



SHAMS TEXTILE MILLS LIMITED

## QUARTERLY REPORT

September 30, 2019

(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  
 Sharik Bashir

**Chief Executive Officer**

Khalid Bashir

**Chief Financial Officer**

Farooq Ahmad

**Company Secretary**

Tariq Javed

**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-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 Directors' report on the operation and financial performance of the Company for the period July 2019 to September 2019.

Despite efforts on the part of the management your Company continues to struggle. The Textile Industry in Pakistan is not showing any signs of a significant recovery. Our basic raw material is not available to us in quality and quantity. The cotton crop has been extensively damaged and the target of production is likely to be missed by a large margin. Add to this the quality this year has been lower as compared to previous years which is alarming.

Financially the Company has not achieved its budgeted targets. 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 2019	30 September 2018
Sales	<b>847.08</b>	998.96
Gross profit	<b>51.62</b>	45.84
Operating expenses	<b>27.95</b>	23.16
Other income	<b>1.09</b>	2.69
Profit from operation	<b>24.76</b>	25.37
Finance cost	<b>12.26</b>	7.68
Profit before taxation	<b>12.49</b>	17.69
Provision for taxation	<b>11.91</b>	12.44
Profit after taxation	<b>0.58</b>	5.25
Profit per share (Rs.)	<b>0.07</b>	0.61

**Future Outlook:**

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

**Acknowledgment:**

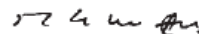
We would like to thank the Board of Directors for their guidance at all times and to all employees and shareholders for their cooperation.

For and On behalf of Board of Directors



**Khalid Bashir**  
Chief Executive

**October 26, 2019**  
Lahore



**Muhammad Anwar**  
Director

## ڈائریکٹر رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے سہ ماہی 30 ستمبر 2019ء 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۔ کپاس کی فصل کو بڑے پیمانے پر نقصان پہنچا ہے اور پیداوار کے اہداف کو بڑے مارجن سے ضائع ہونے کا امکان ہے۔ اس کے ساتھ پچھلے سالوں کے مقابلے میں اس سال معیار کم رہا ہے جو کہ تشویشناک 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 2018ء	30 ستمبر 2019ء	(مبلغ ملین میں)
998.96	<b>847.08</b>	سیلز
45.84	<b>51.62</b>	خام منافع
23.16	<b>27.95</b>	آپریٹنگ خرچہ
2.69	<b>1.09</b>	دیگر آمدنی
25.37	<b>24.76</b>	آپریٹنگ نفع
7.68	<b>12.26</b>	فنانشل خرچہ
17.69	<b>12.49</b>	ٹیکسیشن سے پہلے نفع
12.44	<b>11.91</b>	ٹیکسیشن کے لیے پروویژن
5.25	<b>0.58</b>	ٹیکسیشن کے بعد نفع
0.61	<b>0.07</b>	فی شیئر نفع 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

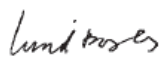
چیف ایگزیکٹو

26 اکتوبر 2019ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
As At September 30, 2019

	<b>Un Audited September 30, 2019</b>	Audited June 30, 2019
	<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 2019: 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 2019: 8,640,000) ordinary shares of Rupees 10 each	<b>86,400</b>	86,400
<b>Reserves</b>	<b>588,817</b>	590,028
<b>Total equity</b>	<b>675,217</b>	676,428
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	5	14,036
Deferred income tax liability	<b>12,526</b>	12,526
	<b>23,295</b>	26,562
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>996,927</b>	876,422
Accrued mark-up	<b>10,941</b>	5,674
Short term borrowings	<b>446,197</b>	131,806
Current portion of long term financing	6	13,067
Unclaimed dividend	<b>4,250</b>	4,266
	<b>1,471,382</b>	1,031,235
<b>Total liabilities</b>	<b>1,494,677</b>	1,057,797
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,169,894</b>	1,734,225

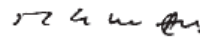
The annexed notes form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer

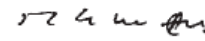


Director

	Un Audited September 30, 2019	Audited June 30, 2019
Note	(Rupees in thousands)	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8 <b>802,891</b>	819,904
Long term investments	<b>68,496</b>	68,289
Long term deposits	<b>1,576</b>	1,576
	<b>872,963</b>	889,769
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	<b>57,231</b>	58,982
Stock-in-trade	<b>936,320</b>	411,980
Trade debts	<b>183,625</b>	223,860
Advances	<b>4,778</b>	18,444
Short term prepayments	<b>4,537</b>	-
Other receivable	<b>31,018</b>	30,928
Sales tax refundable	<b>34,891</b>	36,891
Taxation - net	<b>41,306</b>	36,073
Cash and bank balances	<b>3,225</b>	27,298
	<b>1,296,931</b>	844,456
<b>TOTAL ASSETS</b>	<b>2,169,894</b>	1,734,225

  
Chief Executive

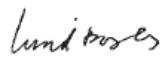
  
Chief Financial Officer

  
Director


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
(Un-Audited)  
For The Period Ended September 30, 2019

	Note	September 30, 2019 (Rupees in thousands)	September 30, 2018
REVENUE	9	847,075	998,953
COST OF SALES	10	(795,453)	(953,113)
GROSS PROFIT		51,622	45,840
DISTRIBUTION COST		(7,330)	(3,994)
ADMINISTRATIVE EXPENSES		(19,602)	(18,237)
OTHER EXPENSES		(1,023)	(931)
		(27,955)	(23,162)
		23,667	22,678
OTHER INCOME		1,091	2,694
PROFIT FROM OPERATIONS		24,758	25,372
FINANCE COST		(12,262)	(7,681)
PROFIT BEFORE TAXATION		12,496	17,691
TAXATION		(11,914)	(12,441)
PROFIT AFTER TAXATION		582	5,250
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		0.07	0.61

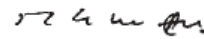
The annexed notes form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



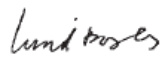
Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(Un-audited)  
For The Period Ended September 30, 2019

	<b>September 30, 2019</b>	September 30, 2018
	<b>(Rupees in thousands)</b>	
PROFIT AFTER TAXATION	<b>582</b>	5,250
OTHER COMPREHENSIVE (LOSS)		
Items that may be reclassified subsequently to profit or loss:		
Deficit arising on remeasurement of available for sale investments to fair value	<b>(1,793)</b>	(3,595)
Other comprehensive loss for the period	<b>(1,793)</b>	(3,595)
<b>TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD</b>	<b>(1,211)</b>	1,655

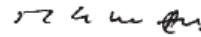
The annexed notes form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)  
For The Period Ended September 30, 2019

	Reserves							TOTAL EQUITY
	SHARE CAPITAL		Capital		Revenue			
	Premium on issue of right shares	Fair value reserve	Sub total	General reserve	Unappropriated profit / accumulated loss)	Sub total	Total reserves	
	(Rupees in thousands)							
Balance as at 30 June 2018 (Audited)	86,400	31,628	1,18,028	600,000	(160,197)	439,803	557,831	644,231
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 profit 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	28,033	1,14,433	600,000	(154,947)	445,053	559,486	645,886
Profit for the period ended 30 June 2019	-	-	-	-	38,136	38,136	38,136	38,136
Other comprehensive loss for the period ended 30 June 2019	-	(7,594)	(7,594)	-	-	-	(7,594)	(7,594)
Total comprehensive income for the period ended 30 June 2019	-	(7,594)	(7,594)	-	38,136	38,136	30,542	30,542
Balance as at 30 June 2019 (Audited)	86,400	20,439	106,839	600,000	(116,811)	483,189	590,028	676,428
Profit for the period ended 30 September 2019	-	-	-	-	582	582	582	582
Other comprehensive loss for the period ended 30 September 2019	-	(1,793)	(1,793)	-	-	-	(1,793)	(1,793)
Total comprehensive loss for the period ended 30 September 2019	-	(1,793)	(1,793)	-	582	582	(1,211)	(1,211)
Balance as at 30 September 2019 (Un-audited)	86,400	18,646	105,046	600,000	(116,229)	483,771	588,817	675,217

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

*Amal Prasad*  
Chief Executive

*Aditya*  
Chief Financial Officer

*S. K. S. S.*  
Director


## SHAMS TEXTILE MILLS LIMITED

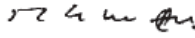
CONDENSED INTERIM STATEMENT OF CASH FLOW (Un-Audited)  
For The Period Ended September 30, 2019

	<b>September 30, 2019</b>	September 30, 2018
<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 (310,689)</b>	(204,259)
Finance cost paid	<b>(6,994)</b>	(6,116)
Income tax paid	<b>(17,148)</b>	(9,926)
Dividend paid	<b>(16)</b>	-
<b>Net cash generated (used in) operating activities</b>	<b>(334,847)</b>	(220,301)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	<b>(440)</b>	(7,112)
Proceed from property, plant and equipment	-	3,055
Decrease in short term investment - available for sale	-	-
Dividend received	<b>90</b>	75
<b>Net cash (used in) / from investing activities</b>	<b>(350)</b>	(3,982)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	<b>(3,267)</b>	(15,767)
Short term borrowings - net	<b>314,391</b>	245,013
<b>Net cash from / (used in) financing activities</b>	<b>311,124</b>	229,246
<b>Net increase in cash and cash equivalents</b>	<b>(24,073)</b>	4,963
<b>Cash and cash equivalents at the beginning of the period</b>	<b>27,298</b>	4,760
<b>Cash and cash equivalents at the end of the period</b>	<b>3,225</b>	9,723

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, 2019

**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 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 of yarn.

**2. BASIS OF PREPARATION**

This condensed interim financial information has 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.

This condensed interim financial information 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 2019. These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

**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 2019.

**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 2019.

	<b>Unaudited September 30, 2019</b>	Audited June 30, 2019
	<b>(Rupees in thousands)</b>	
<b>5. LONG TERM FINANCING - SECURED</b>		
Opening balance	<b>27,103</b>	52,670
Less: Repayments during the period / year	<b>3,267</b>	25,567
	<b>23,836</b>	27,103
<b>6. Less: Current portion shown under current liabilities</b>	<b>13,067</b>	13,067
	<b>10,769</b>	14,036

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

For The Period Ended September 30, 2019

**7. CONTINGENCIES AND COMMITMENTS**

**Contingencies**

Bank guarantees of Rupees 69.596 million (30 June 2019: 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 48.828 million (30 June 2019: Rupees 10.152 million).

	<b>Un-audited September 30, 2019</b>	Audited June 30, 2019
	<b>(Rupees in thousands)</b>	

**8. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets		
Owned (Note 8.1)	<b>802,891</b>	817,790
Capital work-in-progress (Note 8.2)	-	2,114
	<b>802,891</b>	819,904
<b>8.1 Operating fixed assets - owned</b>		
Opening book value	<b>817,790</b>	887,854
Add: Cost of additions during the period / year (Note 8.1.1)	<b>2,554</b>	10,532
	<b>820,344</b>	898,386
Less: Book value of deletions during the period / year (Note 8.1.2)	-	3,497
	<b>820,344</b>	987,889
Less: Depreciation charged during the period / year	<b>17,453</b>	77,099
Closing book value	<b>802,891</b>	817,790
<b>8.1.1 Cost of additions</b>		
Plant and machinery	-	3,265
Vehicles	<b>2,554</b>	7,267
	<b>2,554</b>	10,532
<b>8.1.2 Book value of deletions</b>		
Plant and machinery	-	235
Vehicles	-	3,262
	-	3,497
<b>8.2 Capital work-in-progress</b>		
Advance against purchase of vehicle	-	2,114
	-	2,114

	<b>Unaudited September 30, 2019</b>	Unaudited September 30, 2018
	<b>(Rupees in thousands)</b>	

**9. REVENUE**

Export	<b>158,345</b>	18,041
Local	<b>688,730</b>	980,912
	<b>847,075</b>	998,953

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (Un-Audited)  
For The Period Ended September 30, 2019

	<b>Unaudited September 30, 2019</b>	Unaudited September 30, 2018
	<b>(Rupees in thousands)</b>	
<b>10. COST OF SALES</b>		
Raw material consumed	<b>1,057,599</b>	953,848
Stores, spares and loose tools consumed	<b>30,011</b>	23,993
Packing materials	<b>19,480</b>	19,849
Salaries, wages and other benefits	<b>107,536</b>	95,963
Fuel and power	<b>152,838</b>	141,485
Repairs and maintenance	<b>2,282</b>	4,292
Insurance	<b>1,381</b>	1,828
Depreciation	<b>1,849</b>	17,508
Other factory overheads	<b>15,956</b>	1,240
	<b>1,388,932</b>	1,260,006
Work-in-process:		
Opening stock	<b>49,915</b>	45,449
Closing stock	<b>(37,052)</b>	(42,294)
	<b>12,863</b>	3,155
Cost of goods manufactured	<b>1,401,795</b>	1,263,161
Finished goods:		
Opening stock	<b>256,654</b>	105,787
Closing stock	<b>(862,996)</b>	(415,835)
	<b>(606,342)</b>	(310,048)
	<b>795,453</b>	953,113
<b>11. CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	<b>12,496</b>	17,691
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	<b>17,453</b>	19,153
Dividend received	<b>(90)</b>	(75)
Gain on sale of property, plant and equipment	-	(1,494)
Finance cost	<b>12,262</b>	7,681
Working capital changes (Note 11.1)	<b>(352,810)</b>	(247,215)
	<b>(310,689)</b>	(204,259)
<b>11.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	<b>1,751</b>	10,767
- Stock-in-trade	<b>(524,340)</b>	(293,538)
- Trade debts	<b>40,235</b>	(7,710)
- Loans and advances	<b>13,666</b>	53,522
- Trade deposit and short term prepayments	<b>(4,537)</b>	(6,368)
- Other receivables	<b>(90)</b>	2,499
- Sales tax refundable	-	(3,899)
	<b>(473,315)</b>	(244,727)
Decrease in trade and other payables	<b>120,505</b>	(2,488)
	<b>(352,810)</b>	(247,215)

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

For The Period Ended September 30, 2019

**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 2019	Level 1	Level 2	Level 3	Total
<b>Rupees in thousand</b>				
<b>Financial assets</b>				
At fair value through other comprehensive income assets	68,496	-	-	68,496
<b>Total financial assets</b>	<b>68,496</b>	<b>-</b>	<b>-</b>	<b>68,496</b>

Recurring fair value measurements At 30 June 2019	Level 1	Level 2	Level 3	Total
<b>Rupees in thousand</b>				
<b>Financial assets</b>				
At fair value through other comprehensive income assets	68,289	-	-	64,323
<b>Total financial assets</b>	<b>68,289</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 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, 2019

**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, 2019</b>	Un-audited September 30, 2018
	<b>(Rupees in thousands)</b>	
<b>Associated Companies</b>		
Sale of goods and services	<b>61,727</b>	-
Purchase of goods and services	<b>112</b>	52
Insurance premium	<b>7,147</b>	8,377
Rent expense	<b>600</b>	600
<b>Other related parties</b>		
Company's contribution to employees' provident fund trust	<b>1,542</b>	1,373

**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 2019

**15. DATE OF AUTHORIZATION FOR ISSUE**

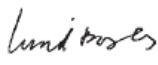
This condensed interim financial information was approved by the Board of Directors of the company and authorized for issue on 26 October 2019.

**16. CORRESPONDING FIGURES**

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

**17. GENERAL**

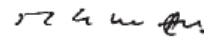
Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



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Chief Financial Officer



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