



*Condensed Interim
Financial Statements
for the half year ended
December 31, 2024*

Shahtaj Textile Limited

Shahtaj Textile Limited

CONTENT

Company Information	02
Directors' Report to the Shareholders	03
Independent Auditor's Review Report	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit or Loss Account	09
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Statements	12

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 Muhammad	
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. 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. 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

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 are pleased to present un-audited Condensed Interim Financial Statements of the Company for the six months period ended on December 31, 2024 together with limited scope review report by the Auditors.

By the grace of Allah, in spite of difficult market conditions, your company has managed to remain profitable. The Company has earned an after-tax profit of Rs. 26.328 million with an EPS of Rs 2.73 in comparison to Rs 2.57 reported during the same period last year. Net Sales revenue for the period decreased to Rs. 3.648 billion as compared to Rs 4.147 billion during the same period last year. The decrease is mainly attributable to two factors, First, lower sales volume due to slow lifting of orders by buyers. Second, the company is concentrating more on sales orders against weaving charges only, against which yarn is arranged by customers. Although, this reduces the net sales amount but also minimizes working capital requirement which lowers short-term borrowing and finance cost. Hence, its overall impact on profitability is favorable. Despite the pressure on conversion costs, particularly power costs, the GP rate increased from 8.66% of sales of comparative period to 9.36% during current period due to efficient inventory procurement, operational efficiencies, and the generation of renewable energy.

Distribution cost for the period is higher than previous corresponding period due to significant increase in ocean freight rates. Administration cost for the period also increased due to inflationary effect. Finance cost during the period decreased on account of prudent financial management and reduction in policy rate.

Moving forward, the inflation and interest rates are expected to follow downward trend, thereby adding positivity to the economic growth. However, the Company anticipates that high energy costs will still continue to put pressure on overall profit margins. Further, political stability, law & order situation are pre-requisite to reduce economic uncertainty. Consistencies in policies, providing increased stability and predictability are essential for favourable environment towards growth and investment.

Company will continue to do its best to overcome these difficulties.

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 - Chairman 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

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
- 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
February 26, 2025


(Taqi Mohammad)
Chief Executive


(M. Usman Khalid)
Director

Shahtaj Textile Limited

ڈائریکٹر ز رپورٹ برائے حصہ داران

ڈائریکٹر ز مسرت کے ساتھ 31 دسمبر 2024 کو ختم ہونے والی ششماہی پر کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات آڈیٹر کی محدود جائزہ پر مشتمل رپورٹ کے ساتھ پیش کرتے ہیں۔

الحمد للہ مشکل حالات کے باوجود کمپنی کے مالیاتی نتائج مثبت رہے اور بعد از ٹیکس منافع 26.328 ملین روپے رہا یعنی 2.73 روپے فی حصہ بالمقابل 2.57 روپے فی حصہ جو گزشتہ سال کے اسی دورانیہ میں رپورٹ ہوا تھا۔ خالص فروخت کا حجم گزشتہ 4.147 بلین روپے کے بالمقابل 3.648 بلین روپے ہے جو پچھلے سال کی اسی مدت کے مقابلے میں کم ہے۔ اس کمی کی پہلی وجہ خریداروں کی اپنے سودوں کو اٹھانے میں سست روی کے سبب سیل کے حجم میں کمی اور دوسری کمپنی کا ویونگ چارجز کے تحت سیلز آرڈرز پر توجہ مرکوز کئے ہونا ہے جس کے تحت خریدار خود دھاگے کا بندوبست کرتا ہے۔ اگرچہ، یہ خالص فروخت کی رقم کو کم کرتا ہے لیکن ساتھ ہی کام میں لگے سرمائے کی ضرورت کو بھی کم کرتا ہے جس سے مختصر مدت کے قرضے اور مالیاتی لاگت کم ہوتی ہے۔ لہذا، منافع پر اس کا مجموعی اثر سازگار ہے۔ کپڑا بنانے کی لاگت، خاص طور پر بجلی کی لاگت پر دباؤ کے باوجود، کفایت انوینٹری کی خریداری، آپریشنل کارکردگی، اور قابل تجدید توانائی کی پیداوار کی وجہ سے موجودہ مدت کے دوران GP کی شرح تقابلی مدت کی 8.66 فیصد سے بڑھ کر 9.36 فیصد ہو گئی۔

سمندری مال برداری کی شرح میں نمایاں اضافے کی وجہ سے اس مدت کے لیے تقسیم کی لاگت گزشتہ اسی مدت سے زیادہ ہے۔ مہنگائی کے اثر کی وجہ سے اس مدت کے لیے انتظامی لاگت میں بھی اضافہ ہوا۔ محتاط مالی انتظام اور پالیسی کی شرح میں کمی کی وجہ سے اس مدت کے دوران مالیاتی لاگت میں کمی واقع ہوئی۔

مستقبل قریب میں افراط زر اور شرح سود میں کمی کے رجحان کی پیروی کرنے کی توقع ہے، جس سے اقتصادی ترقی میں مثبت اضافہ ہوگا۔ تاہم، کمپنی کا اندازہ ہے کہ توانائی کی بڑھی ہوئی لاگت اب بھی مجموعی منافع کے مارجن پر دباؤ ڈالتی رہے گی۔ مزید یہ کہ معاشی بے یقینی کو کم کرنے کے لیے سیاسی استحکام، امن و امان کی صورت حال بنیادی ضرورت ہے۔ ترقی اور سرمایہ کاری کے لیے سازگار ماحول کے لیے پالیسیوں میں تسلسل، استحکام اور اندازہ لگانے سکنے کی صلاحیت میں اضافہ ضروری ہے۔

کمپنی ان چیلنجوں پر قابو پانے کے لیے اپنی پوری کوشش جاری رکھے گی۔

بورڈ اور اس کی کمیٹیاں

مجموعی طور پر دس ڈائریکٹر ز ہیں جن کی تفصیل درج ذیل ہے:

(ا) مرد: 9 (ب) خواتین: 1

Shahtaj Textile Limited

بورڈ کی ساخت درج ذیل ہے:

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

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

(الف) آڈٹ کمیٹی

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


(ب) ایچ آر اینڈ ریویریشن کمیٹی

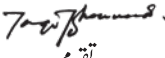
1- جناب فاروق حسن (چیرمین)	2- جناب منیر نواز	3- جناب محمد نعیم	4- جناب تقی محمد	5- جناب عابد نواز
----------------------------	-------------------	-------------------	------------------	-------------------

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


 (محمد عثمان خالد)
 ڈائریکٹر


 تقی محمد
 چیف ایگزیکٹو آفیسر

کراچی

26 فروری 2025

Shahtaj Textile Limited

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Member of Shahtaj Textile Limited

Report on review of Interim Financial Statements

We have reviewed the accompanying condensed interim statement of financial position of **SHAHTAJ TEXTILE LIMITED** (the Company) as at **December 31, 2024**, and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, condensed interim statement of cash flows and the condensed interim statement of changes in equity and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

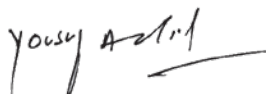
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as at and for the half year ended December 31, 2024 are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of condensed interim statement of profit or loss and condensed interim statement of comprehensive income and related notes for the quarter ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2024.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Arif Nazeer.



Chartered Accountants

Dated: February 26, 2025

Place: Karachi

UDIN: RR202410099BApvKYlui

Shahtaj Textile Limited

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

	Un-audited December 31, 2024	Audited June 30, 2024
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	1,516,864	1,489,820
Surplus on revaluation of plant and machinery	195,446	205,822
Total equity	1,808,910	1,792,242

LIABILITIES

Non-current liabilities

Long-term finance	641,086	714,003
Deferred liabilities	110,875	103,367
	751,961	817,370

Current liabilities

Trade and other payables	695,569	858,972
Unclaimed dividend	41,079	40,418
Interest accrued	33,315	50,215
Short-term borrowings	708,740	749,873
Current portion of long-term finance	143,710	141,580
	1,622,413	1,841,058

Contingencies and Commitments

Total equity and liabilities	4,183,284	4,450,670
-------------------------------------	------------------	------------------

ASSETS

Non-current assets


Property, plant and equipment	1,781,285	1,862,143
Long-term loans	180	260
Long-term deposits	35,746	34,434
	1,817,211	1,896,837

Current assets


Stores, spares and loose tools	65,158	65,446
Stock-in-trade	1,169,377	1,112,302
Trade debts	862,179	1,067,253
Loans and advance	34,510	17,018
Trade deposits and prepayments	7,608	3,105
Prepaid assets	62,845	49,612
Other receivables	10,584	6,818
Short term investment	51,013	38,000
Sales tax refundable	69,723	159,916
Cash and bank balances	33,076	34,363
	2,366,073	2,553,833

Total assets	4,183,284	4,450,670
---------------------	------------------	------------------

The annexed notes from 1 to 17 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024 (UNAUDITED)

		Half year ended		Quarter ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Note		(Rupees in 000)			
Sales - net	9	3,648,158	4,147,162	1,680,278	2,204,994
Cost of goods sold		(3,306,556)	(3,788,067)	(1,513,537)	(2,031,219)
Gross profit		341,602	359,095	166,741	173,775
Distribution expenses		(60,902)	(48,099)	(25,189)	(21,499)
Administrative expenses		(85,114)	(73,758)	(44,140)	(35,647)
Other operating expenses		(5,045)	(25,389)	(1,505)	(13,354)
Finance cost	10	(130,302)	(177,323)	(60,379)	(82,980)
		(281,363)	(324,569)	(131,213)	(153,480)
		60,239	34,526	35,528	20,295
Other income / (expense)	11	7,826	24,471	(231)	14,594
Profit before levies & taxes		68,065	58,997	35,297	34,889
Levies	12	(41,737)	(47,301)	(19,388)	(25,181)
Profit before taxation		26,328	11,696	15,909	9,708
Taxation	12	-	13,105	-	57
Profit after taxation		26,328	24,801	15,909	9,765
Rupees					
Earnings per share - basic					
and diluted		2.73	2.57	1.65	1.01

The annexed notes from 1 to 17 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024 (UNAUDITED)

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Rupees in 000)				
Profit after taxation	26,328	24,801	15,909	9,765
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	-	1,934	-	2,887
Other comprehensive income for the period	-	1,934	-	2,887
Total comprehensive income for the period	26,328	26,735	15,909	12,652

The annexed notes from 1 to 17 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 HALF YEAR ENDED DECEMBER 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, 2023	96,600	1,085,000	408,776	197,980	1,788,356
Total comprehensive income for the period ended December 31, 2023					
Profit after taxation	-	-	24,801	-	24,801
Other comprehensive income	-	-	-	1,934	1,934
	-	-	24,801	1,934	26,735
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	10,078	(10,078)	-
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 December 31, 2023	96,600	1,135,000	330,865	189,836	1,752,301
Balance as at July 01, 2024	96,600	1,135,000	354,820	205,822	1,792,242
Total comprehensive income for the period ended December 31, 2024					
Profit after taxation	-	-	26,328	-	26,328
Other comprehensive income	-	-	-	-	-
	-	-	26,328	-	26,328
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	10,376	(10,376)	-
Transferred to general reserve	-	15,000	(15,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2024 @ Re. 1.00 per share	-	-	(9,660)	-	(9,660)
Balance as at December 31, 2024	96,600	1,150,000	366,864	195,446	1,808,910

The annexed notes from 1 to 17 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 HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

	Half year ended	
	December 31, 2024	December 31, 2023
	----- (Rupees in 000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies & taxes	68,065	58,997
Adjustments for:		
Depreciation	91,361	82,146
Finance cost	130,302	177,323
(Gain) on disposal of property, plant and equipment	-	(20)
Provision for leave encashment	1,972	3,217
Unrealised exchange loss / (gain)	2,964	(2,937)
Provision for gratuity	17,961	17,206
Operating cash flows before movements in working capital	312,625	335,932
(Increase) / decrease in current assets		
Stores, spares and loose tools	288	19,894
Stock-in-trade	(57,074)	(3,260)
Trade debts	202,111	(230,633)
Loans and advances	(17,492)	(6,120)
Trade deposits and prepayments	(4,502)	(75,118)
Other receivables	(3,766)	2,873
Sales tax refundable	90,194	42,445
Increase / (decrease) in current liabilities		
Trade and other payables	(161,588)	270,984
Cash generated from operations	360,796	356,997
Gratuity paid	(10,453)	(6,867)
Leave encashment paid	(3,789)	(3,215)
Finance cost paid	(147,204)	(160,841)
Levies paid	(54,969)	(44,777)
Net cash generated from operating activities	144,381	141,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,503)	(257,325)
Proceeds from disposal of property, plant and equipment	-	94
Long-term deposit	(1,311)	(158)
Long-term loans	80	110
Investment made during the period	(13,013)	-
Net cash used in investing activities	(24,747)	(257,279)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term finance	(70,789)	(40,583)
Dividend paid	(8,999)	(57,754)
Net cash used in financing activities	(79,788)	(98,337)
Net increase / (decrease) in cash and cash equivalents	39,846	(214,319)
Cash and cash equivalents at the beginning of the period	(715,510)	(777,228)
Cash and cash equivalents at the end of the period	(675,664)	(991,547)
Cash and cash equivalents at the end of the period		
Short-term borrowings	(708,740)	(1,014,470)
Cash and bank balances	33,076	22,923
	(675,664)	(991,547)

The annexed notes from 1 to 17 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 HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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, 2024. 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. However, a limited scope review of these condensed interim financial statements has been performed by external auditors of the Company in accordance with the requirements of section 237 of Companies Act, 2017 and they have issued their review report thereon. These condensed interim financial statements are submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

- 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, 2024.

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

3.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 01, 2024 but are considered not to be relevant or do not have any significant effect on the Company's financial statements and therefore not detailed in these condensed interim financial statements.

3.3 Standards and amendments to published accounting and reporting standards that are not yet effective

The following standards and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard :

	Effective from accounting period beginning on or after
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' -	January 01, 2025
Clarification on how entity accounts when there is long term lack of Exchangeability	
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Classification and measurement of financial instruments	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

Standards

IFRS 1 - First-time Adoption of International Financial Reporting Standards
IFRS 18 - Presentation and Disclosures in Financial Statements
IFRS 19 - Subsidiaries without Public Accountability: Disclosures

4. SIGNIFICANT ACCOUNTING ESTIMATES

- 4.1 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, 2024.

5. 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, 2024.

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
------(Rupees in 000)-----			
6. SHORT-TERM BORROWINGS			
Running finances under markup arrangement	6.1	336,970	564,452
Musharaka finance	6.2	196,770	10,421
Istisna financing	6.3	175,000	175,000
		<u>708,740</u>	<u>749,873</u>

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

- 6.1** The Company can avail finance facilities from various banks aggregating to Rs. 875 million (June 2024: Rs. 875 million). The unavailed facilities for the half year ended were Rs. 538.030 million (June 2024: Rs. 310.55 million). The facilities are secured by hypothecation of stocks and book debts. These are subject to mark-up ranging from 1 month KIBOR plus 0.75% to 2% per annum (June 2024: KIBOR plus 0.75% to 1% per annum).
- 6.2** The Company can avail finance facility under Musharaka of Rs. 200 million (June 2024: Rs. 200 million). The unavailed facility for the half year ended December 31, 2024 was Rs. 3.230 million (June 2024: Rs. 189.58 million). This finance facility is secured by fixed pari passu hypothecation of stocks and receivables with 25% margin. These are subject to mark-up rate of 1 month KIBOR plus 0.65% per annum (June 2024: 1 month KIBOR plus 0.65% per annum).
- 6.3** Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 175 million (June 30, 2024: Rs 175 million). The mark-up rate on the financing is 6 months KIBOR + 1% per annum (June 30, 2024: 6 months KIBOR + 1% per annum). The facility is secured against first pari passu charge over land, building, plant and machinery and stocks / receivables with 25% margin. The maximum tenor of the Istisna Financing is 180 days.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

Contingencies and commitments are not materially changed as disclosed in the note 12 to the annual financial statements for the year ended June 30, 2024, except guarantee issued by bank on behalf of the Company in favour of Sui Northern Gas Pipeline Limited (SNGPL) of Rs 87.537 million (June 30, 2024: Rs 74.512 million).

	Note	(Un-audited) December 31, 2024	(Audited) June 30, 2024
		----- (Rupees in 000) -----	
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	1,781,285	1,721,547
Capital work in progress	8.2	-	140,596
		<u>1,781,285</u>	<u>1,862,143</u>

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

	(Un-audited) Half year ended December 31, 2024		(Audited) June 30, 2024	
Additions during the period / year	Additions / transfers at / from cost / cwip	Disposals at book value	Additions / transfers at / from cost / cwip	Disposals at book value
	----- (Rupees in 000) -----			
Plant and machinery	145,969	-	254,613	1,459
Equipment and installations	4,346	-	35	76
Computer equipment	142	-	3,919	-
Vehicles	642	-	392	118
	<u>151,099</u>	<u>-</u>	<u>258,959</u>	<u>1,653</u>

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

	(Un-audited) Half year ended December 31, 2023		(Audited) 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) -----			
Plant and machinery	4,748	145,344	391,968	253,891
Equipment and installations	4,300	4,300	-	-
	<u>9,048</u>	<u>149,644</u>	<u>391,968</u>	<u>253,891</u>

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

9. Sales - net

	(Un-audited) Half year ended		(Un-audited) Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in 000)			
Export	554,894	607,412	227,631	279,470
Indirect export	1,403,474	1,651,928	575,860	917,714
Local	2,276,973	2,556,694	1,150,147	1,372,936
	4,235,341	4,816,034	1,953,638	2,570,120
Waste sales	12,073	12,573	6,021	5,845
	4,247,414	4,828,607	1,959,659	2,575,965
Commission				
- Local	(20,999)	(17,412)	(8,709)	(9,343)
- Export	(14,991)	(20,122)	(6,464)	(11,315)
Sales tax	(563,266)	(643,911)	(264,208)	(350,313)
	3,648,158	4,147,162	1,680,278	2,204,994

10. FINANCE COST

	(Un-audited) Half year ended		(Un-audited) Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in 000)			
Mark-up on:				
Long-term finance	10,564	10,457	5,133	6,012
Running finance under markup arrangement	58,389	80,780	29,757	39,704
Musharaka finance	15,880	22,507	7,753	10,952
Discounting charges	42,979	60,634	16,159	25,063
Interest on Workers' Profit Participation Fund	192	366	-	-
Bank charges and commission	2,298	2,579	1,577	1,249
	130,302	177,323	60,379	82,980

11. OTHER INCOME

Net income from trading	3,099	307	3,099	307
Exchange gain/(loss) - net	679	-	(5,477)	-
Interest Income	4,048	24,144	2,147	14,267
Gain on disposal of property, plant and equipment	-	20	-	20
	7,826	24,471	(231)	14,594

12. LEVIES & TAXATION

12.1 Levies

Note

Revenue Tax	12.2	41,737	27,227	19,388	14,609
Final Tax	12.3	-	20,074	-	10,572
		41,737	47,301	19,388	25,181

12.2 This represents minimum tax provision under section 113 & 154 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirement of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

12.3 This represents final taxes paid on export sales as per section 154 of the Income Tax Ordinance, 2001, representing levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

12.4. TAXATION

	(Un-audited) Half year ended		(Un-audited) Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	------(Rupees in 000)-----			
Deferred	-	(13,105)	-	(57)

13. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

13.1 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.

13.2 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:

- 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.

13.3 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, 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.

14. 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 duly approved by board of directors. 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:

Nature of relationship	Nature of transaction	Half year ended (Un-audited)	
		December 31, 2024	December 31, 2023
		------(Rupees in 000)-----	
Key management personnel	Remuneration	30,330	21,840
	Dividend paid	2,442	15,889
Associated undertakings			
- Shahtaj Sugar Mills Limited	Dividend paid	1,150	7,475
- Shahnawaz (Private) Limited	Dividend paid	350	2,275
	Purchase of computer equipment and supplies	-	41
	Administrative services received	2,652	2,786
	Software development charges	1,200	1,200
- Shezan International Limited	Purchase of goods	42	56
Other related party- Close Family Member			
- Lionsmill Trading LLC	Commission on sales	3,407	6,520

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	----- (Rupees in 000) -----	
Balance due to related party		
- Shahnawaz (Private) Limited	3,852	3,513
- Lionsmill Trading LLC	-	996

15. OPERATING SEGMENTS

The Chief Executive considers the business as a single operating segment as the Company's assets allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis. Sales of the Company related to export customers is 47.35% (Dec 2023: 47.97%). As at period end, all non-current assets of the Company are located within Pakistan.

16. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.

17. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on February 26, 2025 by the Board of Directors of the Company.



(Taqi Mohammad)
Chief Executive



(Amir Ahmed)
Chief Financial Officer



(M. Usman Khalid)
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.*