



*Condensed Interim
Financial Information
for the nine-month period ended
March 31, 2014*

Shahtaj Textile Limited

Shahtaj Textile Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Muneer Nawaz Mr. M. Naeem Mr. Mahmood Nawaz Mr. Farooq Hassan (NIT) 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. Muneer Nawaz Mr. Mahmood Nawaz Mr. Muhammad Usman Khalid Syed Muhammad Farooq	Chairman Member Member Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD	Mr. Muneer Nawaz Mr. Farooq Hassan Mr. M. Naeem	Chairman Member Member
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 Faysal Bank Limited HSBC Bank Middle East 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 Tel: (042) 35772991-3 Fax: (042) 35772999	
MARKETING OFFICE	27-C Abdalian Co-oporetive Housing 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	Evolution Factor (Pvt.) Limited (Formerly Corporate Support 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 unaudited Condensed Interim Financial Information of the Company for the nine months period ended on 31st March, 2014.

By the grace of God Almighty operating results of the company have been positive and Company has earned an after tax profit of Rs.55.744 million with an EPS of Rs.5.77.

This profit however is less than the corresponding period of last year, mainly due to abnormal increase in fuel and power cost to the extent of Rs.74 million. With limited gas availability and WAPDA load shedding continuing Company had to resort to self generation through costly alternatives.

During last quarter Company also suffered due to adverse market conditions. Buyers are delaying lifting of fabric made to their orders, which has resulted in higher inventories and more bank borrowings.

Company is braving this situation with hopes for a change for better in near future.

Appreciation

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

for and on behalf of the Board of Directors

Karachi: April 25, 2014


(M. Naeem)
Chief Executive

Shahtaj Textile Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014

	March 31, 2014 Unaudited	June 30, 2013 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	550,000,000	470,000,000
Unappropriated profits	100,733,741	154,724,849
	747,333,741	721,324,849
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax		
	197,918,955	209,146,357
NON-CURRENT LIABILITIES		
Long-term financing	212,086,081	201,716,621
Deferred liabilities	103,006,302	99,498,366
	315,092,383	301,214,987
CURRENT LIABILITIES		
Trade and other payables	270,880,344	249,848,313
Interest accrued	11,671,715	13,533,640
Short term borrowings	309,251,284	181,999,934
Current portion of long-term financing	109,069,541	110,681,542
	700,872,884	556,063,429
CONTINGENCIES AND COMMITMENTS		
	-	-
	1,961,217,963	1,787,749,622
NON-CURRENT ASSETS		
Property, plant and equipment	1,009,646,667	995,631,560
Long-term loans	860,680	602,791
Long-term deposits	27,317,444	27,310,337
	1,037,824,791	1,023,544,688
CURRENT ASSETS		
Stores, spares and loose tools	52,968,227	41,806,305
Stock-in-trade	389,399,381	299,912,420
Trade debts	347,747,799	322,455,558
Loans and advances	4,278,662	10,774,431
Trade deposits and short-term prepayments	1,286,823	4,386,088
Other receivables	7,479,184	4,548,439
Taxation - net	19,494,783	16,237,798
Sales tax refundable	85,871,250	53,509,383
Other financial assets	5,963,970	5,984,397
Cash and bank balances	8,903,093	4,590,115
	923,393,172	764,204,934
	1,961,217,963	1,787,749,622

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


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2014 (UNAUDITED)

	Nine-month period ended		Three-month period ended		
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	
	Note ----- Rupees -----				
Sales - net	2	3,050,620,721	3,081,581,479	937,362,894	1,044,926,074
Cost of goods sold	3	(2,825,498,578)	(2,789,021,878)	(874,014,636)	(947,399,586)
Gross profit		225,122,143	292,559,601	63,348,258	97,526,488
Other income	4	9,454,571	11,369,088	1,164,507	4,516,451
		234,576,714	303,928,689	64,512,765	102,042,939
Distribution cost		(51,258,341)	(42,092,414)	(15,716,426)	(12,469,839)
Administrative expenses		(52,016,160)	(45,164,482)	(16,863,750)	(15,869,139)
Other operating expenses		(6,404,035)	(10,920,029)	(1,262,312)	(3,763,745)
Finance cost		(40,437,931)	(80,574,652)	(15,586,028)	(26,684,916)
		(150,116,467)	(178,751,577)	(49,428,516)	(58,787,639)
Profit before taxation		84,460,247	125,177,112	15,084,249	43,255,300
Taxation		(28,716,484)	(46,564,589)	(4,523,795)	(20,254,179)
Profit after taxation		55,743,763	78,612,523	10,560,454	23,001,121
Other comprehensive income					
Remeasurement of defined benefit liability	1	(2,656,745)	-	-	-
Recognition of deferred tax		334,471	-	-	-
		(2,322,274)	-	-	-
Total comprehensive income		53,421,489	78,612,523	10,560,454	23,001,121
Earnings per share - basic and diluted		5.77	8.14	1.09	2.38

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


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2014 (UNAUDITED)

	Nine-month period ended	
	March 31, 2014	March 31, 2013
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	84,460,247	125,177,112
Adjustments for:		
Depreciation	74,206,528	65,677,438
Finance cost	40,437,931	80,574,652
Gain on disposal of property plant and equipment	(895,096)	(557,891)
Provision for gratuity and leave encashment	11,050,920	9,459,647
Interest income	(236,642)	(271,880)
Operating cash flows before movements in working capital	209,023,888	280,059,078
(Increase) / decrease in current assets		
Stores, spares and loose tools	(11,161,922)	(5,593,298)
Stock-in-trade	(89,486,961)	(36,849,163)
Trade debts	(25,292,241)	177,022,234
Loans and advances	6,495,769	16,549
Trade deposits and short term prepayments	3,099,265	(1,180,913)
Other receivables	(2,930,745)	9,015,818
Other financial assets	20,427	(1,000,000)
Sale tax refundable	(32,361,867)	(28,708,575)
Increase in current liabilities		
Trade and other payables	20,136,436	45,370,965
Cash generated from operations	77,542,049	438,152,695
Gratuity and leave encashment paid	(9,865,258)	(6,505,697)
Interest paid	(42,299,856)	(91,610,553)
Income taxes paid	(31,973,469)	(25,766,487)
Net cash (used in) / generated from operating activities	(6,596,534)	314,269,958
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(88,907,759)	(7,607,335)
Proceeds from disposal of property, plant and equipment	1,581,220	825,244
Long-term loans	(257,889)	(4,399)
Long-term deposits	(7,107)	-
Interest received	236,642	272,531
Net cash used in investing activities	(87,354,893)	(6,513,959)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(66,242,541)	(86,986,541)
Long-term finance obtained	75,000,000	-
Dividend paid	(37,744,404)	(33,108,224)
Net cash used in financing activities	(28,986,945)	(120,094,765)
Net (Decrease) / increase in cash and cash equivalents	(122,938,372)	187,661,234
Cash and cash equivalents at beginning of the period	(177,409,819)	(413,651,758)
Cash and cash equivalents at the end of the period	(300,348,191)	(225,990,524)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,903,093	18,625,589
Short term borrowings	(309,251,284)	(244,616,113)
	(300,348,191)	(225,990,524)

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


(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, 2014 (UNAUDITED)

	Share capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
	Rupees			
Balance as at July 01, 2012	96,600,000	420,000,000	120,186,009	636,786,009
Comprehensive income				
Profit after taxation for the nine month ended March 31, 2013	-	-	78,612,523	78,612,523
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income	-	-	78,612,523	78,612,523
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation net of deferred taxation	-	-	4,037,355	4,037,355
Transferred to general reserve	-	50,000,000	(50,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30, 2012 @ Rs. 3.50 per share	-	-	(33,809,582)	(33,809,582)
Balance as at March 31, 2013	96,600,000	470,000,000	119,026,305	685,626,305
Balance as at July 01, 2013	96,600,000	470,000,000	154,724,849	721,324,849
Comprehensive income				
Profit after taxation for the nine month ended March 31, 2014	-	-	55,743,763	55,743,763
Other comprehensive income - net of tax	-	-	(2,322,274)	(2,322,274)
Total comprehensive income	-	-	53,421,489	53,421,489
Transferred from surplus on revaluation of property, plant and equipment on account of:				
- incremental depreciation net of deferred taxation	-	-	11,227,403	11,227,403
Transferred to general reserve	-	80,000,000	(80,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30, 2013 @ Rs. 4.00 per share	-	-	(38,640,000)	(38,640,000)
Balance as at March 31, 2014	96,600,000	550,000,000	100,733,741	747,333,741

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


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2014 (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, 2013 except for the adoption of IAS-19 as more described in note 3.1 of Condensed Interim Financial Information for the half year ended December 31, 2013

	Nine-Month period ended		Three-Month period ended	
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
	Rupees			
2. SALES-Net				
Gross Sales	3,071,348,006	3,095,360,960	946,068,116	1,051,773,994
Less: Commission	(20,727,285)	(13,779,481)	(8,705,222)	(6,847,920)
	3,050,620,721	3,081,581,479	937,362,894	1,044,926,074
3. COST OF GOODS SOLD				
Cost of goods manufactured	2,835,417,602	2,836,106,165	933,082,411	934,188,998
Opening stock of finished goods	179,911,840	147,907,744	130,763,089	208,202,619
Closing stock of finished goods	(189,830,864)	(194,992,031)	(189,830,864)	(194,992,031)
	2,825,498,578	2,789,021,878	874,014,636	947,399,586
4. OTHER INCOME				
Net income from trading	(33,864)	-	-	-
Profit on bank deposits	241,134	271,880	4,347	115,040
Waste sales	8,352,205	10,539,317	2,785,712	4,121,716
Exchange Loss	-	-	(1,792,397)	-
Gain on sale of fixed assets	895,096	557,891	166,845	279,695
	9,454,571	11,369,088	1,164,507	4,516,451

5. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorized for issue on April 25, 2014 by the Board of Directors of the Company.

6. GENERAL

Figures have been rounded off to the nearest rupee.


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

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