



QUARTERLY REPORT
MARCH 31,
2019
(UN-AUDITED)



Shadab Textile Mills Limited



Shadab Textile Mills Limited

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Shadab Textile Mills Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	Mian Aamir Naseem Mian Farrukh Naseem Mr. Saad Naseem Mr. Yasir Naseem Mr. Hamza Naseem Mrs. Fatima Aamir Mrs. Hina Farrukh	Chief Executive (Chairman)
AUDIT COMMITTEE	Mr. Saad Naseem Mian Farrukh Naseem Mr. Hamza Naseem	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Saad Naseem Mian Aamir Naseem Mr. Hamza Naseem	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Mazhar Hussain	
COMPANY SECRETARY	Mr. Mazhar Hussain	
AUDITORS	M/s. Fazal Mahmood & Company Chartered Accountants	
SHARE REGISTRAR	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35887262, 35839182 Fax: 042-35869037	
BANKER	Bank Al-falah Limited	
REGISTERED OFFICE	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore. Ph: 042-35788714-16	
WEBSITE ADDRESS	www.shadabtextile.com	
MILLS	Nasimabad, Shahkot, District Nankana Sahib.	



Shadab Textile Mills Limited

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present un-audited financial statements of the Company for the nine months period and 3rd quarter ended March 31, 2019.

During the period under review, the Company earned profit after tax of Rs.38.568 million as compared to profit after tax of Rs.12.671 million of the corresponding period of previous year. Sales was made amounting to Rs. 1,999.039 million as compared to previous nine months sales of Rs. 1,679.859 million showing increase of Rs. 317.180 million. Due to continuous supply of energy to the textile sector your Company saved its production losses and production increased as compared to the corresponding period. Earning per share is Rs.12.86 as compared to Rs.4.22 per share.

During the 3rd quarter, the Company has achieved better financial results as compared to 2nd quarter, due to the reason that Government has notified the electricity rate @ 7.50 cent /kwh w.e.f 01.01.2019 that special relief package for zero rated textile industrial consumers. Further, in the 3rd quarter the yarn sale prices overall remained on higher side as compared to raw material prices and other input cost.

The Company has strategic plan to diversify its product line, by making addition of new qualities and blends of yarn and improvement in production capacity to compete with other spinning units. The proposal for BMR of existing facilities in shape of 01 Complete Ge Jenbacher Natural Gas Generator set for the value of Rs.120.000 million is under approval with the bank. With this addition the cost of power generation will be decreased.

The board avails the opportunity to appreciate the devoted work done by the executives, officers, staff and workers of the company.

For and on behalf of the Board

For and on behalf of the Board

MIAN AAMIR NASEEM
(Chief Executive)

MIAN FARRUKH NASEEM
(Director)

Lahore: April 25, 2019



ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

ہم نہایت مسرت کے ساتھ کمپنی کے غیر آڈٹ شدہ حسابات اختصار کے گوشوارے برائے ختم ہونے والی مدت نو ماہ اور سہ ماہی 31 مارچ 2019 کو آپ کی خدمت میں پیش کر رہے ہیں۔

زیر نظر مدت کمپنی نے ٹیکس ادا کرنے کے بعد 38,568 ملین روپے کا منافع حاصل کیا ہے جو گزشتہ سال اسی مدت کے لیے 12,671 ملین روپے تھا۔ اس نو ماہ میں سلیز کی مجموعی رقم 1,999.039 ملین روپے ہے جو کہ گزشتہ سال کی نو ماہ کی رقم 1,679.859 ملین روپے سے 317.180 ملین روپے زیادہ ہے۔ ٹیکسٹائل کی صنعت کو توانائی کی مسلسل فراہمی سے فائدہ اٹھاتے آپ کی کمپنی کو پیداواری خسارہ میں بچت کے ساتھ گزشتہ سال کے مقابلے میں پیداوار میں اضافہ ہوا ہے۔ فی شیئر آمدنی گزشتہ نو ماہی 12.86 روپے شیئر کے مقابلے میں 4.22 روپے فی شیئر ہے۔

تیسری سہ ماہی کے دوران، کمپنی نے دوسری سہ ماہی کے مقابلے میں بہتر مالیاتی نتائج حاصل کیے ہیں کیونکہ حکومت نے زیر روٹیلڈ صنعتی صارفین کے لیے خصوصی امدادی چیک کے مطابق یکم جنوری 2019 سے بجلی کا ریٹ 7.50 سینٹ پر کلو واٹ مطلع کیا ہے۔ تیسری سہ ماہی میں خام مال کی قیمتوں اور دیگر ان پٹ کی قیمتوں کے مقابلے میں دھماکے کی فروخت کی قیمتوں میں مجموعی طور پر اعلیٰ سطح پر ہے۔

کمپنی میں اسٹرٹجک منصوبہ یہ ہے کہ اس کی مصنوعات کی لائن، نئی خصوصیات کے علاوہ اور دھماکے کا مرکب اور سپنگ پونش کے ساتھ مقابلہ کرنے کے لیے پیداواری صلاحیت میں بہتری پیدا ہو۔ بینک کے ساتھ منظوری کے عمل میں 120,000 ملین روپے کی قیمت کے لیے 01 عدد مکمل، جی قدرتی جنیکریگیس جزیئر سیٹ کے درآمد کی تجویز ہے۔ اس اضافے کی وجہ سے بجلی کی پیداواری لاگت میں کمی واقع ہوگی۔

بورڈ کمپنی کے ایگزیکٹوز، افسران، کمپنی کے عملے اور کارکنوں انتھک کوششوں کا شکریہ ادا کر رہے ہیں۔

مخائب بورڈ

مخائب بورڈ

میاں فرخ نسیم

(ڈائریکٹر)

Aqam Naseem

میاں عامر نسیم
(چیف ایگزیکٹو)

لاہور: 25/ اپریل 2019ء




Shadab Textile Mills Limited


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUTIDED) AS AT MARCH 31, 2019


NOTE (RUPEES IN THOUSAND)

		MAR. 31, 2019 (Un-audited)	Jun. 30, 2018 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	308,481	314,245
Assets subject to finance lease		19,912	23,426
Long term deposits		2,389	2,387
		<u>330,782</u>	<u>340,058</u>
CURRENT ASSETS			
Stores, spares and loose tools		49,784	52,908
Stock in trade		192,973	193,371
Trade debts		78,846	86,908
Loans and advances		6,688	5,526
Trade deposits and prepayments		41,514	56,229
Other receivables		28,544	18,104
Cash and bank balances		19,395	10,633
		<u>417,744</u>	<u>423,679</u>
TOTAL ASSETS		<u><u>748,526</u></u>	<u><u>763,737</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
20,000,000 ordinary shares of Rs. 10/- each		<u>200,000</u>	<u>60,000</u>
Issued, subscribed & paid-up capital		30,000	30,000
Revenue reserves		<u>419,877</u>	<u>386,259</u>
TOTAL EQUITY		<u>449,877</u>	<u>416,259</u>
NON - CURRENT LIABILITIES			
Long term financing		-	-
Liabilities against assets subject to finance lease		7,731	11,729
Deferred liabilities		-	14,557
		<u>7,731</u>	<u>26,286</u>
CURRENT LIABILITIES			
Trade and other payables		200,377	196,335
Unclaimed dividend		523	465
Accrued mark up		1,385	701
Short term borrowings		59,291	84,646
Current portion of long term loan		5,405	10,949
Provision for taxation		<u>23,937</u>	<u>28,096</u>
		<u>290,918</u>	<u>321,192</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u><u>748,526</u></u>	<u><u>763,737</u></u>

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Mazhar Hussain)
Chief Financial Officer




Shadab Textile Mills Limited

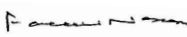
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS & QUARTER PERIOD ENDED MARCH 31, 2019

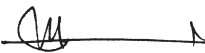
(RUPEES IN THOUSAND)

	Nine months period ended		For the Quarter ended	
	Jul.-Mar. 2019	Jul.-Mar. 2018	Jan.-Mar. 2019	Jan.-Mar. 2018
Sales- net	1,997,039	1,679,859	638,692	578,036
Cost of sales	<u>1,887,789</u>	<u>1,618,705</u>	<u>591,146</u>	<u>558,708</u>
GROSS PROFIT	109,250	61,154	47,546	19,328
Distribution and selling expenses	4,200	3,451	1,254	1,112
Administrative expenses	45,495	36,805	15,990	12,451
Other expenses	3,509	1,489	1,888	380
	<u>53,204</u>	<u>41,745</u>	<u>19,132</u>	<u>13,943</u>
	56,046	19,409	28,414	5,385
Other income	257	3,529	257	1,863
PROFIT FROM OPERATIONS	<u>56,303</u>	<u>22,938</u>	<u>28,671</u>	<u>7,248</u>
Finance cost	<u>8,104</u>	<u>5,796</u>	<u>3,212</u>	<u>2,004</u>
PROFIT BEFORE TAXATION	48,199	17,142	25,459	5,244
TAXATION:				
-Current	24,187	20,783	7,848	7,225
-Prior	1	-	-	-
-Deferred	(14,557)	(16,312)	(2,428)	(6,234)
	<u>9,631</u>	<u>4,471</u>	<u>5,420</u>	<u>991</u>
PROFIT AFTER TAXATION	<u>38,568</u>	<u>12,671</u>	<u>20,039</u>	<u>4,253</u>
Basic and diluted earning per share - (Rupees)	<u>12.86</u>	<u>4.22</u>	<u>6.68</u>	<u>1.42</u>

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Mazhar Hussain)
Chief Financial Officer



Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS & QUARTER PERIOD ENDED MARCH 31, 2019

(RUPEES IN THOUSAND)

	Nine months period ended		For the Quarter ended	
	Jul.-Mar. 2019	Jul.-Mar. 2018	Jan.-Mar. 2019	Jan.-Mar. 2018
PROFIT AFTER TAXATION	38,568	12,671	20,039	4,253
Other Comprehensive Income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>38,568</u>	<u>12,671</u>	<u>20,039</u>	<u>4,253</u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Mazhar Hussain)
Chief Financial Officer



Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	(RUPEES IN THOUSAND)	
	MAR. 31, 2019	MAR. 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	48,199	17,142
Adjustments for:		
Depreciation	28,133	28,572
Finance cost	8,104	5,796
Workers' profit participation fund	2,589	920
Workers' welfare fund	984	350
Profit on sale of fixed assets	(257)	(3,492)
Operating profit before working capital changes	87,752	49,288
Adjustments for working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	3,124	(1,232)
Stock in trade	398	(37,070)
Trade debts	8,062	16,027
Loans and advances	(1,162)	(4,602)
Trade deposits and prepayments	11,003	27,028
Other receivables	(10,440)	(7,639)
	10,985	(7,488)
Increase in current liabilities		
Trade and other payables	2,957	52,399
Cash generated from operations	101,694	94,199
Finance cost paid	(7,420)	(6,055)
Income tax paid	(25,274)	(20,764)
Workers' profit participation fund paid	(1,849)	(1,294)
	(34,543)	(28,113)
Net cash generated from operating activities	67,151	66,086




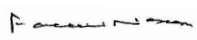
Shadab Textile Mills Limited

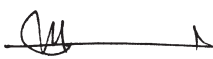
(RUPEES IN THOUSAND)

	MAR. 31, 2019	MAR. 31, 2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for fixed capital expenditure	(18,898)	(2,150)
Long term deposits	(2)	-
Proceeds from disposal of operating fixed assets	300	6,440
Net cash (used in) / generated from investing activities	(18,600)	4,290
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment against long term loans	(5,667)	(8,500)
Repayment of lease liability - net	(3,875)	(7,269)
Proceeds from short term borrowings - net	(25,355)	(41,327)
Dividend paid	(4,892)	(7,545)
Net cash (used) in financing activities	(39,789)	(64,641)
NET CASH GENERATED DURING THE PERIOD	8,762	5,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,633	13,224
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19,395	18,959

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Mazhar Hussain)
Chief Financial Officer




Shadab Textile Mills Limited

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

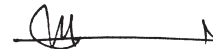
(RUPEES IN THOUSAND)

	Share Capital	Revenue Reserve		Total Equity
	Issued, Subscribed & Paid up Ordinary share	General Reserve	Un-appropriated profit	
Balance as at July 01, 2017	30,000	260,000	109,146	399,146
Total comprehensive income				
Profit after taxation	-	-	12,671	12,671
for the period ended March 31, 2018	-	-	-	-
Other comprehensive income	-	-	12,671	12,671
Total comprehensive income for the period	-	-	12,671	12,671
Transaction with owners				
Final dividend for the year ended	-	-	(7,590)	(7,590)
June 30, 2017 @Rs. 2.530 per share	-	-	(7,590)	(7,590)
Balance as at March 31, 2018	30,000	260,000	114,227	404,227
Total comprehensive income				
Profit after taxation	-	-	12,032	12,032
for the period ended June 30, 2018	-	-	12,032	12,032
Balance as at June 30, 2018	30,000	260,000	126,259	416,259
Total comprehensive income				
Profit after taxation	-	-	38,568	38,568
for the period ended March 31, 2019	-	-	-	-
Other comprehensive income	-	-	38,568	38,568
Total comprehensive income for the period	-	-	38,568	38,568
Transaction with owners				
Final Dividend for the year ended	-	-	(4,950)	(4,950)
June 30, 2018 @Rs. 1.650 per share	-	-	(4,950)	(4,950)
Balance as at March 31, 2019	30,000	260,000	159,877	449,877

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Mazhar Hussain)
Chief Financial Officer



Shadab Textile Mills Limited

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

1. THE COMPANY AND ITS OPERATIONS

Shadab Textile Mills Limited (the Company) was incorporated as a public limited company on 19th August 1979 under the Companies act 1913 which was replaced by Companies Ordinance, 1984 (now the Companies Act, 2017). The company is registered as a public limited company in Pakistan and quoted on Pakistan Stock Exchange and engaged in the business of manufacturing, selling, buying and dealing in yarn of all types. The registered office of the company is situated at 6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore. The manufacturing facilities of the Company are located at Faisalabad Road, Nasimabad, Shakhkot, District Nankana Sahib.

2. BASIS OF PREPARATION

This condensed interim financial information of the company for the nine months period ended March 31, 2019 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Act 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act 2017 have been followed. This condensed interim financial information is un-audited and is being submitted to the shareholders as required under the Companies Act 2017.

The comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2019 and 2018 are also included in this condensed interim financial information.

This condensed interim financial information does not include all the information and disclosures required for full financial statements, and should be read in conjunction with the company's audited annual financial statements for the year ended June 30, 2018.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding audited annual financial statements of the company for the year ended June 30, 2018, except for changes resulting from initial application of standards, amendments or interpretations to existing standards. However, amendments / improvements and new interpretations of approved accounting standards effective during the period, were not relevant to the companies operations and do not have any material impact on the accounting policies of the company (IFRS 15 revenue from contracts with customers).

4. ESTIMATES

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by the management in applying the company's accounting policies and key sources of estimation of uncertainty are the same as those were applied to the annual audited financial statements for the year ended June 30, 2018.



Shadab Textile Mills Limited

(RUPEES IN THOUSAND)

	MAR. 31, 2019	Jun. 30, 2018
5. <u>PROPERTY, PLANT AND EQUIPMENT</u>		
Operating fixed assets		
Opening net book value	314,245	349,784
Additions during the period/ year		
Plant and machinery	10,257	2,975
Vehicles	8,351	-
Office equipments	290	-
	18,898	2,975
Disposals during the period/ year		
Vehicles	43	2,948
	43	2,948
Depreciation charged thereon	24,619	35,566
Closing net book value	308,481	314,245

6. CONTINGENCIES AND COMMITMENTS

Contingencies

Counter guarantees of Rs.25,000 million (June 30, 2018 : Rs. 25,000 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited against gas connections.

Commitments

Commitments for non capital expenditures amounted to Rs.37.103 million (June 30, 2018 : Rs.21.422 million).

7. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

The company purchased from associated undertaking material of aggregate sum of Rs.6.826 million (June 30, 2018 : Rs.2.707 million) during the period. The maximum aggregate amount due to associated undertaking at the end of any month during the period was Rs. 0.999 million (June 30, 2018 : Rs. Nil).

8. FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the company as at and for the year ended June 30, 2018.

9. DATE OF AUTHORIZATION

This condensed interim financial information has been approved by the Board of Directors of the company and authorized for issue on April 25, 2019.

10. GENERAL

Figures have been rounded off to the nearest thousand rupees.

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Mazhar Hussain)
Chief Financial Officer

