



Shadman

Cotton Mills Limited

Nine Months Report
March 31, 2019

CONTENTS

Company Information	2
Directors' Report (English)	3
Directors' Report (Urdu)	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Statement of Profit or Loss	6
Condensed Interim Statement of Other Comprehensive Income	7
Condensed Interim Statement of Cash Flow	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10-13

Shadman Cotton Mills Limited

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. SHAHID MAHMUD MR. NADEEM BHATTI
AUDITORS	MUSHTAQ & COMPANY CHARTERED ACCOUNTANTS
LEGAL ADVISOR	MR. FAZAL MAHMOOD (ADVOCATE)
AUDIT COMMITTEE	MR. NADEEM BHATTI (Chairman) MRS. GHAZALA SHAHID (Member) MRS. NAUREEN REHAN (Member)
H.R. AND REMUNERATION COMMITTEE	MR. AHMED BIN SHAHID (Chairman) MR. NADEEM BHATTI (Member) MR. MUHAMMAD AKHTAR (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	www.shadman.com.pk

Shadman Cotton Mills Limited

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the un-audited condensed interim financial information of the company for the nine months period and third quarter ended March 31, 2019.

During the nine months period under review, the net turnover of the company is Rs. 306.475 million including export sales of Rs. 24.783 million as compared to net turnover of Rs. 353.802 million of corresponding period of previous year. During the nine months period the company earned after tax profit of Rs. 5.136 million as compared to after tax loss of Rs. (65.768) million. Earnings per share are Rs. 0.29 as compared to loss per share of Rs. (3.73) of the corresponding period of previous year.

During the third quarter, after the temporary closure of manufacturing process in the second quarter, the management adopted alternative strategy and utilizing the partial manufacturing process of the company in a well-planned manner. All these activities produced positive financial results and helped management to run the affairs of the company in a smooth manner.

Industry in Pakistan including textile is dependent on Government policies and economic condition of the country, unfortunately both these factors are not suitable at present. Although, in order to make the export sector competitive in the global market and to improve the balance of payments, Government is giving certain concession to textile sector including reduction in energy costs which provided relief to some extent. But the Government is still struggling to solve other chronic issues including release of upheld tax refunds and to ensure uninterrupted energy supply. 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 29, 2019

مجلس نضمام کی رپورٹ

محترم حصص یافتگان،

ڈائریکٹرز سروسٹ کے ساتھ 31 مارچ 2019 کو ختم ہونے والی نو ماہی اور تیسری سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات آپ کی خدمت میں پیش کرتے ہیں۔

زیر نظر مدت میں کمپنی نے 306.475 ملین روپے فروخت کی جس میں 24.783 ملین روپے کی برآمدات شامل ہیں۔ جبکہ پچھلے سال اسی مدت کی فروخت 353.802 ملین روپے تھی۔ کمپنی نے زیر جائزہ نو مہینوں میں بعد از اکم ٹیکس 5.136 ملین روپے کا منافع کمایا ہے۔ جبکہ پچھلے سال اسی مدت میں 65.768 ملین روپے نقصان تھا۔ ان نو مہینوں کی مدت کے دوران فی حصص منافع 0.29 روپے رہا۔ جبکہ پچھلے سال کی اسی مدت میں یہ نقصان فی حصص 3.73 روپے تھا۔

دوسری سہ ماہی میں پیداواری عمل جزوی طور پر بند ہونے کے بعد اس مدت کی تیسری سہ ماہی میں انتظامیہ نے بڑھی سمجھداری کے ساتھ متبادل طریقے اپنائے اور میشری کا کچھ حصہ بڑی سمجھداری کے ساتھ استعمال کر رہی ہے۔ ان تمام سرگرمیوں سے حاصل ہونے والے مثبت اثرات کی بدولت کمپنی تمام امور کو ہموار طریقے سے چلانے میں کامیاب ہوئی ہے۔

پاکستان میں صنعتیں بشمول ٹیکسٹائل کا دارو مدار گورنمنٹ کی پالیسیوں اور ملک کے معاشی حالات پر منحصر ہے۔ بد قسمتی سے یہ دونوں عنصر اس وقت صنعتوں کے لئے مناسب نہیں ہیں۔ مگر چہ عالمی منڈی میں برآمدی شعبہ کو مقابلہ کے لئے کھڑا کرنے اور ڈائیگیوں کے توازن کو بہتر بنانے کے لئے حکومت نے اس شعبہ کے لئے کچھ اقدامات کا اعلان کیا ہے۔ جس میں توانائی کی لاگت میں کمی بھی شامل ہے۔ لیکن حکومت اس وقت بھی دیگر درپیش مسائل کو حل کرنے کی جدوجہد کر رہی ہے۔ جن میں روکے گئے ٹیکس ریفنڈ کی ادائیگی اور ریبلنٹل توانائی کی فراہمی شامل ہیں۔ ہم موجودہ ماہی سال کے باقی رہ جانے والے عرصہ میں بھی بہتر مالیاتی نتائج کی توقع رکھتے ہیں۔

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

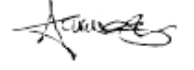
لاہور 29 اپریل 2019

مخائب بورڈ



ڈائریکٹر

مخائب بورڈ



چیف ایگزیکٹو

Shadman Cotton Mills Limited

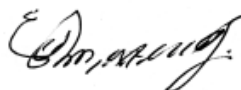
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	Mar. 31, 2019 <i>Rupees</i> <i>(Un-Audited)</i>	June 30, 2018 <i>Rupees</i> <i>(Audited)</i> <i>(Restated)</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
18,000,000 (2018: 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		(396,491,564)	(408,113,726)
Surplus on revaluation of property, plant and equipment		539,567,161	546,053,347
TOTAL EQUITY		372,661,539	367,525,563
NON-CURRENT LIABILITIES			
Long term finances - <i>secured</i>	5	-	-
Deferred liabilities	6	21,520,054	22,214,872
		21,520,054	22,214,872
CURRENT LIABILITIES			
Trade and other payables		240,789,180	254,816,161
Accrued interest/markup		103,514,885	103,514,885
Short term borrowings		480,246,148	435,717,148
Current portion of non-current liabilities		105,968,864	105,968,864
Ijara lease rentals payable		28,544,690	28,544,690
Provision for taxation		10,327,877	6,561,741
		969,391,644	935,123,489
TOTAL LIABILITIES		990,911,698	957,338,361
CONTINGENCIES AND COMMITMENTS			
TOTAL LIABILITIES	7	1,363,573,237	1,324,863,924
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,105,550,532	1,129,499,938
Long term deposits - <i>unsecured, considered good</i>		27,865,585	27,865,585
Deferred taxation		-	-
		1,133,416,117	1,157,365,523
CURRENT ASSETS			
Stores, spares and loose tools		50,915,250	55,730,572
Stock in trade		33,666,008	60,747,497
Trade debts - <i>unsecured</i>		92,402,612	18,756,676
Advances, deposits, prepayments and other receivables		16,223,558	16,585,637
Tax refunds and due from govt.		15,071,291	13,102,820
Short term investments		66,759	70,511
Cash and bank balances		21,811,642	2,504,688
		230,157,120	167,498,401
TOTAL ASSETS		1,363,573,237	1,324,863,924

The annexed notes 1 to 13 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, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees	Rupees	Rupees	Rupees
Turnover - net	306,474,813	353,801,620	93,242,796	160,318,587
Cost of sales	(303,278,914)	(401,764,755)	(93,515,196)	(173,133,103)
Gross profit/ (loss)	3,195,899	(47,963,135)	(272,400)	(12,814,516)
Selling and distribution expenses	(1,254,528)	(3,659,409)	(144,419)	(1,225,338)
Administrative and general expenses	(15,403,063)	(14,654,368)	(5,285,923)	(4,508,214)
	(16,657,591)	(18,313,777)	(5,430,342)	(5,733,552)
	(13,461,692)	(66,276,912)	(5,702,742)	(18,548,068)
Other income	22,780,474	5,950,198	10,180,727	3,178,733
Operating profit/ (loss)	9,318,782	(60,326,714)	4,477,985	(15,369,335)
Finance cost	(84,214)	(248,061)	(24,022)	(74,502)
Other Expenses	(332,456)	(633,953)	(3,729)	(633,953)
Profit/ (loss) before taxation	8,902,112	(61,208,728)	4,450,234	(16,077,790)
Taxation	(3,766,136)	(4,559,012)	(1,143,925)	(2,138,402)
Profit/ (loss) after taxation	5,135,976	(65,767,740)	3,306,309	(18,216,192)
Profit/ (loss) per share - basic and diluted	0.29	(3.73)	0.19	(1.03)

The annexed notes 1 to 13 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, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees	Rupees	Rupees	Rupees
Profit/(Loss) after taxation for the period / year	5,135,976	(65,767,740)	3,306,309	(18,216,192)
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)	5,135,976	(65,767,740)	3,306,309	(18,216,192)

The annexed notes 1 to 13 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, 2019

	Nine months ended	
	March 31, 2019	March 31, 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	8,902,112	(61,208,728)
Adjustments for non-cash items		
Depreciation	20,762,323	39,646,834
Provision for employees retirement benefits	300,000	-
Gain/(loss) on disposal of property, plant and equipment	65,535	227,955
Changes in fair value of investments at fair value through profit or loss	3,752	-
Finance cost	84,214	248,061
	21,215,824	40,122,850
Operating profit/ (loss) before changes in working capital	30,117,936	(21,085,878)
Changes in working capital		
Stores, spares and loose tools	4,815,322	1,596,275
Stock in trade	27,081,489	(2,617,962)
Trade debts	(73,645,936)	(1,154,993)
Advances, prepayments and other receivables	1,520,862	20,268,952
Trade and other payables	(14,026,981)	1,345,975
	(54,255,244)	19,438,247
Net cash used in operations	(24,137,308)	(1,647,631)
Payments for		
Finance cost	(84,214)	(248,061)
Income tax	(3,127,254)	(1,729,514)
Employees retirement benefits	(994,818)	(1,410,807)
Net cash used in operating activities	(28,343,594)	(5,036,013)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,258,452)	(2,638,747)
Proceeds from disposal of property, plant and equipment	6,380,000	24,425,000
Long term deposit	-	(421,156)
Net cash generated from investing activities	3,121,548	21,365,097
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from directors (repaid)/obtained	51,065,000	(15,030,000)
Net decrease in short term borrowings	(6,536,000)	(1,285,000)
Net cash generated from/ (used in) financing activities	44,529,000	(16,315,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,306,954	14,084
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,504,688	575,854
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21,811,642	589,938

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Shadman Cotton Mills Limited

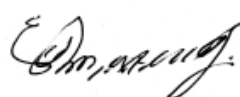
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Share capital	Reserves		Revaluation Surplus	Total equity
	Issued subscribed and paid-up capital	Capital reserve	Accumulated losses	Revaluation Surplus on Property, plant and machinery	
	Rupees	Rupees	Rupees	Rupees	
Balance as at July 01, 2017 - Audited	176,367,190	53,218,752	(283,352,405)	474,927,770	421,161,307
Comprehensive loss					
Loss after taxation	-	-	(65,767,740)	-	(65,767,740)
Incremental Depreciation-net of deferred tax	-	-	25,145,808	(25,145,808)	-
Total comprehensive loss	-	-	(40,621,932)	(25,145,808)	(65,767,740)
Balance as at March 31, 2018 - Un-audited	<u>176,367,190</u>	<u>53,218,752</u>	<u>(323,974,337)</u>	<u>449,781,962</u>	<u>355,393,567</u>
Balance as at July 01, 2018- Audited	176,367,190	53,218,752	(357,824,889)	589,238,613	460,999,666
Effect of restatement (Note-4)	-	-	(50,288,837)	(43,185,266)	(93,474,103)
Balance as at July 01, 2018 (Restated)- Audited	<u>176,367,190</u>	<u>53,218,752</u>	<u>(408,113,726)</u>	<u>546,053,347</u>	<u>367,525,563</u>
Comprehensive Income					
Profit after taxation	-	-	5,135,976	-	5,135,976
Incremental Depreciation-net of deferred tax	-	-	6,486,186	(6,486,186)	-
Total comprehensive income	-	-	11,622,162	(6,486,186)	5,135,976
Balance as at March 31, 2019- Un-audited	<u>176,367,190</u>	<u>53,218,752</u>	<u>(396,491,564)</u>	<u>539,567,161</u>	<u>372,661,539</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

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. The registered office of the Company is situated at 2/E, Block G, Mushtaq Ahmed Gurmani Road, Gulberg II, Lahore.

2 STATEMENT OF COMPLIANCE

The financial information contained in this interim financial report is un-audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2018.

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1 Accounting convention

The financial information contained in this interim 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, 2018 except for change referred to note 4.

4 RECTIFICATION OF ERROR

In Previous year there was an error in the calculation of revaluation surplus on the building and plant and machinery. The rectification of error has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of rectification of error is summarised below .

	As at June 30, 2018		
	As previously reported	Re-statement	As re-stated
Effect on statement of financial position			
Property, plant and equipment	1,222,974,041	(93,474,103)	1,129,499,938
Revaluation surplus on property plant and equipment	589,238,613	(43,185,266)	546,053,347
Accumulated losses	(357,824,889)	(50,288,837)	(408,113,726)
Effect on statement of changes in equity			
Revaluation surplus on property plant and equipment	589,238,613	(43,185,266)	546,053,347
Accumulated losses	(357,824,889)	(50,288,837)	(408,113,726)

There was no effect on interim statement of profit or loss, interim statement of comprehensive income and interim statement of cash flows for the nine months period ended March 31, 2018 due to retrospective rectification of error.

Shadman Cotton Mills Limited

	March 31, 2019	June 30, 2018
	<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
	105,968,864	105,968,864
Current maturity presented under current liabilities	(105,968,864)	(105,968,864)
	-	-
6 DEFERRED LIABILITIES		
Long Term Payables - Secured	18,316,926	18,316,926
Employees retirement benefits	3,203,128	3,897,946
	21,520,054	22,214,872
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, to be calculated at decision of the case 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 suits are 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.		
7.1.3 Guarantees issued by the bank on behalf of the Company amounting to Rs. 18.317 million (June 2018: 18.317 million).		
7.1.4 A suite has been filed by the Company before the Sindh High Court against a show Cause notice issued by the Securities and Exchange Commission of Pakistan ('SECP) regarding related party transactions and has obtained stay order restraining SECP from taking any adverse action.		
7.1.5 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.		

Shadman Cotton Mills Limited

7.2 Commitments

7.2.1 There are no commitments as at the reporting date.

	<i>Note</i>	March 31, 2019	June 30, 2018
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
			<i>(Restated)</i>
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	1,105,550,532	1,129,499,938
Capital work in progress		-	-
		<u>1,105,550,532</u>	<u>1,129,499,938</u>
8.1 Operating fixed assets			
Assets owned by the Company	8.1.1	1,105,550,532	1,129,499,938
		<u>1,105,550,532</u>	<u>1,129,499,938</u>
8.1.1 Assets owned by the Company			
Net book value at the beginning of the period/year		1,129,499,938	1,169,099,789
Additions during the period/year		3,258,452	12,228,840
Revaluation Surplus on PPE		-	23,335,754
Net book value of assets disposed during the period/year		(6,445,535)	(24,652,955)
Depreciation for the period/year		(20,762,323)	(50,511,490)
Net book value at end of the period/year		<u>1,105,550,532</u>	<u>1,129,499,938</u>

8.2 CHANGE IN ACCOUNTING ESTIMATE

During the year, the management of the company has changed its estimate with regards to depreciation of building, plant and machinery, after detailed review by a certified reviewer and technical team of the company. The average life of the building, plant and machinery has been re-estimated more as against past level of estimates. Depreciation rate on building and plant and machinery has been decreased from 5 to 2.5 percent on reducing balance method. The change in estimate is dealt under International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

9 TAXATION

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

10 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:

Shadman Cotton Mills Limited

		<i>Note</i>	March 31, 2019	June 30, 2018
			<i>Rupees</i>	<i>Rupees</i>
			<i>(Un-Audited)</i>	<i>(Audited)</i>
10.1 Transactions with related parties				
Nature of relationship	Nature of transaction			
Key management personnel	Short term borrow ings obtained		66,645,000	22,420,000
	Short term borrow ings repaid		15,580,000	33,953,693
Associated undertaking	Purchases during the period		-	-
10.2 Balances with related parties				
Nature of relationship	Nature of balances			
Key management personnel	Short term borrow ings		178,539,374	127,474,374
	short term employee benefits payable		12,730,500	12,840,000
Associated undertaking	Trade debts		48,629	48,629

11 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 report.

12 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 29, 2019.

13 GENERAL


13.1 There are no other significant activities since June 30, 2018 affecting the interim financial information.

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

13.3 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR