



**SHAHZAD  
TEXTILE**

**FORM-8**

Date: 28-02-2025

**THE GENERAL MANAGER**  
Pakistan Stock Exchange Limited,  
Stock Exchange Building,  
Stock Exchange Road,  
**KARACHI**

**SUBJECT: TRANSMISSION OF QUARTERLY REPORT FOR THE HALF YEAR  
AND SECOND QUARTER ENDED DECEMBER 31, 2024**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the Half Year and Second Quarter Ended December 31, 2024 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.

Thanking you.

Yours Sincerely,  
**For SHAHZAD TEXTILE MILLS LIMITED**

**COMPANY SECRETARY**

Encl: As above



# Half Yearly Report December 31, 2024



**SHAHZAD TEXTILE MILLS LIMITED**

Certificate PK24/00000104

The management system of

## Shahzad Textile Mills Limited

SGS

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V, Lahore, Pakistan

has been assessed and certified as meeting the requirements of

**ISO 9001:2015**

For the following activities

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

This certificate is valid from 09 May 2024 until 09 May 2027 and remains valid subject to satisfactory surveillance audits.

Issue 1. Certified since 09 May 2024

Certified activities performed by additional sites are listed on subsequent pages.

*Jonathan H. Hall*

Authorised by

Jonathan Hall

Global Head - Certification  
Services

SGS United Kingdom Ltd

Rosemoor Business Park, Elmstree Port, Cheshire, CH65 3EN, UK

T +44 (0)151 350-8868 - [www.sgs.com](http://www.sgs.com)



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Page 1 / 2

Certificate PK24/00000104, continued

## Shahzad Textile Mills Limited

SGS

### ISO 9001:2015

Issue 1

#### Sites

Shahzad Textile Mills Limited

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V, Lahore, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited

Site 01 : 34th Km. Sheikhupura Road, Sheikhupura, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited

Site 02 : 7th Km Sheikhupura-Faisalabad Road, Sheikhupura, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn



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Page 2 / 2



# CERTIFICATE



**Management system as per  
ISO 45001:2018**

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

**Shahzad Textile Mills Limited (Socks Division)**

**34 – KM, Lahore – Sheikhpura Road, Sheikhpura, Pakistan.**

applies a management system in line with the above standard for the following scope

**Manufacturing of Socks**

Certificate Registration No. 20116233016371

Valid until 2026-03-15

Initial certification: 2020-03-16

*Noraf*

Certification Body  
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification procedures and is subject to regular surveillance audits.  
TÜV AUSTRIA CERT GMBH Deutschstraße 10 A-1230 Wien [www.tuv.at](http://www.tuv.at)



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# CERTIFICATE



**Management system as per  
EN ISO 14001:2015**

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

**Shahzad Textile Mills Limited (Socks Division)**

**34 – KM, Lahore – Sheikhupura Road, Sheikhupura, Pakistan.**

applies a management system in line with the above standard for the  
following scope

**Manufacturing of Socks**

Certificate Registration No. 20104233016370

Valid until 2028-03-15  
Initial certification: 2020-03-16

Certification Body  
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification  
procedures and is subject to regular surveillance audits.  
TÜV AUSTRIA CERT GMBH Deutschestraße 10 A-1230 Wien [www.tuv.at](http://www.tuv.at)



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# CERTIFICATE



**Management system as per  
EN ISO 9001:2015**

In accordance with TÜV AUSTRIA CERT procedures, it is hereby certified that

**Shahzad Textile Mills Limited (Socks Division)**

**34 – KM, Lahore – Sheikhpura Road, Sheikhpura, Pakistan.**

applies a management system in line with the above standard for the following scope

**Manufacturing of Socks**

Certificate Registration No. 20100233016369

Valid until 2026-03-15

Initial certification: 2020-03-16

*Noraf*

Certification Body  
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification procedures and is subject to regular surveillance audits.

TÜV AUSTRIA CERT GMBH Deutschstraße 10 A-1230 Wien [www.tuv.at](http://www.tuv.at)



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## Contents

Company's Information	1
Directors' Report - English	2
Directors' Report - Urdu	3
Independent Auditor's Review Report to the Members	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Statement of Profit or Loss	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Changes in Equity	8
Condensed Interim Statement of Cash Flows	9
Notes to and forming part of the	
Condensed Interim Financial Statements	10-15



## 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

Syed Imran Haider

### Company Secretary

Mr. Muhammad Amjad Tayyab

### Auditors

Crowe Hussain Chaudhury & 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  
34 KM Lahore Sheikhpura  
Road, Sheikhpura.

### Unit # 2

7 KM Sheikhpura Faisalabad  
Road, Sheikhpura.

## Directors' Report

On behalf of the directors of M/s Shahzad Textile Mills Limited ("Company"), I am pleased to present the unaudited condensed interim financial information (reviewed by the statutory auditors) for the second quarter and half-year ended December 31, 2024.

The Company's pretax profit in the current quarter is Rs. 50.242 million as compared to a loss of Rs. 55.840 million in the corresponding period of the previous year. In six monthly results, the pre-tax Profit is Rs. 44.977 million as compared to loss of Rs. 27.222 million in the corresponding period of the previous year. However, taxation entails six months loss after tax to Rs 18.843 million as compared to loss of Rs. 90.052 million in the corresponding period of previous year. During six month's period ended December 31, 2024, our Company has achieved sales of Rs. 5.464 billion as compared to sales Rs. 4.943 billion in correspondence period of the previous year.

Loss per share is Rs. 1.05 in the half year ended as compared to loss of Rs. 5.01 per share in the corresponding period of the previous year.

Our Company performed much better in last quarter despite high-energy cost. We are able to get better prices of yarn but variation in demand due to availability of imported yarn at lower rates creates hurdles to our performance. Moreover, fluctuation in raw material prices also destabilize the sale rate of our product. The average prices during the period for cotton and polyester were Rs 18600 per maund and Rs 360 per kg respectively.

### FUTURE PROSPECTS

The Government policies, about trade regulations, energy, taxation and incentive for the textile sector always have direct impact on the profitability of textile sector. Supportive policies could boost the local industry that includes ban on imported yarn and reduction in taxation. Although, the decrease in interest rates have positive impact on our economy but regionally competitive energy tariff remains challenging for the growth of textile sector.

The Company is optimistic about sustaining growth in the spinning units for the remainder of the fiscal year. We will continue focusing on expanding market share, and improving operational efficiencies. Furthermore, considering the current challenges, the directors' have decided to revise the directors' loan terms as interest free with effect from July 1, 2024.

### ACKNOWLEDGEMENT

We thank our employees, suppliers, and customers for their ongoing contributions to our success. We look forward to continuing to deliver value to all stakeholders in the coming period.

For and on behalf of the Board



**Irfan Aslam**  
Director



**Mr. Imran Aslam**  
Chief Executive

Lahore  
February 26, 2025

## ڈائریکٹر رپورٹ

میسرز شہزاد ٹیکسٹائل ملز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹر کی طرف سے، مجھے 31 دسمبر 2024 کو ختم ہونے والی دوسری سہ ماہی اور نصف سال کیلئے غیر آڈٹ شدہ مختصر مالی معلومات (جو قانونی آڈیٹر نے جائزہ لیا ہے) پیش کرتے ہوئے خوشی ہو رہی ہے۔

کمپنی کا موجودہ سہ ماہی میں قبل از ٹیکس منافع 52.242 ملین روپے ہے جبکہ گزشتہ سال کے اسی عرصے میں 55.840 ملین روپے کا نقصان ہوا تھا۔ چھ ماہ کے نتائج میں قبل از ٹیکس منافع 44.977 ملین روپے ہے جبکہ گزشتہ سال کے اسی عرصے میں 27.222 ملین روپے کا نقصان ہوا تھا۔ تاہم، ٹیکس کی وجہ سے چھ ماہ کے دوران بعد از ٹیکس خسارہ 18.843 ملین روپے ہے جبکہ گزشتہ سال کے اسی عرصے میں یہ خسارہ 90.052 ملین روپے تھا۔ چھ ماہ کے دوران، کمپنی کی سیلز 15.464 ارب روپے رہی جو کہ گزشتہ سال کے اسی عرصے میں 14.943 ارب روپے تھی۔

نصف سال کے دوران فی حصص نقصان 1.05 روپے رہا جو کہ گزشتہ سال کے اسی عرصے میں فی حصص 5.01 روپے کے نقصان سے بہتر ہے

ہماری کمپنی نے گزشتہ سہ ماہی میں توانائی کی بلند قیمتوں کے باوجود بہتر کارکردگی دکھائی۔ ہم نے زیادہ قیمتوں پر دھاگہ حاصل کیا لیکن درآمد شدہ دھاگہ کی کم قیمتوں کی وجہ سے طلب میں کمی ہمارے لئے مشکلات کا باعث بنی۔ اس کے علاوہ، خام مال کی قیمتوں میں اتار چڑھاؤ ہماری مصنوعات کی فروخت کی قیمت کو غیر مستحکم کر دیا۔ اس مدت کے دوران کاٹن اور پولیسٹر کی اوسط قیمتیں بالترتیب 18600 روپے فی من اور 360 روپے فی کلوگرام تھیں۔

مستقبل کا نقطہ نظر

حکومتی پالیسیوں جیسے تجارتی ضوابط، توانائی، ٹیکس، اور ٹیکسٹائل کے شعبے کیلئے مراعات کا براہ راست اثر ٹیکسٹائل کے شعبے کی منافع پر پڑتا ہے۔ معاون پالیسیوں سے مقامی صنعت کو فروغ مل سکتا ہے۔ جس میں درآمدی دھاگے پر پابندی اور ٹیکس میں کمی شامل ہیں۔ اگرچہ شرح سود میں کمی کا ہماری معیشت پر مثبت اثر پڑا ہے، مگر خطے کے دیگر ممالک سے توانائی کی مسابقتی قیمتیں ٹیکسٹائل کے شعبے کی ترقی کیلئے چیلنج بنی ہوئی ہے۔

کئی رواں سال کے باقی حصے میں اسیسنگ نیٹس میں ترقی برقرار رکھنے کیلئے پر عزم ہے۔ ہم مارکیٹ شیئر بڑھانے اور آپریشنل کارکردگی کو بہتر بنانے پر توجہ مرکوز رکھیں گے۔ مزید برآں موجودہ چیلنجز کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹر نے فیصلہ کیا ہے کہ یکم جولائی 2024 سے ڈائریکٹر کے قرض کی شرائط کو سود سے آزاد کر دیا جائے گا۔

ہم اپنے ملازمین، سپلائرز اور صارفین کا شکریہ ادا کرتے ہیں جنہوں نے ہماری کامیابی میں اپنے مسلسل تعاون سے اہم کردار ادا کیا۔ ہم آئندہ مدت میں تمام اسٹیک ہولڈرز کو مزید معیت فراہم کرنے کے منتظر ہیں۔

برائے اور یکم بورڈ

۱۱۔۔۔۔۔

عمران اسلم  
چیف ایگزیکٹو

26 فروری 2025

لاہور

۱۱۔۔۔۔۔

عرفان اسلم  
ڈائریکٹر

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHAHZAD TEXTILE MILLS LIMITED ON REVIEW OF INTERIM FINANCIAL STATEMENTS****INTRODUCTION**

We have reviewed the accompanying condensed interim statement of financial position of **SHAHZAD TEXTILE MILLS LIMITED** ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the ("interim financial statements")). Management is responsible for the preparation and presentation of these condensed 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 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 the 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 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**OTHER MATTER**

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

The engagement partner on the audit resulting in this independent auditor's review report is Muhammad Nasir Muneer.



**CROWE HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*

Lahore  
Dated: 27 February 2025  
UDIN: RR202410169ZYsyakTh4



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT DECEMBER 31, 2024**

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- Rupees in	thousand -----
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital:			
40,000,000 (June 30, 2024: 40,000,000)			
ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid up capital			
17,971,372 (June 30, 2024: 17,971,372)			
ordinary shares of Rs. 10 each		179,714	179,714
Reserves		1,889,633	1,902,234
Surplus on revaluation of property, plant and equipment		1,238,438	1,244,680
		3,307,785	3,326,628
<b>Non Current Liabilities</b>			
Long term financing	5	182,897	221,438
Deferred tax liabilities		437,568	440,547
		620,465	661,985
<b>Current Liabilities</b>			
Trade and other payables		1,139,376	718,364
Unclaimed dividend		146	146
Unpaid dividend		199	199
Accrued mark up		32,846	35,004
Current portion of non-current liabilities	6	183,350	183,350
Short term borrowings	7	1,202,171	809,338
Provision for taxation		66,462	134,922
		2,624,550	1,881,323
<b>Contingencies and Commitments</b>			
	8	-	-
		6,552,800	5,869,937
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	9	2,744,136	2,791,241
Investment property		108,150	108,150
Long term investment in associate		927,233	916,777
Long term deposits		3,847	3,847
		3,783,366	3,820,015
<b>Current Assets</b>			
Stores and spares		198,549	183,933
Stock in trade		1,200,588	755,307
Trade debts		230,492	301,813
Advances, trade deposits, prepayments and other receivables		249,662	205,694
Short term investments		191,126	36,566
Tax refunds due from the Government		484,000	357,459
Cash and bank balances		215,017	209,150
		2,769,434	2,049,922
		6,552,800	5,869,937

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements (un-audited).

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

## FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

		Half Year Ended December 31,		Quarter Ended December 31,	
		2024	2023	2024	2023
	Note	---- Rupees in thousand ---- (Un-audited)			
Sales		5,463,761	4,942,852	3,236,691	2,258,621
Cost of sales	10	(5,190,154)	(4,729,184)	(3,078,223)	(2,175,941)
<b>Gross Profit</b>		273,607	213,668	158,468	82,680
Operating expenses:					
- Selling and distribution		(93,506)	(67,340)	(44,793)	(39,458)
- Administrative expenses		(151,805)	(144,708)	(74,502)	(70,851)
		(245,311)	(212,048)	(119,295)	(110,309)
<b>Operating Profit / (Loss)</b>		28,296	1,620	39,173	(27,629)
Finance cost		(74,547)	(89,407)	(40,826)	(53,290)
Other operating expenses		(6,312)	(7,163)	(6,026)	(4,617)
Other income		87,084	52,612	50,421	18,682
Share of net profit of associate		10,456	15,116	7,500	11,014
		16,681	(28,842)	11,069	(28,211)
<b>Profit / (Loss) before Levy and Taxation</b>		44,977	(27,222)	50,242	(55,840)
Levy / final taxation	11	(32,536)	(60,445)	(4,698)	(27,660)
<b>(Loss) / Profit before Taxation</b>		12,441	(87,667)	45,544	(83,500)
Taxation		(31,284)	(2,385)	(35,641)	(8,460)
<b>Net (Loss) / Profit for the Period</b>		(18,843)	(90,052)	9,903	(91,960)
<b>Loss per Share - Basic</b>		(1.05)	(5.01)	0.55	(5.12)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	---- Rupees in thousand ----			
<b>Net (Loss) / Profit for the Year</b>	(18,843)	(90,052)	9,903	(91,960)
<b>Other Comprehensive Income for the Period</b>				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
<b>Total Comprehensive (Loss) / Profit for the Period</b>	<b>(18,843)</b>	<b>(90,052)</b>	<b>9,903</b>	<b>(91,960)</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements (un-audited).

  
**CHIEF EXECUTIVE OFFICER**
  
**DIRECTOR**
  
**CHIEF FINANCIAL OFFICER**

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

## FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Particulars	Issued Subscribed and Paid up Capital	Reserve			Surplus on Revaluation of Property, Plant and Equipment	Total Equity
		Share Premium Reserve	Unappropriated Profit	Total		
----- Rupees in thousand -----						
Balance as at June 30, 2023	179,714	5,796	1,987,457	1,993,253	838,080	3,011,047
Net loss for the period	-	-	(90,052)	(90,052)	-	(90,052)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(90,052)	(90,052)	-	(90,052)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	7,068	7,068	(7,068)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	(196)	(196)
Balance as at December 31, 2023	179,714	5,796	1,904,473	1,910,269	830,816	2,920,799
Balance as at June 30, 2024	179,714	5,796	1,896,438	1,902,234	1,244,680	3,326,628
Net loss for the period	-	-	(18,843)	(18,843)	-	(18,843)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(18,843)	(18,843)	-	(18,843)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	6,242	6,242	(6,242)	-
Balance as at December 31, 2024	179,714	5,796	1,883,837	1,889,633	1,238,438	3,307,785

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements (un-audited).

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)****FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

Note		Half Year Ended December 31,	
		2024	2023
		--- Rupees in thousand ---	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before levy and taxation		44,977	(27,222)
Adjustments for:			
- Depreciation		56,610	59,558
- Gain loss on disposal of property, plant and equipment		(1,784)	(167)
- Share of net profit of associate		(10,456)	(15,116)
- Finance cost		62,803	89,407
- Profit on saving account and term deposit receipt		(24,876)	(3,396)
- Provision for workers' profit participation fund		2,488	-
- Provision for workers' welfare fund		2,294	-
- Allowance for doubtful debts		1,484	-
- Interest on workers' welfare fund		-	1,211
- Exchange loss		46	7,163
		88,609	138,660
<b>Operating Profit before Working Capital Changes</b>		133,586	111,438
(Increase) / decrease in current assets			
- Stores and spares		(14,617)	(25,168)
- Stock in trade		(445,281)	(195,014)
- Trade debts		69,791	46,376
- Advances, trade deposits, prepayments, and other receivables		(64,971)	(37,752)
- Tax refunds due from the Government		(126,541)	(51,921)
Increase in current liabilities			
- Trade and other payables		416,692	54,482
		(164,927)	(208,997)
<b>Cash used in / generated from Operations</b>		(31,341)	(97,559)
Income tax paid		(110,075)	(46,603)
Gratuity paid		-	(32,810)
Workers' welfare fund paid		(462)	-
Finance cost paid		(64,961)	(75,922)
<b>Net Cash Used in Operating Activities</b>		(206,839)	(252,894)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		2,400	300
Property, plant and equipment purchased		(10,121)	-
Short term investments purchased		(191,126)	(39,566)
Encashment of short term investment		36,566	35,563
Receipt on profit on saving account and TDRs		20,694	2,775
<b>Net Cash Used in Investing Activities</b>		(141,587)	(928)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(38,540)	(36,864)
Loan from director obtained		-	80,000
Short term borrowings - net		392,833	190,927
<b>Net Cash Generated from Financing Activities</b>		354,293	234,063
<b>Net Decrease in Cash and Cash Equivalents</b>		5,867	(19,759)
Cash and cash equivalents at the beginning of the period		209,150	68,447
<b>Cash and Cash Equivalents at the End of the period</b>		215,017	48,688

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements (un-audited).

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

## NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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.

The 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 Statement of compliance**

**2.1.1** These condensed interim financial statements (un-audited) 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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.

**2.1.2** These condensed interim financial statements (un-audited) comprise of the condensed interim statement of financial position of the Company, as at December 31, 2024 and the related condensed interim (unaudited) statement of profit or loss, condensed interim (unaudited) statement of comprehensive income, condensed interim (unaudited) statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

**2.1.3** These condensed interim financial statements (un-audited) do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2024.

**2.1.4** These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); these are however, subject to limited scope review by external auditors as required by the Act and Listed Companies (Code of Corporate Governance) Regulations, 2019.

**2.2 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

Note 3

**Judgments and Estimates**

The preparation of these condensed interim financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Note 4

**Material Accounting Policy Information**

The Company's accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements (un-audited) are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2024.

Note 5

**Long Term Financing**

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
----- Rupees in thousand -----			
<b>Loan from banking companies - Secured</b>			
Habib Metro Bank Limited - SBP LTFF	5.1	223,220	254,744
Meezan Bank Limited - Diminishing Musharka	5.2	36,758	43,774
		259,978	298,518
Less: Current portion		(77,080)	(77,080)
		182,897	221,438

- 5.1** This long term finance facility was availed to retire documents of import LC that were established for import of machinery for socks unit of the Company. The sanctioned limit amounted to Rs. 291 million (June 30, 2024: Rs. 291 million) and was secured by way of creating charge of Rs. 560 million (June 30, 2024: Rs. 560 million) registered with SECP on complete socks unit installed with 25% margin and personal guarantee of sponsoring directors. This facility is repayable in 24 equal quarterly instalments latest by January 2029 and carries markup at SBP rate plus 3% (2024: SBP rate plus 3%) per annum, payable on quarterly basis.
- 5.2** This diminishing musharka facility is availed to purchase machinery. The sanctioned limit amounts to Rs. 100 million (June 30, 2024: Rs. 100 million) and is secured by way of exclusive charge over imported machinery with 15% margin and personal guarantee of sponsoring directors of the Company. This facility is repayable in 16 equal quarterly instalments, latest by June 2027 and carries markup @ 3 months KIBOR plus 1.25% (June 30, 2024: 3 month KIBOR plus 1.25%) per annum, payable on quarterly basis.

Note 6

**Current Portion of Non-Current Liabilities**

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Rupees in thousand	
Long term financing	77,080	77,080
The Gas Infrastructure Development Cess	106,270	106,270
	<u>183,350</u>	<u>183,350</u>

Note 7

**Short Term Borrowings**

Short Term Borrowings		December 31, 2024	June 30, 2024
	Note	(Un-audited)	(Audited)
		Rupees in thousand	
<b>From banking companies - Secured</b>			
Cash / packing finances	7.1	881,171	488,338
<b>From director of the company - Secured</b>			
Loan from directors	7.2	321,000	321,000
		1,202,171	809,338

- 7.1** The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 1,976.282 million (June 30, 2024: Rs. 2,321 million) towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables. Mark up on these facilities is charged @ 1 to 6 months KIBOR plus a spread of upto 1.25% (June 30, 2024: 1 to 6 months KIBOR plus a spread of upto 1.25%) payable quarterly. These facilities 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 guarantee of sponsoring directors of the Company. The Company has utilized un-funded facilities amounting to Rs. 342.579 million (June 30, 2024: Rs. 274.869 million) as at reporting date. Unutilized amount of funded and unfunded facilities is Rs. 757.468 million (June 30, 2024: Rs. 1,557.792 million).

- 7.2** This represents an unsecured, interest-free short-term loan obtained from the directors of the Company to meet its working capital requirements. The loan is repayable on demand.

Note 8

**Contingencies and Commitments**

Contingencies and Commitments		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		Rupees in thousand	
<b>8.1 Contingencies</b>			
<b>8.1.1</b> The Company has provided bank guarantees in favour of following parties:			
-	Sui Northern Gas Pipelines Limited	163,566	104,053
-	Lahore Electric Supply Company	10,430	10,430
-	Excise and Taxation Office	48,400	43,400
		<b>222,396</b>	<b>157,883</b>
<b>8.1.2</b> The Company is contingently liable for Rs. 55.050 million (June 30, 2024: Rs. 53.252 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.			
<b>8.1.3</b> Further, there is no material change in the status of contingencies as reported in the financial statements for the year ended June 30, 2024.			
<b>8.2 Commitments</b>			
- The Company's outstanding commitments / contracts as at the reporting date are as under:			
	Letters of credit	120,183	116,987

Note 9

**Property, Plant and Equipment**

	Note	December 31, 2024	June 30, 2024
		(Un-audited) ---- Rupees in thousand ----	(Audited)
Operating fixed assets	9.1	2,744,136	2,791,241
<b>9.1 Operating fixed assets</b>			
Opening written down value		2,791,241	2,469,411
Additions during the period / year (at cost)		10,121	11,659
Disposals during the period / year (at written down value)		(616)	(1,322)
Revaluation Surplus		-	430,965
Revaluation Adjustment		-	(329,907)
		2,800,746	2,910,713
Depreciation charged for the period / year		(56,610)	(119,472)
		2,744,136	2,791,241

Note 10

**Cost of Sales**

	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	---- (Un-audited) ---- ---- Rupees in thousand ----			
Raw materials consumed	3,614,624	3,444,228	2,141,353	1,506,468
Stores and spares consumed	126,489	103,392	93,965	51,760
Packing materials consumed	140,780	113,479	80,745	49,397
Salaries, wages and other benefits	424,176	370,754	250,927	142,211
Fuel and power	873,574	683,069	513,081	320,750
Insurance	7,963	7,995	3,807	3,210
Repairs and maintenance	3,046	7,114	1,458	3,548
Toll manufacturing charges	-	-	-	-
Other manufacturing expenses	8,444	8,424	4,601	4,868
Depreciation	51,766	54,126	25,936	27,063
	5,250,862	4,792,581	3,115,873	2,109,275
Opening work in process	127,105	109,993	138,496	114,863
Closing work in process	(213,295)	(111,712)	(213,295)	(111,712)
	(86,190)	(1,719)	(74,799)	3,151
Cost of goods manufactured	5,164,672	4,790,862	3,041,074	2,112,426
Opening finished goods	233,904	191,503	245,571	316,696
Closing finished goods	(208,422)	(253,181)	(208,422)	(253,181)
	25,482	(61,678)	37,149	63,515
	5,190,154	4,729,184	3,078,223	2,175,941

Note 11

**Levies and Taxation**

		Half Year Ended		Quarter Ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		---- (Un-audited) ---- ---- Rupees in thousand ----			
Levies	11.1	32,536	60,445	4,698	27,660
Taxation	11.2	31,284	2,385	35,641	8,460
		63,820	62,830	40,339	36,120

**11.1 Levies**

This represent final taxes paid on export sales and minimum tax provision as per section 154 and section 113 of the Income Tax Ordinance, 2001 respectively, representing levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAAP.

**11.2 Taxation**

Current Year	33,926	-	33,926	-
For prior years	337	2,826	337	4,544
	34,263	2,826	34,263	4,544
Deferred tax	(2,979)	(441)	1,378	3,916
	31,284	2,385	35,641	8,460

Note 12

**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:



employment are as follows:

**Transaction during the period**

Transaction during the period			December 31, 2024	December 31, 2023
Related party	Relationship	Nature of Transaction	---- (Un-audited) ----	---- Rupees in thousand ----
Sargodha Jute Mills Limited	Associate	Purchase of materials, goods and services	264	538
		Sale of materials and goods	172	476
Directors		Loan obtained by the Company	-	80,000
		Markup on loan	-	5,175
			December 31, 2024	December 31, 2023
			---- (Un-audited) ----	---- Rupees in thousand ----

**Outstanding balance as at reporting date**

Sargodha Jute Mills Limited	Associate	Long term investment-Carrying value	927,233	916,777
		Trade Debts	172	-
		Trade creditors	264	-
Directors		Accrued markup payable	124	124

Note 13

**Financial Risk Management**

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, 2024.

Note 14

**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:

14.1

**Segment Results for the period ended December 31 2024**

	Yarn	Socks	Total
	---- (Un-audited) ----	---- (Un-audited) ----	---- Rupees in thousand ----
Revenue	4,717,720	746,041	5,463,761
Operating (loss) / profit	24,098	4,198	28,296
Finance cost	(66,582)	(7,965)	(74,547)
Other income	1,210	49,790	51,000
Other operating expenses			(6,312)
Other income			36,084
Share of net profit from associate			10,456
Profit before taxation			44,977

**Segment Results for the period ended December 31, 2023**

Revenue	3,018,062	678,845	4,942,852
Operating (loss) / profit	(45,715)	9,667	1,620
Finance cost	(45,845)	(10,072)	(89,407)
Other income	23,108	4,382	41,573
Other operating expense			(7,163)
Other income			11,039
Share of net profit from associate			15,116
Profit before taxation			(27,222)

14.2

**Segment financial position as at December 31, 2024**

**Assets**

	Yarn	Socks	Total
	---- (Un-audited) ----	---- (Un-audited) ----	---- Rupees in thousand ----
Property plant and equipment	1,675,984	1,068,152	2,744,136
Store and spares	141,359	57,190	198,549
Stock in trade	1,041,362	159,226	1,200,588
Trade debts	114,475	116,017	230,492
Advances to suppliers	97,554	8,048	105,602
	3,070,734	1,408,633	4,479,367

**Unallocated Assets**

Investment property			108,150
Long term investments			927,233
Long term deposits			3,847
Advances, trade deposits, prepayments and other receivables			144,060
Short term investments			191,126
Tax refunds due from the Government			484,000
Cash and bank balances			215,017
			<b>6,552,800</b>

**Liabilities**

Long term financing	36,758	286,268	259,978
Trade creditors	457,002	44,815	501,817
Short term borrowings	1,202,171	-	1,202,171
Accrued mark up	19,602	13,244	32,846
	<b>1,715,533</b>	<b>344,327</b>	<b>1,996,812</b>

**Unallocated Liabilities**

Deferred tax liability - net			437,568
Deferred liabilities - GIDC			106,270
Trade and other payables			637,559
Unclaimed dividends			146
Unpaid dividend			199
Provision for taxation - net			66,462
			<b>3,245,016</b>

**Segment financial position as at June 30, 2024**
**Assets**

Property plant and equipment	1,742,841	1,048,400	2,791,241
Store and spares	126,935	56,998	183,933
Stock in trade	533,602	221,705	755,307
Trade Debts	166,979	134,434	301,813
Advances to supplier	51,563	8,393	59,956
	<b>2,621,920</b>	<b>1,470,330</b>	<b>4,092,250</b>

**Unallocated Assets**

Investment property			108,150
Long term investments			916,777
Long term deposits			3,847
Advances, trade deposits, prepayments and other receivables			145,738
Short term investments			36,566
Tax refunds due from the Government			357,459
Cash and bank balances			209,150
			<b>5,869,936</b>

**Liabilities**

Long term financing	43,773	254,744	298,517
Trade creditors	73,357	83,435	156,792
Short term borrowings	809,337	-	809,337
Accrued mark	21,512	13,492	35,004
	<b>947,979</b>	<b>351,671</b>	<b>1,299,650</b>

**Unallocated Liabilities**

Deferred tax liability - net			440,547
Gas infrastructure development cess			106,270
Trade and other payables			561,576
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			134,922
			<b>2,543,310</b>

**14.3 Information about products:**

	December 31, 2024	December 31, 2023
	Percentage (Un-audited)	Percentage (Un-audited)
Yarn	86.35%	89.32%
Socks	13.65%	10.68%

**14.4 Major customers:**

There is no individual customer to whom sales are more than 10% of revenue.

**14.5 Geographical Information:**

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

	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
	----- Rupees in thousand -----	
Pakistan	4,729,568	4,406,671
Europe	668,183	317,810
United State of America	66,010	218,371
	<u>5,463,761</u>	<u>4,942,852</u>

Note 15

**Corresponding Figures**

Corresponding figures are re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in these financial statements except the following;

Nature	Reclassified From	Reclassified To	Period ended December 31, 2023 Rupees	Quarter Ended December 31, 2023 Rupees
<b>Statement of Profit or Loss</b>				
Levy / final taxation	Taxation	Levy / final taxation (face of the statement of Profit or Loss)	(60,445)	(27,660)

Note 16

**Authorization of Interim Financial Information**

These condensed interim financial statements (un-audited) for the half year ended December 31, 2024 were approved and authorized for issuance by the Board of Directors on 26 February 2025.

Note 17

**General**

Corresponding figures are rearranged for better presentation and comparison. No re-arrangements have been made in these condensed interim financial statements (un-audited).

  
**CHIEF EXECUTIVE OFFICER**
  
**DIRECTOR**
  
**CHIEF FINANCIAL OFFICER**



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Gulberg-V, Lahore