Condensed Interim Financial Statement for the nine month period ended March 31, 2019

Shahtaj Textile Limited
# Shahtaj Textile Limited

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</tbody>
</table>
Shahtaj Textile Limited

COMPANY INFORMATION

**BOARD OF DIRECTORS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Muneer Nawaz</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mr. M. Nasem</td>
<td>Chief Executive</td>
</tr>
<tr>
<td>Mr. Mahmood Nawaz</td>
<td></td>
</tr>
<tr>
<td>Mr. Saleem Zamindar (NIT)</td>
<td></td>
</tr>
<tr>
<td>Mr. Sohail Habib</td>
<td></td>
</tr>
<tr>
<td>Mr. Toqueer Nawaz</td>
<td></td>
</tr>
<tr>
<td>Mrs. Sadia Muhammad</td>
<td></td>
</tr>
<tr>
<td>Mr. Muhammad Usman Khalid</td>
<td></td>
</tr>
<tr>
<td>Lt. Col. (Retd.) R.D. Shams</td>
<td></td>
</tr>
</tbody>
</table>

**COMPANY SECRETARY**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Jamil Ahmad Butt, FCMA</td>
<td></td>
</tr>
</tbody>
</table>

**AUDIT COMMITTEE OF THE BOARD**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Sohail Habib</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mr. Muneer Nawaz</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Toqueer Nawaz</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Muhammad Usman Khalid</td>
<td>Member</td>
</tr>
</tbody>
</table>

**HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Saleem Zamindar</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mr. Muneer Nawaz</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Muhammad Usman Khalid</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Jamil Ahmad Butt, FCMA</td>
<td>Secretary</td>
</tr>
</tbody>
</table>

**AUDITORS**

Deloitte Younus Adil,
Chartered Accountants,
Cavidh Court, A-35, Block 7 & 8 KCHS,
Shahra-e-Faisal, Karachi 75350.

**BANKS**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Alfalah Limited</td>
<td></td>
</tr>
<tr>
<td>United Bank Limited</td>
<td></td>
</tr>
<tr>
<td>Meezan Bank Ltd</td>
<td></td>
</tr>
<tr>
<td>The Bank of Punjab</td>
<td></td>
</tr>
<tr>
<td>MCB Bank Limited</td>
<td></td>
</tr>
<tr>
<td>Faisal Bank Limited</td>
<td></td>
</tr>
<tr>
<td>Habib Bank Limited</td>
<td></td>
</tr>
<tr>
<td>National Bank of Pakistan</td>
<td></td>
</tr>
</tbody>
</table>

**LEGAL ADVISOR**

Mr. Rai Tanvir Chaudhary
30-Mall Mansion
The Mall
Lahore.

**HEAD OFFICE**

Shahwaz Building, 19- Dockyard Road,
West Wharf, Karachi 74000
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594
Website: www.shahtaj.com

**REGISTERED OFFICE**

27-C Abdulah Co-operative Housing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

**MARKETING OFFICE**

27-C Abdulah Co-operative Housing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

**FACTORY**

46 K.M. Lahore/Multan Road
Chunian Industrial Estate
Ph: (049) 45404530-32, 454033, 4540234
Fax: (049) 4540031

**SHARE REGISTRAR**

Jwaffs Registrar Services (Pvt.) Ltd.
Suite # 407,408, 4th Floor, Al-Ameera Centre,
Shahra-e-Iqra, 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 Statements of the Company for the nine month period ended on March 31, 2019.

By the grace of Allah operating results of the Company have been positive and Company has earned an after tax profit of Rs.97,488 million with an EPS of Rs10.09 in comparison to Rs 4.14 reported during the same period last year.Sales revenue increased substantially by almost 25% as compared to corresponding period last year. Increase in sales revenue is mainly due to rupee depreciation as well as improvement in price per meter sold.The Government implemented most awaited benefit to the export sectors by reducing the RLNG price at USD 6.50 per MMBTU as well as fixed power tariff equal to US cents 7.5 for each unit of electricity. This measure, taken by the Government, helped to contain energy cost. Resultantly, gross profit rate during the nine months increased to 8.46% from 7.64% as compared to corresponding period of last year.

Other income increased significantly due to high exchange gain owing to rupee devaluation. Finance cost increased by 52.3% over the same period of previous year. The major reason for significant increase in finance cost is higher utilization of working capital banking limits and upward adjustment in interest rates. Administrative cost is also higher mainly on account of inflation.

Government is trying to resolve the export industry problems by taking some good initiatives like export rebate refunds and mechanism for issuance of blocked sales tax refunds. These measures can only be beneficial if materialized in time. It is also hoped that the government will ensure supply of gas and electricity at concessional rates to the textile industry in a continuous manner.

Management is optimistic about financial and operational performance during the next quarter as well.

Composition of Board

The total number of directors are nine as per the following:

a) Male: 8
b) Female: 1

<table>
<thead>
<tr>
<th>Category</th>
<th>Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Directors</td>
<td>Mr. Saleem Zamindar (NIT) Mr. Sohail Habib</td>
</tr>
<tr>
<td>Other Non-Executive Directors</td>
<td>Mr. Muneer Nawaz Mr. Muhammad Nawaz</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>Mr. Muhammad Usman Khalid Lt. Col(Retd.) Raisuddin Shami</td>
</tr>
</tbody>
</table>

The board has formed committees comprising of members given below:

a) Audit Committee
01. Mr. Sohail Habib (Chairman) 02. Mr. Muneer Nawaz
03. Mr. ToqueerNawaz 04. Mr. Muhammad Usman Khalid

b) HR and Remuneration Committee
01. Saleem Zamindar (Chairman) 02. Mr. Muneer Nawaz
03. Muhammad Naeem 04. Mr. Muhammad Usman Khalid

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: (M. Naeem) (M. Usman Khalid)
April 26, 2019 Chief Executive Director

04
Shahtaj Textile Limited

Dear Gear Owner,

This Gear report was prepared on September 31, 2019, and contains the financial figures for the Gear Line for the period ending on September 30, 2019. This Gear report includes the Gear Line's financial statements and provides an overview of its performance and financial position. The report is intended to provide Gear Owners with a clear understanding of the Gear Line's financial situation and to aid in making informed decisions regarding the Gear Line's future operations.

The financial statements included in this Gear report are prepared in accordance with the Gear Industry Accounting Standards. The Gear Line's financial performance is assessed based on the financial ratios and key performance indicators provided in the Gear report.

The Gear Line's financial performance is tracked through various financial indicators, such as profit margins and return on investment. These indicators are used to evaluate the Gear Line's financial health and to identify areas for improvement.

The Gear Line's financial statements include the balance sheet, income statement, and cash flow statement. These statements provide Gear Owners with a comprehensive view of the Gear Line's financial position and performance.

The Gear Line's financial statements are subject to audit by an independent auditor to ensure accuracy and reliability.

Please review the Gear report carefully to gain a thorough understanding of the Gear Line's financial position and performance.

Sincerely,

[Your Name]

Gear Line CFO
 Shahtaj Textile Limited

پوری دیو ساہتت

محصور پر لوڈ کرکے ہاتھی لکھکیم ریکارڈ کے نتیجے میں کھلا فصل دی اخبار سے:

(مرد: 8  ب) خواتین: 1

پوری دیو ساہتت، درج ذیل سے:

<table>
<thead>
<tr>
<th>رقم</th>
<th>اسم/آئی ری</th>
<th>اسم/آئی ایم</th>
<th>اسم/آئی آئی</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>بہب د خم یار(خیبر پختونخوا)</td>
<td>یوسف عاصم</td>
<td>شاہزاد آہمیز</td>
</tr>
<tr>
<td>2</td>
<td>محمد اختر(خیبر پختونخوا)</td>
<td>محمد سعید صاحب</td>
<td>محمد علی</td>
</tr>
<tr>
<td>3</td>
<td>ظفر حسین(خیبر پختونخوا)</td>
<td>محمد علی</td>
<td>ہارمین</td>
</tr>
</tbody>
</table>
Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION
AS AT MARCH 31, 2019

<table>
<thead>
<tr>
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<th>Unaudited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2019</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHARE CAPITAL AND RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>100,000,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid-up capital</td>
<td>96,600,000</td>
<td>96,600,000</td>
</tr>
<tr>
<td>Reserves</td>
<td>953,129,420</td>
<td>875,592,815</td>
</tr>
<tr>
<td>Surplus on revaluation of plant and machinery</td>
<td>79,785,925</td>
<td>86,946,656</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td>1,329,915,345</td>
<td>1,059,139,417</td>
</tr>
<tr>
<td>Long-term financing</td>
<td>358,315,884</td>
<td>287,397,722</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>21,041,245</td>
<td>22,141,909</td>
</tr>
<tr>
<td>Retirement benefit obligation</td>
<td>76,246,575</td>
<td>75,555,614</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td>455,603,704</td>
<td>385,995,243</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>359,908,765</td>
<td>395,511,945</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td>10,190,388</td>
<td>9,458,386</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>22,818,238</td>
<td>15,392,909</td>
</tr>
<tr>
<td>Short term borrowings</td>
<td>765,853,338</td>
<td>776,296,294</td>
</tr>
<tr>
<td>Current portion of long-term financing</td>
<td>56,169,876</td>
<td>44,235,476</td>
</tr>
<tr>
<td><strong>CONTRINGENCIES AND COMMITMENTS</strong></td>
<td>1,214,940,605</td>
<td>1,238,895,014</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>2,800,059,653</td>
<td>2,683,129,730</td>
</tr>
</tbody>
</table>

**ASSETS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,111,828,982</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>964,590</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>30,069,081</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td>1,142,802,653</td>
</tr>
<tr>
<td>Stores, spares and loose tools</td>
<td>46,825,375</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>602,060,601</td>
</tr>
<tr>
<td>Trade debts</td>
<td>710,456,069</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>2,103,161</td>
</tr>
<tr>
<td>Trade deposits and short-term prepayments</td>
<td>7,695,700</td>
</tr>
<tr>
<td>Other receivables</td>
<td>36,340,652</td>
</tr>
<tr>
<td>Taxation - net</td>
<td>87,901,993</td>
</tr>
<tr>
<td>Sales tax refundable</td>
<td>146,246,201</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>17,627,248</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>2,800,059,653</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 8 form an integral part of this condensed interim financial statements.
Shahtaj Textile Limited

CONDEnd INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE-MONTH AND QUARTER ENDED MARCH 31, 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine-month period ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2019</td>
<td>March 31, 2018</td>
</tr>
<tr>
<td>Sales - net</td>
<td>3,441,107,217</td>
<td>2,757,051,637</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(3,150,062,029)</td>
<td>(2,546,541,162)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>291,045,188</td>
<td>210,510,475</td>
</tr>
<tr>
<td>Distribution cost</td>
<td>(51,838,275)</td>
<td>(52,448,555)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(78,396,678)</td>
<td>(62,552,052)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(9,231,550)</td>
<td>(4,273,590)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>(61,995,997)</td>
<td>(40,694,244)</td>
</tr>
<tr>
<td>Other income</td>
<td>(193,462,540)</td>
<td>(159,970,441)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>124,559,030</td>
<td>71,922,449</td>
</tr>
<tr>
<td>Taxation</td>
<td>(27,674,147)</td>
<td>(17,632,017)</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>97,484,883</td>
<td>54,290,432</td>
</tr>
</tbody>
</table>

Other comprehensive income

Items that will not be reclassified subsequently to profit or loss

<table>
<thead>
<tr>
<th></th>
<th>Nine-month period ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2019</td>
<td>March 31, 2018</td>
</tr>
<tr>
<td>Surplus on revaluation of plant &amp; machinery</td>
<td>-</td>
<td>94,135,461</td>
</tr>
<tr>
<td>Recognition of deferred tax</td>
<td>-</td>
<td>(9,667,856)</td>
</tr>
<tr>
<td>Total other comprehensive income - net of tax</td>
<td>-</td>
<td>84,467,605</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>97,484,883</td>
<td>124,480,467</td>
</tr>
</tbody>
</table>

Earnings per share - basic and diluted

<table>
<thead>
<tr>
<th></th>
<th>Nine-month period ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2019</td>
<td>March 31, 2018</td>
</tr>
<tr>
<td></td>
<td>10.09</td>
<td>4.14</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 8 form an integral part of this condensed interim financial statements.

(M. Naeem)
Chief Executive

(Amir Ahmed)
Chief Financial Officer

(M. Usman Khalid)
Director

08
# Shahtaj Textile Limited

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019

<table>
<thead>
<tr>
<th>Nine-month period ended</th>
<th>March 31, 2019</th>
<th>March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>124,559,038</td>
<td>57,662,499</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>87,729,993</td>
<td>74,654,335</td>
</tr>
<tr>
<td>Finance cost</td>
<td>61,995,997</td>
<td>40,696,244</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(1,000,870)</td>
<td>(79,678)</td>
</tr>
<tr>
<td>Provision for gratuity and leave encashment</td>
<td>16,309,977</td>
<td>14,690,728</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>(173,813)</td>
</tr>
<tr>
<td>Operating cash flows before movements in working capital</td>
<td>289,594,135</td>
<td>187,450,315</td>
</tr>
<tr>
<td><strong>(Increase)/decrease in current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spares and loose tools</td>
<td>2,403,393</td>
<td>(11,229,014)</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>(94,151,235)</td>
<td>(158,008,530)</td>
</tr>
<tr>
<td>Trade debts</td>
<td>(91,217,172)</td>
<td>(147,087,047)</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>8,589,184</td>
<td>(3,736,398)</td>
</tr>
<tr>
<td>Trade deposits and short term prepayments</td>
<td>(6,879,825)</td>
<td>(2,009,534)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>10,885,642</td>
<td>(5,035,651)</td>
</tr>
<tr>
<td>Sales tax refundable</td>
<td>(5,507,345)</td>
<td>(9,529,076)</td>
</tr>
<tr>
<td><strong>(Decrease)/increase in current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(33,603,180)</td>
<td>39,480,367</td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>80,113,597</td>
<td>(109,704,568)</td>
</tr>
<tr>
<td>Gratitude and leave encashment paid</td>
<td>(15,619,016)</td>
<td>(20,532,579)</td>
</tr>
<tr>
<td>Finance cost paid</td>
<td>(54,570,668)</td>
<td>(33,869,060)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(25,986,066)</td>
<td>(22,192,384)</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(16,062,153)</td>
<td>(186,299,591)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>(41,510,116)</td>
<td>(50,477,420)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>3,599,837</td>
<td>227,369</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>(32,024)</td>
<td>(554,551)</td>
</tr>
<tr>
<td>Long-term deposits received</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>-</td>
<td>173,813</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(37,882,303)</td>
<td>(50,630,789)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term finance obtained</td>
<td>99,082,560</td>
<td>31,493,980</td>
</tr>
<tr>
<td>Repayment of long-term financing</td>
<td>(16,150,001)</td>
<td>(14,790,000)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(25,833,000)</td>
<td>(46,222,483)</td>
</tr>
<tr>
<td>Short term borrowings-net</td>
<td>(355,634,157)</td>
<td></td>
</tr>
<tr>
<td>Net cash generated from/(used in) financing activities</td>
<td>57,019,559</td>
<td>(185,152,401)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td>3,075,103</td>
<td>(422,082,119)</td>
</tr>
<tr>
<td>Cash and cash equivalents at July 1</td>
<td>(751,301,193)</td>
<td>(260,712,199)</td>
</tr>
<tr>
<td>Cash and cash equivalents at March 31</td>
<td>(748,226,090)</td>
<td>(682,794,318)</td>
</tr>
</tbody>
</table>

**Cash and Cash Equivalents**

Running finances

Cash and bank balances

Cash and bank balances

(748,226,090)

(682,794,318)

The annexed notes from 1 to 8 form an integral part of this condensed interim financial statements.
Shahtaj Textile Limited

CONDEDED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>General Reserve</th>
<th>Appropriated Profit</th>
<th>Capital Reserve</th>
<th>Surplus on revaluation of plant &amp; machinery</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at July 01, 2017</td>
<td>96,60,00,000</td>
<td>665,00,00,000</td>
<td>108,58,90,000</td>
<td>4,65,53,32</td>
<td>954,84,63,2</td>
</tr>
</tbody>
</table>

Comprehensive Income

Profit for the period
Other comprehensive income - net of tax
Total Comprehensive income for the period

- Transferred from surplus on revaluation of plant and machinery on account of:
  - Incremental depreciation net of deferred taxation
  - Change in rate of tax

- Transferred to general reserve

Transactions with owners

Final Dividend for the year ended June 30, 2017
@ Rs.5 per share

Balance as at March 31, 2018
96,60,00,000 | 710,00,00,000 | 136,38,98,958 | 86,83,67,353 | 1,031,825,550 |

Balance as at July 01, 2018
96,60,00,000 | 710,00,00,000 | 165,59,2,815 | 86,94,6,66 | 1,159,13,471 |

Comprehensive Income

Profit for the period
Other comprehensive income - net of tax
Total comprehensive income for the period

- Transferred from surplus on revaluation of plant and machinery on account of:
  - Incremental depreciation net of deferred taxation
  - Change in rate of tax

- Transferred to general reserve

Transactions with owners

Final Dividend for the year ended June 30, 2018
@ Rs. 2.75 per share

Balance as at March 31, 2019
96,60,00,000 | 745,00,00,000 | 208,12,4,420 | 78,70,92,5 | 1,219,015,345 |

The unlisted notes from 1 to 8 form an integral part of this condensed interim financial statements.
Shahtaj Textile Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019

1. STATUS AND NATURE OF BUSINESS

Shahtaj Textile Limited (the Company) is limited by shares, incorporated in Pakistan on January 24, 1990 under the Companies Ordinance, 1984 (now Companies Act, 2017), as a public limited Company. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal business of the Company is in manufacture and sale of textile goods. The registered office of the Company is situated at 27-C, Abidwala Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Pakistan and the manufacturing facility of the Company is located at 46 km, Lahore/Multan Road, Charian Industrial Estate, Bhau Phra, District Kasur in the province of Punjab, however, the Head Office is located at Shahnawaz Building, 19 - Dockyard Road, West Wharf, Karachi - 74009.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 now Companies Act 2017. Wherever the requirements of the provisions of and directives issued under the Companies Act 2017 by the SECP differ with the requirements of the IFRS, the requirements of the provisions of and the directives issued under Companies Act 2017 by the SECP shall prevail.

The disclosures made in this condensed interim financial statements have, however, been limited based on the requirement of International Accounting Standard 34 - Interim Financial Reporting. This condensed interim financial information does not include all the information and disclosure required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The significant accounting policies, estimates, judgments and methods of computation followed in the preparation of this condensed interim financial statements are same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2018.

<table>
<thead>
<tr>
<th>Nine-Month period ended</th>
<th>Three-month period ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 31, 2019</td>
<td>Mar 31, 2018</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rupees</td>
</tr>
<tr>
<td></td>
<td>Rupees</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. SALES-Net

Gross Sales 3,473,704,820 2,788,546,919 1,256,381,222 1,059,190,286
Total 3,441,107,217 2,757,051,637 1,238,748,156 1,046,624,476

5. COST OF GOODS SOLD

Cost of goods manufactured 1,194,540,072 2,637,549,405 1,074,255,327 911,955,727
Opening stock of finished goods 285,013,290 233,765,946 346,833,344 384,007,291
Closing stock of finished goods (329,481,333) (324,773,189) (329,491,333) (324,773,189)
Total 1,506,062,029 2,546,541,822 1,109,697,538 971,249,735

6. OTHER INCOME

Net income from lending 114,411 642,564 123,138 628,768
Profit on bank deposits - 173,813 - -
Exchange Gain 25,861,069 2,711,095 902,533 2,287,243
Gain on disposal of property, plant and equipment 1,000,870 79,678 756,156 -
Reversal of provision against doubtful debt - 3,515,315 - -
Total 26,976,350 7,122,465 1,781,827 2,916,811

7. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial statements was authorized for issue on April 26, 2019 by the Board of Directors of the Company.

8. GENERAL

Figures have been rounded off to the nearest rupee.

(M. Naeem)          (Amir Ahmed)          (M. Usman Khalid)
Chief Executive     Chief Financial Officer   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.