



SHAMS TEXTILE MILLS LIMITED

HALF YEARLY REPORT

31 December 2017

(Un-Audited)



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COMPANY INFORMATION

Board of Directors

Muhammad Anwar	(Chairman)
Asif Bashir	
Adil Bashir	
Khurram Mazhar Karim	
Muhammad Asif	(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
Bank Islami Limited
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
Web: www.shams.com.pk

Project Locations

Kotla Kahloon, District Nankana Sahib, Punjab
3-KM, Faisalabad Road, Chiniot, Punjab

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **SHAMS TEXTILE MILLS LIMITED** as at 31 December 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 31 December 2016 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended 31 December 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Sarfraz Mahmood

Date: February 24, 2018

LAHORE

DIRECTORS' REPORT

The Directors are pleased to present their report on the operational results of the Company for the half year ended December 31, 2017.

GENERAL REVIEW

The Directors are pleased to report that the Company has achieved better results for the period under review as compared to the correspondence period. The improvement is primarily due to a better product mix along with improved yarn off take. The input costs especially RLNG, salary and wages have increased in this period and will be a challenge in the current business environment. The management has not been able to assess the raw material market correctly and has hence not covered its requirements for the balance period of this year. However we hope to continue this progress during the balance period of current year.

The Pakistan Textile Industry in general continues to be depressed. A large number of units have closed down with little or no chance of revival. The Government has taken stop gap measures to give some sort of package to the industry but implementation is poor. The Export rebates announced have not been paid as fast as they should be resulting in huge funds being tied up affecting working capital requirements. Similarly, large funds are blocked in sales tax refunds with little chance of improvement in receiving these refunds.

On the energy front RLNG prices have continued to increase from month to month as they are linked to International oil prices which in turn have been showing an upward trend. There is also a huge disparity in gas prices being supplies to Punjab Industrial sector as compared to the Industries in Sind and KPK. Punjab is being compelled to purchase more expensive RLNG as compared to cheaper natural gas being supplied to Sind and KPK.

Note	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	(Rupees in thousand)			
COST OF SALES	(2,180,857)	(1,875,818)	(1,234,692)	(952,637)
GROSS PROFIT	93,053	55,312	75,174	22,773
OPERATING COST	(48,771)	(50,455)	(22,196)	(21,553)
OTHER INCOME	17,699	2,428	10,465	768
FINANCE COST	(24,023)	(18,938)	(11,974)	(9,020)
PROFIT / (LOSS) BEFORE TAXATION	37,958	(11,653)	51,469	(7,032)
TAXATION	(35,935)	(18,889)	(23,884)	(9,330)
PROFIT / (LOSS) AFTER TAXATION	2,023	(30,542)	27,585	(16,362)

Future Outlook:

Overall we are not expecting any fast turnaround for the Textile Industry in general and apart from the few units the rest will continue to struggle. Your Company Inshallah expects to produce similar results for the balance period of current year as being reported for the period under review.

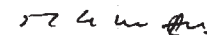
ACKNOWLEDGEMENTS:

We would take this opportunity to thank all our shareholders and partners for their valued support and our employees for their dedication. We would also like to thank the Board of Directors for their guidance and advice at all times.

For and On behalf of Board of Directors



Khalid Bashir
Chief Executive



Muhammad Anwar
Director

February 24, 2018
Lahore

ڈائریکٹر رپورٹ

ڈائریکٹر ششماہی 31 دسمبر 2017ء کے مالیاتی نتائج بخوشی پیش کرتے ہیں۔

عمومی جائزہ:

ڈائریکٹر زبیر نے ہونے خوشی محسوس کرتے ہیں کہ کمپنی نے پچھلے عرصہ کے مقابلے میں بہتر نتائج دینے میں اس کی وجہ مصنوعات کی پیداوار بہتر مرکب سے ہے اور ہر شعبہ میں بہتر کارکردگی ہے۔ اس کے برعکس آرائل این جی کی قیمت میں اضافہ، تنخواہ اور اجرت میں اضافہ ہوا جو کہ حالیہ کاروباری ماحول میں ایک چیلنج ہوگا۔ انتظامیہ خام مال کی مارکیٹ کا درست طریقے سے اندازہ نہیں کر سکی اور بقیہ چھ ماہ کیلئے سٹاک کو اچھے طریقے سے پورا نہیں کیا ہے۔ تاہم بقیہ چھ ماہ میں بھی ہم اچھے نتائج کی امید کرتے ہیں۔

پاکستان میں ٹیکسٹائل کی صنعت عمومی طور پر متاثر ہے۔ بڑی تعداد میں یونٹ کسی حد تک بند ہو چکے ہیں اور ان کی بحالی کا کوئی امکان نہیں۔ حکومت نے ٹیکسٹائل صنعت کو کچھ پیکیج دینے میں جن کی وجہ سے یونٹ بند ہونے کا عمل کسی حد تک رک چکا ہے مگر ان پر عمل درآمد پورے طریقے سے نہیں کیا جاتا۔ برآمدی چھوٹ وقت پر نہیں دی جا رہی جس کی وجہ سے ٹیکسٹائل صنعت کی بڑی رقم پھنس چکی ہے اور اسی طرح سیلز ٹیکس میں رقم پھنسی ہوئی ہے جس کی بہت کم امید ہے کہ واپس مل جائیں۔

انرجی کی قیمت آرائل این جی کی بین الاقوامی قیمت کے ساتھ منسلک ہے جو کہ مسلسل بڑھ رہی ہے۔ پنجاب کو سندھ اور خیبر پختونخوا کے مقابلے میں مہنگی گیس مل رہی ہے۔ پنجاب کی صنعت آرائل این جی مہنگی خریدنے پر مجبور ہے جبکہ سندھ اور خیبر پختونخوا کو سستی گیس دی جا رہی ہے۔

سہ ماہی		ششماہی		(مبلغ ملین میں)
31 دسمبر 2016ء	31 دسمبر 2017ء	31 دسمبر 2016ء	31 دسمبر 2017ء	
(952,637)	(1,234,692)	(1,875,818)	(2,180,857)	سیلز
22,773	75,174	55,312	93,053	خام منافع
(21,553)	(22,196)	(50,455)	(48,771)	آپریٹنگ خرچہ
768	10,465	2,428	17,699	دیگر آمدنی
(9,020)	(11,974)	(18,938)	(24,023)	فنانسئل خرچہ
(7,032)	51,469	(11,653)	37,958	ٹیکسیشن سے پہلے (نقصان)
(9,330)	(23,884)	(18,889)	(35,935)	ٹیکسیشن کے لیے پروویژن
(16,362)	27,585	(30,542)	2,023	ٹیکسیشن کے بعد (نقصان)

مستقبل کے امکانات:

مجموعی طور پر ٹیکسٹائل صنعت میں کسی خاص بہتری کی توقع نہیں ہے کچھ ٹیکسٹائل یونٹس کے علاوہ باقی یونٹس بقاء کی جدوجہد میں جاری رکھیں گے۔ آپ کی کمپنی ایسے ہی مالیاتی نتائج اگلے ششماہی عرصہ میں بھی دے گی۔

اظہار تشکر:

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

محمد انور

محمد انور

ڈائریکٹر

خالد بشیر

خالد بشیر

چیف ایگزیکٹو

24 فروری 2018

CONDENSED INTERIM BALANCE SHEET


As At 31 December 2017

	Un Audited 31 December 2017	Audited 30 June 2017
Note	(Rupees in thousands)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
25,000,000 (30 June 2017: 25,000,000) ordinary shares of Rupees 10 each	250,000	250,000
Issued, subscribed and paid up share capital		
8,640,000 (30 June 2017: 8,640,000) ordinary shares of Rupees 10 each	86,400	86,400
Reserves	713,673	730,095
Accumulated loss	(222,521)	(224,544)
Total equity	577,552	591,951
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	5 33,636	52,670
Deferred income tax liability	19,078	8,522
	52,714	61,192
CURRENT LIABILITIES		
Trade and other payables	774,606	625,199
Accrued mark-up	4,420	8,279
Short term borrowings	376,684	499,902
Current portion of long term financing	5 50,567	67,832
	1,206,277	1,201,212
Total liabilities	1,258,991	1,262,404
CONTINGENCIES AND COMMITMENTS	6 -	-
TOTAL EQUITY AND LIABILITIES	1,836,543	1,854,355

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



Chief Executive




Director

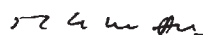


Chief Financial Officer

		Un Audited 31 December 2017 (Rupees in thousands)	Audited 30 June 2017
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	908,531	931,028
Long term security deposits		1,576	1,576
		910,107	932,604
CURRENT ASSETS			
Stores and spare parts		46,237	47,411
Stock-in-trade		481,840	551,596
Trade debts		169,470	90,437
Advances		25,756	4,797
Short term prepayments		4,031	-
Other receivables		11,913	9,868
Short term investments		46,520	65,218
Sales tax refundable		72,506	77,555
Taxation - net		61,477	70,261
Cash and bank balances		6,686	4,608
		926,436	921,751
TOTAL ASSETS		1,836,543	1,854,355



Chief Executive



Director



Chief Financial Officer

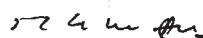
CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-Audited)
For The Half Year Ended December 31, 2017

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Note	(Rupees in thousand)			
REVENUE	2,273,910	1,931,130	1,309,866	975,410
COST OF SALES	8 (2,180,857)	(1,875,818)	(1,234,692)	(952,637)
GROSS PROFIT	93,053	55,312	75,174	22,773
DISTRIBUTION COST	(16,706)	(22,799)	(7,026)	(8,163)
ADMINISTRATIVE EXPENSES	(30,417)	(27,314)	(13,856)	(13,276)
OTHER EXPENSES	(1,648)	(342)	(1,314)	(114)
	(48,771)	(50,455)	(22,196)	(21,553)
	44,282	4,857	52,978	1,220
OTHER INCOME	17,699	2,428	10,465	768
PROFIT FROM OPERATIONS	61,981	7,285	63,443	1,988
FINANCE COST	(24,023)	(18,938)	(11,974)	(9,020)
PROFIT / (LOSS) BEFORE TAXATION	37,958	(11,653)	51,469	(7,032)
TAXATION	(35,935)	(18,889)	(23,884)	(9,330)
PROFIT / (LOSS) AFTER TAXATION	2,023	(30,542)	27,585	(16,362)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	0.23	(3.53)	3.19	(1.89)

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



Chief Executive



Director



Chief Financial Officer

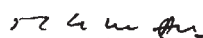
CONDENSED INTERIM STATEMENT OF
 COMPREHENSIVE INCOME (Un-audited)
 For The Half Year Ended December 31, 2017

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	(Rupees in thousand)			
PROFIT/(LOSS) AFTER TAXATION	2,023	(30,542)	27,585	(16,362)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Reclassification adjustment for gain included in profit or loss	(8,394)	-	(8,394)	-
Deficit on remeasurement of available for sale investments	(8,028)	(1,536)	(1,957)	(6,664)
Other comprehensive loss for the period	(16,422)	(1,536)	(10,351)	(6,664)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(14,399)	(32,078)	17,234	(23,026)

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



Chief Executive



Director



Chief Financial Officer

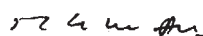
CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)
For The Half Year Ended December 31, 2017

	Note	Half Year Ended	
		31 December 2017	31 December 2016
(Rupees in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	210,372	301,377
Finance cost paid		(27,882)	(19,984)
Income tax paid		(16,595)	(11,512)
Net cash generated from operating activities		165,895	269,881
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(15,998)	(20,210)
Proceeds from sale of short term investments		11,548	-
Dividend received		150	-
Proceeds from sale of property, plant and equipment		-	87
Net cash used in investing activities		(4,300)	(20,123)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	(36,564)
Repayment of long term financing		(36,299)	16,268
Short term borrowings - net		(123,218)	(232,308)
Net cash used in financing activities		(159,517)	(252,604)
Net increase/(decrease) in cash and cash equivalents		2,078	(2,846)
Cash and cash equivalents at the beginning of the period		4,608	8,817
Cash and cash equivalents at the end of the period		6,686	5,971

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 Half Year Ended December 31, 2017

	SHARE CAPITAL	Reserves				Accumulated Loss	TOTAL EQUITY		
		Capital		Revenue					
		Premium on issue of right shares	Fair value reserve	Sub total	General reserve			Total reserves	
		(Rupees in thousands)							
Balance as at 30 June 2016 (Audited)	86,400	86,400	42,800	129,200	600,000	729,200	(174,152)	641,448	
Transaction with owners - Final dividend for the year ended 30 June 2014 @ Rupees per share	-	-	-	-	-	-	-	(30,542)	(30,542)
Loss for the half year ended 31 December 2016	-	-	(1,536)	(1,536)	-	(1,536)	-	-	(1,536)
Other comprehensive loss for the half year ended 31 December 2016	-	-	(1,536)	(1,536)	-	(1,536)	-	-	(1,536)
Total comprehensive loss for the half year ended 31 December 2016	-	-	(1,536)	(1,536)	-	(1,536)	-	(30,542)	(32,078)
Balance as at 31 December 2016 (Un-audited)	86,400	86,400	41,264	127,664	600,000	727,664	(204,694)	609,370	
Loss for the half year ended 30 June 2017	-	-	-	-	-	-	-	(19,850)	(19,850)
Other comprehensive income for the half year ended 30 June 2017	-	-	2,431	2,431	-	2,431	-	-	2,431
Total comprehensive income / (loss) for the half year ended 30 June 2017	-	-	2,431	2,431	-	2,431	-	(19,850)	(17,419)
Balance as at 30 June 2017 (Audited)	86,400	86,400	43,695	130,095	600,000	730,095	(224,544)	591,951	
Profit for the half year ended 31 December 2017	-	-	-	-	-	-	-	2,023	2,023
Other comprehensive loss for the half year ended 31 December 2017	-	-	(16,422)	(16,422)	-	(16,422)	-	-	(16,422)
Total comprehensive (loss) / income for the half year ended 31 December 2017	-	-	(16,422)	(16,422)	-	(16,422)	-	2,023	(14,399)
Balance as at 31 December 2017 (Un-audited)	86,400	86,400	27,273	113,673	600,000	713,673	(222,521)	577,552	

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

Land boys
Chief Executive

Dr. G. M. Khan
Director

Adnan
Chief Financial Officer

SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (Un-Audited)
For The Half Year Ended December 31, 2017

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 and trading of cloth.

2. BASIS OF PREPARATION

As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) and clarification issued by the Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 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 2017.

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 2017.

	Unaudited	Audited
	December	June
	31, 2017	30, 2017
	(Rupees in thousands)	
5. LONG TERM FINANCING - SECURED		
Opening balance	120,502	177,361
Add: Obtained during the period / year	-	16,268
Less: Repaid during the period / year	36,299	73,127
	84,203	120,502
Less: Current portion shown under current liabilities	50,567	67,832
	33,636	52,670

SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (Un-Audited)
For The Half Year Ended December 31, 2017

6. CONTINGENCIES AND COMMITMENTS**Contingencies**

Bank guarantees of Rupees 69.596 million (30 June 2017: Rupees 69.596 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections, Lahore Electric Supply Company Limited (LESCO) and Faisalabad Electric Supply Company Limited (FESCO) against electricity connections and Director Excise and Taxation, Karachi against infrastructure cess.

Commitments

Letters of credit for other than capital expenditures amounted to Rupees 89.509 million (30 June 2017: Rupees 6.042 million).

	Un-audited December 31, 2017 (Rupees in thousands)	Audited June 30, 2017
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	856,152	879,749
Capital work-in-progress (Note 7.2)	52,379	51,279
	908,531	931,028
7.1 Operating fixed assets		
Opening book value	879,749	946,403
Add: Cost of additions during the period / year (Note 7.1.1)	14,898	22,568
Less: Book value of deletions during the period / year (Note 7.1.2)	-	4,332
Less: Depreciation charged during the period / year	38,495	84,890
Closing book value	856,152	879,749
7.1.1 Cost of additions		
Plant and machinery	12,603	16,803
Vehicles	2,295	5,765
	14,898	22,568
7.1.2 Book value of deletions		
Plant and machinery	-	949
Vehicles	-	3,383
	-	4,332
7.2 Capital work-in-progress		
Buildings	50,879	50,879
Advance against purchase of vehicles	1,500	400
	52,379	51,279

SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (Un-Audited)
For The Half Year Ended December 31, 2017

	Un-Audited			
	Half year ended		Quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	(Rupees in thousand)			
8. COST OF SALES				
Raw materials consumed	1,376,013	1,115,424	719,329	586,704
Salaries, wages and other benefits	151,722	122,471	84,889	62,828
Stores and spare parts consumed	47,652	38,071	24,218	22,741
Packing materials consumed	36,637	29,655	19,209	17,003
Repair and maintenance	11,708	13,664	7,205	7,905
Fuel and power	224,276	180,635	118,281	98,965
Insurance	3,376	3,173	1,697	1,590
Other factory overheads	3,278	2,096	2,007	1,143
Depreciation	37,090	40,455	18,597	20,359
	1,891,752	1,545,644	995,432	819,238
Work-in-process:				
Opening stock	33,878	27,855	22,883	21,730
Closing stock	(34,485)	(29,894)	(34,485)	(29,894)
	(607)	(2,039)	(11,602)	(8,164)
Cost of goods manufactured	1,891,145	1,543,605	983,830	811,074
Finished goods:				
Opening stock	469,235	494,532	430,385	303,882
Closing stock	(179,523)	(162,319)	(179,523)	(162,319)
	289,712	332,213	250,862	141,563
	2,180,857	1,875,818	1,234,692	952,637

	Un-audited Half Year Ended	
	31 December 2017	31 December 2016
	(Rupees in thousand)	

9. CASH GENERATED FROM OPERATIONS

Profit / (loss) before taxation	37,958	(11,653)
Adjustments for non-cash charges and other items:		
Depreciation	38,495	42,188
Gain on sale of property, plant and equipment	-	(20)
Finance cost	24,023	18,938
Gain on sale of short term investment	(9,272)	-
Reversal of provision for slow moving and obsolete items	(5,000)	-
Dividend income	(150)	-
Working capital changes (Note 9.1)	124,318	251,924
	210,372	301,377

9.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	6,174	(2,944)
- Stock-in-trade	69,756	194,283
- Trade debts	(79,033)	44,056
- Advances	(20,959)	41,972
- Short term prepayments	(4,031)	1,877
- Other receivables	(2,045)	(1,879)
- Sales tax refundable	5,049	(14,008)
	(25,089)	263,357
Increase / (decrease) in trade and other payables	149,407	(11,433)
	124,318	251,924

SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (Un-Audited)
For The Half Year Ended December 31, 2017

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 31 December 2017	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Available for sale financial assets	46,520	-	-	46,520
Total financial assets	46,520	-	-	46,520

Recurring fair value measurements At 30 June 2017	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Available for sale financial assets	65,218	-	-	65,218
Total financial assets	65,218	-	-	65,218

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.

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:

SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (Un-Audited)
For The Half Year Ended December 31, 2017

i. Transactions	Un-Audited			
	Half year ended 31 December 2017	31 December 2016	Quarter ended 31 December 2017	31 December 2016
(Rupees in thousand)				
Associated companies				
Sale of goods and services	1,844	19,638	1,844	-
Purchase of goods and services	132	-	62	-
Insurance premium	8,164	1,972	841	240
Rent expense	1,110	120	600	60
Insurance claim	-	15,180	-	9,437
Advance against sale of asset	100,000	-	100,000	-
Electricity purchased	21,976	-	10,409	-
Other related parties				
Purchase of goods and services	-	141	-	75
Electricity purchased	-	89,338	-	20,545
Rent expense	-	900	-	450
Company's contribution to employees' provident fund trust	2,748	2,489	1,598	1,339
Remuneration of Chief Executive, Director and Executives	15,814	14,641	7,907	7,320
ii. Period end balances				
As at 31 December 2017 (Un-audited)				
	Associated Companies	Other related Parties	Total	
(Rupees in thousand)				
Trade and other payables	109,775	38,472	148,247	
Trade debts	39	-	39	
Short term investments	6,363	-	6,363	
As at 30 June 2017 (Audited)				
	Associated Companies	Other related Parties	Total	
(Rupees in thousand)				
Trade and other payables	8,464	70,432	78,896	
Trade debts	1,270	-	1,270	
Short term investments	9,803	-	9,803	

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 2017.

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 February 24, 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 comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

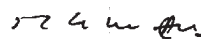
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

16. 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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Shams Textile Mills Limited
7-B-3, Aziz Avenue, Gulberg 5
Lahore Pakistan
T: 92 (42) 3576 0381
F: 92 (42) 3576 0376
E: info@shams.com.pk

www.shams.com.pk

Grace Printing Press 0334-4067024