



# Shadman

Cotton Mills Limited

**REPORT FOR THE 1ST QUARTER ENDED  
SEPTEMBER 30, 2020**

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## COMPANY INFORMATION

BOARD OF DIRECTORS	MR. SHAHID MAZHAR (Chief Executive) MRS. GHAZALA SHAHID (Chairperson) MR. AHMED BIN SHAHID MRS. NAUREEN REHAN MR. MUHAMMAD AKHTAR MR. NADEEM BHATTI MR. HAMID BASIR
AUDITORS	MUSHTAQ & COMPANY CHARTERED ACCOUNTANTS
LEGAL ADVISOR	MR. FAZAL MAHMOOD (ADVOCATE)
AUDIT COMMITTEE	MR. NADEEM BHATTI (Chairman) MRS. GHAZALA SHAHID (Member) MR. MUHAMMAD AKHTAR (Member)
H.R. AND REMUNERATION COMMITTEE	MR. HAMID BASIR (Chairman) MR. AHMED BIN SHAHID (Member) MRS. NAUREEN REHAN (Member)
CHIEF FINANCIAL OFFICER	MR.SHAHID MAHMUD
COMPANY SECRETARY	MR. MUHAMMAD AKHTAR
BANKERS	ALLIED BANK LIMITED SONERI BANK LIMITED THE BANK OF PUNJAB HABIB BANK LIMITED MEEZAN BANK LIMITED
REGISTERED OFFICE	2-E, BLOCK-G, MUSHTAQ AHMED GURMANI ROAD, GULBERG - II, LAHORE-PAKISTAN TEL: 042-35959121-25 FAX: 042-35959120
HEAD OFFICE	2-E, BLOCK-G, MUSHTAQ AHMED GURMANI ROAD, GULBERG - II, LAHORE-PAKISTAN TEL: 042-35959121-25 FAX: 042-35959120
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 K.M. FEROZ WATOAN,WARBURTON ROAD, KOT SHAH MOHAMMAD TEHSIL & DISTRICT: NANKANA SAHIB
URL	<a href="http://www.shadman.com.pk">www.shadman.com.pk</a>

## DIRECTORS' REPORT

Dear Shareholders,

The Directors present the un-audited condensed interim financial statements of the company for the 1<sup>st</sup> quarter and three months period ended September 30, 2020.

During the three months under review, the net turnover of the company is Rs. 6.293 million including export sales of Rs. 4.085 million as compared to net turnover of Rs. 54.716 million of corresponding period of previous year. During the 1<sup>st</sup> quarter the company sustained after tax loss of Rs. (3.546) million as compared to profit after tax of Rs. 2.367 million. Loss per share is Rs. (0.20) as compared to earnings per share of Rs. 0.13 of the corresponding 1<sup>st</sup> quarter of the previous year.

During the period under review this is the start of post Corona virus tenure which adversely affected the results of the company as the pace of manufacturing process remained very slow and consequently sales decreased very sharply. However, the company utilized the alternative strategies to keep the project in running position. All these strategic activities helped to reduce the loss to minimum level and to run the affairs of the company in a smooth manner.

After a very long period of crisis, the textile sector of Pakistan started rising and getting better day by day with the increase in demand of Pakistani textile products in the international market. This increase in international market also accelerated the pace of demand in local market which is a good sign for textile industry in Pakistan. Similarly management of your company is under negotiating with different international buyers for export of apparel products. The future of apparel division seems to be bright. The management is also adopting alternative strategies to increase the inflow of funds. Consequently, we anticipate positive financial performance during the remaining period of current financial year.

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

For and on behalf of the Board



CHIEF EXECUTIVE

For and on behalf of the Board



DIRECTOR

Lahore: October 29, 2020

## مجلس نفعیاء کی رپورٹ

محترم حصص یافتگان

ہم کمپنی کے غیر آڈٹ شدہ حسابات اختصار کے گوشوارے برائے ختم ہونے والی پہلی سرمایہ 30 ستمبر 2020 کو آپ کی خدمت میں پیش کر رہے ہیں۔

زیر نظر مدت میں کمپنی کی مجموعی فروخت 6.293 ملین روپے رہی جس میں 4.085 ملین روپے بیرون ملک برآمدات شامل ہیں۔ جب کہ پچھلے سال اسی مدت کی فروخت 54.716 ملین روپے تھی۔ کمپنی کو زیر جائزہ تین مہینوں میں (3.546) ملین روپے کا نقصان ہوا۔ جب کہ پچھلے سال کی اسی مدت میں کمپنی نے 2.367 ملین روپے کا نفع کمایا تھا۔ اس مدت کے دوران فی حصص نقصان (0.20) روپے رہا۔ جب کہ پچھلے سال کی اسی مدت میں یہ نفع فی حصص 0.13 روپے تھا۔

زیر جائزہ مدت پوسٹ کو روٹا وائرس دور کی شروعات ہے جس نے کمپنی کے نتائج کو بری طرح متاثر کیا کیونکہ پیداواری عمل کی رفتار بہت سست رہی اور اس کے نتیجے میں فروخت میں بہت تیزی سے کمی واقع ہوئی۔ تاہم، کمپنی نے متبادل ذرائع کی حکمت عملی سے اس منصوبے کو چلانے کی پوزیشن میں رکھنے کے لیے استعمال کیا۔ ان تمام اسٹریٹجک سرگرمیوں نے نقصان کو کم سے کم سطح تک کم کرنے اور کمپنی کے امور کو آسانی سے چلانے میں مدد کی۔

انتہائی طویل بحران کے بعد، پاکستان کے ٹیکسٹائل کا شعبہ بین الاقوامی منڈی میں ٹیکسٹائل کی مصنوعات کی طلب میں اضافہ روز بروز ہوتا جا رہا ہے۔ بین الاقوامی منڈی میں اس اضافے نے مقامی منڈی میں مانگ کی رفتار کو بھی تیز کیا جو پاکستان میں ٹیکسٹائل انڈسٹری کے لئے ایک اچھی علامت ہے۔ اسی طرح آپ کی کمپنی کی انتظامیہ ملبوسات کی برآمد کے لئے مختلف بین الاقوامی خریداروں سے بات چیت کر رہی ہے۔ ملبوسات بنانے کے کاروبار کا مستقبل روشن دکھائی دیتا ہے۔ انتظامیہ فنڈز کی آمد کو بڑھانے کے لئے متبادل حکمت عملی بھی اپنائے ہوئے ہے۔ اس کے نتیجے میں، ہم موجودہ مالی سال کی باقی مدت کے دوران مثبت مالی کارکردگی کی توقع کرتے ہیں۔

تاہم انتظامیہ مالیاتی گوشواروں میں بہتری کے مشکل کام میں کوشاں ہے۔ یہاں پر ہم کارپوریٹ خاندان کے ممبران کی انتھک محنت کا ذکر کرنا بہت ضروری سمجھتے ہیں۔ امید کی جاتی ہے کہ آنے والے دنوں میں کارپوریٹ خاندان کے ممبران کی اسی طرح انتھک محنت سے ادارے کو بہتر بنانے کے لیے کوششیں جاری رکھیں گے۔

لاہور 29 اکتوبر 2020

منجانب بورڈ



ڈائریکٹر

منجانب بورڈ



چیف ایگزیکٹو

# Shadman Cotton Mills Limited


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Note	Sept 30, 2020 Rupees (Un-Audited)	June 30, 2020 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
18,000,000 (2020: 18,000,000) ordinary shares of Rs. 10 each		<u>180,000,000</u>	<u>180,000,000</u>
Issued, subscribed and paid-up capital		<b>176,367,190</b>	176,367,190
Capital reserve		<b>53,218,752</b>	53,218,752
Accumulated losses		<b>(351,551,518)</b>	(349,498,947)
Equity portion of Directors loan		<b>120,000,000</b>	120,000,000
Surplus on revaluation of property, plant and equipment		<b>500,223,853</b>	501,717,448
<b>TOTAL EQUITY</b>		<b>498,258,277</b>	501,804,444
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - <i>secured</i>	5	-	-
Deferred liabilities	6	<b>21,133,733</b>	21,247,482
		<b>21,133,733</b>	21,247,482
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>128,838,638</b>	112,769,867
Accrued interest/markup		<b>103,514,885</b>	103,514,885
Short term borrowings		<b>294,812,148</b>	326,762,148
Current portion of non-current liabilities		<b>105,968,864</b>	105,968,864
Lease rentals payable		<b>28,544,690</b>	28,544,690
Provision for taxation		<b>9,166,297</b>	9,071,907
		<b>670,845,522</b>	686,632,361
<b>TOTAL LIABILITIES</b>		<b>691,979,255</b>	707,879,843
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	7	<u><b>1,190,237,532</b></u>	<u>1,209,684,286</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<b>937,859,823</b>	934,243,477
Investment Property	9	<b>119,402,556</b>	120,153,516
Long term deposits - <i>unsecured, considered good</i>		<b>28,180,774</b>	28,180,774
		<b>1,085,443,153</b>	1,082,577,767
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		<b>15,237,617</b>	13,924,434
Stock in trade		<b>25,361,409</b>	20,127,893
Trade debts - <i>unsecured</i>		<b>22,296,631</b>	27,039,304
Loans and advances		<b>10,933,639</b>	6,153,603
Trade deposits and short term prepayments		<b>3,725,000</b>	3,578,613
Other receivables		<b>5,693,237</b>	3,765,560
Tax refunds due from govt.		<b>15,107,618</b>	11,971,417
Short term investments		<b>57,859</b>	13,139,784
Cash and bank balances		<b>6,381,369</b>	27,405,912
		<b>104,794,379</b>	127,106,520
<b>TOTAL ASSETS</b>		<u><b>1,190,237,532</b></u>	<u>1,209,684,286</u>


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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# Shadman Cotton Mills Limited

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	Three months ended	
	Sept 30, 2020	Sept 30, 2019
	Rupees	Rupees
Turnover - net	6,292,680	54,716,427
Cost of sales	(15,586,535)	(58,372,619)
<b>Gross loss</b>	<b>(9,293,855)</b>	<b>(3,656,192)</b>
Selling and distribution expenses	(287,387)	(323,389)
Administrative and general expenses	(8,365,681)	(5,376,610)
	<b>(8,653,068)</b>	<b>(5,699,999)</b>
	<b>(17,946,923)</b>	<b>(9,356,191)</b>
Other income	15,253,078	12,573,204
<b>Operating profit / (loss)</b>	<b>(2,693,845)</b>	<b>3,217,013</b>
Finance cost	(6,972)	(10,918)
Other Expenses	(750,960)	-
<b>Profit / (loss) before taxation</b>	<b>(3,451,777)</b>	<b>3,206,095</b>
Taxation	(94,390)	(839,121)
<b>Profit / (loss) after taxation</b>	<b>(3,546,167)</b>	<b>2,366,974</b>
<b>Profit / (loss) per share - basic and diluted</b>	<b>(0.20)</b>	<b>0.13</b>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Shadman Cotton Mills Limited

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	Three months ended	
	Sept 30, 2020	Sept 30, 2019
	<i>Rupees</i>	<i>Rupees</i>
<b>Profit/ (loss) after taxation for the period</b>	<b>(3,546,167)</b>	<b>2,366,974</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Revaluation surplus on Property, plant and machinery	-	-
Remeasurements of defined benefit obligation	-	-
<b>Total comprehensive Income</b>	<b>(3,546,167)</b>	<b>2,366,974</b>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



# Shadman Cotton Mills Limited

## CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	Three months ended	
	Sept 30, 2020	Sept 30, 2019
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	(3,451,777)	3,206,095
<b>Adjustments for non-cash and other items</b>		
Depreciation	5,402,798	5,072,439
Old liabilities written back	-	(4,521,893)
Finance cost	6,972	10,918
	5,409,770	561,464
<b>Operating profit before changes in working capital</b>	<b>1,957,993</b>	<b>3,767,559</b>
<b>Changes in working capital</b>		
Stores, spares and loose tools	(1,313,183)	(3,546)
Stock in trade	(5,233,516)	(7,403,693)
Trade debts	4,742,673	1,622,912
Advances, prepayments and other receivables	(8,896,791)	8,687,352
Trade and other payables	16,068,771	15,659,049
	5,367,954	18,562,074
<b>Net cash generated from operations</b>	<b>7,325,947</b>	<b>22,329,633</b>
<b>Payments for</b>		
Finance cost	(6,972)	(10,918)
Income tax	(1,093,510)	(73,075)
Employees retirement benefits	(113,749)	(365,000)
<b>Net cash generated from operating activities</b>	<b>6,111,716</b>	<b>21,880,640</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(8,268,184)	-
Short term investments	13,081,925	-
<b>Net cash generated from investing activities</b>	<b>4,813,741</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net decrease in short term borrowings	(31,950,000)	(17,634,000)
<b>Net cash used in financing activities</b>	<b>(31,950,000)</b>	<b>(17,634,000)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(21,024,543)</b>	<b>4,246,640</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>27,405,912</b>	<b>24,114,735</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>6,381,369</b>	<b>28,361,375</b>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# Shadman Cotton Mills Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	Share capital	Reserves		Equity	Revaluation Surplus	
	Issued subscribed and paid-up capital	Capital reserve	Accumulated losses	Equity portion of directors loan	Revaluation Surplus on Property, plant and equipment	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2019 - Audited</b>	176,367,190	53,218,752	(355,834,416)	120,000,000	506,785,111	500,536,637
Profit after taxation for the three months Period	-	-	2,366,974	-	-	2,366,974
Other comprehensive income	-	-	-	-	-	-
<b>Transaction with owners</b>	-	-	-	-	-	-
Incremental Depreciation-net of deferred tax	-	-	1,531,840	-	(1,531,840)	-
<b>Balance as at September 30, 2019 - Un-audited</b>	<u>176,367,190</u>	<u>53,218,752</u>	<u>(351,935,602)</u>	<u>120,000,000</u>	<u>505,253,271</u>	<u>502,903,611</u>
<b>Balance as at October 01, 2019 - Un-audited</b>	176,367,190	53,218,752	(351,935,602)	120,000,000	505,253,271	502,903,611
Loss after taxation for the nine months Period	-	-	(1,358,465)	-	-	(1,358,465)
Other comprehensive income	-	-	259,297	-	-	259,297
<b>Transaction with owners</b>	-	-	-	-	-	-
Incremental Depreciation-net of deferred tax	-	-	3,535,823	-	(3,535,823)	-
<b>Balance as at June 30, 2020 - Audited</b>	<u>176,367,190</u>	<u>53,218,752</u>	<u>(349,498,947)</u>	<u>120,000,000</u>	<u>501,717,448</u>	<u>501,804,444</u>
<b>Balance as at July 01, 2020 - Audited</b>	176,367,190	53,218,752	(349,498,947)	120,000,000	501,717,448	501,804,443
Loss after taxation for the three months Period	-	-	(3,546,167)	-	-	(3,546,167)
Other comprehensive income	-	-	-	-	-	-
<b>Transaction with owners</b>	-	-	-	-	-	-
Incremental Depreciation-net of deferred tax	-	-	1,493,596	-	(1,493,596)	-
<b>Balance as at September 30, 2020 - Un-audited</b>	<u>176,367,190</u>	<u>53,218,752</u>	<u>(351,551,518)</u>	<u>120,000,000</u>	<u>500,223,853</u>	<u>498,258,277</u>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# Shadman Cotton Mills Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

### 1 STATUS AND NATURE OF BUSINESS

Shadman Cotton Mills Limited ('the Company') was incorporated in Pakistan as a public limited company on November 24, 1979 under the then Companies Act, 1973 (now the Companies Act 2017) and is listed on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing and sale of yarn and apparel. The registered office of the Company is situated at 2/E, Block G, Mushtaq Ahmed Gurmani Road, Gulberg II, Lahore.

### 2 STATEMENT OF COMPLIANCE

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the IAS 34 Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 30th June, 2020.

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

#### 2.1 Accounting convention

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2020 except for change referred to note 4.

### 4 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 buildings. The company has adopted cost model for its investment property using the same basis as disclosed for measurement of the Company's owned assets.

	Sept 30, 2020	June 30, 2020
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>

### 5 LONG TERM FINANCES - SECURED

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

The Bank of Punjab - Demand finance - I	17,863,256	17,863,256
The Bank of Punjab - Demand finance - II	80,000,000	80,000,000
Habib Bank Limited - Term finance	8,105,608	8,105,608
	<b>105,968,864</b>	105,968,864
Current maturity presented under current liabilities	<b>(105,968,864)</b>	(105,968,864)
	<b>-</b>	-

# Shadman Cotton Mills Limited

	Sept 30, 2020	June 30, 2020
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>6 DEFERRED LIABILITIES</b>		
Infrastructure fee payable - ETO	18,316,926	18,316,926
Employees retirement benefits	2,816,807	2,930,556
	<u>21,133,733</u>	<u>21,247,482</u>

## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

**7.1.1** The Company is contesting recovery suit filed by The Bank of Punjab in year 2011 amounting to Rs. 577.391 million on account of principal and markup claimed in the suit along with cost of funds and all other claims arising therein till realization. A counter suit has been filed by the Company against The Bank of Punjab, before the Lahore High Court wherein, along other prayers, the Company has claimed Rs. 744.348 million on account of acts and omission committed by the Bank against the Company. The suit is pending before the Lahore High Court and has been fixed for arguments.

**7.1.2** The Company is contesting recovery suit filed by Habib Bank Limited amounting to Rs. 8.996 million on account of principal and markup claimed in the suit. The suit was decreed by the Banking Court for an amount of Rs. 8.105 million. Appeal is pending in Lahore High Court.

**7.1.3** A suit has been filed by the company before the Civil Court, Lahore against recovery of outstanding balance amounting to Rs. 16.196 million from Lahore Electric Supply Company (LESCO). The case is pending in court however legal advisor is of the view that the outcome of the case will be in favor of the company.

**7.1.4** A suit was filed by the Meezan Bank Limited before the Banking Court Lahore against recovery of outstanding balance of ijara rentals. The suit is decreed by the banking court for an amount of Rs. 28.545 million along with costs of suit as well as costs of funds. Appeal is pending in Lahore High Court.

### 7.2 Commitments

**7.2.1** There are no known commitments as at the reporting date.

	<i>Note</i>	Sept 30, 2020	June 30, 2020
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	935,696,927	932,745,235
Capital work in progress		2,162,896	1,498,242
		<u>937,859,823</u>	<u>934,243,477</u>
<b>8.1 Operating fixed assets</b>			
Assets owned by the Company	8.1.1	935,696,927	932,745,235
		<u>935,696,927</u>	<u>932,745,235</u>
<b>8.1.1 Assets owned by the Company</b>			
Net book value at the beginning of the period/year		932,745,235	1,060,980,372
Additions during the period/year		7,603,530	18,154,940
Net book value transfer to investment property		-	(122,267,095)
Net book value of assets disposed during the period/year		-	(5,560,932)
Depreciation for the period/year		(4,651,838)	(18,562,050)
Net book value at end of the period/year		<u>935,696,927</u>	<u>932,745,235</u>

# Shadman Cotton Mills Limited

<b>9 INVESTMENT PROPERTY - At Cost</b>	<b>Sept 30, 2020</b>	June 30, 2020
	<b>Rupees</b>	<b>Rupees</b>
	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>Net carrying value as at July 01</b>	<b>120,153,516</b>	-
Transferred form PPE	-	122,267,095
Depreciation charged to other operating expenses during the period	<b>(750,960)</b>	(2,113,579)
<b>Net book value as at the end of period/year</b>	<b>119,402,556</b>	<b>120,153,516</b>

9.1 Depreciation is charged by reducing balance method at the rate % per annum **2.5%** 2.5%

## 10 TAXATION

10.1 Provision for taxation has been made under section 113, 154 and 169 of the Income Tax Ordinance, 2001.

10.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

## 11 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:

	<b>Sept 30, 2020</b>	June 30, 2020
	<b>Rupees</b>	<b>Rupees</b>
	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>11.1 Transactions with related parties</b>		
<b>Nature of relationship</b>	<b>Nature of transaction</b>	
Directors	Short term borrow ings obtained	-
	Short term borrow ings repaid	18,250,000
		25,040,000
	<b>31,950,000</b>	
	<b>Sept 30, 2020</b>	June 30, 2020
	<b>Rupees</b>	<b>Rupees</b>
	<b>(Un-Audited)</b>	<b>(Audited)</b>

## 11.2 Balances with related parties

<b>Nature of relationship</b>	<b>Nature of balances</b>		
Directors	Equity portion of director loan	<b>120,000,000</b>	120,000,000
	Short term borrow ings	<b>1,099,374</b>	33,049,374

## 12 EVENTS AFTER THE REPORTING PERIOD

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

## 13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on October 29, 2020.

## 14 GENERAL

14.1 There are no other significant activities since September 30, 2020 affecting the interim financial information.

14.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

14.3 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR