



SHAMS TEXTILE MILLS LIMITED

HALF YEARLY REPORT

31 December 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)
Adil 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

Independent Auditor's Review Report
To the members of Shams Textile Mills Limited
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHAMS TEXTILE MILLS LIMITED as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 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 2021.


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 statements 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 26 February, 2022

UDIN: RR202110158hsd6BnmTQ

DIRECTORS' REPORT

The Directors are pleased to present their report on the operational results of the Company for the half year ended December 31, 2021.

GENERAL REVIEW

Your Company has achieved better results as compared to the corresponding period. This is in spite of challenging business environment and potential adverse implications of Covid-19. Our net sales have shown a healthy increase to Rs.1,788 million with a gross profit of Rs.434.717 million. This has been a period of high volatility with raw material prices reaching new heights. Your company has however unfortunately not been able to cover its raw material requirements for a longer period due to financial constraints. Our costs have generally been kept under strict control and the overall production shown an improvement. We hope to continue with our efforts at better management so that the results of the company can be sustained.

FINANCIAL SUMMARY:

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in thousand)			
SALES	4,808,305	3,019,881	2,378,033	1,687,353
COST OF SALES	(4,373,588)	(2,838,262)	(2,183,012)	(1,586,921)
GROSS PROFIT	434,717	181,619	195,021	100,432
OPERATING COST	(109,652)	(73,381)	(51,241)	(36,913)
OTHER INCOME	6,202	10,891	2,986	8,514
FINANCE COST	(44,818)	(33,395)	(23,089)	(18,116)
PROFIT BEFORE TAXATION	286,449	85,734	123,677	53,917
TAXATION	(57,593)	(44,353)	(27,601)	(25,104)
PROFIT AFTER TAXATION	228,856	41,381	96,076	28,813

Future Outlook:

During the period under review the Pakistan textile industry has shown good results and the outcome for the new term appear healthy. However very high raw material prices may affect our overall performance.

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

25 February, 2022
Lahore



Asif Bashir
Director

ڈائریکٹر رپورٹ

ڈائریکٹر ششماہی 31 دسمبر 2021 کے مالیاتی نتائج بخوشی پیش کرتے ہیں۔

عمومی جائزہ:

آپ کی کمپنی نے پچھلے دورانیے کے مقابلے میں اچھے نتائج حاصل کیے ہیں۔ یہ سب دن بدن بدلتے کاروباری حالات اور کووڈ-19 کے ممکنہ منفی اثرات کے باوجود ہے۔ ہماری خالص فروخت میں 1,788 ملین روپے کے مجموعی منافع کے ساتھ 434.717 ملین روپے تک کا اضافہ ہوا ہے۔ یہ دورانیہ اتار چڑھاؤ کا رہا ہے جس میں خام مال کی قیمتیں نئی بلندیوں تک پہنچ گئی ہیں۔ تاہم آپ کی کمپنی بدقسمتی سے مالی خامیوں کی وجہ سے لمبے عرصے تک اپنے خام مال کی ضروریات کو پورا نہیں کر سکتی ہے۔ ہمارے اخراجات کو عام طور پر سخت کنٹرول میں رکھا گیا ہے اور مجموعی پیداوار میں بہتری دکھائی گئی ہے۔ ہم بہتر انتظامات کے ساتھ اپنی کوششوں کو جاری رکھنے کی امید کرتے ہیں تاکہ کمپنی کے نتائج برقرار رہ سکیں۔

مالیاتی خلاصہ:

ششماہی	ششماہی	ششماہی	ششماہی	(مبلغ ملین میں)
31 دسمبر 2021	31 دسمبر 2020	31 دسمبر 2021	31 دسمبر 2020	
4,808,305	3,019,881	2,378,033	1,687,353	فروخت
(4,373,588)	(2,838,262)	(2,183,012)	(1,586,921)	فروخت کی لاگت
434,717	181,619	195,021	100,432	خام منافع
(109,652)	(73,381)	(51,241)	(36,913)	آپریٹنگ خرچہ
6,202	10,891	2,986	8,514	دیگر آمدنی
(44,818)	(33,395)	(23,089)	(18,116)	فنانس خرچہ
286,449	85,734	123,677	53,917	ٹیکسیشن سے پہلے منافع
(57,593)	(44,353)	(27,601)	(25,104)	ٹیکسیشن کے لیے پروویژن
228,856	41,381	96,076	28,813	ٹیکسیشن کے بعد منافع

مستقبل کے امکانات:

زیر غور مدت کے دوران پاکستان ٹیکسٹائل انڈسٹری نے اچھے نتائج دکھائے ہیں اور نئی مدت کے نتائج حوصلہ افزاء دکھائی دے رہے ہیں۔ تاہم بہت زیادہ خام مال کی قیمتیں ہماری مجموعی کارکردگی کو متاثر کر سکتی 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 ڈائریکٹرز کا ان کی رہنمائی اور ان کے مشوروں کا شکریہ ادا کرتے ہیں۔


آصف بشیر
ڈائریکٹر

خالد بشیر
چیف ایگزیکٹو
25 فروری 2022ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As At 31 December 2021

	Un Audited 31 December 2021 Note	Audited 30 June 2021 (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		
8,640,000 (30 June 2021: 8,640,000) ordinary shares of Rupees 10 each	86,400	86,400
Reserves	1,037,384	809,194
Total equity	1,123,784	895,594
LIABILITIES		
NON-CURRENT LIABILITIES		
Gas Infrastructure Development Cess (GIDC) payable	-	3,648
CURRENT LIABILITIES		
Trade and other payables	1,568,065	1,067,130
Accrued mark-up	15,062	7,391
Short term borrowings	928,275	549,008
Current portion of long term liabilities	42,327	46,187
Taxation - net	7,924	-
Unclaimed dividend	4,735	4,334
	2,566,388	1,674,050
Total liabilities	2,566,388	1,677,698
CONTINGENCIES AND COMMITMENTS	4	
TOTAL EQUITY AND LIABILITIES	3,690,172	2,573,292

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



Chief Executive

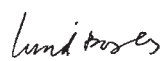


Director



Chief Financial Officer

		Un Audited 31 December 2021 (Rupees in thousands)	Audited 30 June 2021
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	740,699	758,780
Long term investments		63,237	46,623
Long term security deposits		1,576	1,576
Deferred income tax asset		-	-
		805,512	806,979
CURRENT ASSETS			
Stores and spare parts		63,638	64,636
Stock-in-trade		1,627,178	908,546
Trade debts		1,078,003	735,048
Advances		33,883	7,326
Short term prepayment		3,033	-
Other receivables		40,106	29,929
Taxation - net		-	3,243
Cash and bank balances		38,819	17,585
		2,884,660	1,766,313
TOTAL ASSETS		3,690,172	2,573,292



Chief Executive



Director



Chief Financial Officer

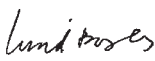
SHAMS TEXTILE MILLS LIMITED

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

For The Half Year Ended 31 December 2021

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
(Rupees in thousand)					
REVENUE FROM CONTRACTS WITH CUSTOMERS	6	4,808,305	3,019,881	2,378,033	1,687,353
COST OF SALES	7	(4,373,588)	(2,838,262)	(2,183,012)	(1,586,921)
GROSS PROFIT		434,717	181,619	195,021	100,432
DISTRIBUTION COST		(37,764)	(27,729)	(14,459)	(12,326)
ADMINISTRATIVE EXPENSES		(46,895)	(37,804)	(23,853)	(18,520)
OTHER EXPENSES		(24,993)	(7,848)	(12,929)	(6,067)
		(109,652)	(73,381)	(51,241)	(36,913)
		325,065	108,238	143,780	63,519
OTHER INCOME		6,202	10,891	2,986	8,514
PROFIT FROM OPERATIONS		331,267	119,129	146,766	72,033
FINANCE COST		(44,818)	(33,395)	(23,089)	(18,116)
PROFIT BEFORE TAXATION		286,449	85,734	123,677	53,917
TAXATION		(57,593)	(44,353)	(27,601)	(25,104)
PROFIT AFTER TAXATION		228,856	41,381	96,076	28,813
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		26.49	4.79	11.12	3.33

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 31 December 2021

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees in thousand)			
PROFIT AFTER TAXATION	228,856	41,381	96,076	28,813
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Surplus arising on remeasurement of investments at fair value through other comprehensive income	16,614	214	6,901	4,474
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	16,614	214	6,901	4,474
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	245,470	41,595	102,977	33,287

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 31 December 2021

	SHARE CAPITAL	Reserves						TOTAL RESERVE	TOTAL EQUITY	
		Capital			Revenue					
		Premium on issue of right shares	Fair value reserve FVTOCI investments	Sub total	General reserve	(Accumulated loss)/ Un-appropriated profit	Sub total			
(Rupees in thousands)										
Balance as at 30 June 2020 (Audited) Profit for the half year ended 31 December 2020 Other comprehensive income for the half year ended 31 December 2020 Total comprehensive income for the half year ended 31 December 2020	86,400	86,400	26,905	113,305	600,000	(266,089)	333,911	447,216	533,616	
	-	-	-	-	-	41,381	41,381	41,381	41,381	
	-	-	214	214	-	-	-	-	214	
	-	-	214	214	-	41,381	41,381	41,595	41,595	
	Balance as at 31 December 2020 (Un-audited)									
 Profit for the half year ended 30 June 2021 Other comprehensive income for the half year ended 30 June 2021 Total comprehensive income for the half year ended 30 June 2021	86,400	86,400	27,119	113,519	600,000	(224,708)	375,292	488,811	575,211	
	-	-	-	-	-	320,118	320,118	320,118	320,118	
	-	-	265	265	-	-	-	265	265	
	-	-	265	265	-	320,118	320,118	320,383	320,383	
	Balance as at 30 June 2021 (Audited)									
 Transaction with owners - Dividend for the year ended 30 June 2021 @ Rupees 2 per ordinary share Profit for the half year ended 31 December 2021 Other comprehensive income for the half year ended 31 December 2021 Total comprehensive income for the half year ended 31 December 2021	86,400	86,400	27,384	113,784	600,000	95,410	695,410	809,194	895,594	
	-	-	-	-	-	(17,280)	(17,280)	(17,280)	(17,280)	
	-	-	-	-	-	228,856	228,856	228,856	228,856	
	-	-	16,614	16,614	-	-	-	16,614	16,614	
	-	-	16,614	16,614	-	228,856	228,856	245,470	245,470	
Balance as at 31 December 2021 (Un-audited)										
	86,400	86,400	43,998	130,398	600,000	306,986	906,986	1,037,384	1,123,784	

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

Amir Bhatti
Chief Executive

Asif Bhatti
Director

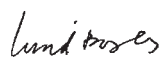
Farah Bhatti
Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Un-Audited)
For The Half Year Ended 31 December 2021

		Half Year Ended	
		31 December 2021	31 December 2020
	Note	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	8	(213,971)	(329,710)
Finance cost paid		(34,873)	(26,840)
Income tax paid		(46,426)	(21,420)
Workers' profit participation fund paid		(25,066)	-
GIDC paid		(8,773)	-
Net cash used in operating activities		(329,109)	(377,970)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(14,885)	(4,654)
Dividend received		180	167
Proceeds from sale of property, plant and equipment		2,660	-
Net cash used in investing activities		(12,045)	(4,487)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		379,267	385,397
Dividend paid		(16,879)	(89)
Net cash from financing activities		362,388	385,308
Net increase in cash and cash equivalents		21,234	2,851
Cash and cash equivalents at the beginning of the period		17,585	7,074
Cash and cash equivalents at the end of the period		38,819	9,925

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 Half Year Ended 31 December 2021

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

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 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

Contingencies

- i) Bank guarantees of Rupees 88.081 million (30 June 2021: Rupees 84.081 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

- i) Letters of credit for other than capital expenditures amounted to Rupees 90.847 million (30 June 2021: Rupees 238.451 million).

	Un-audited 31 December 2021	Audited 30 June 2021
	(Rupees in thousands)	
5 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 5.1)	740,699	748,210
Capital work-in-progress (Note 5.2)	-	10,570
	740,699	758,780

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-Audited)**
For The Half Year Ended 31 December 2021

	Un-audited 31 December 2021	Audited 30 June 2021
	(Rupees in thousands)	
5.1 Operating fixed assets		
Opening book value	748,210	780,355
Add: Cost of additions during the period / year (Note 5.1.1)	25,455	37,060
Less: Book value of deletions during the period / year (Note 5.1.2)	(735)	(1,554)
Less: Depreciation charged during the period / year	(32,231)	(67,651)
	740,699	748,210
5.1.1 Cost of additions		
Factory building on freehold land	6,543	5,100
Residential and other building on freehold land	-	2,218
Plant and machinery	10,350	29,654
Vehicles	8,562	88
	25,455	37,060
5.1.2 Book value of deletions		
Plant and machinery	-	(1,543)
Vehicles	(735)	(11)
	(735)	(1,554)
5.2 Capital work-in-progress		
Factory building on freehold land	-	5,000
Advances against purchase of vehicles	-	5,570
	-	10,570

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers. Sales of yarn represents 96.47% (31 December 2020: 96.43%) of the total sales of the Company. Remaining sales represents waste sales. 96.79% (31 December 2020: 93.13%) of the sales of the Company relates to customers in Pakistan. Of the remaining sales of the Company relating to customers outside Pakistan, 100% (31 December 2020: 100%) of those sales are made to customers in China.

	Un-Audited			
	Half Year Ended 31 December 2021	31 December 2020	Quarter Ended 31 December 2021	31 December 2020
	(Rupees in thousand)			
7 COST OF SALES				
Raw materials consumed	3,934,460	2,382,963	2,057,735	1,384,605
Salaries, wages and other benefits	274,366	208,114	136,445	107,737
Stores and spare parts consumed	72,226	65,471	38,513	34,564
Packing materials consumed	59,490	46,572	30,168	26,343
Repair and maintenance	7,428	6,616	3,686	3,463
Fuel and power	335,058	288,327	176,575	151,783
Insurance	3,152	2,875	1,690	1,482
Other factory overheads	3,956	2,781	2,324	(12,511)
Depreciation	29,441	30,601	14,762	29,503
	4,719,577	3,034,320	2,461,898	1,726,969
Work-in-process:				
Opening stock	60,331	44,886	69,163	34,930
Closing stock	(82,171)	(48,343)	(82,171)	(48,343)
	(21,840)	(3,457)	(13,008)	(13,413)
Cost of goods manufactured	4,697,737	3,030,863	2,448,890	1,713,556
Finished goods and waste:				
Opening stock	606,424	416,975	664,695	482,941
Closing stock	(930,573)	(609,576)	(930,573)	(609,576)
	(324,149)	(192,601)	(265,878)	(126,635)
	4,373,588	2,838,262	2,183,012	1,586,921

SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-Audited)
For The Half Year Ended 31 December 2021

	Un-audited Half Year Ended	
	31 December 2021	31 December 2020
	(Rupees in thousand)	
8 CASH USED IN OPERATIONS		
Profit before taxation	286,449	85,734
Adjustments for non-cash charges and other items:		
Depreciation	32,231	33,337
Finance cost	44,818	33,395
Allowance for expected credit losses	3,609	-
Gain on sale of property, plant and equipment	(1,925)	-
Exchange loss	100	-
Provision for workers' profit participation fund	15,437	-
Provision for workers' welfare fund	5,846	-
Gain on initial recognition of GIDC payable at amortized cost	-	(5,484)
Dividend income	(180)	(167)
Working capital changes (Note 8.1)	(600,356)	(476,525)
	(213,971)	(329,710)
8.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores and spare parts	998	4,630
- Stock-in-trade	(718,632)	(523,469)
- Trade debts	(346,664)	(256,694)
- Advances	(26,557)	(11,583)
- Short term prepayment	(3,033)	(3,273)
- Other receivables	(10,177)	(2,444)
	(1,104,065)	(792,833)
Increase in trade and other payables	503,709	316,308
	(600,356)	(476,525)

9 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(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 December 2021 (Un-audited)	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Fair value through other comprehensive income	63,237	-	-	63,237
Total financial assets	63,237	-	-	63,237
Rupees in thousand				
Recurring fair value measurements At 30 June 2021 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value through other comprehensive income	46,623	-	-	46,623
Total financial assets	46,623	-	-	46,623

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 Half Year Ended 31 December 2021

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.

10 TRANSACTIONS 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			
	Half year ended 31 December 2021	31 December 2020	Quarter ended 31 December 2021	31 December 2020
	(Rupees in thousand)			
Associated companies				
Sale of goods and services	75,434	28,380	2,506	20,734
Purchase of goods and services	4,061	3,094	3,950	665
Insurance premium	7,442	7,612	304	4,543
Rent expense	1,200	1,200	600	600
Dividend paid	5,863	-	5,863	-
Other related parties				
Company's contribution to employees' provident fund trust	3,967	3,664	1,914	1,842
Remuneration of chief executive, directors and executives	18,956	16,973	9,478	8,487
	3,918	-	3,918	-

ii. Period end balances	As at 31 December 2021 (Un-audited)			
	Associated Companies	Other related Parties	Total	
	(Rupees in thousand)			
Trade and other payables	4,574	221,376	225,950	
Trade debts	1,845	-	1,845	
Long term investments	4,390	-	4,390	
Advances	557	-	557	
Other receivables	-	760	760	

	As at 30 June 2021 (Audited)			
	Associated Companies	Other related Parties	Total	
	(Rupees in thousand)			
Trade and other payables	352	173,007	173,359	
Trade debts	8,754	-	8,754	
Long term investments	4,065	-	4,065	

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-Audited)**
For The Half Year Ended 31 December 2021

11. 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.

	Un-audited 31 December 2021	Audited 30 June 2021
	(Rupees in thousand)	

12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Loan / advances obtained as per Islamic mode:

Loans	-	-
Advances	182,790	93,240

Shariah compliant bank deposits / bank balances

Bank balances	3	3
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	Un-Audited Half Year Ended 31 December 2021	31 December 2020
	(Rupees in thousand)	

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

Profit on deposits with banks	-	-
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Revenue earned from shariah compliant business	4,808,305	3,019,881
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**Gain / (loss) or dividend earned from
shariah complaint investments**

Dividend income	-	-
Unrealized gain on remeasurement of investments at FVTOCI	97	1,219

Exchange loss	(100)	(1,494)
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Mark-up paid on Islamic mode of financing

	-	-
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**Profits earned or interest paid on any
conventional loan / advance**

Interest paid on loans	34,873	23,895
Profit earned on deposits with banks	-	4

Relationship with shariah compliant banks

Name	Relationship
BankIslami Pakistan Limited	Bank balance

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 25 February, 2022.

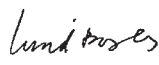
14. CORRESPONDING FIGURES

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.

15. 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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