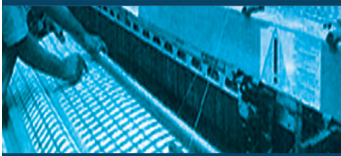




Quarterly Report

March 31, 2015
(Un-Audited)



Shadab Textile Mills Limited



CONTENTS

Company Information	3
Directors' Report	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit & Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8-9
Condensed Interim Statement of Changes in Equity	10
Selected Notes to the Condensed Interim Financial Information	11-12



Shadab Textile Mills Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	Mian Aamir Naseem Mian Farrukh Naseem Mian Shahzad Aslam Mr. Saad Naseem Mr. Ahmed Ali Tariq Mr. Yasir Naseem Mrs. Fatima Aamir	Chief Executive Chairman
AUDIT COMMITTEE	Mr. Saad Naseem Mian Farrukh Naseem Mr. Ahmed Ali Tariq	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian Farrukh Naseem Mian Aamir Naseem Mr. Ahmed Ali Tariq	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	
BANKERS	National Bank of Pakistan 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 condensed interim financial information of the Company for the period and 3rd quarter ended March 31, 2015.

During the period under review, the Company earned pretax profit of Rs.37.345 million as compared to pretax profit of Rs.66.271 million of the corresponding period of previous year. Third quarter of the year showed pretax profit of Rs.13.748 million as compared to profit of corresponding quarter of previous year Rs.3.433 million. Sales made in the third quarter amounts to Rs.465.566 million as compared to sales of corresponding quarter of previous year Rs.540.055 million. Nine monthly sales are decreased to Rs.1,384.769 million as compared to sale of corresponding period Rs.1,518.670 million. Earning per share is Rs.8.53 per share as compared to Rs.13.45 per share.

The profitability of the Company has slashed significantly in the nine months ended March 31, 2015 as compared to the corresponding period of the last year. During the period of third quarter, the Company has achieved better financial results as compared to corresponding period of 3rd quarter mainly due to steady market rates of raw materials. However, unscheduled electricity load shedding and Sui gas cessation is still prevailing over the economy and adversely affecting the industrial sector in shape of low production, resultantly increasing fixed & variable cost per unit.

The Company is regularly investing in expansion & BMR of its machinery and other fixed assets to improve the quality and production. Letter of credit for import of 02 Nos. automatic winder of Italy has established and shipment is schedule in the month of May-2015. The management is expecting improved financial results subject to stabilizing oil & raw material prices, increased local & international demand and improved energy supply to the sector.

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)

Lahore: April 29, 2015



Shadab Textile Mills Limited

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2015

	NOTE	(RUPEES IN THOUSAND)	
		March 31, 2015 (Un-Audited)	June 30, 2014 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	370,391	390,450
LONG TERM DEPOSITS		<u>2,387</u>	<u>2,387</u>
		372,778	392,837
CURRENT ASSETS			
Stores, spares and loose tools		43,824	44,960
Stock in trade		188,849	201,546
Trade debts		79,651	73,963
Loans and advances		3,084	9,964
Trade deposits, prepayments		26,933	20,464
Other receivables		4,436	7,834
Cash and bank balances		<u>2,459</u>	<u>2,881</u>
		349,236	361,612
TOTAL ASSETS		<u>722,014</u>	<u>754,449</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		<u>30,000</u>	<u>30,000</u>
Revenue reserves		<u>340,860</u>	<u>318,269</u>
TOTAL EQUITY		<u>370,860</u>	<u>348,269</u>
NON - CURRENT LIABILITIES			
Long term financing		-	-
Deferred liabilities		<u>63,099</u>	<u>64,562</u>
		63,099	64,562
CURRENT LIABILITIES			
Trade and other payables		<u>156,405</u>	<u>121,385</u>
Accrued mark up		<u>2,786</u>	<u>5,287</u>
Short term borrowings		<u>110,522</u>	<u>178,010</u>
Current portion of long term loans		<u>4,494</u>	<u>23,486</u>
Provision for taxation		<u>13,848</u>	<u>13,450</u>
		288,055	341,618
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>722,014</u>	<u>754,449</u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director




Shadab Textile Mills Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER PERIOD ENDED MARCH 31, 2015

(RUPEES IN THOUSAND)

	Nine months ended		Quarter ended	
	Jul.-Mar. 2015	Jul.-Mar. 2014	Jan.-Mar. 2015	Jan.-Mar. 2014
Sales- net	1,384,769	1,518,670	465,566	540,055
Cost of sales	<u>1,301,564</u>	<u>1,400,906</u>	<u>436,716</u>	<u>517,601</u>
GROSS PROFIT	83,205	117,764	28,850	22,454
Distribution and selling expenses	211	285	153	72
Administrative expenses	30,367	28,548	10,045	9,497
Other expenses	<u>2,760</u>	<u>4,911</u>	<u>1,011</u>	<u>254</u>
	33,338	33,744	11,209	9,823
	<u>49,867</u>	<u>84,020</u>	<u>17,641</u>	<u>12,631</u>
Other income	135	2,512	45	-
PROFIT FROM OPERATIONS	<u>50,002</u>	<u>86,532</u>	<u>17,686</u>	<u>12,631</u>
Finance cost	<u>12,657</u>	<u>20,261</u>	<u>3,938</u>	<u>9,198</u>
PROFIT BEFORE TAXATION	37,345	66,271	13,748	3,433
TAXATION:				
- Current	13,848	8,344	5,366	(1,750)
- Prior	(631)	(1)	-	-
- Deferred	<u>(1,463)</u>	<u>17,579</u>	<u>(945)</u>	<u>458</u>
	11,754	25,922	4,421	(1,292)
PROFIT AFTER TAXATION	<u>25,591</u>	<u>40,349</u>	<u>9,327</u>	<u>4,725</u>
Basic and diluted earning per share - (Rupees)	<u>8.53</u>	<u>13.45</u>	<u>3.11</u>	<u>1.58</u>

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director



Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER PERIOD ENDED MARCH 31, 2015

(RUPEES IN THOUSAND)

	Nine months ended		Quarter ended	
	Jul.-Mar. 2015	Jul.-Mar. 2014	Jan.-Mar. 2015	Jan.-Mar. 2014
PROFIT AFTER TAXATION	25,591	40,349	9,327	4,725
Other Comprehensive Income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	<u>25,591</u>	<u>40,349</u>	<u>9,327</u>	<u>4,725</u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director



Shadab Textile Mills Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	(RUPEES IN THOUSAND)	
	March 31, 2015	March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,345	66,271
Adjustments for:		
Depreciation	30,260	28,336
Finance cost	12,657	20,261
Workers' profit participation fund	2,000	3,559
Workers' welfare fund	760	1,352
Profit on sale of fixed assets	-	(2,512)
Operating profit before working capital changes	83,022	117,267
Adjustments for working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,136	(10,353)
Stock in trade	12,698	(51,251)
Trade debts	(5,688)	29,060
Loans and advances	6,880	(12,295)
Trade deposits and prepayments	(8,212)	912
Other receivables	3,398	1,744
	10,212	(42,183)
Increase / (decrease) in current liabilities		
Trade and other payables	36,128	6,574
Cash generated from operations	129,362	81,658
Finance cost paid	(15,158)	(19,578)
Income tax paid	(11,076)	(14,685)
Workers' profit participation fund paid	(3,894)	(7,345)
	(30,128)	(41,608)
Net cash generated from operating activities	99,234	40,050



Shadab Textile Mills Limited

	(RUPEES IN THOUSAND)	
	March 31, 2015	March 31, 2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for fixed capital expenditure	(10,201)	(73,114)
Capital work in progress	-	(16,428)
Proceeds from disposal of operating fixed assets	-	4,200
Net cash (used in) investing activities	(10,201)	(85,342)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment against long term loans	(18,993)	(23,487)
Proceeds from short term borrowings (net)	(67,488)	72,659
Dividend paid	(2,974)	(4,461)
Net cash (used)/generated from financing activities	(89,455)	44,711
NET CASH (UTILIZED) DURING THE PERIOD	(422)	(581)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,881	5,511
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,459	4,930

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director




Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

(RUPEES IN THOUSAND)

	Share Capital Issued, subscribed & Paid up Ordinary share	Revenue Reserves		
		General Reserve	Un-appropriated profit	TOTAL
Balance as at July 01, 2013	30,000	60,000	219,420	309,420
Total comprehensive income				
Profit after taxation for the period ended March 31, 2014	-	-	40,349	40,349
Transaction with owners				
Final Dividend for the year ended June 30, 2013 @Rs. 1.50 per share	-	-	(4,500)	(4,500)
Transfer to general reserve	-	200,000	(200,000)	-
Balance as at March 31, 2014	30,000	260,000	55,269	345,269
Total comprehensive income				
Profit after taxation for the period ended June 30, 2014	-	-	3,000	3,000
Balance as at June 30, 2014	30,000	260,000	58,269	348,269
Total comprehensive income				
Profit after taxation for the period ended March 31, 2015	-	-	25,591	25,591
Transaction with owners				
Final Dividend for the year ended June 30, 2014 @Rs. 1.00 per share	-	-	(3,000)	(3,000)
Balance as at March 31, 2015	30,000	260,000	80,860	370,860

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


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director



Shadab Textile Mills Limited

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

1. THE COMPANY AND ITS OPERATIONS

The company is registered as a public limited company in Pakistan and quoted on the Karachi and Lahore Stock Exchanges 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, 6-K, Main Boulevard, Gulberg - II, Lahore.

2. BASIS OF PREPARATION

This condensed interim financial information of the company for the nine months period ended March 31, 2015 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 Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information has, however, been subjected to limited scope, as required by the Code of Corporate Governance and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2015 and 2014 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, 2014.

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, 2014, 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, 2014.



Shadab Textile Mills Limited

	(RUPEES IN THOUSAND)	
	March 31, 2015	June 30, 2014
5. <u>PROPERTY, PLANT AND EQUIPMENT</u>		
Operating fixed assets		
Opening net book value	390,450	336,487
Additions during the period/ year		
Buildings	-	20,542
Plant and machinery	8,872	74,210
Vehicles	1,329	-
	10,201	94,752
Disposals during the period/ year		
Plant and machinery	-	1,688
	-	1,688
Depreciation charged thereon	30,260	39,101
Closing net book value	<u>370,391</u>	<u>390,450</u>
6. <u>CONTINGENCIES AND COMMITMENTS</u>		
<u>Contingencies</u>		
Counter guarantees of Rs.14.487 million (June 30, 2014 : Rs. 14.487 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited against gas connections.		
<u>Commitments</u>		
Commitments for capital expenditures amounted to Rs.32.267 million (June 30, 2014 : Rs.3.560 million) and for non capital expenditures amounted to Rs. 18.764 million (June 30, 2014:Rs.3.968 million).		
7. <u>TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING</u>		
The company sold to associated undertaking machinery of aggregate sum of Rs.NIL (June 30,2014: Rs.4.200 million) and purchased from associated undertaking material of aggregate sum of Rs.17.697 million (June 30, 2014 Rs.NIL) during the period. The maximum aggregate amount due from associated undertaking at the end of any month during the period was Rs.0.586 million (June 30, 2014 : Rs.NIL).		
8. <u>FINANCIAL RISK MANAGEMENT</u>		
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, 2014.		
9. <u>DATE OF AUTHORIZATION</u>		
This condensed interim financial information has been approved by the Board of Directors of the company and authorized for issue on April 29, 2015.		
10. <u>GENERAL</u>		
Figures have been rounded off to the nearest thousand rupees.		

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director