



*Condensed Interim
Financial Information
for the nine-month period ended
March 31, 2016*

Shahtaj Textile Limited

Shahtaj Textile Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	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
COMPANY SECRETARY	Mr. Jamil Ahmad Butt, FCMA	
AUDIT COMMITTEE OF THE BOARD	Mr. Toqueer Nawaz Mr. Muneer Nawaz Mr. Saleem Zamindar Mr. Jamil Ahmad Butt, FCMA	Chairman Member Member Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD	Mr. Muneer Nawaz 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 Meezan Bank Ltd. United Bank Limited The Bank of Punjab Habib Bank Limited MCB Bank Limited Faysal 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-oporative Hosing Society, Lahore, Ph: (042) 35313891-92, 35301596-99 Fax: (042) 35301594	
MARKETING OFFICE	27-C Abdalian Co-oporative 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 nine months period ended on March 31, 2016.

By the grace of Allah operating results of the Company have been positive and Company has earned an after tax profit of Rs.59.345 million with an EPS of Rs.6.14. This profit however is less than the last corresponding period because of lesser selling price and due to lower sales volume. As reported in half yearly report prices remained under pressure due to slow down in the textile market and sales volume was less because of lower production during first quarter.

Compared with half yearly results there is a positive change in the last quarter. This was due to slight increase in selling prices and from March availability of gas for power generation was on 24/7 basis. Both these factors have contributed favourably. Real change however will only come with the increase in demand in the market. Management is trying its best to control costs and is taking all necessary measures to maintain profitability.

Aiming at more productivity and value addition, Company is moving ahead with its plan of adding a sampling loom, a sizing machine and a compressor and replacing its 22 old looms and overhead cleaners with new ones. These additions and BMR will further improve its capacity and efficiency and in turn its 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

Muneer Nawaz
(Muneer Nawaz)
Chairman

Karachi: April 28, 2016

Shahtaj Textile Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	March 31, 2016 Unaudited	June 30, 2015 Audited
	-----Rupees-----	
SHARE CAPITAL AND RESERVES		
Authorised		
10,000,000 Ordinary shares of Rs.10/-each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital	96,600,000	96,600,000
General reserve	615,000,000	590,000,000
Unappropriated profits	<u>143,043,515</u>	<u>132,403,138</u>
	854,643,515	819,003,138
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax		
	5,486,835	5,946,191
NON-CURRENT LIABILITIES		
Long-term financing	<u>98,114,000</u>	<u>171,029,540</u>
Deferred liabilities	<u>89,677,180</u>	<u>89,765,794</u>
	187,791,180	260,795,334
CURRENT LIABILITIES		
Trade and other payables	<u>218,748,139</u>	<u>199,928,540</u>
Interest accrued	<u>7,253,998</u>	<u>10,148,848</u>
Short term borrowings	<u>310,665,397</u>	<u>299,610,612</u>
Current portion of long-term financing	<u>68,955,540</u>	<u>54,748,541</u>
	605,623,074	564,436,541
CONTINGENCIES AND COMMITMENTS		
	<u>-</u>	<u>-</u>
	<u>1,653,544,604</u>	<u>1,650,181,204</u>
NON-CURRENT ASSETS		
Property, plant and equipment	807,972,834	858,610,203
Long-term loans	1,597,987	1,666,885
Long-term deposits	<u>28,972,381</u>	<u>27,317,444</u>
	838,543,202	887,594,532
CURRENT ASSETS		
Stores, spares and loose tools	<u>53,461,561</u>	<u>48,447,618</u>
Stock-in-trade	<u>285,577,166</u>	<u>295,903,749</u>
Trade debts	<u>291,912,460</u>	<u>267,843,648</u>
Loans and advances	<u>3,821,684</u>	<u>3,514,068</u>
Trade deposits and short-term prepayments	<u>2,888,875</u>	<u>637,400</u>
Other receivables	<u>5,548,626</u>	<u>6,186,204</u>
Taxation - net	<u>79,077,691</u>	<u>71,912,828</u>
Sales tax refundable	<u>76,511,463</u>	<u>47,322,565</u>
Other financial assets	<u>7,116,000</u>	<u>7,471,614</u>
Cash and bank balances	<u>9,085,876</u>	<u>13,346,978</u>
	815,001,402	762,586,672
	<u>1,653,544,604</u>	<u>1,650,181,204</u>

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


(MAHMOOD NAWAZ)
Director


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2016 (UNAUDITED)

	Note	Nine-month period ended		Three-month period ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Rupees					
Sales - net	2	2,373,009,003	2,607,031,831	880,856,038	865,811,004
Cost of goods sold	3	(2,159,587,970)	(2,346,832,415)	(782,926,833)	(735,992,363)
Gross profit		213,421,033	260,199,416	97,929,205	129,818,641
Distribution cost		(44,024,152)	(51,527,666)	(14,736,156)	(16,577,397)
Administrative expenses		(57,968,623)	(80,315,975)	(19,652,250)	(38,565,953)
Other operating expenses		(5,366,635)	(6,053,640)	(3,568,621)	(4,086,447)
Finance cost		(35,021,618)	(43,786,700)	(11,611,158)	(15,653,293)
		(142,381,028)	(181,683,981)	(49,568,185)	(74,883,090)
Other income	4	1,370,688	3,164,838	1,060,952	201,878
Profit before taxation		72,410,693	81,680,273	49,421,972	55,137,429
Taxation		(13,066,072)	(15,615,962)	(8,570,242)	3,041,968
Profit after taxation		59,344,621	66,064,311	40,851,730	58,179,397
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		59,344,621	66,064,311	40,851,730	58,179,397
Earnings per share - basic and diluted		6.14	6.84	4.23	6.02

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


(MAHMOOD NAWAZ)
Director


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2016 (UNAUDITED)

	Nine-month period ended	
	March 31, 2016	March 31, 2015
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	72,410,693	81,680,273
Adjustments for:		
Depreciation	62,980,764	70,697,300
Finance cost	35,021,618	43,786,700
(Gain)/loss on disposal of property plant and equipment	(171,960)	71,280
Provision for gratuity and leave encashment	10,550,026	11,607,039
Interest income	(354,146)	(485,241)
Operating cash flows before movements in working capital	180,436,995	227,564,741
(Increase)/decrease in current assets		
Stores, spares and loose tools	(5,013,943)	(20,332,425)
Stock-in-trade	10,326,583	53,996,028
Trade debts	(24,068,812)	(95,195,048)
Loans and advances	(307,616)	(3,562,795)
Trade deposits and short term prepayments	(2,251,475)	(2,160,261)
Other receivables	637,578	383,616
Other financial assets	355,614	6,085,466
Sales tax refundable	(29,188,898)	23,686,820
Increase/(decrease) in current liabilities		
Trade and other payables	18,224,828	(56,765,022)
Cash generated from operations	149,150,854	133,701,120
Gratuity and leave encashment paid	(9,411,469)	(12,921,797)
Interest paid	(37,916,468)	(45,168,619)
Income taxes paid	(21,471,706)	(29,331,286)
Net cash generated from operating activities	<u>80,351,211</u>	<u>46,279,418</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(12,868,885)	(130,074,139)
Proceeds from disposal of property, plant and equipment	697,450	460,392
Long-term loans	68,898	(1,123,608)
Long-term deposits	(1,654,937)	-
Interest received	354,146	485,241
Net cash used in investing activities	<u>(13,403,328)</u>	<u>(130,252,114)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(58,708,541)	(64,630,541)
Long-term finance obtained	-	118,319,000
Dividend paid	(23,555,229)	(23,590,697)
Net cash (used in)/generated from financing activities	<u>(82,263,770)</u>	<u>30,097,762</u>
Net decrease in cash and cash equivalents	(15,315,887)	(53,874,934)
Cash and cash equivalents at beginning of the period	<u>(286,263,634)</u>	<u>(183,312,551)</u>
Cash and cash equivalents at the end of the period	<u>(301,579,521)</u>	<u>(237,187,485)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,085,876	7,059,077
Short term borrowings	<u>(310,665,397)</u>	<u>(244,246,562)</u>
	<u>(301,579,521)</u>	<u>(237,187,485)</u>

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



(MAHMOOD NAWAZ)

Director



(MUNEER NAWAZ)

Chairman

Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2016 (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
Comprehensive income				
Profit after taxation for the nine month ended March 31, 2015	-	-	66,064,311	66,064,311
Other comprehensive income - net of tax	-	-	-	-
Total Comprehensive income for the period	-	-	66,064,311	66,064,311
Transferred from surplus on revaluation of property, plant and equipment on account of: -incremental depreciation net of deferred taxation	-	-	11,043,979	11,043,979
Transferred to general reserve	-	40,000,000	(40,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30,2014 @ Rs. 2.50 per share	-	-	(24,150,000)	(24,150,000)
Balance as at March 31, 2015	96,600,000	590,000,000	139,131,229	825,731,229
Balance as at July 01, 2015	96,600,000	590,000,000	132,403,138	819,003,138
Comprehensive income				
Profit after taxation for the nine month ended March 31, 2016	-	-	59,344,621	59,344,621
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income for the period	-	-	59,344,621	59,344,621
Transferred from surplus on revaluation of property, plant and equipment on account of: -incremental depreciation net of deferred taxation	-	-	445,756	445,756
Transferred to general reserve	-	25,000,000	(25,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30,2015 @ Rs. 2.50 per share	-	-	(24,150,000)	(24,150,000)
Balance as at March 31, 2016	96,600,000	615,000,000	143,043,515	854,643,515

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


(MAHMOOD NAWAZ)
Director


(MUNEER NAWAZ)
Chairman

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2016 (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.

	Nine-Month period ended		Three-month period ended	
	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
	Rupees		Rupees	
2. SALES-Net				
Gross Sales	2,411,443,933	2,631,130,684	895,616,152	877,935,572
Less: Commission	(38,434,930)	(24,098,853)	(14,760,114)	(12,124,568)
	2,373,009,003	2,607,031,831	880,856,038	865,811,004
3. COST OF GOODS SOLD				
Cost of goods manufactured	2,067,676,045	2,316,853,576	743,461,628	753,326,405
Opening stock of finished goods	202,931,409	168,009,080	150,484,409	120,696,199
Closing stock of finished goods	(111,019,484)	(138,030,241)	(111,019,484)	(138,030,241)
	2,159,587,970	2,346,832,415	782,926,553	735,992,363
4. OTHER INCOME				
Net income/(loss) from trading	14,647	(23,888)	118,781	-
Profit on bank deposits	354,147	485,943	112,237	139,254
Exchange Gain	829,934	2,685,684	829,934	-
Gain on sale of fixed assets	171,960	17,099	-	62,624
	1,370,688	3,164,838	1,060,952	201,878

5. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorized for issue on April 28, 2016 by the Board of Directors of the Company.


6. GENERAL

Figures have been rounded off to the nearest rupee.

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive is out of Pakistan and in his absence these accounts have been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.


(MAHMOOD NAWAZ)
Director


(MUNEER NAWAZ)
Chairman

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Shahtaj Textile Limited

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