



**REPORT FOR THE 3RD QUARTER ENDED
MARCH 31, 2023**

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Shadman Cotton Mills Limited

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 & 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) MR. MUHAMMAD AFNAN SHAHID (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	3.5 K.M. FEROZE WATOAN, WARBURTON ROAD, KOT SHAH MOHAMMAD, NEAR CHANDI KOT TESIL & DISTRICT: NANKANA SAHIB TEL: 056-3731270-72
HEAD OFFICE	3.5 K.M. FEROZE WATOAN, WARBURTON ROAD, KOT SHAH MOHAMMAD, NEAR CHANDI KOT TESIL & 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 K.M. FEROZE WATOAN, WARBURTON ROAD, KOT SHAH MOHAMMAD, NEAR CHANDI KOT TESIL & DISTRICT: NANKANA SAHIB TEL: 056-3731270-72
URL	WWW.SHADMAN.COM.PK

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the un-audited condensed interim financial statements of the company for the nine months & quarter ended March 31, 2023.

During the nine months under review, the net turnover of the company is Rs. 153.210 million including export sale of Rs. 106.964 Million as compared to net turnover of Rs. 229.189 million of corresponding period of previous year. The turnover decreased due to global recession of apparel division. During the nine months period after tax profit of the company is Rs. 45.381 million as compared to after tax loss of Rs. (21.414) million. Profit per share is Rs. 2.57 as compared to loss per share of Rs. (1.21) of the corresponding period of the previous year.

During the period under review the company mainly utilized the export-oriented apparel division manufacturing process in a well-planned manner and also adopted alternative strategies to keep up the project. High prices of fabrics, high cost of production and low prices of apparels to attract the customers as marketing strategy resulted in gross loss during the period.

The country is struggling to overcome the economic challenges such as low foreign currency reserves level, exchange rate volatility, high rate of inflation, high fuel & energy prices, disrupt raw materials supplies due to curb on imports and shrunk liquidity position all these factors along with uncertain continuing political instability affected all the industries very badly. However, in spite of all these challenges, the management of the company is mainly focusing to decrease the cost of production with increase in productivity of apparel division along with alternative measures. 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: April 28, 2023

مجلس نظاماء کی رپورٹ

محترم حصص یافتگان ،

ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والے نو ماہ اور سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی نتائج پیش کرنے پر خوش ہیں۔


زیر جائزہ نو مہینوں کے دوران، کمپنی کی خالص فروخت 153.210 ملین روپے ہے جس میں برآمدی فروخت 106.964 ملین روپے شامل ہے پچھلے سال کی اسی مدت کے دوران خالص فروخت 229.189 ملین روپے تھی۔ ملبوسات کی تقسیم کی عالمی کساد بازاری کی وجہ سے کاروبار میں کمی واقع ہوئی۔ نو ماہ کی مدت کے دوران کمپنی کا بعد از ٹیکس منافع 45.381 ملین روپے ہے پچھلے سال کی اسی مدت کا بعد از ٹیکس نقصان (21.414) ملین روپے تھا۔ فی حصص منافع 2.57 روپے ہے پچھلے سال کی اسی مدت کا فی شیئر نقصان (1.21) روپے تھا۔

زیر جائزہ مدت کے دوران کمپنی نے بنیادی طور پر ایکسپورٹ اور اینٹڈ ملبوسات کی تقسیم کے مینوفیکچرنگ کے عمل کو منصوبہ بند طریقے سے استعمال کیا اور اس منصوبے کو جاری رکھنے کے لیے متبادل حکمت عملی بھی اپنائی۔ کپڑوں کی زیادہ قیمتیں، پیداوار کی زیادہ لاگت اور صارفین کو اپنی طرف متوجہ کرنے کے لیے مارکیٹنگ کی حکمت عملی کے نتیجے میں ملبوسات کی کم قیمتیں اس عرصے کے دوران مجموعی نقصان کا باعث بنی۔

ملک معاشی چیلنجوں پر قابو پانے کے لیے جدوجہد کر رہا ہے جیسے کہ غیر ملکی کرنسی کے ذخائر کی کم سطح، شرح مبادلہ میں اتار چڑھاؤ، افراط زر کی بلند شرح، ایندھن اور توانائی کی بلند قیمتیں، درآمدات پر پابندی کی وجہ سے خام مال کی سپلائی میں خلل پڑنا اور لیکویڈٹی کی سیکڑتی پوزیشن ان تمام عوامل کے ساتھ۔ غیر یقینی سیاسی عدم استحکام نے تمام صنعتوں کو بری طرح متاثر کیا۔ تاہم، ان تمام چیلنجوں کے باوجود، کمپنی کی انتظامیہ بنیادی طور پر متبادل اقدامات کے ساتھ ملبوسات کی تقسیم کی پیداواری صلاحیت میں اضافے کے ساتھ پیداواری لاگت کو کم کرنے پر توجہ مرکوز کر رہی ہے۔ ہم رواں مالی سال کی بقیہ مدت کے دوران مثبت مالی کارکردگی کی توقع کرتے ہیں۔

ہم مالیاتی نتائج کو بہتر بنانے کے لیے مشکل کام کے لیے پرعزم ہیں۔ ہم کارپوریٹ فیملی کے ممبر کی طرف سے کی گئی محنت کو اجاگر کرنا چاہیں گے۔ ہم آنے والے دنوں میں اسی لگن اور تعاون کے منتظر ہیں۔

منجانب بورڈ



(ڈائریکٹر)

منجانب بورڈ



(چیف ایگزیکٹو)

لاہور: 28 اپریل 2023

Shadman Cotton Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Note	March 31, 2023 Rupees (Un-Audited)	June 30, 2022 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
18,000,000 (June 2022: 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		176,367,190	176,367,190
Capital reserve		53,218,752	53,218,752
Accumulated losses		(335,656,553)	(384,138,821)
Director's loan		120,000,000	120,000,000
Surplus on revaluation of property, plant and equipment		488,401,587	491,502,502
TOTAL EQUITY		502,330,976	456,949,823
NON-CURRENT LIABILITIES			
Long term finances - <i>secured</i>	4	407,477,885	-
Long term payable	5	40,678,309	40,678,309
Employee retirement obligation		9,317,495	7,965,892
		457,473,689	48,644,201
CURRENT LIABILITIES			
Trade and other payables		140,693,606	139,604,366
Accrued Interest/markup	6	-	103,514,885
Short term borrowings		222,576,317	373,052,846
Current portion of non-current liabilities		43,225,608	101,868,864
Current portion of GIDC Payable		-	440,170
Ijara rentals payable		28,544,690	28,544,690
Provision for taxation		1,645,116	13,248,747
		436,685,337	760,274,568
TOTAL LIABILITIES		894,159,026	808,918,769
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	7	<u>1,396,490,002</u>	<u>1,265,868,393</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	917,308,478	918,909,478
Investment Property	9	112,079,293	114,220,936
Long term deposits - <i>unsecured, considered good</i>		28,198,874	28,180,774
		1,057,586,645	1,061,311,188
CURRENT ASSETS			
Stores, spares and loose tools		23,386,294	22,012,525
Stock in trade		92,517,749	58,099,251
Trade debts - <i>unsecured</i>		25,051,479	56,730,307
Loans and advances		17,512,632	2,148,946
Trade deposits and short term prepayments		3,892,017	3,881,706
Other receivables		4,804,393	7,364,421
Tax refunds due from govt.		32,122,201	29,424,653
Short term investments	10	114,786,051	269,604
Cash and bank balances		24,830,541	24,627,792
		338,903,357	204,557,205
TOTAL ASSETS		<u>1,396,490,002</u>	<u>1,265,868,393</u>

The annexed notes 1 to 16 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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

Note	Nine months ended		Three months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Turnover - net	153,209,849	229,189,352	50,272,274	71,273,831
Cost of sales	(164,625,161)	(253,771,151)	(49,716,940)	(78,902,512)
Gross profit/ (loss)	(11,415,312)	(24,581,799)	555,334	(7,628,681)
Selling and distribution expenses	(4,150,841)	(10,558,652)	(752,376)	(1,498,470)
Administrative and general expenses	(27,417,894)	(25,918,083)	(8,650,853)	(8,696,410)
	(31,568,735)	(36,476,735)	(9,403,229)	(10,194,880)
	(42,984,047)	(61,058,534)	(8,847,895)	(17,823,561)
Other income	93,041,729	35,748,811	17,245,277	10,865,648
Operating profit / (loss)	50,057,682	(25,309,723)	8,397,382	(6,957,913)
Finance cost	(396,910)	(44,659)	(137,737)	(12,175)
Other Expenses	(9,747,065)	(2,196,556)	(2,857,476)	(732,185)
Profit /(loss) before taxation	39,913,707	(27,550,938)	5,402,169	(7,702,273)
Taxation	5,467,646	6,136,779	(854,090)	(760,235)
Profit (loss) after taxation	45,381,353	(21,414,159)	4,548,079	(8,462,508)
Earning /(loss) per share - basic and diluted	2.57	(1.21)	0.26	(0.48)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months ended		Three months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Profit /(loss) after taxation for the period	45,381,353	(21,414,159)	4,548,079	(8,462,508)
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation surplus on Property, plant and machinery	-	-	-	-
Remeasurements of defined benefit obligation	-	-	-	-
Total comprehensive income /(loss)	45,381,353	(21,414,159)	4,548,079	(8,462,508)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months ended	
	March 31, 2023	March 31, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit /(loss) before taxation	39,913,707	(27,550,938)
Adjustments for non-cash items		
Depreciation	16,529,969	15,884,725
Provision for employees retirement benefits	2,500,000	1,000,000
Gain on disposal of property, plant and equipment	(2,078,936)	(1,665,521)
Changes in fair value of investments at fair value through profit or loss	(16,447)	(6,007)
Finance cost	396,910	44,659
	17,331,496	15,257,856
Operating profit /(loss) before changes in working capital	57,245,203	(12,293,082)
Changes in working capital		
Stores, spares and loose tools	(1,373,769)	(642,666)
Stock in trade	(34,418,498)	(5,832,878)
Trade debts	31,678,827	1,379,604
Advances, prepayments and other receivables	(13,404,278)	2,673,320
Short term investments	-	(12,220,890)
Trade and other payables	649,070	33,904,350
	(16,868,648)	19,260,840
Net cash generated from operations	40,376,555	6,967,758
Payments for		
Finance cost	(396,910)	(44,659)
Income tax	(8,245,224)	(5,153,881)
Employees retirement benefits	(1,148,397)	(1,541,116)
Net cash generated from operating activities	30,586,024	228,102
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,108,390)	(12,296,310)
Proceeds from disposal of property, plant and equipment	2,400,000	1,900,000
Short term investment	(114,500,000)	-
Long term deposits	(18,100)	-
Net cash used in investing activities	(125,226,490)	(10,396,310)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase / (decrease) in long term financing	397,860,629	-
Repayment of long term financing	(49,026,000)	-
Net increase / (decrease) in short term borrowings	(150,476,529)	18,455,698
Net increase / (decrease) in accrued markup	(103,514,885)	-
Net cash generated from financing activities	94,843,215	18,455,698
NET INCREASE IN CASH AND CASH EQUIVALENTS	202,749	8,287,490
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	24,627,792	1,039,032
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	24,830,541	9,326,522

The annexed notes 1 to 18 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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Share capital	Reserves		Equity	Revaluation Surplus	
	Issued subscribed and paid-up capital Rupees	Capital reserve Rupees	Accumulated losses Rupees	Director's loan Rupees	Revaluation Surplus on Property, plant and machinery Rupees	Total equity Rupees
Balance as at July 01, 2021 - Audited	176,367,190	53,218,752	(400,293,309)	120,000,000	495,743,069	445,035,702
Loss after taxation for the Period	-	-	(21,414,159)	-	-	(21,414,159)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive Income/ (Loss)	-	-	(21,414,159)	-	-	(21,414,159)
Incremental Depreciation-net of deferred tax	-	-	4,368,764	-	(4,368,764)	-
Balance as at March 31, 2022 - Un-audited	<u>176,367,190</u>	<u>53,218,752</u>	<u>(417,338,704)</u>	<u>120,000,000</u>	<u>491,374,305</u>	<u>423,621,543</u>
Balance as at July 01, 2022 - Audited	176,367,190	53,218,752	(384,138,821)	120,000,000	491,502,502	456,949,623
Profit after taxation for the period	-	-	45,381,353	-	-	45,381,353
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive Income/ (Loss)	-	-	45,381,353	-	-	45,381,353
Incremental Depreciation-net of deferred tax	-	-	3,100,916	-	(3,100,916)	-
Balance as at March 31, 2023 - Un-audited	<u>176,367,190</u>	<u>53,218,752</u>	<u>(335,656,553)</u>	<u>120,000,000</u>	<u>488,401,587</u>	<u>502,330,976</u>



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

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 apparels. The registered office, the manufacturing facilities and land covering 358 kanals of the company is located at 3.5 KM Feroze Watoan Warburton Road, Kot Shah Mohammad, Near Chandi Kot Tehsil & District Nankana Sahib.

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, 2022.

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

The 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, 2022.

	<i>Note</i>	March 31, 2023 <i>Rupees</i> <i>(Un-Audited)</i>	June 30, 2022 <i>Rupees</i> <i>(Audited)</i>
4 LONG TERM FINANCES - SECURED			
These represent long term finances utilized under interest/markup arrangements from banking companies			
The Bank of Punjab			
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
The Bank of Punjab - Cash Finance		75,818,065	-
The Bank of Punjab - Running Finance		128,672,679	-
The Bank of Punjab - Overdue Acceptances against LCs		89,855,000	-
	4.1	392,209,000	97,863,256
Less: Paid during the period		<u>(49,026,000)</u>	-
		343,183,000	97,863,256
The Bank of Punjab- Accrued Markup	6.1	103,514,885	-
Habib Bank Limited - Term finance	4.2	4,005,608	4,005,608
		450,703,493	101,868,864
Current maturity presented under current liabilities		<u>(43,225,608)</u>	(101,868,864)
		<u>407,477,885</u>	-

4.1 This represent out of Court settlement through restructuring/rescheduling 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 tail end subject to no default by the company. 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.

4.2 The finance was obtained from Habib Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/markup at three months KIBOR plus 1.50% per annum, payable quarterly. The finance was repayable in eighteen equal monthly installments with the first installment was due in June 2010. The entire outstanding balance is over due as at the reporting date. Refer to note 7.1.3 for details of litigation between the Company and Habib Bank Limited regarding recovery of this amount.

Shadman Cotton Mills Limited

	<i>Note</i>	March 31, 2023 <i>Rupees</i> <i>(Un-Audited)</i>	June 30, 2022 <i>Rupees</i> <i>(Audited)</i>
5 LONG TERM PAYABLE			
Infrastructure fee payable - ETO	5.1	18,316,926	18,316,926
Infrastructure cess payable - Gas	5.2	22,361,383	22,361,383
		<u>40,678,309</u>	<u>40,678,309</u>

5.1 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 favour of ETO. The liability represents 50% of levies after December 26, 2008 against which guarantees have been arranged in favour of ETO.

5.2 This represents infrastructure gas cess payable to Sui Northern Gas Pipelines Limited.

	<i>Note</i>	March 31, 2023 <i>Rupees</i> <i>(Un-Audited)</i>	June 30, 2022 <i>Rupees</i> <i>(Audited)</i>
6 ACCRUED INTEREST/MARKUP			
Long term Finance	6.1	39,813,820	39,813,820
Short term Borrowings	6.1	63,701,065	63,701,065
Less: Transferred to Long term finances		(103,514,885)	-
		<u>-</u>	<u>103,514,885</u>

6.1 The Company has made out of Court settlement through restructuring/rescheduling of principal and mark up liability of the company payable to The Bank of Punjab as per letter dated January 19, 2023. As per settlement terms Principal liability is rescheduled and mark up liability amounting to Rs. 367.739 million to be waived off if company do not default in repayment of principal liability as per agreed terms. On the reporting date the company has reclassified outstanding liability of accrued mark up amounting to Rs. 103.515 million to long term finances. Total outstanding liability of accrued mark up amounting of Rs. 367.739 to be shown as a contingent liability only as management is committed to repay the amount of loan as per agreed terms.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 The Company has made an out of court settlement with The Bank of Punjab dated January 19, 2023 and on the basis of settlement The Bank has filed settlement agreement with honorable high court for passing of consent decree in terms of restructuring / rescheduling. The Honorable court has decreed the suit against The Company in terms of settlement letter between The Bank of Punjab and The Company.

The Company has also withdrawn the suit against The Bank unconditionally and all other litigations on the basis of agreed terms of out of court settlement. The Company has filed application to withdraw the suit against the Bank and same has been disposed off by the honorable High Court.

7.1.2 The company has made an out of court settlement with The Bank of Punjab dated January 19, 2023. As per the terms of settlement, the company will pay an amount of Rs. 392.209 million to the bank which is outstanding liability of principal amount. Mark up liability of the company amounting to Rs. 367.739 million payable to The Bank of Punjab as per letter dated January 19, 2023, shall be waived 100% at tail-end subject to no default by the company in repayment of principal amount in 36 equal quarterly installments. Down payment of Rs. 39.221 million has been paid on immediate basis, whereas the remaining amount will be paid in 36 equal quarterly installments. However, in case of default, the company will be liable to pay markup of Rs. 367.739 million to the bank in addition to mark up on outstanding liability from 1st of Jan 2023.

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7.1.3 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. The company has paid an amount of Rs. 4.100 million through Court.

7.1.4 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.

7.1.5 A suit was filed by the Meezan bank limited before the Banking Court Lahore against recovery of outstanding balance of ijara rentals amounting to Rs. 51.419 million. The suit is decreed by the banking court for an amount of Rs. 28.545 million alongwith costs of suit as well as costs of funds. Appeal is pending in Lahore High Court. Bank's execution is also pending before Banking Court Lahore.

7.2 Commitments

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

	<i>Note</i>	March 31, 2023	June 30, 2022
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	917,308,478	918,909,478
		<u>917,308,478</u>	<u>918,909,478</u>
8.1 Operating fixed assets			
Assets owned by the Company	8.1.1	917,308,478	918,909,478
		<u>917,308,478</u>	<u>918,909,478</u>
	<i>Note</i>	March 31, 2023	June 30, 2022
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
8.1.1 Assets owned by the Company			
Net book value at the beginning of the period/year		918,909,478	923,543,917
Additions during the period/year		13,108,390	13,945,132
Net book value of assets disposed during the period/year		(321,064)	(234,479)
Depreciation for the period/year		(14,388,326)	(18,345,092)
Net book value at end of the period/year		<u>917,308,478</u>	<u>918,909,478</u>
9 INVESTMENT PROPERTY - At Cost			
Net carrying value as at July 01		114,220,936	117,149,678
Depreciation charged to other operating expenses during the period/year		(2,141,643)	(2,928,742)
Net book value as at close of period		<u>112,079,293</u>	<u>114,220,936</u>
Gross carrying value			
Cost		122,267,095	122,267,095
Accumulated Depreciation		(10,187,802)	(8,046,159)
Net book value		<u>112,079,293</u>	<u>114,220,936</u>
9.1 Depreciation is charged by reducing balance method at the rate % per annum		<u>2.5%</u>	<u>2.5%</u>
9.2 Depreciation charge for the period has been allocated as follows:			
Other operating expenses		(2,141,643)	(2,928,742)

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10 SHORT TERM INVESTMENTS

	<i>Note</i>	March 31, 2023	June 30, 2022
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
Term Deposit Certificates		114,500,000	-
Investment in Shares	10.1	286,051	269,604
		<u>114,786,051</u>	<u>269,604</u>

10.1 Investment in Shares

This represents investment in listed equity securities held for trading classified as "financial assets at fair value through profit or loss". Particulars of investments are as follows:

Cost	265,500	265,500
Fair value adjustment	20,551	4,104
	<u>286,051</u>	<u>269,604</u>

	<i>Note</i>	March 31, 2023	June 30, 2022
		<i>(Un-Audited)</i>	<i>(Audited)</i>
		Market Values	
	Rupees.....	
10.1.1 Market value of investments			
MCB Bank 357 (June 30, 2022: 357) shares		41,051	43,904
Engro Powergen Qadirpur 10,000 (June 30, 2022: 10,000) Shares		245,000	225,700
		<u>286,051</u>	<u>269,604</u>

11 TAXATION

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

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

12 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:

	<i>Note</i>	March 31, 2023	March 31, 2022
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
12.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Directors	Short term borrowings obtained	202,934,245	37,580,698
	Short term borrowings repaid	63,700,000	16,325,000
Associate	Short term borrowings obtained	-	-
	Short term borrowings repaid	-	2,800,000
		<u>202,934,245</u>	<u>56,705,700</u>
	<i>Note</i>	March 31, 2023	June 30, 2022
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
12.2 Balances with related parties			
Nature of relationship	Nature of balances		
Directors	Equity portion of director loan	120,000,000	120,000,000
	Short term borrowings	222,576,317	83,342,072
Associate	Short term borrowings	-	-

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13 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.

14 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in this condensed interim financial information.

15 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 April 28, 2023.

16 GENERAL

16.1 There are no other significant activities since March 31, 2023 affecting the interim financial information.

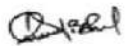
16.2 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR