

HALF YEARLY  
REPORT  
DECEMBER 31  
**2020**  
(UN-AUDITED)



**Shadab Textile Mills Limited**



## Shadab Textile Mills Limited

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## Shadab Textile Mills Limited

### COMPANY INFORMATION

<b>CHIEF EXECUTIVE</b>	Mian Aamir Naseem	
<b>BOARD OF DIRECTORS</b>	Mian Farrukh Naseem Mr. Saad Naseem Mr. Yasir Naseem Mr. Hamza Naseem Mrs. Fatima Aamir Mr. Fahad Shafiq Mr. Ghazanfer Feroz	<b>Chairman/Non Executive Director</b> <b>Non Executive Director</b> <b>Executive Director</b> <b>Non Executive Director</b> <b>Female - Non Executive Director</b> <b>Independent Director</b> <b>Independent Director</b>
<b>AUDIT COMMITTEE</b>	Mr. Fahad Shafiq Mian Farrukh Naseem Mr. Hamza Naseem	<b>Chairman</b> <b>Member</b> <b>Member</b>
<b>HUMAN RESOURCE &amp; REMUNERATION COMMITTEE</b>	Mr. Fahad Shafiq Mr. Ghazanfer Feroz Mr. Saad Naseem	<b>Chairman</b> <b>Member</b> <b>Member</b>
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Muhammad Aslam	
<b>COMPANY SECRETARY</b>	Mr. Khurram Zahoor	
<b>AUDITORS</b>	M/s. Fazal Mehmood & Company, Chartered Accountants	
<b>SHARE REGISTRAR</b>	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Ph: 042-35887262, 35839182 Fax: 042-35869037	
<b>BANKERS</b>	Bank Al-Falah Limited Bank Al-Habib Limited	
<b>REGISTERED OFFICE</b>	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore Ph: No. 042-35788714-16	
<b>WEBSITE ADDRESS</b>	<a href="http://www.shadabtextile.com">www.shadabtextile.com</a>	
<b>MILLS</b>	Unit # 1: Nasimabad, Shahkot, District Nankana Sahib. Unit # 2: Habibabad, Pattoki, District Kasur	



## Shadab Textile Mills Limited

### DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present un-audited financial statements of the Company for the half year ended December 31, 2020 reviewed by the auditors of the Company.

During the period under review, the Company earned profit after tax of Rs.61.005 million as compared to profit after tax of Rs.27.035 million of the corresponding period of previous year. Sales were made amounting to Rs. 1,459.153 million as compared to previous half year sales of Rs. 1,383.296 million showing increase of Rs.75.857 million against previous half year sales. Earning per share is Rs.3.68 as compared to Rs.3.23 per share. The profitability of the company has increased as compared to corresponding period of previous half year due to increase in yarn sale prices. During the period, the prices of raw material remained on higher side and other input costs increased due to devaluation in Pak Rupees. Despite above stated factors the company financial results remained satisfactory.

The Company has strategic plan to diversify its product line, addition of new qualities and blends of yarn and improvement in production capacity to compete with other spinning units. In order to make project more efficient, cost effective and profitable, the management has decided to add new project of 480 spindles (Murata Vortex Spun Yarn) with back process machinery at new Unit No. 2, situated at Habibabad, Tehsil Chunian, District Kasur through Right shares capital, sponsors loan and bank financing. In this connection land & building has also been acquired for new project and construction work of building is in progress. Further, all machinery of imported & local have been arrived at mills and erection work of machinery is in progress. The management is confident that expansion of production facility will be achieved with in target period.

In Unit No.1 located at Nasimabad Shahkot, District Nankana Sahib, we have recently imported 02 Gas Generators of 2.00 M.W each from Germany with a total cost of Rs.230 million out of which Rs.160 million arranged from SBP TERF loan for 05 years and balance Rs.70 million from own sources with aim to save money on energy cost by self-generation of electricity from Gas fired engines. In the meanwhile, the Government has decided to disconnect gas supply to captive power plants for self-generation of electricity and forcing to use high cost electricity supply from WAPDA which is clearly injustice to move industry to high cost source whereas huge amount of Rs.230 million have been invested, in present circumstances how can we pay off SBP loan. In this regard, the Government should call back of decision and restoration of Gas supply to industry for generation of electricity for self-use.

The board avails the opportunity to appreciate the devoted work done by the executives, officers, staff and workers of the company.

For and on behalf of the Board

MIAN AAMIR NASEEM  
(Chief Executive)

MIAN FARRUKH NASEEM  
(Director)

Lahore: February 24, 2021



## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

ہم نہایت مسرت کے ساتھ کہنئی کے غیر آڈٹ شدہ حسابات کے گوشوارے برائے مالی ششماہی اکتوبر 31 دسمبر 2020 کہنئی کے آڈیٹران کی نظر ثانی کے بعد آپ کی خدمت میں پیش کرتے ہیں۔

زیر نظر مدت کہنئی نے ٹیکس ادا کرنے کے بعد 61.005 ملین روپے کا منافع حاصل کیا ہے جو گزشتہ سال اسی مدت کے لیے 27.035 ملین روپے تھا۔ اس ششماہی میں ہلز کی مجموعی رقم 1,459.153 ملین روپے ہے جو گزشتہ سال کی ششماہی ہلز کی رقم 1,383.296 ملین روپے سے 75.857 ملین روپے زیادہ ہے۔ فی شیئر آمدنی گزشتہ ششماہی 3.23 روپے شیئر کے مقابلے میں 3.68 روپے فی شیئر ہے۔ دوا گزشتہ وقت کی قیمتوں میں اضافے کی وجہ سے پچھلے سال کی اسی ششماہی کے مقابلے میں کہنئی کا منافع بڑھ گیا ہے۔ اس عرصے کے دوران خام مال اور دیگر ان پٹ لاکٹ میں پاک روپے کی قیمت میں کمی کی وجہ سے قیمتوں میں اضافہ ہوا۔ اوپر بیان کی گئی وجوہات کے باوجود کہنئی کے مالی گوشواروں کے نتائج اطمینان بخش رہے۔

دیگر کئی پونٹوں کے ساتھ مقابلہ کرنے کے لیے کہنئی کا اپنی پروڈکٹ لائن کو متنوع بنانے، نئی خصوصیات اور سروس کی آمیزش کا اضافہ اور پیداواری صلاحیت میں بہتری لانے کے لیے سٹریٹجک منصوبہ ہے۔ اس منصوبے کو زیادہ پراثر لاکٹ اور منافع بخش بنانے کے لیے انتظامیہ نے رائٹ جسٹس کنسلٹنٹس، اسپانسرز قرض اور بینک ذریعے صیب آباد تحصیل چوکیوں ضلع قصور میں واقع یونٹ نمبر 2 میں بیک پروسیس مشینری کے ساتھ 480 سپینڈلز (Murata Vortex Spun Yarn) کا نیا پروجیکٹ شامل کرنے کا فیصلہ کیا ہے اس سلسلے میں اراضی اور عمارت کو بھی نئے منصوبے کے لیے حاصل کر لیا گیا ہے اور عمارت کا تعمیراتی کام جاری ہے۔ مزید یہ کہ تمام مقامی اور درآمدی مشنری ملز پیچھے چکی ہیں اور مشنری کو انسٹال کرنے کا کام جاری ہے۔ انتظامیہ پر اطمینان ہے کہ پیداوار میں اضافے کا منصوبہ مقررہ کردہ وقت میں مکمل ہو جائے گا۔

نسیم آباد سٹاک ہولڈرز کا صاحب میں واقع یونٹ نمبر 1 میں ہم نے حال ہی میں جرمنی سے 230 ملین روپے کی لاکٹ سے 2 میگا واٹ کے 02 گیس جنریشن ڈرامے کیے ہیں۔ اس ضمن میں 160 ملین روپے کا قرض اسٹیٹ بینک آف پاکستان سے ٹی ای آر ایف کے ذریعے لیا گیا ہے اور بقایا رقم 70 ملین روپے اپنے ذرائع سے لگائی ہے۔ جس کا مقصد گیس سے چلنے والے انجنوں سے بجلی کی خود پیداواری سے توانائی کی لاکٹ پر پیسہ بچانا ہے۔ دریں اثنا گورنمنٹ نے خود پیداواری بجلی کے کسٹمیٹو پاور پلانٹس کی گیس سپلائی بند کر دی ہے اور ملز پر باڈوالا جا رہا ہے کہ گیس سے اپنی بجلی بنانے کی بجائے واپڈ اسے ہنگی بجلی خریدی جائے جبکہ اس مدت میں ایک خلیہ رقم 230 ملین روپے کی سرمایہ کاری کر چکے ہیں، ان حالات میں کہنئی SBP کو کیسے قرضہ واپس کر سکتی ہے۔ اس ضمن میں حکومت کو چاہیے کہ گیس کی بندش کا اپنا فیصلہ واپس لے کر بجلی کی خود پیداواری کے لیے صنعت کو گیس کی فراہمی بحال کرے۔

بورڈ کہنئی کے ایگزیکٹوز، افسران، کہنئی کے عملے اور کارکنوں کی انتہک کوششوں کا شکر گزار ہے۔

منجانب بورڈ

میاں فرخ نسیم

میاں فرخ نسیم  
(ڈائریکٹر)

Agamir Nasim

میاں عامر نسیم  
(چیف ایگزیکٹو)

لاہور: 24 فروری 2021ء



## Shadab Textile Mills Limited

### INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SHADAB TEXTILE MILLS LIMITED Report on Review of Condensed Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHADAB TEXTILE MILLS LIMITED as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year 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 the 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 account and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

#### 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 the 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 Fazal Mahmood.

Date: February 24, 2021  
Place: Lahore

*Fazal Mahmood & Co.*  
FAZAL MAHMOOD & COMPANY  
Chartered Accountants

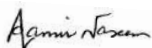


## Shadab Textile Mills Limited

### CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUTIDED) AS AT DECEMBER 31, 2020

	NOTE	(RUPEES IN THOUSAND)	
		Dec. 31, 2020 (Un-audited)	Jun. 30, 2020 (Audited)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	1,024,880	374,019
Right of use assets	6	13,493	14,993
Long term deposits		2,434	2,434
		<u>1,040,807</u>	<u>391,446</u>
<b>CURRENT ASSETS</b>			
Short term investment		-	236,000
Stores, spares and loose tools		72,176	64,430
Stock in trade		351,044	224,545
Trade debts		153,633	116,616
Loans and advances		27,250	11,113
Trade deposits and prepayments		272,710	72,450
Other receivables		67,927	8,060
Cash and bank balances		47,836	251,798
		<u>992,576</u>	<u>985,012</u>
<b>TOTAL ASSETS</b>		<u><b>2,033,383</b></u>	<u><b>1,376,458</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorised share capital 40,000,000 (June 30, 2020: 20,000,000) ordinary shares of Rs. 10/- each		<u>400,000</u>	<u>200,000</u>
Issued, subscribed & paid-up capital		166,000	166,000
Capital reserves		204,000	204,000
Revenue reserves		537,309	484,604
<b>TOTAL EQUITY</b>		<u>907,309</u>	<u>854,604</u>
<b>NON - CURRENT LIABILITIES</b>			
Long term loans		257,084	-
Lease liabilities		-	1,262
Deferred liabilities		33,087	32,899
		<u>290,171</u>	<u>34,161</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		298,610	248,737
Unclaimed dividend		710	654
Accrued mark up		4,852	775
Sponsor loan		302,600	160,600
Short term borrowings		176,849	37,478
Current portion of long term loan		27,187	5,091
Provision for taxation		25,095	34,358
		<u>835,903</u>	<u>487,693</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,033,383</b></u>	<u><b>1,376,458</b></u>

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

  
(Mian Aamir Naseem)  
Chief Executive

  
(Mian Farrukh Naseem)  
Director

  
(Muhammad Aslam)  
Chief Financial Officer



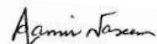
## Shadab Textile Mills Limited

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTHS & QUARTER PERIOD ENDED DECEMBER 31, 2020

(RUPEES IN THOUSAND)

NOTE	Six months period ended		For the Quarter ended		
	Jul.-Dec. 2020	Jul.-Dec. 2019	Oct.-Dec. 2020	Oct.-Dec. 2019	
Sales-net	1,459,153	1,383,296	742,080	732,747	
Cost of sales	<u>1,320,177</u>	<u>1,304,244</u>	<u>669,859</u>	<u>687,838</u>	
GROSS PROFIT	138,976	79,052	72,221	44,909	
Distribution and selling expenses	3,256	3,408	1,665	1,762	
Administrative expenses	42,531	35,459	21,681	18,213	
Other expenses	6,395	2,968	3,076	1,767	
	<u>52,182</u>	<u>41,835</u>	<u>26,422</u>	<u>21,742</u>	
	86,794	37,217	45,799	23,167	
Other income	7,864	7,697	1,826	3,109	
PROFIT FROM OPERATIONS	94,658	44,914	47,625	26,276	
Finance cost	8,370	4,868	6,112	2,429	
PROFIT BEFORE TAXATION	86,288	40,046	41,513	23,847	
TAXATION	25,283	13,011	12,300	9,628	
PROFIT AFTER TAXATION	<u>61,005</u>	<u>27,035</u>	<u>29,213</u>	<u>14,219</u>	
Basic and diluted earning per share	9	<u>3.68</u>	<u>3.23</u>	<u>1.76</u>	<u>4.59</u>

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

  
(Mian Aamir Naseem)  
Chief Executive

  
(Mian Farrukh Naseem)  
Director

  
(Muhammad Aslam)  
Chief Financial Officer





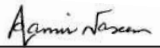
## Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED)  
FOR THE SIX MONTHS & QUARTER PERIOD ENDED DECEMBER 31, 2020

(RUPEES IN THOUSAND)

	Six months period ended		For the Quarter ended	
	Jul.-Dec. 2020	Jul.-Dec. 2019	Oct.-Dec. 2020	Oct.-Dec. 2019
PROFIT AFTER TAXATION	61,005	27,035	29,213	14,219
Other Comprehensive Income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>61,005</u>	<u>27,035</u>	<u>29,213</u>	<u>14,219</u>

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

  
(Mian Aamir Naseem)  
Chief Executive

  
(Mian Farrukh Naseem)  
Director

  
(Muhammad Aslam)  
Chief Financial Officer



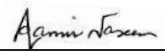
## Shadab Textile Mills Limited

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

(RUPEES IN THOUSAND)

	Share Capital	Revenue Reserves		Capital Reserves	Total Equity
	Issued, Subscribed & Paid up Ordinary shares	General Reserve	Un-appropriated profit	Share Premium	
Balance as at July 01, 2019	30,000	260,000	199,354	-	489,354
Total comprehensive income					
Profit after taxation for the period ended December 31, 2019	-	-	27,035	-	27,035
Right Issue of 13,600,000 Shares @ Rs. 10/- with a premium of Rs.15/-	136,000	-	-	204,000	340,000
Transaction with owners					
Final Dividend for the year ended June 30, 2019 @Rs. 5.20 per share	-	-	(15,600)	-	(15,600)
Balance as at December 31, 2019	166,000	260,000	210,789	204,000	840,789
Total comprehensive income					
Profit after taxation for the period ended June 30, 2020	-	-	13,815	-	13,815
Balance as at June 30, 2020	166,000	260,000	224,604	204,000	854,604
Total comprehensive income					
Profit after taxation for the period ended December 31, 2020	-	-	61,005	-	61,005
Transaction with owners					
Final Dividend for the year ended June 30, 2020 @Rs. 0.50 per share	-	-	(8,300)	-	(8,300)
Balance as at December 31, 2020	166,000	260,000	277,309	204,000	907,309

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

  
(Mian Aamir Naseem)  
Chief Executive

  
(Mian Farrukh Naseem)  
Director

  
(Muhammad Aslam)  
Chief Financial Officer



## Shadab Textile Mills Limited

CONDENSED INTERIM STATEMENT OF CASH FLOW  
(UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

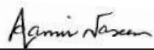
	(RUPEES IN THOUSAND)	
	Dec. 31, 2020	Dec. 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	86,288	40,046
Adjustments for:		
Depreciation	18,982	16,954
Finance cost	8,370	4,868
Workers' profit participation fund	4,634	2,151
Workers' welfare fund	1,761	817
Gain on sale of fixed assets	(65)	(4,588)
Operating profit before working capital changes	119,970	60,248
Adjustments for working capital changes: (Increase) / decrease in current assets		
Short term investment	236,000	(340,000)
Stores, spares and loose tools	(7,746)	(2,191)
Stock-in-trade	(126,499)	(45,871)
Trade debts	(37,017)	13,577
Loans and advances	(16,137)	(25,334)
Trade deposits and prepayments	(208,492)	18,597
Other receivables	(59,867)	10,269
	(219,758)	(370,953)
Increase in current liabilities		
Trade and other payables	43,478	5,473
Cash (used in) operations	(56,310)	(305,232)
Finance cost paid	(4,293)	(5,222)
Income tax paid	(26,126)	(22,512)
	(30,419)	(27,734)
Net cash (used in) operating activities	(86,729)	(332,966)



## Shadab Textile Mills Limited

	(RUPEES IN THOUSAND)	
	Dec. 31, 2020	Dec. 31, 2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for fixed capital expenditure	(669,278)	(21,079)
Proceeds from disposal of operating fixed assets	1,000	15,000
Net cash (used in) investing activities	(668,278)	(6,079)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Sponsor loan received	142,000	24,800
Right share capital received	-	340,000
Proceeds from long term loans	280,879	-
Payment of lease liability - net	(2,960)	(2,668)
Proceeds from short term borrowings (net)	139,371	3,459
Dividend paid	(8,245)	(15,460)
Net cash generated from financing activities	551,045	350,131
<b>NET CASH (USED IN) / GENERATED DURING THE PERIOD</b>	<b>(203,962)</b>	<b>11,086</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>251,798</b>	<b>35,881</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>47,836</b>	<b>46,967</b>

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

  
(Mian Aamir Naseem)  
Chief Executive

  
(Mian Farrukh Naseem)  
Director

  
(Muhammad Aslam)  
Chief Financial Officer



## Shadab Textile Mills Limited

### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

#### 1. THE COMPANY AND ITS OPERATIONS

Shadab Textile Mills Limited (the Company) was incorporated as a public limited company on 19th August 1979 under the Companies Act 1913 which was replaced by Companies Ordinance, 1984 (now the Companies Act, 2017). The company is registered as a public limited company in Pakistan and quoted on Pakistan Stock Exchange and engaged in the business of manufacturing, selling, buying and dealing in yarn of all types. The registered office of the company is situated at 6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore. The manufacturing facilities of the Company are located at Faisalabad Road, Nisimabad, Shahkot, District Nankana Sahib and 1-K.M Chunnia Road, Habibabad, Pattoki, District Kasur.

#### 2. BASIS OF PREPARATION

This condensed interim financial information of the company for the six months period ended December 31, 2020 is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information is un-audited and is being submitted to the shareholders as required under Companies Act, 2017.

These condensed interim financial statements (un-audited) are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017 (the "Act").

The comparative condensed interim statement of profit and loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and 2019 are also included in this condensed interim financial information.

This condensed interim financial information does not include all the information and disclosures required for full financial statements, and should be read in conjunction with the company's audited annual financial statements for the year ended June 30, 2020.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the 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 financial statements of the company for the year ended June 30, 2020, except for changes resulting from initial application of standards, amendments or interpretations to existing standards.

#### 3.1 FINANCIAL RISK MANAGEMENT, FINANCIAL INSTRUMENT AND ACCOUNTING ESTIMATES AND JUDGEMENT

##### 3.1.1 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2020.

##### 3.1.2 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair value.



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### 3.1.3 Accounting estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that effect the application of the accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2020.

### 4. ESTIMATES

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the company's accounting policies and key sources of estimation of uncertainty are the same as those were applied to the annual audited financial statements for the year ended June 30, 2020.

		(RUPEES IN THOUSAND)	
	Note	Dec. 31, 2020	Jun. 30, 2020
5.	<u>PROPERTY, PLANT AND EQUIPMENT</u>		
	Operating Fixed Assets	5.1 399,912	338,499
	Capital Work in Progress	5.2 624,968	35,520
		<u>1,024,880</u>	<u>374,019</u>
	Operating fixed assets		
	Opening net book value	338,499	301,426
	Additions during the period/ year		
	Land freehold	3,641	39,213
	Buildings	-	36,147
	Plant and machinery	75,062	-
	Vehicles	1,127	5,593
		79,830	80,953
	Disposals during the period/ year		
	Plant and machinery	935	10,412
	Vehicles	-	1,715
		935	12,127
	Depreciation charged thereon	17,482	31,753
	Closing net book value	5.1 <u>399,912</u>	<u>338,499</u>
	Capital work in progress	5.2 <u>624,968</u>	<u>35,520</u>
6.	<u>RIGHT OF USE ASSETS</u>		
	Opening balance	14,993	18,741
	Depreciation for the period	(1,500)	(3,748)
	Net book value	<u>13,493</u>	<u>14,993</u>



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### 7. CONTINGENCIES AND COMMITMENTS

#### Contingencies

Counter guarantees of Rs. 42.443 million (June 30, 2020: Rs. 25.000 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited and Lahore Electric Supply Company against gas and electricity connections.

#### Commitments

Commitments for capital expenditures are amounting Rs. 274.176 million (June 30, 2020 : Rs. 681.150) and Commitments for non capital expenditures amounted to Rs. 76.286 million (June 30, 2020: Rs.63.783 million).

### 8. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

The purchases/sales from associated undertaking was Nil (June 30, 2020 : Nil) during the period. The maximum aggregate amount due to associated undertaking at the end of any month during the period was Nil (June 30, 2020:Nil).

### 9. EARNING PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earning per share of the company.

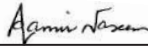
	Jul. - Dec. 2020	Jul. - Dec. 2019
Profit after taxation	61,005	27,035
Weighted average number of ordinary shares outstanding during the year (No. in '000)	<u>16,600</u>	<u>8,370</u>
Basic earning per share (Rupees)	<u>3.68</u>	<u>3.23</u>

### 10. DATE OF AUTHORIZATION

This condensed interim financial information has been approved by the Board of Directors of the company and authorized for issue on 24 February 2021.

### 11. GENERAL

Figures have been rounded off to the nearest thousand rupees.

  
(Mian Aamir Naseem)  
Chief Executive

  
(Mian Farrukh Naseem)  
Director

  
(Muhammad Aslam)  
Chief Financial Officer