



*Condensed Interim  
Financial Information  
for the quarter ended  
September 30, 2015*

**Shahtaj Textile Limited**

# Shahtaj Textile Limited

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Muneer Nawaz Mr. M. Naeem 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	Chairman Chief Executive
<b>COMPANY SECRETARY</b>	Mr. Jamil Ahmad Butt, FCMA	
<b>AUDIT COMMITTEE OF THE BOARD</b>	Mr. Toqueer Nawaz Mr. Muneer Nawaz Mr. Saleem Zamindar Mr. Jamil Ahmad Butt, FCMA	Chairman Member Member Secretary
<b>HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD</b>	Mr. Muneer Nawaz Mr. M. Naeem Mr. Muhammad Usman Khalid	
<b>AUDITORS</b>	Deloitte Yousuf Adil. Chartered Accountants. Cavish Court, A-35, Block 7 & 8 KCHS, Shahrah-e-Faisal, Karachi 75350.	
<b>BANKS</b>	Bank Alfalah Limited Meezan Bank Ltd. The Bank of Punjab MCB Bank Limited Faysal Bank Limited Habib Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited Bank Al-Habib 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>	27-C Abdalian Co-oporetive Hosing Society, Lahore, Ph: (042) 35313891-92, 35301596-99 Fax: (042) 35301594	
<b>MARKETING OFFICE</b>	27-C Abdalian Co-oporetive 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>	Evolution Factor (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 un-audited Condensed Interim Financial Information of the Company for the First Quarter ended September 30, 2015.

By the grace of Allah operating results for the quarter have been positive and Company has earned an after tax profit of Rs.7.097 million with an EPS of Re.0.73. Sales were less during the quarter due to continuing depressed market and also for a few days closure of mills for necessary maintenance. GP rate, however, increased due to savings in production cost. Further, some savings in other costs helped to achieve higher profit after tax than previous corresponding period.

Company is now planning to replace its old Sizing machines with new ones to further improve its capacity and efficiency in this vital area.

As before Company will continue to do its best for still better financial results.

### Appreciation

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

for and on behalf of the Board of Directors

Karachi:  
October 29, 2015

  
( M. Naeem )  
Chief Executive

# Shahtaj Textile Limited

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015

	September 30, 2015 <b>Unaudited</b>	June 30, 2015 <b>Audited</b>
	-----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	615,000,000	590,000,000
Unappropriated profits	114,675,129	132,403,138
	826,275,129	819,003,138
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax</b>		
	5,771,531	5,946,191
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing	160,716,771	171,029,540
Deferred liabilities	90,062,578	89,765,794
	250,779,349	260,795,334
<b>CURRENT LIABILITIES</b>		
Trade and other payables	188,961,534	199,928,540
Interest accrued	9,908,601	10,148,848
Short term borrowings	308,791,629	299,610,612
Current portion of long-term financing	54,165,540	54,748,541
	561,827,304	564,436,541
<b>CONTINGENCIES AND COMMITMENTS</b>		
	-	-
	<b>1,644,653,313</b>	<b>1,650,181,204</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	838,469,493	858,610,203
Long-term loans	1,562,833	1,666,885
Long-term deposits	27,340,974	27,317,444
	867,373,300	887,594,532
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	48,916,298	48,447,618
Stock-in-trade	282,044,913	295,903,749
Trade debts	282,013,751	267,843,648
Loans and advances	7,211,033	3,514,068
Trade deposits and short-term prepayments	10,359,382	637,400
Other receivables	6,878,604	6,186,204
Taxation - net	75,321,788	71,912,828
Sales tax refundable	50,898,305	47,322,565
Other financial assets	7,598,619	7,471,614
Cash and bank balances	6,037,320	13,346,978
	777,280,013	762,586,672
	<b>1,644,653,313</b>	<b>1,650,181,204</b>

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

  
(M. NAEEM)  
Chief Executive

  
(MAHMOOD NAWAZ)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

		2015	2014
	Note	Rupees	
Sales - net	2	710,448,445	861,926,028
Cost of goods sold	3	(655,779,060)	(802,828,339)
Gross profit		54,669,385	59,097,689
Distribution cost		(13,617,957)	(17,112,014)
Administrative expenses		(18,580,475)	(21,493,422)
Other operating expenses		(773,545)	(526,372)
Finance cost		(11,799,946)	(13,938,824)
		(44,771,923)	(53,070,632)
Other income	4	539,787	1,075,159
Profit before taxation		10,437,249	7,102,216
Taxation		(3,339,920)	(2,343,731)
Profit after taxation		7,097,329	4,758,485
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>7,097,329</b>	<b>4,758,485</b>
<b>Earnings per share - basic and diluted</b>		<b>0.73</b>	<b>0.49</b>

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

  
(M.NAEEM)  
Chief Executive

  
(MAHMOOD NAWAZ)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	2015	2014
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,437,249	7,102,216
<b>Adjustments for:</b>		
Depreciation	20,670,380	24,296,434
Finance cost	11,799,946	13,938,824
Gain on disposal of property plant and equipment	(8,157)	-
Provision for gratuity and leave encashment	3,599,208	3,869,013
Interest income	(129,529)	(14,843)
Operating cash flows before movements in working capital	46,369,097	49,191,644
<b>(Increase)/decrease in current assets</b>		
Stores, spares and loose tools	(468,680)	(2,203,221)
Stock-in-trade	13,858,836	(17,406,352)
Trade debts	(14,170,103)	27,691,915
Loans and advances	(3,696,965)	(4,589,680)
Trade deposits and short term prepayments	(9,721,982)	(7,286,284)
Other receivables	(692,400)	(428,407)
Other financial assets	(127,005)	(899,195)
Sales tax refundable	(3,575,740)	(12,112,738)
<b>Decrease in current liabilities</b>		
Trade and other payables	(10,967,004)	(49,207,677)
Cash generated from/(used in) operations	16,808,054	(17,249,995)
Gratuity and leave encashment paid	(3,302,424)	(1,697,505)
Interest paid	(12,040,193)	(16,831,486)
Income taxes paid	(6,748,880)	(8,620,377)
Net cash used in operating activities	(5,283,443)	(44,399,363)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(548,968)	(765,651)
Proceeds from disposal of property, plant and equipment	27,455	-
Long-term loans	104,052	(33,566)
Long-term deposits	(23,530)	-
Interest received	129,529	14,843
Net cash used in investing activities	(311,462)	(784,374)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term financing	(10,895,770)	(10,902,771)
Net cash used in financing activities	(10,895,770)	(10,902,771)
<b>Net decrease in cash and cash equivalents</b>	(16,490,675)	(56,086,508)
<b>Cash and cash equivalents at beginning of the period</b>	(286,263,634)	(183,312,551)
<b>Cash and cash equivalents at the end of the period</b>	(302,754,309)	(239,399,059)
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	6,037,320	14,673,848
Short term borrowings	(308,791,629)	(254,072,907)
	(302,754,309)	(239,399,059)

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

  
(M.NAEEM)  
Chief Executive

  
(MAHMOOD NAWAZ)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Share capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
..... Rupees .....				
Balance as at July 01, 2014	96,600,000	550,000,000	126,172,939	772,772,939
<b>Comprehensive income</b>				
Profit after taxation for the year ended June 30, 2015	-	-	58,244,006	58,244,006
Other comprehensive income - net of tax	-	-	499,365	499,365
			58,743,371	58,743,371
<b>Total comprehensive income</b>	-	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation net of deferred taxation	-	-	11,549,496	11,549,496
- disposal net of deferred tax	-	-	87,332	87,332
Transferred to general reserve	-	40,000,000	(40,000,000)	-
<b>Transactions with owners</b>				
Final Dividend for the year ended June 30, 2014 @ Rs. 2.50 per share	-	-	(24,150,000)	(24,150,000)
<b>Balance as at June 30, 2015</b>	<b>96,600,000</b>	<b>590,000,000</b>	<b>132,403,138</b>	<b>819,003,138</b>
<b>Comprehensive income</b>				
Profit after taxation for the quarter ended September 30, 2015	-	-	7,097,329	7,097,329
Other comprehensive income - net of tax	-	-	-	-
<b>Total comprehensive income</b>	-	-	7,097,329	7,097,329
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation net of deferred taxation	-	-	174,662	174,662
Transferred to general reserve	-	25,000,000	(25,000,000)	-
<b>Balance as at September 30, 2015</b>	<b>96,600,000</b>	<b>615,000,000</b>	<b>114,675,129</b>	<b>826,275,129</b>

The annexed notes from 1 to 6 form an integral part of this condensed interim financial information.

  
(M.NAEEM)  
Chief Executive

  
(MAHMOOD NAWAZ)  
Director

### SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates, judgments and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of the published annual audited financial statements for the year ended June 30, 2015.

	First Quarter ended on	
	Sep 30, 2015	Sep 30, 2014
..... Rupees .....		
<b>2. SALES-NET</b>		
Gross Sales	721,154,488	867,379,011
Less: Commission	(10,706,043)	(5,452,983)
	<b>710,448,445</b>	<b>861,926,028</b>
<b>3. COST OF GOODS SOLD</b>		
Cost of goods manufactured	627,285,840	824,479,239
Opening stock of finished goods	202,931,409	168,009,080
Closing stock of finished goods	(174,438,189)	(189,659,980)
	<b>655,779,060</b>	<b>802,828,339</b>
<b>4. OTHER INCOME</b>		
Net loss from trading	(19,828)	(24,293)
Profit on bank deposits	129,529	156,303
Exchange gain	421,929	943,149
Gain on sale of fixed assets	8,157	-
	<b>539,787</b>	<b>1,075,159</b>

#### 5. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue on October 29, 2015 by the Board of Director of the Company.

#### 6. GENERAL

Figures have been rounded off to the nearest rupee.

  
(M.NAEEM)  
Chief Executive

  
(MAHMOOD NAWAZ)  
Director

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