



HALF YEARLY REPORT
DECEMBER 31,
2022
(Un-Audited)

SHADAB TEXTILE MILLS LIMITED



CONTENTS

Company Information	3
Directors' Report	4
Directors' Report (Urdu)	5
Independent Auditors' Report to the Members on Review of Condensed Interim Financial Statements	6
Condensed Interim Statement of Financial Position	7
Condensed Interim Statement of Profit or Loss	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flows	11-12
Selected Notes to the Condensed Interim Financial Information	13-16



COMPANY INFORMATION

CHIEF EXECUTIVE	Mian Aamir Naseem
BOARD OF DIRECTORS	Mian Farrukh Naseem Chairman/Non Executive Director Mr. Saad Naseem Non Executive Director Mr. Yasir Naseem Executive Director Mr. Hamza Naseem Non Executive Director Mrs. Fatima Aamir Female - Non Executive Director Mr. Fahad Shafiq Independent Director Mr. Ghazanfer Feroz Independent Director
AUDIT COMMITTEE	Mr. Fahad Shafiq Chairman Mian Farrukh Naseem Member Mr. Hamza Naseem Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Fahad Shafiq Chairman Mr. Ghazanfer Feroz Member Mr. Saad Naseem Member
CHIEF FINANCIAL OFFICER	Mr. Muhammad Aslam
COMPANY SECRETARY	Mr. Muhammad Adeel Anwar Khan
AUDITORS	M/s. Fazal Mehmood & Company, Chartered Accountants
SHARE REGISTRAR	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Ph: 042-35887262, 35839182 Fax: 042-35869037
BANKERS	Bank Al-falah Limited Bank Al- Habib Limited
REGISTERED OFFICE	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore Ph: No. 042-35788714-16
WEBSITE ADDRESS	www.shadabtextile.com
MILLS	Unit # 1: Nasimabad, Shahkot, District Nankana Sahib. Unit # 2: Habibabad, Pattoki, District Kasur



Shadab Textile Mills Limited

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present un-audited financial statements of the Company for the half year ended December 31, 2022 reviewed by the auditors of the Company.

During the period under review, the Company sustained loss after tax of Rs.27.647 million as compared to profit after tax of Rs.142.682 million of the corresponding period of previous year. Total sales were made amounting to Rs.2822.510 million as compared to corresponding period of previous year sales of Rs.2487.721 million showing increase of Rs.334.789 million i.e 13.46% against previous year period. Earning per share is Rs.(1.67) as compared to Rs.8.60 per share.

The textile industry has probably never been in such a dire situation. Many units are closed during the period being no longer economically viable under the prevailing circumstances. Performance of textile sector overall remain depressed. During the period under review, the financial results of the company mainly affected due to the market conditions is very slow down because of unfortunately heavy flood came in Pakistan and overall recession period in the world. In this situation the company reduced its production capacity by 10% and operated at 90% of its production capacity and sustained all fixed cost of the company. During the period the prices of raw material remained on higher side due to huge devaluation in Pak Rupees, increase in energy cost, very higher mark-up rates and other input costs.

The textile industry has probably never faced such a depressing operating environment and still passing through severe crises. At present time due to decline in foreign reserve with State Bank of Pakistan and Commercial Bank, we are facing too much problems for opening of Letters of Credit & retirements of documents for raw materials. Besides, according to IMF conditions the Government has decided to withdraw subsidy in energy for export oriented sectors w.e.f 01.03.2023. In these circumstances, it is very difficult task to compete with the other countries. The above stated factors have negative impacts on the textile sector along with other businesses. The government should have to take further well planned concrete steps to uplift the economy and textile industry especially for spinning sector which is the core industry of Pakistan. Despite adverse factors your management is making best efforts to improve the financial results of the company.

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

MIAN AAMIR NASEEM
(Chief Executive)

MIAN FARRUKH NASEEM
(Chairman/Director)

Lahore: February 22, 2023



ڈائریکٹر ز رپورٹ

محترم حصص یافتگان،

ہم نہایت مسرت کے ساتھ کہنے کے غیر آڈٹ شدہ حسابات کے گوشوارے برائے مالی ششماہی ختمہ 31 دسمبر 2022ء، کہنے کے آڈیٹران کی نظر ثانی کے بعد آپ کی خدمت میں پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران، کہنے کو ٹیکس ادا کرنے کے بعد 27.647 ملین روپے کا نقصان اٹھانا پڑا جو کہ گذشتہ برس اسی مدت کے لیے 142.682 ملین روپے کا ٹیکس ادا کرنے کے بعد منافع تھا۔ مجموعی فروخت 2822.510 ملین روپے کی گئی جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 2487.721 ملین روپے کی فروخت ہے جو کہ گذشتہ برس کی اسی مدت کے مقابلے میں 334.789 ملین روپے یعنی 13.46 فیصد کا اضافہ ظاہر کرتی ہے۔ فی شیئر آمدنی گذشتہ مدت 8.60 روپے کے مقابل (1.67) روپے فی شیئر ہے۔

ٹیکسٹائل کی صنعت کو شاید اس طرح کی سنگین صورتحال کبھی نہیں ملی۔ بہت سے یونٹ اس مدت کے دوران بند ہیں جو کہ موجودہ حالات میں معاشی طور پر قابل عمل نہیں ہیں۔ مجموعی طور پر ٹیکسٹائل سیکٹور کی کارکردگی ابتر ہے۔ زیر نظر ششماہی کے دوران، کہنے کے مالیاتی نتائج بنیادی طور پر مارکیٹ کے حالات کی وجہ سے بہت سست رہے کیونکہ بد قسمتی سے پاکستان میں شدید سیلاب آیا اور دنیا میں مجموعی طور پر کساد بازاری کا دور رہا۔ اس صورتحال میں کہنے نے اپنی پیداواری صلاحیت میں 10% کمی کی اور اپنی پیداواری صلاحیت کے 90% پر کام کیا اور کہنے کی تمام مقررہ لاگت کو برقرار رکھا۔ ششماہی کے دوران خام مال کی قیمتیں بلند رہیں، جس کی وجہ پاک روپے کی قدر میں بہت زیادہ کمی ہوئی، توانائی کی لاگت میں اضافہ، مارک آپ کی بہت زیادہ بلند شرح اور دیگر لاگت میں اضافہ ہوا۔

ٹیکسٹائل کی صنعت کو شاید کبھی ایسے اتنے مایوس کن آپریٹنگ ماحول کا سامنا نہیں کرنا پڑا اور وہ اب بھی شدید بحرانوں سے گزر رہی ہے۔ اس وقت سٹیٹ بینک آف پاکستان اور کمرشل بینک کے پاس فارن ریزرو میں کمی کی وجہ سے ہمیں لیٹ آف کریڈٹ کھولنے اور خام مال کے دستاویزات کی ریٹائرمنٹ کے لیے بہت زیادہ مسائل کا سامنا ہے اس کے علاوہ، آئی ایم ایف کی شرائط کے مطابق حکومت نے 01.03.2023 سے برآمدی شعبوں کے لیے توانائی کی سبسڈی واپس لینے کا فیصلہ کیا ہے ان حالات میں دوسرے ممالک سے مقابلہ کرنا بہت مشکل ہے۔ مذکورہ بالا عوامل ٹیکسٹائل کے شعبے کے ساتھ ساتھ دیگر کاروباروں پر بھی منفی اثرات مرتب کرتے ہیں۔ حکومت کو معیشت اور ٹیکسٹائل انڈسٹری بالخصوص سپننگ سیکٹور جو کہ پاکستان کی بنیادی صنعت ہے، کی بہتری کے لیے مزید منصوبہ بند مشنوں اقدامات کرنے چاہئیں۔ منفی عوامل کے باوجود آپ کی انتظامیہ کہنے کے مالیاتی نتائج کو بہتر بنانے کے لیے بہترین کوششیں کر رہی ہے۔

بورڈ کہنے کے ایگزیکٹوز، افران، کہنے کے عملے اور کارکنوں کی انتھک کوششوں کا شکر گزار ہے۔

منجانب بورڈ

—

میاء فرخ نسیم

(چیئرمین / ڈائریکٹر)

Aamir Nazam

میاء عامر نسیم

(چیف ایگزیکٹو)



Shadab Textile Mills Limited

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SHADAB TEXTILE MILLS LIMITED Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHADAB TEXTILE MILLS LIMITED as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Fazal Mahmood.

Fazal Mahmood & Co.

Fazal Mahmood & Company

Chartered Accountants

Date: February 22, 2023

Place: Lahore

UDIN:RR20221015531V2XG6J7



Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 (UN-AUDITED)

	NOTE	(RUPEES IN THOUSAND)	
		Dec. 31, 2022 (Un-audited)	Jun. 30, 2022 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,446,437	1,478,907
Right of use assets	7	36,887	40,985
Long term deposits		2,434	2,434
		<u>1,485,758</u>	<u>1,522,326</u>
CURRENT ASSETS			
Stores, spares and loose tools		136,649	100,379
Stock in trade		613,507	747,603
Trade debts		445,927	333,150
Loans and advances		50,746	46,852
Trade deposits and prepayments		53,004	128,047
Other receivables		89,305	75,195
Cash and bank balances		28,487	16,343
		<u>1,417,625</u>	<u>1,447,569</u>
TOTAL ASSETS		<u><u>2,903,383</u></u>	<u><u>2,969,895</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorised share capital 40,000,000 (June 30, 2022: 40,000,000) ordinary shares of Rs. 10/- each		<u>400,000</u>	<u>400,000</u>
Issued, subscribed & paid-up capital		166,000	166,000
Capital reserves		204,000	204,000
Revenue reserves		789,653	825,600
Equity contributions from sponsors		<u>374,523</u>	<u>375,600</u>
TOTAL EQUITY		<u>1,534,176</u>	<u>1,571,200</u>
NON - CURRENT LIABILITIES			
Long term Loans		290,129	322,285
Lease Liabilities		14,817	19,596
Deferred liabilities		<u>139,150</u>	<u>114,151</u>
		444,096	456,032
CURRENT LIABILITIES			
Trade and other payables		323,974	257,715
Unclaimed dividend		787	773
Accrued mark up		17,507	12,610
Short term borrowings		466,880	515,731
Current portion of long term liabilities		80,446	79,752
Provision for taxation		<u>35,517</u>	<u>76,082</u>
		925,111	942,663
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>2,903,383</u></u>	<u><u>2,969,895</u></u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Aslam)
Chief Financial Officer



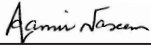
Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

(RUPEES IN THOUSAND)

NOTE	For the Half year ended		For the Quarter ended	
	Jul.-Dec. 2022	Jul.-Dec. 2021	Oct.-Dec. 2022	Oct.-Dec. 2021
Sales-net	2,822,510	2,487,721	1,449,902	1,343,026
Cost of sales	2,713,687	2,210,181	1,411,390	1,229,190
GROSS PROFIT	108,823	277,540	38,512	113,836
Administrative and general expenses	70,277	54,614	33,959	27,984
Selling and distribution expenses	1,393	5,111	528	2,719
OPERATING PROFIT	37,153	217,815	4,025	83,133
Finance cost	62,852	29,670	30,812	16,430
Other charges	-	13,116	(167)	4,719
	(25,699)	175,029	(26,620)	61,984
Other income	1,769	1,951	432	1,701
(LOSS) / PROFIT BEFORE TAXATION	(23,930)	176,980	(26,188)	63,685
TAXATION	3,717	34,298	(13,548)	18,851
(LOSS) / PROFIT AFTER TAXATION	(27,647)	142,682	(12,640)	44,834
Basic and diluted (loss) / earning per share	10 (1.67)	8.60	(0.76)	2.70

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


(Mian Amir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Muhammad Aslam)
Chief Financial Officer




Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

(RUPEES IN THOUSAND)

	For the Half year ended		For the quarter ended	
	Jul.-Dec. 2022	Jul.-Dec. 2021	Oct.-Dec. 2022	Oct.-Dec. 2021
(LOSS) / PROFIT AFTER TAXATION	(27,647)	142,682	(12,640)	44,834
Other Comprehensive Income	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	<u>(27,647)</u>	<u>142,682</u>	<u>(12,640)</u>	<u>44,834</u>

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Muhammad Aslam)
Chief Financial Officer




Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

(RUPEES IN THOUSAND)

	Share Capital	Revenue Reserves		Capital Reserves	Equity Contribution from sponsors	Total Equity
	Issued, Subscribed & Paid up Ordinary shares	General Reserve	Un-appropriated profit	Share Premium		
Balance as at July 01, 2021 (Audited)	166,000	260,000	386,945	204,000	385,600	1,402,545
Total comprehensive income						
Profit after taxation for the period ended December 31, 2021	-	-	142,682	-	-	142,682
Transaction with owners						
Final Dividend for the year ended June 30, 2021 @Rs. 1.00 per share	-	-	(16,600)	-	-	(16,600)
Transfer to equity contribution from sponsors	-	-	-	-	(10,000)	(10,000)
Balance as at December 31, 2021 (Un-audited)	166,000	260,000	513,027	204,000	375,600	1,518,627
Total comprehensive income						
Profit after taxation for the period	-	-	52,573	-	-	52,573
Balance as at June 30, 2022 (Audited)	166,000	260,000	565,600	204,000	375,600	1,571,200
Total comprehensive income						
Loss after taxation for the period ended December 31, 2022	-	-	(27,647)	-	-	(27,647)
Transaction with owners						
Final Dividend for the year ended June 30, 2022 @Rs. 0.50 per share	-	-	(8,300)	-	-	(8,300)
Transfer from equity contribution to sponsors	-	-	-	-	(1,078)	(1,078)
Balance as at December 31, 2022 (Un-audited)	166,000	260,000	529,653	204,000	374,522	1,534,175

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Muhammad Aslam)
Chief Financial Officer



Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

(RUPEES IN THOUSAND)

	Dec. 31, 2022	Dec. 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(23,930)	176,980
Adjustments for:		
Depreciation	76,598	74,470
Finance cost	62,852	29,670
Workers' profit participation fund	-	9,505
Workers' welfare fund	-	3,611
Gain on sale of fixed assets	(1,008)	(1,467)
Profit on deposits with bank	(761)	(484)
Operating profit before working capital changes	113,751	292,285
Adjustments for working capital changes: (Increase) / decrease in current assets		
Stores, spares and loose tools	(36,270)	(1,786)
Stock-in-trade	134,096	(296,809)
Trade debts	(112,777)	(91,696)
Loans and advances	(3,894)	13,714
Trade deposits and prepayments	75,043	(5,051)
Other receivables	4,329	48,972
	60,527	(332,656)
Increase in current liabilities		
Trade and other payables	66,259	12,658
Cash generated from / (used in) operations	240,537	(27,713)
Finance cost paid	(57,955)	(26,883)
Income tax paid	(32,180)	(22,753)
Profit on deposits with bank	761	484
	(89,374)	(49,152)
Net cash generated from / (used in) operating activities	151,163	(76,865)



Shadab Textile Mills Limited

(RUPEES IN THOUSAND)

Dec. 31,
2022

Dec. 31,
2021

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for acquisition of property, plant
and equipment

(40,160)

(30,836)

Proceeds from disposal of property, plant
and equipment

1,138

1,680

Net cash (used in) investing activities

(39,022)

(29,156)

CASH FLOWS FROM FINANCING ACTIVITIES

Sponsor loan paid

(1,078)

(10,000)

Long term loan paid

(37,003)

(33,537)

Payment of lease liability - net

(4,779)

(16,461)

Proceeds from short term borrowings (net)

(48,851)

182,872

Dividend paid

(8,286)

(16,540)

Net cash (used in) / generated from
financing activities

(99,997)

106,334

NET CASH GENERATED FROM THE PERIOD

12,144

313

CASH AND CASH EQUIVALENTS AT THE
BEGINNING OF THE PERIOD

16,343

23,022

CASH AND CASH EQUIVALENTS AT THE
END OF THE PERIOD

28,487

23,335

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

(Mian Amir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Aslam)
Chief Financial Officer



Shadab Textile Mills Limited

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED DECEMBER 31, 2022 (UN-AUDITED)

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, Shahkot, District Nankana Sahib and 1-K.M Chunian Road, Habibabad, Pattoki, District Kasur.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS-34): "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

3. BASIS OF PREPARATION

These condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes and are presented in Pakistan Rupees (Rs.), which is the functional currency of the company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2022, except detailed below or elsewhere. These condensed interim financial statements do not include all the information and disclosures as are required for annual audited financial statements, and therefore, should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022.



Shadab Textile Mills Limited

During the period, certain amendments / interpretations became effective and were adopted by the Company. Management has assessed the changes laid down by the amendments / interpretations that became effective during the period and determined that they do not have any significant impact on these condensed interim financial statements.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss. Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2022. The impact of remeasurement of retirement benefit plan has not been incorporated in the condensed interim financial statements.

5. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2022, except as disclosed otherwise in respective notes.

		(RUPEES IN THOUSAND)	
		Dec. 31, 2022	Jun. 30, 2022
6.	<u>PROPERTY, PLANT AND EQUIPMENT</u>		
	Operating fixed assets	6.1 1,410,242	1,394,388
	Capital work-in-progress	6.2 36,195	84,519
		<u>1,446,437</u>	<u>1,478,907</u>
6.1	Operating fixed assets		
	Opening net book value	1,394,388	1,436,036
	Additions during the period / year		
	Plant and machinery	13,421	29,767
	Electric installations	26,739	376
	Factory equipments	-	2,584
	Vehicles	-	7,005
		40,160	39,732
	Disposals during the period / year		
	Plant and machinery	-	341
	Vehicles	130	1,457
		130	1,798
	Transfers from right of use assets	-	7,045
	Transfers from CWIP	48,324	60,775
	Depreciation charged thereon	72,500	147,402
	Closing net book value	<u>1,410,242</u>	<u>1,394,388</u>



Shadab Textile Mills Limited

	(RUPEES IN THOUSAND)	
	December 31, 2022	June 30, 2022
6.2 Capital work in progress		
Civil works	35,076	16,860
Plant and machinery	1,119	19,299
Electric installation	-	48,360
	<u>36,195</u>	<u>84,519</u>
7. <u>RIGHT OF USE ASSETS</u>		
Opening balance	40,985	7,551
Additions	-	48,055
Less: Transferred to owned assets	-	(16,087)
Depreciation transferred	-	9,043
Less: Depreciation charge	(4,098)	(7,577)
	<u>36,887</u>	<u>40,985</u>
8. <u>CONTINGENCIES AND COMMITMENTS</u>		

Contingencies

Counter guarantees of Rs. 49.756 million (June 30, 2022: Rs. 36.545 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited and Lahore Electric Supply Company against gas and electricity connections & TUF rebate.

Commitments

Capital expenditures commitments are amounting to Rs. 36.518 million (June 30, 2022: Rs. 91.248 million) and non capital expenditures Commitments are amounting to Rs. 370.319 million (June 30, 2022: Rs.365.905 million).

9. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

The purchases/sales from associated undertaking was Nil (June 30, 2022: Nil) during the period. The maximum aggregate amount due to associated undertaking at the end of any month during the period was Nil (June 30, 2022: Nil).

10. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the company.

	Jul. - Dec. 2022	Jul. - Dec. 2021
(Loss) / Profit after taxation	(27,647)	142,682
Weighted average number of ordinary shares outstanding during the year (No. in'000)	<u>16,600</u>	<u>16,600</u>
Basic (loss) / earnings per share (Rupees)	<u>(1.67)</u>	<u>8.60</u>



12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2022.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values. Fair value is the amount for which asset could be exchanged or liability settled between knowledgeable, willing parties in an arm length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

Level 3: inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

14. DATE OF AUTHORIZATION

These condensed interim financial statements have been approved by the Board of Directors of the company and authorized for issue on February 22, 2023.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.

(Mian Amir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Aslam)
Chief Financial Officer