



*Condensed Interim  
Financial Statements  
for the half year ended  
December 31, 2025*

**Shahtaj Textile Limited**

# Shahtaj Textile Limited

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# Shahtaj Textile Limited

## COMPANY INFORMATION

### **BOARD OF DIRECTORS**

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

### **COMPANY SECRETARY**

Mr. Jamil Ahmad Butt, FCMA

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

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

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

Mr. Farooq Hassan Chairman  
Mr. Muneer Nawaz Member  
Mr. M. Naeem Member  
Mr. Mohammad Taqi 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  
Housing Society, Lahore,  
Ph: (042) 35313891-92, 35301596-99  
Fax: (042) 35301594

### **MARKETING OFFICE**

27-C Abdalian Cooperative  
Housing 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 six months period ended on December 31, 2025 together with limited scope review report by the Auditors.

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. 121.355 million with an EPS of Rs 12.56 in comparison to Rs 2.73 reported during the same period last year. Net Sales revenue for the period decreased by almost 12.65% i.e from Rs 3.648 billion to Rs. 3.187 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 12.90% of current period from 9.36% 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 previous year, the Company installed a 1 MW solar power system as part of its strategy to manage rising energy costs. Building on this initiative, an additional 3.4 MW solar capacity was installed during the current period. The entire solar power system is now fully operational and is expected to contribute towards effective energy cost management and improved operational efficiency.

The textile sector is expected to face continued challenges due to recent floods affecting crop yields and inflationary trends. High taxation, elevated energy costs, and energy availability concerns may impact margins; however, the Prime Minister's recent announcement regarding a reduction in energy costs for industrial consumers, if implemented, may provide partial relief. Increased competition from regional players, particularly India's preferential trade arrangements with Europe and the United States, may affect export competitiveness.

The Company remains focused on efficiency, cost control, and sustaining product quality amid these challenges.

### Board and its Committees

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

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

Category	Names
Independent Directors	Mr. Aamir Amin (NIT) Mr. Farooq Hassan Mr. Syed Nadeem Ali Kazmi
Other Non-Executive Directors	Mr. Muneer Nawaz - Chairman Mr. Toqueer Nawaz Mr. Muhammad Usman Khalid Mr. Abid Nawaz
Female Non-Executive Director	Mrs. Sadia Muhammad
Executive Directors	Mr. Muhammad Naeem Mr. Taqi Mohammad -Chief Executive

# Shahtaj Textile Limited

The Board has formed committees comprising of members as below:

- a) Audit Committee
- Mr. Aamir Amin (Chairman)
  - Mr. Muneer Nawaz
  - Mr. Toqueer Nawaz
  - Mr. Muhammad Usman Khalid
  - Mrs. Sadia Muhammad
- b) HR and Remuneration Committee
- Mr. Farooq Hassan (Chairman)
  - Mr. Muneer Nawaz
  - Mr. Muhammad Naeem
  - Mr. Taqi Mohammad
  - Mr. Abid Nawaz

## Appreciation

Directors acknowledge with thanks the hard work put in by all employees of the Company.

for and on behalf of the Board of Directors

Karachi  
February 25, 2026

  
(Taqi Mohammad)  
Chief Executive

  
(M. Usman Khalid)  
Director

# Shahtaj Textile Limited

## ڈائریکٹرز رپورٹ برائے حصہ داران

ڈائریکٹرز مسرت کے ساتھ 31 دسمبر 2025 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے (Condensed Interim Financial Statements) بمع آڈیٹرز کی لمیٹڈ اسکوپ ریویو رپورٹ پیش کرتے ہیں۔

اللہ کے فضل سے، مارکیٹ کی مشکل صورتحال کے باوجود، کمپنی کے آپریٹنگ نتائج مثبت رہے ہیں۔ کمپنی نے 121.355 ملین روپے کا بعد از ٹیکس منافع کمایا ہے، جس کی فی شیئر آمدنی (EPS) 12.56 روپے رہی، جبکہ گزشتہ سال اسی مدت کے دوران یہ 2.73 روپے تھی۔ ششماہی کے لیے خالص فروخت (Net Sales) سے حاصل ہونے والی آمدنی میں تقریباً 12.65 فیصد کمی واقع ہوئی، جو 3.648 ارب روپے سے کم ہو کر 3.187 ارب روپے رہ گئی۔ اس کی بنیادی وجہ پروسیڈنگ چارجز کے عوض بک کیے گئے سیلز آرڈرز میں اضافہ ہے۔ اس حکمت عملی سے مالیاتی اخراجات (Finance Cost) اور ٹرن اوور پر کم از کم ٹیکس میں کمی ہوئی، جس کے نتیجے میں منافع میں اضافہ ہوا۔ مارکیٹنگ کی کوششوں، خام مال کی موثر خریداری، اخراجات پر کنٹرول، آپریشنل کارکردگی اور قابل تجدید توانائی (سولر) کی پیداوار کی بدولت گراس پرافٹ (GP) کی شرح گزشتہ سال کی اسی مدت کے 9.36 فیصد کے مقابلے میں بڑھ کر 12.90 فیصد ہو گئی۔

تقسیم کے اخراجات (Distribution costs) میں کمی کی بنیادی وجہ برآمدی فروخت میں کمی ہے، جبکہ انتظامی اخراجات میں مہنگائی کی وجہ سے اضافہ ہوا۔ محتاط مالیاتی نظام اور پالیسی ریٹ میں کمی کے باعث اس مدت کے دوران مالیاتی اخراجات میں نمایاں کمی واقع ہوئی۔

گزشتہ سال کے دوران، کمپنی نے توانائی کی بڑھتی ہوئی قیمتوں پر قابو پانے کی حکمت عملی کے تحت ایک میگاواٹ کا سولر پاور سسٹم نصب کیا تھا۔ اسی اقدام کو آگے بڑھاتے ہوئے، موجودہ مدت کے دوران مزید 3.4 میگاواٹ سولر کی گنجائش کا اضافہ کیا گیا۔ اب مکمل سولر پاور سسٹم فعال ہے اور توقع ہے کہ یہ توانائی کے اخراجات کے بہتر انتظام اور آپریشنل کارکردگی میں بہتری لانے میں معاون ثابت ہو گا۔

ٹیکسٹائل سیکٹر کو حالیہ سیلاب کی وجہ سے فصلوں کی کم پیداوار اور مہنگائی کے رجحانات کے باعث مسلسل چیلنجز کا سامنا متوقع ہے۔ زیادہ ٹیکس، بجلی و گیس کی بلند قیمتیں اور توانائی کی دستیابی کے مسائل منافع کے مارجن پر اثر انداز ہو سکتے ہیں۔ تاہم، صنعتی صارفین کے لیے توانائی کی قیمتوں میں کمی کے حوالے سے وزیر اعظم کا حالیہ اعلان، اگر اس پر عمل درآمد ہوتا ہے تو، جزوی ریلیف فراہم کر سکتا ہے۔ علاقائی ممالک بالخصوص بھارت کے یورپ اور امریکہ کے ساتھ ترجیحی تجارتی انتظامات کی وجہ سے برآمدی مسابقت متاثر ہو سکتی ہے۔

ان چیلنجز کے باوجود کمپنی کی توجہ اپنی کارکردگی، لاگت پر کنٹرول اور مصنوعات کے معیار کو برقرار رکھنے پر مرکوز ہے۔

بورڈ اور اس کی کمیٹیاں

ڈائریکٹرز کی کل تعداد دس (10) ہے، جس کی تفصیل درج ذیل ہے:

1 (ا) مرد: 9 (ب) خواتین: 1

# Shahtaj Textile Limited

بورڈ کی ساخت درج ذیل ہے:

نام		اقسام / کیٹگری
مکرم جناب سید ندیم علی کاظمی صاحب	مکرم جناب عامر امین صاحب (NIT)	آزاد ڈائریکٹرز (Independent Directors)
	مکرم جناب فاروق حسن صاحب	
مکرم جناب محمد عثمان خالد صاحب	مکرم جناب منیر نواز صاحب (چیئرمین)	دیگر غیر انتظامی ڈائریکٹرز
مکرم جناب عابد نواز صاحب	مکرم جناب توقیر نواز صاحب	
	محترمہ سعدیہ محمد صاحبہ	خاتون غیر انتظامی ڈائریکٹرز
مکرم جناب تقی محمد صاحب (چیف ایگزیکٹو)	مکرم جناب محمد نعیم صاحب	ایگزیکٹو ڈائریکٹر / انتظامی ڈائریکٹر

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

الف) آڈٹ کمیٹی

1- جناب عامر امین (چیئرمین)	2- جناب منیر نواز	3- جناب توقیر نواز	4- جناب محمد عثمان خالد	5- محترمہ سعدیہ محمد
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ب) ایچ آر اینڈ ریو نیویشن کمیٹی

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

ڈائریکٹرز کمیٹی کے تمام ملازمین کی محنت اور لگن کو سراہتے ہیں اور ان کا شکریہ ادا کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

Umar Khalid  
(محمد عثمان خالد)

ڈائریکٹر

Taqi Muhammad  
تقی محمد

چیف ایگزیکٹو آفیسر

کراچی

25 فروری 2026

# Shahtaj Textile Limited

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Member of Shahtaj Textile Limited

### Report on review of Interim Financial Statements

We have reviewed the accompanying condensed interim statement of financial position of **Shahtaj Textile Limited** (the Company) as at **December 31, 2025**, and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the half year then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of this 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 condensed interim financial statements based on our review.

### Scope of review

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

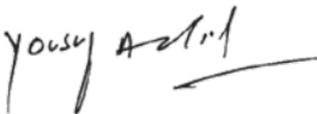
### Conclusion

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

### Other Matter

The figures for the quarters ended December 31, 2025 and 2024 in condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed, and we do not express conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Shafqat Ali.



**Chartered Accountants**

**Dated:** February 26, 2026

**Place:** Karachi

**UDIN:** RR202510186KJHWzD8U5

# Shahtaj Textile Limited

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

Un-audited                      Audited  
December 31,                      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	<b>100,000</b>	100,000
Issued, subscribed and paid-up capital	96,600	96,600
Revenue reserves	1,709,400	1,610,670
Surplus on revaluation of plant and machinery	559,321	662,664
<b>Total equity</b>	<b>2,365,321</b>	2,369,934

### LIABILITIES

#### Non-current liabilities

Long-term finance	497,376	569,228
Deferred liabilities	185,661	123,153
	683,037	692,381

#### Current liabilities

Trade and other payables	725,929	808,198
Unclaimed dividend	42,757	41,026
Interest accrued	18,185	13,666
Short-term borrowings	368,288	426,356
Current portion of long-term finance	143,710	143,710
	1,298,869	1,432,956

#### Contingencies and commitments

7

<b>Total equity and liabilities</b>	<b>4,347,227</b>	4,495,271
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### ASSETS

#### Non-current assets

Property, plant and equipment	2,288,408	2,193,843
Long-term loans	165	489
Long-term deposits	35,757	35,757
	2,324,330	2,230,089

#### Current assets

Stores, spares and loose tools	161,165	96,571
Stock-in-trade	892,763	1,037,549
Trade debts	751,771	872,819
Loans and advance	5,404	15,162
Trade deposits and prepayments	6,124	2,586
Taxation - net	65,942	71,433
Other receivables	5,792	6,062
Short term investment	51,013	51,013
Sales tax refundable	68,165	81,931
Cash and bank balances	14,758	30,056
	2,022,897	2,265,182

<b>Total assets</b>	<b>4,347,227</b>	4,495,271
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The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
(Taqi Mohammad)  
Chief Executive

  
(Amir Ahmed)  
Chief Financial Officer

  
(M. Usman Khalid)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025 (UNAUDITED)

	Note	Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(Rupees in 000)					
Sales - net	9	3,186,759	3,648,158	1,527,774	1,680,278
Cost of goods sold		<u>(2,775,652)</u>	<u>(3,306,556)</u>	<u>(1,311,486)</u>	<u>(1,513,537)</u>
Gross profit		411,107	341,602	216,288	166,741
Distribution expenses		(57,633)	(60,902)	(28,409)	(25,189)
Administrative expenses		(91,344)	(85,114)	(46,895)	(44,140)
Other operating expenses		(15,025)	(5,045)	(8,196)	(1,505)
Finance cost	10	(77,001)	(130,302)	(37,940)	(60,379)
		<u>(241,003)</u>	<u>(281,363)</u>	<u>(121,440)</u>	<u>(131,213)</u>
		170,104	60,239	94,848	35,528
Other income / (expense)	11	4,725	7,826	1,690	(231)
<b>Profit before levies and taxation</b>		<b>174,829</b>	<b>68,065</b>	<b>96,538</b>	<b>35,297</b>
Levies	12	(43,703)	(41,737)	(22,725)	(19,388)
<b>Profit before taxation</b>		<b>131,126</b>	<b>26,328</b>	<b>73,813</b>	<b>15,909</b>
Taxation	12	(9,771)	-	(9,771)	-
<b>Profit for the period</b>		<b>121,355</b>	<b>26,328</b>	<b>64,042</b>	<b>15,909</b>
Rupees					
Earnings per share - basic and diluted		<u>12.56</u>	<u>2.73</u>	<u>6.63</u>	<u>1.65</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



(Taqi Mohammad)  
Chief Executive



(Amir Ahmed)  
Chief Financial Officer



(M. Usman Khalid)  
Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025 (UNAUDITED)

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(Rupees in 000)				
Profit for the period	121,355	26,328	64,042	15,909
Other comprehensive income				
Items that will not be transferred subsequently to profit or loss Deferred tax related to surplus on revaluation of plant and machinery	(72,838)	-	(72,838)	-
<b>Total comprehensive income for the period</b>	<b>48,517</b>	<b>26,328</b>	<b>(8,796)</b>	<b>15,909</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



(Taqi Mohammad)  
Chief Executive



(Amir Ahmed)  
Chief Financial Officer



(M. Usman Khalid)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 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, 2024 (Audited)	96,600	1,135,000	354,820	205,822	1,792,242
Total comprehensive income for the period ended December 31, 2024					
Profit for the period	-	-	26,328	-	26,328
Other comprehensive income	-	-	-	-	-
	-	-	26,328	-	26,328
Transferred from surplus on revaluation of plant and machinery on account of incremental depreciation net of deferred tax	-	-	10,376	(10,376)	-
Transferred to general reserve	-	15,000	(15,000)	-	-
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2024 @ Rs.1.00 per share	-	-	(9,660)	-	(9,660)
Balance as at December 31, 2024 (Un-audited)	96,600	1,150,000	366,864	195,446	1,808,910
<b>Balance as at July 01, 2025 (Audited)</b>	<b>96,600</b>	<b>1,150,000</b>	<b>460,670</b>	<b>662,664</b>	<b>2,369,934</b>
<b>Total comprehensive income for the period ended December 31, 2025</b>					
Profit for the period	-	-	121,355	-	121,355
Other comprehensive income	-	-	-	(72,838)	(72,838)
	-	-	121,355	(72,838)	48,517
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation net of deferred tax	-	-	29,714	(29,714)	-
- disposal net of deferred tax	-	-	791	(791)	-
Transferred to general reserve	-	40,000	(40,000)	-	-
<b>Transactions with owners</b>					
Final dividend for the year ended June 30, 2025 @ Rs. 5.50 per share	-	-	(53,130)	-	(53,130)
Balance as at December 31, 2025 (Un-audited)	96,600	1,190,000	519,400	559,321	2,365,321

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



(Taqi Mohammad)  
Chief Executive



(Amir Ahmed)  
Chief Financial Officer



(M. Usman Khalid)  
Director

# Shahtaj Textile Limited

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Half year ended	
	December 31, 2025	December 31, 2024
	------(Rupees in 000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	131,126	26,328
Adjustments for:		
Depreciation	110,156	91,361
Finance cost	77,001	130,302
Gain on disposal of property, plant and equipment	(944)	-
Provision for leave encashment	4,781	1,972
Unrealised exchange (gain) / loss	(232)	2,964
Provision for gratuity	17,951	17,961
Interest income	(3,781)	(4,048)
Levies	43,703	41,737
Operating cash flows before movements in working capital	379,761	308,577
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(64,594)	288
Stock-in-trade	144,786	(57,074)
Trade debts	121,280	202,111
Loans and advance	9,758	(17,492)
Trade deposits and prepayments	(3,538)	(4,502)
Other receivables	162	282
Sales tax refundable	13,766	90,194
<b>Decrease in current liabilities</b>		
Trade and other payables	(82,268)	(161,588)
<b>Cash generated from operations</b>	<b>519,113</b>	<b>360,796</b>
Gratuity paid	(13,428)	(10,453)
Leave encashment paid	(4,781)	(3,789)
Finance cost paid	(72,482)	(147,204)
Levies and Income taxes paid	(62,838)	(54,969)
<b>Net cash generated from operating activities</b>	<b>365,584</b>	<b>144,381</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(208,611)	(10,503)
Proceeds from disposal of property, plant and equipment	4,835	-
Long-term deposit	-	(1,311)
Long-term loans	324	80
Profit received on term deposit receipts	3,889	-
Investment made during the period	-	(13,013)
<b>Net cash used in investing activities</b>	<b>(199,563)</b>	<b>(24,747)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long-term finance	(71,852)	(70,789)
Short term borrowings obtained / repaid - net	69,059	-
Dividend paid	(51,399)	(8,999)
<b>Net cash used in financing activities</b>	<b>(54,192)</b>	<b>(79,788)</b>
<b>Net increase in cash and cash equivalents</b>	<b>111,829</b>	<b>39,846</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(339,566)</b>	<b>(715,510)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(227,737)</b>	<b>(675,664)</b>
<b>Cash and cash equivalents at the end of the period</b>		
Short-term borrowings- Running finances under markup arrangement	(242,495)	(708,740)
Cash and bank balances	14,758	33,076
	(227,737)	(675,664)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
(Taqi Mohammad)  
Chief Executive

  
(Amir Ahmed)  
Chief Financial Officer

  
(M. Usman Khalid)  
Director

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

### 1. STATUS AND NATURE OF BUSINESS

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

#### Head Office

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

#### Manufacturing Facility

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

#### Registered Office

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

### 2. BASIS OF PREPERATION

#### 2.1 Statement of Compliance

2.1.1 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;
- Provision of, directives and notifications issued under the Companies Act, 2017; and

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

2.1.2 These condensed interim financial statements are unaudited, however, a limited scope review of these condensed interim financial statements have been performed by the external auditors of the Company 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.

2.1.3 These condensed interim financial statements do not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2025.

2.1.4 The comparative statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2025, whereas comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, presented in these condensed interim financial statements have been extracted from the condensed interim financial statements for the half year ended December 31, 2024.

#### 2.2 Basis of measurement

The condensed interim 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.

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

### 2.3 Functional and presentation currency

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.

### 3. MATERIAL ACCOUNTING POLICY 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 financial statements of the Company for the year ended June 30, 2025.

### 3.2 Changes in accounting standards, interpretations and pronouncements

#### (a) Amendments to accounting and reporting standards that are effective

There are certain amendments to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial reporting.

#### (b) New standards and amendments to accounting and reporting standards that are not yet effective

There are new standards and amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2026. These will not have any impact on the Company's financial reporting, other than below;

IFRS 18 'Presentation and Disclosure in Financial Statements', issued by the IASB and effective for annual periods beginning on or after January 1, 2027, replaces IAS 1 'Presentation of Financial Statements'. The standard primarily introduces new requirements relating to the presentation and disclosure of information in the statement of profit or loss and disclosure performance measures.

### 4. SIGNIFICANT ACCOUNTING ESTIMATES

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 annual financial statements of the Company for the year ended June 30, 2025.

### 5. FINANCIAL RISK MANAGEMENT

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

### 6. SHORT-TERM BORROWINGS

	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025
------(Rupees in 000)-----			
Running finances under markup arrangement	6.1	242,495	369,622
Musharaka finance	6.2	125,793	56,734
		<u>368,288</u>	<u>426,356</u>

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

- 6.1 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. 632.505 million (June 2025: 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).
- 6.2 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. 74.207 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).

### 7. CONTINGENCIES AND COMMITMENTS

#### Contingencies

- 7.1 Contingencies is not materially changed as disclosed in the note 11 to the annual financial statements for the year ended June 30, 2025.

	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025
----- (Rupees in 000) -----			
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	2,099,626	2,176,038
Capital work in progress	8.2	188,782	17,805
		2,288,408	2,193,843

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

Additions during the period / year	(Un-audited) Half year ended December 31, 2025		(Audited) June 30, 2025	
	Additions / transfers at / from cost / cwip at book value	Disposals at book value	Additions / transfers at / from cost / cwip at book value	Disposals at book value
	----- (Rupees in 000) -----			
Plant and machinery	31,417	2,666	147,240	667
Furniture and fixtures	70	-	-	-
Equipment and installations	134	-	4,346	-
Computer equipment	689	-	591	-
Vehicles	5,324	1,224	10,514	1,027
	37,634	3,890	162,691	1,694

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

	(Un-audited) Half year ended December 31, 2025		(Audited) June 30, 2025	
	Additions	Transfer	Additions	Transfer
	----- (Rupees in 000) -----			
Plant and machinery	199,250	28,273	22,553	145,344
Equipment and installations	-	-	4,300	4,300
	199,250	28,273	26,853	149,644

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

### 9. SALES - NET

	(Un-audited) Half year ended		(Un-audited) Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- <b>(Rupees in 000)</b> -----			
Export	547,703	554,894	302,237	227,631
Indirect export	189,113	1,403,474	64,835	575,860
Local	2,963,844	2,276,973	1,401,248	1,150,147
	<u>3,700,660</u>	<u>4,235,341</u>	<u>1,768,320</u>	<u>1,953,638</u>
Waste sales	9,072	12,073	5,274	6,021
	<u>3,709,732</u>	<u>4,247,414</u>	<u>1,773,594</u>	<u>1,959,659</u>
<b>Commission</b>				
- Local	(21,719)	(20,999)	(10,455)	(8,709)
- Export	(18,911)	(14,991)	(10,921)	(6,464)
	<u>(40,630)</u>	<u>(35,990)</u>	<u>(21,376)</u>	<u>(15,173)</u>
Sales tax	(482,343)	(563,266)	(224,444)	(264,208)
	<u>3,186,759</u>	<u>3,648,158</u>	<u>1,527,774</u>	<u>1,680,278</u>

### 10. FINANCE COST

Mark-up on:				
Long-term finance	8,812	10,564	4,282	5,133
Running finance under markup arrangement	25,946	58,389	9,393	29,757
Musharaka finance	4,443	15,880	4,000	7,753
Discounting charges	34,098	42,979	18,456	16,159
Interest on Workers' Profit Participation Fund	704	192	-	-
Bank charges and commission	2,998	2,298	1,809	1,577
	<u>77,001</u>	<u>130,302</u>	<u>37,940</u>	<u>60,379</u>

### 11. OTHER INCOME

Net income from trading	-	3,099	-	3,099
Exchange gain/(loss) - net	-	679	-	(5,477)
Interest Income	3,781	4,048	1,209	2,147
Gain on disposal of property, plant and equipment	944	-	481	-
	<u>4,725</u>	<u>7,826</u>	<u>1,690</u>	<u>(231)</u>

### 12. LEVIES & TAXATION

#### 12.1 Levies

Revenue Tax	<u>43,703</u>	<u>41,737</u>	<u>22,725</u>	<u>19,388</u>
-------------	---------------	---------------	---------------	---------------

#### 12.2 Taxation

Current Tax	24,624	-	24,624	-
Deferred	(14,853)	-	(14,853)	-
	<u>9,771</u>	<u>-</u>	<u>9,771</u>	<u>-</u>

### 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.

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

### 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 June 2025, were performed by M/s Asif Associates (Private) Limited (valuer), an independent valuer not related to the Company, using depreciated replacement cost method. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery value determined by independent valuer is classified as Level 3 in the fair value hierarchy.

### 14. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transaction	Half year ended (Un-audited)	
		December 31, 2025	December 31, 2024
		(Rupees in 000)	
Key management personnel	Remuneration	32,698	30,330
	Dividend paid	13,425	2,442
Associated undertakings - Shahtaj Sugar Mills Limited	Dividend paid	6,325	1,150
	- Shahnawaz (Private) Limited	Dividend paid	1,925
	Administrative services received	2,616	2,652
	Software charges	1,200	1,200
- Shezan International Limited	Purchase of goods	-	42
Other related party- Close Family Member - Lionsmill Trading LLC	Commission on sales	5,136	3,407

### 15. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in 000)
<b>Financing as per Islamic Mode</b>		
Short-term borrowings	125,793	56,734
<b>Interest accrued on conventional loans</b>		
Finance Cost	14,117	10,159
<b>Shariah Compliant bank balances</b>		
Bank Balances	541	171

# Shahtaj Textile Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Half year ended (Un-audited)	
	December 31, 2025	December 31, 2024
	----- (Rupees in 000) -----	
<b>Profit paid on Islamic mode of financing</b>		
Short-term borrowings	3,882	14,719
<b>Interest Paid on Conventional Loans</b>		
Long-term financing	9,236	10,973
Short-term borrowings	21,564	76,041
<b>Source and detailed breakup of other income</b>		
Non-Shariah Compliant		
Interest income on TDR	3,781	4,048
<b>Relationship with Shariah-compliant financial institutions:</b>		
<b>Name</b>	<b>Relationship</b>	
Meezan Bank Limited	Funded Facility	
Faysal Bank Limited	Funded Facility	

### 16. 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 21.94% (Dec 2024: 47.35%). As at period end, all non-current assets of the Company are located within Pakistan.

### 17. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.

### 18. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on February 25, 2026 by the Board of Directors of the Company.



(Taqi Mohammad)  
Chief Executive



(Amir Ahmed)  
Chief Financial Officer



(M. Usman Khalid)  
Director



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