



SHAMS TEXTILE MILLS LIMITED

## 9 MONTHS REPORT

March 31, 2021

(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 Mazhar 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

## DIRECTORS' REPORT

The Board of Directors is pleased to present a review and report on the performance of the Company for the nine months period ended March 31, 2021.

**General Review**

During the period under review your Company has shown a much improved performance as compared to the previous period. The net profit has increased to Rs.227.00 Million from Rs.(65.384) Million. Overall, the Company has performed well which is reflected in the results.

**Financial summary of the current quarter is as follow:**

	<b>NINE MONTHS ENDED</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>(Rupees in thousands)</b>	
SALES	<b>5,161,049</b>	3,967,597
COST OF SALES	<b>(4,685,050)</b>	(3,821,512)
GROSS PROFIT	<b>475,999</b>	146,085
DISTRIBUTION COST	<b>(51,777)</b>	(38,586)
ADMINISTRATIVE EXPENSES	<b>(58,649)</b>	(59,893)
OTHER EXPENSES	<b>(26,076)</b>	(14,526)
	<b>(136,502)</b>	(113,005)
OTHER INCOME	<b>339,497</b>	33,080
	<b>11,459</b>	3,005
PROFIT FROM OPERATIONS	<b>350,956</b>	36,085
FINANCE COST	<b>(48,930)</b>	(45,962)
PROFIT /(LOSS) BEFORE TAXATION	<b>302,026</b>	(9,877)
TAXATION	<b>(75,026)</b>	(55,507)
PROFIT/(LOSS) AFTER TAXATION	<b>227,000</b>	(65,384)

**Future Prospects:**

The cotton crop this year was extremely low resulting in higher prices. The quantity has also below required standard. The industry has had to resort to heavy import to meet their requirement for raw material. Synthetic Fibers also traded much higher. However, better end product prices to some extent compensated for this high raw material cost. The Company faced many other operational challenges which were overcome by the management. The Corona virus pandemic also created huge problems. This pandemic continues with increase intensity affecting the overall population. Your Company is taking step to mitigate the effect on our work force. It is difficult to predict the company's performance over the last quarter of the current financial year. However, the Company is making extra efforts to give reasonable results.

**ACKNOWLEDGEMENTS:**

We would like to thank the Board of Directors for their guidance at all times to all employees and shareholders for their cooperation. For and on behalf of Board of Director's

For and On behalf of Board of Directors



**Khalid Bashir**  
Chief Executive

**29 April 2021**  
Lahore



**Asif Bashir**  
Director

## ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹر 31 مارچ 2021 کو ختم ہونے والے سہ ماہی کے لیے کمپنی کی کارکردگی کے بارے میں جائزہ لینے اور رپورٹ پیش کرنے پر خوش ہیں۔

### عمومی جائزہ:

زیر جائزہ مدت کے دوران آپ کی کمپنی نے گزشتہ ادوار کے مقابلے میں کافی بہتر کارکردگی دکھائی ہے۔ خالص منافع (65.384) ملین روپے سے بڑھ کر 227.00 ملین روپے ہو گیا ہے۔ مجموعی طور پر کمپنی نے عمدہ کارکردگی کا مظاہرہ کیا ہے۔ جو نتائج میں ظاہر ہوتا ہے۔ موجودہ مدت کا مالی خلاصہ مندرجہ ذیل ہے۔

31 مارچ 2020ء	31 مارچ 2021ء	(ملین میں)
3,967,597 (3,821,512)	5,161,049 (4,685,050)	فروخت فروخت کی لاگت
146,085 (38,586) (59,893) (14,526) (113,005)	475,999 (51,777) (58,649) (26,076) (136,502)	خام مانع تعمیم کی لاگت انتظامی اخراجات دیگر اخراجات
33,080 3,005	339,497 11,459	دیگر آمدنی
36,085 (45,962)	350,956 (48,930)	آپریٹنگ سے نفع مالیاتی اخراجات
(9,877) (55,507)	302,026 (75,026)	ٹیکسیشن سے پہلے نفع / (نقصان) ٹیکسیشن
(65,384)	227,000	ٹیکسیشن کے بعد نفع / (نقصان)

### مستقبل کی امکانات:

اس سال کپاس کی فصل انتہائی کم تھی جس کی نتیجے میں قیمتیں زیادہ تھیں۔ مقدار بھی ضروری معیار کے مطابق نہیں تھی۔ اس صنعت کو خام مال کی ضرورت پوری کرنے کے لیے بھاری درآمد کا سہارا لینا پڑا۔ مصنوعی ریشموں میں بھی بہت کاروبار ہوا۔ تاہم کسی حد تک پیداوار کی بہتر قیمتوں نے خام مال کی اونچی قیمت کی تلافی کی ہے۔ کمپنی کو بہت سے دوسرے انتظامی چیلنجوں کا سامنا کرنا پڑا جن پر انتظامیہ نے قابو پا لیا۔ وبائی مرض کا رونا وائرس نے بھی بڑے مسائل پیدا کر دیے ہیں۔ اس وبائی مرض کی شدت بڑھتی جا رہی ہے جس سے مجموعی آبادی متاثر ہو رہی ہے۔ آپ کی کمپنی ہماری افرادی قوت پر اثر کو کم کرنے کے لیے اقدامات کر رہی ہے۔ موجودہ مالی سال کی آخری سہ ماہی میں کمپنی کی کارکردگی کا اندازہ لگانا مشکل ہے۔ تاہم کمپنی معقول نتائج دینے کے لیے اضافی کوششیں کر رہی ہے۔

### اظہار تشکر:

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

آصف بشیر  
ڈائریکٹر

خالد بشیر  
چیف ایگزیکٹو  
29 اپریل 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
As At 31 March 2021

	Un Audited 31 March 2021 Note	Audited 30 June 2020 (Rupees in thousands)
<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>711,576</b>	713,305
<b>Accumulated loss</b>	<b>(39,089)</b>	(266,089)
<b>Total equity</b>	<b>758,887</b>	533,616
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	4 <b>4,236</b>	14,036
	<b>4,236</b>	14,036
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,493,090</b>	839,599
Accrued mark-up	<b>11,531</b>	5,559
Short term borrowings	<b>641,174</b>	324,420
Current portion of long term liabilities	<b>12,050</b>	2,250
Unclaimed dividend	<b>4,334</b>	4,424
	<b>2,162,179</b>	1,176,252
<b>Total liabilities</b>	<b>2,166,415</b>	1,190,288
<b>CONTINGENCIES AND COMMITMENTS</b>	5 -	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,925,302</b>	1,723,904

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



Chief Executive



Director



Chief Financial Officer

		<b>Un Audited 31 March 2021 (Rupees in thousands)</b>	<b>Audited 30 June 2020</b>
	<b>Note</b>		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<b>6</b>	<b>763,925</b>	780,355
Long term investments		<b>44,415</b>	46,144
Long term security deposits		<b>1,576</b>	1,576
Deferred income tax asset		-	-
		<b>809,916</b>	828,075
<b>CURRENT ASSETS</b>			
Stores and spare parts		<b>70,259</b>	63,053
Stock-in-trade		<b>1,334,451</b>	634,399
Trade debts		<b>631,176</b>	94,477
Advances		<b>21,266</b>	11,949
Short term prepayment		<b>1,628</b>	-
Other receivables		<b>26,002</b>	24,060
Sales tax refundable		<b>25,721</b>	25,721
Taxation - net		<b>1,692</b>	35,096
Cash and bank balances		<b>3,191</b>	7,074
		<b>2,115,386</b>	895,829
<b>TOTAL ASSETS</b>			
		<b>2,925,302</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 Nine Months Ended 31 March 2021

Note	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(Rupees in thousands)				
SALES	<b>5,161,049</b>	3,967,597	<b>2,141,168</b>	1,552,060
COST OF SALES	<b>7 (4,685,050)</b>	(3,821,512)	<b>(1,846,788)</b>	(1,486,371)
GROSS PROFIT	<b>475,999</b>	146,085	<b>294,380</b>	65,689
DISTRIBUTION COST	<b>(51,777)</b>	(38,586)	<b>(24,048)</b>	(18,853)
ADMINISTRATIVE EXPENSES	<b>(58,649)</b>	(59,893)	<b>(20,845)</b>	(19,668)
OTHER EXPENSES	<b>(26,076)</b>	(14,526)	<b>(18,228)</b>	(13,613)
	<b>(136,502)</b>	(113,005)	<b>(63,121)</b>	(52,134)
	<b>339,497</b>	33,080	<b>231,259</b>	13,555
OTHER INCOME	<b>11,459</b>	3,005	<b>568</b>	803
PROFIT / (LOSS) FROM OPERATIONS	<b>350,956</b>	36,085	<b>231,827</b>	14,358
FINANCE COST	<b>(48,930)</b>	(45,962)	<b>(15,535)</b>	(17,232)
PROFIT / (LOSS) BEFORE TAXATION	<b>302,026</b>	(9,877)	<b>216,292</b>	(2,874)
TAXATION	<b>(75,026)</b>	(55,507)	<b>(30,673)</b>	(21,413)
PROFIT / (LOSS) AFTER TAXATION	<b>227,000</b>	(65,384)	<b>185,619</b>	(24,287)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	<b>26.27</b>	(7.57)	<b>21.48</b>	(2.81)

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



Chief Executive



Director



Chief Financial Officer

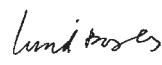


**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
(Un-audited)


For The Nine Months Ended 31 March 2021

	<b>NINE MONTHS ENDED</b>		<b>QUARTER ENDED</b>	
	<b>31 March 2021</b>	31 March 2020	<b>31 March 2021</b>	31 March 2020
	<b>(Rupees in thousands)</b>			
<b>PROFIT/(LOSS) AFTER TAXATION</b>	<b>227,000</b>	(65,384)	<b>185,619</b>	(24,287)
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
(Deficit) / Surplus arising on remeasurement of investments at fair value through other comprehensive income	(1,729)	4,842	(1,943)	(2,677)
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-
<b>Other comprehensive income for the period</b>	<b>(1,729)</b>	4,842	<b>(1,943)</b>	(2,677)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>225,271</b>	(60,542)	<b>183,676</b>	(26,964)

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 Nine Months Ended 31 March 2021

	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)			
<b>Balance as at 30 June 2019 (Audited)</b> Transaction with owners - Dividend for the year ended 30 June 2019 @ Rupees 1.05 per share	86,400	86,400	20,439	106,839	600,000	706,839	(116,811)	676,428	
Loss for the half year ended 31 December 2019	-	-	-	-	-	-	(9,072)	(9,072)	
Other comprehensive Income for the half year ended 31 December 2019	-	-	7,519	7,519	-	7,519	-	(41,097)	
Total comprehensive loss for the half year ended 31 December 2019	-	-	7,519	7,519	-	7,519	-	7,519	
<b>Balance as at 31 December 2019 (Un-audited)</b> Loss for the half year ended 30 June 2020	86,400	86,400	27,958	114,358	600,000	714,358	(166,980)	633,778	
Other comprehensive loss for the half year ended 30 June 2020	-	-	(1,053)	(1,053)	-	(1,053)	-	(99,109)	
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> Profit for the nine months ended 31 March 2021	86,400	86,400	26,905	113,305	600,000	713,305	(266,089)	533,616	
Other comprehensive loss for the nine months ended 31 March 2021	-	-	(1,729)	(1,729)	-	(1,729)	-	227,000	
Total comprehensive Income for the nine months ended 31 March 2021	-	-	(1,729)	(1,729)	-	(1,729)	-	(1,729)	
<b>Balance as at 31 March 2021 (Un-audited)</b>	86,400	86,400	25,176	111,576	600,000	711,576	(39,089)	758,887	

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

*Lund Prasanna*  
Chief Executive

*Sanjay Kumar*  
Director

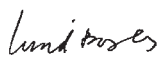
*Sanjay Kumar*  
Chief Financial Officer

## SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Un-Audited)  
For The Nine Months Ended 31 March 2021

		Nine Months Ended	
		31 March	31 March
		2021	2020
	Note	(Rupees in thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash used in operations</b>	<b>8</b>	<b>(203,132)</b>	(251,045)
Finance cost paid		<b>(41,621)</b>	(40,586)
Income tax paid		<b>(42,958)</b>	(49,068)
<b>Net cash used in operating activities</b>		<b>(287,711)</b>	(340,699)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		<b>(34,214)</b>	(32,177)
Dividend received		<b>167</b>	180
Proceeds from sale of property, plant and equipment		<b>1,211</b>	350
<b>Net cash used in investing activities</b>		<b>(32,836)</b>	(31,647)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		<b>-</b>	(9,800)
Short term borrowings - net		<b>316,754</b>	373,431
Dividend paid		<b>(90)</b>	(8,902)
<b>Net cash from financing activities</b>		<b>316,664</b>	354,729
<b>Net Increase / (decrease) in cash and cash equivalents</b>		<b>(3,883)</b>	(17,617)
<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>3,191</b>	9,681

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 Nine Months Ended 31 March 2021

**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.

**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 March 2021</b>	<b>Audited 30 June 2020</b>
	<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>(12,050)</b>	(2,250)
	<b>4,236</b>	14,036

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)**  
For The Nine Months Ended 31 March 2021

**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.

**Commitments**

Letters of credit for other than capital expenditures amounted to Rupees 341.137 million (30 June 2020: Rupees 218.812 million).

	<b>Un-audited 31 March 2021</b>	<b>Audited 30 June 2020</b>
	<b>(Rupees in thousands)</b>	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 6.1)	<b>761,671</b>	780,355
Capital work-in-progress (Note 6.2)	<b>2,254</b>	-
	<b>763,925</b>	780,355
<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>31,960</b>	34,291
Less: Book value of deletions during the period / year (Note 6.1.2)	<b>(372)</b>	(501)
Less: Depreciation charged during the period / year	<b>(50,272)</b>	(71,225)
	<b>761,671</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	<b>29,654</b>	31,737
Vehicles	<b>88</b>	2,554
	<b>31,960</b>	34,291
<b>6.1.2 Book value of deletions</b>		
Plant and machinery	<b>(361)</b>	(501)
Vehicles	<b>(11)</b>	-
	<b>(372)</b>	(501)
<b>6.2 Capital work-in-progress</b>		
Building	<b>2,254</b>	-

	<b>Un-Audited</b>			
	<b>Nine Months Ended 31 March 2021</b>	<b>31 March 2020</b>	<b>Quarter Ended 31 March 2021</b>	<b>31 March 2020</b>
	<b>(Rupees in thousands)</b>			
<b>7 COST OF SALES</b>				
Raw materials consumed	<b>3,949,892</b>	3,101,915	<b>1,566,929</b>	1,001,644
Salaries, wages and other benefits	<b>326,727</b>	309,530	<b>118,613</b>	94,807
Stores and spare parts consumed	<b>101,417</b>	91,099	<b>35,946</b>	29,789
Packing materials consumed	<b>73,783</b>	59,961	<b>27,211</b>	20,038
Repair and maintenance	<b>12,910</b>	11,148	<b>6,294</b>	3,034
Fuel and power	<b>421,433</b>	438,242	<b>133,106</b>	124,727
Insurance	<b>4,394</b>	4,246	<b>1,519</b>	1,471
Other factory overheads	<b>4,623</b>	5,534	<b>1,843</b>	1,734
Depreciation	<b>46,137</b>	48,232	<b>15,535</b>	16,306
	<b>4,941,316</b>	4,069,907	<b>1,906,996</b>	1,293,550

# SHAMS TEXTILE MILLS LIMITED

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited) For The Nine Months Ended 31 March 2021

	Un-Audited			
	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Rupees in thousands)			
Work-in-process:				
Opening stock	44,886	49,915	48,343	38,024
Closing stock	(51,778)	(25,678)	(51,778)	(25,678)
	(6,892)	24,237	(3,435)	12,346
Cost of goods manufactured	4,934,424	4,094,144	1,903,561	1,305,896
Finished goods:				
Opening stock	416,975	256,654	609,576	709,761
Closing stock	(666,349)	(529,286)	(666,349)	(529,286)
	(249,374)	(272,632)	(56,773)	180,475
	4,685,050	3,821,512	1,846,788	1,486,371

	Un-audited Nine Months Ended	
	31 March 2021	31 March 2020
	(Rupees in thousands)	

### 8 CASH (USED IN) / GENERATED FROM OPERATIONS

Profit / (loss) before taxation	302,026	(9,877)
Adjustments for non-cash charges and other items:		
Depreciation	50,272	52,902
Gain on sale of property, plant and equipment	(839)	151
Finance cost	48,930	45,962
Dividend income	(167)	(180)
Working capital changes (Note 8.1)	(603,354)	(340,003)
	(203,132)	(251,045)

#### 8.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores and spare parts	(7,206)	(4,278)
- Stock-in-trade	(700,052)	(340,164)
- Trade debts	(536,699)	(206,150)
- Advances	(9,317)	7,420
- Short term prepayment	(1,628)	(1,543)
- Other receivables	(1,942)	7,697
- Sales tax refundable	-	31,882
	(1,256,844)	(505,136)
Increase in trade and other payables	653,490	165,133
	(603,354)	(340,003)

### 9. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL STATEMENTS

#### (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 March 2021	Level 1	Level 2	Level 3	Total
Rupees in thousands				
Financial assets				
Investments at fair value through other comprehensive income	44,415	-	-	44,415
Total financial assets	44,415	-	-	44,415

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)**  
For The Nine Months Ended 31 March 2021

<b>Recurring fair value measurements At 30 June 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Rupees in thousands</b>				
<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>-</b>	<b>-</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.

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. TRANSACTION 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:

<b>i. Transactions</b>	<b>Un-Audited</b>			
	<b>Nine Months Ended 31 March 2021</b>	<b>31 March 2020</b>	<b>Quarter ended 31 March 2021</b>	<b>31 March 2020</b>
<b>(Rupees in thousands)</b>				
<b>Associated companies</b>				
Sale of goods and services	<b>74,016</b>	124,236	<b>45,637</b>	10,786
Purchase of goods and services	<b>2,632</b>	3,024	<b>102</b>	2,746
Insurance premium	<b>8,173</b>	8,265	<b>561</b>	545
Rent expense	<b>1,800</b>	1,800	<b>600</b>	600
Dividend paid	-	3,078	-	-
Electricity purchased	<b>565</b>	-	-	-
<b>Other related parties</b>				
Company's contribution to employees' provident fund trust	5,629	5,168	1,965	1,866
Remuneration of chief executive, directors and executives	25,460	21,342	8,487	7,114

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)  
For The Nine Months Ended 31 March 2021

ii. Period end balances	As at 31 March 2021 (Un-audited)		
	Associated	Other	Total
	Companies	related Parties	
	(Rupees in thousands)		
Trade and other payables	50,776	170,289	221,065
Trade debts	11,162	-	11,162
Long term investments	8,296	-	8,296
	As at 30 June 2020 (Audited)		
	Associated	Other	Total
	Companies	related Parties	
	(Rupees in thousands)		
Trade and other payables	739	141,206	141,945
Long term investments	10,714	-	10,714
Other receivables	878	-	878

## 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.

## 12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	Un-audited 31 March 2021	Audited 30 June 2020
	(Rupees in thousands)	

**Shariah compliant bank deposits / bank balances**

Bank balances	3	3
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	Un-audited Nine Months Ended 31 March 2021	31 March 2020
	(Rupees in thousands)	

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

Profit on deposits with banks	-	-
<b>Revenue earned from shariah compliant business</b>	<b>5,161,049</b>	3,967,597
<b>Exchange loss</b>	<b>(3,692)</b>	(14,526)
<b>Mark-up paid on Islamic mode of financing</b>	<b>-</b>	-
<b>Profits earned or interest paid on any conventional loan / advance</b>	<b>-</b>	-
Interest paid on loans	42,958	18,137
Profit earned on deposits with banks	5	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 April 29, 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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