock in trade		**49,716,986**	(12,427,619)
Trade debts		**55,280,476**	30,487,568
Loan to employee		**1,800,000**	-
Advances, prepayments and other receivables		**29,680,018**	(4,603,533)
Trade and other payables		**(142,569,931)**	73,894,522
		58,304,889	36,047,458
Cash generated from operations		**16,097,652**	10,528,258

46 CASH AND CASH EQUIVALENTS

Cash and bank balances	32	**27,372,343**	28,453,912
		27,372,343	28,453,912

47 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:

		2025	2024
		Rupees	*Rupees*
47.1 Transactions with related parties			
Nature of relationship	**Nature of transactions**		
Directors	Short term borrowings obtained		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	**18,175,000**	6,890,000
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	**2,000,000**	-
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	**1,000,000**	1,425,000
	(Mr. M Afnan Shahid, 12.02% Shareholding, Director)	**600,000**	500,000
	Short term borrowings repaid		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	**9,565,000**	3,000,000
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	**-**	-
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	**4,000,000**	23,350,000
	(Mr. M Afnan Shahid, 12.02% Shareholding, Director)	**5,439,000**	1,500,000
Associate	Purchase of vehicle		
	(Delta Oil Mills (Pvt) Limited, Common Directorship)	500,000	-

Balances with related parties

Nature of relationship | **Nature of balances**

NOTES TO THE FINANCIAL STATEMENTS
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Directors	Equity		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	**130,000,000**	130,000,000
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	**10,000,000**	10,000,000
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	**50,000,000**	50,000,000
	(Mr. M Afnan Shahid, 12.02% Shareholding, Director)	**20,000,000**	20,000,000
	Total	**210,000,000**	210,000,000
	Short term borrowings		
	(Mr. Shahid Mazhar, 64.50% Shareholding, Director)	**45,001,317**	36,391,317
	(Mrs. Ghazala Shahid, 2.28% Shareholding, Director)	**24,525,000**	22,525,000
	(Mr. Ahmed Bin Shahid, 12.02% Shareholding, Director)	**41,150,000**	44,150,000
	(Mr. M Afnan Shahid, 12.02% Shareholding, Director)	**44,186,000**	49,025,000
	Total	**154,862,317**	152,091,317

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

48 FINANCIAL INSTRUMENTS

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

	Note	2025 Rupees	2024 Rupees
Financial assets			
Cash in hand	32	**27,092**	15,783
Financial assets at amortized cost			
Long term deposits	22	**30,062,794**	28,198,874
Trade debts	26	**40,285,414**	95,565,890
Security deposits	28	**3,560,000**	3,560,000
Loans and Advances	27	**1,633,317**	5,524,927
Other receivables	29	**4,295,361**	2,490,845
Short term investments	31	**109,500,000**	37,500,000
Cash at bank	32	**27,345,251**	28,438,129
		216,682,137	201,278,665
Financial assets at fair value through profit or loss			
Short term investments	31	**-**	362,046
		216,709,229	201,656,494
Financial liabilities			
Financial liabilities at amortized cost			
Long term finances	9	**264,725,384**	343,183,000
Employees benefit obligation	11	**9,451,429**	7,646,946
Long term payables	10	**-**	1,600,000
Short term borrowings	14	**364,862,317**	362,091,317
Trade creditors	13	**23,797,884**	114,268,479
Ijarah rentals payables	16	**28,544,690**	28,544,690
Security deposits	13	**8,875,000**	3,750,000
Accrued liabilities	13	**14,627,737**	24,292,643
		714,884,441	885,377,075

49 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:

49.1 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.

49.1.1 Maximum exposure to credit risk

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

	Note	2025	2024
		Rupees	*Rupees*
Long term deposits	22	**30,062,794**	28,198,874
Trade debts	26	**40,285,414**	95,565,890
Security deposits	28	**3,560,000**	3,560,000
Loans and Advances	27	**1,633,317**	5,524,927
Other receivables	29	**4,295,361**	2,490,845
		79,836,886	135,340,536

49.1.2 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:

	Note	2025	2024
		Rupees	*Rupees*
Pakistan	26	**17,631,665**	18,321,279
Europe	26	**33,728,202**	87,954,320
		51,359,867	106,275,599

49.1.3 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	2025		2024	
		Gross carrying amount	**Accumulated Impairment**	Gross carrying amount	Accumulated Impairment
		Rupees	*Rupees*	*Rupees*	*Rupees*
Neither past due nor impaired		**-**	**-**	-	-
Past due by 0 to 30 days		**1,083,587**	**-**	78,952,361	-
Past due by 31 to 90 days		**10,577,221**	**-**	1,868	-
Past due by 90 days to one year		**12,890,422**	**-**	112,378	-
Over one year		**26,808,637**	**(11,074,453)**	28,777,719	(12,278,436)
		51,359,867	**(11,074,453)**	107,844,326	(12,278,436)

49.1.4 Collateral held

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

49.1.5 Credit risk management

As mentioned in note 49.1.3 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.

49.2 Liquidity risk

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

49.2.1 Exposure to liquidity risk

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

	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**	**264,725,384**	**-**	**-**
Short term borrowings	**364,862,317**	**364,862,317**	**364,862,317**	**-**	**-**
Accrued interest/markup	**-**	**-**	**-**	**-**	**-**
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**		
	705,433,012	**705,433,012**	**705,433,012**	**-**	**-**

	2024				
	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	303,945,384	303,945,384	303,945,384	-	-
Short term borrowings	362,091,317	362,091,317	362,091,317	-	-
Accrued interest/markup	-	-	-	-	-
Trade creditors	114,268,479	114,268,479	114,268,479	-	-
Ijarah rentals payable	28,544,690	28,544,690	28,544,690	-	-
Accrued liabilities	24,292,643	24,292,643	24,292,643	-	-
Security Deposits	3,750,000	3,750,000	3,750,000		
	836,892,513	836,892,513	836,892,513	-	-

49.2.2 Overdue financial liabilities

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

	Note	**2025** *Rupees*	2024 *Rupees*
Ijarah rentals payable	*16*	**28,544,690**	28,544,690
		28,544,690	28,544,690

49.2.3 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.

49.3 Market risk

49.3.1 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	**2025**	2024
		Rupees	*Rupees*
Financial assets			
Trade debts		**33,728,202**	87,954,320
Bank Accounts-FCY		**7,926,876**	8,814,034
Financial liabilities		**-**	-
Net exposure		**41,655,078**	96,768,354

(b) ***Exchange rates applied as at the reporting date***

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

	2025		2024	
	Assets	**Liabilities**	Assets	Liabilities
	Rupees	***Rupees***	*Rupees*	*Rupees*
USD	**283.52**	**283.52**	278.04	278.04

(c) ***Sensitivity analysis***

A ten percent appreciation in Pak Rupee against foreign currencies would have decreased profit for the year by Rs.0.42 million (2024: Rs. 9.68 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.

49.3.2 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	2025	2024
		Rupees	*Rupees*
Fixed rate instruments			
Financial assets		-	-
Financial liabilities		**293,270,074**	-
Variable rate instruments			
Financial assets		**111,769,088**	82,954,448
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 million (2024: Rs. Nil). A decrease of 100 basis points wound 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.

49.3.3 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. (2024: Rs. 0.04 millions). 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.

50 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 finances 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	2025	2024
Total debt	*Rupees*	**303,945,384**	303,945,384
Total equity	*Rupees*	**802,131,530**	818,016,551
		1,106,076,914	1,121,961,935
Gearing	*% age*	**27.48%**	27.09%

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 18.

51 FAIR VALUE MEASUREMENTS

51.1 Financial Instruments

51.1.1 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	2025	2024
			Rupees	*Rupees*
Financial assets at fair value through profit or loss				
Short term investments	Level 1	Quoted prices in an active market	-	362,046

b) Non-recurring fair value measurements

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

51.1.2 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.

51.2 Assets and liabilities other than financial instruments.

51.2.1 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	2025	2024
				Rupees	*Rupees*
Freehold land	-	456,797,263	-	**456,797,263**	456,797,263
Factory building	-	347,358,375	-	**347,358,375**	356,265,000
Plant and machinery	-	188,000,000	-	**188,000,000**	185,143,467
Short term investments	-	-	-	-	362,046

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.

51.2.2 Non-recurring fair value measurements

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

52 RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY	*Note*	2025	2024
Mortgages and charges			
Charge over current assets		**638,670,000**	638,670,000
Charge over fixed assets		**746,667,000**	746,667,000

53 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:

	2025		
	Chief Executive	**Directors**	**Executives**
	Rupees	*Rupees*	*Rupees*
Managerial remuneration	-	**2,894,400**	**22,719,700**
Allowances and perquisites	-	**1,425,600**	**11,190,300**
	-	**4,320,000**	**33,910,000**
Number of persons	-	**2**	**16**

	2024		
	Chief Executive	Directors	Executives
	Rupees	*Rupees*	*Rupees*
Managerial remuneration	-	2,432,100	29,986,667
Allowances and perquisites	-	1,197,900	14,993,333
Post employment benefits	-	-	-
	-	3,630,000	44,980,000
Number of persons	-	2	12

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.

54 SEGMENT INFORMATION

54.1 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

54.2 **Geographical information**

The geographic information analyses 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.

	2025
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	373,480,548
	566,935,113
less: Sales tax	(56,971,609)
	509,963,504

54.3 **Information about significant customers**

There are three significant external customer " Rhodi suppliers, Fashion Division Int. Trade Spain & Boohoo.com UK Limited" to whom sales in excess of 10% of the Company's total sales were made during the year.

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

54.5 All sales of the Company have originated from Pakistan.

55 **NUMBER OF EMPLOYEES**

Total number of employees of the Company as at the reporting date are 54 (2024: 162). Average number of persons employed by the Company during the year are 108 (2024: 161).

56 **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.

57 **PLANT CAPACITY AND ACTUAL PRODUCTION**

	Unit	2025	2024
Owned			
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.

58 **EVENTS AFTER REPORTING DATE**

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

59 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 06,2025 by the Board of Directors of the Company.

60 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.

61 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, 2025

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**

SHADMAN COTTON MILLS LIMITED

CATEGORIES OF SHAREHOLDERS

AS ON JUNE 30, 2025

Sr. #	Name	Shares Held	Percentage
	Directors, CEO their Spouse and Minor Children		
1	MR. NADEEM BHATTI	500.00	0.00
2	MR. HAMID BASIR	500.00	0.00
3	SHAHID MAZHAR	11,376,386.00	64.50
4	AHMED BIN SHAHID	2,120,000.00	12.02
5	GHAZALA SHAHID	401,566.00	2.28
6	MUHAMMAD AFNAN SHAHID	2,120,000.00	12.02
7	Muhammad Akhtar	939.00	0.01
	RUNNING TOTAL:	16,019,891.00	90.83
	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:	1,606,692.00	9.11
	Joint Stock Companies		
1	Y.S. SECURITIES & SERVICES (PVT) LTD.	78.00	0.00
2	NH HOLDINGS (PVT) LTD	1,077.00	0.01
3	NH SECURITIES (PVT) LIMITED.	120.00	0.00
4	MAPLE LEAF CAPITAL LIMITED	1.00	0.00
5	CAPITAL VISION SECURITIES (PVT) LTD.	1,361.00	0.01
6	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	6.00	0.00
7	AWJ SECURITIES (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:	**17,636,719.00**	**100.0000**

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 **Tuesday, 28 October 2025** **at 10.30 a.m.** at 2-E, Block-G, Mushtaq Ahmed Gurmani Road, Gulberg-II, Lahore and at any adjournment thereof.

As witness my/our hand this _____________________day of _______________________ **2025**

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.

فولیو نمبر / CDC پارٹیسپینٹ نمبر (شرکت نمبر)

کھاتا نمبر:____________________

کمپیوٹرائزڈ شناختی کارڈ نمبر:____________________

پراکسی فارم

میں / ہم____________________

بیٹا / بیٹی / زوجہ____________________ بحیثیت رکن

شادمان کاٹن ملز لمیٹڈ اور حامل____________________ عام حصص، بمطابق رجسٹرڈ فولیو نمبر /

سی ڈی سی پارٹیسپینٹ (سرکت) آئی ڈی اور اکاؤنٹ (کھاتا) نمبر:____________________

محترم____________________ کا / کے____________________

یا عدم موجودگی کی صورت میں محترم____________________

کا / کے____________________ بھی جو کہ شادمان کاٹن ملز لمیٹڈ کے رکن ملاحظہ رجسٹرڈ فولیو نمبر / سی ڈی سی پارٹیسپینٹ

(شرکت) آئی ڈی اور اکاؤنٹ (کھاتا) نمبر: کو اپنے / ہمارے ایما پر مورخہ 28 اکتوبر بروز منگل صبح 10:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی صورت میں اپنا / ہمارا پراکسی مقرر کرتا ہوں / کرتے ہیں۔

آج بروز____________ تاریخ____________ 2025 بطور گواہ دستخط کئے گئے۔

1) گواہ:

دستخط:____________________

نام:____________________

پتہ:____________________

کمپیوٹرائزڈ شناختی کارڈ نمبر:____________________

پانچ روپے مالیت کی رسیدی ٹکٹ چسپاں کریں

2) گواہ:

دستخط:____________________

نام:____________________

پتہ:____________________

کمپیوٹرائزڈ شناختی کارڈ نمبر:____________________

____

ممبر کے دستخط

نوٹ:

1۔ کوئی بھی رکن (ممبر) جو سالانہ اجلاس میں شرکت کرنے اور ووٹ دینے کا / کی حقدار 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 لیے اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونی چاہیں۔ پراکسی کا رکن (ممبر) ہونا لازمی ہے۔

2۔ سی ڈی سی کے انفرادی مالک جو اس میں شرکت کے اہل ہیں اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اپنی شناخت کے لیے ہمراہ لائیں۔ پراکسی کی صورت میں اپنے قومی کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کریں۔ کارپوریٹ ممبرز کے نمائندگان شناخت کے لیے اس موقع پر درکار معمول کی دستاویزات ہمراہ لے کر آئیں۔