



Shadman
Cotton Mills Limited

REPORT FOR THE 3RD QUARTER ENDED

MARCH 31, 2024

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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

Shadman Cotton Mills Limited

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, 2024.

During the nine months under review, the net turnover of the company is Rs. 608.284 million including export sale of Rs. 456.114 Million as compared to net turnover of Rs. 153.209 million of corresponding period of previous year. The turnover increased due to acceleration in pace of apparel division. During the nine months' period after tax loss of the company is Rs. (23.068) million as compared to after tax profit of Rs. 45.38 million. Loss per share is Rs. (1.31) as compared to profit per share of Rs. 2.57 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. 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



CHEF EXECUTIVE

For and on behalf of the Board



DIRECTOR

Nankana: April 30, 2024

مجلس نظام کی رپورٹ

محترم حصص یافتگان ،

ڈائریکٹرز 31 مارچ 2024 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 608.284 ملین روپے ہے جس میں برآمدی فروخت 456.114 ملین روپے شامل ہے پچھلے سال کی اسی مدت کے دوران خالص فروخت 153.209 ملین روپے تھی۔ ملبوسات کی تقسیم کی رفتار میں تیزی کی وجہ سے کاروبار میں اضافہ ہوا۔ نو ماہ کی مدت کے دوران کمپنی کا بعد از ٹیکس نقصان (23.063) ملین روپے ہے پچھلے سال کی اسی مدت کا بعد از ٹیکس منافع 45.38 ملین روپے تھا۔ فی حصص نقصان (1.31) روپے ہے پچھلے سال کی اسی مدت کا فی شیئر منافع 2.57 روپے تھا۔


زیر جائزہ مدت کے دوران کمپنی نے بنیادی طور پر ایکسپورٹ اورینٹڈ 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 لیکویڈیٹی کی سکرٹی پوزیشن ان تمام عوامل 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

منجانب بورڈ


(ڈائریکٹر)


(چیف ایگزیکٹو)

ننکانہ 30 اپریل 2024

Shadman Cotton Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	Note	March 31, 2024 Rupees (Un-Audited)	June 30, 2023 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized share capital</i>			
18,000,000 (June 30, 2023: 18,000,000) ordinary shares of Rs. 10 each		180,000,000	180,000,000
Issued, subscribed and paid-up capital		176,367,190	176,367,190
Capital reserve		53,218,752	53,218,752
Accumulated losses		(303,737,499)	(285,358,788)
Director's loan		210,000,000	210,000,000
Surplus on revaluation of property, plant and equipment		763,746,389	768,436,536
TOTAL EQUITY		899,594,832	922,663,690
NON-CURRENT LIABILITIES			
Long term finances - <i>secured</i>	4	264,743,000	294,158,000
Long term payable	5	40,678,309	40,678,309
Employee retirement obligation		13,494,534	11,081,534
		318,915,843	345,917,843
CURRENT LIABILITIES			
Trade and other payables		155,388,766	129,619,787
Short term borrowings		152,201,317	171,126,317
Current portion of non-current liabilities		49,025,000	53,030,608
Ijara rentals payable		28,544,690	28,544,690
Provision for taxation		6,187,499	18,442,831
		391,347,272	400,764,233
TOTAL LIABILITIES		710,263,115	746,682,076
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		1,609,857,947	1,669,345,766
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,099,406,896	1,165,913,953
Investment property	8	109,277,312	111,365,413
Long term deposits - <i>unsecured, considered good</i>		28,198,874	28,198,874
		1,236,883,082	1,305,478,240
CURRENT ASSETS			
Stores, spares and loose tools		26,171,408	24,549,121
Stock in trade		38,558,003	81,397,205
Trade debts - <i>unsecured</i>		100,548,953	127,622,186
Loans and advances		27,318,042	7,117,658
Trade deposits and short term prepayments		4,636,719	4,220,202
Other receivables		4,408,257	4,678,959
Tax refunds due from Government		40,760,010	49,159,451
Short term investments	9	105,381,303	37,768,609
Cash and bank balances		25,192,170	27,354,135
		372,974,865	363,867,526
TOTAL ASSETS		1,609,857,947	1,669,345,766

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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Note	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees	Rupees	Rupees	Rupees
Turnover - net	608,284,217	153,209,849	194,035,244	50,272,274
Cost of sales	(612,383,269)	(164,625,161)	(206,164,643)	(49,716,940)
Gross profit / (loss)	(4,099,052)	(11,415,312)	(12,129,399)	555,334
Selling and distribution expenses	(24,958,757)	(4,150,841)	(5,951,051)	(752,376)
Administrative and general expenses	(35,872,136)	(27,417,894)	(13,159,449)	(8,650,853)
	(60,830,893)	(31,568,735)	(19,110,500)	(9,403,229)
	(64,929,945)	(42,984,047)	(31,239,899)	(8,847,895)
Other income	47,086,858	93,041,729	19,251,860	17,245,277
Operating profit / (loss)	(17,843,087)	50,057,682	(11,988,039)	8,397,382
Finance cost	(1,299,359)	(396,910)	(139,171)	(137,737)
Other Expenses	(2,759,327)	(9,747,065)	(868,509)	(2,857,476)
Profit /(loss) before taxation	(21,901,773)	39,913,707	(12,995,719)	5,402,169
Taxation	(1,167,085)	5,467,646	(1,903,549)	(854,090)
Profit /(loss) after taxation	(23,068,858)	45,381,353	(14,899,268)	4,548,079
Earning /(loss) per share - basic and diluted	(1.31)	2.57	(0.84)	0.26

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 OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Profit /(loss) after taxation for the period	(23,068,858)	45,381,353	(14,899,268)	4,548,079
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation surplus on Property, plant and equipment	-	-	-	-
Remeasurements of defined benefit obligation	-	-	-	-
Total comprehensive income /(loss)	(23,068,858)	45,381,353	(14,899,268)	4,548,079

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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit /(loss) before taxation	(21,901,773)	39,913,707
Adjustments for non-cash items		
Depreciation	19,469,738	16,529,969
Provision for employees retirement benefits	3,648,000	2,500,000
Gain on disposal of property, plant and equipment	(14,257,411)	(2,078,936)
Changes in fair value of investments at fair value through profit or loss	(112,694)	(16,447)
Finance cost	1,299,359	396,910
	10,046,992	17,331,496
Operating profit /(loss) before changes in working capital	(11,854,781)	57,245,203
Changes in working capital		
Stores, spares and loose tools	(1,622,287)	(1,373,769)
Stock in trade	42,839,202	(34,418,498)
Trade debts	27,073,233	31,678,827
Advances, prepayments and other receivables	(11,886,420)	(13,404,278)
Trade and other payables	25,768,979	649,070
	82,172,707	(16,868,648)
Net cash generated from operations	70,317,926	40,376,555
Payments for		
Finance cost	(1,299,359)	(396,910)
Income tax	(13,482,755)	(8,245,224)
Employees retirement benefits	(1,235,000)	(1,148,397)
Net cash generated from operating activities	54,300,812	30,586,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,847,169)	(13,108,390)
Proceeds from disposal of property, plant and equipment	67,230,000	2,400,000
Short term investment	(67,500,000)	(114,500,000)
Long term deposits	-	(18,100)
Net cash used in investing activities	(4,117,169)	(125,226,490)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase / (decrease) in long term financing	(33,420,608)	348,834,629
Net decrease in short term borrowings	(18,925,000)	(150,476,529)
Net decrease in accrued markup	-	(103,514,885)
Net cash generated from / (used in) financing activities	(52,345,608)	94,843,215
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,161,965)	202,749
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	27,354,135	24,627,792
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25,192,170	24,830,541

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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Share capital	Reserves		Equity	Revaluation Surplus	Total equity
	Issued, subscribed and paid-up capital	Capital reserve	Accumulated losses	Director's loan	Revaluation Surplus on Property, plant and equipment	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
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	-	-	3,100,915	-	(3,100,915)	-
Balance as at Marh 31, 2023 - Un-audited	176,367,190	53,218,752	(335,656,553)	120,000,000	488,401,587	502,330,976
Balance as at July 01, 2023 - Audited	176,367,190	53,218,752	(285,358,788)	210,000,000	768,436,536	922,663,690
Loss after taxation for the period	-	-	(23,068,858)	-	-	(23,068,858)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive Income/ (Loss)	-	-	(23,068,858)	-	-	(23,068,858)
Incremental Depreciation-net of deferred tax	-	-	4,690,147	-	(4,690,147)	-
Balance as at Marh 31, 2024 - Un-audited	176,367,190	53,218,752	(303,737,499)	210,000,000	763,746,389	899,594,832

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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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 328 kanals 15 marlas 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 June 30, 2023.

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, 2023.

	Note	March 31, 2024	June 30, 2023
		Rupees	Rupees
		(Un-Audited)	(Audited)
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		77,377,065	80,000,000
The Bank of Punjab - Cash Finance		-	26,792,065
The Bank of Punjab - Running Finance		128,672,679	128,672,679
The Bank of Punjab - Overdue Acceptances against LCs		89,855,000	89,855,000
	4.1	313,768,000	343,183,000
Habib Bank Limited - Term finance	4.2	-	4,005,608
		313,768,000	347,188,608
Current maturity presented under current liabilities		(49,025,000)	(53,030,608)
		264,743,000	294,158,000

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 During the period the Company made out of court settlement with Habib Bank Limited and the Lum sum amount of Rs.8.50 million is paid to bank. As per settlement agreement both parties withdraw all pending suits against each other. The Company shall be entitled to waivers i.e. release of personal guarantees / charges and clear ECIB.

Shadman Cotton Mills Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	<i>Note</i>	March 31, 2024	June 30, 2023
		<i>Rupees</i> <i>(Un-Audited)</i>	<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
		40,678,309	40,678,309

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.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 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.

6.1.2 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 along with 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.

6.2 Commitments

6.2.1 Outstanding commitments related to letter of credit at the end of period equivalent to Rs. 918,933 (June 30, 2023:Rs. 11,626,743).

	<i>Note</i>	March 31, 2024	June 30, 2023
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	1,099,286,896	1,165,913,953
Capital work in progress		120,000	-
		1,099,406,896	1,165,913,953
7.1 Operating fixed assets			
Assets owned by the Company	7.1.1	1,099,286,896	1,165,913,953
		1,099,286,896	1,165,913,953
7.1.1 Assets owned by the Company			
Net book value at the beginning of the period/year		1,165,913,953	918,909,478
Additions during the period/year		3,727,169	33,238,390
Revaluation additions during the period/year- net		-	234,459,499
Net book value of assets disposed during the period/year		(52,972,589)	(880,931)
Depreciation for the period/year		(17,381,637)	(19,812,483)
Net book value at end of the period/year		1,099,286,896	1,165,913,953

Shadman Cotton Mills Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	<i>Note</i>	March 31, 2024	June 30, 2023
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
8 INVESTMENT PROPERTY - At Cost			
Net carrying value as at July 01		111,365,413	114,220,936
Depreciation charged to other operating expenses during the period/year		(2,088,101)	(2,855,523)
Net book value as at close of period		109,277,312	111,365,413
Gross carrying value			
Cost		122,267,095	122,267,095
Accumulated Depreciation		(12,989,783)	(10,901,682)
Net book value		109,277,312	111,365,413
8.1 Depreciation is charged by reducing balance method at the rate % per annum		2.5%	2.5%
8.2 Depreciation charge for the period has been allocated as follows:			
Other operating expenses		(2,088,101)	(2,855,523)
9 SHORT TERM INVESTMENTS			
	<i>Note</i>	March 31, 2024	June 30, 2023
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
Term Deposit Certificates		105,000,000	37,500,000
Investment in Shares	9.1	381,303	268,609
		105,381,303	37,768,609
9.1 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		115,803	3,109
		381,303	268,609
	<i>Note</i>	March 31, 2024	June 30, 2023
		<i>(Un-Audited)</i>	<i>(Audited)</i>
9.1.1 Market value of investments		Market Values	
	Rupees.....	
MCB Bank 357 (June 30, 2023: 357) shares		63,503	40,609
Engro Powergen Qadirpur 10,000 (June 30, 2023: 10,000) Shares		317,800	228,000
		381,303	268,609

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.

Shadman Cotton Mills Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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:

		Note	March 31, 2024	March 31, 2023
			Rupees (Un-Audited)	Rupees (Un-Audited)
11.1 Transactions with related parties				
Nature of relationship	Nature of transaction			
Directors	Short term borrowings obtained		7,425,000	202,934,245
	Short term borrowings repaid		26,350,000	63,700,000
Associate	Short term borrowings obtained		-	-
	Short term borrowings repaid		-	-

		Note	March 31, 2024	June 30, 2023
			Rupees (Un-Audited)	Rupees (Audited)
11.2 Balances with related parties				
Nature of relationship	Nature of balances			
Directors	Equity portion of director loan		210,000,000	210,000,000
	Short term borrowings		152,201,317	171,126,317
Associate	Short term borrowings		-	-

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 information.

13 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.

14 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 30, 2024.

15 GENERAL

15.1 There are no other significant activities since March 31, 2024 affecting the interim financial information.

15.2 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR