



**SHAHZAD
TEXTILE**

THE GENERAL MANAGER
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI-74000

Date: 22-11-2023

**Subject: Holding of Corporate Briefing Session of Shahzad Textile Mills Limited, FY 2023
in Compliance with the requirements of Clause 5.7.3 of the Rule Book**

Submission of Presentation for CBS 2023

Dear Sir,

In continuation of our letter dated November 17, 2023 for holding of Corporate Briefing Session (CBS) of Shahzad Textile Mills Limited, ("the Company") on November 23, 2023 at 11:30 a.m. via video link to brief our shareholders, investors and researchers/analysts about the Company's financial performance for the year ended June 30, 2023 and future outlook of the Company. We are pleased to submit herewith Presentation for the said CBS for information of all concerned.

You may please circulate the same to all concerned.

Thanking you,

Yours Sincerely,
For SHAHZAD TEXTILE MILLS LIMITED


COMPANY SECRETARY

Shahzad Textile Mills Ltd.

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SHAHZAD TEXTILE MILLS LIMITED

Corporate Briefing

For the year ended June 30, 2023



OUTLINES

- Company Brief
- Strategic & Operational Development
- Financial Details
- Question & Answer



COMPANY BRIEF



COMPANY BRIEF

- ORGANIZATION HISTORY

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is domiciled in Pakistan and principle business of the Company is to manufacture and deal in all types of yarn and Socks.

- Spinning Segment
- Socks Segment



SPINNING SEGMENT

| Current Spindles | Plant Capacity & Production – June 2023 | | | |
|------------------|-----------------------------------------|--------------------------|-----------------------------|--|
| | June- 2023 | Plant Capacity (20/S) | Actual Production (20/S) | |
| 70,428 | 41,732,689 (Kgs.) | 701,198 (Bags) | 31,806,325 (Kgs.) | |

The Company has been operating in Spinning segment for more than 45 years since 1978. And producing all types of Textile yarn.

- ❖ Spinning Unit 1, 4 and Socks are situated at 34th Km, Lahore Sheikhupura Road, Sheikhupura
- ❖ Spinning Unit 2 is situated at 7th Km, Sheikhupura Faisalabad Road, Sheikhupura



SOCKS SEGMENT

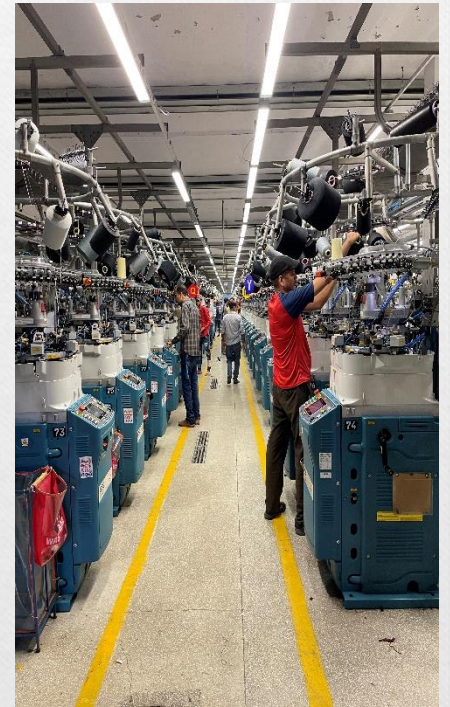
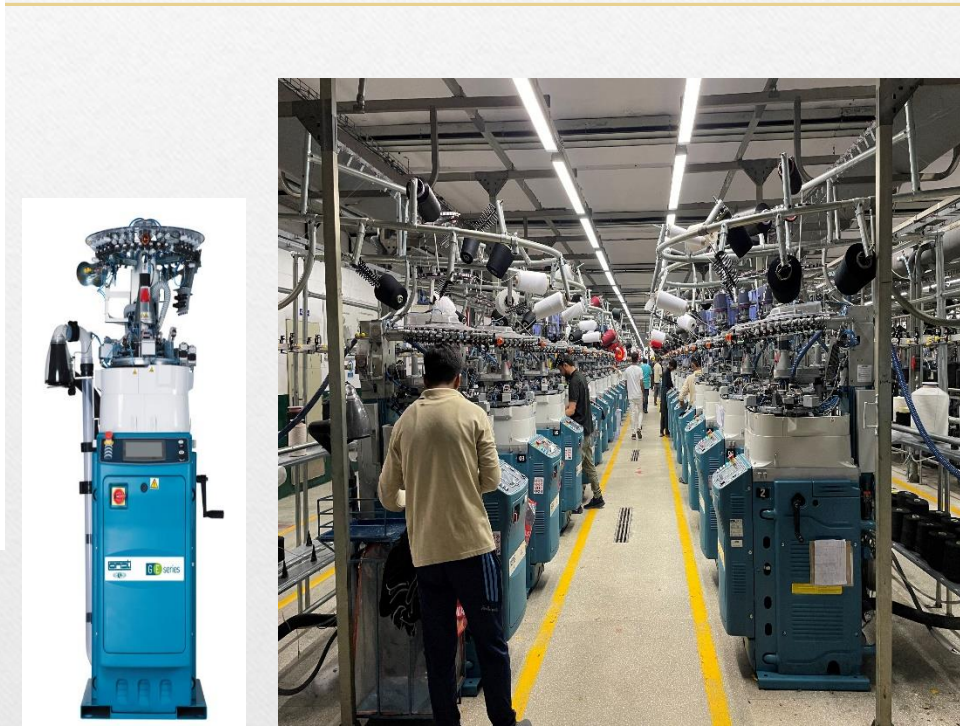
| No. of Machines | Installed Capacity Dozen Socks (p.a.) | Utilized Capacity Dozen Socks (p.a.) |
|-----------------|------------------------------------------|-----------------------------------------|
| 187 | 2,398,387 | 942,838 |

- The Management is continuously evaluating the potential of expansion in Socks Segment by negotiating with existing banks and own sources.
- Marketing trips are performed and planned for searching new markets and managing existing customers' to enhance export.
- CMT services were initiated to absorb fixed overheads incase of lesser orders for export by having benefits of economies of scale.



MACHINERY VISUALS

Plant facility comprises of state of the art machines i.e. Lonati Knitting Machines of 120 & 144 Needles, Sock Linking Rosso, Toe Closing Rosso Lonati



SOCKS PRODUCTS

Plant facility has capability to produce various types of socks i.e.

- Work-wear Socks
- Athletic Socks
- Diabetic Socks
- Thermal Socks
- Formal Dress Socks
- All other kind of socks



RATING FROM PACRA

| Rating Category | Long Term Rating | Short Term Rating |
|-----------------|------------------|-------------------|
| Rating | A- | A2 |

- Above rating is as per latest press release on April 11, 2023 by PACRA
- This rating is maintained for last four releases by PACRA shows stable corporate economic and financial condition



Corporate Role in Socio Economic Development

No. of Workers and Employees

| | Permanent | | Contractual | | Total |
|-----------------------------------|-----------|-------|-------------|-------|-------|
| | H.O | Mills | H.O | Mills | |
| (Numbers) | | | | | |
| Employees as at year end | 29 | 1,851 | 9 | 110 | 1,999 |
| Average employees during the year | 29 | 2,037 | 9 | 110 | 2,185 |



STRATEGIC & OPERATIONAL DEVELOPMENT



FINANCING FACILITIES

LTFF

- **LONG TERM FINANCING FACILITY – LTFF**

- *For Socks Unit*

- Sanctioned Facility for Socks Machinery Rs. 345 million
- Out Standing Facility till June-2023 Rs. 317.792 million
- Above LTFF facility is for 7 years with 1 year grace period, its repayment started from April 2021 and ended in January 2029.

- *For Spinning Unit*

- Sanctioned Facility for spinning machinery Rs. 100.0 million under Diminishing Musharika.
- Out Standing Facility till June-2023 Rs. 56.1295 million
- This facility is repayable in 5 years with 1 year grace period, repayment will be started from August 2023 and ended in July 2027.

SBP Refinance Scheme for Salaries & Wages

- *TF Facility (Payroll Refinance)*
 - Utilized Facility of Rs. 93.72 million was availed in March 2020 for payment of salaries & wages in the wake of COVID-19 lockdown
 - Total liability of Rs. 23.432 million has been paid during the year and hence no amount outstands against this facility as at June 30, 2023.

Short Term Financing Facilities

- The Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,484 million towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables.
- The company has utilized Rs. 387.470 million against funded facility as at June 30, 2023.
- The company has also utilized Rs. 463.875 million of un-funded facility as at June 30, 2023.

STRATEGIC & OPERATIONAL DEVELOPMENT

- SOLAR Power Project

- SOCKS Unit



SOLAR POWER PROJECT

(300KW, Project Cost Rs. 26.63 million, June-2019)

| Year | KWH Produced during the Year | Saving Amount in PKR |
|--------------|------------------------------|----------------------|
| 2019-20 | 436,171 | 4,710,943 |
| 2020-21 | 434,152 | 5,080,452 |
| 2021-22 | 424,272 | 6,450,980 |
| 2022-23 | 400,671 | 9,655,080 |
| TOTAL | 1,695,266 | 25,897,455 |



SOCKS UNIT

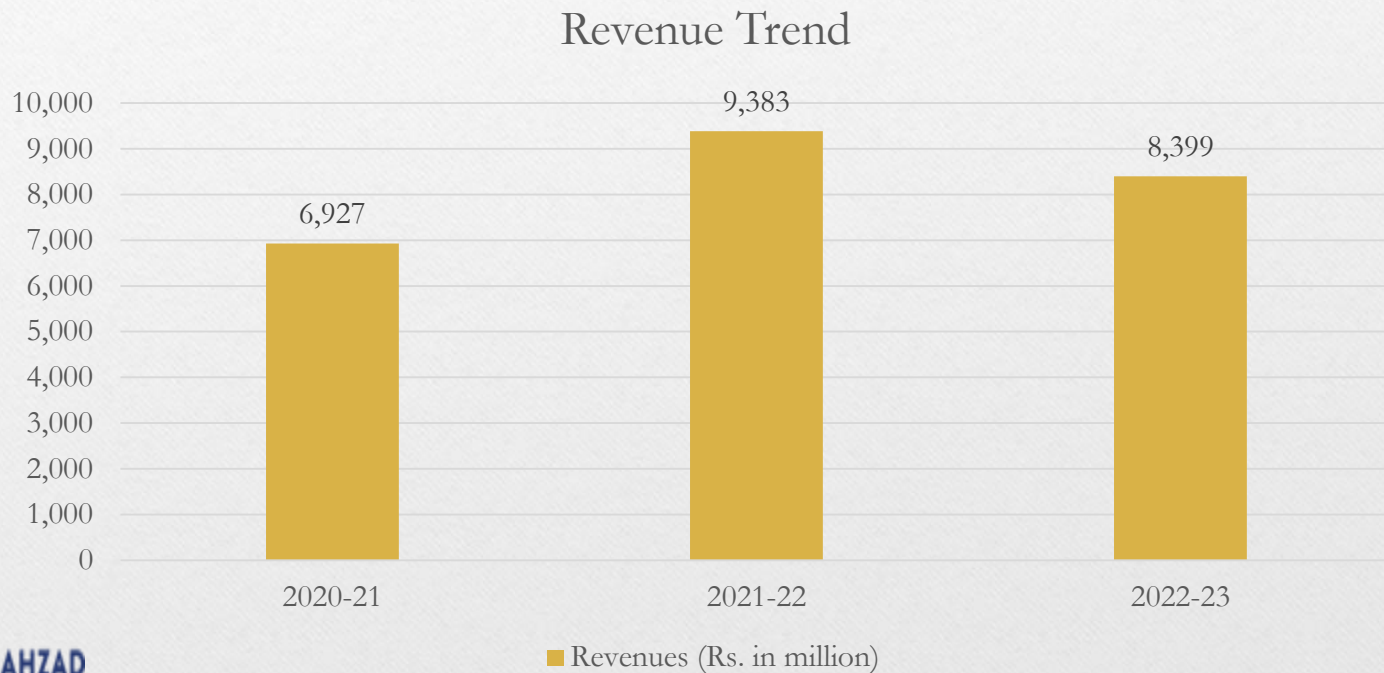
- Presently Company installed 187 socks knitting machines along with related machinery. However, building and other allied machinery is sufficient to support 350 knitting machines. Management is intended to achieve economies of scale and reduce per unit fixed cost
- Existing Project Size in PKR 1,355 million approximately.



FINANCIAL DETAILS

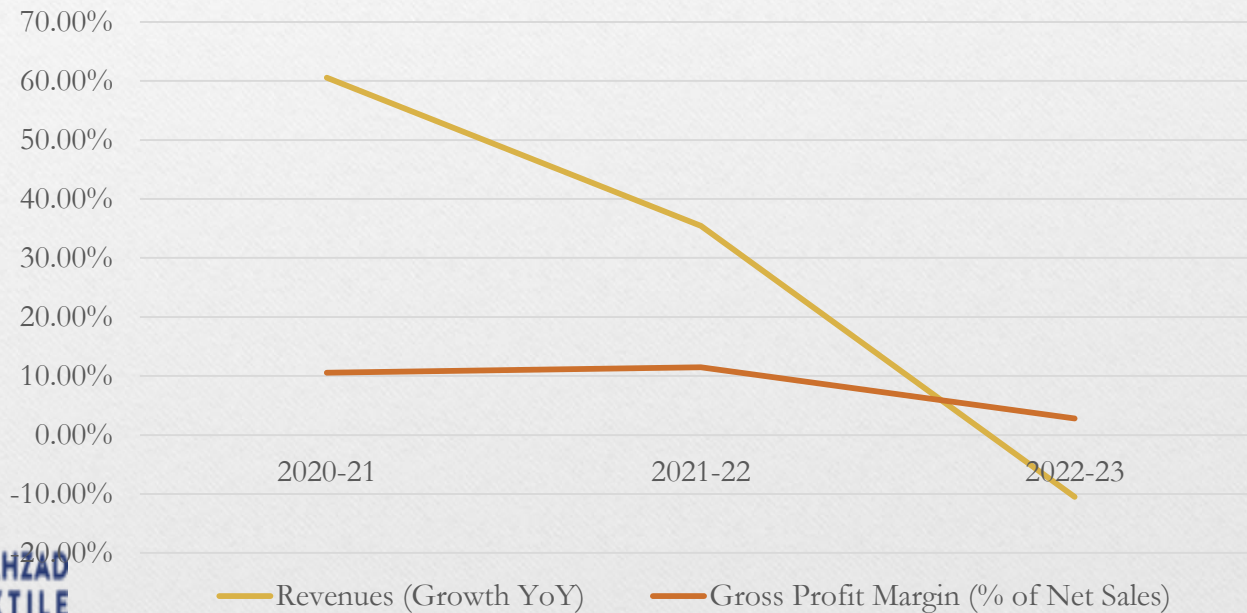


REVENUE TREND

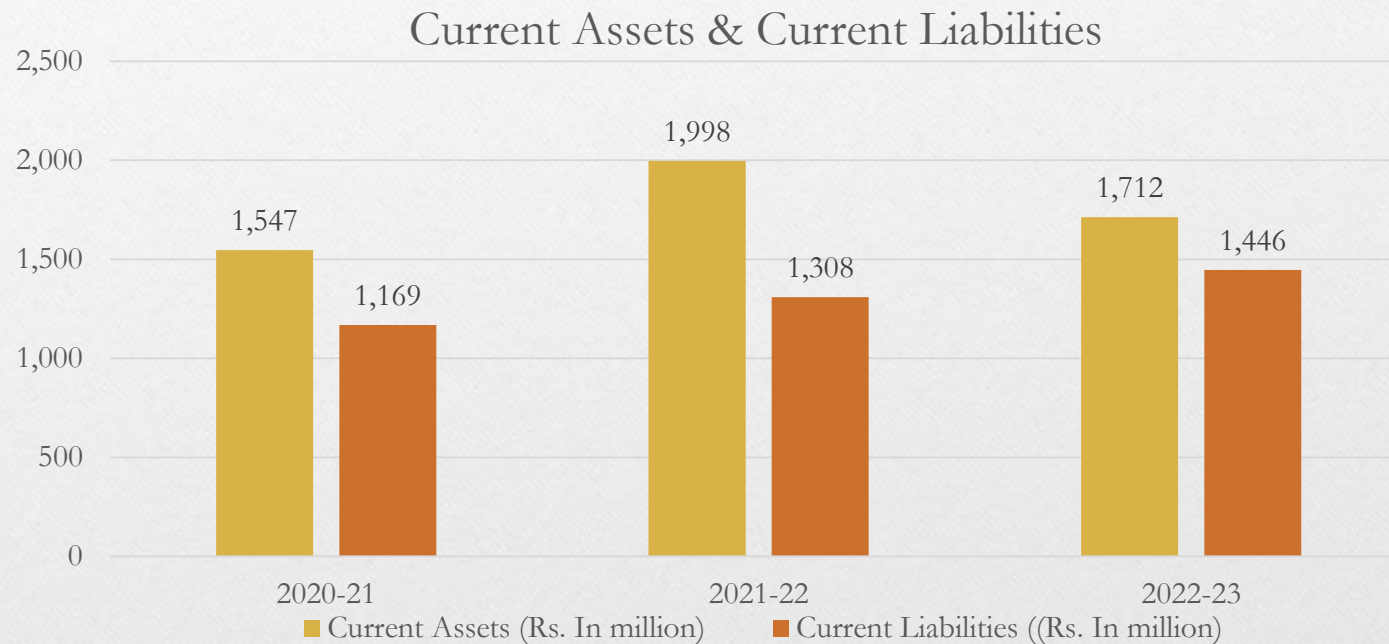


REVENUE & GROSS PROFIT TREND ANALYSIS

[Revenue & Gross Profit Trend Analysis]



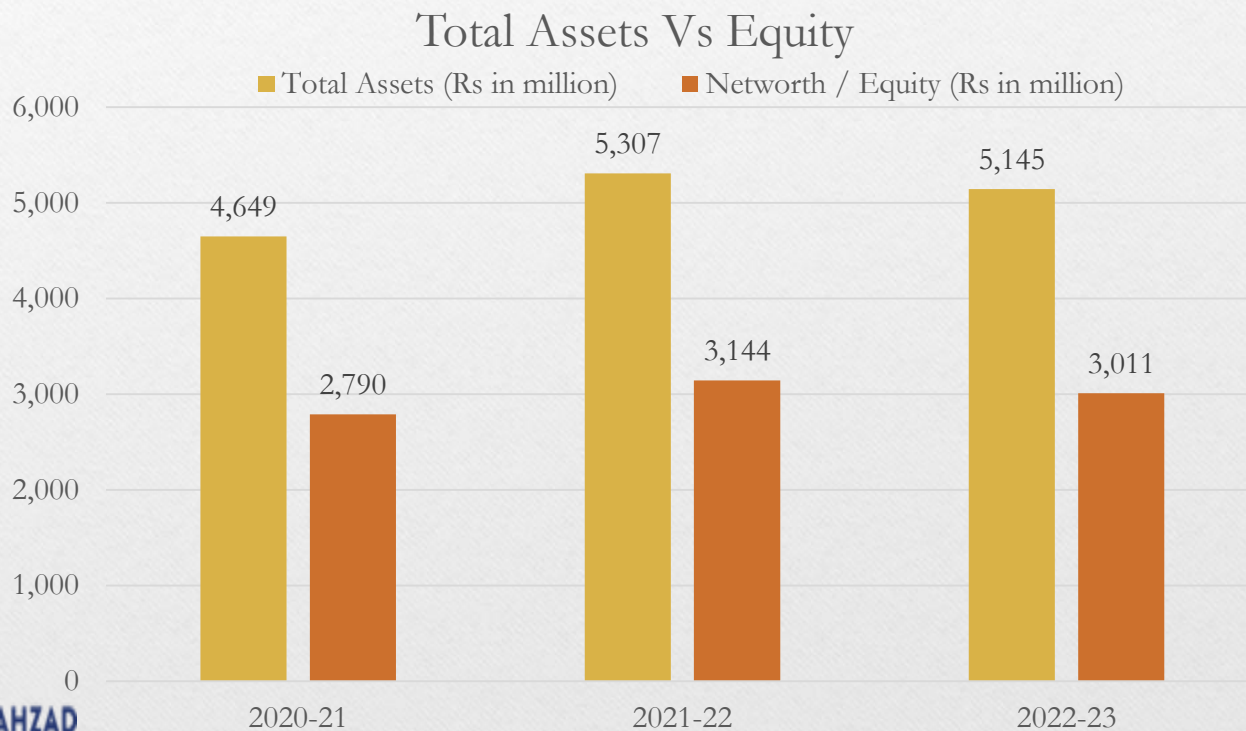
CURRENT ASSETS & CURRENT LIABILITIES



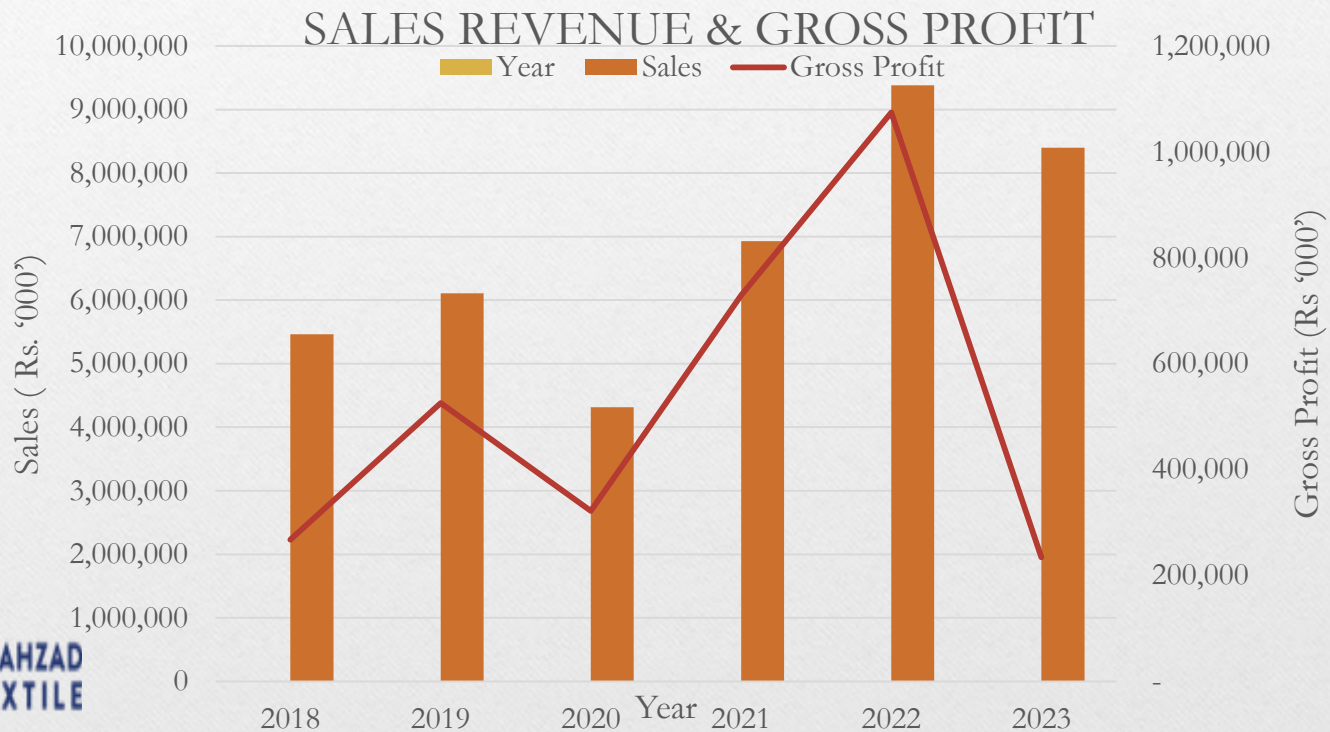
CURRENT RATIO



TOTAL ASSETS Vs EQUITY



6 YEAR'S SALES & GROSS PROFIT ANALYSIS



Question & ANSWER

SESSION

