



QUARTERLY REPORT
SEPTEMBER 30
2018



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 Mian Shahzad Aslam Mr. Yasir Naseem Mr. Hamza Naseem Mrs. Fatima Aamir Mrs. Hina Farrukh	Chief Executive Chairman
AUDIT COMMITTEE	Mian Farrukh Naseem Mr. Hamza Naseem Mrs. Hina Farrukh	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian Farrukh 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 Mehmood & Company, Chartered Accountants	
SHARE REGISTRAR	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35887262, 35839182 Fax: 042-35869037	
BANKERS	National Bank of Pakistan Bank Al-falah Limited	
REGISTERED OFFICE	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore Ph: No. 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 condensed interim financial statements of the Company for the 1st quarter ended September 30, 2018.

During the period under review, the Company earned profit after tax of Rs.24.971 million as compared to profit after tax of Rs.2.288 million of the corresponding quarter of previous year. Sales were made amounting to Rs.680.932 million as compared to corresponding quarter of previous year sales of Rs.541.880 million showing increase of Rs.139.052 million against previous year quarter. Earning per share is Rs.8.32 as compared to Rs.0.76 per share.


The profitability of the company has increased as compared to corresponding quarter of previous year due to increase in yarn sale prices and continuous supply of energy to the textile sector in the shape of RLNG resultantly your company saved its production losses. During the period, the prices of raw material remained on higher side as compared to yarn sale prices, declining in Pak Rupees, resulting increase in energy cost and other input cost.

The Company has strategic plan to diversify its product line with addition of new qualities and blends of yarn and improvement in production capacity to compete with other spinning units. The proposal for import of 01 Complete Ge Jenbacher Natural Gas Generator set for the value of Rs. 106.000 million is in process of approval with the bank.

However, the management of the company remained committed to business growth and focused its attention to increase the efficiency and profitability of the company despite all challenges and adverse circumstances and expecting favourable results in the coming period.

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)

For and on behalf of the Board



MIAN FARRUKH NASEEM
(Director)

Lahore: October 25, 2018

شاداب ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ

محترم مھس یافتگان،

ہم نہایت مسرت کے ساتھ کمپنی کے غیر آڈٹ شدہ حسابات کے گوشوارے برائے مالی سال پہلی سہ ماہی ختمہ 30 ستمبر 2018 آپ کی خدمت میں پیش کر رہے ہیں۔

زیر نظر مدت میں کمپنی نے ٹیکس ادا کرنے کے بعد 24.971 ملین روپے کا منافع حاصل کیا ہے جو کہ گذشتہ برس اسی مدت کے لیے 2.288 ملین روپے تھا۔ اس سہ ماہی میں سیلز کی مجموعی رقم 680.932 ملین روپے ہے جو گذشتہ برس کی سہ ماہی سیلز کی رقم 541.880 ملین روپے سے 139.052 ملین روپے کا اضافہ ظاہر کر رہی ہے گذشتہ سہ ماہی 0.76 فی شیئر کے مقابلے میں 8.32 روپے فی شیئر ہے۔

RLNG کی شکل میں ٹیکسٹائل کے شعبے کو بجلی کی مسلسل فراہمی سے یقیناً آپ کی کمپنی نے پیداواری خسارہ میں بچت کیا اور دھانگے کی قیمت میں اضافہ کے باعث گذشتہ سال کی اسی سہ ماہی کے مقابلے کمپنی کے منافع میں اضافہ ہوا ہے۔ اس عرصے کے دوران خام مال کی قیمتوں میں دھانگے کی فروخت کے مقابلے میں اضافہ رہا ہے، پاکستانی کرنسی میں گراؤت کی وجہ سے تھپے میں توانائی کے اخراجات اور دیگر ان پت لاگت میں اضافہ ہوا ہے۔

کمپنی میں اسٹریٹجک منصوبہ ہے کہ اس کی مصنوعات کی لائن کے ساتھ نئی خصوصیات کے علاوہ اور پاران کامرکب اور دیگر سپلائنگ پونٹس کے ساتھ مقابلہ کرنے کے لیے پیداواری صلاحیت میں بہتری پیدا ہو۔ بینک کے ساتھ منظوری کے عمل میں 106.000 ملین روپے کی قیمت کے لیے 01 عدد مکمل ترقی قدرتی چیمبر گیس ہز بیسیٹ کے درآمد کی تجویز ہے۔

تاہم، کمپنی کی انتظامیہ کاروباری ترقی کے لیے پرعزم ہے اور اس نے تمام چیلنجوں اور منفی حالات کے باوجود کمپنی کی کارکردگی اور افادیت کو بڑھانے اور آنے والی مدت میں سازگار نتائج کی توقع کی ہے۔

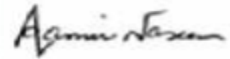
بورڈ کمپنی کے ایگزیکٹوز، افسران، کمپنی کے عملے اور کارکنوں کی انتھک کوششوں کا شکریہ ادا کر رہے ہیں۔

منجانب بورڈ



میاں فرخ نسیم
(ڈائریکٹر)

منجانب بورڈ



میاں عامر نسیم
(چیف ایگزیکٹو)

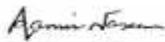
11 ستمبر 2018ء

Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

	Note	(RUPEES IN THOUSAND)	
		Sept. 30, 2018	June 30, 2018
		<u>UN-AUDITED</u>	<u>AUDITED</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	306,319	314,245
Assets subject to finance lease		22,255	23,426
Long term deposits		2,389	2,387
		<u>330,963</u>	<u>340,058</u>
CURRENT ASSETS			
Stores, spares and loose tools		51,952	52,908
Stock in trade		170,083	193,371
Trade debts		88,275	86,908
Loans and advances		5,799	5,526
Trade deposits, prepayments		67,326	56,229
Other receivables		21,695	18,104
Cash and bank balances		35,927	10,633
		<u>441,057</u>	<u>423,679</u>
TOTAL ASSETS		<u><u>772,020</u></u>	<u><u>763,737</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
6,000,000 ordinary shares of Rs. 10/- each		<u>60,000</u>	<u>60,000</u>
Issued, subscribed & paid-up capital		30,000	30,000
Revenue reserves		411,230	386,259
TOTAL EQUITY		<u>441,230</u>	<u>416,259</u>
NON - CURRENT LIABILITIES			
Long term financing		-	-
Liabilities against assets subject to finance lease		10,374	11,729
Deferred liabilities		14,557	14,557
		<u>24,931</u>	<u>26,286</u>
CURRENT LIABILITIES			
Trade and other payables		193,705	196,335
Unclaimed dividend		465	465
Accrued mark up		975	701
Short term borrowings		65,693	84,646
Current portion of long term liabilities		8,178	10,949
Provision for taxation		36,843	28,096
		<u>305,859</u>	<u>321,192</u>
CONTINGENCIES AND COMMITMENTS	6	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>772,020</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

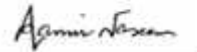
Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

(RUPEES IN THOUSAND)

	Sept. 30, 2018	Sept. 30, 2017
Sales- net	680,932	541,880
Cost of sales	<u>626,240</u>	<u>517,368</u>
GROSS PROFIT	54,692	24,512
Administrative & general expenses	14,518	12,504
Selling and distribution expenses	1,393	1,167
	<u>15,911</u>	<u>13,671</u>
OPERATING PROFIT	38,781	10,841
Finance costs	2,564	2,053
Other charges	<u>2,499</u>	<u>672</u>
	33,718	8,116
Other income	-	946
PROFIT BEFORE TAXATION	33,718	9,062
Taxation	8,747	6,774
PROFIT AFTER TAXATION	<u>24,971</u>	<u>2,288</u>
Basic and diluted earning per share - (Rupees)	<u>8.32</u>	<u>0.76</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
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)


(RUPEES IN THOUSAND)

	Sep.30, 2018	Sep.30, 2017
PROFIT AFTER TAXATION	24,971	2,288
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	<u>24,971</u>	<u>2,288</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

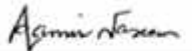
Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN - AUDITED)

(RUPEES IN THOUSAND)

Description	Share Capital	Revenue Reserves		Total Equity
	Issued, subscribed and paid up ordinary shares	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 from Jul. 01,2017 to Sep. 30,2017	-	-	2,288	2,288
Balance as at Sep. 30, 2017	30,000	260,000	111,434	401,434
Total comprehensive income Profit after taxation from Oct. 01,2017 to Jun.30,2018	-	-	22,415	22,415
Transaction with owners Final dividend for the year ended June 30, 2017 @Rs.2.53 per share	-	-	(7,590)	(7,590)
Balance as at June 30, 2018	30,000	260,000	126,259	416,259
Total comprehensive income Profit after taxation from Jul. 01,2018 to Sep. 30,2018	-	-	24,971	24,971
Balance as at Sep. 30, 2018	30,000	260,000	151,230	441,230

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 FLOW FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

	(RUPEES IN THOUSAND)	
	Sep. 30, 2018	Sep. 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	33,718	9,062
Adjustments for non cash charges & other items:		
Depreciation	9,097	9,415
Finance costs	2,563	2,053
Workers' profit participation fund	1,811	487
Workers' welfare fund	688	185
Gain on sale of operating fixed assets	-	(909)
	47,877	20,293
Operating profit before working capital changes		
Adjustments for working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	956	1,432
Stock-in-trade	23,288	(13,451)
Trade debts	(1,367)	15,230
Loans and advances	(273)	(1,977)
Trade deposits and prepayments	(2,348)	24,949
Other receivables	(3,591)	(2,694)
	16,665	23,489
Increase / (decrease) in current liabilities		
Trade and other payables	(5,130)	13,418
Cash generated from operations	59,412	57,200
Finance costs paid	(2,289)	(1,979)
Income tax paid	(8,749)	(6,630)
	(11,038)	(8,609)
Net cash generated from operating activities	48,374	48,591
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of operating fixed assets	-	1,180
Long term deposits paid	(2)	-
Net cash (used) / generated in investing activities	(2)	1,180
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments against long term loans	(2,833)	(2,833)
Payment of lease liability - net	(1,292)	(974)
Proceeds from short term borrowings -net	(18,953)	(42,701)
Net cash (used) in financing activities	(23,078)	(46,508)
NET CASH GENERATED DURING THE QUARTER	25,294	3,263
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,633	13,224
CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	35,927	16,487

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 FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (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.

2. BASIS OF PREPARATION

This condensed interim statement of financial position of the company for the three months period ended September 30, 2018 is unaudited 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 Companies Act 2017. In case where the 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 Section 245 of the Companies Act 2017.

The comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended September 30, 2018 and 2017 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.

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.

5. PROPERTY, PLANT AND EQUIPMENT

	(RUPEES IN THOUSAND)	
	Sep. 30, 2018	Jun. 30, 2018
Operating fixed assets		
Opening net book value	314,245	349,784
Additions during the period/ year		
Plant and machinery	<input type="text" value="-"/>	<input type="text" value="2,975"/>
	-	2,975
Disposals during the period/ year		
Plant and machinery	<input type="text" value="-"/>	<input type="text" value="2,948"/>
	-	2,948
Depreciation charged thereon	7,926	35,566
Closing net book value	<u>306,319</u>	<u>314,245</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies

Counter guarantees of Rs.25.000 million (2018: Rs.25.000 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited against gas connections.

Commitments

There are no capital expenditure commitment during the year and non capital expenditure commitments are amounting to Rs.24.743 million (2018: Rs.21.422 million).

7. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

The purchases from associated undertaking, Sargodha Spinning Mills Limited material of aggregate sum of Rs.Nil (June 30, 2018 : Rs.2.707 million) during the period. The maximum aggregate amount due from associated undertaking at the end of the period was Rs.Nil (June 30, 2018 : Rs.Nil).

8. FINANCIAL RISK MANAGEMENT

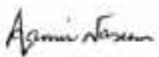
The company financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the company as at and for the year ended June 30, 2018.

9. DATE OF AUTHORIZATION


This condensed interim financial information has been approved by the Board of Directors of of the company and authorized for issue on October 25, 2018.

10. GENERAL


Figures have been rounded off to the nearest thousand rupee.



(Mian Aamir Naseem)
Chief Executive



(Mian Farrukh Naseem)
Director



(Mazhar Hussain)
Chief Financial Officer