



*Condensed Interim
Financial Statements
for the nine-month period
ended March 31, 2011*

Shahtaj Textile Limited

Shahtaj Textile Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Muneer Nawaz Mr. M. Naeem Mr. Mahmood Nawaz Mr. C. M. Khalid Mr. Farooq Hassan (NIT) Mr. Toqueer Nawaz Mrs. Sadia Mohammad Lt. Col. (Retd.) R.D. Shams	Chairman Chief Executive
COMPANY SECRETARY	Mr. Jamil Ahmad Butt, FCMA	
AUDIT COMMITTEE OF THE BOARD	Mr. Muneer Nawaz Mr. Mahmood Nawaz Mr. C.M. Khalid Syed Muhammad Farooq	Chairman Member Member Secretary
AUDITORS	M. Yousuf Adil Saleem & Co. Chartered Accountants. Cavish Court, A-35, Block 7 & 8 KCHS, Shahrah-e-Faisal, Karachi 75350.	
BANKS	Habib Bank Limited MCB Bank Limited The Bank of Punjab United Bank Limited Bank Alfalah Limited Standard Chartered Bank (Pakistan) 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	100-B/3, M. M. Alam Road, Gulberg-III, Lahore-54660 Ph: (042) 35772991-3, Fax: (042) 35772999	
MARKETING OFFICE	2, Block L, Johar Town, Lahore-54000 Ph: (042) 35313891-93 Fax: (042) 35313894	
FACTORY	46 K.M. Lahore/Multan Road Chunian Industrial Estate Bhai Pheru, Distt. Kasur, Punjab. Ph: (042) 35833875, 37541010	
SHARE REGISTRAR	Corporate Support Services (Pvt.) Limited Suite # 407,408, 4th Floor, Al-Ameera Centre, Shahrah-e-Iraq, Near Passport Office, Saddar, Karachi. Ph: 35662023-24 Fax: 35221192	

Shahtaj Textile Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Directors are pleased to present Financial Statements of the Company for the nine-month period ended 31st March, 2011.

By the grace of God Almighty, the operating results of the Company have been positive and Company has earned an after tax profit of Rs.129.420 million with an EPS of Rs.13.40.

Sales for nine months were Rs.2.915 billions. We expect this trend will continue for the last quarter also. Due to increase in sales, requirement for bank financing has also increased significantly for which steps are being taken to meet the requirement.

The shipment of new 20 looms has arrived at port and is under clearance. It is planned that these will be operational within next quarter. Construction of office building at Lahore is under progress.

Appreciation

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

for and on behalf of the Board of Directors

Karachi:
April 26, 2011




(M.Naeem)
Chief Executive

Shahtaj Textile Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2011

	March 31, 2011 Unaudited	June 30, 2010 Audited
	-----Rupees-----	
SHARE CAPITAL AND RESERVES		
Authorised capital 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 reserves	270,000,000	200,000,000
Unappropriated profits	157,699,316	137,737,511
	524,299,316	434,337,511
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
	49,483,167	53,588,676
NON-CURRENT LIABILITIES		
Long-term finance	250,596,969	154,491,532
Deferred liabilities	129,169,413	132,195,769
	379,766,382	286,687,301
CURRENT LIABILITIES		
Trade and other payables	211,600,480	258,376,927
Interest accrued	29,563,458	17,415,500
Short term borrowings	621,475,804	394,335,341
Current portion of long term financing	99,049,486	103,547,231
Taxation - income tax	42,459,331	6,973,561
	1,004,148,559	780,648,560
CONTINGENCIES AND COMMITMENTS		
	-	-
	1,957,697,424	1,555,262,048
NON-CURRENT ASSETS		
Property, plant and equipment	650,070,687	685,171,077
Long term loans	1,071,313	1,181,391
Long term deposits	27,532,544	2,788,045
	678,674,544	689,140,513
CURRENT ASSETS		
Stores, spares and loose tools	44,332,010	38,854,103
Stock-in-trade	405,004,253	226,845,554
Trade debts	795,557,736	564,700,560
Loans and advances	12,628,089	2,234,464
Trade deposits and short term prepayments	1,427,840	1,652,432
Interest accrued	559,136	2,780,107
Other receivables	1,877,258	1,093,713
Other financial assets	3,600,000	3,400,000
Sales tax refundable	10,828,807	16,968,467
Cash and bank balances	3,207,751	7,592,135
	1,279,022,880	866,121,535
	1,957,697,424	1,555,262,048

The annexed notes from 1 to 5 form an integral part of these financial statements


(M. Naeem)
Chief Executive


(Muneer Nawaz)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2011 (UNAUDITED)

Notes	Nine-month period ended		Quarter ended		
	Mar. 31, 2011	Mar. 31, 2010	Mar. 31, 2011	Mar. 31, 2010	
-----Rupees-----					
Sales - net	1	2,914,894,583	2,077,009,060	1,093,739,671	766,427,731
Cost of goods sold	2	(2,602,113,090)	(1,828,764,962)	(957,184,282)	(681,622,099)
Gross profit		312,781,493	248,244,098	136,555,389	84,805,632
Other operating income	3	19,260,019	15,001,097	5,081,738	4,245,347
		332,041,512	263,245,195	141,637,127	89,050,979
Operating expenses					
Distribution		(12,130,772)	(12,271,624)	(3,881,426)	(3,999,740)
Administrative		(34,154,666)	(30,167,571)	(11,178,237)	(9,219,298)
Others		(14,333,262)	(75,650,391)	(6,700,208)	(2,861,447)
Finance cost		(78,027,638)	(63,916,170)	(30,073,537)	(18,837,463)
		(138,646,338)	(182,005,756)	(51,833,408)	(34,917,948)
Profit before taxation		193,395,174	81,239,439	89,803,719	54,133,031
Taxation - net		(63,975,088)	(34,824,620)	(36,830,513)	(25,930,484)
Profit after taxation		129,420,086	46,414,819	52,973,206	28,202,547
Other comprehensive income		-	-	-	-
Total comprehensive income		129,420,086	46,414,819	52,973,206	28,202,547
Earnings per share - Basic and diluted		13.40	4.80	5.48	2.92

The annexed notes from 1 to 5 form an integral part of these financial statements


(M. Naeem)
Chief Executive



(Muneer Nawaz)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2011 (UNAUDITED)

	Nine-month period ended	
	March 31, 2011	March 31, 2010
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	193,395,174	81,239,439
Adjustments for:		
Depreciation	49,631,034	51,662,299
Provision for gratuity and leave encashment	7,576,186	8,372,011
Finance cost	78,027,638	63,916,170
Operating cash flows before movements in working capital	<u>328,630,032</u>	<u>205,189,919</u>
Decrease / (increase) in current assets		
Stores, spares and loose tools	(5,477,907)	(5,858,757)
Stock-in-trade	(178,158,699)	(6,702,381)
Trade debts	(230,857,176)	(34,700,391)
Loans and advances	(10,393,625)	(1,210,009)
Trade deposits and short term prepayments	224,592	(2,125)
Other receivables	(783,545)	(89,799)
Other financial assets	(200,000)	-
Sale tax refundable	6,139,660	(3,141,726)
(Decrease) / increase in current liabilities		
Trade and other payables	89,780,995	49,967,414
Cash generated from operations	<u>(1,095,673)</u>	<u>203,452,145</u>
Gratuity and leave encashment paid	(7,798,112)	(3,204,186)
Interest paid	(65,879,679)	(67,048,822)
Income taxes paid	<u>(31,387,110)</u>	<u>(9,083,233)</u>
Net cash (used in) / from operating activities	<u>(106,160,574)</u>	<u>124,115,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(14,530,643)	(7,597,597)
Long term loans and advances	110,078	301,522
Long-term deposits and prepayments	(24,744,499)	(892,400)
Interest received	<u>2,220,971</u>	<u>594,070</u>
Net cash used in investing activities	<u>(36,944,093)</u>	<u>(7,594,405)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(50,608,912)	(25,714,286)
Long-term finance obtained	4,713,000	-
Dividend paid	<u>(42,524,268)</u>	<u>(18,937,759)</u>
Net cash used in financing activities	<u>(88,420,180)</u>	<u>(44,652,045)</u>
Net (decrease) / increase in cash and cash equivalents	(231,524,847)	71,869,454
Cash and cash equivalents at July 1	<u>(386,743,206)</u>	<u>(362,304,332)</u>
Cash and cash equivalents at March 31	<u>(618,268,053)</u>	<u>(290,434,878)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,207,751	3,983,673
Short term borrowings	<u>(621,475,804)</u>	<u>(294,418,551)</u>
	<u>(618,268,053)</u>	<u>(290,434,878)</u>

The annexed notes from 1 to 5 form an integral part of these financial statements


(M. Naeem)
Chief Executive


(Muneer Nawaz)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2011 (UNAUDITED)

	Share capital	Revenue reserves		Total
	Issued, subscribed & paid up capital	General reserve	Unappropriated profit	
	Rupees	Rupees	Rupees	
Balance as at July 01, 2009	96,600,000	150,000,000	93,307,832	339,907,832
Transfer from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation (net of deferred taxation)			4,331,083	4,331,083
Total comprehensive income for the period			46,414,819	46,414,819
Transfer to General Reserve for the year ended June 30, 2009		50,000,000	(50,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30, 2009 at Rs. 2 per share			(19,320,000)	(19,320,000)
Balance as at Mach 31, 2010	96,600,000	200,000,000	74,733,734	371,333,734
Transfer from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation (net of deferred taxation)			1,623,216	1,623,216
Total comprehensive income for the period			61,380,561	61,380,561
Balance as at June 30, 2010	96,600,000	200,000,000	137,737,511	434,337,511
Transfer from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation (net of deferred taxation)			4,012,145	4,012,145
Total comprehensive income - profit for the period			129,420,086	129,420,086
Transferred to general reserve		70,000,000	(70,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30, 2010 at Rs. 4.50 per share			(43,470,426)	(43,470,426)
Balance as at Mach 31, 2011	96,600,000	270,000,000	157,699,316	524,299,316

The annexed notes from 1 to 5 form an integral part of these financial statements



(M. Naeem)
Chief Executive



(Munee Nawaz)
Chairman

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM THE FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2011 (UNAUDITED)

	Nine-Month period ended		Quarter Ended	
	Mar 31, 2011	Mar 31, 2010	Mar 31, 2011	Mar 31, 2010
	-----Rupees-----		-----Rupees-----	
1. SALES-Net				
Local	510,334,639	288,845,881	51,036,463	75,861,420
In-direct export	2,285,105,761	1,649,780,445	999,139,829	653,779,765
Export	127,786,494	140,728,160	47,464,568	37,635,503
	<u>2,923,226,894</u>	<u>2,079,354,486</u>	<u>1,097,640,860</u>	<u>767,276,688</u>
Less: Commission	(8,332,311)	(2,345,426)	(3,901,189)	(848,957)
	<u>2,914,894,583</u>	<u>2,077,009,060</u>	<u>1,093,739,671</u>	<u>766,427,731</u>
2. COST OF GOODS SOLD				
Cost of goods manufactured	2,675,744,267	1,796,055,189	1,030,815,459	673,595,980
Opening stock of finished goods	66,435,553	69,388,188	66,435,553	44,704,534
Closing stock of finished goods	(140,066,730)	(36,678,415)	(140,066,730)	(36,678,415)
	<u>2,602,113,090</u>	<u>1,828,764,962</u>	<u>957,184,282</u>	<u>681,622,099</u>
3. OTHER OPERATING INCOME				
Net income from trading	4,929,666	1,296,497	(111,030)	(249,815)
Profit on bank deposits	277,719	215,555	100,827	67,091
Scrap sales	14,019,904	12,591,519	5,168,773	4,390,217
Exchange gain/(Loss)	32,730	897,526	(76,832)	37,854
	<u>19,260,019</u>	<u>15,001,097</u>	<u>5,081,738</u>	<u>4,245,347</u>
4. DATE OF AUTHORISATION FOR ISSUE				
These financial statements have been approved by the Board of Directors of Company and authorized for issue on April 26, 2011.				
5. GENERAL				
Figures have been rounded off to the nearest rupee.				



(M. Naeem)
Chief Executive



(Munee Nawaz)
Chairman

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