



SHAMS TEXTILE MILLS LIMITED

# HALF YEARLY REPORT

31 December 2020

(Un-Audited)





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## COMPANY INFORMATION

**Board of Directors**

Muhammad Anwar (Chairman)  
 Adil Bashir  
 Asif Bashir  
 Khurram Mazhar Karim  
 Muhammad Shafiq Gill (Nominee: NIT)  
 Shahid Arshad  
 Minail Mishal Adamjee

**Chief Executive Officer**

Khalid Bashir

**Chief Financial Officer**

Tariq Javed

**Company Secretary**

Muhammad Haroon Arif

**Audit Committee**

Shahid Arshad (Chairman)  
 Khurram Mazhar Karim (Member)  
 Asif Bashir (Member)

**Human Resource Nomination & Remuneration Committee**

Minail Mishal Adamjee (Chairman)  
 Asif Bashir (Member)  
 Khurram Mazhar Karim (Member)

**Risk Committee**

Asif Bashir (Chairman)  
 Shahid Arshad (Member)  
 Khurram Mahar Karim (Member)

**Share Registrar**

Corptec Associates (Pvt) Ltd.  
 503-E, Johar Town, Lahore.

**Auditors**

Riaz Ahmad & Company  
 Chartered Accountants

**Bankers**

MCB Bank Limited  
 National Bank of Pakistan  
 The Bank of Punjab  
 United Bank Limited

**Registered Office**

7-B-III, Aziz Avenue, Gulberg-V, Lahore  
 Ph: +92-423-576 0379, 576 0382  
 Fax: +92-423-576 0376  
 Email: [info@shams.com.pk](mailto:info@shams.com.pk)  
 Web: [www.shams.com.pk](http://www.shams.com.pk)

**Project Locations**

Kotla Kahloon, District Nankana Sahib, Punjab  
 3-KM, Faisalabad Road, Chiniot, Punjab

Independent Auditor's Review Report  
To the members of Shams Textile Mills Limited  
Report on review of Condensed Interim Financial Statements

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of SHAMS TEXTILE MILLS LIMITED as at 31 December 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2020.

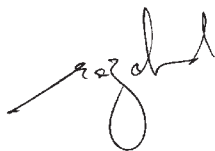
**Scope of Review**

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 condensed 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 condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



**RIAZ AHMAD & COMPANY**  
**Chartered Accountants**

**Lahore**

**Date: 25 February, 2021**

## DIRECTORS' REPORT

The Directors are pleased to present their report on the operational results of the Company for the half year ended December 31, 2020.

**GENERAL REVIEW**

Your Company has achieved better results as compared to the corresponding period. This is in spite of challenging business environment and potential adverse implications of Covid-19. Our net sales have shown a healthy increase to Rs.604.344 million with a gross profit of Rs.181.622 million. This has been a period of high volatility with raw material prices reaching new heights. Your company has however unfortunately not been able to cover its raw material requirements for a longer period due to financial constraints. Our costs have generally been kept under strict control and the overall production shown an improvement. We hope to continue with our efforts at better management so that the results of the company can be sustained.

**FINANCIAL SUMMARY:**

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(Rupees in thousand)			
SALES	3,019,881	2,415,537	1,687,353	1,568,462
COST OF SALES	(2,838,262)	(2,335,141)	(1,586,921)	(1,539,688)
GROSS PROFIT	181,619	80,396	100,432	28,774
OPERATING COST	(73,381)	(60,871)	(36,913)	(32,916)
OTHER INCOME	10,891	2,202	8,514	1,111
FINANCE COST	(33,395)	(28,730)	(18,116)	(16,468)
PROFIT/(LOSS) BEFORE TAXATION	85,734	(7,003)	53,917	(19,499)
TAXATION	(44,353)	(34,094)	(25,104)	(22,180)
PROFIT/(LOSS) AFTER TAXATION	41,381	(41,097)	28,813	(41,679)

**Future Outlook:**

During the period under review the Pakistan textile industry has shown good results and the outcome for the new term appear healthy. However very high raw material prices may affect our overall performance.

**ACKNOWLEDGEMENTS:**

We would take this opportunity to thank all our shareholders and partners for their valued support and our employees for their dedication. We would also like to thank the Board of Directors for their guidance and advice at all times.

For and On behalf of Board of Directors



**Khalid Bashir**  
Chief Executive

25 February, 2021  
Lahore



**Asif Bashir**  
Director

## ڈائریکٹر رپورٹ

ڈائریکٹر ششماہی 31 دسمبر 2020 کے مالیاتی نتائج بخوشی پیش کرتے ہیں۔

### عمومی جائزہ:

آپ کی کمپنی نے پچھلے دورانیے کے مقابلے میں اچھے نتائج حاصل کیے ہیں۔ یہ سب دن بدن بدلتے کاروباری حالات اور کووڈ-19 کے ممکنہ منفی اثرات کے باوجود ہے۔ ہماری خالص فروخت میں 161.322 ملین روپے کے مجموعی منافع کے ساتھ 604.344 ملین روپے تک کا اضافہ ہوا ہے۔ یہ دورانیہ اتار چڑھاؤ کا رہا ہے جس میں خام مال کی قیمتیں نئی بلند یوں تک پہنچ گئی ہیں۔ تاہم آپ کی کمپنی بدقسمتی سے مالی خامیوں کی وجہ سے لمبے عرصے تک اپنے خام مال کی ضروریات کو پورا نہیں کر سکتی ہے۔ ہمارے اخراجات کو عام طور پر سخت کنٹرول میں رکھا گیا ہے اور مجموعی پیداوار میں بہتری دکھائی گئی ہے۔ ہم بہتر انتظامات کے ساتھ اپنی کوششوں کو جاری رکھنے کی امید کرتے ہیں تاکہ کمپنی کے نتائج برقرار رہ سکیں۔

### مالیاتی خلاصہ:

سہ ماہی		ششماہی		(مبلغ ملین میں)
31 دسمبر 2019ء	31 دسمبر 2020ء	31 دسمبر 2019ء	31 دسمبر 2020ء	
1,568,462	<b>1,687,353</b>	2,415,537	<b>3,019,881</b>	فروخت
(1,539,688)	<b>(1,586,921)</b>	(2,335,141)	<b>(2,838,262)</b>	فروخت کی لاگت
28,774	<b>100,432</b>	80,396	<b>181,619</b>	خام منافع
(32,916)	<b>(36,913)</b>	(60,871)	<b>(73,381)</b>	آپریٹنگ خرچہ
1,111	<b>8,514</b>	2,202	<b>10,891</b>	دیگر آمدنی
(16,468)	<b>(18,116)</b>	(28,730)	<b>(33,395)</b>	فنانسئل خرچہ
(19,499)	<b>53,917</b>	(7,003)	<b>85,734</b>	ٹیکسیشن سے پہلے منافع / (نقصان)
(22,180)	<b>(25,104)</b>	(34,094)	<b>(44,353)</b>	ٹیکسیشن کے لیے پروویژن
(41,679)	<b>28,813</b>	(41,097)	<b>41,381</b>	ٹیکسیشن کے بعد منافع / (نقصان)

### مستقبل کے امکانات:

زیر غور مدت کے دوران پاکستان ٹیکسٹائل انڈسٹری نے اچھے نتائج دکھائے ہیں اور نئی مدت کے نتائج حوصلہ افزاء دکھائی دے رہے ہیں۔ تاہم بہت زیادہ خام مال کی قیمتیں ہماری مجموعی کارکردگی کو متاثر کر سکتی ہیں۔

### اظہار تشکر:

ہم اس موقع پر اپنے تمام تھمص داروں، شراکت داروں کے تعاون اور اپنے ملازمین کے کام کرنے کو سراہتے ہیں۔ ہم بورڈ آف ڈائریکٹرز کا ان کی رہنمائی اور ان کے مشوروں کا شکریہ ادا کرتے ہیں۔

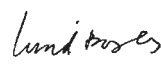
آصف بشیر  
ڈائریکٹر

خالد بشیر  
چیف ایگزیکٹو  
25 فروری 2021ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
As At 31 December 2020

	<b>Un Audited</b>	Audited
	<b>31 December</b>	30 June
	<b>2020</b>	2020
<b>Note</b>	<b>(Rupees in thousands)</b>	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
25,000,000 (30 June 2020: 25,000,000) ordinary shares of Rupees 10 each	<b>250,000</b>	250,000
<b>Issued, subscribed and paid-up share capital</b>		
8,640,000 (30 June 2020: 8,640,000) ordinary shares of Rupees 10 each	<b>86,400</b>	86,400
<b>Reserves</b>	<b>713,519</b>	713,305
<b>Accumulated loss</b>	<b>(224,708)</b>	(266,089)
<b>Total equity</b>	<b>575,211</b>	533,616
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	4 <b>7,502</b>	14,036
Deferred liabilities	<b>18,442</b>	-
	<b>25,944</b>	14,036
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,095,417</b>	839,599
Accrued mark-up	<b>10,301</b>	5,559
Short term borrowings	<b>709,817</b>	324,420
Current portion of long term liabilities	<b>47,160</b>	2,250
Unclaimed dividend	<b>4,335</b>	4,424
	<b>1,867,030</b>	1,176,252
<b>Total liabilities</b>	<b>1,892,974</b>	1,190,288
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>5 -</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,468,185</b>	1,723,904

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive

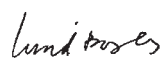


Director



Chief Financial Officer

		Un Audited 31 December 2020 (Rupees in thousands)	Audited 30 June 2020
	Note		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	751,672	780,355
Long term investments		46,357	46,144
Long term security deposits		1,576	1,576
Deferred income tax asset		-	-
		<b>799,605</b>	828,075
<b>CURRENT ASSETS</b>			
Stores and spare parts		58,423	63,053
Stock-in-trade		1,157,868	634,399
Trade debts		351,171	94,477
Advances		23,532	11,949
Short term prepayment		3,273	-
Other receivables		26,504	24,060
Sales tax refundable		25,721	25,721
Taxation - net		12,163	35,096
Cash and bank balances		9,925	7,074
		<b>1,668,580</b>	895,829
<b>TOTAL ASSETS</b>		<b>2,468,185</b>	1,723,904



Chief Executive



Director



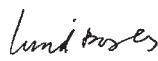
Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
(Un-Audited)  
For The Half Year Ended 31 December 2020

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Note	(Rupees in thousand)			
SALES	<b>3,019,881</b>	2,415,537	<b>1,687,353</b>	1,568,462
COST OF SALES	<b>7 (2,838,262)</b>	(2,335,141)	<b>(1,586,921)</b>	(1,539,688)
GROSS PROFIT	<b>181,619</b>	80,396	<b>100,432</b>	28,774
DISTRIBUTION COST	<b>(27,729)</b>	(19,733)	<b>(12,326)</b>	(12,403)
ADMINISTRATIVE EXPENSES	<b>(37,804)</b>	(40,225)	<b>(18,520)</b>	(20,623)
OTHER EXPENSES	<b>(7,848)</b>	(913)	<b>(6,067)</b>	110
	<b>(73,381)</b>	(60,871)	<b>(36,913)</b>	(32,916)
	<b>108,238</b>	19,525	<b>63,519</b>	(4,142)
OTHER INCOME	<b>10,891</b>	2,202	<b>8,514</b>	1,111
PROFIT / (LOSS) FROM OPERATIONS	<b>119,129</b>	21,727	<b>72,033</b>	(3,031)
FINANCE COST	<b>(33,395)</b>	(28,730)	<b>(18,116)</b>	(16,468)
PROFIT / (LOSS) BEFORE TAXATION	<b>85,734</b>	(7,003)	<b>53,917</b>	(19,499)
TAXATION	<b>(44,353)</b>	(34,094)	<b>(25,104)</b>	(22,180)
PROFIT / (LOSS) AFTER TAXATION	<b>41,381</b>	(41,097)	<b>28,813</b>	(41,679)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	<b>4.79</b>	(4.76)	<b>3.33</b>	(4.82)

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(Un-audited)  
For The Half Year Ended 31 December 2020

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(Rupees in thousand)			
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>41,381</b>	(41,097)	<b>28,813</b>	(41,679)
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Surplus arising on remeasurement of investments at fair value through other comprehensive income	214	7,519	4,474	9,312
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-
<b>Other comprehensive income for the period</b>	<b>214</b>	7,519	<b>4,474</b>	9,312
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>41,595</b>	(33,578)	<b>33,287</b>	(32,367)

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

  
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)  
For The Half Year Ended 31 December 2020

	SHARE CAPITAL	Reserves					TOTAL RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
		Capital		Revenue					
		Premium on issue of right shares	Fair value reserve FVOCI investments	Sub total	General reserve				
(Rupees in thousands)									
<b>Balance as at 30 June 2019 (Audited)</b>	86,400	86,400	20,439	106,839	600,000	706,839	(116,811)	676,428	
Transaction with owners - Dividend for the year ended 30 June 2019 @ Rupees 1.05 per share	-	-	-	-	-	-	(9,072)	(9,072)	
Loss for the half year ended 31 December 2019	-	-	-	-	-	-	(41,097)	(41,097)	
Other comprehensive Income for the half year ended 31 December 2019	-	-	7,519	7,519	-	7,519	-	7,519	
Total comprehensive loss for the half year ended 31 December 2019	-	-	7,519	7,519	-	7,519	(41,097)	(33,578)	
<b>Balance as at 31 December 2019 (Un-audited)</b>	86,400	86,400	27,958	114,358	600,000	714,358	(166,980)	633,778	
Loss for the half year ended 30 June 2020	-	-	-	-	-	-	(99,109)	(99,109)	
Other comprehensive loss for the half year ended 30 June 2020	-	-	(1,053)	(1,053)	-	(1,053)	-	(1,053)	
Total comprehensive loss for the half year ended 30 June 2020	-	-	(1,053)	(1,053)	-	(1,053)	(99,109)	(100,162)	
<b>Balance as at 30 June 2020 (Audited)</b>	86,400	86,400	26,905	113,305	600,000	713,305	(266,089)	533,616	
Profit for the half year ended 31 December 2020	-	-	-	-	-	-	41,381	41,381	
Other comprehensive income for the half year ended 31 December 2020	-	-	214	214	-	214	-	214	
Total comprehensive Income for the half year ended 31 December 2020	-	-	214	214	-	214	41,381	41,595	
<b>Balance as at 31 December 2020 (Un-audited)</b>	86,400	86,400	27,119	113,519	600,000	713,519	(224,708)	575,211	

The annexed notes form an integral part of this condensed interim financial information.

*Amal Prasad*  
Chief Executive

*Deepak Kumar*  
Director

*Yogendra*  
Chief Financial Officer


CONDENSED INTERIM STATEMENT OF CASH FLOW (Un-Audited)  
For The Half Year Ended 31 December 2020

	Half Year Ended	
	31 December 2020	31 December 2019
	Note	(Rupees in thousands)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash (used in) / generated from operations	8	(329,710) (293,686)
Finance cost paid		(26,840) (20,314)
Income tax paid		(21,420) (33,428)
<b>Net cash used in operating activities</b>		<b>(377,970)</b> (347,428)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment		(4,654) (2,589)
Dividend received		167 180
<b>Net cash used in investing activities</b>		<b>(4,487)</b> (2,409)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing		- (6,534)
Short term borrowings - net		385,397 346,018
Dividend paid		(89) (8,902)
<b>Net cash from financing activities</b>		<b>385,308</b> 330,582
<b>Net Increase / (decrease) in cash and cash equivalents</b>		<b>2,851</b> (19,255)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>7,074</b> 27,298
<b>Cash and cash equivalents at the end of the period</b>		<b>9,925</b> 8,043

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)**  
For The Half Year Ended 31 December 2020

**1. THE COMPANY AND ITS OPERATIONS**

Shams Textile Mills Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now the Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 7-B-III, Aziz Avenue, Gulberg V, Lahore. The Company is engaged in the business of manufacturing, sale and trading of yarn and trading of cloth.

**2. BASIS OF PREPARATION**

**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 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; 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.

**2.2** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2020. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

**3. ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

**3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

	<b>Unaudited 31 December 2020</b>	Audited 30 June 2020
<b>(Rupees in thousands)</b>		
<b>4. LONG TERM FINANCING - SECURED</b>		
Opening balance	<b>16,286</b>	27,103
Less: Repaid during the period / year	-	(10,817)
	<b>16,286</b>	16,286
Less: Current portion shown under current liabilities	<b>(8,784)</b>	(2,250)
	<b>7,502</b>	14,036

**5. CONTINGENCIES AND COMMITMENTS**

**Contingencies**

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)  
For The Half Year Ended 31 December 2020

**Commitments**

- i) Letters of credit for capital expenditures amounted to Rupees 25.349 million (30 June 2020: Rupees Nil)
- ii) Letters of credit for other than capital expenditures amounted to Rupees 359.363 million (30 June 2020: Rupees 218.812 million).

	<b>Un-audited 31 December 2019</b>	Audited 30 June 2019
	<b>(Rupees in thousands)</b>	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 6.1)	<b>751,672</b>	780,335
	<b>751,672</b>	780,335
<b>6.1 Operating fixed assets</b>		
Opening book value	<b>780,355</b>	817,790
Add: Cost of additions during the period / year (Note 6.1.1)	<b>4,654</b>	34,291
Less: Book value of deletions during the period / year (Note 6.1.2)	-	(501)
Less: Depreciation charged during the period / year	<b>(33,337)</b>	(71,225)
	<b>751,672</b>	780,355
<b>6.1.1 Cost of additions</b>		
Residential and other buildings on freehold land	<b>2,218</b>	-
Plant and machinery	-	31,737
Vehicles	<b>2,436</b>	2,554
	<b>4,654</b>	34,291
<b>6.1.2 Book value of deletions</b>		
Plant and machinery	-	(501)
	-	(501)

	<b>Un-Audited</b>			
	<b>Half Year Ended</b>		<b>Quarter Ended</b>	
	<b>31 December 2020</b>	31 December 2019	<b>31 December 2020</b>	31 December 2019
	<b>(Rupees in thousand)</b>			
<b>7 COST OF SALES</b>				
Raw materials consumed	<b>2,382,963</b>	2,100,271	<b>1,384,605</b>	1,042,672
Salaries, wages and other benefits	<b>208,114</b>	214,723	<b>107,737</b>	107,187
Stores and spare parts consumed	<b>65,471</b>	61,310	<b>34,564</b>	31,299
Packing materials consumed	<b>46,572</b>	39,923	<b>26,343</b>	20,443
Repair and maintenance	<b>6,616</b>	8,114	<b>3,463</b>	5,832
Fuel and power	<b>288,327</b>	313,515	<b>151,783</b>	160,677
Insurance	<b>2,875</b>	2,775	<b>1,482</b>	1,394
Other factory overheads	<b>2,781</b>	3,800	<b>(12,511)</b>	(12,156)
Depreciation	<b>30,601</b>	31,926	<b>29,503</b>	30,077
	<b>3,034,320</b>	2,776,357	<b>1,726,969</b>	1,387,425
Work-in-process:				
Opening stock	<b>44,886</b>	49,915	<b>34,930</b>	37,052
Closing stock	<b>(48,343)</b>	(38,024)	<b>(48,343)</b>	(38,024)
	<b>(3,457)</b>	11,891	<b>(13,413)</b>	(972)
Cost of goods manufactured	<b>3,030,863</b>	2,788,248	<b>1,713,556</b>	1,386,453
Finished goods:				
Opening stock	<b>416,975</b>	256,654	<b>482,941</b>	862,996
Closing stock	<b>(609,576)</b>	(709,761)	<b>(609,576)</b>	(709,761)
	<b>(192,601)</b>	(453,107)	<b>(126,635)</b>	153,235
	<b>2,838,262</b>	2,335,141	<b>1,586,921</b>	1,539,688

SELECTED NOTES TO THE CONDENSED INTERIM  
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	Un-audited Half Year Ended	
	31 December 2020	31 December 2019
(Rupees in thousand)		
<b>8 CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
<b>Profit / (loss) before taxation</b>	<b>85,734</b>	(7,003)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	<b>33,337</b>	35,012
Finance cost	<b>33,395</b>	28,730
Allowance for expected credit losses	-	252
Impact of de-recognition of financial instrument carried at amortised cost	-	211
Gain on remeasurement of deferred liability	<b>(5,484)</b>	-
Dividend income	<b>(167)</b>	(180)
Working capital changes (Note 8.1)	<b>(476,525)</b>	(350,708)
	<b>(329,710)</b>	(293,686)
<b>8.1 (Increase) / decrease in current assets:</b>		
- Stores and spare parts	<b>4,630</b>	(2,495)
- Stock-in-trade	<b>(523,469)</b>	(502,819)
- Trade debts	<b>(256,694)</b>	(153,780)
- Advances	<b>(11,583)</b>	6,787
- Short term prepayment	<b>(3,273)</b>	(3,022)
- Other receivables	<b>(2,444)</b>	4,759
- Sales tax refundable	-	31,882
	<b>(792,833)</b>	(618,688)
Increase in trade and other payables	<b>316,308</b>	267,980
	<b>(476,525)</b>	(350,708)

**9 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS**

**(i) Fair value hierarchy**

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2020	Level 1	Level 2	Level 3	Total
Rupees in thousand				
<b>Financial assets</b>				
Investments at fair value through other comprehensive income	46,357	-	-	46,357
<b>Total financial assets</b>	<b>46,357</b>	-	-	<b>46,357</b>
Recurring fair value measurements At 30 June 2020	Level 1	Level 2	Level 3	Total
Rupees in thousand				
<b>Financial assets</b>				
Investments at fair value through other comprehensive income	46,144	-	-	46,144
<b>Total financial assets</b>	<b>46,144</b>	-	-	<b>46,144</b>

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

**SELECTED NOTES TO THE CONDENSED INTERIM  
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There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

**(ii) Valuation techniques used to determine fair values**

Specific valuation technique used to value financial instruments was use of quoted market prices.

**10 TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise associated undertakings, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

i. Transactions	Un-Audited			
	Half year ended 31 December 2020	31 December 2019	Quarter ended 31 December 2020	31 December 2019
<b>(Rupees in thousand)</b>				
<b>Associated companies</b>				
Sale of goods and services	28,380	113,450	20,734	51,723
Purchase of goods and services	3,094	278	665	166
Insurance premium	7,612	7,720	4,543	573
Rent expense	1,200	1,200	600	600
Dividend paid	-	3,078	-	3,078
<b>Other related parties</b>				
Company's contribution to employees' provident fund trust	3,664	3,302	1,842	1,760
Remuneration of chief executive, directors and executives	16,973	14,780	8,487	7,390
<b>ii. Period end balances</b>				
<b>As at 31 December 2020 (Un-audited)</b>				
	<b>Associated Companies</b>	<b>Other related Parties</b>	<b>Total</b>	
<b>(Rupees in thousand)</b>				
Trade and other payables		3,315	151,074	154,389
Trade debts		1,833	-	1,833
Long term investments		11,448	-	11,448
Other receivables		1,593	-	1,593
<b>As at 30 June 2020 (Audited)</b>				
	<b>Associated Companies</b>	<b>Other related Parties</b>	<b>Total</b>	
<b>(Rupees in thousand)</b>				
Trade and other payables		739	141,206	141,945
Trade debts		10,714	-	10,714
Long term investments		878	-	878

SELECTED NOTES TO THE CONDENSED INTERIM  
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**11. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

	Un-audited 31 December 2020	Audited 30 June 2020
	(Rupees in thousand)	

**12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX****Loan / advances obtained as per Islamic mode:**

Loans	-	-
Advances	39,460	18,989

**Shariah compliant bank deposits / bank balances**

Bank balances	3	3
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	Un-Audited Half Year Ended 31 December 2020	31 December 2019
	(Rupees in thousand)	

**Profit earned from shariah compliant bank deposits / bank balances**

Profit on deposits with banks	-	-
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<b>Revenue earned from shariah compliant business</b>	<b>3,019,881</b>	2,415,537
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**Gain / (loss) or dividend earned from shariah compliant investments**

Dividend income	-	-
Unrealized gain on remeasurement of investments at FVTOCI	1,219	574

<b>Exchange loss</b>	<b>(1,494)</b>	(449)
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<b>Mark-up paid on Islamic mode of financing</b>	-	-
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**Profits earned or interest paid on any conventional loan / advance**

Interest paid on loans	23,895	18,137
Profit earned on deposits with banks	4	29

**Relationship with shariah compliant banks**

Name	Relationship
BankIslami Pakistan Limited	Bank balance

**13. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 25, 2021.

**14. CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

**15. GENERAL**

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Chief Executive



Director



Chief Financial Officer

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