



*Condensed Interim
Financial Information
for the nine-month period ended
March 31, 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, Culberg-III,
Lahore-54660
Tel: (042) 35772991-3
Fax: (042) 35772999

MARKETING OFFICE

27-C Abdalian Co-oporetive,
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

Evoloution 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 Statements of the Company for the nine months period ended on 31st March, 2013.

By the grace of God Almighty operating results of the company for the period have been positive. Company earned an after tax profit of Rs.78.612 million with an EPS of Rs.8.14.

In spite of continuing energy problem, resulting in additional costs, the operating results for the quarter were better compared with the previous quarter. Overall results of the nine months period are also better in comparison with the corresponding period of the last year. The factors contributing towards this improvement have been an increase in export sales and lesser financial cost.

As noted in our previous report certain debts have turned bad and will be recorded in quarter ending June 30th. Efforts are however still continuing to contain its quantum.

Aiming at more productivity and value addition, Company is making further investment through addition of Sectional Warper Machine and replacement of ten old looms with four new high speed looms and six rapier looms with facility to weave heavy fabrics and upholstery. This programme will take shape in current quarter.

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 26, 2013


(M. Naeem)
Chief Executive

Shahtaj Textile Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2013

	March 31, 2013 Unaudited	June 30, 2012 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	470,000,000	420,000,000
Unappropriated profits	119,026,305	120,186,009
	685,626,305	636,786,009
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax	49,795,694	54,043,106
NON-CURRENT LIABILITIES		
Long-term financing	246,156,873	336,986,413
Deferred liabilities	84,422,866	83,094,525
	330,579,739	420,080,938
CURRENT LIABILITIES		
Trade and other payables	206,854,020	160,781,705
Interest accrued	16,107,017	27,142,918
Short term borrowings	244,616,113	424,423,083
Current portion of long-term financing	131,058,291	127,215,292
Taxation - net of advance	1,856,897	-
	600,492,338	739,562,998
CONTINGENCIES AND COMMITMENTS	-	-
	1,666,494,076	1,850,473,051
NON-CURRENT ASSETS		
Property, plant and equipment	826,412,709	884,750,166
Long-term loans	681,338	676,939
Long-term deposits	27,310,337	27,310,337
	854,404,384	912,737,442
CURRENT ASSETS		
Stores, spares and loose tools	47,888,510	42,295,212
Stock-in-trade	353,060,936	316,211,773
Trade debts	333,360,174	510,382,408
Loans and advances	1,930,158	1,946,707
Trade deposits and short-term prepayments	2,444,796	1,263,883
Interest accrued	20,505	21,156
Other receivables	2,574,399	11,590,217
Taxation - net	-	20,776,878
Sales tax refundable	46,784,625	18,076,050
Other financial assets	5,400,000	4,400,000
Cash and bank balances	18,625,589	10,771,325
	812,089,692	937,735,609
	1,666,494,076	1,850,473,051

The annexed notes from 1 to 5 form an integral part of these financial statements


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE NINE-MONTH PERIOD ENDED MARCH 31,2013 (UNAUDITED)

		Nine-month period ended		Quarter ended	
		Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2013	Mar. 31, 2012
Note		Rupees			
Sales - net	1	3,081,581,479	3,017,644,581	1,044,926,074	900,367,448
Cost of goods sold	2	(2,789,021,878)	(2,745,347,076)	(947,399,586)	(831,928,632)
Gross profit		292,559,601	272,297,505	97,526,488	68,438,816
Other operating income	3	11,369,088	12,222,900	4,516,451	4,475,572
		303,928,689	284,520,405	102,042,939	72,914,388
Distribution cost		(42,092,414)	(36,511,421)	(12,469,839)	(13,948,134)
Administrative expenses		(45,164,482)	(39,836,653)	(15,869,139)	(13,472,987)
Other operating expenses		(10,920,029)	(7,586,925)	(3,763,745)	(1,104,828)
Finance cost		(80,574,652)	(98,216,901)	(26,684,916)	(29,481,272)
		(178,751,577)	(182,151,900)	(58,787,639)	(58,007,221)
Profit before taxation		125,177,112	102,368,505	43,255,300	14,907,167
Taxation		(46,564,589)	(33,661,787)	(20,254,179)	(1,794,457)
Profit after taxation		78,612,523	68,706,718	23,001,121	13,112,710
Other comprehensive income		-	-	-	-
Total comprehensive income		78,612,523	68,706,718	23,001,121	13,112,710
Earnings per share - basic and diluted		8.14	7.11	2.38	1.36

The annexed notes from 1 to 5 form an integral part of these financial statements


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

Shahtaj Textile Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2013 (UNAUDITED)

Nine-month period ended	
Mar. 31, 2013	Mar. 31, 2012
-----Rupees-----	

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	125,177,112	102,368,505
Adjustments for:		
Depreciation	65,677,438	55,059,957
Interest income	(271,880)	(349,026)
Provision for gratuity and leave encashment	9,459,647	7,992,385
Gain on disposal of property plant and equipment	(557,891)	(603,790)
Finance cost	80,574,652	98,216,901
Operating cash flows before movements in working capital	280,059,078	262,684,932
(Increase) / decrease in current assets		
Stores, spares and loose tools	(5,593,298)	2,838,245
Stock-in-trade	(36,849,163)	103,652,151
Trade debts	177,022,234	(54,351,597)
Loans and advances	16,549	(12,656,433)
Trade deposits and short term prepayments	(1,180,913)	(3,709,564)
Other receivables	9,015,818	471,983
Other financial assets	(1,000,000)	(800,000)
Sale tax refundable	(28,708,575)	(818,084)
Increase / (decrease) in current liabilities		
Trade and other payables	45,370,965	(50,129,178)
Cash generated from operations	438,152,695	247,182,455
Gratuity and leave encashment paid	(6,505,697)	(5,601,694)
Interest paid	(91,610,553)	(99,418,597)
Income taxes paid	(25,766,487)	(36,480,563)
Net cash generated from operating activities	314,269,958	105,681,601

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property, plant and equipment	(7,607,335)	(52,618,661)
Proceeds from disposal of property, plant and equipment	825,244	1,457,170
Long-term loans	(4,399)	36,067
Long-term deposits	-	178,608
Interest received	272,531	(5,662,887)
Net cash used in investing activities	(6,513,959)	(56,609,703)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long-term financing	(86,986,541)	(41,806,540)
Dividend paid	(33,108,224)	(56,746,010)
Net cash used in financing activities	(120,094,765)	(98,552,550)

Net decrease in cash and cash equivalents	187,661,234	(49,480,652)
Cash and cash equivalents at begning of the period	(413,651,758)	(456,739,939)
Cash and cash equivalents at the end of the period	(225,990,524)	(506,220,591)

CASH AND CASH EQUIVALENTS

Cash and bank balances	18,625,589	9,347,469
Short term borrowings	(244,616,113)	(515,568,060)
	(225,990,524)	(506,220,591)

The annexed notes from 1 to 5 form an integral part of these financial statements


(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, 2013 (UNAUDITED)

	Share capital	Revenue reserves		
	Issued, subscribed and paid up capital	General reserve	Unappropriated profit	Total
	Rupees			
Balance as at July 01, 2011	96,600,000	270,000,000	234,861,368	601,461,368
Total comprehensive Income for the period			68,706,718	68,706,718
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation (net of deferred taxation)	-	-	4,270,356	4,270,356
Transferred to general reserve	-	150,000,000	(150,000,000)	-
Transactions with owners				
Final Dividend for the year ended June 30, 2011 @ Rs. 6.00 per share	-	-	(57,960,000)	(57,960,000)
Balance as at March 31, 2012	96,600,000	420,000,000	99,878,442	616,478,442
Balance as at July 01, 2012	96,600,000	420,000,000	120,186,009	636,786,009
Total comprehensive income for the period	-		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

The annexed notes from 1 to 5 form an integral part of these financial statements


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2013 (UNAUDITED)

	Nine-Month period ended		Quarter Ended	
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
	Rupees		Rupees	
1. SALES-Net				
Local	1,170,131,206	759,527,817	520,182,618	239,607,244
In-direct export	1,105,465,236	1,752,771,781	257,105,798	548,870,564
Export	819,764,518	517,465,240	274,485,578	115,559,990
	3,095,360,960	3,029,764,838	1,051,773,994	904,037,798
Less: Commission	(13,779,481)	(12,120,257)	(6,847,920)	(3,670,350)
	3,081,581,479	3,017,644,581	1,044,926,074	900,367,448
2. COST OF GOODS SOLD				
Cost of goods manufactured	2,836,106,165	2,638,106,813	934,188,998	829,484,010
Opening stock of finished goods	147,907,744	242,057,626	208,202,619	137,261,985
Closing stock of finished goods	(194,992,031)	(134,817,363)	(194,992,031)	(134,817,363)
	2,789,021,878	2,745,347,076	947,399,586	831,928,632
3. OTHER OPERATING INCOME				
Net income from trading	-	75,354	-	70,000
Profit on bank deposits	271,880	349,025	115,040	110,228
Scrap sales	10,539,317	13,301,880	4,121,716	4,127,989
Exchange (Loss)	-	(2,107,149)	-	5,525
Gain on sale of fixed assets	557,891	603,790	279,695	161,830
	11,369,088	12,222,900	4,516,451	4,475,572

4. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue on April 26, 2013 by the Board of Directors of the Company.

5. GENERAL

Figures have been rounded off to the nearest rupee.


(M.NAEEM)
Chief Executive


(MUNEER NAWAZ)
Chairman

**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.*