



*Condensed Interim
Financial Statements
for the nine months period
ended March 31, 2024*

Shahtaj Textile Limited

Shahtaj Textile Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muneer Nawaz Chairman
Mr. Taqi Mohammad Chief Executive
Mr. M. Naeem
Mr. Abid Nawaz
Mr. Aamir Amin (NIT)
Mr. Farooq Hassan
Mr. Syed Nadeem Ali Kazmi
Mr. Toqueer Nawaz
Mrs. Sadia Mohammad
Mr. Muhammad Usman Khalid

COMPANY SECRETARY

Mr. Jamil Ahmad Butt, FCMA

AUDIT COMMITTEE OF THE BOARD

Mr. Aamir Amin Chairman
Mr. Muneer Nawaz Member
Mr. Toqueer Nawaz Member
Mr. Muhammad Usman Khalid Member
Mrs. Sadia Muhammad Member
Mr. Jamal Ahmed Butt, FCMA Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD

Mr. Farooq Hassan Chairman
Mr. Muneer Nawaz Member
Mr. Muhammad Naeem Member
Mr. Taqi Mohammad Member
Mr. Abid Nawaz Member
Mr. Jamil Ahmad Butt, FCMA Secretary

AUDITORS

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
National Bank of Pakistan

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 Cooperative
Hosing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

MARKETING OFFICE

27-C Abdalian Cooperative
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 Statements of the Company for the nine months period ended on March 31, 2024.

By the grace of Allah, in spite of difficult market conditions, your company has managed to remain profitable, though on very low side. The after-tax profit for the period stood at Rs. 21.422 million with an EPS of Rs 2.22 in comparison to Rs 10.46 reported during the same period last year. Net Sales revenue for the period decreased by almost 1.58% as compared to same period of last year. The decrease is mainly attributable to decrease in sales volume and more sale orders executed for weaving charges only during current period as also explained in our previous quarter report. Lower profitability is due to substantial increase in power cost, coupled with the increased finance cost.

The GP rate increased to 8.25% of sales during current period from 7.09% of comparative period. This increase is mainly the result of an increase in local sales made under deferred LCs, for which customers were charged markup expenses for the deferred period in their sale price.

Administration cost for the period is higher than previous corresponding period due to inflationary effect. Finance cost for the period increased significantly mainly due to higher policy rates of 22% compared to 13.75% - 20% during same period last year and higher working capital requirements due to inflationary impact. Additionally, the non-availability of lower-cost financing alternatives /LTFF for significant capital expenditures made by the Company in the current period also impacted overall finance costs and the bottom line.

Other operating expenses increased on account of exchange losses on export receipts due to appreciation of PKR during the current period as compared to exchange gain due to devaluation of rupee in same period of last year which was recorded in other income.

Under Company's BMR program, new sizing machine and solar plant of 1 MW have arrived and are currently under installation. These equipments will be fully operational in current financial year resulting in improved efficiency and some saving in running cost.

The weaving industry in particular and textile industry in general is going through turbulent times. The global and domestic fabric market is depressed. The costs such as wages, energy, financial and administration are continuously rising. While selling the product predictability of costs has become increasingly difficult because of increasing energy costs. Product margins have been squeezed and the demand for fabric has remained slow. The challenge facing the company is to remain profitable despite inflation and reduced demand. The financial outlook can improve if the benefits of a strengthening rupee are passed on to the industry in the form of lower fuel, electricity, gas and interest costs.

Company will continue to do its best to overcome these difficulties

Board and its Committees

During the period election of the Board were held on 6 March 2024 for the new tenure of 3 years. The following changes have taken place in the Board:

1. Mr. Taqi Mohammad has been elected by the shareholders as Director for a term of three (03) years commencing from 6 March 2024. Company hopes to benefit from the positive contribution and support of the new director.
2. Lt. Col(Retd.) Rashiduddin Shams has retired on 6th March 2024 on completion of his term. We would like to place on record his valuable contributions during his long tenure as member of the Board.

Shahtaj Textile Limited

The Board of Directors in their meeting held on 19 March 2024 have re-elected Mr. Muneer Nawaz as Chairman of the Board and appointed Mr. Taqi Mohammad as the Chief Executive for a term of three (03) years commencing from 19 March 2024. We would like to place on record the valuable contribution of the outgoing Chief Executive, Mr. M. Naeem, since inception in bringing the Company to the present level.

The total number of directors is ten as per the following:

Category	Names
Independent Directors	Mr. Aamir Amin (NIT)
	Mr. Farooq Hassan
	Mr. Syed Nadeem Ali Kazmi
Other Non-Executive Directors	Mr. Muneer Nawaz
	Mr. Toqueer Nawaz
	Mr. Muhammad Usman Khalid
	Mr. Abid Nawaz
Female Non-Executive Director	Mrs. Sadia Muhammad
Executive Directors	Mr. Muhammad Naeem
	Mr. Taqi Mohammad-Chief Executive

The Board has formed committees comprising of members as below:

a) Audit Committee

- Mr. Aamir Amin (Chairman)
- Mr. Muneer Nawaz
- Mr. Toqueer Nawaz
- Mr. Muhammad Usman Khalid
- Mrs. Sadia Muhammad

b) HR and Remuneration Committee

- Mr. Farooq Hassan (Chairman)
- Mr. Muneer Nawaz
- Mr. Muhammad Naeem
- Mr. Taqi Mohammad
- Mr. Abid Nawaz


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
April 29, 2024


(Taqi Mohammad)
Chief Executive


(M. Usman Khalid)
Director

Shahtaj Textile Limited

ڈائریکٹرز رپورٹ برائے حصہ داران

ڈائریکٹرز مسرت کے ساتھ 31 مارچ 2024 کو ختم ہونے والے نو ماہ کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات کی رپورٹ پیش کرتے ہیں۔

اللہ کے فضل و کرم سے، مارکیٹ کے مشکل حالات کے باوجود، آپ کی کمپنی منافع بخش رہنے میں کامیاب رہی، اگرچہ منافع معمولی ہے۔ کمپنی کا بعد از ٹیکس منافع 21.422 ملین روپے رہا یعنی 2.22 روپے فی حصہ بالمقابل 10.46 روپے فی حصہ جو گزشتہ سال کے اسی دورانیہ میں رپورٹ ہوا تھا۔ گزشتہ سال کی اسی مدت کے مقابلے میں خالص فروخت کی آمدنی میں تقریباً 1.58 فیصد کمی واقع ہوئی۔ کمی بنیادی طور پر سیلز کے حجم میں کمی اور صرف موجودہ مدت کے دوران ویونگ چارجز کے لیے مزید سیل آرڈرز کی وجہ سے ہوئی جیسا کہ ہماری پچھلی سہ ماہی کی رپورٹ میں بھی وضاحت کی گئی ہے۔ کم منافع کی وجہ بجلی کی لاگت میں غیر معمولی اضافے کے ساتھ مالیاتی لاگت میں اضافہ ہے۔

موجودہ مدت کے دوران GP کی شرح تقابلی مدت کے 7.09 فیصد سے بڑھ کر 8.25 فیصد ہو گئی۔ یہ اضافہ بنیادی طور پر موخر شدہ ایل سی کے تحت کی جانے والی مقامی فروخت میں اضافے کا نتیجہ ہے، جس کے لیے صارفین سے ان کی فروخت کی قیمت میں موخر مدت کے لیے مارک اپ اخراجات وصول کیے گئے تھے۔

مہنگائی کے اثر کی وجہ سے اس مدت کے لیے انتظامی لاگت گزشتہ اسی مدت سے زیادہ ہے۔ اس مدت کے لیے مالیاتی لاگت نمایاں طور پر بڑھی بنیادی طور پر گزشتہ سال اسی مدت کے دوران 13.75% - 20% کے مقابلے میں 22% کی اعلیٰ پالیسی شرحوں اور افراط زر کی وجہ سے کام کرنے والے سرمائے کی زیادہ ضروریات کی وجہ سے۔ مزید برآں، موجودہ مدت میں کمپنی کے سرمائے کے اخراجات کے لیے کم لاگت کے فنانشنگ متبادل / LTTF کی عدم دستیابی نے بھی مجموعی مالیاتی اخراجات اور منافع کو متاثر کیا ہے۔

موجودہ مدت کے دوران پاکستانی روپے کی قدر میں اضافے سے برآمدی وصولیوں پر ہونے والے زرمبادلہ کے نقصانات کی وجہ سے دیگر آپریٹنگ اخراجات میں اضافہ ہوا ہے جب کہ گزشتہ سال کی اسی مدت میں روپے کی قدر میں کمی کی وجہ سے زرمبادلہ کا نفع کا ہوا تھا جو دیگر آمدنی میں ریکارڈ کیا گیا تھا۔

کمپنی کے بی ایم آر پروگرام کے تحت، نئی سائزنگ مشین اور ایک میگا واٹ کا سولر پلانٹ آچکا ہے اور فی الوقت ان کی تنصیب جاری ہے۔ یہ آلات موجودہ مالی سال میں مکمل طور پر کام کریں گے جس کے نتیجے میں کارکردگی میں بہتری آئے گی اور لاگت میں کچھ بچت ہوگی۔

بنائی کی صنعت بالخصوص اور ٹیکسٹائل کی صنعت بالعموم ہنگامہ خیز دور سے گزر رہی ہے۔ عالمی اور گھریلو فیبرک مارکیٹ میں مندی ہے۔ اجرت، توانائی، مالیاتی اور انتظامیہ جیسے اخراجات مسلسل بڑھ رہے ہیں۔ جبکہ مصنوعات کی فروخت میں لاگت کی پیش گوئی توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے مشکل تر ہوتی جا رہی ہے۔ مصنوعات کے مارجن بہت کم ہو گئے ہیں اور فیبرک کی مانگ سست رہی ہے۔ کمپنی کو درپیش چیلنج افراط زر اور کم مانگ کے باوجود منافع بخش رہنا ہے۔ مالیاتی پس منظر اسی صورت بہتر ہو سکتا ہے اگر روپے کی مضبوطی کے فوائد ایندھن، بجلی، گیس اور سود کی کم لاگت کی صورت میں صنعت تک پہنچیں۔

کمپنی ان مشکلات پر قابو پانے کے لئے اپنی پوری کوشش جاری رکھے گی۔

بورڈ اور اس کی کمیٹیاں

3 سال کی نئی مدت کے لیے بورڈ کے انتخابات 6 مارچ 2024 کو ہوئے۔ بورڈ میں درج ذیل تبدیلیاں ہوئی ہیں۔

Shahtaj Textile Limited

1- جناب تقی محمد کو شیئر ہولڈرز نے 6 مارچ 2024 سے شروع ہونے والی تین (03) سال کی مدت کے لیے بطور ڈائریکٹر منتخب کیا ہے۔ کمپنی کو امید ہے کہ نئے ڈائریکٹر کی آمد اور تعاون سے فائدہ ہوگا۔

2- ایفینڈنٹ کرنل (ریٹائرڈ) رشید الدین شمس اپنی میعاد پوری ہونے پر 6 مارچ 2024 کو ریٹائر ہو گئے ہیں۔ ہم بورڈ کے ممبر کی حیثیت سے اس طویل مدت کے دوران ان کی گرانقدر شراکت اور خدمات کو قدر سے دیکھتے ہیں۔

بورڈ آف ڈائریکٹرز نے 19 مارچ 2024 کو ہونے والے اپنے اجلاس میں جناب منیر نواز صاحب کو دوبارہ بورڈ کا چیئر مین منتخب کیا ہے اور جناب تقی محمد صاحب کو 19 مارچ 2024 سے شروع ہونے والی تین (03) سال کی مدت کے لیے چیف ایگزیکٹو مقرر کیا ہے۔ سبکدوش ہونے والے چیف ایگزیکٹو جناب ایم نعیم صاحب نے کمپنی کو موجودہ سطح پر لانے کے لیے آغاز سے لے کر اب تک انتہائی قابل قدر خدمات انجام دیں ہیں۔

مجموعی طور پر دس ڈائریکٹرز ہیں جن کی تفصیل درج ذیل ہے:
(ا) مرد: 9 (ب) خواتین: 1

بورڈ کی ساخت درج ذیل ہے:

نام	اقسام/کیٹگری
جناب فاروق حسن	انڈیپنڈینٹ ڈائریکٹر/آزاد ڈائریکٹر
جناب عامر امین (این آئی ٹی)	
جناب سید ندیم علی کاظمی	
جناب منیر نواز	دیگر غیر انتظامی ڈائریکٹرز
جناب توقیر نواز	
جناب محمد عثمان خالد	
محترمہ سعدیہ محمد	خاتون غیر انتظامی ڈائریکٹر
جناب تقی محمد	ایگزیکٹو ڈائریکٹر/انتظامی ڈائریکٹرز
جناب محمد نعیم	

بورڈ نے جو کمیٹیاں تشکیل دی ہوئی ہیں ان کے ممبران درج ذیل ہیں:

(الف) آڈٹ کمیٹی

1- جناب عامر امین (چیئر مین)	2- جناب منیر نواز	3- جناب توقیر نواز	4- جناب محمد عثمان خالد
5- محترمہ سعدیہ محمد			

(ب) ایچ آر اینڈ ریوینو نیشن کمیٹی

1- جناب فاروق حسن (چیئر مین)	2- جناب منیر نواز	3- جناب محمد نعیم
4- جناب تقی محمد	5- جناب عابد نواز	

حوصلہ افزائی

ڈائریکٹرز کمپنی کے تمام ملازمین کی انتھک محنت کا شکریہ ادا کرنے کے ساتھ اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

Umar Khalid
(ایم۔ عثمان خالد)

ڈائریکٹر

تقی محمد
(تقی محمد)

چیف ایگزیکٹو آفیسر

کراچی

29 اپریل 2024

Shahtaj Textile Limited


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	Un-audited March 31, 2024	Audited June 30, 2023
	----- Rupees in '000 -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
10,000,000 ordinary shares of Rs. 10 each	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up capital	96,600	96,600
Revenue reserves	1,467,500	1,493,776
Surplus on revaluation of plant and machinery	<u>185,209</u>	<u>197,980</u>
Total equity	1,749,309	1,788,356
LIABILITIES		
Non-current liabilities		
Long-term finance	787,109	870,496
Deferred liabilities	151,152	167,101
	<u>938,261</u>	<u>1,037,597</u>
Current liabilities		
Trade and other payables	829,649	881,258
Advance from customers - contract liabilities	11,061	34,945
Unclaimed dividend	40,495	35,550
Interest accrued	53,634	51,396
Short-term borrowings	812,062	819,815
Current portion of long-term finance	111,754	81,548
	<u>1,858,655</u>	<u>1,904,512</u>
Contingencies and Commitments	5	
Total equity and liabilities	<u>4,546,225</u>	<u>4,730,465</u>
ASSETS		
Non-current assets		
Property, plant and equipment	1,838,329	1,632,173
Long-term loans	278	443
Long-term deposits	34,423	33,138
	<u>1,873,030</u>	<u>1,665,754</u>
Current assets		
Stores, spares and loose tools	77,417	79,171
Stock-in-trade	1,142,356	1,253,199
Trade debts	1,043,039	1,082,001
Loans and advance	9,885	3,073
Trade deposits and prepayments	6,893	289,870
Other receivables	5,180	7,061
Other financial assets	121,096	-
Taxation - net	55,056	56,560
Sales tax refundable	162,011	251,190
Cash and bank balances	50,262	42,586
	<u>2,673,195</u>	<u>3,064,711</u>
Total assets	<u>4,546,225</u>	<u>4,730,465</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer



(M. Usman Khalid)
Director

Shahtaj Textile Limited


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024 (UNAUDITED)

Note	Nine-months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Rupees in '000				
Sales - net	6,227,613	6,327,486	2,080,451	1,884,293
Cost of goods sold	<u>(5,713,626)</u>	<u>(5,878,778)</u>	<u>(1,925,559)</u>	<u>(1,760,443)</u>
Gross profit	513,987	448,708	154,892	123,850
Distribution expenses	(78,952)	(74,700)	(30,853)	(25,121)
Administrative expenses	(110,190)	(104,693)	(36,432)	(33,264)
Other operating expenses	(28,720)	(11,136)	(3,331)	(2,257)
Finance cost	(256,679)	(155,482)	(79,356)	(49,517)
	<u>(474,541)</u>	<u>(346,011)</u>	<u>(149,972)</u>	<u>(110,159)</u>
	39,446	102,697	4,920	13,691
Other income	29,120	47,559	4,649	16,771
Profit before taxation	68,566	150,256	9,569	30,462
Taxation	(47,144)	(49,203)	(12,948)	(14,754)
Profit / (loss) after taxation	<u>21,422</u>	<u>101,053</u>	<u>(3,379)</u>	<u>15,708</u>
Rupees				
Earnings / (loss) per share - basic and diluted	<u>2.22</u>	<u>10.46</u>	<u>(0.35)</u>	<u>1.63</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


(Taqi Mohammad)
Chief Executive



(Amir Ahmed)
Chief Financial Officer


(M. Usman Khalid)
Director


CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024 (UNAUDITED)

	Nine-months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees)				
Profit after taxation	21,422	101,053	(3,379)	15,708
Other comprehensive income Items that will not be transferred subsequently to profit or loss				
Deferred tax related to change of rate on surplus on revaluation	2,321	49	387	(114)
Other comprehensive income for the period	2,321	49	387	(114)
Total comprehensive income for the period	<u>23,743</u>	<u>101,102</u>	<u>(2,992)</u>	<u>15,594</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer



(M. Usman Khalid)
Director


Shahtaj Textile Limited


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

	Issued, Subscribed and Paid up Capital	Revenue reserve		Capital reserve	Total
		General	Unappropriated profit	Surplus on revaluation of plant and machinery	
----- Rupees in '000 -----					
Balance as at July 01, 2022	96,600	935,000	514,659	220,081	1,766,340
Total comprehensive income for the nine-months ended March 31, 2023					
Profit after taxation	-	-	101,053	-	101,053
Other comprehensive income	-	-	-	49	49
	-	-	101,053	49	101,102
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	16,524	(16,524)	-
- disposal net of deferred tax	-	-	61	(61)	-
Transferred to general reserve	-	150,000	(150,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2022 @ Rs. 13.00 per share	-	-	(125,580)	-	(125,580)
Balance as at March 31, 2023	<u>96,600</u>	<u>1,085,000</u>	<u>356,717</u>	<u>203,545</u>	<u>1,741,862</u>
Balance as at July 01, 2023	96,600	1,085,000	408,776	197,980	1,788,356
Total comprehensive income for the nine-months ended March 31, 2024					
Profit after taxation	-	-	21,422	-	21,422
Other comprehensive income	-	-	-	2,321	2,321
	-	-	21,422	2,321	23,743
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	15,092	(15,092)	-
Transferred to general reserve	-	50,000	(50,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2023 @ Rs. 6.50 per share	-	-	(62,790)	-	(62,790)
Balance as at March 31, 2024	<u>96,600</u>	<u>1,135,000</u>	<u>332,500</u>	<u>185,209</u>	<u>1,749,309</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer



(M. Usman Khalid)
Director

Shahtaj Textile Limited

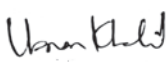
CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

	Nine-months period ended	
	March 31, 2024	March 31, 2023
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	68,566	150,256
Adjustments for:		
Depreciation	122,993	129,307
Finance cost	256,679	155,482
(Gain) on disposal of property, plant and equipment	(20)	(1,052)
Provision for leave encashment	3,893	3,084
Provision for gratuity	26,079	21,765
Operating cash flows before movements in working capital	478,190	458,842
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,754	(27,615)
Stock-in-trade	110,843	422,619
Trade debts	38,962	(298,997)
Loans and advances	(6,812)	(3,475)
Trade deposits and prepayments	282,977	(4,953)
Other receivables	1,881	(355)
Sales tax refundable	89,179	9,845
Increase / (decrease) in current liabilities		
Trade and other payables	(51,003)	21,569
Advance from customers - contract liabilities	(23,886)	2,934
Cash (used in) / generated from operations	922,085	580,414
Gratuity paid	(16,079)	(31,681)
Leave encashment paid	(4,498)	(3,084)
Finance cost paid	(254,441)	(143,537)
Income taxes paid	(69,268)	(80,075)
Net cash generated from operating activities	577,799	322,037
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(329,223)	(38,080)
Proceeds from disposal of property, plant and equipment	94	3,213
Long-term deposit	(1,285)	-
Long-term loans	165	20
Purchase of other financial assets	(121,096)	-
Net cash used in investing activities	(451,345)	(34,847)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term finance	(53,181)	(72,635)
Dividend paid	(57,845)	(114,635)
Net cash used in financing activities	(111,026)	(187,270)
Net increase in cash and cash equivalents	15,428	99,920
Cash and cash equivalents at the beginning of the period	(777,228)	(895,804)
Cash and cash equivalents at the end of the period	(761,800)	(795,884)
Cash and cash equivalents at the end of the period		
Short-term borrowings	(812,062)	(890,022)
Cash and bank balances	50,262	94,138
	(761,800)	(795,884)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(M. Usman Khalid)
Director

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

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 manufacture and sale of textile goods.

Head Office

Shahnawaz Building, 19 - Dockyard Road, West Wharf, Karachi, Sindh, Pakistan.

Manufacturing Facility

46 KM, Lahore/Multan Road, Chunian Industrial Estate, Bhai Pheru, Distt. Kasur, Punjab, Pakistan.

Registered Office

27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Pakistan.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS-34. These condensed interim financial statements do not include all the information and disclosures which are required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last financial statements of the Company.

2.2 The financial statements have been prepared under the historical cost basis modified by:

- revaluation of certain plant and machinery; and
- obligation under retirement benefit obligation at net present value.

2.3 These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional currency and figures presented in these condensed interim financial statements have been rounded off to the nearest Thousand.

2.4 These condensed interim financial statements are unaudited. These condensed interim financial statements are submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2023.

3.2 There are certain standards, interpretations on accounting and reporting standards as applicable in Pakistan and amendments to certain existing standards, which have been published and are mandatory for the accounting period beginning on or after July 01, 2023. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant impact on the accounting policies of the Company and therefore not

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

disclosed in these condensed interim financial statements.

- 3.3 The preparation of these condensed interim financial statements require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies, the key source of estimation and uncertainty were the same as those that applied to the financial statements of the Company for the year ended June 30, 2023.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2023.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

Contingencies and commitments are not materially changed as disclosed in the note 11 to the annual financial statements for the year ended June 30, 2023, except capital expenditure commitment of Rs. 27.816 million (June 30, 2023: Rs 227,140 million).

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees in '000 -----			
6. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	6.1	1,524,132	1,629,654
Capital work in progress	6.2	314,197	2,519
		<u>1,838,329</u>	<u>1,632,173</u>

- 6.1 Details of additions and disposals during the period / year pertaining to operating fixed assets are as under:

	(Un-audited) Nine months period ended March 31, 2024		(Audited) Year ended June 30, 2023	
	Additions / transfers at / from cost / cwip	Disposals at book value	Additions / transfers at / from cost / cwip	Disposals at book value
----- Rupees in '000 -----				
Additions during the period / year				
Buildings on freehold land	-	-	65,272	-
Plant and machinery	16,800	-	5,613	305
Furniture and fixtures	-	-	97	-
Equipment and installations	35	-	7	-
Computer equipment	320	-	1,247	-
Vehicles	392	74	5,867	1,895
	<u>17,547</u>	<u>74</u>	<u>78,103</u>	<u>2,200</u>

- 6.2 Details of additions and transfers from capital work-in-progress during the period / year are as under:

	(Un-audited) Nine months period ended March 31, 2024		(Audited) Year ended June 30, 2023	
	Additions	Transfers	Additions	Transfers
----- Rupees in '000 -----				
Buildings on freehold land	-	-	33,395	65,272
Plant and machinery	328,039	16,361	4,241	3,716
Vehicles	-	-	4,417	4,417
	<u>328,039</u>	<u>16,361</u>	<u>42,053</u>	<u>73,405</u>

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

7. SALES - NET	(Un-audited) Nine months period ended		(Un-audited) Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees in '000 -----			
Export	1,006,839	975,277	399,427	538,129
Indirect Export	2,499,295	3,145,757	847,367	646,314
Local	3,711,804	3,226,823	1,155,110	1,002,295
	<u>7,217,938</u>	<u>7,347,857</u>	<u>2,401,904</u>	<u>2,186,738</u>
Waste sales	18,172	18,546	5,599	6,063
	<u>7,236,110</u>	<u>7,366,403</u>	<u>2,407,503</u>	<u>2,192,801</u>
Commission				
-Local	(25,888)	(36,658)	(8,476)	(6,467)
-Export	(32,382)	(27,342)	(12,260)	(15,327)
Sales tax	(950,227)	(974,917)	(306,316)	(286,714)
	<u>6,227,613</u>	<u>6,327,486</u>	<u>2,080,451</u>	<u>1,884,293</u>

8. FINANCE COST	(Un-audited) Nine months period ended		(Un-audited) Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees in '000 -----			
Mark-up on:				
Long-term finance	16,246	19,689	5,789	6,296
Running finance under markup arrangement	118,456	70,079	37,676	24,675
Musharaka finance	32,877	23,291	10,370	8,420
Discounting charges	82,630	40,096	21,996	9,439
Interest on Workers' Profit Participation Fund	366	729	-	-
Bank charges and commission	6,104	1,598	3,525	687
	<u>256,679</u>	<u>155,482</u>	<u>79,356</u>	<u>49,517</u>

9. OTHER INCOME	(Un-audited) Nine months period ended		(Un-audited) Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees in '000 -----			
Net income from trading	₹ 307	4,862	-	4,239
Exchange gain	-	41,645	-	11,954
Interest Income	28,793	-	4,649	-
Gain on disposal of property, plant and equipment	20	1,052	-	578
	<u>29,120</u>	<u>47,559</u>	<u>4,649</u>	<u>16,771</u>

10. TAXATION	(Un-audited) Nine months period ended		(Un-audited) Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees in '000 -----			
Current	70,772	71,328	23,471	21,330
Prior year	-	589	-	-
	<u>70,772</u>	<u>71,917</u>	<u>23,471</u>	<u>21,330</u>
Deferred	(23,628)	(22,714)	(10,523)	(6,576)
	<u>47,144</u>	<u>49,203</u>	<u>12,948</u>	<u>14,754</u>

11 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

11.1 Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values.

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

11.2 Fair value estim

The Company discloses the financial instruments measured in the condensed interim statement of financial position at fair value in accordance with the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and 2 during the period.

- 11.3** There are no assets or liabilities to classify under above levels except the Company's plant and machinery which are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's plant and machinery carried out as at February 28, 2021, were performed by M/s Asif Associates (Private) Limited (valuer), an independent valuer not related to the Company, using depreciated replacement cost method. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery Value determined by independent valuer is classified as Level 3 in the fair value hierarchy.

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and key management personnel of the Company. Transactions with related parties are carried out as per agreed terms. The transaction with related parties during the period generally consist of sales and purchases. Nature and description of related party transactions during the period along with monetary values are as follows:

Nine months period ended (Un-audited)

		March 31, 2024	March 31, 2023
		-----Rupees in '000-----	
Nature of relationship	Nature of transactions		
Key management personnel	Remuneration	18,569	18,233
Key management personnel	Dividend paid	15,889	34,867
Nature of relationship	Nature of transactions		
Associated undertakings			
- Shahtaj Sugar Mills Limited	Dividend paid	7,475	14,950
- Shahnawaz (Private) Limited	Dividend paid	2,275	4,550
	Purchase of computer equipment and supplies	41	-
	Administrative services received	4,094	4,163
	Software development charges	1,800	1,800
	Services recieved for computer related	142	-
- Shezan International Limited	Purchase of goods	418	235
- Information System Associates Limited	Website maintenance	-	69
Other related party- Close Family Member			
- Lionsmill Trading LLC	Commission on sale	6,897	-

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	-----Rupees in '000-----	
Balance due to related party		
- Shahnawaz (Private) Limited	2,053	257
- Lionsmill Trading LLC	377	-

13. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on April 29, 2024 by the Board of Directors of the Company.



(Taqi Mohammad)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(M. Usman Khalid)
Director

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