



*Condensed Interim
Financial Information
for the nine month period ended
March 31, 2017*

Shahtaj Textile Limited

Shahtaj Textile Limited

CONTENT

Company Information	02
Directors' Report to the Shareholders	03
Condensed Interim Balance Sheet	05
Condensed Interim Profit and Loss Account	06
Condensed Interim Cash Flow Statement	07
Condensed Interim Statement of Changes in Equity	08
Selected Explanatory Notes to the Condensed Interim Financial Information	09

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
National Bank of Pakistan

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, 2017.

By the grace of Allah operating results of the Company have been positive and Company has earned an after tax profit of Rs. 94.66 million with an EPS of Rs 9.80. Despite difficult market conditions i.e higher yarn prices and lower product demand, net sales increased by 12.8% in comparison with the corresponding period of the last year. The factors contributing towards this improvement have been continuous marketing efforts to enhance sales performance of the Company and improved production capacity utilization resulting in lower fixed unit cost. Finance cost was also less as a result of prudent financial management and reduction in KIBOR rates.

New 22 looms installed in the third quarter under BMR program also contributed favorably. The new sizing machine is running successfully while the additional new compressor is under erection. It will further help in achieving higher efficiency and better cost control.

As reported in half yearly report, the Company is moving ahead with its expansion plan. Financing is now almost in place and company will open L/Cs for new Looms, Gas Generator and other allied equipments. The civil works will be initiated during the current quarter. We anticipate this plan will take at least three quarters to be fully implemented and will bear fruits in the next calendar year.

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:
April 27, 2017


(M. Naeem)
Chief Executive

Shahtaj Textile Limited

ڈائریکٹرز رپورٹ برائے حصہ داران

ڈائریکٹرز مسرت کے ساتھ 31 مارچ 2017 کو ختم ہونے والے نو ماہ کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات کی رپورٹ پیش کرتے ہیں۔

الحمد للہ کمپنی کے مالیاتی نتائج مثبت رہے اور بعد از ٹیکس منافع 94.66 ملین روپے رہا یعنی 9.80 روپے فی حصہ۔ بازار کے مشکل حالات جیسا کہ یارن کی بڑھتی ہوئی قیمت اور مصنوعات کی طلب میں کمی کے باوجود خالص فروخت میں گزشتہ مالی سال کے نو ماہ کی نسبت %12.8 کا اضافہ ہوا۔ اس بہتری کی وجوہات کارکردگی کو بڑھانے کے لئے مسلسل کوششیں اور پیداواری گنجائش کے بہتر استعمال کے نتیجے میں مقررہ فی یونٹ لاگت میں کمی ہیں۔ کیش فلو کے بہتر انتظام اور بنک کا بورر کی شرح میں کمی کی وجہ سے مالیاتی لاگت بھی کم رہی۔

تیسرے سہ ماہی میں کمپنی نے بی ایم آر (BMR) پر وگرام کے تحت 22 نئی لومز کی تنصیب سے بھی نتائج میں بہتری آئی۔ نئی سازنگ مشین کامیابی سے کام کر رہی ہے، جبکہ اضافی کپیر لیسر کی تنصیب کا کام جاری ہے۔ تکمیل پر یہ بہتر کارکردگی اور لاگت میں کمی کے لئے مزید مددگار ہوگا۔

جیسا کہ ششماہی رپورٹ میں آگاہ کیا گیا تھا کمپنی کا توسیعی منصوبہ جاری ہے۔ مالی وسائل کا انتظام ہو گیا ہے اور اب کمپنی نئی لومز، گیس جنریٹر اور دیگر آلات کی خریداری کے لئے ایل سی کھولنے جارہی ہے۔ سول ورک کا آغاز اسی سہ ماہی کے دوران ہو جائے گا۔ اندازہ ہے کہ اس منصوبہ کی تکمیل میں کم از کم نو ماہ لگیں گے اور اگلے کیلنڈر سال میں اس کے نتائج ظاہر ہونے لگیں گے۔

حوصلہ افزائی

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

برائے اور از طرف بورڈ آف ڈائریکٹرز

/ Nam

(ایم نعیم)

چیف ایگزیکٹو آفیسر

کراچی

27 اپریل 2017

Shahtaj Textile Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2017

	March 31, 2017 Unaudited	June 30, 2016 Audited
	-----Rupees-----	
SHARE CAPITAL AND RESERVES		
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	665,000,000	615,000,000
Unappropriated profits	180,579,635	178,853,010
	942,179,635	890,453,010
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax	4,772,994	5,360,732
NON-CURRENT LIABILITIES		
Long-term financing	313,069,000	82,276,000
Deferred liabilities	102,353,600	95,163,619
	415,422,600	177,439,619
CURRENT LIABILITIES		
Trade and other payables	222,620,548	201,283,787
Interest accrued	6,606,901	6,607,566
Short term borrowings	337,910,539	304,979,140
Current portion of long-term financing	29,580,000	50,205,540
	596,717,988	563,076,033
CONTINGENCIES AND COMMITMENTS	-	-
	1,959,093,217	1,636,329,394
NON-CURRENT ASSETS		
Property, plant and equipment	1,000,712,005	799,161,315
Long-term loans	1,629,115	1,395,717
Long-term deposits	28,963,881	28,972,381
	1,031,305,001	829,529,413
CURRENT ASSETS		
Stores, spares and loose tools	55,325,724	50,290,708
Stock-in-trade	322,200,926	355,914,897
Trade debts	279,624,496	202,988,914
Loans and advances	10,260,558	1,393,797
Trade deposits and short-term prepayments	6,374,991	954,118
Other receivables	5,862,808	8,533,375
Taxation - net	93,926,982	74,553,864
Sales tax refundable	143,320,725	91,603,679
Other financial assets	7,583,609	7,425,268
Cash and bank balances	3,307,397	13,141,361
	927,788,216	806,799,981
	1,959,093,217	1,636,329,394

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 NINE-MONTH PERIOD ENDED MARCH 31, 2017 (UNAUDITED)

		Nine-month period ended		Three-month period ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Note		----- Rupees -----			
Sales - net	2	2,677,003,213	2,373,009,003	950,269,201	880,856,038
Cost of goods sold	3	(2,417,689,863)	(2,159,587,970)	(848,833,218)	(782,926,833)
Gross profit		259,313,350	213,421,033	101,435,983	97,929,205
Distribution cost		(50,568,109)	(44,024,152)	(17,950,268)	(14,736,156)
Administrative expenses		(59,935,368)	(57,968,623)	(19,953,821)	(19,652,250)
Other operating expenses		(8,427,193)	(5,366,635)	(3,357,761)	(3,568,621)
Finance cost		(29,570,092)	(35,021,618)	(9,945,904)	(11,611,158)
Other income	4	(148,500,762) 2,115,417	(142,381,028) 1,370,688	(51,207,754) (4,449,195)	(49,568,185) 1,060,952
Profit before taxation		112,928,005	72,410,693	45,779,034	49,421,972
Taxation		(18,271,319)	(13,066,072)	1,283,367	(8,570,242)
Profit after taxation		94,656,686	59,344,621	47,062,401	40,851,730
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		94,656,686	59,344,621	47,062,401	40,851,730
Earnings per share - basic and diluted		9.80	6.14	4.87	4.23

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 NINE-MONTH PERIOD ENDED MARCH 31, 2017 (UNAUDITED)

	Nine-month period ended	
	March 31, 2017	March 31, 2016
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	112,928,005	72,410,693
Adjustments for:		
Depreciation	60,794,965	62,980,764
Finance cost	29,570,092	35,021,618
Loss/(gain) on disposal of property plant and equipment	6,794,262	(171,960)
Provision for gratuity and leave encashment	12,887,926	10,550,026
Property, plant and equipment written off	57,663	-
Interest income	(327,026)	(354,146)
Operating cash flows before movements in working capital	222,705,887	180,436,995
(Increase)/decrease in current assets		
Stores, spares and loose tools	(5,035,016)	(5,013,943)
Stock-in-trade	33,713,971	10,326,583
Trade debts	(76,635,582)	(24,068,812)
Loans and advances	(8,866,761)	(307,616)
Trade deposits and short term prepayments	(5,420,873)	(2,251,475)
Other receivables	2,670,567	637,578
Sales tax refundable	(51,717,046)	(29,188,898)
Other financial assets	(158,341)	355,614
Increase in current liabilities		
Trade and other payables	20,278,392	18,224,828
Cash generated from operations	131,535,198	149,150,854
Gratuity and leave encashment paid	(9,246,366)	(9,411,469)
Interest paid	(29,570,757)	(37,916,468)
Income taxes paid	(34,143,815)	(21,471,706)
Net cash generated from operating activities	58,574,260	80,351,211
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(276,441,035)	(12,868,885)
Proceeds from disposal of property, plant and equipment	7,243,455	697,450
Long-term loans	(233,398)	68,898
Long-term deposits	8,500	(1,654,937)
Interest received	327,026	354,146
Net cash used in investing activities	(269,095,452)	(13,403,328)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(35,415,540)	(58,708,541)
Long-term finance obtained	245,583,000	-
Dividend paid	(42,411,631)	(23,555,229)
Net cash generated from/(used in) financing activities	167,755,829	(82,263,770)
Net decrease in cash and cash equivalents	(42,765,363)	(15,315,887)
Cash and cash equivalents at July	(291,837,779)	(286,263,634)
Cash and cash equivalents at March 31	(334,603,142)	(301,579,521)
Cash and Cash Equivalents		
Cash and bank balances	3,307,397	9,085,876
Short term borrowings	(337,910,539)	(310,665,397)
	(334,603,142)	(301,579,521)

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 NINE-MONTH PERIOD ENDED MARCH 31, 2017 (UNAUDITED)

	Share capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
..... Rupees				
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 at March 31, 2016	<u>96,600,000</u>	<u>615,000,000</u>	<u>143,043,515</u>	<u>854,643,515</u>
Balance as at July 01, 2016	96,600,000	615,000,000	178,853,010	890,453,010
Comprehensive income				
Profit after taxation for the nine month ended March 31,2017	-	-	94,656,686	94,656,686
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income for the period	-	-	94,656,686	94,656,686
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation net of deferred taxation - disposal net of deferred tax	-	-	395,072 144,867	395,072 144,867
Transferred to general reserve	-	50,000,000	(50,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30,2016 @ Rs. 4.50 per share	-	-	(43,470,000)	(43,470,000)
Balance at March 31, 2017	<u>96,600,000</u>	<u>665,000,000</u>	<u>180,579,635</u>	<u>942,179,635</u>

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

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2017 (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, 2016.

	Nine-Month period ended		Three-month period ended	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
	-----Rupees-----		-----Rupees-----	
2. SALES-Net				
Gross Sales	2,719,157,725	2,411,443,933	962,522,045	895,616,152
Less: Commission	(42,154,512)	(38,434,930)	(12,252,844)	(14,760,114)
	2,677,003,213	2,373,009,003	950,269,201	880,856,038
3. COST OF GOODS SOLD				
Cost of goods manufactured	2,372,869,257	2,067,676,045	798,900,710	743,461,908
Opening stock of finished goods	188,324,909	202,931,409	193,436,811	150,484,409
Closing stock of finished goods	(143,504,303)	(111,019,484)	(143,504,303)	(111,019,484)
	2,417,689,863	2,159,587,970	848,833,218	782,926,833
4. OTHER INCOME				
Net (loss)/income from trading	(36,762)	14,647	(36,762)	118,781
Profit on bank deposits	327,027	354,147	112,184	112,237
Exchange Gain	4,119,415	829,934	799,970	829,934
(Loss)/gain on sale of fixed assets	(6,794,263)	171,960	(6,824,587)	-
Reversal of provision against doubtful debt	4,500,000	-	1,500,000	-
	2,115,417	1,370,688	(4,449,195)	1,060,952

5. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorized for issue on April 27, 2017 by the Board of Directors of the Company.

6. GENERAL

Figures have been rounded off to the nearest rupee.


(M.NAEEM)
Chief Executive


(MAHMOOD NAWAZ)
Director

**PRINTED MATTER
BOOK POST**

IF UNDELIVERED PLEASE RETURN TO:

Shahtaj Textile Limited

*P.O. BOX NO. 4766,
SHAHNAWAZ BUILDING, 19 DOCKYARD ROAD,
WEST WHARF, KARACHI-74000.*