



*Condensed Interim  
Financial Information  
for the quarter ended  
September 30, 2016*

**Shahtaj Textile Limited**

# Shahtaj Textile Limited

## CONTENTS

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
Notes to the Condensed Interim Financial Information	09
Statement Under Section 241 (2) of the Companies Ordinance 1984	10

# 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. Muner 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  
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 First Quarter ended September 30, 2016.

By the grace of Allah operating results of the Company have been positive and Company has earned an after tax profit of Rs.29.842 million with an EPS of Rs 3.09. Net sales also increased by 27% in comparison with the corresponding period of the last year. The factors contributing towards this improvement have been an increase in the selling prices, higher export sales and better production in the current period which was very low in the corresponding period due to closure of mill for few days for necessary maintenance.

The Company is getting RLNG on 24/7 basis. However, the cost of energy is higher due to massive increase in RLNG price resulting in higher production cost.

Company is continuing with its BMR and expansion programme. Sampling machine is already in operation while the new Overhead cleaners have arrived and will be commissioned in the second quarter. L/cs for replacing 22 looms, sizing machine and additional new compressor have also been established. These machines are expected to be operational by the end of third quarter. These additions and BMR will further improve the capacity and efficiency of the mill and in turn its financial performance.

### 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: October 28, 2016

# Shahtaj Textile Limited

## ڈائریکٹرز رپورٹ برائے حصہ داران

ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2016 کو ختم ہونے والی پہلی سہ ماہی پر 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 29.842 ملین روپے رہا یعنی 3.09 روپے فی حصہ۔ خالص فروخت میں بھی گزشتہ مالی سال کی پہلی سہ ماہی کی نسبت 27% کا اضافہ ہوا اس بہتری کی وجوہات قیمت فروخت میں اضافہ، برآمدات میں اضافہ اور موجودہ سہ ماہی کے دوران بہتر پیداوار کا حصول ہے جو گزشتہ مالی سال کے اسی دورانیہ میں مل کی ضروری مرمت کی غرض سے چند دن کی بندش کی وجہ سے بہت کم تھی۔

توانائی کی ضرورت کو پورا کرنے کے لئے کمپنی کو ہفتہ کے سات دن لگاتار چوٹیں گھنٹے آرایل این جی (RLNG) دستیاب ہے، تاہم توانائی کے اس ذریعہ کی لاگت بہت زیادہ ہے جس کی وجہ آرایل این جی کی قیمت میں بہت زیادہ اضافہ کا ہونا ہے جس کے نتیجے میں پیداواری لاگت میں بہت اضافہ ہوا۔

کمپنی کا بی ایم آر (BMR) اور توسیع کا پروگرام جاری ہے۔ نمونہ جات بنانے کی مشین پہلے سے ہی کام کر رہی ہے جبکہ نئے اور ہیڈ کلینرز پہنچ چکے ہیں اور دوسری سہ ماہی میں کام کا آغاز کر دیں گے۔ 22 عدد پرانی لومز اور سائزنگ مشین کی تبدیلی اور اضافی کمپریسر کے لئے ایل سیز بھی کھل چکی ہیں۔ امید ہے کہ یہ مشینیں تیسری سہ ماہی کے اختتام تک کام کرنے کے قابل ہو جائیں گی۔ اس اضافہ اور بی ایم آر سے مل کی صلاحیت اور کارکردگی میں مزید بہتری آئے گی جس سے مالیاتی کارکردگی بھی اور بہتر ہو جائے گی۔

حوصلہ افزائی

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

برائے اور از طرف بورڈ آف ڈائریکٹرز

*Munir Nawaz*

(منیر نواز)

چیئرمین

کراچی

28 اکتوبر 2016

# Shahtaj Textile Limited

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

	September 30, 2016 Unaudited	June 30, 2016 Audited
	-----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	665,000,000	615,000,000
Unappropriated profits	158,829,351	178,853,010
	920,429,351	890,453,010
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax</b>	5,192,257	5,360,732
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing	95,709,000	82,276,000
Deferred liabilities	96,107,118	95,163,619
	191,816,118	177,439,619
<b>CURRENT LIABILITIES</b>		
Trade and other payables	232,958,328	201,283,787
Interest accrued	5,925,091	6,607,566
Short term borrowings	365,879,908	304,979,140
Current portion of long-term financing	39,892,770	50,205,540
	644,656,097	563,076,033
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
	<b>1,762,093,823</b>	<b>1,636,329,394</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	796,516,405	799,161,315
Long-term loans	1,807,858	1,395,717
Long-term deposits	28,972,381	28,972,381
	827,296,644	829,529,413
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	50,291,033	50,290,708
Stock-in-trade	384,228,492	355,914,897
Trade debts	289,337,229	202,988,914
Loans and advances	3,429,099	1,393,797
Trade deposits and short-term prepayments	7,036,277	954,118
Other receivables	6,544,085	8,533,375
Taxation - net	72,911,705	74,553,864
Sales tax refundable	105,625,815	91,603,679
Other financial assets	7,567,635	7,425,268
Cash and bank balances	7,825,809	13,141,361
	934,797,179	806,799,981
	<b>1,762,093,823</b>	<b>1,636,329,394</b>

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

  
(MAHMOOD NAWAZ)  
Director

  
(MUNEEB NAWAZ)  
Chairman

# Shahtaj Textile Limited

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UNAUDITED)

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
Sales - net	2	905,230,838	710,448,445
Cost of goods sold	3	(818,809,271)	(655,779,060)
Gross profit		86,421,567	54,669,385
Distribution cost		(16,039,589)	(13,617,957)
Administrative expenses		(19,786,390)	(18,580,475)
Other operating expenses		(3,056,905)	(773,545)
Finance cost		(10,235,556)	(11,799,946)
		(49,118,440)	(44,771,923)
Other income	4	3,164,915	539,787
Profit before taxation		40,468,042	10,437,249
Taxation		(10,625,958)	(3,339,920)
Profit after taxation		29,842,084	7,097,329
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>29,842,084</b>	<b>7,097,329</b>
<b>Earnings per share - basic and diluted</b>		<b>3.09</b>	<b>0.73</b>

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 QUARTER ENDED SEPTEMBER 30, 2016 (UNAUDITED)

	2016	2015
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	40,468,042	10,437,249
<b>Adjustments for:</b>		
Depreciation	19,489,842	20,670,380
Finance cost	10,235,556	11,799,946
Gain on disposal of property plant and equipment	(21,816)	(8,157)
Provision for gratuity and leave encashment	3,682,407	3,599,208
Property, plant and equipment written off	57,663	-
Interest income	(94,112)	(129,529)
Operating cash flows before movements in working capital	73,817,582	46,369,097
<b>(Increase)/decrease in current assets</b>		
Stores, spares and loose tools	(325)	(468,680)
Stock-in-trade	(28,313,595)	13,858,836
Trade debts	(86,348,315)	(14,170,103)
Loans and advances	(2,035,302)	(3,696,965)
Trade deposits and short term prepayments	(6,082,159)	(9,721,982)
Other receivables	1,989,290	(692,400)
Sales tax refundable	(14,022,136)	(3,575,740)
Other financial assets	(142,367)	(127,005)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	31,753,171	(10,967,004)
Cash generated from operations	(29,384,156)	16,808,054
Gratuity and leave encashment paid	(3,894,740)	(3,302,424)
Interest paid	(10,918,031)	(12,040,193)
Income taxes paid	(7,862,185)	(6,748,880)
Net cash used in operating activities	(52,059,112)	(5,283,443)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(16,946,778)	(548,968)
Proceeds from disposal of property, plant and equipment	66,000	27,455
Long-term loans	(412,141)	104,052
Long-term deposits	-	(23,530)
Interest received	94,112	129,529
Net cash used in investing activities	(17,198,807)	(311,462)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term financing	(10,312,770)	(10,895,770)
Long-term finance obtained	13,433,000	-
Dividend paid	(78,631)	-
Net cash generated from/(used in) financing activities	3,041,599	(10,895,770)
<b>Net decrease in cash and cash equivalents</b>	(66,216,320)	(16,490,675)
<b>Cash and cash equivalents at beginning of the period</b>	(291,837,779)	(286,263,634)
<b>Cash and cash equivalents at the end of the period</b>	(358,054,099)	(302,754,309)
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	7,825,809	6,037,320
Short term borrowings	(365,879,908)	(308,791,629)
	(358,054,099)	(302,754,309)

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 QUARTER ENDED SEPTEMBER 30, 2016 (UNAUDITED)

	Share capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
Rupees				
<b>Balance as at July 01, 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 year ended June 30,2016	-	-	98,858,338	98,858,338
Other comprehensive income - net of tax	-	-	(3,856,803)	(3,856,803)
Total Comprehensive income for the period	-	-	95,001,535	95,001,535
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation net of deferred taxation	-	-	595,888	595,888
- disposal net of deferred tax			2,449	2,449
Transferred to general reserve	-	25,000,000	(25,000,000)	-
<b>Transactions with owners</b>				
Final Dividend for the year ended June 30,2015 @ 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>615,000,000</b>	<b>178,853,010</b>	<b>890,453,010</b>
<b>Balance as at July 01, 2016</b>	<b>96,600,000</b>	<b>615,000,000</b>	<b>178,853,010</b>	<b>890,453,010</b>
<b>Comprehensive income</b>				
Profit after taxation for the quarter ended September 30,2016	-	-	29,842,084	29,842,084
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income for the period	-	-	29,842,084	29,842,084
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation net of deferred taxation	-	-	134,257	134,257
Transferred to general reserve	-	50,000,000	(50,000,000)	-
<b>Balance as at September 30, 2016</b>	<b>96,600,000</b>	<b>665,000,000</b>	<b>158,829,351</b>	<b>920,429,351</b>

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

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 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, 2016.

	First Quarter ended on	
	Sep 30, 2016	Sep 30, 2015
	-----Rupees-----	
<b>2. SALES-NET</b>		
Gross Sales	922,077,289	721,154,488
Less: Commission	(16,846,451)	(10,706,043)
	<b>905,230,838</b>	<b>710,448,445</b>
<b>3. COST OF GOODS SOLD</b>		
Cost of goods manufactured	795,094,140	627,285,840
Opening stock of finished goods	188,324,909	202,931,409
Closing stock of finished goods	(164,609,778)	(174,438,189)
	<b>818,809,271</b>	<b>655,779,060</b>
<b>4. OTHER INCOME</b>		
Reversal of provision against doubtful debt	1,500,000	-
Net loss from trading	(1,662)	(19,828)
Profit on bank deposits	94,112	129,529
Exchange gain	1,550,649	421,929
Gain on sale of fixed assets	21,816	8,157
	<b>3,164,915</b>	<b>539,787</b>

### 5. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue on October 28, 2016 by the Board of Director of the Company.

### 6. GENERAL

Figures have been rounded off to the nearest rupee.

  
(MAHMOOD NAWAZ)  
Director

  
(MUNEER NAWAZ)  
Chairman

# Shahtaj Textile Limited

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