



SHAMS TEXTILE MILLS LIMITED

## 9 MONTHS REPORT

March 31, 2022

(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, 2022.

**General Review**

The performance of your company during the period under review has been much below expectations. Due to financial constraints your company could not cover its raw material requirement when market conditions were favorable and had to make purchases when prices had risen abnormally. We were also not able to dispose off finished goods stocks resulting in large inventories and resultant increase in financial charges. All this affected the profitability of the Company.

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

	<b>NINE MONTHS ENDED</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>(Rupees in thousands)</b>		
SALES	<b>6,992,475</b>	5,161,049
COST OF SALES	<b>(6,484,542)</b>	(4,685,050)
GROSS PROFIT	<b>507,933</b>	475,999
DISTRIBUTION COST	<b>(55,450)</b>	(51,777)
ADMINISTRATIVE EXPENSES	<b>(72,029)</b>	(58,649)
OTHER EXPENSES	<b>(22,250)</b>	(26,076)
	<b>(149,729)</b>	(136,502)
OTHER INCOME	<b>358,204</b>	339,497
	<b>15,423</b>	11,459
PROFIT FROM OPERATIONS	<b>373,627</b>	350,956
FINANCE COST	<b>(73,414)</b>	(48,930)
PROFIT BEFORE TAXATION	<b>300,213</b>	302,026
TAXATION	<b>(86,846)</b>	(75,026)
PROFIT AFTER TAXATION	<b>213,367</b>	227,000

**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. Your Company is taking step to mitigate the effect of these adverse factors. It is difficult to predict the company's performance for 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 Directors

For and On behalf of Board of Directors



**Khalid Bashir**  
Chief Executive

**27 April 2022**  
Lahore



**Asif Bashir**  
Director

## ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹر 31 مارچ 2022 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 کی کارکردگی توقعات سے بہت کم رہی ہے مالی مجبوریوں کی وجہ سے آپ کی کمپنی اپنی خام مال کی ضروریات کو پورا نہیں کر سکی جبکہ مارکیٹ کے حالات سازگار تھے اور قیمتوں میں غیر معمولی اضافہ ہونے پر خریداری کرنا پڑی۔ ہم تیار مال کو بھی فروخت کرنے کے قابل نہیں تھے جس کے نتیجے میں بہت زیادہ مقدار میں تیار مال اکٹھا ہو گیا اور مالی اخراجات میں اضافہ ہوا۔ ان سب نے کمپنی کے منافع کو متاثر کیا۔ موجودہ مدت کا مالی خلاصہ مندرجہ ذیل ہے۔

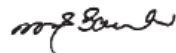
31 مارچ 2021ء	31 مارچ 2022ء	(ملین روپے میں)
5,161,049 (4,685,050)	6,992,475 (6,484,542)	فروخت فروخت کی لاگت
475,999 (51,777) (58,649) (26,076)	507,933 (55,450) (72,029) (22,250)	خام منافع تقسیم کی لاگت انتظامی اخراجات دیگر اخراجات
(136,502)	(149,729)	
339,497 11,459	358,204 15,423	دیگر آمدنی
350,956 (48,930)	373,627 (73,414)	آپریٹنگ سے نفع مالیاتی اخراجات
302,026 (75,026)	300,213 (86,846)	فیکسیشن سے پہلے نفع فیکسیشن
227,000	213,367	فیکسیشن کے بعد نفع

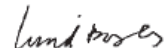
### مستقبل کی امکانات:

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 پایا۔ آپ کی کمپنی ان منفی عوامل کے اثرات کو کم کرنے کے لیے اقدامات کر رہی ہے۔ مجبورہ 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، 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 اشیر  
ڈائریکٹر

  
خالد بشیر  
چیف ایگزیکٹو  
27 اپریل 2022

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
As At 31 March 2022

	<b>Un Audited 31 March 2022</b>	Audited 30 June 2021
<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 2021: 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 2021: 8,640,000) ordinary shares of Rupees 10 each	<b>86,400</b>	86,400
Reserves	<b>729,036</b>	713,784
Accumulated loss	<b>291,497</b>	95,410
<b>Total equity</b>	<b>1,106,933</b>	895,594
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Gas infrastructure development cess (GIDC) payable	-	3,648
	-	3,648
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,844,745</b>	1,067,130
Accrued mark-up	<b>26,037</b>	7,391
Short term borrowings	<b>817,071</b>	549,008
Current portion of non-current liabilities	<b>37,940</b>	46,187
Unclaimed dividend	<b>4,627</b>	4,334
	<b>2,730,420</b>	1,674,050
<b>Total liabilities</b>	<b>2,730,420</b>	1,677,698
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>4</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,837,353</b>	2,573,292

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

  
Chief Executive

  
Director

  
Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

		Un Audited 31 March 2022	Audited 30 June 2021
	Note	(Rupees in thousands)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	726,875	758,780
Long term investments		61,876	46,623
Long term security deposits		7,736	1,576
Deferred income tax asset		-	-
		<b>796,487</b>	806,979
<b>CURRENT ASSETS</b>			
Stores and spare parts		84,333	64,636
Stock-in-trade		1,925,824	908,546
Trade debts		974,059	735,048
Advances		8,836	7,326
Short term prepayment		1,439	-
Other receivables		38,127	29,929
Taxation - net		5,058	3,243
Cash and bank balances		3,190	17,585
		<b>3,040,866</b>	1,766,313
<b>TOTAL ASSETS</b>		<b>3,837,353</b>	2,573,292

  
Chief Executive

  
Director

  
Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

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

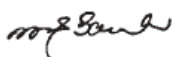
For The Nine Months Ended 31 March 2022

	Note	NINE MONTHS ENDED		QUARTER ENDED	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
(Rupees in thousands)					
SALES		<b>6,992,475</b>	5,161,049	<b>2,184,170</b>	2,141,168
COST OF SALES	<b>6</b>	<b>(6,484,542)</b>	(4,685,050)	<b>(2,110,954)</b>	(1,846,788)
GROSS PROFIT		<b>507,933</b>	475,999	<b>73,216</b>	294,380
DISTRIBUTION COST		<b>(55,450)</b>	(51,777)	<b>(17,686)</b>	(24,048)
ADMINISTRATIVE EXPENSES		<b>(72,029)</b>	(58,649)	<b>(25,134)</b>	(20,845)
OTHER EXPENSES		<b>(22,250)</b>	(26,076)	<b>2,743</b>	(18,228)
		<b>(149,729)</b>	(136,502)	<b>(40,077)</b>	(63,121)
		<b>358,204</b>	339,497	<b>33,139</b>	231,259
OTHER INCOME		<b>15,423</b>	11,459	<b>9,221</b>	568
PROFIT FROM OPERATIONS		<b>373,627</b>	350,956	<b>42,360</b>	231,827
FINANCE COST		<b>(73,414)</b>	(48,930)	<b>(28,596)</b>	(15,535)
PROFIT BEFORE TAXATION		<b>300,213</b>	302,026	<b>13,764</b>	216,292
TAXATION		<b>(86,846)</b>	(75,026)	<b>(29,253)</b>	(30,673)
PROFIT / (LOSS) AFTER TAXATION		<b>213,367</b>	227,000	<b>(15,489)</b>	185,619
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)		<b>24.70</b>	26.27	<b>(1.79)</b>	21.48

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



Chief Executive



Director



Chief Financial Officer



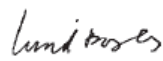
SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(Un-audited)

For The Nine Months Ended 31 March 2022

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees in thousands)			
<b>PROFIT/(LOSS) AFTER TAXATION</b>	<b>213,367</b>	227,000	<b>(15,489)</b>	186,619
<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	15,252	(1,729)	(1,362)	(1,943)
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-
<b>Other comprehensive income for the period</b>	<b>15,252</b>	(1,729)	<b>(1,362)</b>	(1,943)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>228,619</b>	225,271	<b>(16,851)</b>	183,676

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 2022

	Reserves					TOTAL RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	Capital		Revenue					
	Premium on issue of right shares	Fair value reserve FVTOCI Investments	Sub total	General reserve				
SHARE CAPITAL								
<b>Balance as at 30 June 2020 (Audited)</b>	86,400	26,905	113,305	600,000	713,305	(266,089)	533,616	
Profit for the nine months ended 31 March 2021	-	-	-	-	-	227,000	227,000	
Other comprehensive loss for nine months ended 31 March 2021	-	(1,729)	(1,729)	-	(1,729)	-	(1,729)	
Total comprehensive income for the nine months ended 31 March 2021	-	(1,729)	(1,729)	-	(1,729)	227,000	225,271	
<b>Balance as at 31 March 2021 (Un-audited)</b>	86,400	25,176	111,576	600,000	711,576	(39,089)	758,887	
Profit for the three months ended 30 June 2021	-	-	-	-	-	134,499	134,499	
Other comprehensive income for the nine months ended 30 June 2021	-	2,208	2,208	-	2,208	-	2,208	
Total comprehensive income for the three months ended 30 June 2021	-	2,208	2,208	-	2,208	134,499	136,707	
<b>Balance as at 30 June 2021 (Audited)</b>	86,400	27,384	113,784	600,000	713,784	95,410	895,594	
Transaction with owners - Dividend for the year ended 30 June 2021 @ Rupees 2.0 per share	-	-	-	-	-	(17,280)	(17,280)	
Profit for the nine months ended 31 March 2022	-	-	-	-	-	213,367	213,367	
Other comprehensive income for the nine months ended 31 March 2022	-	15,252	15,252	-	15,252	-	15,252	
Total comprehensive Income for the nine months ended 31 March 2022	-	15,252	15,252	-	15,252	213,367	228,619	
<b>Balance as at 31 March 2022 (Un-audited)</b>	86,400	42,636	129,036	600,000	729,036	291,497	1,106,933	

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

*Leon Brooks*  
Chief Executive

*Yograj*  
Director

*Yograj*  
Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Un-Audited)  
For The Nine Months Ended 31 March 2022

	Nine Months Ended	
	31 March 2022	31 March 2021
Note	(Rupees in thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash used in operations</b>	<b>7 (67,473)</b>	(203,132)
Finance cost paid	(56,548)	(41,621)
Income tax paid	(88,661)	(42,958)
GIDC paid	(13,161)	-
Worker profit participation fund paid	(25,066)	-
<b>Net cash used in operating activities</b>	<b>(250,909)</b>	(287,711)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(17,613)	(34,214)
Dividend received	180	167
Proceeds from sale of property, plant and equipment	2,871	1,211
<b>Net cash used in investing activities</b>	<b>(14,562)</b>	(32,836)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	268,063	316,754
Dividend paid	(16,987)	(90)
<b>Net cash from financing activities</b>	<b>251,076</b>	316,664
<b>Net (decrease) in cash and cash equivalents</b>	<b>(14,395)</b>	(3,883)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>17,585</b>	7,074
<b>Cash and cash equivalents at the end of the period</b>	<b>3,190</b>	3,191

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 2022

**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 2021. 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 2021.

**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 2021.

**4. CONTINGENCIES AND COMMITMENTS**

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 2021.

**Commitments**

- i) Letters of credit for other than capital expenditures amounted to Rupees 52.947 million (30 June 2021: Rupees 238.451 million).

SHAMS TEXTILE MILLS LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)**  
For The Nine Months Ended 31 March 2022

	<b>Unaudited 31 March 2022</b>	Audited 30 June 2021		
<b>(Rupees in thousands)</b>				
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>				
Operating fixed assets (Note 5.1)	<b>724,275</b>	748,210		
Capital work-in-progress (Note 5.2)	<b>2,600</b>	10,570		
	<b>726,875</b>	758,780		
<b>5.1 Operating fixed assets</b>				
Opening book value	<b>748,210</b>	780,355		
Add: Cost of additions during the period / year (Note 5.1.1)	<b>25,583</b>	37,060		
Less: Book value of deletions during the period / year (Note 5.1.2)	<b>(750)</b>	(1,554)		
Less: Depreciation charged during the period / year	<b>(48,768)</b>	(67,651)		
	<b>724,275</b>	748,210		
<b>5.1.1 Cost of additions</b>				
Residential and other buildings on freehold land	<b>6,543</b>	7,318		
Plant and machinery	<b>10,349</b>	29,654		
Vehicles	<b>8,691</b>	88		
	<b>25,583</b>	37,060		
<b>5.1.2 Book value of deletions</b>				
Plant and machinery	-	(1,543)		
Vehicles	<b>(750)</b>	(11)		
	<b>(750)</b>	(1,554)		
<b>5.2 Capital work-in-progress</b>				
Building	-	5,000		
Advance against purchase of vehicle	<b>2,600</b>	5,570		
	<b>2,600</b>	10,570		
<b>Un-Audited</b>				
	<b>Nine Months Ended</b>	<b>31 March</b>	<b>Quarter Ended</b>	
	<b>31 March</b>	31 March	<b>31 March</b>	
	<b>2022</b>	2021	<b>2022</b>	
			31 March	
			2021	
<b>(Rupees in thousands)</b>				
<b>6 COST OF SALES</b>				
Raw materials consumed	<b>6,110,177</b>	3,949,892	<b>2,175,717</b>	1,566,929
Salaries, wages and other benefits	<b>400,180</b>	326,727	<b>125,814</b>	118,613
Stores and spare parts consumed	<b>105,561</b>	101,417	<b>33,335</b>	35,946
Packing materials consumed	<b>86,189</b>	73,783	<b>26,699</b>	27,211
Repair and maintenance	<b>10,695</b>	12,910	<b>3,267</b>	6,294
Fuel and power	<b>554,687</b>	421,433	<b>219,629</b>	133,106
Insurance	<b>5,059</b>	4,394	<b>1,907</b>	1,519
Other factory overheads	<b>5,857</b>	4,623	<b>1,901</b>	1,843
Depreciation	<b>44,378</b>	46,137	<b>14,937</b>	15,535
	<b>7,322,783</b>	4,941,316	<b>2,603,206</b>	1,906,996
Work-in-process:				
Opening stock	<b>60,331</b>	44,886	<b>82,171</b>	48,343
Closing stock	<b>(85,774)</b>	(51,778)	<b>(85,774)</b>	(51,778)
	<b>(25,443)</b>	(6,892)	<b>(3,603)</b>	(3,435)
Cost of goods manufactured	<b>7,297,340</b>	4,934,424	<b>2,599,603</b>	1,903,561
Finished goods:				
Opening stock	<b>606,424</b>	416,975	<b>930,573</b>	609,576
Closing stock	<b>(1,419,222)</b>	(666,349)	<b>(1,419,222)</b>	(666,349)
	<b>(812,798)</b>	(249,374)	<b>(488,649)</b>	(56,773)
	<b>6,484,542</b>	4,685,050	<b>2,110,954</b>	1,846,788

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)  
For The Nine Months Ended 31 March 2022

	Un-audited Nine Months Ended	
	31 March 2022	31 March 2021
(Rupees in thousands)		
<b>7 CASH USED IN OPERATIONS</b>		
<b>Profit / (loss) before taxation</b>	300,213	302,026
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	48,768	50,272
Gain on sale of property, plant and equipment	(2,121)	(839)
Finance cost	73,414	48,930
Dividend income	(180)	(167)
Exchange gain	(298)	-
Provision for Worker profit participation fund	16,123	-
Provision for worker welfare fund	6,127	-
Working capital changes (Note 8.1)	(509,519)	(603,354)
	<b>(67,473)</b>	<b>(203,132)</b>
<b>7.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
- Stores and spare parts	(19,698)	(7,206)
- Stock-in-trade	(1,017,278)	(700,052)
- Trade debts	(239,011)	(536,699)
- Advances	(1,510)	(9,317)
- Short term prepayment	(1,439)	(1,628)
- Other receivables	(8,198)	(1,942)
	<b>(1,287,134)</b>	<b>(1,256,844)</b>
Increase in trade and other payables	777,615	653,490
	<b>(509,519)</b>	<b>(603,354)</b>

**8. 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 2022	Level 1	Level 2	Level 3	Total
---	---------	---------	---------	-------

Rupees in thousands

**Financial assets**

Investments at fair value through other comprehensive income	61,876	-	-	61,876
<b>Total financial assets</b>	<b>61,876</b>	<b>-</b>	<b>-</b>	<b>61,876</b>

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
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Rupees in thousands

**Financial assets**

Investments at fair value through other comprehensive income	46,623	-	-	46,623
<b>Total financial assets</b>	<b>46,623</b>	<b>-</b>	<b>-</b>	<b>46,623</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.

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)**  
For The Nine Months Ended 31 March 2022

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.

**9. 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:

i. Transactions	Un-Audited			
	Nine Months Ended 31 March 2022	31 March 2021	Quarter ended 31 March 2022	31 March 2021
<b>(Rupees in thousands)</b>				
<b>Associated companies</b>				
Sale of goods and services	76,429	74,016	996	45,637
Purchase of goods and services	10,550	3,197	6,489	102
Insurance premium	8,049	8,173	224	561
Rent expense	1,800	1,800	600	600
Dividend paid	5,863	-	-	-
<b>Other related parties</b>				
Company's contribution to employees' provident fund trust	6,304	5,629	2,337	1,965
Remuneration of chief executive, directors and executives	28,778	25,460	9,822	8,487
<b>ii. Period end balances</b>				
<b>As at 31 March 2022 (Un-audited)</b>				
	<b>Associated Companies</b>	<b>Other related Parties</b>	<b>Total</b>	
<b>(Rupees in thousands)</b>				
Trade and other payables		1,966	246,376	248,342
Trade debts		1,845	-	1,845
Long term investments		4,065	-	4,065
<b>As at 30 June 2021 (Audited)</b>				
	<b>Associated Companies</b>	<b>Other related Parties</b>	<b>Total</b>	
<b>(Rupees in thousands)</b>				
Trade and other payables		352	173,007	173,359
Long term investments		4,065	-	4,065
Trade debts		8,754	-	8,754

SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Un-Audited)  
For The Nine Months Ended 31 March 2022

**10. 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.

**11. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX**

	<b>Un-audited 31 March 2022</b>	Audited 30 June 2021
	<b>(Rupees in thousands)</b>	

**Shariah compliant bank deposits / bank balances**

Bank balances	<b>390</b>	3
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	<b>Un-audited Nine Months Ended 31 March 2022</b>	31 March 2021
	<b>(Rupees in thousands)</b>	

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

Profit on deposits with banks	-	-
<b>Revenue earned from shariah compliant business</b>	<b>6,992,475</b>	5,161,049
<b>Exchange gain / (loss)</b>	<b>298</b>	(3,692)
<b>Profits earned or interest paid on any conventional loan / advance</b>		
Interest paid on loans	<b>71,524</b>	42,958
Profit earned on deposits with banks	<b>0.40</b>	5

**Relationship with shariah compliant banks**

Name	Relationship
BankIslami Pakistan Limited	Bank balance
National Bank Islami	Bank balance

**12. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 27 April, 2022.

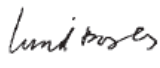
**13. CORRESPONDING FIGURES**

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.

**14. 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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