



QUARTERLY
REPORT
MARCH 31
2020
(UN-AUDITED)



Shadab Textile Mills Limited



Shadab Textile Mills Limited

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Shadab Textile Mills Limited

COMPANY INFORMATION

CHIEF EXECUTIVE	Mian Aamir Naseem	
BOARD OF DIRECTORS	Mian Farrukh Naseem Mr. Saad Naseem Mr. Yasir Naseem Mr. Hamza Naseem Mrs. Fatima Aamir Mr. Fahad Shafiq Mr. Ghazanfer Feroz	Chairman/Non Executive Director Non Executive Director Executive Director Non Executive Director Non Executive Director Independent Director Independent Director
AUDIT COMMITTEE	Mr. Fahad Shafiq Mian Farrukh Naseem Mr. Hamza Naseem	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Fahad Shafiq Mr. Ghazanfer Feroz Mr. Saad Naseem	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Muhammad Aslam	
COMPANY SECRETARY	Mr. Abdul Wahab	
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	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	Nasimabad, Shakhkot, 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, 2020.

During the period under review, the Company earned profit after tax of Rs.57.295 million as compared to profit after tax of Rs.38.568 million of the corresponding period of previous year. Sales was made amounting to Rs. 1,965.163 million as compared to previous nine months sales of Rs. 1,997.039 million showing decrease of Rs.31.876 million due to pandemic of COVID-19 Government of Pakistan has announced lock down & Mills closed from 24.03.2020. Earning per share is Rs.5.15 as compared to Rs.12.02 per share. The Earning per share for the current year is low due to right issue in the current year and if we exclude the effect of right issue then company earning per share will be Rs.19.10 as compared to Rs.12.86.

During the period under review, the Company has achieved better financial results in the 3rd quarter as compared to 2nd quarter mainly due to increase in yarn sale prices as compared to raw material purchase prices and other input cost.

The Company has strategic plan to diversify its product line, addition of new qualities and blends of yarn and improvement in production capacity to compete with other spinning units. In order to make project more efficient, cost effective and profitable, the management has decided to add new project of 480 spindles (Murata Vortex Spun Yarn) with back process machinery through Right shares capital and sponsors loan. The right issue process has been completed successfully and opening of letters of Credit for purchase of machinery have been established. The management is confident that expansion of production facility will be achieved with in target period. In this connection land & building has also been acquired for new project. We are pleased to mention here that Letters of Credit for import of 02 Nos. Gas Generators of 02 M.W each have also established under approved term finance facility of Rs. 160.000 million by the bank. With this addition the cost of power generation will be decreased.

Sudden outbreak of pandemic COVID-19 in the country followed by lock down of businesses will have negative effect on the financial results of the company in future.

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: April 27, 2020



ڈائریکٹرز رپورٹ

محترم محض یافتگان،

ہم نہایت مسرت کے ساتھ کمپنی کے غیر آڈٹ شدہ حسابات کے گوشوارے برائے ختم ہونے والی مدت نو ماہ اور سہ ماہی 31 مارچ 2020 کو آپ کی خدمت میں پیش کر رہے ہیں۔

زیر نظر مدت کمپنی نے ٹیکس ادا کرنے کے بعد 57.295 ملین روپے کا منافع حاصل کیا ہے جو گزشتہ سال اسی مدت کے لیے 38.568 ملین روپے تھا۔ اس نو ماہی میں سیلز کی مجموعی رقم 1,965.163 ملین روپے ہے جو گزشتہ سال کی نو ماہی سیلز کی رقم 1,997.039 ملین روپے سے 31.876 ملین روپے کم ہے جو کہ عالمی وبا COVID-19 کی وجہ سے حکومت پاکستان نے لاک ڈاؤن اور ملز 24.03.2020 سے بند رکھنے کا اعلان کیا ہے۔ فی شیئر آمدنی گزشتہ نو ماہی 12.02 روپے شیئر کے مقابلے میں 5.15 روپے فی شیئر ہے۔ موجودہ سال میں رائٹ ایٹھ کی وجہ سے رواں سال کے لیے فی شیئر آمدنی کم ہے اور اگر ہم رائٹ ایٹھ کے اثر کو نکال دیں تو کمپنی کے شیئر کی آمدنی 12.86 روپے کے مقابلے میں 19.10 روپے ہوگی۔

زیر جائزہ مدت کے دوران، کمپنی نے دوسری سہ ماہی کے مقابلے میں تیسری سہ ماہی میں بہتر مالیاتی نتائج حاصل کیے ہیں جس کی بنیادی وجہ خام مال کی قیمتوں اور دیگر ان پٹ لاگت کے مقابلے میں دھما گہ فروخت کی قیمتوں میں اضافہ ہے۔

کمپنی میں اسٹریٹجک منصوبہ یہ ہے کہ اس کی مصنوعات کی لائن، نئی خصوصیات کے علاوہ اور دھما گے کا مرکب اور سپننگ پینس کے ساتھ مقابلہ کرنے کے لیے پیداواری صلاحیت میں بہتری پیدا ہو۔ منصوبے کو مزید کامل، لاگت موثر اور منافع بخش بنانے کے لیے انتظامیہ نے رائٹ شیئر ذکیٹل اور سپانسرز قرض کے ذریعے 480 سپنڈلز (مورانہ وار ٹیکس سپن یارن) بمعہ بیک پروسس مشینری نیواضافہ کرنے کا فیصلہ کیا ہے۔ رائٹ ایٹھ کا عمل کامیابی کے ساتھ مکمل ہو چکا ہے۔ اور مشینری کی خریداری کے لیے لیڈ آف کریڈٹ کھولنے کا عمل قائم کیا گیا ہے۔ انتظامیہ کو یقین ہے کہ پیداواری سہولت میں توسیع کو مدد کی مدت کے ساتھ حاصل کیا جائے گا۔ اس سلسلے میں زمین اور عمارت کو نئے منصوبے کے لیے بھی حاصل کر لیا گیا ہے۔ ہمیں یہاں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ دو میگا واٹ کے دو عدد گیس جنریٹرز درآمد کے لیے بھی لیڈ آف کریڈٹ کھل گئے ہیں جو کہ بینک کے منظور شدہ مدنی فنانس سہولت کے تحت 160.000 ملین روپے مقرر ہے۔ اس اضافے کے ساتھ بجلی کی پیداواری لاگت میں کمی واقع ہوگی۔

ملک میں وبائی مرض COVID-19 کا اچانک پھیل جانے کے بعد کاروبار میں لاک ڈاؤن کے بعد مستقبل میں اس کمپنی کے مالی نتائج پر منفی اثر پڑے گا۔

بورڈ کمپنی کے ایگزیکٹوز، افسران، کمپنی کے عملے اور کارکنوں کی انتھک کوششوں کا شکر گزار ہے۔

مخانب بورڈ

مخانب بورڈ

میاں فرخ نسیم
(ڈائریکٹر)

Aamir Naseem

میاں عامر نسیم
(چیف ایگزیکٹو)

لاہور: 27 اپریل 2020ء




Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUTIDED) AS AT MARCH 31, 2020

		NOTE (RUPEES IN THOUSAND)	
		MAR. 31, 2020 (Un-audited)	Jun. 30, 2019 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	373,685	301,426
Right of use assets	6	15,930	18,741
Long term deposits		2,434	2,434
		<u>392,049</u>	<u>322,601</u>
CURRENT ASSETS			
Short term investment		368,779	-
Stores, spares and loose tools		53,728	54,868
Stock in trade		236,859	132,230
Trade debts		107,008	114,590
Loans and advances		72,920	9,278
Trade deposits and prepayments		60,302	77,454
Other receivables		5,532	32,126
Cash and bank balances		30,977	35,881
		<u>936,105</u>	<u>456,427</u>
TOTAL ASSETS		<u>1,328,154</u>	<u>779,028</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
20,000,000 ordinary shares of Rs. 10/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed & paid-up capital		<u>166,000</u>	<u>30,000</u>
Capital reserves		204,000	-
Revenue reserves		501,049	459,354
TOTAL EQUITY		<u>871,049</u>	<u>489,354</u>
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		<u>2,347</u>	<u>6,092</u>
Deferred liabilities		6,205	10,767
		8,552	16,859
CURRENT LIABILITIES			
Trade and other payables		<u>277,421</u>	<u>216,281</u>
Unclaimed dividend		654	523
Accrued mark up		173	538
Short term borrowings		38,798	15,601
Sponsors loan		96,600	-
Current portion of long term loan		5,430	5,730
Provision for taxation		29,477	34,142
		<u>448,553</u>	<u>272,815</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u>1,328,154</u>	<u>779,028</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 (UN-AUDITED) FOR THE NINE MONTHS & QUARTER PERIOD ENDED MARCH 31, 2020

(RUPEES IN THOUSAND)

	Nine months period ended		For the Quarter ended	
	Jul.-Mar. 2020	Jul.-Mar. 2019	Jan.-Mar. 2020	Jan.-Mar. 2019
Sales- net	1,965,163	1,997,039	581,867	638,692
Cost of sales	<u>1,830,148</u>	<u>1,887,789</u>	<u>525,904</u>	<u>591,146</u>
GROSS PROFIT	135,015	109,250	55,963	47,546
Distribution and selling expenses	<u>4,787</u>	<u>4,200</u>	<u>1,379</u>	<u>1,254</u>
Administrative expenses	<u>53,524</u>	<u>45,495</u>	<u>18,065</u>	<u>15,990</u>
Other expenses	<u>6,143</u>	<u>3,509</u>	<u>3,175</u>	<u>1,888</u>
	<u>64,454</u>	<u>53,204</u>	<u>22,619</u>	<u>19,132</u>
	70,561	56,046	33,344	28,414
Other income	<u>18,275</u>	<u>257</u>	<u>10,578</u>	<u>257</u>
PROFIT FROM OPERATIONS	88,836	56,303	43,922	28,671
Finance cost	<u>5,975</u>	<u>8,104</u>	<u>1,107</u>	<u>3,212</u>
PROFIT BEFORE TAXATION	82,861	48,199	42,815	25,459
TAXATION:				
-Current	<u>29,477</u>	<u>24,187</u>	<u>8,728</u>	<u>7,848</u>
-Prior	<u>651</u>	<u>1</u>	<u>138</u>	<u>-</u>
-Deferred	<u>(4,562)</u>	<u>(14,557)</u>	<u>3,689</u>	<u>(2,428)</u>
	25,566	9,631	12,555	5,420
PROFIT AFTER TAXATION	<u>57,295</u>	<u>38,568</u>	<u>30,260</u>	<u>20,039</u>
Basic and diluted earning per share - (Rupees)	<u>5.15</u>	<u>12.02</u>	<u>1.82</u>	<u>6.24</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 COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS & QUARTER PERIOD ENDED MARCH 31, 2020

(RUPEES IN THOUSAND)

	Nine months period ended		For the Quarter ended	
	Jul.-Mar. 2020	Jul.-Mar. 2019	Jan.-Mar. 2020	Jan.-Mar. 2019
PROFIT AFTER TAXATION	57,295	38,568	30,260	20,039
Other Comprehensive Income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>57,295</u>	<u>38,568</u>	<u>30,260</u>	<u>20,039</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 CASH FLOW (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	(RUPEES IN THOUSAND)	
	MAR. 31, 2020	MAR. 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	82,861	48,199
Adjustments for:		
Depreciation	25,875	28,133
Finance cost	5,975	8,104
Workers' profit participation fund	4,452	2,589
Workers' welfare fund	1,691	984
Profit on sale of fixed assets	(4,588)	(257)
Operating profit before working capital changes	116,266	87,752
Adjustments for working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,140	3,124
Stock in trade	(104,629)	398
Trade debts	7,582	8,062
Loans and advances	(63,642)	(1,162)
Trade deposits and prepayments	9,439	11,003
Other receivables	26,594	(10,440)
	(123,516)	10,985
Increase in current liabilities		
Trade and other payables	54,996	2,957
Cash generated from operations	47,746	101,694
Finance cost paid	(6,340)	(7,420)
Income tax paid	(27,078)	(25,274)
Workers' profit participation fund paid	-	(1,849)
	(33,418)	(34,543)
Net cash generated from operating activities	14,328	67,151




Shadab Textile Mills Limited

(RUPEES IN THOUSAND)

	MAR. 31, 2020	MAR. 31, 2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for fixed capital expenditure	(80,163)	(18,898)
Capital work in progress	(25,572)	-
Short term investment	(368,779)	-
Long term deposits	-	(2)
Proceeds from disposal of operating fixed assets	15,000	300
Net cash (used in) investing activities	(459,514)	(18,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Sponsors loan received	96,600	-
Right share capital received	340,000	-
Repayment against long term loans	-	(5,567)
Repayment of lease liability - net	(4,046)	(3,875)
Proceeds from short term borrowings - net	23,197	(25,355)
Dividend paid	(15,469)	(4,892)
Net cash generated from (used in) financing activities	440,282	(39,689)
NET CASH (USED IN) /GENERATED DURING THE PERIOD	(4,904)	8,862
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	35,881	10,633
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	30,977	19,495

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 (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

(RUPEES IN THOUSAND)

	Share Capital	Capital Reserve	Revenue Reserve		Total Equity
	Issued, Subscribed & Paid up Ordinary share	Share Premium	General Reserve	Un-appropriated profit	
Balance as at July 01, 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					
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
Total comprehensive income					
Profit after taxation	-	-	-	39,477	39,477
for the period ended June 30, 2019	-	-	-	-	-
Balance as at June 30, 2019	30,000	-	260,000	199,354	489,354
Total comprehensive income					
Profit after taxation	-	-	-	57,295	57,295
for the period ended March 31, 2020	-	-	-	-	-
Other comprehensive income	-	-	-	57,295	57,295
Total comprehensive income for the period	-	-	-	57,295	57,295
Right Issue of 13,600,000 Shares					
@ Rs. 10.00 with a premium of Rs. 15.00	136,000	204,000	-	-	340,000
Transaction with owners					
Final Dividend for the year ended					
June 30, 2019 @Rs. 5.20 per share	-	-	-	(15,600)	(15,600)
Balance as at March 31, 2020	166,000	204,000	260,000	241,049	871,049

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

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 financial information of the company for the nine months period ended March 31, 2020 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.

These condensed interim financial statements (un-audited) are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017 (the "Act").

The comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2020 and 2019 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, 2019.

3. SIGNIFICANT 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, 2019, except for changes resulting from initial application of standards, amendments or interpretations to existing standards.

Change in accounting policies

The Company has adopted IFRS 16 'Leases' from 01 July 2019 which is effective from annual periods beginning on or after 01 January 2019 and the key changes to the Company's accounting policies resulting from adoption of IFRS 16 are summarized below:

3.1 IFRS 16 'Leases'

IFRS 16 has introduced a single, on-balance sheet accounting model for lessees. As a result, the entity, as a lessee has recognized right-of-use asset representing its rights to use the underlined assets and lease liabilities representing its obligation to make lease payments. The Company has applied IFRS 16 using the modified retrospective approach. The details of the changes in accounting policies are disclosed below.



Shadab Textile Mills Limited

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the reducing balance method. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company did not have any property leases arrangement therefore, adoption of IFRS 16 at 1 July 2019 did not have an effect on the condensed interim financial information of the Company except the reclassification of leased assets as Right-of-use assets (refer note 5.1).

3.2 FINANCIAL RISK MANAGEMENT, FINANCIAL INSTRUMENT AND ACCOUNTING ESTIMATES AND JUDGEMENT

3.2.1 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2019.

3.2.2 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair value.

3.2.3 Accounting estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that effect the application of the accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2019.

4. ESTIMATES

The preparation of this condensed interim financial information in conformity with 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 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, 2019.



Shadab Textile Mills Limited

		(RUPEES IN THOUSAND)	
	Note	MAR. 31, 2020	Jun. 30, 2019
5. <u>PROPERTY, PLANT AND EQUIPMENT</u>			
Operating fixed assets	5.1	348,113	301,426
Capital work in progress	5.2	25,572	-
		<u>373,685</u>	<u>301,426</u>
Operating fixed assets			
Opening net book value		301,426	314,245
Additions during the period/ year			
Land		38,423	-
Building		36,147	-
Plant and machinery		-	10,257
Vehicles		5,593	10,667
Office equipments		-	290
		80,163	21,214
Disposals during the period/ year			
Plant and machinery		10,412	-
Vehicles		-	815
		10,412	815
Depreciation charged thereon		23,064	33,218
Closing net book value	5.1	<u>348,113</u>	<u>301,426</u>
Capital work in progress	5.2	<u>25,572</u>	<u>-</u>
6. <u>RIGHT OF USE ASSETS</u>			
Opening balance		18,741	23,426
Transfer from operating assets		-	-
Additions during the period / year		-	-
Depreciation for the period		(2,811)	(4,685)
Net book value		<u>15,930</u>	<u>18,741</u>

7. CONTINGENCIES AND COMMITMENTS

Contingencies

Counter guarantees of Rs.25.000 million (June 30, 2019 : 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 capital expenditure amounted to Rs.403.937 million (June 30, 2019 Rs. Nil) and for non capital expenditure amounted to Rs.33.548 million (June 30, 2019: Rs.39.983 million).



Shadab Textile Mills Limited

8. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

The purchases from associated undertaking, Sargodha Spinning Mills Limited, material of aggregate was Rs. Nil (June 30, 2019 : Rs.7.735 million) during the period. The maximum aggregate amount due to associated undertaking at the end of any month during the period was Rs. Nil (June 30, 2019: Rs. Nil).

(RUPEES IN THOUSAND)


	Jul - MAR 2020	Jul - MAR 2019
9. <u>EARNING PER SHARE - BASIC AND DILUTED</u>		
There is no dilutive effect on the basic earning per share of the company. The comparative figures are restated.		
Profit after taxation	57,295	38,568
Weighted average number of ordinary shares outstanding during the year (No. in '000)	11,126	6,181
Basic earning per share (Rupees)	5.15	6.24

10. 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 27, 2020.

11. GENERAL

Figures have been rounded off to the nearest thousand rupees.


(Mian Aamir Naseem)
Chief Executive


(Mian Farrukh Naseem)
Director


(Muhammad Aslam)
Chief Financial Officer