



*Condensed Interim
Financial Statements
for the quarter ended
September 30 2025*

Shahtaj Textile Limited

Shahtaj Textile Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muneer Nawaz
Mr. Taqi Mohammad
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

Chairman
Chief Executive

COMPANY SECRETARY

Mr. Jamil Ahmad Butt, FCMA

AUDIT COMMITTEE OF THE BOARD

Mr. Aamir Amin
Mr. Muneer Nawaz
Mr. Toqueer Nawaz
Mr. Muhammad Usman Khalid
Mrs. Sadia Muhammad
Mr. Jamil Ahmad Butt, FCMA

Chairman
Member
Member
Member
Member
Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE OF THE BOARD

Mr. Farooq Hassan
Mr. Muneer Nawaz
Mr. M. Naeem
Mr. Mohammad Taqi
Mr. Abid Nawaz
Mr. Jamil Ahmad Butt, FCMA

Chairman
Member
Member
Member
Member
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
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.
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 First Quarter ended on September 30, 2025.

By the grace of Allah, in spite of difficult market conditions, operating results of the Company have been positive and Company has earned an after tax profit of Rs. 57.313 million with an EPS of Rs 5.93 in comparison to Rs 1.08 reported during the same period last year. Net Sales revenue for the quarter decreased by almost 15.7% i.e from Rs 1.968 billion to Rs. 1.659 billion, mainly because of increase in sales orders booked against processing charges only. This has helped in the reduction of finance cost and minimum tax on turnover, resulting in higher profitability. The GP rate increased to 11.74% of current period from 8.89% of sales of comparative period due to marketing efforts, efficient inventory procurement, cost control, operational efficiencies, and the generation of renewable energy.

Distribution cost decreased mainly due to decrease in export sales whereas administrative expense increased due to inflation. Finance cost during the period decreased significantly on account of prudent financial management and reduction in policy rate.

During the past year, the Government has imposed levy on gas supply for captive power users. These levies have substantially raised the cost of generating electricity from gas. As a result, the majority of our energy requirements are being met through the WAPDA system. In view of this challenge, the Company employed alternative energy solutions to reduce dependency on natural gas and manage electricity costs more effectively. A key step in this direction is the implementation of solar power plants, which supports clean energy goals while lowering the Company's carbon footprint. The Company installed around 1 MW solar plant last year whereas further addition of 3.3 MW will be operational in second quarter of current financial year ensuring a stable and affordable power supply.

The textile industry continues to face significant challenges. Recent heavy rains and floods are expected to adversely affect crops, which may exert inflationary pressure. High rate of taxes, energy prices and its availability may impact the future profit margins. It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, reduction in the corporate tax rate, 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.

Shahtaj Textile Limited

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

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



(Taqi Mohammad)
Chief Executive



(M. Naeem)
Director

Karachi
October 23, 2025

Shahtaj Textile Limited

ڈائریکٹرز رپورٹ برائے حصہ داران

ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2025 کو ختم ہونے والی پہلی سہ ماہی کے کمپنی کے غیر آڈٹ شدہ حسابات کی رپورٹ پیش کرتے ہیں۔

اللہ کے فضل سے، مشکل مارکیٹ حالات کے باوجود، کمپنی کے آپریٹنگ نتائج مثبت رہے اور کمپنی نے 57.313 ملین روپے کا بعد از ٹیکس منافع حاصل کیا ہے جس کے نتیجے میں فی حصہ آمدنی (EPS) 5.93 روپے رہی، جو کہ گزشتہ سال کی اسی مدت میں رپورٹ ہونے والی 1.08 روپے کے مقابلے میں ہے۔ سہ ماہی کے دوران خالص فروخت کی آمدنی میں تقریباً 15.7% کی واقع ہوئی ہے، یعنی 1.968 ملین روپے سے گر کر 1.659 ملین روپے رہ گئی ہے، جس کی بنیادی وجہ صرف بنائی کے چار جز کے عوض بک ہونے والے آرڈرز کی فروخت میں اضافہ ہے۔ اس سے مالیتی لاگت اور کاروباری حجم پر لاگو ہونے والے کم از کم ٹیکس میں کمی واقع ہوئی، جس کے نتیجے میں منافع میں اضافہ ہوا۔ مارکیٹنگ کی کوششوں، خام مال کی موثر خریداری، لاگت پر کنٹرول، آپریشنل کارکردگی میں بہتری، اور قابل تجدید توانائی کی پیداوار کی وجہ سے مجموعی منافع (GP) کی شرح گزشتہ مدت کے 8.89% کے مقابلے میں بڑھ کر موجودہ مدت میں 11.74% ہو گئی ہے۔

تقسیم کی لاگت میں کمی بنیادی طور پر برآمداتی فروخت میں کمی کی وجہ سے ہوئی جبکہ انتظامی اخراجات میں مہنگائی کے باعث اضافہ ہوا۔ اس دوران محتاط مالی انتظام اور پالیسی ریٹ میں کمی کی وجہ سے مالیاتی لاگت میں نمایاں کمی واقع ہوئی۔

گزشتہ سال کے دوران، حکومت نے کمیٹیو پاور صارفین کے لیے گیس کی سپلائی پر لیوی عائد کی ہے۔ ان لیویز نے گیس سے بجلی پیدا کرنے کی لاگت میں نمایاں اضافہ کر دیا ہے۔ اس کے نتیجے میں، ہماری توانائی کی زیادہ تر ضروریات واپڈ اسٹم کے ذریعے پوری کی جارہی ہیں۔ اس چیلنج کے پیش نظر، کمپنی نے قدرتی گیس پر انحصار کم کرنے اور بجلی کی لاگت کو مؤثر طریقے سے سنبھالنے کے لیے متبادل توانائی کے حل اپنائے۔ اس سمت میں ایک اہم قدم شمسی توانائی سے چلنے والے پلانٹس کا قیام ہے، جو صاف توانائی کے اہداف کو سپورٹ کرتے ہوئے کمپنی کے کاربن فٹ پرنٹ کو کم کر رہا ہے۔ کمپنی نے گزشتہ سال تقریباً 1 میگا واٹ کا شمسی پلانٹ لگایا تھا جبکہ موجودہ مالی سال کی دوسری سہ ماہی میں 3.3 میگا واٹ کی مزید اضافی صلاحیت فعال ہو جائے گی، جس سے بجلی کی مستحکم اور سستی فراہمی یقینی بنے گی۔

ٹیکسٹائل انڈسٹری کو مسلسل نمایاں چیلنجز کا سامنا ہے۔ حالیہ سخت بارشیں اور سیلابوں سے فصلیں متاثر ہونے کا خطرہ ہے، جس سے مہنگائی کے دباؤ میں اضافہ ہو سکتا ہے۔ ٹیکسٹائل کی اعلیٰ شرح، توانائی کی قیمتیں اور اس کی دستیابی مستقبل کے منافع کے مارجنز کو متاثر کر سکتی ہیں۔ امید کی جارہی ہے کہ حکومت صنعتی ترقی اور سرمایہ کاری کے لیے سازگار ماحول پیدا کرنے کے لیے کاروبار دوست پالیسیاں لائے گی، جیسے کہ کم قیمت پر توانائی کی بلا تعطل فراہمی، کارپوریٹ ٹیکس کی شرح میں کمی، مہنگائی کی شرح پر قابو پانا اور مالیاتی اخراجات میں کمی۔

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

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں:-

ڈائریکٹرز کی کل تعداد 10 ہے جن کی تفصیل درج ذیل ہے:

(ا) مرد: 9 (ب) خواتین: 1

Shahtaj Textile Limited

(ا) مرد: 9 (ب) خواتین: 1

بورڈ کی ساخت درج ذیل ہے:

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

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

الف) آڈٹ کمیٹی

- جناب عامر امین (چیرمین)
- جناب منیر نواز
- جناب توقیر نواز
- جناب محمد عثمان خالد
- محترمہ سعدیہ محمد



ب) ایچ آر اینڈ ریویریٹیشن کمیٹی

- جناب فاروق حسن (چیرمین)
- جناب منیر نواز
- جناب محمد نعیم
- جناب عابد نواز
- 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

(محمد نعیم)

(تقی محمد)

ڈائریکٹر

چیف ایگزیکٹو

کراچی

23 اکتوبر 2025

Shahtaj Textile Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT September 30 2025

Un-audited Audited
September 30, June 30,
2025 2025
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	1,684,687	1,610,670
Surplus on revaluation of plant and machinery	645,961	662,664
Total equity	2,427,248	2,369,934

LIABILITIES

Non-current liabilities

Long-term finance	560,642	569,228
Deferred liabilities	126,258	123,153
	686,900	692,381

Current liabilities

Trade and other payables	853,583	808,198
Unclaimed dividend	41,026	41,026
Interest accrued	21,527	13,666
Short-term borrowings	668,396	426,356
Current portion of long-term finance	143,710	143,710
	1,728,242	1,432,956

Contingencies and Commitments

Total equity and liabilities	4,842,390	4,495,271
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ASSETS

Non-current assets

Property, plant and equipment	2,259,379	2,193,843
Long-term loans	1,046	489
Long-term deposits	35,757	35,757
	2,296,182	2,230,089

Current assets

Stores, spares and loose tools	146,265	96,571
Stock-in-trade	1,042,108	1,037,549
Trade debts	1,002,698	872,819
Loans and advance	38,616	15,162
Trade deposits and prepayments	27,573	2,586
Taxation - net	81,441	71,433
Other receivables	4,607	6,062
Short term investment	51,013	51,013
Sales tax refundable	80,626	81,931
Cash and bank balances	71,261	30,056
	2,546,208	2,265,182

Total assets	4,842,390	4,495,271
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The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

		September 30, 2025	September 30, 2024
	Note	----- (Rupees in 000) -----	
Sales - net	8	1,658,985	1,967,880
Cost of goods sold		(1,464,166)	(1,793,019)
Gross profit		194,819	174,861
Distribution expenses		(29,224)	(35,713)
Administrative expenses		(44,449)	(40,974)
Other operating expenses		(6,829)	(3,540)
Finance cost	9	(39,061)	(69,923)
		(119,563)	(150,150)
		75,256	24,711
Other income		3,035	8,057
Profit before levies & taxes		78,291	32,768
Levies	10	(20,978)	(22,349)
Profit before taxation		57,313	10,419
Taxation		-	-
Profit for the period		57,313	10,419
		----- (Rupees) -----	
Earnings per share - basic and diluted		5.93	1.08

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	September 30, 2025	September 30, 2024
	----- (Rupees in 000) -----	
Profit after taxation	57,313	10,419
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	57,313	10,419

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	Issued, Subscribed and Paid up Capital	Revenue reserve		Capital reserve	Total
		General	Unappropriated profit	Surplus on revaluation of plant and machinery	
		(Rupees in 000)			
Balance as at July 01, 2024	96,600	1,135,000	354,820	205,822	1,792,242
Total comprehensive income for the period ended September 30,2024					
Profit after taxation	-	-	10,419	-	10,419
Other comprehensive income	-	-	-	-	-
	-	-	10,419	2,135,418	10,419
Transferred from surplus on revaluation of plant and machinery on account of: - incremental depreciation net of deferred tax	-	-	5,188	(5,188)	-
Transferred to general reserve	-	15,000	(15,000)	-	-
Balance as at September 30, 2024	<u>96,600</u>	<u>1,150,000</u>	<u>355,427</u>	<u>200,634</u>	<u>1,802,661</u>
Balance as at July 01, 2025	96,600	1,150,000	460,671	662,664	2,369,935
Total comprehensive income for the period ended September 30,2025					
Profit after taxation	-	-	57,313	-	57,313
Other comprehensive income	-	-	-	-	-
	-	-	57,313	-	57,313
Transferred from surplus on revaluation of plant and machinery on account of: - incremental depreciation net of deferred tax	-	-	16,703	(16,703)	-
Transferred to general reserve	-	40,000	(40,000)	-	-
Balance as at September 30, 2025	<u>96,600</u>	<u>1,190,000</u>	<u>494,687</u>	<u>645,961</u>	<u>2,427,248</u>

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	September 30, 2025	September 30, 2024
	----- (Rupees in 000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies & taxation	78,291	32,768
Adjustments for:		
Depreciation	54,884	44,410
Finance cost	39,061	69,923
(Gain) on disposal of property, plant and equipment	(463)	-
Provision for gratuity & leave encashment	8,975	10,021
Operating cash flows before movements in working capital	180,748	157,122
(Increase) / decrease in current assets		
Stores, spares and loose tools	(49,694)	4,765
Stock-in-trade	(4,559)	(196,468)
Trade debts	(129,879)	(83,758)
Loans and advances	(23,454)	7,566
Trade deposits and prepayments	(24,987)	(6,993)
Other receivables	1,455	(1,870)
Sales tax refundable	1,305	30,710
Increase / (decrease) in current liabilities		
Trade and other payables	48,527	118,827
Cash (used in) / generated from operations	(538)	29,901
Gratuity & leave encashment paid	(9,010)	(6,641)
Finance cost paid	(31,200)	(78,299)
Income taxes paid	(30,986)	(26,697)
Net cash used in operating activities	(71,734)	(81,736)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(121,601)	(4,790)
Proceeds from disposal of property, plant and equipment	1,644	-
Long-term deposit	-	(1,311)
Long-term loans	(557)	(142)
Net cash used in investing activities	(120,514)	(6,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term finance	(8,587)	(27,511)
Short term borrowings obtained/paid - net	(56,734)	173,052
Net cash used in financing activities	(65,321)	145,541
Net increase / (decrease) in cash and cash equivalents	(257,569)	57,562
Cash and cash equivalents at the beginning of the period	(339,566)	(530,089)
Cash and cash equivalents at the end of the period	(597,135)	(472,527)
Cash and cash equivalents at the end of the period		
Short-term borrowings- Running finances under markup arrangement	(668,396)	(505,829)
Cash and bank balances	71,261	33,302
	(597,135)	(472,527)

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 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, 2025. 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. These condensed interim financial statements are submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

3. SIGNIFICANT 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, 2025.

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

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, 2025. 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.

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, 2025.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2025.

		(Un-audited) September 30, 2025	(Audited) June 30, 2025
	Note	(Rupees in 000)	
5. SHORT-TERM BORROWINGS			
Running finances under markup arrangement	5.1	668,396	369,622
Musharaka finance	5.2	-	56,734
Istisna financing	5.3	-	-
		668,396	426,356

5.1 The Company can avail finance facilities from various banks aggregating to Rs. 875 million (June 2025: Rs. 875 million). The unavailed facilities as at period end were Rs. 206.604 million (June 2024: Rs. 505.378 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 1.5% per annum (June 2025: 1 month KIBOR plus 0.75% to 2% per annum).

5.2 The Company can avail finance facility under Musharaka of Rs. 200 million (June 2025: Rs. 200 million). The unavailed facility as at period end was Rs. 200 million (June 2025: Rs. 143.266 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 2025: 1 month KIBOR plus 0.65% per annum).

5.3 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, 2025: Rs 175 million). The mark-up rate on the financing is 6 months KIBOR + 1% per annum (June 30, 2025: 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.

6. CONTINGENCIES AND COMMITMENTS

Contingencies

Contingencies and commitments are not materially changed as disclosed in the note 11 to the annual financial statements for the year ended June 30, 2025.

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

		(Un-audited) September 30, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in 000) -----	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,128,083	2,176,038
Capital work in progress	7.2	131,296	17,805
		2,259,379	2,193,843

	(Un-audited) Quarter ended September 30, 2025		(Audited) Year ended June 30, 2025	
Additions during the period / year	Additions / transfers	Disposals at book value	Additions / transfers	Disposals at book value
	----- (Rupees in 000) -----			
Plant and machinery	2,519	-	147,240	667
Equipment and installations	12	-	4,346	-
Computer equipment	689	-	591	-
Vehicles	4,893	1,181	10,514	1,027
	8,113	1,181	162,691	1,694

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

	(Un-audited) Quarter ended September 30, 2025		(Audited) Year ended June 30, 2025	
Additions during the period / year	Additions	Transfers	Additions	Transfers
	----- (Rupees in 000) -----			
Plant and machinery	113,490	-	22,553	145,344
Equipment and installations	-	-	4,300	4,300
	113,490	-	26,853	149,644

	(Un-audited) Quarter ended	
	September 30, 2025	September 30, 2024
	----- (Rupees in 000) -----	
8. SALES - NET		

Export	245,466	327,263
Indirect Export	124,278	827,614
Local	1,562,596	1,126,826
	1,932,340	2,281,703
Waste sales	3,798	6,052
	1,936,138	2,287,755
Commission		
-Export	(11,264)	(12,290)
-Local	(7,990)	(8,527)
Sales tax	(257,899)	(299,058)
	1,658,985	1,967,880

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	(Un-audited) Quarter ended	
	September 30, 2025	September 30, 2024
	------(Rupees in 000)-----	

9 FINANCE COST

Mark-up on:

Long-term finance	4,530	5,431
Running finance under markup arrangement	16,553	28,632
Musharaka finance	443	8,127
Discounting charges	15,642	26,820
Interest on Workers' Profit Participation Fund	704	192
Bank charges and commission	1,189	721
	<u>39,061</u>	<u>69,923</u>

	(Un-audited) Quarter ended	
	September 30, 2025	September 30, 2024
Note	------(Rupees in 000)-----	

10. LEVIES & TAXATION

10.1 Levies

Revenue Tax	10.2	20,978	22,349
		<u>20,978</u>	<u>22,349</u>

10.2 This represents minimum tax provision under section 113 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.

11. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

11.1 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.

11.2 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.

11.3 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 June 2025, were performed by M/s Asif Associates (Private) Limited (valuer), an independent valuer not

Shahtaj Textile Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

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.

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and key management personnel of the Company. Transactions with related parties are carried out as per agreed terms. The transaction with related parties during the period generally consist of sales and purchases. Nature and description of related party transactions during the period along with monetary values are as follows:

		Quarter ended (Un-audited)	
		September 30, 2025	September 30, 2024
Nature of relationship	Nature of transactions	----- (Rupees in 000) -----	
Key management personnel	Remuneration	15,560	14,771
Associated undertakings			
- Shahnawaz (Private) Limited	Administrative services received	1,308	1,326
	Software development charges	600	600
- Shezan International Limited	Purchase of goods	-	42
Other related party- Close Family Member			
- Lionsmill Trading LLC	Commission on sales	1,425	2,083
		(Un-audited) September 30, 2025	(Audited) June 30, 2025
		----- (Rupees in 000) -----	
Balances due to related parties			
- Shahnawaz (Private) Limited		1,908	-
- Lionsmill Trading LLC		1,432	7

13. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.

14. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on October 23, 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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