



*Condensed Interim
Financial Information
for the Half Year ended
December 31, 2016*

Shahtaj Textile Limited

Shahtaj Textile Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muneer Nawaz Chairman
Mr. M. Naeem Chief Executive
Mr. Mahmood Nawaz
Mr. Saleem Zamindar (NIT)
Mr. Sohail Habib
Mr. Toqueer Nawaz
Mrs. Sadia Mohammad
Mr. Muhammad Usman Khalid
Lt. Col. (Retd.) R.D. Shams

COMPANY SECRETARY

Mr. Jamil Ahmad Butt, FCMA

AUDIT COMMITTEE OF THE BOARD

Mr. Toqueer Nawaz Chairman
Mr. Muneer Nawaz Member
Mr. Saleem Zamindar Member
Mr. Jamil Ahmad Butt, FCMA Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD

Mr. Muneer Nawaz Chairman
Mr. M. Naeem
Mr. Muhammad Usman Khalid

AUDITORS

Deloitte Yousuf Adil.
Chartered Accountants.
Cavish Court, A-35, Block 7 & 8 KCHS,
Shahrah-e-Faisal, Karachi 75350.

BANKS

Bank Alfalah Limited
United Bank Limited
Meezan Bank Ltd.
The Bank of Punjab
MCB Bank Limited
Faysal Bank Limited
Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Al-Habib Limited

LEGAL ADVISOR

Mr. Ras Tariq Chaudhary
30-Mall Mansion
The Mall
Lahore.

HEAD OFFICE

Shahnawaz Building, 19-Dockyard Road,
West Wharf, Karachi-74000
Ph: 32313934-8, 32312834, 32310973
Fax: 32205723, 32310623
Website: www.shahtaj.com

REGISTERED OFFICE

27-C Abdalian Co-opertive
Hosing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

MARKETING OFFICE

27-C Abdalian Co-opertive
Hosing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

FACTORY

46 K.M. Lahore/Multan Road
Chunian Industrial Estate
Bhai Pheru, Distt. Kasur, Punjab.
Ph: (049) 4540430-32, 4540133, 4540234
Fax: (049) 4540031

SHARE REGISTRAR

Jwaffs Registrar Services (Pvt.) Ltd.
Suite # 407,408, 4th Floor, Al-Ameera Centre,
Shahrah-e-Iraq, Near Passport Office,
Saddar Karachi.
Tel: 35662023-24 Fax: 35221192

Shahtaj Textile Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Directors are pleased to present un-audited Condensed Interim Financial Information of the Company for the six months period ended on December 31, 2016 together with limited scope review by the Auditors.

By the grace of Allah operating results of the Company have been positive and Company has earned an after tax profit of Rs.47.594 million with an EPS of Rs 4.93. Net sales also increased by 15.7 % in comparison with the corresponding period of the last year. The factors contributing towards this improvement have been slight increase in the selling prices, higher export sales and lower fixed unit cost due to better production in the current period which was very low in the corresponding period due to closure of mill for few days for necessary maintenance as was pointed out in the previous reports. Finance cost was also less due to better cash flow management and reduction in KIBOR rates.

The Company's BMR programme is going on track. Sampling machine, overhead cleaners and 22 new looms are already in operation while the new sizing machine is currently under installation. The additional new compressor will also arrive in the current quarter. With replacement and additions of these equipments, our operation will improve further in terms of quality and production volume.

Greige fabric market is currently under a bearish run. The weaving business is experiencing difficult market conditions because of lower product demand and higher yarn prices. Rupee Dollar parity remained stable which is a negative factor in our export competitiveness. Although, the government managed to provide RLNG to the industry on 24/7 basis but the cost of RLNG is detrimentally high which is affecting the profitability adversely.

The Government has recently announced textile incentive package. By virtue of this package, sales tax has been removed on import of plant and machinery and export rebate will be given to textile exporters. In order to take advantage of this limited window of opportunity, in spite of present difficult situation, the company is planning to expand the factory further to its maximum physical limit by installing another 53 high speed looms along with one Gas genset and other support and allied equipment. The financing arrangement will be based mainly on State bank of Pakistan's concessionary Long Term Financing Facility (LTFF) scheme for textile sector. These additions will further improve the capacity and efficiency of the mill and in turn its financial performance.

Appreciation

Directors acknowledge with thanks the hard work put in by the employees of the Company.

for and on behalf of the Board of Directors



(M. Naeem)

Chief Executive

Karachi:

February 24, 2017

Shahtaj Textile Limited

ڈائریکٹر ز رپورٹ برائے حصہ داران

ڈائریکٹر مسرت کے ساتھ 31 دسمبر 2016 کو ختم ہونے والی ششماہی پر کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات آڈیٹر کی محدود دائرہ کار پر مشتمل رپورٹ کے ساتھ پیش کرتے ہیں۔

الحمد للہ کمپنی کے مالیاتی نتائج مثبت رہے اور بعد از ٹیکس منافع 47.594 ملین روپے رہا یعنی 4.93 روپے فی حصہ۔ خالص فروخت میں بھی گزشتہ مالی سال کی ششماہی کی نسبت 15.7% کا اضافہ ہوا۔ اس بہتری کی وجوہات قیمت فروخت میں معمولی اضافہ، برآمدات میں اضافہ اور کم لاگت پر یونٹ کا حصول ہے جس کی وجہ موجودہ ششماہی کے دوران بہتر پیداوار ہے جو گزشتہ مالی سال کے اسی دورانیہ کے مقابلے میں ضروری مرمت کی غرض سے چند دن مل کی بندش کی وجہ سے انتہائی کم رہی جس کا اظہار گزشتہ رپورٹس میں بھی کیا گیا تھا کیش فلو کے بہتر انتظام اور بینک کا بنور کی شرح میں کمی کے وجہ سے مالیاتی لاگت میں بھی کمی آئی۔

کمپنی کا بی ایم آر (BMR) پروگرام طے شدہ منصوبہ کے تحت جاری ہے۔ نمونہ جات بنانے کی مشین، اوور ہیڈ کلیئرز اور 22 عدد نئی لومز پہلے سے ہی کام کر رہی ہیں جبکہ نئی سائزنگ مشین کی تنصیب کا کام جاری ہے۔ اضافی نیا کمپیوٹر بھی موجودہ سہ ماہی کے دوران پہنچ جائے گا۔ ان آلات کی تبدیلی و اضافے کے ساتھ، ہماری پیداواری صلاحیت اور معیار میں اضافہ ہوگا۔

کورے کپڑے کی منڈی میں مندی کا رجحان جاری ہے۔ ویونگ کا کاروبار سخت مشکلات کا شکار ہے جس کا باعث خام کپڑے کی کم مانگ اور دھاگہ کی زائد قیمت ہیں۔ ڈالر کے مقابلہ میں پاکستانی روپے کا استحکام مقابلہ کی فضا میں ہمارے کاروبار کے لئے ایک منفی پہلو ہے۔ اگرچہ گورنمنٹ توانائی کی ضرورت کو پورا کرنے کے لئے کمپنی کو ہفتہ کے سات دن لگاتار چومیس گھنٹے آریل این جی (RLNG) فراہم کر رہی ہے، تاہم توانائی کے اس ذریعہ کی لاگت بہت زیادہ ہے جو ہمارے منافع کے لئے ناموافق ہے۔

گورنمنٹ نے گزشتہ دنوں ٹیکسٹائل انڈسٹری کی حوصلہ افزائی کے لئے پیکیج کا اعلان کیا ہے۔ اس پیکیج کی وجہ سے مشینری اور پلانٹ کی درآمد پر سیلز ٹیکس کی چھوٹ اور برآمدات پر برآمد کنندگان کو ریپیٹ ملے گا۔ ان محدود مواقع سے فائدہ حاصل کرنے کے لئے، موجودہ مشکل صورتحال کے باوجود، کمپنی فیکٹری میں مزید توسیع کا منصوبہ بنا رہی ہے جس کے تحت 53 تیز ترین لومز، ایک گیس جزیٹر سیٹ اور دوسرے مددگار آلات نصب کئے جائیں گے۔ اس حوالہ سے مالیاتی انتظامات کے لئے اسٹیٹ بینک آف پاکستان رعایتی اسکیم لانگ ٹرم فنانسنگ فیسیلٹی (ایل ٹی ایف ایف) سے جو ٹیکسٹائل سیکٹر کے لئے ہے استفادہ حاصل کیا جائے گا۔ یہ تنصیبات صلاحیت اور کارکردگی میں مزید اضافہ کا باعث ہوں گی جو بہتر مالیاتی نتائج کا موجب ہوں گے۔

حوصلہ افزائی

ڈائریکٹر کمپنی کے تمام ملازمین کی انتھک محنت کا شکر گزاری کے ساتھ اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز



(ایم نعیم)

چیف ایگزیکٹو آفیسر

کراچی

24 فروری 2017

Shahtaj Textile Limited

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of SHAHTAJ TEXTILE LIMITED (the Company) as at December 31, 2016, the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after to referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting, Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

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 information 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 information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards, as applicable in Pakistan for interim financial reporting.

Karachi:
February 24, 2017



Chartered Accountants
Mushtaq Ali Hirani
Engagement Partner

Shahtaj Textile Limited

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2016

		(Unaudited) December 31, 2016	(Audited) June 30, 2016
	Note	----- Rupees -----	-----
EQUITY AND LIABILITIES			
Share capital and reserves	5	894,845,296	890,453,010
Surplus on revaluation of property, plant and equipment		5,048,327	5,360,732
NON - CURRENT LIABILITIES			
Long-term finances		285,319,000	82,276,000
Deferred liabilities		99,268,700	95,163,619
		384,587,700	177,439,619
CURRENT LIABILITIES			
Trade and other payables		254,645,588	201,283,787
Accrued markup		6,245,712	6,607,566
Short-term borrowings		381,045,518	304,979,140
Current portion of long term finances		39,892,770	50,205,540
		681,829,588	563,076,033
TOTAL EQUITY AND LIABILITIES		1,966,310,911	1,636,329,394
CONTINGENCIES AND COMMITMENTS 6			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	985,318,797	799,161,315
Long-term loan to employees		1,114,402	1,395,717
Long-term deposits		28,963,881	28,972,381
		1,015,397,080	829,529,413
CURRENT ASSETS			
Stores, spares and loose tools		57,371,381	50,290,708
Stock-in-trade		417,490,713	355,914,897
Trade debts		235,635,101	202,988,914
Loan and advances		7,282,991	1,393,797
Trade deposits and short-term prepayments		6,101,258	954,118
Other receivables		5,901,491	8,533,375
Taxation - net		78,329,027	74,553,864
Sales tax refundable		127,262,873	91,603,679
Other financial assets		7,576,232	7,425,268
Cash and bank balances		7,962,764	13,141,361
		950,913,831	806,799,981
TOTAL ASSETS		1,966,310,911	1,636,329,394

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Note -----		Rupees -----	
Sales - net	1,726,734,012	1,492,152,965	821,503,174	781,704,520
Cost of goods sold	(1,568,856,645)	(1,376,661,137)	(750,047,374)	(720,882,077)
Gross profit	157,877,367	115,491,828	71,455,800	60,822,443
Other income	6,564,612	309,736	3,399,697	(230,051)
	164,441,979	115,801,564	74,855,497	60,592,392
Distribution cost	(32,617,841)	(29,287,996)	(16,578,252)	(15,670,039)
Administrative expenses	(39,981,547)	(38,316,373)	(20,195,157)	(19,735,898)
Other operating expenses	(5,069,432)	(1,798,014)	(2,012,527)	(1,024,469)
Finance cost	(19,624,188)	(23,410,460)	(9,388,632)	(11,610,514)
	(97,293,008)	(92,812,843)	(48,174,568)	(48,040,920)
Profit before taxation	67,148,971	22,988,721	26,680,929	12,551,472
Taxation	8 (19,554,686)	(4,495,830)	(8,928,728)	(1,155,910)
Profit after taxation	47,594,285	18,492,891	17,752,201	11,395,562
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	47,594,285	18,492,891	17,752,201	11,395,562
Earnings per share - basic and diluted	4.93	1.91	1.84	1.18

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM CASH FLOW STATEMENT(UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	-----Rupees-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,148,971	22,988,721
Adjustments for		
Depreciation	39,301,391	41,793,309
Finance cost	19,624,188	23,410,460
Loss / (gain) on disposal of property, plant and equipment	27,338	(171,960)
Provision for gratuity and leave encashment	9,516,960	6,894,278
Provision for bonus and ex-gratia	14,185,193	14,478,076
Interest income	(214,843)	(241,910)
Operating cash flows before movements in working capital	149,589,198	109,150,974
Increase / (decrease) in current assets		
Stores, spares and loose tools	(7,080,673)	(4,348,249)
Stock in trade	(61,575,816)	13,826,817
Trade debts	(32,646,187)	(40,935,451)
Loans and advances	(5,889,194)	(1,791,258)
Trade deposits and short term prepayments	(5,147,140)	(4,731,490)
Other receivables	2,631,884	276,283
Sales tax refundable	(35,659,194)	(11,491,400)
Other financial assets	(150,964)	366,555
Increase / (decrease) in current liabilities		
Trade and other payables	52,032,422	(8,884,549)
Cash generated from operations	56,104,336	51,438,232
Gratuity and leave encashment paid	(6,461,631)	(6,464,359)
Bonus/ex-gratia paid	(14,185,193)	(14,478,076)
Finance cost paid	(19,986,041)	(24,241,762)
Interest received	214,843	241,910
Taxes paid	(22,324,502)	(12,883,887)
Net cash used in operating activities	(6,638,188)	(6,387,942)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(225,684,211)	(10,266,863)
Proceeds from disposal of property, plant and equipment	198,000	697,450
Long term loans recovered / (disbursed) - net	281,315	(73,486)
Long term deposits received / (paid)	8,500	(1,654,937)
Net cash used in investing activities	(225,196,396)	(11,297,836)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finances obtained	217,833,000	-
Repayment of long-term finances	(25,102,770)	(20,270,770)
Dividend paid	(42,140,621)	(23,451,416)
Net cash generated from / (used in) financing activities	150,589,609	(43,722,186)
Net decrease in cash and cash equivalents (A+B+C)	(81,244,975)	(61,407,964)
Cash and cash equivalents at July 1	(291,837,779)	(286,263,634)
Cash and cash equivalents at December 31	(373,082,754)	(347,671,598)
Cash and cash equivalents		
Cash and bank balances	7,962,764	14,960,847
Short term borrowings	(381,045,518)	(362,632,445)
	(373,082,754)	(347,671,598)

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Share capital	Revenue reserves		Total
	Issued, subscribed and paid up capital	General reserve	Unappropriated profit	
Balance at July 01, 2015	96,600,000	590,000,000	132,403,138	819,003,138
Comprehensive income				
Profit for the period	-	-	18,492,891	18,492,891
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	18,492,891	18,492,891
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	298,509	298,509
Transferred to general reserve	-	25,000,000	(25,000,000)	-
Transaction with owners				
Final dividend for the year ended June 30, 2015 @ Rs. 2.5 per share	-	-	(24,150,000)	(24,150,000)
Balance at December 31, 2015	96,600,000	615,000,000	102,044,538	813,644,538
Balance at July 01, 2016	96,600,000	615,000,000	178,853,010	890,453,010
Comprehensive income				
Profit for the period	-	-	47,594,285	47,594,285
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	47,594,285	47,594,285
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	268,001	268,001
Transferred to general reserve	-	50,000,000	(50,000,000)	-
Transaction with owners				
Final dividend for the year ended June 30, 2016 @ Rs. 4.50 per share	-	-	(43,470,000)	(43,470,000)
Balance at December 31, 2016	96,600,000	665,000,000	133,245,296	894,845,296

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


(M. NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1. STATUS AND NATURE OF BUSINESS

Shahtaj Textile Limited (the Company) is limited by shares, incorporated in Pakistan on January 24, 1990 under the Companies Ordinance, 1984, as a public limited Company. The shares of the Company are quoted on Pakistan Stock Exchange. The principal business of the Company is to manufacture and sale of textile goods. The registered office of the Company is situated at 27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Pakistan and the manufacturing facility of the Company is located at 46 km, Lahore/Multan Road, Chumian Industrial Estate, Bhai Pheru, District Kasur in the province of Punjab; however, the Head Office is located at Shah Nawaz Building, 19 - Dockyard Road, West Wharf, Karachi - 74000.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the half year ended December 31, 2016 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 requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.

2.2 "The financial statements have been prepared under the historical cost basis modified by:
- revaluation of certain property, plant and equipment
- financial instrument at fair value
- recognition of certain staff retirement benefits at net present value"

2.3 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information have been rounded off to the nearest rupee.

2.4 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of Pakistan Stock Exchange regulations and they have issued their review report thereon. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

2.5 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2016, whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from the unaudited condensed interim financial information for the half year ended December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2016. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2016, which do not have any impact on this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2016.

Note	(Unaudited)	(Audited)
	December 31, 2016	June 30, 2016
	-----Rupees-----	
5. SHARE CAPITAL AND RESERVES		
Authorized		
10,000,000 Ordinary shares of Rs.10 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up		
9,660,000 Ordinary shares of Rs.10 each	<u>96,600,000</u>	<u>96,600,000</u>
General reserve	<u>665,000,000</u>	<u>615,000,000</u>
Unappropriated profit	<u>133,245,296</u>	<u>178,853,010</u>
	<u>894,845,296</u>	<u>890,453,010</u>
6. CONTINGENCIES AND COMMITMENTS		
6.1 Contingencies		
Guarantee issued by bank on behalf of the Company in favor of Sui Northern Gas Pipelines Limited (SNGPL)	<u>20,400,000</u>	<u>20,400,000</u>
Bills discounted with recourse	<u>246,155,239</u>	<u>152,899,262</u>
Other contingency is same as disclosed in the note 11.1 to the financial statements for the year ended June 30, 2016.		
6.2 Commitments		
Capital expenditure	<u>27,193,880</u>	<u>217,420,000</u>
Sale contracts to be executed	<u>684,780,063</u>	<u>510,343,247</u>
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	7.1 <u>776,279,528</u>	<u>786,770,636</u>
Capital work in progress	7.2 <u>209,039,269</u>	<u>12,390,679</u>
	<u>985,318,797</u>	<u>799,161,315</u>

7.1 Details of additions and disposals to operating fixed assets are as under:

Shahtaj Textile Limited

	Half year ended December 31, 2016 (Un-audited)		Half year ended December 31, 2015 (Un-audited)	
	Additions/ transfers	Disposals (book value)	Additions/ transfers	Disposals (book value)
	(Rupees)			
Building on freehold land	1,828,405	-	-	-
Plant and machinery	23,575,070	-	32,490,643	-
Furniture and fixtures	21,999	-	98,500	-
Equipment and installations	292,936	-	-	-
Computer equipment	759,900	225,338	26,500	-
Vehicles	2,557,315	-	3,530,165	525,490
	29,035,625	225,338	36,145,808	525,490

7.2 Details of additions and transfers from capital work-in-progress are as under:

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Unaudited)			
	(Rupees)			
Plant and machinery	221,467,686	22,739,835	4,429,410	30,308,355
Buildings	2,079,885	1,828,405	-	-
Vehicles	226,573	2,557,315	-	-
	223,774,144	27,125,555	4,429,410	30,308,355

8. TAXATION

	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Unaudited)			
	(Rupees)			
Current	18,549,339	11,909,382	9,044,995	8,569,462
Prior year	-	(6,495,649)	-	(6,495,649)
Deferred	1,005,347	(917,903)	(116,267)	(917,903)
	19,554,686	4,495,830	8,928,728	1,155,910

Tax contingencies are same as disclosed in the note 30.3 to the financial statements for the year ended June 30, 2016.

9. FAIR VALUE HIERARCHY

9.1 The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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 or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the company's financial assets which are carried at fair value:

	December 31, 2016			June 30, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees)					
Financial assets - at fair value						
Treasury Bills	-	7,576,232	-	-	7,425,268	-

There were no transfers between levels during the period/year.

There were no changes in valuation techniques during the period/year.

9.2 The Company's plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's plant and machinery carried out in February, 2015 were performed by M/s Asif Associates (Private) Limited (valuer) an independent valuer. The valuer is listed on panel of Pakistan Banks Association and have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Details of Company's plant and machinery and information about the fair value hierarchy as at end of December 31, 2016 are as follows:

	December 31, 2016			June 30, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees)					
Financial assets - at fair value						
Plant and machinery	-	640,250,885	-	-	649,851,438	-

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related parties and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	(Unaudited)	
		December 31, 2016	December 31, 2015
		(Rupees)	
Key management personnel	Remuneration	8,236,200	7,601,200
Associated undertakings			
- Shezhan International Limited	Purchase of goods	-	146,318
- Shah Nawaz (Private) Limited	Purchase of computer equipment and supplies	794,649	63,100
	Administrative services received	341,516	359,016
	Services received for vehicles repair	4,524	34,651
Other related party			
- FGE LLC	Sale of fabric	4,413,558	-
Balances due to related parties	Commission on sales	4,295,801	-
- Shah Nawaz (Private) Limited		883,491	204,500
- FGE LLC		1,098,267	-

11. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue on February 24, 2017 by the Board of Directors of the Company.


(M. NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

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