



SHAMS TEXTILE MILLS LIMITED

HALF YEARLY REPORT

31 December 2024

(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 & 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
 Meezan Bank Limited
 Allied Bank Limited
 United Bank Limited

Registered Office

Office No. 801, Tricon Corporate Centre, 73-E,
 Main Jail Road, Gulberg II, Lahore
 Ph: +92-423-576 0379, 576 0381
 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 2024 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 2024 and 31 December 2023 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 2024.

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 Syed Mustafa Ali.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 19 February, 2025

UDIN: RR202410168fXoUpQZHC

DIRECTORS' REPORT

The Board of Directors of your Company is pleased to present the Directors' Report on the operations and financial performance of the Company for the period July 2024 to December 2024.

OVERVIEW:

During the half year (July to December 2024), the Company reported total sales of approximately Rs 2.815 billion and a gross profit of Rs 99.762 million. Despite these figures, the Company experienced a net loss of Rs 58.652 million. As of August 31, 2024, cotton production in Punjab has decreased by 58%, and in Sindh is 61% leading to increased reliance on imported lint. High production costs, particularly energy prices, continued to challenge the Company's competitiveness.

Industrial Background:

The sector faces several challenges such as the industry continues to grapple with structural inefficiencies that hinder its full potential. Higher taxation levels have been cited as a factor affecting competitiveness in the global market. A significant decline in cotton yarn exports suggests challenges in raw material availability or competitiveness in this segment. Addressing these challenges through policy reforms and strategic initiatives will be crucial for sustaining and enhancing the textile sector's contribution to Pakistan's economy. The sector requires regionally competitive electricity and gas tariffs to better compete with countries like India, Bangladesh, and Vietnam in export markets.

FINANCIAL SUMMARY:

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(Rupees in thousand)			
SALES	2,815,121	3,264,131	1,501,998	1,599,113
COST OF SALES	(2,715,359)	(3,057,728)	(1,405,753)	(1,454,963)
GROSS PROFIT	99,762	206,403	96,245	144,150
OPERATING EXPENSE	(81,728)	(95,357)	(40,429)	(47,827)
OTHER INCOME	17,012	1,542	13,144	1,070
PROFIT FROM OPERATIONS	35,046	112,589	68,960	97,394
FINANCE COST	(58,442)	(38,279)	(29,108)	(22,226)
(LOSS)/PROFIT BEFORE LEVY AND TAXATION	(23,396)	74,310	39,852	75,168
LEVY	(35,256)	(19,460)	(19,935)	(9,536)
(LOSS)/PROFIT BEFORE TAXATION	(58,652)	54,850	19,917	65,632
TAXATION	-	(21,352)	1,093	(10,463)
(LOSS)/PROFIT AFTER TAXATION	(58,652)	33,498	21,010	55,169
(LOSS)/EARNING PER SHARE (Rs.)	(6.79)	3.88	2.43	6.39


FUTURE OUTLOOK:

Prospects for the stability of the economy are largely dependent on several factors, including political stability, the implementation of a proactive and prudent monetary policy, and access to external financing. For the textile sector to remain competitive on the global stage, the main priority is ensuring the availability and affordability of energy. Currently, the industrial electricity tariff in Pakistan is higher compared to other textile exporting countries, making us less competitive in the international market. Furthermore, yarn imports to Pakistan have been on the rise over the period resulting in lower prices and demand for locally manufactured yarns. Therefore, it is necessary to establish a predictable, stable, and compatible energy, taxation, and import policy that can improve business confidence levels and improve our international and domestic competitiveness. We are exploring new product offerings and collaborations with customers to improve competitiveness and profitability in this challenging environment.

ACKNOWLEDGEMENTS:

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

For and On behalf of Board of Directors



Khalid Bashir
Chief Executive



Asif Bashir
Director

19 February, 2025
Lahore

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز جولائی تا دسمبر 2024ء کے دورانیہ کے لئے کمپنی کی آپریشنل و مالیاتی کارکردگی پر ڈائریکٹرز کی رپورٹ ازراہ سرت پیش کرتے ہیں۔

چائزہ

نصف سال (جولائی تا دسمبر 2024ء) کے دوران کمپنی نے تقریباً 2.815 بلین روپے کی کل بیلز اور 99.762 بلین روپے کا کل منافع درج کیا۔ ان اعداد کے باوجود کمپنی کو 58.652 بلین روپے کا خسارہ برداشت کرنا پڑا۔ 31 اگست 2024ء تک پنجاب میں کپاس کی پیداوار میں 58% اور سندھ میں 61% کمی واقع ہوئی جس کے باعث درآمدی کتان پر انحصار کرنا پڑا۔ پیداواری لاگت خصوصاً توانائی کی قیمتوں میں اضافے نے کمپنی کی مسابقتی پوزیشن کو مشکلات سے دوچار رکھا۔

انڈسٹری کا پس منظر

مذکورہ شعبہ کوئی چیلنجز کا سامنا کرنا پڑا کیونکہ صنعت اسٹریکچرل نقص سے نبرد آزما ہو رہی ہے جس نے اس کی مکمل استعداد کو محدود کر دیا ہے۔ ٹیکسوں کی بلند شرح نے عالمی منڈی میں مسابقتی پوزیشن کو متاثر کیا ہے۔ سوتی دھاگے کی برآمد میں نمایاں کمی خام مال کی دستیابی اور مذکورہ شعبے میں مقابلہ سازی میں مشکلات کو ظاہر کرتی ہے۔ پالیسی اصلاحات اور اسٹریٹجک اقدامات کے ذریعے ان مسائل سے نبرد آزما ہونا پاکستان کی معیشت میں ٹیکسٹائل کے شعبہ کے کردار کو مضبوط اور بڑھانے میں اہم کردار ادا کرے گا۔ ملکی سطح پر مذکورہ شعبہ کے لئے بجلی اور گیس کی مسابقتی قیمتوں کی ضرورت ہے تاکہ بھارت، بنگلہ دیش اور ویتنام کی برآمدی منڈیوں میں اپنے قدم جمائے جاسکیں۔

مالیاتی اشاریے

سرمایہ		نصف سال		
دسمبر 2023	دسمبر 2024	دسمبر 2023	دسمبر 2024	
ہزار روپوں میں				
1,599,113	1,501,998	3,264,131	2,815,121	بیلز
(1,454,963)	(1,405,753)	(3,057,728)	(2,715,359)	بیلز پر لاگت
144,150	96,245	206,403	99,762	کل منافع
(47,827)	(40,429)	(95,357)	(81,728)	آپریٹنگ اخراجات
1,070	13,144	1,542	17,012	دیگر آمدنی
97,394	68,960	112,589	35,046	آپریٹنگ منافع
(22,226)	(29,108)	(38,279)	(58,442)	قرضوں پر لاگت
75,168	39,852	74,310	(23,396)	لیوی اور ٹیکسیشن سے پہلے (نقصان)/نفع
(9,536)	(19,935)	(19,460)	(35,256)	لیوی
65,632	19,917	54,850	(58,652)	ٹیکسیشن سے پہلے (نقصان)/نفع
(10,463)	1,093	(21,352)	-	ٹیکسیشن
55,169	21,010	33,498	(58,652)	(نقصان)/نفع بمعہ ٹیکسیشن
6.39	2.43	3.88	(6.79)	فی شخص (خسارہ)/آمدنی

مستقبل کا منظر نامہ

معیشت میں استحکام کے امکانات زیادہ تر سیاسی استحکام، فعال اور مستعد ماہی پالیسی کے نفاذ اور بیرونی قرضوں تک رسائی جیسے عوامل پر منحصر ہیں۔ ٹیکسٹائل کی صنعت کو عالمی منڈی میں رواں رکھنے کے لئے بنیادی ترجیح توانائی کی دستیابی اور معقول قیمتوں کو یقینی بنانا ضروری ہے۔ فی الوقت، پاکستان میں صنعتی شرح بجلی دیگر ٹیکسٹائل درآمدی ممالک کے مقابلے میں بہت زیادہ ہے جس کے باعث بین الاقوامی منڈی میں مقابلہ کرنے کی ہماری استعداد کم ہو جاتی ہے۔ مزید برآں، سوتی دھاگے کی پاکستان میں درآمد میں پچھلے ٹی برسوں میں اضافہ ہوا ہے جس کے نتیجے میں مقامی سطح پر تیار دھاگے کی قیمتوں اور طلب میں کمی واقع ہوئی ہے۔ لہذا یہ ضروری ہے کہ توانائی، ٹیکسیشن اور درآمدات کی بابت مواقع اور مستحکم پالیسی کے نفاذ کی ضرورت ہے۔ جو کاروبار میں اعتماد کی فضا قائم کر سکے اور ہماری مقامی اور عالمی مسابقتی حالت کو بہتر کر سکے۔ ہم نئی پروڈکٹس کا تعارف کر رہے ہیں اور صارفین کے ساتھ تعاون کے ذریعے اس مشکل ترین ماحول میں مسابقت اور منافع کو بہتر کرنے کی توقع رکھتے ہیں۔

اظہار تشکر

ہم بورڈ آف ڈائریکٹرز کی رہنمائی، ملازمین اور اسٹیک ہولڈرز کے تعاون کے تہ دل سے شکر گزار ہیں۔

منجانب/ برائے بورڈ آف ڈائریکٹرز



آصف ایئر
ڈائریکٹر



خالد ایئر
چیف ایگزیکٹو

19 فروری 2025ء
لاہور

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As At 31 December 2024

	Un Audited 31 December 2024	Audited 30 June 2024
Note	(Rupees in thousands)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
25,000,000 (30 June 2024: 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 2024: 8,640,000) ordinary shares of Rupees 10 each	86,400	86,400
Reserves	768,906	844,918
Total equity	855,306	931,318
LIABILITIES		
NON-CURRENT LIABILITIES		
	-	-
CURRENT LIABILITIES		
Trade and other payables	1,425,288	1,147,211
Accrued mark-up	19,959	18,478
Short term borrowings	585,691	405,206
GIDC payable	31,226	31,226
Unclaimed dividend	4,622	4,622
Taxation and levy - net	11,709	9,409
	2,078,495	1,616,152
Total liabilities	2,078,495	1,616,152
CONTINGENCIES AND COMMITMENTS	4	-
TOTAL EQUITY AND LIABILITIES	2,933,801	2,547,470

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

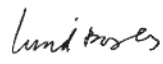

Chief Executive


Director


Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

		Un Audited 31 December 2024	Audited 30 June 2024
	Note	(Rupees in thousands)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	831,432	765,738
Long term investments		49,302	66,662
Long term security deposits		53,665	25,522
Deferred income tax asset - net		-	-
		934,399	857,922
CURRENT ASSETS			
Stores and spare parts		95,132	86,310
Stock-in-trade		597,300	443,121
Trade debts		1,017,095	781,629
Advances		19,334	12,232
Short term prepayment		3,442	-
Other receivables		10,778	13,021
Sales tax refundable		214,901	294,222
Cash and bank balances		41,420	59,013
		1,999,402	1,689,548
TOTAL ASSETS		2,933,801	2,547,470


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 2024

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(Rupees in thousand)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	6	2,815,121	3,264,131	1,501,998	1,599,113
COST OF SALES	7	(2,715,359)	(3,057,728)	(1,405,753)	(1,454,963)
GROSS PROFIT		99,762	206,403	96,245	144,150
DISTRIBUTION COST		(17,741)	(28,414)	(9,609)	(12,862)
ADMINISTRATIVE EXPENSES		(63,026)	(61,062)	(29,859)	(29,084)
OTHER EXPENSES		(961)	(5,880)	(961)	(5,880)
		(81,728)	(95,356)	(40,429)	(47,826)
		18,034	111,047	55,816	96,324
OTHER INCOME		17,012	1,542	13,144	1,070
PROFIT FROM OPERATIONS		35,046	112,589	68,960	97,394
FINANCE COST		(58,442)	(38,279)	(29,108)	(22,226)
(LOSS) / PROFIT BEFORE LEVY AND TAXATION		(23,396)	74,310	39,852	75,168
LEVY		(35,256)	(19,460)	(19,935)	(9,536)
(LOSS) / PROFIT BEFORE TAXATION		(58,652)	54,850	19,917	65,632
TAXATION		-	(21,352)	1,093	(10,463)
(LOSS) / PROFIT AFTER TAXATION		(58,652)	33,498	21,010	55,169
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		(6.79)	3.88	2.43	6.39

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 Half Year Ended 31 December 2024

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(Rupees in thousand)			
(LOSS) / PROFIT AFTER TAXATION	(58,652)	33,498	21,010	55,169
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit or loss:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(17,360)	11,024	(17,689)	7,418
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period	(17,360)	11,024	(17,689)	7,418
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(76,012)	44,522	3,321	62,587

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 2024

	Reserves										TOTAL EQUITY	
	SHARE CAPITAL	Capital			Revenue			Sub total	TOTAL RESERVE			
		Premium on issue of right shares	Fair value reserve FVTOCI investments	Sub total	General reserve	Un-appropriated profit	Sub total					
Balance as at 30 June 2023 (Audited)	86,400	86,400	25,911	112,311	600,000	144,990	744,990	857,301	943,701			
Profit for the half year ended 31 December 2023	-	-	-	-	-	33,498	33,498	33,498	33,498			
Other comprehensive income for the half year ended 31 December 2023	-	-	11,024	11,024	-	-	-	11,024	11,024			
Total comprehensive income for the half year ended 31 December 2023	-	-	11,024	11,024	-	33,498	33,498	44,522	44,522			
Balance as at 31 December 2023 (Un-audited)	86,400	86,400	36,935	123,335	600,000	178,488	778,488	901,823	988,223			
Loss for the half year ended 30 June 2024	-	-	-	-	-	(67,393)	(67,393)	(67,393)	(67,393)			
Other comprehensive income for the half year ended 30 June 2024	-	-	10,488	10,488	-	-	-	10,488	10,488			
Total comprehensive loss for the half year ended 30 June 2024	-	-	10,488	10,488	-	(67,393)	(67,393)	(56,905)	(56,905)			
Balance as at 30 June 2024 (Audited)	86,400	86,400	47,423	133,823	600,000	111,095	711,095	844,918	931,318			
Loss for the half year ended 31 December 2024	-	-	-	-	-	(58,652)	(58,652)	(58,652)	(58,652)			
Other comprehensive loss for the half year ended 31 December 2024	-	-	(17,360)	(17,360)	-	-	-	(17,360)	(17,360)			
Total comprehensive loss for the half year ended 31 December 2024	-	-	(17,360)	(17,360)	-	(58,652)	(58,652)	(76,012)	(76,012)			
Balance as at 31 December 2024 (Un-audited)	86,400	86,400	30,063	116,463	600,000	52,443	652,443	768,906	855,306			

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

Mundhoo
Chief Executive

Moghe
Director

Yongfund
Chief Financial Officer

SHAMS TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)
For The Half Year Ended 31 December 2024

	Note	Half Year Ended	
		31 December 2024	31 December 2023
(Rupees in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	8	17,401	(230,041)
Finance cost paid		(56,961)	(24,685)
Income tax and levy paid		(32,956)	(31,168)
Workers' profit participation fund paid		(3,824)	(114)
Long term security deposits made		(28,143)	-
Net cash used in operating activities		(104,483)	(286,008)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(99,574)	(45,452)
Dividend received		180	180
Return on bank deposits received		5,799	504
Net cash used in investing activities		(93,595)	(44,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		180,485	316,454
Net cash from financing activities		180,485	316,454
Net decrease in cash and cash equivalents		(17,593)	(14,322)
Cash and cash equivalents at the beginning of the period		59,013	25,736
Cash and cash equivalents at the end of the period		41,420	11,414

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 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Shams Textile Mills Limited ("the Company") 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 Office No. 801, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II, 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 2024. 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. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 2024.

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 2024.

4. CONTINGENCIES AND COMMITMENTS

Contingencies

- i) There is no significant change in the status of contingencies as disclosed in the preceding annual audited financial statements of the Company for the year ended 30 June 2024.

Commitments

- i) Letters of credit for capital expenditures amounted to Rupees 59.329 million (30 June 2024: Rupees 0.179 million).
- ii) Letters of credit for other than capital expenditures amounted to Rupees 240.701 million (30 June 2024: Rupees 126.644 million).

	Un-audited 31 December 2024	Audited 30 June 2024
	(Rupees in thousands)	
5 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 5.1)	777,740	729,263
Capital work-in-progress (Note 5.2)	53,692	36,475
	831,432	765,738

SHAMS TEXTILE MILLS LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-Audited)**
For The Half Year Ended 31 December 2024

	Un-audited 31 December 2024	Audited 30 June 2024
	(Rupees in thousands)	
5.1 Operating fixed assets		
Opening book value	729,263	701,903
Add: Cost of additions during the period / year (Note 5.1.1)	82,357	97,505
Less: Book value of deletions during the period / year (Note 5.1.2)	-	(4,758)
Less: Depreciation charged during the period / year	(33,880)	(65,387)
	777,740	729,263
5.1.1 Cost of additions		
Plant and machinery	52,042	82,015
Residential and other building on freehold land	25,371	-
Vehicles	4,944	15,490
	82,357	97,505
5.1.2 Book value of deletions		
Plant and machinery	-	1,565
Electric and sui gas installations	-	1
Factory equipment	-	51
Vehicles	-	3,141
	-	4,758
5.2 Capital work-in-progress		
Residential and other building on freehold land	-	17,725
Plant and machinery	5,840	18,750
Factory building on freehold land	47,852	-
	53,692	36,475

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised at a point in time as per the terms and conditions of underlying contracts with customers. Sales of yarn represent 97.08% (31 December 2023: 97.41%) of the total sales of the Company. Remaining sales represent waste sales. 100% (31 December 2023: 100%) of the sales of the Company relates to customers in Pakistan.

	Un-Audited			
	Half Year Ended 31 December 2024	31 December 2023	Quarter Ended 31 December 2024	31 December 2023
	(Rupees in thousand)			
7 COST OF SALES				
Raw materials consumed	2,158,777	2,481,040	1,224,182	1,358,412
Salaries, wages and other benefits	132,058	114,280	66,264	56,172
Stores and spare parts consumed	59,581	61,098	29,691	38,233
Packing materials consumed	42,548	41,377	27,165	25,237
Repair and maintenance	5,671	7,536	3,199	4,461
Fuel and power	443,630	334,126	238,331	213,377
Insurance	3,443	2,932	1,722	1,466
Other factory overheads	4,672	6,036	2,310	3,086
Depreciation	28,939	28,090	14,831	14,452
	2,879,319	3,076,515	1,607,695	1,714,896
Work-in-process:				
Opening stock	61,963	62,185	39,985	52,064
Closing stock	(81,911)	(67,380)	(81,911)	(67,380)
	(19,948)	(5,195)	(41,926)	(15,316)
Cost of goods manufactured	2,859,371	3,071,320	1,565,769	1,699,580
Finished goods and waste:				
Opening stock	125,712	440,589	109,708	209,564
Closing stock	(269,724)	(454,181)	(269,724)	(454,181)
	(144,012)	(13,592)	(160,016)	(244,617)
	2,715,359	3,057,728	1,405,753	1,454,963

SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-Audited)
For The Half Year Ended 31 December 2024

	Un-audited Half Year Ended	
	31 December 2024	31 December 2023
(Rupees in thousand)		
8 CASH GENERATED / (USED IN) FROM OPERATIONS		
(Loss) / profit before levy and taxation	(23,396)	74,310
Adjustments for non-cash charges and other items:		
Depreciation	33,880	32,015
Finance cost	58,442	38,279
Allowance for expected credit losses	-	373
Profit on deposits with banks	(5,799)	(504)
Provision for slow moving and obsolete stores and spare parts	961	-
Provision for workers' profit participation fund	-	3,991
Provision for workers' welfare fund	-	1,517
Dividend income	(180)	(180)
Working capital changes (Note 8.1)	(46,507)	(379,842)
	17,401	(230,041)
8.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores and spare parts	(8,822)	(4,786)
- Stock-in-trade	(154,179)	(32,052)
- Trade debts	(235,466)	(336,714)
- Advances	(7,102)	(10,138)
- Short term prepayment	(3,442)	(3,093)
- Other receivables	2,243	22,365
- Sales tax refundable	79,321	80,560
	(327,447)	(283,858)
Increase / (decrease) in trade and other payables	280,940	(95,984)
	(46,507)	(379,842)

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 2024 (Un-audited)	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Fair value through other comprehensive income	49,302	-	-	49,302

Recurring fair value measurements At 30 June 2024 (Audited)	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Financial assets				
Fair value through other comprehensive income	66,662	-	-	66,662

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 period. Further, there was no transfer in and out of level 3 measurements.

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-Audited)**
For The Half Year Ended 31 December 2024

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 2024	31 December 2023	Quarter ended 31 December 2024	31 December 2023
	(Rupees in thousand)			
Associated companies				
Sale of goods and services	3,395	2,938	1,578	1,347
Purchase of goods and services	193,538	177	193,434	77
Insurance premium	9,620	7,826	55	8
Rent expense	750	1,650	375	825
Loan obtained	-	50,000	-	50,000
Loan repaid	-	50,000	-	-
Interest on loan amount	10,137	2,157	5,559	133
Other related parties				
Company's contribution to employees' provident fund trust	4,927	2,763	2,609	1,492
Remuneration of chief executive, directors and executives	30,281	22,199	15,141	8,262
Loan obtained from chief executive and his spouse	-	10,000	-	2,500
Loan repaid to chief executive and his spouse	11,501	910	11,501	910
Loan obtained from director	4,985	9,609	4,985	9,609
Loan repaid to director	5,000	7,450	-	-
ii. Period end balances				
	As at 31 December 2024 (Un-audited)			
	Associated Companies	Other related Parties		Total
	(Rupees in thousand)			
Trade and other payables	15,877	126,700	142,577	
Long term investments	4,013	-	4,013	
Short term borrowings	100,000	-	100,000	
	As at 30 June 2024 (Audited)			
	Associated Companies	Other related Parties		Total
	(Rupees in thousand)			
Trade and other payables	7,317	137,989	145,306	
Long term borrowings	4,361	-	4,361	
Short term borrowings	100,000	-	100,000	

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-Audited)**
For The Half Year Ended 31 December 2024

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 2024.

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 19 February, 2025.

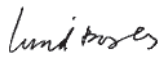
13. CORRESPONDING FIGURES

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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