



SHAMS TEXTILE MILLS LIMITED

QUARTERLY REPORT

September 30, 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
Web: 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 2021 to September 2021.

During the period under review the economy of Pakistan has continued to improve. The Textile sector has also maintained its performance as production and exports have been shown a rising trend. However, inflation has increased at a fast pace and the rupee has continued to deteriorate. This is a cause for alarm and affect the performance of the economy in the next period.

Financial summary of the current quarter is as follow:

| Rs. in million | 30 September 2021 | 30 September 2020 |
|------------------------|----------------------|----------------------|
| Sales | 2,430.27 | 1,332.53 |
| Gross profit | 239.70 | 81.19 |
| Operating expenses | 58.41 | 36.47 |
| Other income | 3.22 | 2.38 |
| Profit from operation | 184.50 | 47.10 |
| Finance cost | 21.73 | 15.28 |
| Profit before taxation | 162.77 | 31.82 |
| Provision for taxation | 29.99 | 19.25 |
| Profit after taxation | 132.78 | 12.57 |
| Profit per share (Rs.) | 15.37 | 1.45 |

Future Outlook:

Your company's performance during this period has been satisfactory. We have so far been able to maintain the company's profitability. However, the future is uncertain and nothing can be predicted for the balance period. We are however, keeping our fingers crossed and doing our best to keep up the momentum.

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 28, 2021
Lahore



Asif Bashir
Director

ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹر 30 ستمبر 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 پاکستان کی معیشت میں بہتری کا سلسلہ جاری ہے۔ ٹیکسٹائل سیکٹر نے بھی اپنی کارکردگی کو برقرار رکھا ہے۔ کیونکہ پیداوار اور برآمدات میں اضافے کا رجحان دیکھا گیا ہے، تاہم مہنگائی تیز رفتاری سے بڑھی ہے اور روپیہ مسلسل گر رہا ہے۔ یہ ایک خطرے کی گھنٹی ہے اور اگلی مدت میں معیشت کی کارکردگی کو متاثر کرنے کا سبب بن سکتا ہے۔

| 30 ستمبر 2020 ء | 30 ستمبر 2021 ء | (مبلغ ملین میں) |
|-----------------|-----------------|------------------------|
| 1,332.53 | 2,430.27 | سیلز |
| 81.19 | 239.70 | خام منافع |
| 36.47 | 58.41 | آپریٹنگ خرچہ |
| 2.38 | 3.22 | دیگر آمدنی |
| 47.10 | 184.50 | آپریٹنگ نفع |
| 15.28 | 21.73 | فنانشل خرچہ |
| 31.82 | 162.77 | ٹیکسیشن سے پہلے نفع |
| 19.25 | 29.99 | ٹیکسیشن کے لیے پروویژن |
| 12.57 | 132.78 | ٹیکسیشن کے بعد نفع |
| 1.45 | 15.37 | فی شیئر نفع روپے |

مستقبل کے امکانات:

اس عرصے کے دوران آپ کی کمپنی کی کارکردگی تسلی بخش رہی ہے۔ ہم اب تک کمپنی کے نفع کو برقرار رکھنے میں کامیاب رہے ہیں۔ تاہم مستقبل غیر یقینی ہے اور باقی مدت کے لیے کچھ بھی نہیں کہا جاسکتا۔ تاہم، ہم اچھے نتیجے کی رفتار کو برقرار رکھنے کی پوری کوشش کر رہے ہیں۔

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 زکان کی رہنمائی اور ان کے مشوروں کا شکریہ ادا کرتے ہیں۔

محمد آصف بشیر
ڈائریکٹر

Lund Poser
خالد بشیر
چیف ایگزیکٹو

28 اکتوبر 2021ء

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As At September 30, 2021

| | Un Audited September 30, 2021 | Audited June 30, 2021 |
|----------------------------------------------------------------------------|----------------------------------------------|-----------------------------|
| | Note | |
| | (Rupees in thousands) | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized share capital | | |
| 25,000,000 (30 June 2021: 25,000,000) ordinary shares of Rupees 10 each | 250,000 | 250,000 |
| Issued, subscribed and paid-up share capital | 86,400 | 86,400 |
| Reserves | 951,687 | 809,194 |
| Total equity | 1,038,087 | 895,594 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Gas Infrastructure Development Cess (GIDC) | 3,648 | 3,648 |
| | 3,648 | 3,648 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 1,312,605 | 1,067,130 |
| Accrued mark-up | 13,415 | 7,391 |
| Short term borrowings | 883,362 | 549,008 |
| Current portion of non current liabilities | 52,835 | 46,187 |
| Unclaimed dividend | 4,334 | 4,334 |
| | 2,266,551 | 1,674,050 |
| Total liabilities | 2,270,199 | 1,677,698 |
| CONTINGENCIES AND COMMITMENTS | 5 | - |
| TOTAL EQUITY AND LIABILITIES | 3,308,286 | 2,573,292 |

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


Chief Executive


Chief Financial Officer


Director

SHAMS TEXTILE MILLS LIMITED

| | Un Audited September 30, 2021 | Audited June 30, 2021 |
|-------------------------------------|-------------------------------------|-----------------------------|
| Note | (Rupees in thousands) | |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 6 743,704 | 758,780 |
| Long term investments | 56,337 | 46,623 |
| Long term deposits | 1,576 | 1,576 |
| | 801,617 | 806,979 |
| CURRENT ASSETS | | |
| Stores, spare parts and loose tools | 63,762 | 64,636 |
| Stock-in-trade | 1,399,656 | 908,546 |
| Trade debts | 964,837 | 735,048 |
| Advances | 8,267 | 7,326 |
| Short term prepayments | 4,502 | - |
| Other receivable | 32,363 | 29,929 |
| Taxation - net | 354 | 3,243 |
| Cash and bank balances | 32,928 | 17,585 |
| | 2,506,669 | 1,766,313 |
| TOTAL ASSETS | 3,308,286 | 2,573,292 |


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, 2021

| | Note | September 30, 2021 (Rupees in thousands) | September 30, 2020 |
|----------------------------------------------------|------|------------------------------------------------|-----------------------|
| REVENUE | 7 | 2,430,272 | 1,332,528 |
| COST OF SALES | 8 | (2,190,576) | (1,251,341) |
| GROSS PROFIT | | 239,696 | 81,187 |
| DISTRIBUTION COST | | (23,305) | (15,403) |
| ADMINISTRATIVE EXPENSES | | (23,042) | (19,284) |
| OTHER EXPENSES | | (12,064) | (1,781) |
| | | (58,411) | (36,468) |
| | | 181,285 | 44,719 |
| OTHER INCOME | | 3,216 | 2,377 |
| PROFIT FROM OPERATIONS | | 184,501 | 47,096 |
| FINANCE COST | | (21,729) | (15,279) |
| PROFIT BEFORE TAXATION | | 162,772 | 31,817 |
| TAXATION | | (29,992) | (19,249) |
| PROFIT AFTER TAXATION | | 132,780 | 12,568 |
| EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES) | | 15.37 | 1.45 |

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



Chief Executive



Chief Financial Officer



Director

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(Un-audited)
For The Period Ended September 30, 2021

| | September 30, 2021 | September 30, 2020 |
|-------------------------------------------------------------------------------------|-------------------------------|-----------------------|
| | (Rupees in thousands) | |
| PROFIT AFTER TAXATION | 132,780 | 12,568 |
| 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 | 9,713 | (4,260) |
| Other comprehensive profit / loss for the period | 9,713 | (4,260) |
| TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD | 142,493 | 8,308 |

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


Chief Executive


Chief Financial Officer


Director

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Un-Audited)
For The Period Ended September 30, 2021

| | September 30, 2021 | September 30, 2020 |
|-----------------------------------------------------------------|-------------------------------|-----------------------|
| Note | (Rupees in thousands) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash generated (used in) / from operations | 9 (271,934) | (194,699) |
| Finance cost paid | (15,706) | (6,601) |
| Income tax paid | (28,108) | (13,433) |
| Gidc paid | (4,387) | - |
| Dividend paid | - | (89) |
| Net cash generated (used in) operating activities | (320,135) | (214,822) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure on property, plant and equipment | (1,626) | (2,436) |
| Proceed from property, plant and equipment | 2,660 | - |
| Dividend received | 90 | 90 |
| Net cash (used in) / from investing activities | 1,124 | (2,346) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of long term financing | - | - |
| Short term borrowings - net | 334,354 | 218,821 |
| Net cash from financing activities | 334,354 | 218,821 |
| Net increase / (decrease) in cash and cash equivalents | 15,343 | 1,653 |
| Cash and cash equivalents at the beginning of the period | 17,585 | 7,074 |
| Cash and cash equivalents at the end of the period | 32,928 | 8,727 |

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


Chief Executive


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
For The Period Ended September 30, 2021

| | Reserves | | | | | | | TOTAL EQUITY |
|-------------------------------------------------------------------|-----------------------|----------------------------------|--------------------|-----------|-----------------|------------------------------------------|----------------|--------------|
| | SHARE CAPITAL | Capital | | Revenue | | | Total reserves | |
| | | Premium on issue of right shares | Fair value reserve | Sub total | General reserve | Unappropriated profit / accumulated loss | | |
| | | | | | | | | |
| | (Rupees in thousands) | | | | | | | |
| Balance as at 30 June 2020 (Audited) | 86,400 | 26,905 | 1,13,305 | 600,000 | (266,089) | 333,911 | 447,216 | 533,616 |
| Profit for the period ended 30 September 2020 | - | - | - | - | 12,568 | 12,568 | 12,568 | 12,568 |
| Other comprehensive loss for the period ended 30 September 2020 | - | (4,260) | (4,260) | - | - | - | (4,260) | (4,260) |
| Total comprehensive income for the period ended 30 September 2020 | - | (4,260) | (4,260) | - | 12,568 | 12,568 | 8,308 | 8,308 |
| Balance as at 30 September 2020 (Un-audited) | 86,400 | 22,645 | 1,09,045 | 600,000 | (253,521) | 346,479 | 455,524 | 541,924 |
| Profit for the period ended 30 June 2021 | - | - | - | - | 348,931 | 348,931 | 348,931 | 348,931 |
| Other comprehensive profit for period ended 30 June 2021 | - | 4,739 | 4,739 | - | - | - | 4,739 | 4,739 |
| Total comprehensive income for the period ended 30 June 2021 | - | 4,739 | 4,739 | - | 348,931 | 348,931 | 353,670 | 353,670 |
| Balance as at 30 June 2021 (Audited) | 86,400 | 27,384 | 1,13,784 | 600,000 | 95,410 | 695,410 | 809,194 | 895,594 |
| Profit for the period ended 30 September 2021 | - | - | - | - | 132,780 | 132,780 | 132,780 | 132,780 |
| Other comprehensive profit for the period ended 30 September 2021 | - | 9,713 | 9,713 | - | - | - | 9,713 | 9,713 |
| Total comprehensive income for the period ended 30 September 2021 | - | 9,713 | 9,713 | - | 132,780 | 132,780 | 142,493 | 142,493 |
| Balance as at 30 September 2021 (Un-audited) | 86,400 | 37,097 | 1,23,497 | 600,000 | 228,190 | 828,190 | 951,687 | 1,038,087 |

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

Chief Executive
Chief Executive

Chief Financial Officer
Chief Financial Officer

Director
Director

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

For The Period Ended September 30, 2021

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 2021. 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 2021.

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 2021.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

Bank guarantees of Rupees 84.081 million (30 June 2021: Rupees 84.081 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 187.524 million (30 June 2021: Rupees 238.451 million).

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

For The Period Ended September 30, 2021

| | Un-audited September 30, 2021 | Audited June 30, 2021 |
|------------------------------------------------------------------------|----------------------------------------------|------------------------------------|
| | (Rupees in thousands) | |
| 6. PROPERTY, PLANT AND EQUIPMENT | | |
| Operating fixed assets | | |
| Owned (Note 6.1) | 743,704 | 748,210 |
| Capital work-in-progress (Note 6.2) | - | 10,570 |
| | 743,704 | 758,780 |
| 6.1 Operating fixed assets - owned | | |
| Opening book value | 748,210 | 780,355 |
| Add: Cost of additions during the period / year (Note 6.1.1) | 12,196 | 37,060 |
| | 760,406 | 817,415 |
| Less: Book value of deletions during the period / year (Note 6.1.2) | 736 | 1,554 |
| | 759,670 | 815,861 |
| Less: Depreciation charged during the period / year | 15,968 | 67,651 |
| Closing book value | 743,704 | 748,210 |
| 6.1.1 Cost of additions | | |
| Plant and machinery | - | 29,654 |
| Building | 6,543 | 7,318 |
| Vehicles | 5,653 | 88 |
| | 12,196 | 37,060 |
| 6.1.2 Book value of deletions | | |
| Plant and machinery | - | 1,554 |
| Vehicles | 736 | - |
| | 736 | 1,554 |
| 6.2 Capital work-in-progress | | |
| Advance against purchase of vehicle | - | 5,570 |
| Factory Building | - | 5,000 |
| | - | 10,570 |
| | Unaudited September 30, 2021 | Unaudited September 30, 2020 |
| | (Rupees in thousands) | |
| 7. REVENUE | | |
| Export sales | 154,481 | 147,746 |
| Local sales | 2,275,791 | 1,184,782 |
| | 2,430,272 | 1,332,528 |

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

For The Period Ended September 30, 2021

| | Unaudited September 30, 2021 | Unaudited September 30, 2020 |
|--------------------------------------------------------------|---------------------------------------------|------------------------------------|
| | (Rupees in thousands) | |
| 8. COST OF SALES | | |
| Raw material consumed | 1,876,725 | 998,358 |
| Stores, spares and loose tools consumed | 33,713 | 30,907 |
| Packing materials | 29,322 | 20,229 |
| Salaries, wages and other benefits | 137,921 | 100,377 |
| Fuel and power | 158,483 | 136,544 |
| Repairs and maintenance | 3,742 | 3,153 |
| Insurance | 1,462 | 1,393 |
| Other factory overheads | 1,632 | 1,098 |
| Depreciation | 14,679 | 15,292 |
| | 2,257,679 | 1,307,351 |
| Work-in-process: | | |
| Opening stock | 60,331 | 44,886 |
| Closing stock | (69,163) | (34,930) |
| | (8,832) | 9,956 |
| Cost of goods manufactured | 2,248,847 | 1,317,307 |
| Finished goods: | | |
| Opening stock | 606,424 | 416,975 |
| Closing stock | (664,695) | (482,941) |
| | (58,271) | (65,966) |
| | 2,190,576 | 1,251,341 |
| 9. CASH GENERATED FROM OPERATIONS | | |
| Profit before taxation | 162,772 | 31,817 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 15,968 | 16,654 |
| Provision for worker profit participation fund | 8,742 | - |
| Provision for worker welfare fund | 3,322 | - |
| Dividend received | (90) | (90) |
| Gain on sale of property, plant and equipment | (1,925) | - |
| Exchange gain | (24) | - |
| Finance cost | 21,729 | 15,279 |
| Working capital changes (Note 9.1) | (482,428) | (258,359) |
| | (271,934) | (194,699) |
| 9.1 Working capital changes | | |
| (Increase) / decrease in current assets: | | |
| - Stores, spare parts and loose tools | 874 | 6,417 |
| - Stock-in-trade | (491,110) | 17,818 |
| - Trade debts | (229,789) | (416,445) |
| - Loans and advances | (941) | 5,108 |
| - Trade deposit and short term prepayments | (4,502) | (5,319) |
| - Other receivables | (2,434) | 690 |
| | (727,902) | (391,731) |
| Decrease in trade and other payables | 245,474 | 133,372 |
| | (482,428) | (258,359) |

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

For The Period Ended September 30, 2021

10. 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 2021 | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------------------------------|---------------|----------|----------|---------------|
| Rupees in thousand | | | | |
| Financial assets | | | | |
| At fair value through other comprehensive income assets | 56,337 | - | - | 56,337 |
| Total financial assets | 56,337 | - | - | 56,337 |

| Recurring fair value measurements At 30 June 2021 | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------------------------------|---------------|----------|----------|---------------|
| Rupees in thousand | | | | |
| Financial assets | | | | |
| At fair value through other comprehensive income assets | 46,623 | - | - | 64,323 |
| Total financial assets | 46,623 | - | - | 64,323 |

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, 2021

11. 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:

| | Un-audited September 30, 2021 | Un-audited September 30, 2020 |
|-----------------------------------------------------------|----------------------------------------------|-------------------------------------|
| | (Rupees in thousands) | |
| Associated Companies | | |
| Sale of goods and services | 72,928 | 7,646 |
| Purchase of goods and services | 111 | 2,429 |
| Insurance premium | 7,138 | 3,069 |
| Rent expense | 600 | 600 |
| Other related parties | | |
| Company's contribution to employees' provident fund trust | 2,053 | 1,822 |

12. 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 2021

13. 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 28, 2021.

14. CORRESPONDING FIGURES

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



Chief Financial Officer



Director

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