

FORM-8

Date: 29-04-2021

THE GENERAL MANAGER,

Pakistan Stock Exchange Limited. Stock Exchange Building, Stock Exchange Road, Karachi

Subject: Transmission of Quarterly Report for the Period Ended March 31, 2021

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended March 31, 2021 has been transmitted through **PUCARS** and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

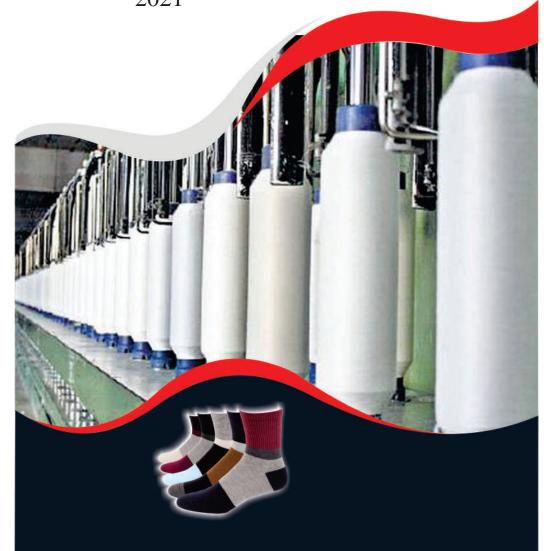
Yours Sincerely,

For SHAHZAD TEXTILE MILLS LIMITED

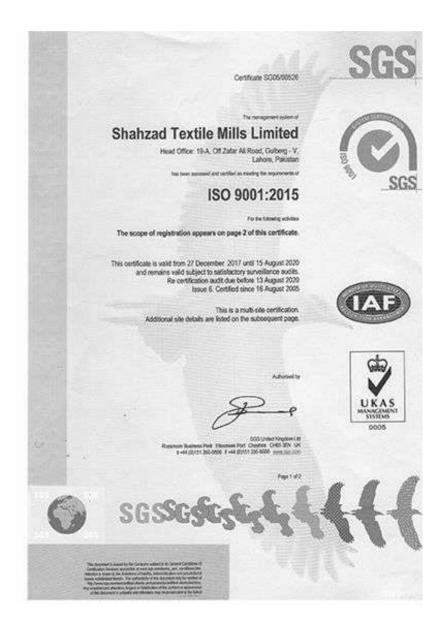
COMPANYSECRETARY

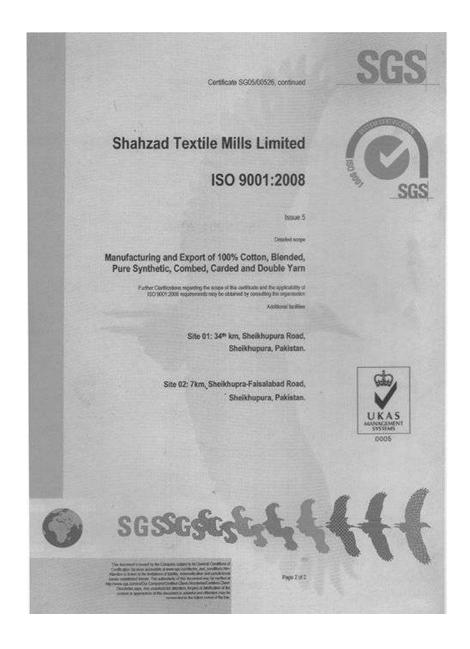
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Shahzad Textile Mills Limited





3rd Quarterly	Poport	March	21	2021

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SHAHZAD TEXTILE MILLS LIMITED

Company's Information

Board of Directors Mian Parvez Aslam

Chairman

Mr. Imran Aslam Chief Executive Officer

Mr. Irfan Aslam

Mr. Danish Aslam

Syed Raza Ali Bokhari

Dr. Ali Raza Khan Mrs. Nazish Imran

Chief Financial Officer

Mr. Nabeel Naveed

Company Secretary

Mr. Hassan-ud-Din Ansari

Auditors

Crowe Hussain Chaudhry & Co.

Chartered Accountants

Audit Committee

Syed Raza Ali Bokhari Chairman Mian Parvez Aslam Member

Mr. Irfan Aslam Member

Human Resources &

Remuneration Committee

Dr. Ali Raza Khan Chairman Mr. Danish Aslam Member

Mrs. Nazish Imran Member

Bankers

Habib Metropolitan Bank Ltd

JS Bank Limited

Meezan Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Ltd H.M. House, 7-Bank Square Lahore.

Registered Office

19-A, Off. Zafar Ali Road,

Gulberg-V, Lahore.

Ph: +92 (042) 35754024-27

Fax:+92 (042) 35712313

E-mail:info@shahzadtex.com

Web:www.shahzadtex.com

Mills

Unit # 1, 4 & Socks Hosiery Unit

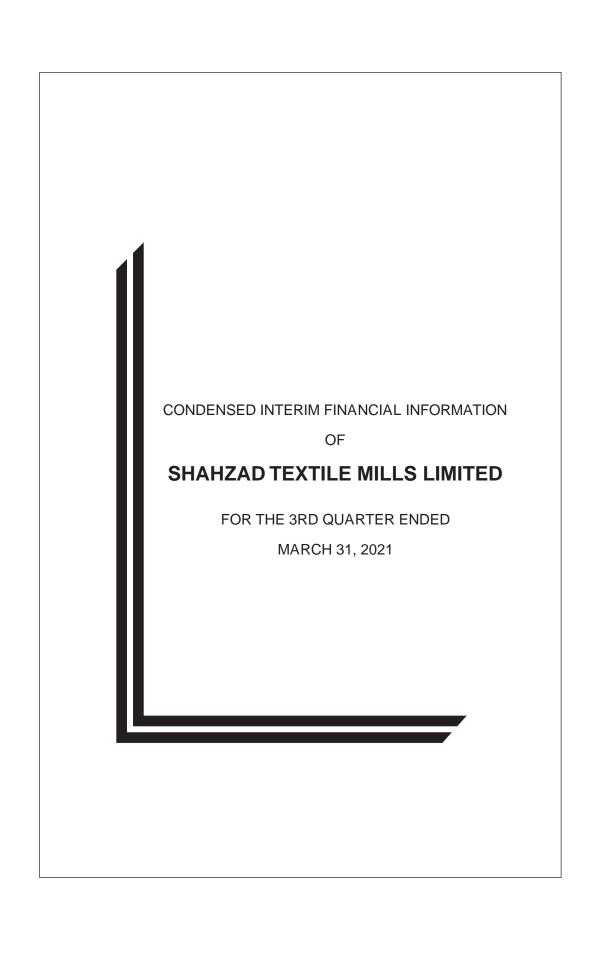
34th KM Lahore Sheikhupura

Raod, Sheikhupura.

Unit # 2

7th KM Sheikhupura Faisalabad

Road, Sheikhupura.



Directors' Report

On behalf of the directors of Shahzad Textile Mills Limited, I am presenting the unaudited condensed interim financial statements for the nine months ended March 31, 2021.

The company's net profit after tax is Rs. 211.213 million in nine month's period as compared to Rs. 47.076 million in corresponding period of previous year. Current quarter's profit is Rs. 88.199 million as compared to Rs.31.041 million in corresponding quarter of previous year. Nine month's sales have increased to Rs. 5,008.831 million as compared to sales of Rs. 3,749.985 million in the corresponding period of last year.

The raw material prices kept on increasing during the period under discussion. At the date of this report cotton price is rotating around Rs. 11,500/- per maund, Polyester Rs. 205/- per kg and Viscose Rs. 288/- per kg. Cotton production in Pakistan has been decreasing sharply every year which is a cause of great concern for the textile industry. Despite increase in raw material prices, our net margin has improved as we were able to fetch reasonable price from both local and international market by providing quality products to our customers. Furthermore, due to better sales strategies, both our local and export sales are growing steadily which is also putting very positive effects on the net margins of the company. Total net sales have recorded an increase of 33.60% during the nine months period under discussion.

FUTURE PROSPECTS

The operations of the Socks and Spinning Units are fully operational under observance of very strict SOPs. The country is facing the third wave of Covid-19 which has rung alarm bells as it proving to be more lethal and contagious. However, the Government has ruled out any possibility of complete lock-down and hopefully our operations will continue unhindered. Export sales of our socks unit have recorded an inspiring increase and keeping in view the demand, the management intends to further expand the capacity of its socks unit in the near future. We fervently hope that we make progress by leaps and bounds and show wonderful results to its shareholders in the coming period.

Earning per share is Rs. 11.75 as compared to earnings per share Rs. 2.62 in corresponding period of previous year.

ACKNOWLEDGEMENT

The board highly appreciates the contribution of employees, bankers and all the stakeholders who working remotely along with the immense support of our corporate regulators for the creation of a digital transformation environment for the regulates during this pandemic situation.

Kindly maintain social distancing and stay safe.

For and on behalf of the board

Irfan Aslam Director

Lahore.

Dated: April 28, 2021

Imran Aslam Chief Executive Officer

ڈائر یکٹرز رپورٹ

شنراد نیکنائل ملز کمٹیڈ کے ڈائریکٹرز کی جانب سے میں 31 مارچ 2021 کوئتم ہونے والے فواد کا مختر کیا ہوامایاتی جائزہ بیش کر رہا ہوں

موجودہ فواہ کی مدت میں کمپنی کا بعد از ٹیکس منافع 211.213 ملین روپے ہے۔ جو کہ گذشتہ سال نوباہ کی مدت میں کمبنی کا بعد از ٹیکس منافع 88.199 ملین روپے تھا

موجودہ مواہ کی مدت میں کمپنی کا بعد از ٹیکس منافع 88.199 ملین روپے ہے۔ جو کہ گذشتہ سال سرماری کی مدت میں 3749.98 ملین روپے تھا

موجودہ فواہ میں دھاگے کی فروخت بڑھر 5,008.831 ملین روپے ہے۔ جبکہ پیچلے سال فواہ کی مدت میں فروخت بڑھر کہ 3,749.98 ملین روپے تھی

زیر بحث مدت کے دوران خام مال کی قیمتوں میں اضافہ ہو تاریا۔ اس مدت کے دوران روٹی کی قیمت 11.500 روپے فی من ، پالیشر کی 7ربی ہے ہو کہ کیکنائل کی صنعت کے لئے

روپ فی کاواور و سکوس - 2887 روپے فی کلور ہی۔ پاکستان میں ہر سال کیاس کی پید اوار میں کمی آر رہی ہے جو کہ کیکنائل کی صنعت کے لئے

بست زیادہ تو بیش کا باعث ہے۔ خام مال کی قیمتوں میں اضافے کے باوجود عادے خالاص منافع میں بستری آئی ہے ٹیونکہ بھر اس میں میں
مصنوعات کے ذریعے متافی اور بین الااقو می اگریٹ دو فول میں مناسب قیمت ماصل کر نے میں کامیاب و گئے ہیں میز برال فرو ف سے کہ بہتر کمت میں عور میں مناسب قیمت ماصل کی وجہ سے عادی متافی اور بر آمدی فرو فریت دو فول میں مناسب قیمت سے میں کہ کمپنی کا خالاس منافع پر بھی نہتیا شبت اثرات ڈال رہی ہیں

زیر بحث فواہ کے دوران مجموعی خالام فرو فریت دو فول میں مناسب قیمت ماصل کر نے میں کامیاب و گئے ہیں نہتی شبت اثرات ڈال رہی ہیں
زیر بحث فواہ کے دوران مجموعی خالام فرو فریت دو فول میں مناسب قیمت ماصل کر نے میں کامیاب کے دوران مجمود کے دوران مجمود کو خوران میں مناسب قیمت کے اس کی دی نہتی کہتا شبت کے دوران مجمود کی خور کی کی خور کی خو

مشتبل کی پیش نظری

جرابی اور سینگ یون انتیائی خت الی او پیز (SOP's) کے تحت اپناکام سرانجام دے رہے ہیں۔ ملک کووؤ-19 کی تیسری اسرکا سامناکر رہا ہے۔ جس نے خطرہ کی کھنی بجادی ہے۔ کیوکٹ یہ زیادہ مملک اور متعدی یونے کا سب ہے۔ تاہم تکومت نے محکل طور پر لاک ڈافان کے امکان کو متر دکر دیاہے۔ اور امید ہے کہ بجارے کاروباری معاملات جار رہیں گے۔ عاری جرابی کے بونت کی بر آمدی فروخت میں متاثر کن اضافی ریکار ڈکیا گیاہے۔ اور طلب کو مد نظر رکھتے ہوئے انظامیہ نے مشتبل قریب میں جرابی کے بونٹ کی صلاحیت کو مزید بڑھانے کا ارادہ رکھتی ہے۔ ہم پر زور اُمید کرتے ہیں کہ ہم دن دگی اور رات چوگئی ترقی کریں گے اور آنے والے دور میں اس کے حصص داران کو جیرت انگیز قائح دیں گے۔

فى شيئر منافع

موجود و فواه كى مدت ميں في شير منافع 11.75رو ك بے بهكر كذشته سال اى مدت ميں بيد منافع 2.62 رو ليے في شئير تعا

عة اوس

کمپنی کے ڈائریکٹر ز،ملاز میں،بنکاروں اور تام اسٹیک بولڈ رز کی شراکت کی بے حد تعریف کرتے ہیں۔ بواس وباء کی صور تحال کے دوران ڈیجیٹل ٹرانٹرمیشن اور کارپوریٹ دیگولیئر نے بے پناومد د کی اور کام کوروال دوال کر رکھا۔

برائے مہر بانی ساجی فاصلہ ہر قرار ر کھیں۔اور اس و باء سے محفوظ رہیں

برائے از بحکم بورڈ

صسم الم عرفان اسلم ڈائر یکٹر لاہور مور خد 28 ایریل 2021ء مران اسلم عمران اسلم چیف ایگزیگوآفیر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AG AMAKAR GYY OA	0.4		
AS AT MARCH 31, 20	21	March 31, 2021	June 30, 2020
		(Un-Audited)	(Audited)
	Note	Rupees in the	nousand
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital:			
40,000,000 (June 2020: 40,000,000)			
ordinary shares of Rs. 10 each		400,000	400,000
Issued subscribed and noid un conital			
Issued, subscribed and paid up capital 17,971,372 (June 2020: 17,971,372)			
ordinary shares of Rs. 10 each		179,714	179,714
Reserves		1,614,827	1,396,312
Surplus on Revaluation of property,		1,011,021	1,000,012
plant and equipment		762,069	771,823
1 1 1		2,556,610	2,347,849
Non Current Liabilities			
Long term financing	5	303,314	336,280
Staff retirement benefits		135,858	129,667
Deferred tax liability - Net		238,687	225,960
Deferred liability - GIDC		38,329	-
Deferred grant		1,062	3,901
		717,250	695,808
Current Liabilities		470 440	407 505
Trade and other payables		473,416	427,585
Unclaimed dividend		146	146
Unpaid dividend		199	199
Accrued mark up	6	20,933 200,266	21,869 39,580
Current portion of non-current liabilities Short term borrowings	7	705,634	414,776
Provision for taxation	,	703,034	63,963
FIOVISION TO L'AXALION		1,472,793	968,118
Contingencies and Commitments	8	1,472,700	-
Contingencies and Communicities	O	4,746,653	4,011,775
ASSETS		2,1 22,000	
Non Current Assets			
Property, plant and equipment	9	2,286,494	2,279,164
Investment property		87,550	87,550
Long term investment in associate		530,044	497,465
Long term deposits		3,847	3,847
		2,907,935	2,868,026
Current Assets		100.000	407.007
Stores and spares		130,366	105,207
Stock in trade		905,287	597,573
Trade debts	_	227,220	82,669
Advances, trade deposits, prepayments and other receivables. Short term investments	S	171,774 23,214	121,712 14,875
Tax refunds due from the Government		178,470	121,465
Cash and bank balances		202,387	100,248
Caon and built builties		1,838,718	1,143,749
		4,746,653	4,011,775
		-,,0	

 $The \ annexed \ notes \ from \ 1 \ to \ 15 \ form \ an \ integral \ part \ of \ these \ condensed \ interim \ financial \ statements \ (un-audited).$

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine Mon	ths Ended	Quarter	Ended
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note		Rupees in t	housand	
Sales (2020: Restated)	5,008,831	3,749,985	1,814,103	1,158,515
Cost of sales 10	(4,528,004)	(3,433,110)	(1,620,698)	(1,042,476)
Gross Profit (2020: Restated)	480,827	316,875	193,405	116,039
Operating expenses:				
-Selling and distribution (2020: Restated)	(72,346)	(27,816)	(24,931)	(8,867)
-Administrative expenses	(142,318)	(120,716)	(45,289)	(40,310)
	(214,664)	(148,532)	(70,220)	(49,177)
Operating Profit	266,163	168,343	123,185	66,862
Finance cost	(50,690)	(53,053)	(18,699)	(23,401)
Other operating expenses	(22,016)	(9,280)	(12,073)	(3,681)
Other income	21,744	2,728	798	2,196
Share of net profit of associate	32,580	13,538	24,466	10,113
	(18,382)	(46,067)	(5,508)	(14,773)
Profit before Taxation	247,781	122,276	117,677	52,089
Taxation	(36,568)	(75,200)	(29,478)	(21,048)
Net Profit for the Period	211,213	47,076	88,199	31,041
Earnings per Share - Basic	11.75	2.62	4.91	1.73

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

CHIEF EXECUTIVE OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine Mon	ths Ended	Quarter	Ended
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Rupees in	thousand	
Net Profit for the Period	211,213	47,076	88,199	31,041
Other Comprehensive Income for the Period				
Items that will not be reclassified subsequently to profit or loss	-	29,392	-	29,392
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Total Comprehensive Income				
for the Period	211,213	76,468	88,199	31,041

 $The \ annexed \ notes \ from \ 1 \ to \ 15 \ form \ an \ integral \ part \ of \ these \ condensed \ interim \ financial \ statements \ (un-audited).$

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

Particulars	Share Capital	Share Premium Reserve	Unapro- priated Profit	Reva of Pro Plar	lus on luation operty, nt and pment	Total Equity
	Rupees in thousand					
Balance as at June 30, 2019	179,714	5,796	1,280,9	87	757,360	2,223,857
Net profit for the period Other comprehensive income	-	-	76,4	68	-	76,468
Total comprehensive income for the period	-	-	76,4	68	-	76,468
Transferred from surplus on revaluation of property, plant and equipment on incrementa depreciation charged in current period (net of deferred tax)		-	8,2	86	(8,286)	-
Surplus realized on disposal of revalued property, plant and equipment (net of deferred tax) transferred to retained earnings	-	-	1	16	(116)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-		(4,529)	(4,529)
Share in incremental depreciation of revalued property, plant and equipment of associate (net of deferred tax)	! -	-	1,4	35	-	1,435
Dividend paid during the period	-	-	(26,95	57)	-	(26,957)
Balance as at March 31, 2020	179,714	5,796	1,340,3	35 7	744,429	2,270,274
Balance as at June 30, 2020	179,714	5,796	1,390,5	16	771,823	2,347,849
Net profit for the period Other comprehensive income	-	-	211,2	13	-	211,213
Total comprehensive income for the period	-	-	211,2	13	-	211,213
Transferred from surplus on revaluation of property, plant and equipment on incrementa depreciation charged in current period (net of deferred tax)		-	7,3	02	(7,302)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-		(2,452)	(2,452)
Share in incremental depreciation of revalued	-	-	-		-	-
property, plant and equipment of associate (net of deferred tax) Balance as at March 31, 2021	179,714	- 1 5,796	- 3 1,609,0	31 7	- 762,069	2,556,610

 $The \ annexed \ notes \ from \ 1 \ to \ 15 \ form \ an \ integral \ part \ of \ these \ condensed \ interim \ financial \ statements \ (un-audited).$

Juny 11 CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine Months Ended	
	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES	Rupees in t	housand
Profit before taxation	247,781	122,276
Adjustments for:	87,626	84,571
- Depreciation	(32,580)	(13,538)
- Share of net profit of associate	(02,000)	59
 Loss on disposal of property, plant and equipment 	(276)	_
- Surplus on revaluation of short term investments at	38,600	24,550
fair value through profit or loss	3,645	104
- Provision for gratuity	13,310	6,570
- Exchange loss	4,956	2,448
 Provision for workers' profit participation fund Provision for workers' welfare fund 	(3,442)	-
- Amortization of deferred grant	(13,142)	-
- Discounting of deferred liability - GIDC	50,690	50,352
- Finance cost	149,387	155,116
Thance cost	397,168	277,392
Operating Profit before Working Capital Changes		
(Increase) / Decrease in current assets	(05.150)	7,000
- Stores and spares	(25,159)	7,802
Stock in tradeTrade debts	(307,714) (148,197)	(250,178) (43,620)
- Advances, trade deposits, prepayments, and other receivables	(55,172)	(44,680)
- Short term investment	(8,062)	27,104
- Tax refunds due from the Government	(22,895)	13,207
Increase in current liabilities	(22,000)	10,20
- Trade and other payables	181,021	(2,556)
1 3	(386,178)	(292,921)
Net Cash generated / (used) in Operations	10,989	(15,529)
Income tax paid	(47,058)	(38,449)
Gratuity paid	(32,409)	(17,582)
Workers' (profit) participation fund paid	(3,552)	(10,804)
Finance cost paid	(40,877)	(40,354)
Net Cash Used in Operating Activities	(112,907)	(122,718)
CASH FLOW FROM INVESTING ACTIVITIES	(09.950)	(579,099)
Property, plant and equipment purchased	(92,356) 1,640	(572,032) 1,539
Disposal of property, plant and equipment Capital work in progress	(4,240)	430,823
Net Cash Used in Investing Activities	(94,956)	(139,670)
CASH FLOW FROM FINANCING ACTIVITIES	(0 1,000)	(100,010)
Long term financing received	37,834	_
Repayment of long term financing	(18,690)	(30,355)
Dividend paid	-	(26,957)
Short term borrowings	290,858	259,635
Net Cash Generated from Financing Activities	310,002	202,323
Net increase / (decrease) in Cash and Cash Equivalents	102,139	(60,065)
Cash and cash equivalents at the beginning of the period	100,248	90,578
Cash and Cash Equivalents at the End of the period	202,387	30,513

 $The \ annexed \ notes \ from \ 1 \ to \ 15 \ form \ an \ integral \ part \ of \ these \ condensed \ interim \ financial \ statements \ (un-audited).$

DIRECTOR

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER

8 SHAHZAD TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

Note 1 The Company and its Operations

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn and socks. The Company holds 24.94% ordinary shares in M/s Sargodha Jute Mills Limited, an Associated Company that is engaged in manufacturing, selling and dealing in jute products.

Company's business units including its manufacturing facilities are located as under:

- The Company's registered office is situated at 19-A, Off Zafar Ali Road, Gulberg V, Lahore
- Three units of manufacturing facilities are situated at 34 KM, Lahore-Sheikhupura Road, Sheikhupura
- One unit of manufacturing facility is situated at 7 KM, Sheikhupura-Faisalabad Road, Kharianwala

Note 2 Basis of Preparation

- 2.1 These condensed interim financial statements of the Company 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 comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - 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.

- 2.2 These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2020. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2020 whereas comparative statement of profit or loss account, comparative statement of comprehensive income and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the nine months ended March 31, 2020.
- 2.3 The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2020.
- 2.4 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

Note 3 Accounting Policies

The accounting policies and methods of computation of these condensed interim financial statements (un-audited) are the same as those followed in the preparation of annual audited financial statements for the preceding financial year ended on June 30, 2020.

Note 4 Accounting Estimates and Judgments

The preparation of these condensed interim financial statements (un-audited) require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements (un-audited), significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual audited financial statements for the year ended June 30, 2020.

Note 5 Long Term Financing		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
Loan from banking companies - Secured	Note	Rupees in	thousand
Long term financing	5.1	313,490	323,871
Loan obtained under SBP's refinance scheme	5.2	82,155	51,387
		395,646	375,257
Less: Current portion		(92,332)	(38,977)
		303,314	336,280

- 5.1 These represent long term loans from Habib Metropolitan Bank Limited for purchase of machinery of socks unit for Rs 299.650 million, under State Bank of Pakistan's (SBP) concessional rate scheme and long term loans obtained from JS Bank Limited for enhancement / replacement of power generation facilities to the tune of Rs. 13.840 million. These loans are secured against specific and exclusive charge on machinery of the Company and relevant power generators and are repayable in 3 to 8 years starting from February 2017 and ending in February 2028. Mark up on these facilities is charged @ 5% representing SBP base rate of 2% and spread of 3% per annum, payable on calender quarter basis.
- 5.2 The Company has obtained borowing of Rs. 93.725 million (2020: Rs. 55.892 million) from JS Bank Limited under the State Bank of Pakistan's refinance scheme for payment of salaries and wages, at subsidized rate of borrowing. This financing is secured against ranking charge over fixed asset of the Company to be upgraded to pari passu charge over fixed assets of the Company. The loan is repayable in 8 quarterly installments in 2.5 years including a grace period of 06 months, starting from July 2020. Markup on this financing is charged at 3% per annum. The Company has recognised its liability under SBP refinance scheme at its fair value as deferred income government grant.

Note 6 Current Portion of Non-Current Liabilities	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	Rupees in	thousand
Current portion of long term financing	92,332	38,977
Current portion of deferred liability - GIDC	105,652	-
Current portion of deferred grant	2,282	603
	200,266	39,580

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Note 7 Short Term Borrowings		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)	
	Note	Rupees in thousand		
From banking companies - Secured				
Cash / packing finances	7.1	705,634	414,776	

7.1 The Company has obtained various funded and unfunded financial facilities from various banks for a total sanctioned limit of Rs. 1,894 million (June 30, 2020: Rs. 1,894 million) towards working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables. Mark up on these facilities is charged from 1 to 6 months KIBOR plus a spread of 1% to 1.25% (June 30, 2020: 1 to 6 months KIBOR plus a spread of 1% to 1.25%) payable quarterly. The aggregate short term finances are secured by ranking and hypothecation charge on property, plant and equipment, stocks and receivables of the Company; lien over export and import documents and personal guarantees of sponsoring directors of the Company.

Note 8	March 31, 2021	June 30, 2020
Contingencies and Commitments	(Un-audited)	(Audited)
8.1 Contingencies	Rupees	n million
8.1.1The Company has provided bank guarantees in favour of fo	llowing partie	es:
- Sui Northern Gas Pipelines Limited	79,748	74,374
- Lahore Electric Supply Company	10,430	10,430
- Excise and Taxation Office	19,400	19,100
	109,578	103,904

8.1.2 The Company is contingently liable for Rs. 30.042 million (June 2020: Rs. 25.722 million) on account of electricity duty on self generation. However the company has not admitted the said duty and case is pending before the Supreme Court of Pakistan.

8.2 Commitments

The Company's outstanding commitments / contracts as at the reporting date are as under:

Letters of credit	128,850	26,640
Note 9 Property, Plant and Equipment	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	Rupees in	n thousand
Operating fixed assets	2,270,418	2,267,328
Capital work in progress	16,076	11,836
	2,286,494	2,279,164
9.1 Operating fixed assets		
Opening written down value	2,267,328	1,799,664
Additions during the period / year (at cost)	92,356	636,813
Discount desired the control (see of the decomposition)	2,359,684	2,436,477
Disposals during the period / year (at written down value)	(1,640)	(1,598)
Transfer to investment property	-	(48,157)
Depreciation charged for the period / year	2,358,044	2,386,722
	(87,626)	(119,394)
	2,270,418	2,267,328

SHAHZAD TEXTILE MILLS LIMITED 11

	Nine Months Ended Quarter Ended			
Note 10	Nine Months Ended			
Cost of Sales	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Un-audited	Un-audited	Un-audited	Un-audited
		Rupees in	thousand	
Raw materials consumed	3,150,134	2,570,896	1,208,856	797,194
Stores and spares consumed	127,603	89,182	49,501	41,465
Packing materials consumed	129,795	68,536	48,301	21,849
Salaries, wages and other benefits	505,981	383,371	167,580	151,274
Fuel and power	443,238	399,435	122,581	124,279
Insurance	6,744	5,679	2,939	2,354
Repairs and maintenance	16,870	9,266	6,008	3,353
Other manufacturing expenses	32,163	8,075	16,209	1,994
Depreciation	79,837	78,532	27,279	28,606
	4,492,365	3,612,972	1,649,254	1,172,368
Opening work in process	40,460	31,905	74,030	41,146
Closing work in process	(76,472)	(39,945)	(76,472)	(39,945)
	(36,012)	(8,040)	(2,442)	1,201
Cost of goods manufactured	4,456,353	3,604,932	1,646,812	1,173,569
Opening finished goods	131,528	33,927	33,763	74,656
Closing finished goods	(59,877)	(205,749)	(59,877)	(205,749)
	71,651	(171,822)	(26,114)	(131,093)
	4,528,004	3,433,110	1,620,698	1,042,476

Note 11 Transactions with Related Parties

Related parties comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

	Transaction during	the period		March 31, 2021	March 31, 2020
				(Un-audited)	(Un-audited)
				Rupees in	thousand
	Related party	Relationship	Nature of Transaction		
	Sargodha Jute Mills Limited	Associate 24.94%	Purchase of materials, goods and services	449	290
			Sale of materials, goods and services	337	296
			Rental income	360	360
1	Note 12		Dividend paid	-	32

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2020.

Financial Risk Management

Note 13 Segment Information

For management purposes, the activities of the Company are recognized into two operating segment, i.e. manufacturing and sales of yarn and socks. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these condensed interim financial statements (un-audited) relate to the Company's reportable segments. Entity-wide disclosures regarding reportable segments are as follows:

	Yarn	Socks	Total
13.1		-(Rupees in thou:	sand)
Segment Results for the period ended March 31, 202 Revenue	4,487,741	521,090	5,008,831
Operating profit	239,504	26,659	266,163
Finance cost	(39,360)	(11,330)	(50,690)
Other operating expense			(22,016)
Other income Share of net profit from associate			21,744 32,580
Profit before taxation			247,781
Segment Results for the period ended March 31, 202	20		
Revenue	3,698,265	51,721	3,749,986
Operating profit	187,904	(19,561)	168,343
Finance cost	(45,582)	(7,471)	(53,053)
Other operating expense			(9,280)
Other income			2,728
Share of net profit from associate Profit before taxation			13,538 122,276
Tolit before taxation			122,270
13.2 Segment financial position for the period ended Mare	ch 31, 2021		
Assets			
Property plant and equipment	1,588,609	697,885	2,286,494
Store and spares Stock in trade	108,609 768,989	21,757 136,298	130,366 905,287
Trade Debts	166,586	60,634	227,220
Advances to suppliers	32,586	36,375	68,961
••	2,665,378	952,950	3,618,328
Unallocated Assets			
Investment property			87,550
Long term Investments			530,044
Long term deposits			3,847 102,813
Advances, trade deposits, prepayments and other receifing Short term investments	vables		23,214
Tax refunds due from the Government			178,470
Cash and bank balances			202,387
			4,746,653

	Yarn	Socks	Total
	-	(Rupees in the	ousand)
Liabilities	05.000	000 700	007.040
Long term financing	85,920	309,726	395,646
Trade creditors	57,465	39,399	96,864
Short term borrowings	705,634	17 104	705,634
Accrued mark up	3,809	17,124	20,933
	<u>852,827</u>	366,250	1,219,077
Unallocated liabilities			
Deferred tax liability - net			238.687
Deferred grant			3,344
Deferred liabilities - GIDC			143,981
Staff retirement benefit			135,858
Trade and other payables			376,552
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			72,199
			2,190,043
C	Ml- 01 0000		
Segment financial position for the period ended	March 31, 2020		
Assets	1 017 751	001 110	0.070.104
Property plant and equipment	1,617,751	661,413	2,279,164
Store and spares	84,567	20,640	105,207
Stock in trade	525,762	71,811	597,573
Trade Debts	57,736	24,933	82,669
Advances to suppliers	$\frac{23,789}{2,309,605}$	4,171 782,968	$\frac{27,960}{3,092,573}$
Unallocated Assets	2,309,003	762,308	3,032,373
Investment property			87,550
Long term Investments			497,465
Long term deposits			3,847
Advances, trade deposits, prepayments and other r	eceivables		93,752
Short term investments			14,875
Tax refunds due from the Government			121,465
Cash and bank balances			100,248
			4,011,775
Liabilities			
Long term financing	65,531	309,726	375,257
Trade creditors	32,519	20,176	52,695
Short term borrowings	414,776	-	414,776
Accrued mark up	16,969_	4,900	21,869
	529,795	334,802	864,597
Unallocated liabilities			
Unallocated liabilities Deferred tax liability - net			225 060
Deferred grant			225,960 4,504
Staff retirement benefit			129,667
Trade and other payables			374,890
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			63,963
			1,663,926
			1,000,020

		March 31, 2021	March 31, 2020
10.0		(Un-audited)	(Un-audited)
13.3	Information about products:	Perce	entage)
	Yarn	89.13%	98.05%
	Socks	9.70%	1.34%
13.4	Major customers:		
	57 customers (March 31, 2020: 31 customers) [Yarn]	41.63%	54.65%

13.5 Geographical Information:

> Company's revenue from external customers on the basis of geographical location is given as under:

is given as under.		
	March 31, 2021	March 31, 2020
	(Un-audited) (Rupee	(Un-audited) s in thousand)
Pakistan	4,397,479	3,689,592
Europ	385,193	60,393
United State of America	226,159	
	5,008,831	3,749,985

Note 14

Authorization of Interim Financial Information

These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on April 28, 2021.

Note 15

General

Comparative figures have been re-arranged, wherever necessary, to facilitate comparison. Follwoing re-arrangement has been made in these condensed interim financial statements (un-audited).

From Amount Rupees in Nature То Thousands Commission expense Sales Selling and distribution 18,508

CHIEF EXECUTIVE OFFICER

DIRECTOR

