



*Condensed Interim  
Financial Statements  
for the quarter ended  
September 30, 2012*

**Shahtaj Textile Limited**

# Shahtaj Textile Limited

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Muneer Nawaz Mr. M. Naeem Mr. Mahmood Nawaz Mr. Farooq Hassan (NIT) Mr. Toqueer Nawaz Mrs. Sadia Mohammad Lt. Col. (Retd.) R.D. Shams	Chairman Chief Executive
<b>COMPANY SECRETARY</b>	Mr. Jamil Ahmad Butt, FCMA	
<b>AUDIT COMMITTEE OF THE BOARD</b>	Mr. Muneer Nawaz Mr. Mahmood Nawaz Syed Muhammad Farooq	Chairman Member Secretary
<b>HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD</b>	Mr. Muneer Nawaz Mr. Farooq Hassan Mr. M. Naeem	
<b>AUDITORS</b>	M. Yousuf Adil Saleem & Co. Chartered Accountants. Cavish Court, A-35, Block 7 & 8 KCHS, Shahrah-e-Faisal, Karachi 75350.	
<b>BANKS</b>	Habib Bank Limited MCB Bank Limited The Bank of Punjab United Bank Limited Bank Alfalah Limited Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited HSBC Bank Middle East Limited	
<b>LEGAL ADVISOR</b>	Mr. Ras Tariq Chaudhary 30-Mall Mansion The Mall Lahore.	
<b>HEAD OFFICE</b>	Shahnawaz Building, 19-Dockyard Road, West Wharf, Karachi-74000 Ph: 32313934-8, 32312834, 32310973 Fax: 32205723, 32310623 Website: www.shahtaj.com	
<b>REGISTERED OFFICE</b>	100-B/3, M. M. Alam Road, Culberg-III, Lahore-54660 Tel: (042) 35772991-3 Fax: (042) 35772999	
<b>MARKETING OFFICE</b>	27-C Abdalian Co-opertive, Hosing Society, Lahore, Ph: (042) 35313891-92, 35301596-99 Fax: (042) 35301594	
<b>FACTORY</b>	46 K.M. Lahore/Multan Road Chunian Industrial Estate Bhai Pheru, Distt. Kasur, Punjab. Ph: (049) 4540430-32, 4540133, 4540234 Fax: (049) 4540031	
<b>SHARE REGISTRAR</b>	Corporate Support Services (Pvt.) Limited 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 unaudited Financial Statements of the Company for the first quarter ended 30th September, 2012.

By the grace of God Almighty operating results of the quarter have been positive and Company has earned an after tax profit of Rs.37.178 million with an EPS of Rs.3.85. This profit however is less than the corresponding period of last year for the main reason that sales have been less due to slow down in market as reported in the Annual Accounts.

Further Company is currently facing problem of longer periods of load-shedding by WAPDA. With ensuing load shedding period of gas this problem is likely to aggravate further as resorting to self-generation through diesel will erode profits considerably.

### 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)

Karachi: October 25, 2012

Chief Executive

# Shahtaj Textile Limited

## BALANCE SHEET AS AT SEPTEMBER 30, 2012

	Unaudited September 30, 2012 Rupees	Audited June 30, 2012 Rupees
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised 10,000,000 Ordinary shares of Rs.10/-each	100,000,000	100,000,000
Issued, subscribed and paid-up capital	96,600,000	96,600,000
General reserve	470,000,000	420,000,000
Unappropriated profits	108,339,260	120,186,009
	674,939,260	636,786,009
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax</b>	53,067,805	54,043,106
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing	325,968,642	336,986,413
Deferred liabilities	83,735,008	83,094,525
	409,703,650	420,080,938
<b>CURRENT LIABILITIES</b>		
Trade and other payables	157,991,320	160,781,705
Interest accrued	27,385,557	27,142,918
Short term borrowings	480,135,702	424,423,083
Current portion of long-term financing	127,330,292	127,215,292
	792,842,871	739,562,998
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
	<b>1,930,553,586</b>	<b>1,850,473,051</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	865,478,936	884,750,166
Long-term loans	895,935	676,939
Long-term deposits	27,310,337	27,310,337
	893,685,208	912,737,442
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	41,686,707	42,295,212
Stock-in-trade	399,343,858	316,211,773
Trade debts	529,212,045	510,382,408
Loans and advances	4,977,298	1,946,707
Trade deposits and short-term prepayments	4,194,517	1,263,883
Interest accrued	21,504	21,156
Other receivables	10,404,793	11,590,217
Taxation - net	8,702,274	20,776,878
Sales tax refundable	26,927,108	18,076,050
Other financial assets	5,400,000	4,400,000
Cash and bank balances	5,998,274	10,771,325
	1,036,868,378	937,735,609
	<b>1,930,553,586</b>	<b>1,850,473,051</b>

The annexed notes from 1 to 7 form an integral part of these financial statements.

  
(M.NAEEM)  
Chief Executive

  
(MUNEER NAWAZ)  
Chairman

# Shahtaj Textile Limited

## PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UNAUDITED)

	Note	First Quarter ended on	
		September 30, 2012 Rupees	September 30, 2011 Rupees
Sales - net	1	945,978,516	1,130,497,931
Cost of goods sold	2	(833,896,644)	(1,003,348,997)
Gross profit		112,081,872	127,148,934
Other operating income	3	2,097,312	4,367,731
		114,179,184	131,516,665
Distribution cost		(11,515,026)	(9,117,443)
Administrative expenses		(14,473,922)	(11,222,283)
Other operating expenses		(4,239,078)	(5,150,585)
Finance cost		(26,754,316)	(36,530,786)
		(56,982,342)	(62,021,097)
Profit before taxation		57,196,842	69,495,568
Taxation		(20,018,895)	(24,323,449)
Profit after taxation		37,177,947	45,172,119
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>37,177,947</b>	<b>45,172,119</b>
Earnings per share - Basic and diluted		3.85	4.68

The annexed notes from 1 to 7 form an integral part of these financial statements.



**(M.NAEEM)**

Chief Executive



**(MUNEER NAWAZ)**

Chairman

# Shahtaj Textile Limited

## CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UNAUDITED)

Note	First Quarter ended on	
	September 30, 2012 Rupees	September 30, 2011 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	57,196,842	69,495,568
Adjustments for:		
Depreciation	20,880,780	18,219,013
Finance cost	26,754,316	36,530,786
Provision for gratuity and leave encashment	3,143,674	2,601,265
Interest income	(36,260)	(106,604)
Operating cash flows before movements in working capital	107,939,352	126,740,028
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	608,505	(2,983,843)
Stock-in-trade	(83,132,085)	102,190,783
Trade debts	(18,829,637)	(220,269,828)
Loans and advances	(3,030,591)	3,126,010
Trade deposits and short term prepayments	(2,930,634)	(2,133,674)
Other receivables	1,185,424	148,400
Other financial assets	(1,000,000)	(800,000)
Sale tax refundable	(8,851,058)	(19,984,780)
<b>Increase / (decrease) in current assets</b>		
Trade and other payables	(2,769,596)	(61,988,867)
Cash generated from operations	(10,810,320)	(75,955,771)
Gratuity and leave encashment paid	(2,495,391)	(1,779,902)
Interest paid	(26,511,678)	(35,403,655)
Income taxes paid	(7,944,291)	(15,371,205)
Net cash used in operating activities	(47,761,680)	(128,510,533)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(1,609,555)	(7,531,091)
Long-term loans	(218,996)	(222,695)
Long-term deposits	-	178,607
Interest received	35,912	101,256
Net cash used in investing activities	(1,792,639)	(7,473,923)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term financing	(10,902,771)	(9,395,771)
Dividend paid	(28,580)	(35,350)
Net cash used in financing activities	(10,931,351)	(9,431,121)
<b>Net decrease in cash and cash equivalents</b>	(60,485,670)	(145,415,577)
<b>Cash and cash equivalents at July 1</b>	(413,651,758)	(456,739,939)
<b>Cash and cash equivalents at September 30</b> 4	(474,137,428)	(602,155,516)

The annexed notes from 1 to 7 form an integral part of these financial statements.

  
**(M. NAEEM)**  
Chief Executive

  
**(MUNEEB NAWAZ)**  
Chairman

# Shahtaj Textile Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UNAUDITED)

	Share capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
		Rupees		
<b>Balance at June 30, 2011</b>	96,600,000	270,000,000	234,861,368	601,461,368
<b>Comprehensive income</b>				
Profit after taxation for the year ended June 30, 2012	-	-	87,279,852	87,279,852
<b>Total comprehensive income</b>				
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation (net of deferred taxation)	-		6,004,789	6,004,789
Transferred to general reserve	-	150,000,000	(150,000,000)	
<b>Transactions with owners</b>				
Final Dividend for the year ended June 30, 2011 @ Rs. 6.00 per share	-	-	(57,960,000)	(57,960,000)
<b>Balance at June 30, 2012</b>	96,600,000	420,000,000	120,186,009	636,786,009
<b>Comprehensive income</b>				
Profit after taxation for the quarter ended September 30, 2012	-		37,177,947	37,177,947
<b>Total comprehensive income</b>				
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation (net of deferred taxation)	-	975,304		975,304
Transferred to general reserve	-	50,000,000	(50,000,000)	-
<b>Balance at September 30, 2012</b>	96,600,000	470,975,304	107,363,956	674,939,260

The annexed notes from 1 to 7 form an integral part of these financial statements.

  
(M.NAEEM)  
Chief Executive

  
(MUNEER NAWAZ)  
Chairman

### NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2012 (UNAUDITED)

	First Quarter ended on	
	September 30, 2012 Rupees	September 30, 2011 Rupees
<b>1. SALES-net</b>		
Local	266,558,520	249,433,028
In-direct export	395,332,620	691,740,863
Export	287,019,377	194,174,522
	948,910,517	1,135,348,413
Commission	(2,932,001)	(4,850,482)
	<b>945,978,516</b>	<b>1,130,497,931</b>
<b>2. COST OF GOODS SOLD</b>		
Cost of goods manufactured	934,639,084	966,645,172
Opening stock of finished goods	147,907,744	242,057,626
Closing stock of finished goods	(248,650,184)	(205,353,801)
	<b>833,896,644</b>	<b>1,003,348,997</b>
<b>3. OTHER OPERATING INCOME</b>		
Net income from trading	-	3,054
Scrap sales	3,294,184	4,764,161
Interest on bank deposits	32,261	106,604
Exchange gain/(loss)	(1,233,133)	(506,088)
	<b>2,093,312</b>	<b>4,367,731</b>
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	5,998,274	4,197,186
Short-term borrowings	(480,135,702)	(606,352,702)
	<b>(474,137,428)</b>	<b>(602,155,516)</b>

#### 5. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 25, 2012.

#### 6. RECLASSIFICATION

Corresponding figures have been rearranged and reclassified in line with Annual Statements.

#### 7. GENERAL

Figures have been rounded off to the nearest rupee.

  
(M.NAEEM)  
Chief Executive

  
(MUNEER NAWAZ)  
Chairman

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