



*Condensed Interim
Financial Information
for the quarter ended
September 30, 2013*

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, 45401133, 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 Financial Information of the Company for the first quarter ended 30th September, 2013. By the grace of Allah Almighty operating results of the quarter have been positive and Company has earned an after tax profit of Rs.20.995 million with an EPS of Rs.2.17. In spite of higher sales, crossing a billion mark, the profit is less than the corresponding period mainly due to abnormal increase in WAPDA tariff and cost of alternate energy sources.

Besides high power cost the Company is going to face 90 days total shut down of even partial supply of gas in coming winter months. The industry is also currently experiencing a slow down in market demand of fabric. These factors are likely to further affect profitability of the Company.

Company will be doing its best to overcome this difficult situation.

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:
October 25, 2013


(M. Naeem)
Chief Executive

Shahtaj Textile Limited

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2013

	September 30, 2013 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	99,462,129	154,724,849
	746,062,129	721,324,849
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax	205,403,890	209,146,357
NON-CURRENT LIABILITIES		
Long-term financing	190,813,851	201,716,621
Deferred liabilities	99,887,582	99,498,366
	290,701,433	301,214,987
CURRENT LIABILITIES		
Trade and other payables	206,365,922	249,848,313
Interest accrued	11,554,357	13,533,640
Short term borrowings	137,221,488	181,999,934
Current portion of long-term financing	110,681,542	110,681,542
	465,823,309	556,063,429
CONTINGENCIES AND COMMITMENTS	-	-
	1,707,990,761	1,787,749,622
NON-CURRENT ASSETS		
Property, plant and equipment	971,250,713	995,631,560
Long-term loans	645,603	602,791
Long-term deposits	27,310,337	27,310,337
	999,206,653	1,023,544,688
CURRENT ASSETS		
Stores, spares and loose tools	47,157,145	41,806,305
Stock-in-trade	275,746,498	299,912,420
Trade debts	273,020,293	322,455,558
Loans and advances	5,387,921	10,774,431
Trade deposits and short-term prepayments	4,292,671	4,386,088
Other receivables	4,650,313	4,548,439
Taxation - net	15,895,311	16,237,798
Sales tax refundable	72,542,544	53,509,383
Other financial assets	-	5,984,397
Cash and bank balances	10,091,412	4,590,115
	708,784,108	764,204,934
	1,707,990,761	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 QUARTER ENDED SEPTEMBER 30,2013 (UNAUDITED)

	Note	First Quarter ended on	
		September 30 2013	September 30 2012
		----- Rupees-----	
Sales - net	2	1,051,702,214	945,978,516
Cost of goods sold	3	(976,624,161)	(833,896,644)
Gross profit		75,078,053	112,081,872
Other income	4	4,575,360	2,097,312
		79,653,413	114,179,184
Distribution cost		(16,136,582)	(11,515,026)
Administrative expenses		(15,681,706)	(14,473,922)
Other operating expenses		(2,357,585)	(4,239,078)
Finance cost		(13,667,218)	(26,754,316)
		(47,843,091)	(56,982,342)
Profit before taxation		31,810,322	57,196,842
Taxation		(10,815,509)	(20,018,895)
Profit after taxation		20,994,813	37,177,947
Other comprehensive income		-	-
Total comprehensive income		20,994,813	37,177,947
Earnings per share - basic and diluted		2.17	3.85

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(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	First Quarter ended on	
	September 30 2013	September 30 2012
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,810,322	57,196,842
Adjustments for:		
Depreciation	24,486,170	20,880,780
Finance cost	13,667,218	26,754,316
Gain on disposal of property plant and equipment	(683,327)	-
Provision for gratuity and leave encashment	3,767,174	3,143,674
Interest income	(119,141)	(36,260)
Operating cash flows before movements in working capital	72,928,416	107,939,352
(Increase) / decrease in current assets		
Stores, spares and loose tools	(5,350,840)	608,505
Stock-in-trade	24,165,922	(83,132,085)
Trade debts	49,435,265	(18,829,637)
Loans and advances	5,386,510	(3,030,591)
Trade deposits and short term prepayments	93,417	(2,930,634)
Other receivables	(101,874)	1,185,424
Other financial assets	5,984,397	(1,000,000)
Sale tax refundable	(19,033,161)	(8,851,058)
Decrease in current liabilities		
Trade and other payables	(43,470,566)	(2,769,596)
Cash generated from operations	90,037,486	(10,810,320)
Gratuity and leave encashment paid	(3,377,958)	(2,495,391)
Interest paid	(15,646,501)	(26,511,678)
Income taxes paid	(10,473,022)	(7,944,291)
Net cash generated from/(used in) operating activities	60,540,005	(47,761,680)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(361,996)	(1,609,555)
Proceeds from disposal of property, plant and equipment	940,000	-
Long-term loans	(42,812)	(218,996)
Interest received	119,141	35,912
Net cash generated from/(used in) investing activities	654,333	(1,792,639)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(10,902,770)	(10,902,771)
Dividend paid	(11,825)	(28,580)
Net cash used in financing activities	(10,914,595)	(10,931,351)
Net Increase / (decrease) in cash and cash equivalents	50,279,743	(60,485,670)
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	(127,130,076)	(474,137,428)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	10,091,412	5,998,274
Short term borrowings	(137,221,488)	(480,135,702)
	(127,130,076)	(474,137,428)

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 QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	Share capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
Rupees				
Balance as at June 30, 2012	96,600,000	420,000,000	120,186,009	636,786,009
Comprehensive income				
Profit after taxation for the year ended June 30, 2013	-	-	112,897,977	112,897,977
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income	-	-	112,897,977	112,897,977
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation net of deferred taxation	-	-	5,450,445	5,450,445
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 June 30, 2012	96,600,000	470,000,000	154,724,849	721,324,849
Comprehensive income				
Profit after taxation for the quarter ended September 30, 2013	-	-	20,994,813	20,994,813
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income	-	-	20,994,813	20,994,813
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation net of deferred taxation	-	-	3,742,467	3,742,467
Transferred to general reserve	-	80,000,000	(80,000,000)	-
Balance as at September 30, 2013	96,600,000	550,000,000	99,462,129	746,062,129

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 QUARTER ENDED SEPTEMBER 30, 2013 (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 the same as those applied in the preparation of the published annual audited financial statements for the year ended June 30, 2013 except for the changes resulting from the amendment of IAS 19 'Employee benefits' which though adopted does not have any material impact on this condensed interim financial information.

2. SALES-Net

Local
In-direct export
Export

Less: Commission

3. COST OF GOODS SOLD

Cost of goods manufactured
Opening stock of finished goods
Closing stock of finished goods

4. OTHER INCOME

Net loss from trading
Profit on bank deposits
Waste sales
Exchange gain / (loss)
Gain on sale of fixed assets

	First Quarter ended on	
	Sep 30, 2013	Sep 30, 2012
Rupees		
Local	530,218,044	266,558,520
In-direct export	184,377,560	395,332,620
Export	343,811,860	287,019,377
	1,058,407,464	948,910,517
	(6,705,250)	(2,932,001)
	1,051,702,214	945,978,516
Cost of goods manufactured	932,594,081	934,639,084
Opening stock of finished goods	179,911,840	147,907,744
Closing stock of finished goods	(135,881,760)	(248,650,184)
	976,624,161	833,896,644
Net loss from trading	(33,864)	-
Profit on bank deposits	119,141	36,261
Waste sales	2,380,285	3,294,184
Exchange gain / (loss)	1,426,471	(1,233,133)
Gain on sale of fixed assets	683,327	-
	4,575,360	2,097,312

5. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue on October 25, 2013 by the Board of Director 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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