



*Condensed Interim  
Financial Statements  
for the nine months period  
ended March 31, 2025*

Shahtaj Textile Limited

# Shahtaj Textile Limited

## COMPANY INFORMATION

### **BOARD OF DIRECTORS**

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

### **COMPANY SECRETARY**

Mr. Jamil Ahmad Butt, FCMA

### **AUDIT COMMITTEE OF THE BOARD**

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

### **HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD**

Mr. Farooq Hassan	Chairman
Mr. Muneer Nawaz	Member
Mr. 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**

Syed Ali Ahmad Tariq  
Advocate Supreme Court of Pakistan.  
Office No. 58-Chamber of Commerce &  
Industry Building (Aiwan-e-Tijarat)  
Nicol Road, Karachi-74000.

### **HEAD OFFICE**

Shahnawaz Building, 19-Dockyard Road,  
West Wharf, Karachi-74000  
Ph: 32313934-8, 32312834, 32310973  
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.  
Office # 20, 5th Floor, Arkay Square Extension,  
New Chali, Shahrah-e-Liaquat, Karachi,  
Ph: (+92-21) 32440974-75  
Email: jwaffsregistrar@gmail.com

# Shahtaj Textile Limited

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Directors are pleased to present un-audited Condensed Interim Financial Statements of the Company for the nine months period ended on March 31, 2025.

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. 52.829 million with an EPS of Rs 5.47 in comparison to Rs 2.22 reported during the same period last year. Net Sales revenue for the period decreased to Rs. 5.339 billion as compared to Rs 6.228 billion during the same period last year. The decrease is mainly attributable to company's more concentration on sales orders against weaving charges only, against which yarn is arranged by customers, as explained in our previous quarter report. This has helped in the reduction of finance cost and minimum tax on turnover, resulting in higher profitability. Despite the pressure on manufacturing costs, particularly power costs, the GP rate increased from 8.25% of sales of comparative period to 9.08% 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.

The textile industry in Pakistan would continue to encounter challenges as the rising energy cost remains a major obstacle to be competitive in domestic and global markets. It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, controlling the inflation rate and reducing the financial costs to create favourable environment for industrial 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 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  
April 29, 2025

  
(Taqi Mohammad)  
Chief Executive

  
(M. Naeem)  
Director

# Shahtaj Textile Limited

## ڈائریکٹرز رپورٹ برائے حصہ داران

ڈائریکٹرز مسرت کے ساتھ 31 مارچ 2025 کو ختم ہونے والے نو ماہ کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات کی رپورٹ پیش کرتے ہیں۔

اللہ کے فضل و کرم سے، مارکیٹ کے مشکل حالات کے باوجود، آپ کی کمپنی منافع بخش رہنے میں کامیاب رہی۔ کمپنی کا بعد از ٹیکس منافع 52.829 ملین روپے رہا یعنی 5.47 روپے فی حصہ بالمقابل 2.22 روپے فی حصہ جو گزشتہ سال کے اسی دورانیہ میں رپورٹ ہوا تھا۔ خالص فروخت کی آمدنی میں کمی ہوئی اس سال خالص فروخت 5.339 بلین روپے رہی جو گزشتہ سال کی اسی مدت میں 6.228 بلین روپے تھی۔ یہ کمی بنیادی طور پر کمپنی کے صرف ویونگ چارجز کے سیلز آرڈرز پر زیادہ توجہ کی وجہ سے ہے، جس میں گاہکوں کی طرف سے دھاگے کا بندوبست کیا جاتا ہے، جیسا کہ ہماری پچھلی سہ ماہی کی رپورٹ میں وضاحت کی گئی تھی۔ اس سے مالیاتی لاگت اور ٹرن اوور پر کم از کم ٹیکس میں کمی ہوئی ہے، جس کے نتیجے میں منافع زیادہ ہوا ہے۔ مینوفیکچرنگ لاگت، خاص طور پر توانائی کی لاگت پر دباؤ کے باوجود، موثر انوینٹری خریداری، آپریشنل بہتر کارکردگی، اور قابل تجدید توانائی کی پیداوار کی وجہ سے موجودہ مدت کے دوران GP کی شرح تقابلی مدت کی فروخت کے 8.25 فیصد سے بڑھ کر 9.08 فیصد ہو گئی۔

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

پاکستان میں ٹیکسٹائل کی صنعت کو مسلسل چیلنجز کا سامنا ہے کیونکہ بڑھتی ہوئی توانائی کی قیمت ملکی اور عالمی منڈیوں میں مسابقت کے لیے ایک بڑی رکاوٹ بنی ہوئی ہے۔ اُمید کی جاتی ہے کہ حکومت صنعتی ترقی اور سرمایہ کاری کے لیے سازگار ماحول پیدا کرنے کے لیے کم قیمت توانائی کی بلا تعطل فراہمی، مہنگائی کی شرح کے کنٹرول اور مالیاتی اخراجات میں کمی جیسی کاروبار دوست پالیسیاں اپنائے گی۔

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

# Shahtaj Textile Limited

بورڈ اور اس کی کمیٹیاں

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

(ا) مرد: 9 (ب) خواتین: 1

بورڈ کی ساخت درج ذیل ہے:

اقسام/کلیگری	نام
انڈیپنڈینٹ ڈائریکٹر/آزاد ڈائریکٹر	جناب عامر امین (این آئی ٹی)
	جناب سید ندیم علی کاظمی
دیگر غیر انتظامی ڈائریکٹرز	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 ریمونریشن کمیٹی

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

حوصلہ افزائی

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

برائے اور از طرف بورڈ آف ڈائریکٹرز


  
 (ایم۔ نعیم) (تقی محمد)  
 ڈائریکٹر چیف ایگزیکٹو آفیسر

کراچی

29 اپریل 2025

# Shahtaj Textile Limited

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

Un-audited March 31, 2025	Audited June 30, 2024
----- 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

1,548,588

1,489,820

Surplus on revaluation of plant and machinery

190,223

205,822

#### Total equity

1,835,411

1,792,242

### LIABILITIES

#### Non-current liabilities

Long-term finance

628,488

714,003

Deferred liabilities

117,779

103,367

746,267

817,370

#### Current liabilities

Trade and other payables

605,382

858,972

Unclaimed dividend

41,079

40,418

Interest accrued

26,204

50,215

Short-term borrowings

482,183

749,873

Current portion of long-term finance

143,710

141,580

1,298,558

1,841,058

#### Contingencies and Commitments

7

#### Total equity and liabilities

3,880,236

4,450,670

### ASSETS

#### Non-current assets

Property, plant and equipment

8

1,735,252

1,862,143

Long-term loans

648

260

Long-term deposits

35,746

34,434

1,771,646

1,896,837

#### Current assets

Stores, spares and loose tools

67,213

65,446

Stock-in-trade

817,426

1,112,302

Trade debts

969,830

1,067,253

Loans and advance

13,436

17,018

Trade deposits and prepayments

10,685

3,105

Prepaid assets

67,437

49,612

Other receivables

4,451

6,818

Short term investment

51,013

38,000

Sales tax refundable

69,078

159,916

Cash and bank balances

38,021

34,363

2,108,590

2,553,833

#### Total assets

3,880,236

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. Naeem)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2025 (UNAUDITED)

		Nine-months period ended		Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Note		Rupees in '000			
Sales - net	9	5,339,394	6,227,613	1,691,236	2,080,451
Cost of goods sold		(4,854,566)	(5,713,626)	(1,548,010)	(1,925,559)
Gross profit		484,828	513,987	143,226	154,892
Distribution expenses		(88,060)	(78,952)	(27,158)	(30,853)
Administrative expenses		(127,021)	(110,190)	(41,907)	(36,432)
Other operating expenses		(8,483)	(28,720)	(3,438)	(3,331)
Finance cost	10	(164,641)	(256,679)	(34,339)	(79,356)
		(388,205)	(474,541)	(106,842)	(149,972)
		96,623	39,446	36,384	4,920
Other income	11	17,827	29,120	10,001	4,649
Profit before levies & taxes		114,450	68,566	46,385	9,569
Levies	12	(61,621)	(70,772)	(19,884)	(23,471)
Profit / (loss) before taxation		52,829	(2,206)	26,501	(13,902)
Taxation	12	-	23,628	-	10,523
Profit / (loss) after taxation		52,829	21,422	26,501	(3,379)
		Rupees			
Earnings / (loss) per share - basic and diluted		5.47	2.22	2.74	(0.35)

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. Naeem)  
Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2025 (UNAUDITED)

	Nine-months period ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
(Rupees)				
Profit after taxation	52,829	21,422	42,410	(3,379)
Other comprehensive income				
Items that will not be transferred				
subsequently to profit or loss				
Deferred tax related to change of				
rate on 'surplus on revaluation	-	2,321	-	387
Other comprehensive income				
for the period	-	2,321	-	387
Total comprehensive income				
for the period	52,829	23,743	42,410	(2,992)

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. Naeem)  
Director



# Shahtaj Textile Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (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
<b>Total comprehensive income for the period ended March 31, 2024</b>					
Profit after taxation	-	-	21,422	-	21,422
Other comprehensive income	-	-	-	2,321	2,321
	-	-	21,422	2,321	23,743
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	15,092	(15,092)	-
Transferred to general reserve	-	50,000	(50,000)	-	-
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2023 @ Rs. 6.50 per share	-	-	(62,790)	-	(62,790)
<b>Balance as at March 31, 2024</b>	<u>96,600</u>	<u>1,135,000</u>	<u>332,500</u>	<u>185,209</u>	<u>1,749,309</u>
<b>Balance as at July 01, 2024</b>	96,600	1,135,000	354,820	205,822	1,792,242
<b>Total comprehensive income for the period ended March 31, 2025</b>					
Profit after taxation	-	-	52,829	-	52,829
Other comprehensive income	-	-	-	-	-
	-	-	52,829	-	52,829
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	15,439	(15,439)	-
- disposal net of deferred tax	-	-	160	(160)	-
Transferred to general reserve	-	15,000	(15,000)	-	-
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2024 @ Re. 1.00 per share	-	-	(9,660)	-	(9,660)
<b>Balance as at March 31, 2025</b>	<u>96,600</u>	<u>1,150,000</u>	<u>398,588</u>	<u>190,223</u>	<u>1,835,411</u>

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. Naeem)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UNAUDITED)

	Nine-months period ended	
	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	114,450	68,566
<b>Adjustments for:</b>		
Depreciation	137,389	122,993
Finance cost	164,641	256,679
(Gain) on disposal of property, plant and equipment	(3,333)	(20)
Provision for leave encashment	2,618	3,893
Provision for gratuity	26,963	26,079
Operating cash flows before movements in working capital	442,728	478,190
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(1,767)	1,754
Stock-in-trade	294,877	110,843
Trade debts	97,424	38,962
Loans and advances	3,582	(6,812)
Trade deposits and prepayments	(7,579)	282,977
Other receivables	2,367	1,881
Sales tax refundable	90,839	89,179
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(251,261)	(74,889)
<b>Cash generated from operations</b>	671,210	922,085
Gratuity paid	(12,551)	(16,079)
Leave encashment paid	(4,949)	(4,498)
Finance cost paid	(188,654)	(254,441)
Income taxes paid	(79,445)	(69,268)
<b>Net cash generated from operating activities</b>	385,611	577,799
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,165)	(329,223)
Proceeds from disposal of property, plant and equipment	4,000	94
Long-term deposit	(1,311)	(1,285)
Long-term loans	(388)	165
Investment made during the period	(13,013)	(121,096)
<b>Net cash used in investing activities</b>	(21,877)	(451,345)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long-term finance	(83,387)	(53,181)
Dividend paid	(8,999)	(57,845)
<b>Net cash used in financing activities</b>	(92,386)	(111,026)
<b>Net increase / (decrease) in cash and cash equivalents</b>	271,348	15,428
<b>Cash and cash equivalents at the beginning of the period</b>	(715,510)	(777,228)
<b>Cash and cash equivalents at the end of the period</b>	(444,162)	(761,800)
<b>Cash and cash equivalents at the end of the period</b>		
Short-term borrowings	(482,183)	(812,062)
Cash and bank balances	38,021	50,262
	(444,162)	(761,800)

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. Naeem)**  
Director

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UN-AUDITED)

### 1. STATUS AND NATURE OF BUSINESS

Shahtaj Textile Limited (the Company) is limited by shares, incorporated in Pakistan on January 24, 1990 under the Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited Company. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal business of the Company is manufacture and sale of textile goods.

#### Head Office

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

#### Manufacturing Facility

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

#### Registered Office

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

### 2. STATEMENT OF COMPLIANCE

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS-34. These condensed interim financial statements do not include all the information and disclosures which are required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 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 POLICIES AND 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.

3.2 There are certain standards, interpretations on accounting and reporting standards as applicable in Pakistan and amendments to certain existing standards, which have been published and are mandatory for the accounting period beginning on or after July 01, 2024. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant impact on the accounting policies of the Company and therefore not disclosed in these condensed interim financial statements.

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UN-AUDITED)

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies, the key source of estimation and uncertainty were the same as those that applied to the financial statements of the Company for the year ended June 30, 2024.

### 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.

		(Un-audited) March 31, 2025	(Audited) June 30, 2024
		----- Rupees in '000 -----	
<b>6. SHORT-TERM BORROWINGS</b>	<b>Note</b>		
Running finances under markup arrangement	6.1	<b>120,195</b>	564,452
Musharaka finance	6.2	<b>186,988</b>	10,421
Istisna financing	6.3	<b>175,000</b>	175,000
		<b>482,183</b>	<b>749,873</b>

6.1 The Company can avail finance facilities from various banks aggregating to Rs. 875million (June 2024: Rs. 875 million). The unavailed facilities as at period end were Rs. 758.326 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: 1 month 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 facilities as at period end was Rs. 13.012 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)

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UN-AUDITED)

		(Un-audited) March 31, 2025	(Audited) June 30, 2024
		----- Rupees in '000 -----	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating fixed assets	8.1	<b>1,735,229</b>	1,721,547
Capital work in progress	8.2	<b>23</b>	140,596
		<b><u>1,735,252</u></b>	<b><u>1,862,143</u></b>

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

	(Un-audited) Nine months period ended March 31, 2025		(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)			
Plant and machinery	<b>146,551</b>	<b>667</b>	254,613	1,459
Equipment and installations	<b>4,346</b>	-	35	76
Computer equipment	<b>198</b>	-	3,919	-
Vehicles	<b>642</b>	-	392	118
	<b><u>151,737</u></b>	<b><u>667</u></b>	<b><u>258,959</u></b>	<b><u>1,653</u></b>

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

	(Un-audited) Nine months period ended March 31, 2025		(Audited) June 30, 2024	
	Additions	Transfers	Additions	Transfers
	(Rupees)			
Plant and machinery	<b>4,771</b>	<b>145,344</b>	391,968	253,891
Equipment and installations	<b>4,300</b>	<b>4,300</b>	-	-
	<b><u>9,071</u></b>	<b><u>149,644</u></b>	<b><u>391,968</u></b>	<b><u>253,891</u></b>

	(Un-audited) Nine months period ended March 31, 2025		(Un-audited) Quarter ended March 31, 2025	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----			
Export	<b>836,848</b>	1,006,839	<b>281,954</b>	399,427
Indirect Export	<b>1,779,672</b>	2,499,295	<b>376,198</b>	847,367
Local	<b>3,577,941</b>	3,711,804	<b>1,300,968</b>	1,155,110
	<b><u>6,194,461</u></b>	<u>7,217,938</u>	<b><u>1,959,120</u></b>	<u>2,401,904</u>
Waste sales	<b>16,076</b>	18,172	<b>4,003</b>	5,599
	<b><u>6,210,537</u></b>	<u>7,236,110</u>	<b><u>1,963,123</u></b>	<u>2,407,503</u>
<b>Commission</b>				
-Local	<b>(28,194)</b>	(25,888)	<b>(7,195)</b>	(8,476)
-Export	<b>(23,234)</b>	(32,382)	<b>(8,243)</b>	(12,260)
Sales tax	<b>(819,715)</b>	(950,227)	<b>(256,449)</b>	(306,316)
	<b><u>5,339,394</u></b>	<u>6,227,613</u>	<b><u>1,691,236</u></b>	<u>2,080,451</u>

	(Un-audited) Nine months period ended March 31, 2025		(Un-audited) Quarter ended March 31, 2025	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----			
Mark-up on:				
Long-term finance	<b>15,488</b>	16,246	<b>4,924</b>	5,789
Running finance under markup arrangement	<b>72,352</b>	118,456	<b>13,963</b>	37,676
Musharaka finance	<b>22,347</b>	32,877	<b>6,467</b>	10,370
Discounting charges	<b>51,454</b>	82,630	<b>8,475</b>	21,996
Interest on Workers' Profit Participation Fund	<b>192</b>	366	-	-
Bank charges and commission	<b>2,808</b>	6,104	<b>510</b>	3,525
	<b><u>164,641</u></b>	<u>256,679</u>	<b><u>34,339</u></b>	<u>79,356</u>

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UN-AUDITED)

### 11. OTHER INCOME

	(Un-audited) Nine months period ended		(Un-audited) Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----			
Net income from trading	3,140	307	41	-
Exchange gain	5,955	-	5,276	-
Interest Income	5,399	28,793	1,351	4,649
Gain on disposal of property, plant and equipment	3,333	20	3,333	-
	<u>17,827</u>	<u>29,120</u>	<u>10,001</u>	<u>4,649</u>

### 12. LEVIES & TAXATION

		(Un-audited) Nine months period ended		(Un-audited) Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		----- Rupees in '000 -----			
<b>12.1 Levies</b>	<b>Note</b>				
Revenue Tax	12.2	61,621	39,523	19,884	13,108
Final Tax	12.3	-	31,249	-	10,363
		<u>61,621</u>	<u>70,772</u>	<u>19,884</u>	<u>23,471</u>

**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.

	(Un-audited) Nine months period ended		(Un-audited) Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----			
<b>12.4 Taxation</b>				
Deferred	-	(23,628)	-	(10,523)

### 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 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

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025 (UN-AUDITED)

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. The transaction with related parties during the period generally consist of sales and purchases. Nature and description of related party transactions during the period along with monetary values are as follows:

		Nine months period ended (Un-audited)	
		March 31, 2025	March 31, 2024
		-----Rupees in '000-----	
Nature of relationship	Nature of transactions		
Key management personnel	Remuneration	42,000	30,030
Key management personnel	Dividend paid	2,442	15,889
Nature of relationship	Nature of transactions		
<b>Associated undertakings</b>			
- 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	3,960	4,094
	Software development charges	1,800	1,800
	Services recieved for computer related	-	142
- Shezan International Limited	Purchase of goods	71	418
<b>Other related party- Close Family Member</b>			
- Lionsmill Trading LLC	Commission on sale	3,407	6,897
		(Unaudited) March 31, 2025	(Audited) June 30, 2024
		-----Rupees in '000-----	
<b>Balance due to related party</b>			
- Shahnawaz (Private) Limited		1,908	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 43.50 percent (March 2024: 49.71 percent). 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 April 29, 2025 by the Board of Directors of the Company.

  
(Taqi Mohammad)  
Chief Executive

  
(Amir Ahmed)  
Chief Financial Officer

  
(M. Naeem)  
Director

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