



*Condensed Interim
Financial Statements
for the quarter ended
September 30 2022*

Shahtaj Textile Limited

Shahtaj Textile Limited

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Shahtaj Textile Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muneer Nawaz Chairman
Mr. M. Naeem Chief Executive
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
Lt. Col. (Retd.) R.D. Shams

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
Mr. Jamil Ahmad Butt, FCMA Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD

Mr. Farooq Hassan Chairman
Mr. Muneer Nawaz Member
Mr. M. Naeem Member
Mr. Toqueer Nawaz Member
Mrs. Sadia Muhammad 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 Co-oporetive
Hosing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

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

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 First Quarter ended on September 30, 2022.

By the grace of Allah, in spite of difficult market conditions, operating results of the Company have been positive and Company has earned after tax profit of Rs. 47.940 million with an EPS of Rs 4.96 in comparison to Rs 8.97 reported during the same period last year. Net Sales revenue for the quarter is Rs. 2.317 billion compared to Rs. 1.894 billion showing increase of about 22% over the corresponding period of last year which is due to combination of price increase as well as volume increase. However, GP rate dropped significantly from 10.59% to 7.09% mainly due to drastic increase in power cost.

Administration cost for the period is higher than previous corresponding period due to inflationary effect. Finance cost for the period increased significantly mainly because of more short-term borrowing due to high inventory levels and trade receivables and massive increase in interest rates which has almost doubled as compared to same period of last year.

Other income increased significantly mainly because of exchange gain due to currency devaluation

Our customers have in stock high level of inventories and are reluctant to commit further business resulting in drop in demand and pressure on fabric prices. Economic factors such as increasing interest rates, twin digit inflation and uncertainties of exchange rate are creating serious hurdles in business planning. Apart from political instability, natural and climate disasters further challenged Pakistan's economy by destroying crops posing a serious threat of cotton shortage in coming periods. All these factors had intensive impact on the business of first quarter and expected to continue for the financial year 2022-23.

Efforts will continue as always for more improvement.

Board and its Committees

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

- a) Male: 9
- b) Female: 1

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
	Lt. Col(Retd.) Rashiduddin Shams

Shahtaj Textile Limited

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
- Mr. Abid Nawaz

b) HR and Remuneration Committee


- Mr. Farooq Hassan (Chairman)
- Mr. Muneer Nawaz
- Mr. Muhammad Naeem
- Mr. Toqueer Nawaz
- Mrs. Sadia Muhammad

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
October 26, 2022


(M. Naeem)
Chief Executive


(Aamir Amin)
Director

Shahtaj Textile Limited

ڈائریکٹرز رپورٹ برائے حصہ داران

ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات کی رپورٹ پیش کرتے ہیں۔

الحمد للہ ناموافق کاروباری حالات کے باوجود کمپنی کے مالیاتی نتائج مثبت رہے اور بعد از ٹیکس منافع 47,940 ملین روپے رہا یعنی 4.96 روپے فی حصہ بالمقابل 8.96 روپے فی حصہ جو گزشتہ سال کے اسی دورانیہ میں رپورٹ ہوا تھا۔ اس سہ ماہی کے لیے خالص فروخت کا حجم 2,317 ملین روپے ہے جبکہ گزشتہ سال اسی مدت میں 1,894 ملین روپے تھا۔ یہ گزشتہ سال کی اسی مدت کے مقابلے میں تقریباً 22 فیصد اضافہ ظاہر کرتا ہے۔ یہ اضافہ بنیادی طور پر فروخت کی قیمت میں نمایاں اضافہ اور فروخت کے بہتر حجم کے باعث ہے۔ تاہم مجموعی منافع (جی پی) کی شرح نمایاں طور پر گری اور 10.59 فیصد سے 7.09 فیصد ہو گئی۔ جس کی وجہ بجلی کی قیمت میں زبردست اضافہ ہے۔

مہنگائی کے اثر کی وجہ سے اس مدت کے لیے انتظامی لاگت گزشتہ اسی مدت سے زیادہ ہے۔ اس مدت کے لیے مالیاتی لاگت میں نمایاں اضافہ ہوا ہے جو بنیادی طور پر انوینٹری کی بلند سطح اور تجارتی وصولیوں اور شرح سود میں بڑے پیمانے پر اضافے کے نتیجے میں زیادہ قلیل مدتی قرضے لینے کی وجہ سے ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں تقریباً دگنی ہو گئی ہے۔

روپے کی قدر میں کمی کی وجہ سے زرمبادلہ کے تبادلہ میں نفع کے نتیجے میں دیگر آمدنی میں نمایاں اضافہ ہوا ہے۔

ہمارے خریداروں کے پاس وافر مقدار میں اسٹاک موجود ہے اور وہ مزید کاروبار کرنے سے گریزاں ہیں جس کے نتیجے میں طلب میں کمی اور فیبرک کی قیمتوں پر دباؤ ہے۔ شرح سود میں اضافہ، دو ہندسوں کی افراط زر اور شرح مبادلہ کی غیر یقینی صورتحال جیسے معاشی عوامل کاروباری منصوبہ بندی میں سنگین رکاوٹیں پیدا کر رہے ہیں۔ سیاسی عدم استحکام کے علاوہ قدرتی اور موسمیاتی آفات نے پاکستان کی معیشت کے لئے مزید چیلنج پیدا کر دیئے ہیں فصلوں کی تباہی سے آنے والے ادوار میں کپاس کی قلت کا سنگین خطرہ ہے۔ ان تمام عوامل کا پہلی سہ ماہی کے کاروبار پر گہرا اثر پڑا ہے۔ جس کے مالی سال 2022-23 کے دوران جاری رہنے کا امکان ہے۔

مزید بہتری کے لئے کوششیں ہمیشہ کی طرح جاری رہیں گی۔

بورڈ کی ساخت

مجموعی طور پر نوڈائریکٹرز جن کی تفصیل درج ذیل ہے:

(ا) مرد: 9 (ب) خواتین: 1

Shahtaj Textile Limited

بورڈ کی ساخت درج ذیل ہے:

اقسام / کیٹگری	نام
انڈیپنڈینٹ ڈائریکٹر / آزاد ڈائریکٹر	جناب عامر امین (این آئی ٹی)
	جناب فاروق حسین
	جناب سید ندیم علی کاظمی
دیگر غیر انتظامی ڈائریکٹر	جناب منیر نواز
	جناب توقیر نواز
	جناب محمد عثمان خالد
	جناب عابد نواز
	محترمہ سعدیہ محمد
خاتون غیر انتظامی ڈائریکٹر	جناب محمد نعیم
ایگزیکٹو ڈائریکٹر / انتظامی ڈائریکٹر	لیفٹینینٹ کرنل (ریٹائر) رشید الدین شمس

بورڈ نے درج ذیل کمیٹیاں تشکیل دیں جن کے ممبران درج ذیل ہیں:

الف) آڈٹ کمیٹی

- جناب عامر امین (چئیرمین)
- جناب منیر نواز
- جناب توقیر نواز
- جناب محمد عثمان خالد
- جناب عابد نواز



ب) ایچ آر اینڈ ریویریشن کمیٹی

- جناب فاروق حسن (چئیرمین)
- جناب منیر نواز
- جناب محمد نعیم
- جناب توقیر نواز
- محترمہ سعدیہ محمد

حوصلہ افزائی

ڈائریکٹر کمپنی کے تمام ملازمین کی انتھک محنت کا شکر گزاری کے ساتھ اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹر



 (عامر امین) (ایم نعیم)
 ڈائریکٹر چیف ایگزیکٹو آفیسر

کراچی

26 اکتوبر 2022

Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30 2022

Un-audited Audited
September 30, June 30,
2022 2022
Note ----- (Rupees in 000) -----

EQUITY AND LIABILITIES

Share capital and reserves

Authorized share capital 10,000,000 ordinary shares of Rs. 10 each	100,000	100,000
Issued, subscribed and paid-up capital	96,600	96,600
Revenue reserves	1,503,115	1,449,659
Surplus on revaluation of plant and machinery	213,348	220,081
Total equity	1,813,063	1,766,340

LIABILITIES

Non-current liabilities

Long-term finance	941,916	958,625
Deferred liabilities	191,265	187,018
	1,133,181	1,145,643

Current liabilities

Trade and other payables	862,959	955,824
Advance from customers - contract liabilities	6,631	11,012
Unclaimed dividend	24,590	24,605
Interest accrued	39,409	32,265
Short-term borrowings	952,930	912,968
Current portion of long-term finance	94,420	94,420
	1,980,939	2,031,094

Contingencies and Commitments 5

Total equity and liabilities	4,927,183	4,943,077
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ASSETS

Non-current assets

Property, plant and equipment	1,737,811	1,760,679
Long-term loans	585	524
Long-term deposits	33,138	33,138
	1,771,534	1,794,341

Current assets

Stores, spares and loose tools	47,389	46,363
Stock-in-trade	1,729,671	1,801,561
Trade debts	1,076,766	997,310
Loans and advance	1,813	3,718
Trade deposits and prepayments	13,578	2,344
Other receivables	3,553	3,490
Taxation - net	62,954	56,260
Sales tax refundable	206,524	220,526
Cash and bank balances	13,401	17,164
	3,155,649	3,148,736

Total assets	4,927,183	4,943,077
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The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(Aamir Amin)
Director

Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

		September 30, 2022	September 30, 2021
	Note	----- (Rupees in 000) -----	
Sales - net	7	2,317,179	1,894,162
Cost of goods sold		(2,152,783)	(1,693,621)
Gross profit		164,396	200,541
Distribution expenses		(25,826)	(28,019)
Administrative expenses		(33,092)	(29,996)
Other operating expenses		(5,283)	(15,711)
Finance cost		(55,796)	(16,201)
		(119,997)	(89,927)
		44,399	110,614
Other income		26,885	158
Profit before taxation		71,284	110,772
Taxation	8	(23,344)	(24,088)
Profit after taxation		47,940	86,684
Earnings per share - basic and diluted		4.96	8.97

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(Aamir Amin)
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	September 30, 2022	September 30, 2021
	----- (Rupees in 000) -----	
Profit after taxation	47,940	86,684
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	(1,217)	116
Other comprehensive income for the period	(1,217)	116
Total comprehensive income for the period	46,723	86,800

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(Aamir Amin)
Director

Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	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, 2021	96,600	850,000	378,449	258,368	1,583,417
Total comprehensive income for the period ended September 30, 2021					
Profit after taxation	-	-	86,684	-	86,684
Other comprehensive income	-	-	-	116	116
	-	-	86,684	116	86,800
Transferred from surplus on revaluation of plant and machinery on account of: - incremental depreciation net of deferred tax	-	-	6,515	(6,515)	-
Transferred to general reserve	-	85,000	(85,000)	-	-
Balance as at September 30, 2021	<u>96,600</u>	<u>935,000</u>	<u>386,648</u>	<u>251,969</u>	<u>1,670,217</u>
Balance as at July 01, 2022	96,600	935,000	514,659	220,081	1,766,340
Total comprehensive income for the period ended September 30, 2022					
Profit after taxation	-	-	47,940	-	47,940
Other comprehensive income	-	-	-	(1,217)	(1,217)
	-	-	47,940	(1,217)	46,723
Transferred from surplus on revaluation of plant and machinery on account of: - incremental depreciation net of deferred tax	-	-	5,516	(5,516)	-
Transferred to general reserve	-	150,000	(150,000)	-	-
Balance as at September 30, 2022	<u><u>96,600</u></u>	<u><u>1,085,000</u></u>	<u><u>418,115</u></u>	<u><u>213,348</u></u>	<u><u>1,813,063</u></u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



(M. Naeem)
Chief Executive



(Amir Ahmed)
Chief Financial Officer




(Aamir Amin)
Director

Shahtaj Textile Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	September 30, 2022	September 30, 2021
	----- (Rupees in 000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	71,284	110,773
Adjustments for:		
Depreciation	43,332	35,304
Finance cost	55,796	16,201
Provision for leave encashment	788	2,135
Unrealized exchange loss	-	7,246
Provision for gratuity	7,260	5,662
Operating cash flows before movements in working capital	178,460	177,321
(Increase) / decrease in current assets		
Stores, spares and loose tools	(1,026)	(14,512)
Stock-in-trade	71,890	(25,428)
Trade debts	(79,456)	(235,760)
Loans and advances	1,905	3,185
Trade deposits and prepayments	(11,234)	(8,795)
Other receivables	(63)	(74)
Sales tax refundable	14,003	11,000
Increase / (decrease) in current liabilities		
Trade and other payables	(92,107)	(131,685)
Advance from customers - contract liabilities	(4,381)	8,338
Cash generated from / (used in) operations	77,991	(216,410)
Gratuity paid	(1,076)	(1,826)
Leave encashment paid	(1,546)	(2,135)
Finance cost paid	(48,652)	(10,442)
Income taxes paid	(33,191)	(17,154)
Net cash used in operating activities	(6,474)	(247,967)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(20,464)	(8,359)
Long-term loans	(62)	(80)
Net cash used in investing activities	(20,526)	(8,439)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term finance	(16,710)	(16,710)
Long term finance obtained	-	6,084
Dividend paid	(15)	-
Net cash used in financing activities	(16,725)	(10,626)
Net (decrease)/ increase in cash and cash equivalents	(43,725)	(267,032)
Cash and cash equivalents at the beginning of the period	(895,804)	(247,820)
Cash and cash equivalents at September 30	(939,529)	(514,852)
Cash and cash equivalents at September 30	(952,930)	(568,215)
Short-term borrowings	13,401	53,363
Cash and bank balances	(939,529)	(514,852)

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.


(M. Naeem)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(Aamir Amin)
Director

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (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.

Following is the geographical location and addresses of all business units of the Company:

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.

These condensed interim financial statements do not include all the notes required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2022.

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

- revaluation of certain plant and machinery;
- financial instruments at fair value; and
- recognition of 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 Un-audited. The comparative condensed statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2022, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from the Un-audited condensed interim financial statements for the quarter ended September 30, 2021.

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

Shahtaj Textile Limited

annual audited financial statements of the Company for the year ended June 30, 2022.

3.2 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, 2022.

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, 2022.

5. CONTINGENCIES AND COMMITMENTS

5.1 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, 2022.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in 000)	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	1,737,787	1,726,809
Capital work in progress	6.2	24,296	33,871
		<u>1,762,083</u>	<u>1,760,680</u>

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

	(Un-audited) Quarter ended September 30, 2022		(Audited) Year ended June 30, 2022	
Additions during the period / year	Additions / transfers	Disposals at book value	Additions / transfers	Disposals at book value
	(Rupees in 000)			
Plant and machinery	1,056	-	518,304	51,766
Furniture and fixtures	13	-	195	-
Equipment and installations	65	-	1,074	43
Computer equipment	496	-	517	-
Vehicles	-	-	3,860	182
	<u>1,630</u>	<u>-</u>	<u>523,950</u>	<u>51,991</u>

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

	(Un-audited) Quarter ended September 30, 2022		(Audited) Year ended June 30, 2022	
	Additions	Transfers	Additions	Transfers
Additions during the period / year				
	----- (Rupees in 000) -----			
Buildings on freehold land	18,493	-	31,877	-
Plant and machinery	340	-	514,521	515,365
Vehicles	-	-	3,760	3,760
	<u>18,833</u>	<u>-</u>	<u>550,158</u>	<u>519,125</u>

7. Sales - net

	(Un-audited) Quarter ended September 30, 2022	September 30, 2021
	----- (Rupees in 000) -----	
Export	237,709	442,145
Indirect Export	1,145,926	1,164,558
Local	1,303,774	558,154
	<u>2,687,409</u>	<u>2,164,857</u>
Waste sales	6,145	3,407
	<u>2,693,554</u>	<u>2,168,264</u>
Commission		
-Export	(6,152)	(11,397)
-Local	(13,391)	(12,396)
Sales tax	(356,832)	(250,309)
	<u>2,317,179</u>	<u>1,894,162</u>

8. TAXATION

	(Un-audited) Quarter ended September 30, 2022	September 30, 2021
	----- (Rupees in 000) -----	
Current	26,497	20,909
Deferred	(3,153)	3,179
	<u>23,344</u>	<u>24,088</u>

There is no change in the status of tax contingencies that are disclosed in the note 29 to the annual financial statements for the year ended June 30, 2022.

9. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

9.1 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.

9.2 Fair value estimation

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:

Shahtaj Textile Limited

- 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.

9.3 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.


10. 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:

		Quarter ended (Un-audited)	
		September 30, 2022	September 30, 2021
		----- (Rupees in 000) -----	
Nature of relationship	Nature of relationship		
Key management personnel	Remuneration	6,320	6,051
Associated undertakings			
- Shahnawaz (Private) Limited	Purchase of computer equipment and supplies	-	363
	Administrative services received	1,320	1,314
	Software development charges	600	600
Other related party- Close Family Member			
- Lionsmill General Trading LLC	Sale of fabric	-	11,663
		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- (Rupees in 000) -----	
Balances due to related parties			
- Shahnawaz (Private) Limited		1,920	-

11. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on October 26, 2022 by the Board of Directors of the Company.


(M. Naeem)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(Aamir Amin)
Director

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