



SHAMS TEXTILE MILLS LIMITED

## QUARTERLY REPORT

September 30, 2018

(Un-Audited)



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## COMPANY INFORMATION

**Board of Directors**

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

**Chief Executive Officer**

Khalid Bashir

**Chief Financial Officer**

Farooq Ahmad

**Head of Internal Audit**

Tariq Javed

**Company Secretary**

Hashim Tariq

**Audit Committee**

Khurram Mazhar Karim	(Chairman)
Muhammad Anwar	(Member)
Asif Bashir	(Member)

**Human Resource & Remuneration Committee**

Asif Bashir	(Chairman)
Muhammad Anwar	(Member)
Khurram Mazhar Karim	(Member)

**Share Registrar**

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

**Auditors**

Riaz Ahmad & Company  
Chartered Accountants

**Bankers**

Allied Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
The Bank of Punjab  
United Bank Limited  
Habib Metropolitan Bank Limited

**Registered Office**

7-B-3, Aziz Avenue, Gulberg-5, 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 Directors' report on the operation and financial performance of the Company for the period July 2018 to September 2018.

Despite efforts on the part of the management your Company continues to struggle. The Textile Industry in Pakistan is not showing any sign's of a significant recovery. Our basic raw material is not available us in quality and quantity. This figure may not be achieved. Add to this the quality this year has been lower as compared to previous years which is alarming.

Financially the Company has not done well. Our cost of doing business remains higher and we are facing stiff competition from our competitors.

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

Rs. in million	30 September 2018	30 September 2017
Sales	<b>998.96</b>	964.04
Gross profit	<b>45.84</b>	17.88
Operating expenses	<b>23.16</b>	26.58
Other income	<b>2.69</b>	7.23
Profit / (Loss) from operation	<b>25.37</b>	(1.46)
Finance cost	<b>7.68</b>	12.05
Profit / (Loss) before taxation	<b>17.69</b>	(13.51)
Provision for taxation	<b>12.44</b>	12.05
Profit / (Loss) after taxation	<b>5.25</b>	(25.56)
Profit / (Loss) per share (Rs.)	<b>0.61</b>	(2.96)

**Future Outlook:**

Unfortunately we are not able to project a positive outlook for the current year. Based on currents factors no significant recovery can be foreseen.

**Acknowledgment:**

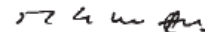
We would like to thank the Board of Directors for their guidance at all times to all employees and shareholders for their cooperation.

For and On behalf of Board of Directors



**Khalid Bashir**  
Chief Executive

**October 29, 2018**  
Lahore



**Muhammad Anwar**  
Director

## ڈائریکٹر رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے سہ ماہی 30 ستمبر 2018ء کے فنانشل پیش کرتا ہوں۔

انتظامیہ کی کوشش کے باوجود آپ کی کمپنی مسلسل جدوجہد کر رہی ہے۔ پاکستان کی ٹیکسٹائل کی صنعت کوئی واضح بہتری نہیں دکھا رہی ہے۔ صنعت کا خام مال اچھی کوالٹی اور مقدار میں میسر نہیں ہے۔ اتنی پیداوار حاصل نہ ہوگی اور حالیہ پیداوار کی کوالٹی پچھلی فصل سے خراب ہے جو کہ خطرناک علامت ہے۔

فنانشل معاملات بھی اس سہ ماہی میں بہتر نہیں رہے۔ ہماری کاروباری لاگت ابھی بھی کافی زیادہ ہے اور ہمیں اپنے مقابل کے ساتھ سخت مقابلہ کا سامنا ہے۔

30 ستمبر 2017ء	30 ستمبر 2018ء	(مبلغ ملین میں)
964.04	<b>998.96</b>	سیلز
17.88	<b>45.84</b>	خام منافع
26.58	<b>23.16</b>	آپریٹنگ خرچہ
7.23	<b>2.69</b>	دیگر آمدنی
(1.46)	<b>25.37</b>	آپریٹنگ نفع / (نقصان)
12.05	<b>7.68</b>	فنانشل خرچہ
(13.51)	<b>17.69</b>	ٹیکسیشن سے پہلے نفع / (نقصان)
12.05	<b>12.44</b>	ٹیکسیشن کے لیے پروویژن
(25.56)	<b>5.25</b>	ٹیکسیشن کے بعد نفع / (نقصان)
(2.96)	<b>0.61</b>	نی شیئر نفع / (نقصان) روپے

### مستقبل کے امکانات:

اس سال کے بارے میں مثبت نقطہ نظر مشکل ہے اور موجودہ حالات میں کوئی اہم پیش رفت نظر نہیں آتی۔

### اظہار تشکر:

ہم تمام بورڈ آف ڈائریکٹرز کی مسلسل رہنمائی کا شکریہ ادا کرتے ہیں اور تمام کارکنوں اور حصہ داروں کا بھی ہمارے ساتھ تعاون کا شکریہ۔

محمد انور

محمد انور

ڈائریکٹر

lund roses

خالد بشیر

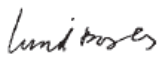
چیف ایگزیکٹو

29 اکتوبر 2018ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
As At September 30, 2018

	<b>Un Audited September 30, 2018</b>	Audited June 30, 2018
	<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 2018: 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 2018: 8,640,000) ordinary shares of Rupees 10 each	<b>86,400</b>	86,400
<b>Reserves</b>		
	<b>596,323</b>	594,668
<b>Total equity</b>	<b>682,723</b>	681,068
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	5	27,103
Deferred income tax liability		21,163
		<b>44,999</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables		657,409
Accrued mark-up		3,032
Short term borrowings		322,772
Current portion of long term financing	6	25,567
Unclaimed dividend		3,838
		<b>1,244,208</b>
<b>Total liabilities</b>		1,060,884
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>7</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,971,930</b>

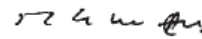
The annexed notes form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer

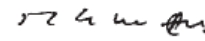


Director

	Un Audited September 30, 2018	Audited June 30, 2018
Note	(Rupees in thousands)	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>8</b> <b>877,002</b>	890,604
Long term deposits	<b>1,576</b>	1,576
	<b>878,578</b>	892,180
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	<b>54,509</b>	65,276
Stock-in-trade	<b>629,896</b>	336,358
Trade debts	<b>188,430</b>	180,720
Advances	<b>1,250</b>	54,772
Short term prepayments	<b>6,368</b>	-
Other receivable	<b>50,400</b>	52,899
Short term investments	<b>47,272</b>	50,867
Sales tax refundable	<b>48,769</b>	44,870
Taxation - net	<b>56,735</b>	59,250
Cash and bank balances	<b>9,723</b>	4,760
	<b>1,093,352</b>	849,772
<b>TOTAL ASSETS</b>	<b>1,971,930</b>	1,741,952

  
Chief Executive

  
Chief Financial Officer

  
Director

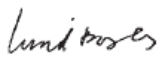
SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
(Un-Audited)

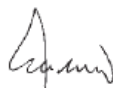
For The Period Ended September 30, 2018

	Note	September 30, 2018 (Rupees in thousands)	September 30, 2017
REVENUE	9	998,953	964,044
COST OF SALES	10	(953,113)	(946,165)
GROSS PROFIT		45,840	17,879
DISTRIBUTION COST		(3,994)	(9,680)
ADMINISTRATIVE EXPENSES		(18,237)	(16,561)
OTHER EXPENSES		(931)	(334)
		(23,162)	(26,575)
		22,678	(8,696)
OTHER INCOME		2,694	7,234
PROFIT / (LOSS) FROM OPERATIONS		25,372	(1,462)
FINANCE COST		(7,681)	(12,049)
PROFIT / (LOSS) BEFORE TAXATION		17,691	(13,511)
TAXATION		(12,441)	(12,051)
PROFIT / (LOSS) AFTER TAXATION		5,250	(25,562)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)		0.61	(2.96)

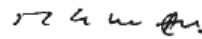
The annexed notes form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



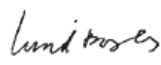
Director



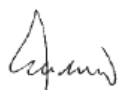
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(Un-audited)  
For The Period Ended September 30, 2018

	<b>September 30, 2018</b>	September 30, 2017
	<b>(Rupees in thousands)</b>	
PROFIT / (LOSS) AFTER TAXATION	<b>5,250</b>	(25,562)
OTHER COMPREHENSIVE (LOSS)		
Items that may be reclassified subsequently to profit or loss:		
(Deficit) on remeasurement of available for sale investments	<b>(3,595)</b>	(6,071)
Other comprehensive (Loss) for the period	<b>(3,595)</b>	(6,071)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	<b>1,655</b>	(31,633)

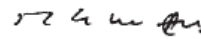
The annexed notes form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)  
For The Period Ended September 30, 2018

	Reserves						TOTAL EQUITY		
	Capital		Revenue		Total reserves				
	SHARE CAPITAL	Premium on issue of right shares	Fair value reserve	Sub total		General reserve		Unappropriated profit / accumulated loss	Sub total
(Rupees in thousands)									
Balance as at 30 June 2017 (Audited)	86,400	86,400	43,695	130,095	600,000	(224,544)	375,456	505,551	591,951
(Loss) for the period ended 30 September 2017	-	-	-	-	-	(25,562)	(25,562)	(25,562)	(25,562)
Other comprehensive loss for the period ended 30 September 2017	-	-	(6,071)	(6,071)	-	-	-	(6,071)	(6,071)
Total comprehensive loss for the period ended 30 September 2017	-	-	(6,071)	(6,071)	-	(25,562)	(25,562)	(31,633)	(31,633)
Balance as at 30 September 2017 (Un-audited)	86,400	86,400	37,624	124,024	600,000	(250,106)	349,894	473,918	560,318
Profit for the period ended 30 June 2018	-	-	-	-	-	126,746	126,746	126,746	126,746
Other comprehensive (loss) for the period ended 30 June 2018	-	-	(5,996)	(5,996)	-	-	-	(5,996)	(5,996)
Total comprehensive income for the period ended 30 June 2018	-	-	(5,996)	(5,996)	-	126,746	126,746	120,750	120,750
Balance as at 30 June 2018 (Audited)	86,400	86,400	31,628	118,028	600,000	(123,360)	476,640	594,668	681,068
Profit for the period ended 30 September 2018	-	-	-	-	-	5,250	5,250	5,250	5,250
Other comprehensive loss for the period ended 30 September 2018	-	-	(3,595)	(3,595)	-	-	-	(3,595)	(3,595)
Total comprehensive income for the period ended 30 September 2018	-	-	(3,595)	(3,595)	-	5,250	5,250	1,655	1,655
Balance as at 30 September 2018 (Un-audited)	86,400	86,400	28,033	114,433	600,000	(118,110)	481,890	596,323	682,723

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

*Amir Bhatti*  
Chief Executive

*Asad*  
Chief Financial Officer

*S. G. K. K.*  
Director

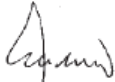
SHAMS TEXTILE MILLS LIMITED

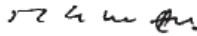
CONDENSED INTERIM STATEMENT OF CASH FLOW (Un-Audited)  
For The Period Ended September 30, 2018

	<b>September 30, 2018</b>	September 30, 2017
<b>Note</b>	<b>(Rupees in thousands)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash generated (used in) / from operations</b>	<b>11 (204,259)</b>	14,685
Finance cost paid	<b>(6,116)</b>	(13,970)
Income tax paid	<b>(9,926)</b>	(8,591)
Dividend paid	-	-
<b>Net cash generated (used in) operating activities</b>	<b>(220,301)</b>	(7,876)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	<b>(7,112)</b>	-
Proceed from property, plant and equipment	<b>3,055</b>	-
Decrease in short term investment	-	12,685
Dividend received	<b>75</b>	75
<b>Net cash (used in) / from investing activities</b>	<b>(3,982)</b>	12,760
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	<b>(15,767)</b>	(20,532)
Long term financing obtained	-	-
Short term borrowings - net	<b>245,013</b>	15,770
<b>Net cash from / (used in) financing activities</b>	<b>229,246</b>	(4,762)
<b>Net increase in cash and cash equivalents</b>	<b>4,963</b>	122
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,760</b>	4,608
<b>Cash and cash equivalents at the end of the period</b>	<b>9,723</b>	4,730

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

  
Chief Executive

  
Chief Financial Officer

  
Director

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (Un-Audited)

For The Period Ended September 30, 2018

**1. THE COMPANY AND ITS OPERATIONS**

Shams Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Ltd. Its registered office is situated at 7-B-3, Aziz Avenue, Gulberg 5, Lahore. The company is engaged in the business of manufacturing, sale and trading of yarn.

**2. BASIS OF PREPARATION**

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to the shareholders, as required by Section 237 of the Companies Act, 2017. This condensed interim financial information of the company for the period ended 30 September 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the company for the year ended 30 June 2018.

**3. ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding audited annual published financial statements of the company for the year ended 30 June 2018.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of this condensed interim financial information 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 this condensed interim financial information, 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 2018.

	<b>Unaudited September 30, 2018</b>	Audited June 30, 2018
	<b>(Rupees in thousands)</b>	
<b>5. LONG TERM FINANCING - SECURED</b>		
Opening balance	<b>52,670</b>	120,502
Less: Repayments during the period / year	<b>15,767</b>	67,832
	<b>36,903</b>	52,670
<b>6. Less: Current portion shown under current liabilities</b>	<b>13,067</b>	25,567
	<b>23,836</b>	27,103

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (Un-Audited)

For The Period Ended September 30, 2018

**7. CONTINGENCIES AND COMMITMENTS**

**Contingencies**

Bank guarantees of Rupees 69.596 million (30 June 2018: Rupees 69.596 million) are given by the bank of the company in favour of Sui Northern Gas Pipelines Limited against gas connections.

**Commitments**

Letters of credit for other than capital expenditures amounted to Rupees 27.188 million (30 June 2018: Rupees 103.383 million).

	<b>Un-audited September 30, 2018 (Rupees in thousands)</b>	Audited June 30, 2018
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets		
Owned (Note 8.1)	<b>877,002</b>	887,854
Capital work-in-progress (Note 8.2)	-	2,750
	<b>877,002</b>	890,604
<b>8.1 Operating fixed assets - owned</b>		
Opening book value	<b>887,854</b>	879,749
Add: Cost of additions during the period / year (Note 8.1.1)	<b>9,862</b>	86,746
	<b>897,716</b>	966,495
Less: Book value of deletions during the period / year (Note 8.1.2)	<b>1,561</b>	29
	<b>896,155</b>	966,466
Less: Depreciation charged during the period / year	<b>19,153</b>	78,612
Closing book value	<b>877,002</b>	887,854
<b>8.1.1 Cost of additions</b>		
Residential Building	-	50,879
Plant and machinery	<b>2,595</b>	28,858
Vehicles	<b>7,267</b>	7,009
	<b>9,862</b>	86,746
<b>8.1.2 Book value of deletions</b>		
Plant and machinery	<b>235</b>	-
Vehicles	<b>1,326</b>	29
	<b>1,561</b>	29
<b>8.2 Capital work-in-progress</b>		
Advance against purchase of vehicle	-	2,750
	-	2,750
	<b>Unaudited September 30, 2018 (Rupees in thousands)</b>	Unaudited September 30, 2017
<b>9. SALES</b>		
Export	<b>18,041</b>	300,924
Local	<b>980,912</b>	663,120
	<b>998,953</b>	964,044

SHAMS TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (Un-Audited)  
For The Period Ended September 30, 2018

	<b>Unaudited September 30, 2018</b>	Unaudited September 30, 2017
	<b>(Rupees in thousands)</b>	
<b>10. COST OF SALES</b>		
Raw material consumed	<b>953,848</b>	656,684
Stores, spares and loose tools consumed	<b>23,993</b>	23,434
Packing materials	<b>19,849</b>	17,428
Salaries, wages and other benefits	<b>95,963</b>	66,833
Fuel and power	<b>141,485</b>	105,995
Repairs and maintenance	<b>4,292</b>	4,503
Insurance	<b>1,828</b>	1,679
Depreciation	<b>17,508</b>	18,493
Other factory overheads	<b>1,240</b>	1,271
	<b>1,260,006</b>	896,320
Work-in-process:		
Opening stock	<b>45,449</b>	33,878
Closing stock	<b>(42,294)</b>	(22,883)
	<b>3,155</b>	10,995
Cost of goods manufactured	<b>1,263,161</b>	907,315
Finished goods:		
Opening stock	<b>105,787</b>	469,235
Closing stock	<b>(415,835)</b>	(430,385)
	<b>(310,048)</b>	38,850
	<b>953,113</b>	946,165
<b>11. CASH GENERATED FROM OPERATIONS</b>		
<b>Profit / (Loss) before taxation</b>	<b>17,691</b>	(13,511)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	<b>19,153</b>	19,178
Gain on sale of investment	-	(1,853)
Dividend received	<b>(75)</b>	(75)
Gain on sale of property, plant and equipment	<b>(1,494)</b>	-
Finance cost	<b>7,681</b>	12,049
Working capital changes (Note 11.1)	<b>(247,215)</b>	(1,103)
	<b>(204,259)</b>	14,685
<b>11.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	<b>10,767</b>	1,323
- Stock-in-trade	<b>(293,538)</b>	37,979
- Trade debts	<b>(7,710)</b>	(76,688)
- Loans and advances	<b>53,522</b>	(5,430)
- Trade deposit and short term prepayments	<b>(6,368)</b>	(5,424)
- Other receivables	<b>2,499</b>	(1,141)
- Sales tax refundable	<b>(3,899)</b>	10,692
	<b>(244,727)</b>	(38,689)
Decrease in trade and other payables	<b>(2,488)</b>	37,586
	<b>(247,215)</b>	(1,103)

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (Un-Audited)

For The Period Ended September 30, 2018

**12. 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 recognised and measured at fair value in this 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 30 September 2018	Level 1	Level 2	Level 3	Total
<b>Rupees in thousand</b>				
<b>Financial assets</b>				
Available for sale financial assets	47,272	-	-	47,272
<b>Total financial assets</b>	<b>47,272</b>	<b>-</b>	<b>-</b>	<b>47,272</b>

Recurring fair value measurements At 30 June 2018	Level 1	Level 2	Level 3	Total
<b>Rupees in thousand</b>				
<b>Financial assets</b>				
Available for sale financial assets	50,867	-	-	64,323
<b>Total financial assets</b>	<b>50,867</b>	<b>-</b>	<b>-</b>	<b>64,323</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 year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise 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 available-for-sale 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 maximise 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.

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (Un-Audited)

For The Period Ended September 30, 2018

**13. TRANSACTION WITH RELATED PARTIES**

The related parties comprise associated undertakings, 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>Un-audited September 30, 2018</b>	Un-audited September 30, 2017
<b>(Rupees in thousands)</b>		
<b>Associated Companies</b>		
Purchase of goods and services	<b>52</b>	70
Insurance premium	<b>8,377</b>	7,323
Rent expense	<b>600</b>	510
Electricity purchased	-	11,567
<b>Other related parties</b>		
Company's contribution to employees' provident fund trust	<b>1,373</b>	1,150

**14. 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 2018.

**15. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved by the Board of Directors of the company and authorized for issue on October 29, 2018.

**16. CORRESPONDING FIGURES**

'In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet 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 profit and loss account, condensed interim statement of profit or loss and other comprehensive income and condensed interim cash flow statement 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.

**17. GENERAL**

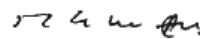
Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



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