

# 1st Quarterly Report September 30, 2024



SHAHZAD TEXTILE MILLS LIMITED

Certificate PK24/0000104

The management system of

## Shahzad Textile Mills Limited

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

has been assessed and certified as meeting the requirements of  
**ISO 9001:2015**

For the following activities

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

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

Issue 1. Certified since 09 May 2024

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

Authorised by

Jonathan Hall

General Head - Certification  
Services

SGS United Kingdom Ltd  
Rossmore Business Park, Elmstree Port, Cheshire, CH65 3EN, UK  
T +44 (0)151 350-8868 - [www.sgs.com](http://www.sgs.com)



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Certificate PK24/00000104, continued

## Shahzad Textile Mills Limited

# SGS

### ISO 9001:2015

Issue 1

#### Sites

Shahzad Textile Mills Limited

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

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

Shahzad Textile Mills Limited

Site 01 : 34th Km, Sheikhpura Road, Sheikhpura, Pakistan

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

Shahzad Textile Mills Limited

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

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



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# CERTIFICATE



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

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

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

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

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

**Manufacturing of Socks**

Certificate Registration No. 20116233016371

Valid until 2026-03-15  
Initial certification: 2020-03-16

Certification Body  
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

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



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# CERTIFICATE



## Management system as per EN ISO 14001:2015

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

### Shahzad Textile Mills Limited (Socks Division)

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

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

### Manufacturing of Socks

Certificate Registration No. 20104233016370

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

Certification Body  
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

This certification was conducted in accordance with TÜV AUSTRIA CERT auditing and certification procedures and is subject to regular surveillance audits.  
TÜV AUSTRIA CERT GMBH Deutshesstraße 10 A-1230 Wien www.tuv.at



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048820-204-8

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# CERTIFICATE



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

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

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

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

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

**Manufacturing of Socks**

Certificate Registration No. 20100233016369

Valid until 2026-03-15

Initial certification: 2020-03-16

Certification Body  
at TÜV AUSTRIA CERT GMBH

Vienna, 2023-03-17

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

### Board of Directors

Mian Parvez Aslam	Chairman
Mr. Imran Aslam	Chief Executive Officer
Mr. Irfan Aslam	
Mr. Danish Aslam	
Syed Raza Ali Bokhari	
Dr. Ali Raza Khan	
Mrs. Nazish Imran	

### Chief Financial Officer

Syed Imran Haider

### Company Secretary

Mr. Muhammad Amjad Tayyab

### Auditors

Crowe Hussain Chaudhury & Co.  
Chartered Accountants

### Audit Committee

Syed Raza Ali Bokhari	Chairman
Mian Parvez Aslam	Member
Mr. Irfan Aslam	Member

### Human Resources &

### Remuneration Committee

Dr. Ali Raza Khan	Chairman
Mr. Danish Aslam	Member
Mrs. Nazish Imran	Member

### Bankers

Habib Metropolitan Bank Ltd  
JS Bank Limited  
Meezan Bank Limited

### Share Registrar

Hameed Majeed Associates (Pvt) Ltd  
H.M. House, 7-Bank Square Lahore.

### Registered Office

19-A, Off. Zafar Ali Road,  
Gulberg-V, Lahore.  
Ph: +92(042)35754024-27  
Fax: +92(042) 35712313  
E-mail: info@shahzadtex.com  
Web: www.shahzadtex.com

### Mills

Unit # 1, 4 & Socks Hosiery Unit  
34 KM Lahore Sheikhpura  
Road, Sheikhpura.

### Unit # 2

7 KM Sheikhpura Faisalabad  
Road, Sheikhpura.

## Directors' Report

On behalf of the Board of Directors of Shahzad Textile Mills Limited, I am presenting a brief review of the financial results and operations of your Company for the first quarter ended September 30, 2024

During the 1<sup>st</sup> quarter company have pre-tax loss of Rs. 5.265 million as compared to pre-tax profit of Rs 28.618 million in the corresponding period of last year. Current quarter sales reported at Rs 2.227 billion as compare to sales of Rs 2.684 billion of corresponding period of last year. High interest rates, rising inflation and energy costs led to the closure of many textile units in Pakistan. Due to these factors and lower demand in the market, spinning industry was not able to fetch reasonable price in the market and hence the margins remained very thin.

Our socks unit is performing well with growth of its exports as compared to corresponding period of last year. Due to low demand in the market for yarn and other economic adversities, our management have thoroughly evaluated associated risks and benefits and tried to achieve better results.

### FUTURE PROSPECTS

The textile industry of Pakistan has immense potential to expand provided that, the Government takes into consideration the various factors hampering growth of exports which require immediate and necessary actions such as reducing high interest rates, continuation of regionally competitive energy tariff and stabilization of currency. The Government has taken measures for lowering the interest rates but measures for reduction in energy prices are still pending. The management is quite hopeful about future results of the company and fully aware of the present challenges. Considering the financial position of the Company, the directors' have decided to revise the loan terms as interest free with effect from July 1, 2024.

Loss per share for the 1<sup>st</sup> quarter is Rs. (1.60) as compared to Rs. 0.11 in corresponding period of last year.

We would like to take this opportunity to express our gratitude to our customers and shareholders for their unwavering trust and confidence in our company. We also want to acknowledge the dedication and hard work of the entire team during these challenging times. We are confident that with our team's resilience and innovative spirit, we will emerge from this difficult period even stronger than before.

For and on behalf of the board



**Imran Aslam**  
Chief Executive



**Danish Aslam**  
Director

Lahore  
October 25, 2024

## ڈائریکٹرز رپورٹ

شہزاد ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 ستمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے لیے آپ کی کمپنی کے مالیاتی نتائج اور آپریشنز کا ایک مختصر جائزہ پیش کر رہا ہوں۔

پہلی سہ ماہی کے دوران کمپنی کو 5.265 ملین روپے کا قبل از ٹیکس نقصان ہوا ہے۔ پچھلے سال کی اسی مدت میں 28.618 ملین روپے کا قبل از ٹیکس منافع تھا۔ موجودہ سہ ماہی کی فروخت گزشتہ سال کی اسی مدت کی 2.684 بلین روپے کی فروخت کے مقابلے میں 2.227 بلین روپے رہی۔ بلند شرح سود، بڑھتی ہوئی مہنگائی اور توانائی کی قیمتیں پاکستان میں ٹیکسٹائل کے بہت سے یونٹس کی بندش کا باعث بنیں۔ ان عوامل اور مارکیٹ میں کم مانگ کی وجہ سے اسپیننگ انڈسٹری مارکیٹ میں مناسب قیمت حاصل کرنے کے قابل نہیں رہی اور اس وجہ سے مارجن بہت پتلا رہا۔

ہمارا جرابوں کا یونٹ گزشتہ سال کی اسی مدت کے مقابلے میں اپنی برآمدات میں اضافے کے ساتھ اچھی کارکردگی کا مظاہرہ کر رہا ہے۔ یارن کی مارکیٹ میں کم مانگ اور دیگر معاشی مشکلات کی وجہ سے، ہماری انتظامیہ نے متعلقہ خطرات اور فوائد کا اچھی طرح سے جائزہ لیا ہے اور بہتر نتائج حاصل کرنے کی کوشش کی ہے۔

## مستقبل کا امکان

پاکستان کی ٹیکسٹائل انڈسٹری میں توسیع کی بے پناہ صلاحیت ہے بشرطیکہ حکومت برآمدات کی ترقی میں رکاوٹ بننے والے مختلف عوامل کو مدنظر رکھے جس کے لیے فوری اور ضروری اقدامات کی ضرورت ہے جیسے کہ بلند شرح سود میں کمی، علاقائی سطح پر مسابقتی توانائی تیرف کا تسلسل اور کرنسی کا استحکام۔ حکومت نے شرح سود میں کمی کے لیے اقدامات کیے ہیں لیکن توانائی کی قیمتوں میں کمی کے اقدامات ابھی باقی ہیں۔ انتظامیہ کمپنی کے مستقبل کے نتائج کے بارے میں کافی پر امید ہے اور موجودہ چیلنجز سے پوری طرح آگاہ ہے۔ کمپنی کی مالی حالت کو دیکھتے ہوئے، ڈائریکٹرز نے قرض کی شرائط کو یکم جولائی 2024 سے سود سے پاک قرار دینے کا فیصلہ کیا ہے۔

پہلی سہ ماہی کے لیے فی حصص نقصان روپے ہے۔ (1.60) روپے کے مقابلے میں پچھلے سال کی اسی مدت میں 0.11۔

ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے صارفین اور شیئرز بولڈرز کا اپنی کمپنی پر ان کے غیر متزلزل اعتماد اور اعتماد کے لیے شکریہ ادا کرنا چاہیں گے۔ ہم ان مشکل وقتوں میں پوری ٹیم کی لگن اور محنت کو بھی تسلیم کرنا چاہتے ہیں۔ ہمیں یقین ہے کہ ہماری ٹیم کی لچک اور اختراعی جذبے کے ساتھ، ہم اس مشکل دور سے پہلے سے بھی زیادہ مضبوط ہو کر نکلیں گے

برائے اور حکم پورڈ

  
دانش اسلم  
ڈائریکٹر

11/11/24  
عمران اسلم  
چیف ایگزیکٹو

25 اکتوبر 2024

لاہور

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT SEPTEMBER 30, 2024**

	September 30, 2024	June 30, 2024
Note	(Un-audited)	(Audited)
	----- Rupees in thousand -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorized capital:		
	40,000,000 (June 30, 2024: 40,000,000) ordinary shares of Rs. 10 each	400,000
	400,000	400,000
Issued, subscribed and paid up capital		
	17,971,372 (June 30, 2024: 17,971,372) ordinary shares of Rs. 10 each	179,714
	179,714	179,714
Reserves		
	1,877,406	1,902,234
	1,240,762	1,244,680
Surplus on revaluation of property, plant and equipment		
	3,297,882	3,326,628
<b>Non Current Liabilities</b>		
	202,167	221,438
5	436,191	440,547
	638,358	661,985
<b>Current Liabilities</b>		
	648,082	718,364
	146	146
	199	199
	41,024	35,004
	183,350	183,350
6	183,350	183,350
7	946,635	809,338
	162,761	134,922
	1,982,197	1,881,325
<b>Contingencies and Commitments</b>		
8	-	-
	5,918,437	5,869,938
<b>ASSETS</b>		
<b>Non Current Assets</b>		
	2,767,711	2,791,241
9	108,150	108,150
	919,734	916,777
	3,847	3,847
	3,799,442	3,820,015
<b>Current Assets</b>		
	190,441	183,933
	806,805	755,308
	356,143	301,813
	207,195	205,694
	181,973	36,566
	277,303	357,459
	99,135	209,150
	2,118,995	2,049,923
	5,918,437	5,869,938

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

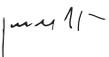
  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024**

		<b>September 30, 2024</b>	<b>September 30, 2023</b>
	Note	---- Rupees in thousand ----	
Sales		2,227,070	2,684,231
Cost of sales	10	<u>(2,111,931)</u>	<u>(2,553,243)</u>
<b>Gross Profit</b>		115,139	130,988
Operating expenses:			
- Selling and distribution		<u>(48,713)</u>	<u>(27,882)</u>
- Administrative expenses		<u>(77,303)</u>	<u>(73,857)</u>
		<u>(126,016)</u>	<u>(101,739)</u>
<b>Operating (Loss) / Profit</b>		(10,877)	29,249
Finance cost		<u>(33,721)</u>	<u>(36,117)</u>
Other operating expenses		<u>(286)</u>	<u>(2,546)</u>
Other income		36,663	33,930
Share of net profit of associate		<u>2,956</u>	<u>4,102</u>
		<u>5,612</u>	<u>(631)</u>
<b>(Loss) / Profit before Levy and Taxation</b>		(5,265)	28,618
Levy / final taxation	11	<u>(27,838)</u>	<u>(32,785)</u>
<b>Loss before Taxation</b>		(33,103)	(4,167)
Taxation	11	4,357	6,075
<b>Net (Loss) / Profit for the Year</b>		<u>(28,746)</u>	<u>1,908</u>
<b>(Loss) / Earnings per Share - Basic</b>		<u>(1.60)</u>	<u>0.11</u>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

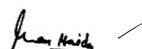
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024**

	September 30, 2024	September 30, 2023
	--- Rupees in thousand ---	
<b>Net (Loss) / Profit for the Period</b>	(28,746)	1,908
<b>Other Comprehensive Income for the Period</b>		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
<b>Total Comprehensive (Loss) / Income for the Period</b>	<u>(28,746)</u>	<u>1,908</u>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024**

Particulars	Share Capital	Share Premium Reserve	Unappropriated Profit	Surplus on Revaluation	Total Equity
----- Rupees in thousand -----					
<b>Balance as at June 30, 2023</b>	179,714	5,796	1,987,457	838,080	3,011,047
Net profit for the period	-	-	1,908	-	1,908
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	1,908	-	1,908
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	3,537	(3,537)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	24	24
<b>Balance as at September 30, 2023</b>	179,714	5,796	1,992,902	834,567	3,012,979
<b>Balance as at June 30, 2024</b>	179,714	5,796	1,896,438	1,244,680	3,326,628
Net loss for the period	-	-	(28,746)	-	(28,746)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(28,746)	-	(28,746)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	3,918	(3,918)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	-
<b>Balance as at September 30, 2024</b>	179,714	5,796	1,871,610	1,240,762	3,297,882

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

1st Quarter Ended September 30, 2024

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024**

	September 30, 2024	September 30, 2023
	--- Rupees in thousand ---	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(5,265)	28,618
Adjustments for:		
- Depreciation	28,223	29,779
- Share of net profit of associate	(2,956)	(4,102)
- Exchange loss	137	437
- Provision for workers' profit participation fund	-	1,536
- Provision for workers' welfare fund	-	572
- Finance cost	33,721	36,117
	59,125	64,339
<b>Operating Profit before Working Capital Changes</b>	53,860	92,957
Increase in current assets		
- Stores and spares	(6,508)	7,074
- Stock in trade	(51,498)	(251,927)
- Trade debts	(54,467)	(69,156)
- Advances, trade deposits, prepayments, and other receivables	10,960	(71,410)
- Short term investment	(145,406)	-
- Tax refunds due from the Government	80,156	(60,112)
Decrease in current liabilities		
- Trade and other payables	(70,284)	285,515
	(237,047)	(160,016)
<b>Net Cash (Used) in Operations</b>	(183,187)	(67,059)
Income tax paid	(12,461)	(27,291)
Workers' profit participation fund paid	-	(30,393)
Finance cost paid	(27,701)	(20,512)
<b>Net Cash Used in Operating Activities</b>	(223,349)	(145,255)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(4,693)	-
Capital work in progress	-	-
<b>Net Cash Used in Investing Activities</b>	(4,693)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing received	-	-
Repayment of long term financing	(19,270)	(15,762)
Short term borrowings	137,297	194,798
<b>Net Cash generated from Financing Activities</b>	118,027	179,036
<b>Net (decrease)/ increase in Cash and Cash Equivalents</b>	(110,015)	33,781
Cash and cash equivalents at the beginning of the period	209,150	68,447
<b>Cash and Cash Equivalents at the End of the period</b>	99,135	102,228

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**NOTES TO AND FORMING PART OF  
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024**

Note 1

**The Company and its Operations**

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn and socks. The Company holds 24.94% ordinary shares in M/s Sargodha Jute Mills Limited, an Associated Company that is engaged in manufacturing, selling and dealing in jute products.

Company's business units including its manufacturing facilities are located as under:

- The Company's registered office is situated at 19-A, Off Zafar Ali Road, Gulberg - V, Lahore
- Three units of manufacturing facilities are situated at 34 KM, Lahore-Sheikhupura Road, Sheikhupura
- One unit of manufacturing facility is situated at 7 KM, Sheikhupura-Faisalabad Road, Kharianwala

Note 2

**Basis of Preparation****2.1 Statement of compliance**

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

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

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

**2.1.2** These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at September 30, 2024 and the related condensed interim (unaudited) statement of profit or loss, condensed interim (unaudited) statement of comprehensive income, condensed interim (unaudited) statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

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

**2.1.4** These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at September 30, 2024 and the related condensed interim (unaudited) statement of profit or loss, condensed interim (unaudited) statement of comprehensive income, condensed interim (unaudited) statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

**2.2 Functional and presentation currency**

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

Note 3

**Judgments and Estimates**

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

Note 4

**Significant Accounting Policies**

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

Note 5

**Long Term Financing**

		<b>September 30, 2024</b>	<b>June 30, 2024</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		Rupees in thousand	
<b>Loan from banking companies - Secured</b>			
Habib Metro Bank Limited - SBP LTFF	5.1	238,982	254,744
Meezan Bank Limited - Diminishing Musharka	5.2	40,266	43,774
		279,248	298,518
Less: Current portion		(77,080)	(77,080)
		<b>202,167</b>	<b>221,438</b>

## 1st Quarter Ended September 30, 2024

- 5.1** These represent outstanding amounts of long term financing obtained from Habib Metropolitan Bank Limited for machinery of socks unit under State Bank of Pakistan's (SBP) concessional rate scheme. These loans are secured against specific and exclusive charge on relevant machinery of the Company and are repayable in 3 to 8 years starting from April 2021 and ending in February 2028. Mark up on these facilities is charged @ 5% representing SBP base rate of 2% and spread of 3% per annum, payable on calendar quarter basis.
- 5.2** This diminishing musharka facility is availed to purchase machinery. The sanctioned limit amounts to Rs. 100 million (June 30, 2024: Rs. 100 million) and is secured by way of exclusive charge over imported machinery with 15% margin and personal guarantee of sponsoring directors of the Company. This facility is repayable in 16 equal quarterly instalments, latest by June 2027 and carries markup @ 3 months KIBOR plus 1.25% (June 30, 2024: 3 month KIBOR plus 1.25%) per annum, payable on quarterly basis.

Note 6

### Current Portion of Non-Current Liabilities

	September 30, 2024	June 30, 2024
	(Un-audited)	(Audited)
	----- Rupees in thousand -----	
Long term financing	77,080	77,080
Deferred liability - GIDC	106,270	106,270
	<u>183,350</u>	<u>183,350</u>

Note 7

### Short Term Borrowings

		September 30, 2024	June 30, 2024
	Note	(Un-audited)	(Audited)
		----- Rupees in thousand -----	
<b>From banking companies - Secured</b>			
Cash / packing finances	7.1	625,635	488,338
<b>From related parties - Unsecured</b>			
Loan from directors	7.2	321,000	321,000
		<u>946,635</u>	<u>809,338</u>

- 7.1** The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,376 million (June 30, 2024: Rs. 2,321 million) towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables. Mark up on these facilities is charged @ 1 to 6 months KIBOR plus a spread of upto 1% to 1.25% (June 30, 2024: 1 to 6 months KIBOR plus a spread of upto 1% to 1.25%) payable quarterly. These facilities are secured by ranking and hypothecation charge on property, plant and equipment; stocks and receivables of the Company; lien over export and import documents and personal guarantee of sponsoring directors of the Company. The Company has utilized un-funded facilities amounting to Rs. 247,407 million (June 30, 2024: Rs. 274,869 million) as at reporting date. Unutilized amount of funded and unfunded facilities is Rs. 1,503.24 million (June 30, 2024: Rs. 1,557.792 million).
- 7.2** This represents unsecured short term borrowing obtained from Chief Executive Officer / Directors of the company to meet its working capital requirements and is repayable on demand. Loan terms have been revised to interest free w.e.f July 01, 2024 (June 30, 2024: @ 3-month kibar per annum).

Note 8

### Contingencies and Commitments

#### 8.1 Contingencies

- 8.1.1** The Company has provided bank guarantees in favor of following parties:

	September 30, 2024	June 30, 2024
	(Un-audited)	(Audited)
	----- Rupees in thousand -----	
- Sui Northern Gas Pipelines Limited	159,334	104,052
- Lahore Electric Supply Company	10,430	10,430
- Excise and Taxation Office	46,400	43,400
	<u>216,164</u>	<u>157,882</u>

- 8.1.2** On account of electricity duty on self generation, the Company obtained stay order by filing petition on August 10, 2010 in Lahore High Court, Lahore against LESCO and has not admitted the said duty. The case is decided in favor of the Company by the Supreme Court and we are filing for refund, hence no contingency is accounted for in this period Rs. 53.252 million (2024: Rs. 53.252 million).

#### 8.2 Commitments

- The Company's outstanding commitments / contracts as at the reporting date are as under:

	September 30, 2024	June 30, 2024
	(Un-audited)	(Audited)
	----- Rupees in thousand -----	
Letters of credit	27,011	116,987

Note 9

**Property, Plant and Equipment**

	September 30, 2024	June 30, 2024
	(Un-audited)	(Audited)
	---- Rupees in thousand ----	
Operating fixed assets	2,767,711	2,791,241
Capital work in progress	-	-
	<u>2,767,711</u>	<u>2,791,241</u>
<b>9.1 Operating fixed assets</b>		
Opening written down value	2,791,241	2,469,411
Additions during the period / year (at cost)	4,693	11,659
Revaluation adjustment	-	430,965
	<u>2,795,934</u>	<u>2,912,035</u>
Disposals during the period / year (at written down value)	-	(1,322)
	<u>2,795,934</u>	<u>2,910,713</u>
Revaluation adjustment	-	-
Depreciation charged for the period / year	(28,223)	(119,472)
	<u>2,767,711</u>	<u>2,791,241</u>

Note 10

**Cost of Sales**

	September 30, 2024	September 30, 2023
	---- (Un-audited) ----	
	---- Rupees in thousand ----	
Raw materials consumed	1,473,271	1,937,760
Stores and spares consumed	32,524	51,632
Packing materials consumed	60,035	64,082
Salaries, wages and other benefits	173,249	228,543
Fuel and power	360,493	362,319
Insurance	4,156	4,785
Repairs and maintenance	1,588	3,566
Other manufacturing expenses	3,843	3,556
Depreciation	25,830	27,063
	<u>2,134,989</u>	<u>2,683,306</u>
Opening work in process	127,105	109,993
Closing work in process	(138,496)	(114,863)
	<u>(11,391)</u>	<u>(4,870)</u>
Cost of goods manufactured	2,123,598	2,678,436
Opening finished goods	233,904	191,503
Closing finished goods	(245,571)	(316,696)
	<u>(11,667)</u>	<u>(125,193)</u>
	<u>2,111,931</u>	<u>2,553,243</u>

Note 11

**Levies and Taxation**

	September 30, 2024	September 30, 2023
	---- (Un-audited) ----	
	---- Rupees in thousand ----	
Levies	11.1 27,838	32,785
Taxation	11.2 (4,357)	(6,075)
	<u>23,482</u>	<u>26,710</u>
<b>11.1 Levies</b>		
Export sales	5,526	29,714
Minimum tax	22,313	3,071
	<u>27,838</u>	<u>32,785</u>

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

**11.2 Taxation**

Current Year	-	-
For prior years	-	-
	-	-
Deferred tax	(4,357)	(6,075)
	<u>(4,357)</u>	<u>(6,075)</u>

**1st Quarter Ended September 30, 2024**

**11.3** The current tax expense for the year is calculated using turnover tax @ 1.25% (2024: 1.25%) on local sales and 1.25% on export sales (2024: 1%). Therefore, no tax reconciliation has been given.

**11.4 Reconciliation of Levy and Income tax under IAS-12**

Current Tax liability as per applicable tax laws	27,838	32,785
Portion of current tax liability representing		
- Income tax as per IAS -12	-	-
- Levy as per IFRIC 21 / IAS 37	(27,838)	(32,785)
Difference	-	-

Note 12

**Transactions with Related Parties**

Related parties comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

**Transaction during the period**

Related party	Relationship	Nature of Transaction	September 30, 2024	September 30, 2023
			---- (Un-audited) ---- ---- Rupees in thousand ----	
Sargodha Jute Mills Limited	Associate 24.94%	Purchase of materials, goods and services	113	318
		Sale of materials and goods	82	248

Note 13

**Financial Risk Management**

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2024.

Note 14

**Segment Information**

For management purposes, the activities of the Company are recognized into two operating segment, i.e. manufacturing and sales of yarn and socks. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these condensed interim financial statements (un-audited) relate to the Company's reportable segments. Entity-wide disclosures regarding reportable segments are as follows:

**14.1**

Segment Results for the period ended September 30, 2024

	Yarn	Socks	Total
	Rupees in Thousand		
Revenue	1,778,810	448,260	2,227,070
Operating Loss	(9,109)	(1,768)	(10,877)
Finance cost	(30,631)	(3,090)	(33,721)
Other income	-	24,346	24,346
Other operating expense			(286)
Other income			12,317
Share of net profit from associate			2,956
Loss before taxation			(5,265)

Segment Results for the period ended September 30, 2023

	Yarn	Socks	Total
	Rupees in Thousand		
Revenue	2,373,818	310,413	2,684,231
Operating profit	22,574	6,675	29,249
Finance cost	(32,227)	(3,890)	(36,117)
Other income	-	23,195	23,195
Other operating expense			(2,546)
Other income			10,735
Share of net profit from associate			4,102
Profit before taxation			28,618

**14.2**

Segment financial position for the period ended September 30, 2024

**Assets**

Property plant and equipment	1,730,682	1,037,029	2,767,711
Store and spares	120,176	70,265	190,441
Stock in trade	618,791	188,014	806,805
Trade Debts	156,961	199,182	356,143
Advances to suppliers	30,039	8,448	38,487
	<u>2,656,648</u>	<u>1,502,939</u>	<u>4,159,587</u>

**Unallocated Assets**

Investment property	108,150
Long term Investments	919,734
Long term deposits	3,847
Advances, trade deposits, prepayments and other receivables	168,708
Short term investments	181,973
Tax refunds due from the Government	277,303
Cash and bank balances	99,135
	<u>5,918,437</u>

Yarn	Socks	Total
Rupees in Thousand		

**Liabilities**

Long term financing	40,266	238,982	279,248
Trade creditors	147,719	75,212	222,931
Short term borrowings	946,635	-	946,635
Accrued mark up	37,517	3,507	41,024
	<u>1,172,137</u>	<u>317,701</u>	<u>1,489,838</u>

**Unallocated liabilities**

Deferred tax liability - net	436,191
Gas infrastructure development cess	106,270
Trade and other payables	425,151
Unclaimed dividends	146
Unpaid dividends	199
Provision for taxation - net	162,761
	<u>2,620,556</u>

Segment financial position for the year ended June 30, 2024

**Assets**

Property plant and equipment	1,742,841	1,048,400	2,791,241
Store and spares	126,935	56,998	183,933
Stock in trade	533,602	221,705	755,307
Trade Debts	166,979	134,834	301,813
Advances to supplier	51,563	8,393	59,956
	<u>2,621,920</u>	<u>1,470,330</u>	<u>4,092,250</u>

**Unallocated Assets**

Investment property	108,150
Long term investments	916,777
Long term deposits	3,847
Advances, trade deposits, prepayments and other	145,738
Short term investments	36,566
Tax refunds due from the Government	357,458
Cash and bank balances	209,150
	<u>5,869,936</u>

**Liabilities**

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

**Unallocated liabilities**

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

	September 30, 2024	September 30, 2023
	Percentage (Un-audited)	Percentage Audited
<b>14.3 Information about products:</b>		
Yarn	79.87%	88.06%
Socks	20.13%	11.44%

**14.4 Major customers:**

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

**14.5 Geographical Information:**

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

	September 30, 2024	September 30, 2023
	(Un-audited)	(Un-audited)
	Rupees in thousand	
Pakistan	1,785,012	2,377,081
Europe	376,048	185,828
United State of America	66,010	121,321
	<u>2,227,070</u>	<u>2,684,230</u>

Note 15

**Authorization of Interim Financial Information**

These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on October 25, 2024.

Note 16

**General**

Comparative figures have been re-arranged, wherever necessary, to facilitate comparison. No significant re-arrangement has been made in these condensed interim financial statements (un-audited).

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



19-A, Off Zafar Ali Road,  
Gulberg-V, Lahore