



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
Web: 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.

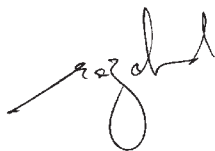
Scope of Review

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)	(1,53,968)
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 دور اپنے 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 بد قسمتی 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:

ششماہی		سہ ماہی		(مبلغ ملین میں)	
31 دسمبر 2020ء	31 دسمبر 2019ء	31 دسمبر 2020ء	31 دسمبر 2019ء		
3,019,881	2,415,537	1,687,353	1,568,462	فروخت	
(2,838,262)	(2,335,141)	(1,586,921)	(1,53,968)	فروخت کی لاگت	
181,619	80,396	100,432	28,774	خام منافع	
(73,381)	(60,871)	(36,913)	(32,916)	آپریٹنگ خرچہ	
10,891	2,202	8,514	1,111	دیگر آمدنی	
(33,395)	(28,730)	(18,116)	(16,468)	فنانسل خرچہ	
85,734	(7,003)	53,917	(19,499)	ٹیکسیشن سے پہلے منافع/(نقصان)	
(44,353)	(34,094)	(25,104)	(22,180)	ٹیکسیشن کے لیے پروویژن	
41,381	(41,097)	28,813	(41,679)	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 تھخص داروں، شراکت داروں کے تعاون اور اپنے ملازمین کے کام کرنے کو سرہاتے 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

	Un Audited 31 December 2020 Note	Audited 30 June 2020 (Rupees in thousands)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 25,000,000 (30 June 2020: 25,000,000) ordinary shares of Rupees 10 each	250,000	250,000
Issued, subscribed and paid-up share capital 8,640,000 (30 June 2020: 8,640,000) ordinary shares of Rupees 10 each	86,400	86,400
Reserves	713,519	713,305
Accumulated loss	(224,708)	(266,089)
Total equity	575,211	533,616
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	4 7,502	14,036
Deferred liabilities	18,442	-
	25,944	14,036
CURRENT LIABILITIES		
Trade and other payables	1,095,417	839,599
Accrued mark-up	10,301	5,559
Short term borrowings	709,817	324,420
Current portion of long term liabilities	47,160	2,250
Unclaimed dividend	4,335	4,424
	1,867,030	1,176,252
Total liabilities	1,892,974	1,190,288
CONTINGENCIES AND COMMITMENTS	5 -	-
TOTAL EQUITY AND LIABILITIES	2,468,185	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		
ASSETS			
NON-CURRENT ASSETS			
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		-	-
		799,605	828,075
CURRENT ASSETS			
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
		1,668,580	895,829
TOTAL ASSETS		2,468,185	1,723,904



Chief Executive



Director



Chief Financial Officer

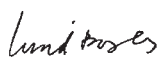
SHAMS TEXTILE MILLS LIMITED

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	3,019,881	2,415,537	1,687,353	1,568,462
COST OF SALES	7 (2,838,262)	(2,335,141)	1,251,341	(1,539,688)
GROSS PROFIT	181,619	80,396	2,938,694	28,774
DISTRIBUTION COST	(27,729)	(19,733)	(12,326)	(12,403)
ADMINISTRATIVE EXPENSES	(37,804)	(40,225)	(18,520)	(20,623)
OTHER EXPENSES	(7,848)	(913)	(201,908)	110
	(73,381)	(60,871)	(232,754)	(32,916)
	108,238	19,525	2,705,940	(4,142)
OTHER INCOME	10,891	2,202	8,514	1,111
PROFIT / (LOSS) FROM OPERATIONS	119,129	21,727	2,714,454	(3,031)
FINANCE COST	(33,395)	(28,730)	(18,116)	(16,468)
PROFIT / (LOSS) BEFORE TAXATION	85,734	(7,003)	2,696,338	(19,499)
TAXATION	(44,353)	(34,094)	19,249	(22,180)
PROFIT / (LOSS) AFTER TAXATION	41,381	(41,097)	2,715,587	(41,679)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	4.79	(4.76)	314.30	(4.82)

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



Chief Executive



Director



Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

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)			
PROFIT / (LOSS) AFTER TAXATION	41,381	(41,097)	28,813	(41,679)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Surplus arising on remeasurement of investments at fair value through other comprehensive income	214	7,519	4,474	9,312
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	214	7,519	4,474	9,312
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	41,595	(33,578)	33,287	(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 FVTOCI investments	Sub total	General reserve				
		(Rupees in thousands)							
Balance as at 30 June 2019 (Audited)	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)	
Balance as at 31 December 2019 (Un-audited)	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)	
Balance as at 30 June 2020 (Audited)	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	41,381	
Balance as at 31 December 2020 (Un-audited)	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.

Lund Prasanna
Chief Executive

M. B. B. B.
Director

Y. J. J. J.
Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

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)	
CASH FLOWS FROM OPERATING ACTIVITIES			
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)
Net cash used in operating activities		(377,970)	(347,428)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,654)	(2,589)
Dividend received		167	180
Net cash used in investing activities		(4,487)	(2,409)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(6,534)
Short term borrowings - net		385,397	346,018
Dividend paid		(89)	(8,902)
Net cash from financing activities		385,308	330,582
Net Increase / (decrease) in cash and cash equivalents		2,851	(19,255)
Cash and cash equivalents at the beginning of the period		7,074	27,298
Cash and cash equivalents at the end of the period		9,925	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.

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

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

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

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

	Un-audited Half Year Ended	
	31 December 2020	31 December 2019
	(Rupees in thousand)	
8 CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit / (loss) before taxation	85,734	(7,003)
Adjustments for non-cash charges and other items:		
Depreciation	33,337	35,012
Finance cost	33,395	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	(5,484)	-
Dividend income	(167)	(180)
Working capital changes (Note 8.1)	(476,525)	(350,708)
	(329,710)	(293,686)
8.1 (Increase) / decrease in current assets:		
- Stores and spare parts	4,630	(2,495)
- Stock-in-trade	(523,469)	(502,819)
- Trade debts	(256,694)	(153,780)
- Advances	(11,583)	6,787
- Short term prepayment	(3,273)	(3,022)
- Other receivables	(2,444)	4,759
- Sales tax refundable	-	31,882
	(792,833)	(618,688)
Increase in trade and other payables	316,308	267,980
	(476,525)	(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				
Financial assets				
Investments at fair value through other comprehensive income	46,357	-	-	46,357
Total financial assets	46,357	-	-	46,357
Recurring fair value measurements At 30 June 2020	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Investments at fair value through other comprehensive income	46,144	-	-	46,144
Total financial assets	46,144	-	-	46,144

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
FINANCIAL STATEMENTS (Un-Audited)**
For The Half Year Ended 31 December 2020

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
(Rupees in thousand)					
Associated companies					
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	
Other related parties					
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	
ii. Period end balances		As at 31 December 2020 (Un-audited)			
	Associated Companies	Other related Parties	Total		
(Rupees in thousand)					
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		
		As at 30 June 2020 (Audited)			
	Associated Companies	Other related Parties	Total		
(Rupees in thousand)					
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
FINANCIAL STATEMENTS (Un-Audited)**
For The Half Year Ended 31 December 2020

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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Revenue earned from shariah compliant business	3,019,881	2,415,537
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**Gain / (loss) or dividend earned from
shariah complaint investments**

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

Exchange loss	(1,494)	(449)
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Mark-up paid on Islamic mode of financing

	-	-
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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.

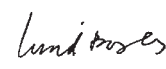
14. CORRESPONDING FIGURES

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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