

**2nd Quarter &
Half Year Accounts
Period Ended
December 31st
2021**

(REVIEWED)



J. A. Textile Mills Limited

COMPANY INFORMATION

Board of Directors

Chairman:	Mr. Riaz Ahmad
Chief Executive:	Mr. Imran Zahid
Directors:	Mr. Zahid Anwar
	Mr. Muhammad Anwar ul Haq
	Ms. Quratul-Ain Zahid
	Mr. Muhammad Ali
	Mr. Riaz Ahmad
	Mr. Liaqat Ali Qamar

Audit Committee:

Chairman:	Mr. Riaz Ahmad
Member:	Mr. Muhammad Ali
Member:	Ms. Quratul-Ain Zahid

Human Resources & Remuneration (HR&R) Committee:

Chairman:	Mr. Muhammad Ali
Member:	Mr. Imran Zahid
Member:	Mr. Liaqat Ali Qamar

Company Secretary:	Mr. Ajmal Shabab
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Chief Financial Officer:	Mr. Muhammad Umer Farooq
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Auditors:	Arshad Rahim & Co., Chartered Accountants
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Banks:	Al Baraka Islamic Bank B.S.C. (E.C.)
	Dubai Islamic Bank Pakistan Limited
	JS Bank Limited
	National Bank of Pakistan
	United Bank Limited
	Meezan Bank Limited

Legal Advisor:	Mr. Zia-ul-Haq (Advocate)
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Registered Office:	JK House, 32-W, Susan Road, Madina Town, Faisalabad
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Share Registrar Office:	Hameed Majeed Associates (Private) Limited 1 st Floor, H.M House, 7-Bank Square, Lahore.
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Mills:	29-KM, Sheikhpura Road, Faisalabad
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Web Site:	www.jatml.com
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DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Board of Directors is pleased to present condensed interim financial statements of the Company for the 2nd quarter and half year ended December 31, 2021.

Financial Results

Operating Indicators	Half Year Ended December 31, 2021 Rupees	Half Year Ended December 31, 2020 Rupees
Sales	951,355,788	692,732,239
Gross profit /(Loss)	64,062,653	60,871,612
Pretax profit/(Loss)	58,943,206	55,003,814
Provision for taxation	(23,945,855)	(9,924,588)
Profit / (Loss) after tax	34,997,351	45,079,226
Profit /loss per share	2.78	3.58

During the period under review, sales increased from 692 Million to 951 million. The Company earned net profit of Rs. 34 million as compared to profit of Rs. 45 million of corresponding period of previous year.

Regarding the auditor's reservation of going concern relating to note 1.2 of condensed interim financial statements, the management of the Company is making strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the Company. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet our objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

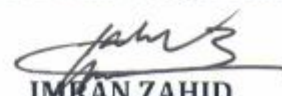
There is no material change in position of on going litigation and other matters related to court as reported in the Directors' report to the shareholders for the year ended June 30, 2021.

Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

We would like to express our appreciation for the dedication and hard work put in by the entire team at J. A. Textile Mills Limited and all its partners within the country and all across the world.

For and on behalf of the Board

February 25, 2022
Faisalabad


IMRAN ZAHID
Chief Executive

ڈائریکٹرز رپورٹ برائے حصص یافتگان

آپ کے بورڈ آف ڈائریکٹرز کو دوسری سہ ماہی اور 31 دسمبر 2021 کو ختم ہونے والے ششماہی سال کے کمپنی کے غیر آڈٹ تخلیق شدہ مالیاتی اسٹیٹمنٹ پیش کرتے ہوئے نہایت مسرت محسوس ہو رہی ہے۔ مالیاتی نتائج:

آپریٹنگ تفصیلات	ششماہی سال کا اختتام 31 دسمبر 2021	ششماہی سال کا اختتام 31 دسمبر 2020
فروخت	951,355,788 روپے	692,732,239 روپے
مجموعی آمدن / خسارہ	64,062,653	60,871,612
قبل از ٹیکس آمدن / خسارہ	58,943,206	55,003,814
ٹیکس کے لئے پروویژن	(23,945,855)	(9,924,588)
ٹیکس کے بعد منافع / نقصان	34,997,351	45,079,226
آمدن / نقصان فی شیئر	2.78	3.85

زیر سے جائزہ مدت کے دوران فروخت 692 ملین سے بڑھ کر 951 ملین ہو گئی۔ پچھلے کی اسی مدت کے 45 ملین روپے کے منافع کے مقابلے میں کمپنی کو 34 ملین کا خالص منافع ہوا ہے۔

گوئیٹنگ کنسرن کے متعلق آڈیٹرز کے تحفظات، تلخیص شدہ درمیانی مدت کے مالیاتی اسٹیٹمنٹس کے نوٹ نمبر 1.2 کی بابت کمپنی کے منافع کو بہتر بنانے کے لئے کمپنی کی انتظامیہ مسلسل کوششیں کر رہی ہے، پیداوار بڑھانے کی حکمت عملی اور لاگت کنٹرول کرنے کے موثر طریقوں پر عمل کیا جا رہا ہے۔ کمپنی کی انتظامیہ مثبت انداز میں آنے والے تمام چیلنجوں کا مقابلہ کرنے کے لئے تیار ہے اور ممکنہ بہترین نتائج فراہم کرنے کے لئے پختہ ارادہ رکھتی ہے۔ اور اپنے مقاصد اہداف کو پورا کرنے کے لئے کوششیں جاری رہیں گی۔ ان پہلوؤں، ڈائریکٹرز اور ایسوسی ایٹس کی مسلسل مالی امداد کی بنیاد پر یہ مالیاتی اسٹیٹمنٹس گوئیٹنگ کنسرن بنیادوں پر بنائی گئی ہیں

30 جون 2021 کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ برائے حصص یافتگان میں جو مقدمات اور دیگر امور رپورٹ کئے گئے ان میں کوئی تبدیلی نہیں ہوئی ہے۔

ریلیٹیوڈ پارٹنرز کے ساتھ لین دین آرم لینتھ بنیادوں پر کیا گیا اور قیمتوں کا تعین کمپیئر ڈ ان کنٹرولڈ پرائس میٹھڈ کی بنیاد پر کیا گیا۔

ہم جے اے ٹیکسٹائل ملز لمیٹڈ کی پوری ٹیم اور اس کے تمام شراکت داروں، ملک کے اندر اور دنیا بھر میں، کی انتھک محنت تعریف کرتے ہیں۔

بورڈ آف ڈائریکٹران کی طرف سے

25 فروری، 2022

فیصل آباد

چیف ایگزیکٹو آفیسر

J A TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

We are pleased to present the financial results of the company. The sale has increased in this half year as compared to the corresponding period of the last year. Due to increase of prices of yarn the profit has also decreased as compared to corresponding period of last year.


We are confident that our existing business trend will continue adding to sustainable growth to achieve better results during the current year.

The management remains committed to maintain focus on sustaining the financial performance of the company. We thank our shareholders, customers, bankers and staff for their support and trust in the company.

In the end, I would like to thank the board of directors for their valuable contribution and guidance throughout the company.

For and on behalf of the Board of Directors

FAISALABAD
FEBRUARY 25, 2022


RIAZ AHMAD
Chairman BOD

جے اے ٹیکسٹائل ملز لمیٹڈ

چیرمین کا جائزہ

ہم بھرپور خوشی کمپنی کے مالی نتائج پیش کر رہے ہیں

پچھلے سال کے اسی عرصے کے مقابلے میں اس نصف سال میں فروخت میں اضافہ ہوا ہے دھماگے کی قیمتوں میں اضافے کی وجہ سے پچھلے سال کے اسی عرصے کے مقابلے میں منافع میں کمی آئی ہے

ہم اس بات پر پُر امید ہیں کہ کمپنی اس سال ترقی کی طرف گامزن رہے گی۔ اور اس سال بہتر نتائج حاصل کرنے کیلئے کاروبار کے بہترین طریقے اختیار کریں گے۔

انتظامیہ اس سلسلے میں پرعزم ہے کہ آپ کی کمپنی کی مالی کارکردگی کو برقرار رکھنے کے معاملے پر خصوصی توجہ مرکوز رکھے گی۔ ہم اپنے حصص یافتگان، کسٹمرز اور سٹاف کے شکرگزار ہیں جنکی مدد اور اعتماد کمپنی کو حاصل رہا۔

آخر میں، میں بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہتا ہوں جن کی طرف سے انتھک محنت، قیمتی شراکت اور رہنمائی فراہم کی جاتی رہی۔

بورڈ کی طرف سے


ریاض احمد

چیرمین بورڈ آف ڈائریکٹرز

25 فروری 2022

فیصل آباد

ARSHAD RAHEEM & Co

Chartered Accountants

YOUSAF ISLAM HOUSE
39-Link Farid Kot Road,
Near A.G. Office, LAHORE.
Tel: (92-42) 7236167 - 7312590
Fax: (92-42) 7236168
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Auditor's Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **J. A. Textile Mills Limited** ("the Company") as at **December 31, 2021** 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 flow and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended December 31, 2021 and 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 December 31, 2021.

Scope of Review

We conducted our review in accordance with the 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, with the exception of matters described in preceding paragraph, nothing has come in our attention that causes us to believe that accompanying interim financial information as of and for the half year ended December 31, 2021 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without qualifying our conclusion;

- a) We draw attention of the members to the contents of note 1.2 to the annexed interim financial information, the Company has accumulated losses of Rs. 50.689 million against the paid-up capital of Rs. 126.012 million as at December 31, 2021 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 14.161 million. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

ARSHAD RAHEEM & Co
Chartered Accountants

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- b) We draw attention of the members to the contents of note 10 to the annexed interim financial information, which indicated that the Company has filed appeal before the Supreme Court of Pakistan against the decision of the Lahore High Court, Lahore for remitting back the case to Banking Court – II, Faisalabad for necessary calculations and verification of payments to the tune of Rs. 26.890 million, which had originally been decided in its favor. However, the ultimate outcome of the matter cannot be determined with any degree of certainty.

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



ARSHAD RAHEEM & CO
Chartered Accountants

LAHORE: 25 FEB 2022

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	(Un-Audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	582,503,942	557,005,190
Long term deposits		23,470,462	21,878,462
		<u>605,974,404</u>	<u>578,883,652</u>
CURRENT ASSETS			
Stores and spares		10,247,709	6,539,727
Stock in trade		221,244,090	106,797,692
Trade debts		18,314,403	5,959,814
Advances, prepayments & other receivables		34,823,728	15,856,161
Short-term investment	6	390,961	393,744
Balance with statutory authorities		4,203,867	1,889,158
Cash and bank balances		78,226,636	106,090,200
		<u>367,451,394</u>	<u>243,526,496</u>
		<u>973,425,798</u>	<u>822,410,148</u>
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 ordinary shares of Rs.10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital			
12,601,160 ordinary shares of Rs.10 each			
fully paid in cash		126,011,600	126,011,600
Accumulated loss		(50,689,866)	(91,861,597)
Surplus on remeasurement of investments			
available for sale to fair value		22,590	25,373
Surplus on revaluation of			
property, plant and equipment	7	298,531,192	304,705,572
Loan from related parties	8	129,938,781	130,092,281
		<u>503,814,297</u>	<u>468,973,229</u>
NON CURRENT LIABILITIES			
Deferred liabilities	9	116,321,367	104,267,459
CURRENT LIABILITIES			
Trade and other payables		352,846,414	246,875,165
Unclaimed dividend		443,720	443,720
Provision for taxation		-	1,850,575
		<u>353,290,134</u>	<u>249,169,460</u>
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		<u>973,425,798</u>	<u>822,410,148</u>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Half year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
	Note	2021	2020	2021	2020
		----- Rupees -----			
Sales - <i>net</i>	11	951,355,788	692,732,239	533,421,758	368,589,530
Cost of sales	12	887,293,135	631,860,627	499,473,780	325,533,813
Gross profit		64,062,653	60,871,612	33,947,978	43,055,717
Operating expenses					
Administrative expenses		7,292,232	6,161,571	3,520,950	2,929,660
Distribution cost		410,990	1,081,230	371,990	998,730
		7,703,222	7,242,801	3,892,940	3,928,390
		56,359,431	53,628,811	30,055,038	39,127,327
Other Operating Income		2,585,545	1,395,164	2,283,725	1,395,164
		58,944,976	55,023,975	32,338,763	40,522,491
Finance Cost		1,770	20,161	610	8,126
Profit before taxation		58,943,206	55,003,814	32,338,153	40,514,365
Taxation		23,945,855	9,924,588	7,689,848	30,174,310
Profit for the period		34,997,351	45,079,226	24,648,305	10,340,055
Profit per share - basic and diluted		2.78	3.58	1.96	0.82

The annexed notes 1 to 15 form an integral part of the condensed interim financial information


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
	----- Rupees -----			
Profit for the period	34,997,351	45,079,226	24,648,305	10,340,055
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Unrealized (loss) / profit on changes in fair value of investment	(2,783)	49,403	3,001	49,403
Total comprehensive income for the period	<u>34,994,568</u>	<u>45,128,629</u>	<u>24,651,306</u>	<u>10,389,458</u>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year Ended	
	December 31, 2021	December 31, 2020
	----- Rupees -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,943,206	55,003,814
Adjustments for non cash and other items:		
Depreciation	12,626,639	8,055,779
Profit on deposit accounts	(1,728,682)	(1,395,164)
Gain on disposal of Vehicle	(856,863)	-
Finance cost	1,770	20,161
Cash generated before changes in working capital	68,986,070	61,684,590
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(3,707,982)	1,437,773
Stock in trade	(114,446,398)	(103,823,904)
Trade debts	(12,354,589)	6,707,070
Advances, prepayments & other receivables	(18,967,567)	(6,765,385)
Balance with statutory authorities	(39,297)	(4,465,844)
Increase/(decrease) in current liabilities		
Trade and other payables	105,971,249	47,025,286
	(43,544,584)	(59,885,004)
Cash generated from operations	25,441,486	1,799,586
Finance cost paid	(1,770)	(20,161)
Taxes Paid	(16,017,934)	(6,829,813)
	(16,019,704)	(6,849,974)
Net cash generated from / (used in) operating activities	9,421,782	(5,050,388)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(38,268,528)	-
Sale Proceed on Disposal of Vehicle	1,000,000	-
Long term deposits	(1,592,000)	(26,082)
Profit on deposit accounts	1,728,682	1,395,164
Net cash (used in) / generated from investing activities	(37,131,846)	1,369,082
c) CASH FLOW FROM FINANCING ACTIVITIES		
Loan from related parties paid	(153,500)	(2,288,672)
Net cash used in financing activities	(153,500)	(2,288,672)
Net decrease / increase in cash and cash equivalents (a+b+c)	(27,863,564)	(5,969,978)
Cash and cash equivalents at the beginning of the period	106,090,200	55,492,837
Cash and cash equivalents at the end of the period	78,226,636	49,522,859

The annexed notes 1 to 15 form an integral part of the condensed interim financial information


CHIEF EXECUTIVE OFFICER


DIRECTOR



CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share capital	Accumulated loss	Surplus on remeasurement of investments available for sale to fair value	Surplus on revaluation of property, plant and equipment	Loan from related parties	Total
						----- Rupees -----
Balance as at July 01, 2020	126,011,600	(188,284,382)	(44,132)	191,135,627	132,454,324	261,273,037
Profit for the period	-	45,079,226	-	-	-	45,079,226
Other comprehensive income	-	-	49,403	-	-	49,403
Transfer of incremental depreciation on revalued property, plant and equipment for the period	-	4,739,276	-	(4,739,276)	-	-
Tax effect on incremental depreciation	-	(1,374,390)	-	1,374,390	-	-
Repayment of loan from related parties	-	-	-	-	(2,288,672)	(2,288,672)
Balance as at December 31, 2020	126,011,600	(139,840,270)	5,271	187,770,741	130,165,652	304,112,994
Balance as at July 01, 2021	126,011,600	(91,861,597)	25,373	304,705,572	130,092,281	468,973,229
Profit for the period	-	34,997,351	-	-	-	34,997,351
Other comprehensive loss	-	-	(2,783)	-	-	(2,783)
Transfer of incremental depreciation on revalued assets for the period	-	8,039,558	-	(8,039,558)	-	-
Tax effect on incremental depreciation	-	(1,865,178)	-	1,865,178	-	-
Repayment of loan from related parties	-	-	-	-	(153,500)	(153,500)
Balance as at December 31, 2021	126,011,600	(50,689,866)	22,590	298,531,192	129,938,781	503,814,297

The annexed notes 1 to 15 form an integral part of the condensed interim financial information


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1. COMPANY AND ITS OPERATIONS

1.1 J.A. Textile Mills Limited (the Company) was incorporated in Pakistan on 25 May, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The shares of the company are listed on Pakistan Stock Exchange. The Mill is situated at 29-KM, Sheikhpura Road, Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

1.2 Going concern assumption

The Company has accumulated loss stands at Rs. 50,689 million (June 30, 2021: Rs. 91,861 million) as against issued, subscribed and paid up capital of Rs. 126,012 million as at December 31, 2021 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 14,161 million (June 30, 2021: Rs. 5,642 million) respectively. These factors along with matters described in condensed interim financial statements may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business, for which no adjustments have been incorporated in these financial statements.

In spite of the huge accumulated losses and negative current ratio, the management of the Company is making strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the Company. These measures include balancing and modernization of plant and machinery in previous years, improvement in future industry situation and better production efficiency. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.


This condensed interim financial information is un-audited and has been prepared in condensed form in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS -34 "Interim Financial Reporting" as applicable in Pakistan. This interim financial information do not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2021.

This condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the selected notes for the half year ended December 31, 2021 which have been subjected to a review but not audited. This condensed interim financial statements also include condensed profit and loss statement for the quarter ended December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computations which have been used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements for the year ended June 30, 2021.
- 3.2** Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were either not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2** Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2021.
- 4.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.
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6. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / REVALUATION				DEPRECIATION			BOOK VALUE	
	As at July 01, 2021	Additions/ transfers during the period	Revaluation surplus	Deletion transfer during the period	As at July 01, 2021	Deletion during the year	For the Period	As at December 31, 2021	Rate %
Freehold land	90,700,000	-	-	-	-	-	-	90,700,000	-
Building on freehold land	-	-	-	-	-	-	-	-	-
- factory	154,892,446	-	-	-	18,035,946	-	3,390,815	22,334,761	5%
- residential	30,301,188	-	-	-	3,811,588	-	862,240	4,473,028	5%
Plant and machinery	284,821,020	36,080,218	-	-	11,021,620	-	7,012,418	18,034,038	5%
Power Generators	31,500,001	-	-	-	9,756,137	-	1,067,183	10,043,330	10%
Electric installations	3,500,000	1,298,310	-	-	4,798,310	-	147,050	1,229,806	10%
Factory equipments	7,000,000	-	-	-	1,062,856	-	241,701	2,407,003	10%
Electric appliances	940,688	-	-	-	2,165,982	-	4,153	881,760	10%
Office equipments	2,817,855	-	-	-	940,688	-	4,153	881,760	10%
Furniture and fixtures	290,516	-	-	-	2,917,855	-	24,149	2,459,017	10%
Vehicles	6,593,344	-	-	-	271,090	-	871	272,061	10%
					6,114,854	(1,610,500)	47,840	4,551,803	20%
Rupees: December 2021	613,457,650	38,259,528	-	1,754,037	56,452,468	(1,610,500)	12,626,639	67,468,207	
								582,503,942	

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION			BOOK VALUE	
	As at July 01, 2020	Additions/ transfers during the Year	Revaluation during the year	Deletion	As at July 01, 2020	Deletion during the year	For the Year	As at June 30, 2021	Rate %
Land - freehold	76,800,000	-	11,500,000	-	-	-	-	90,700,000	-
Building on freehold land	-	-	-	-	-	-	-	-	-
- factory	115,130,180	-	39,762,265	-	13,672,390	-	5,062,860	18,935,246	5%
- residential	23,178,400	-	7,122,788	-	2,792,202	-	1,019,305	3,811,588	5%
Plant and machinery	150,527,547	45,236,769	105,271,748	16,214,441	17,576,905	(13,582,817)	6,027,532	11,021,620	5%
Power generators	31,500,001	-	-	-	7,540,152	-	2,415,895	9,756,137	10%
Electric installation	3,500,000	-	-	-	8,14,284	-	268,072	1,062,856	10%
Factory Equipments	7,000,000	-	-	-	1,628,869	-	537,113	2,165,982	10%
Electric appliances	940,688	-	-	-	940,688	-	8,229	857,627	10%
Office equipments	2,875,855	42,000	-	-	2,384,065	-	50,813	2,434,960	10%
Furniture and fixture	290,516	-	-	-	268,031	-	2,159	271,090	10%
Vehicles	6,593,344	-	-	-	5,595,231	-	119,823	8,114,854	20%
Rupees: June 2021	420,336,531	45,270,766	164,055,802	16,214,441	53,922,060	(13,582,817)	16,113,190	56,452,468	
								557,005,180	

6.1 Depreciation charged for the period/year has been allocated as under:

Cost of sales
Administrative expenses

Un Audited
December 31,
2021

Audited
June 30,
2021

Rupees

12,553,670

15,940,596

72,960

172,584

12,626,639

16,113,190

		(Un-Audited)	(Audited)
		December 31,	June 30,
	Note	2021	2021
		Rupees	Rupees
6. SHORT-TERM INVESTMENT			
Available for sale			
NAFA Government Securities Liquid Fund		390,961	393,744

6.1 These have been valued by using published net asset value (NAV) as at December 31, 2021. The number of units held by the Company are 23,551.16 units (June 30, 2021: 23,551.16 units).

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as on July 01, 2021	304,705,572	191,135,627
Surplus on revaluation created during the period/year	-	119,931,329
	304,705,572	311,066,956
Incremental depreciation on revalued property, plant and equipment for the period/year	(8,039,558)	(8,959,696)
Related effect of deferred tax liability	1,865,178	2,598,312
	(6,174,380)	(6,361,384)
	298,531,192	304,705,572

The Company's freehold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipment were revalued by M/S Yousaf Adil Saleem & Co. Chartered Accountants as on September 30, 1998 and by M/S Nizamy Associates as on June 30, 2007 and June 30, 2012 and M/S Amir Evaluators & Consultants as on December 31, 2017. Revaluation of freehold land is carried out at market value and building on freehold land, plant and machinery, power generators, electric installations and factory equipment on depreciated replacement values

The fair valuation of the revalued assets are considered to represent a level 2 valuation based on significant observable inputs being the location and condition of the assets. The fair values are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs.

8. LOAN FROM RELATED PARTIES

Chief executive, directors and members	129,938,781	130,092,281
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This represents interest free loan from chief executive, directors and members of the Company, repayable at the discretion of the Company. However, in light of guidance provided in Technical Release - 32 ("Accounting Directors' Loan") issued by the Institute of Chartered Accountants of Pakistan, this loan has been classified as part of equity.

	Note	(Un-Audited)	(Audited)
		December 31,	June 30,
		2021	2021
9. DEFERRED LIABILITIES		Rupees	Rupees
Deferred taxation	9.1	116,321,367	104,267,459
		<u>116,321,367</u>	<u>104,267,459</u>
9.1 DEFERRED TAXATION			
Balance as on July 01		104,267,459	66,782,334
Provided /(Adjusted) during the period / year		12,053,908	37,485,125
Balance as on December 31		<u>116,321,367</u>	<u>104,267,459</u>

10. CONTINGENCIES AND COMMITMENTS

The Faysal Bank Limited filed a suit against the Company for recovery of Rs. 48.560 million on 21 September 2001 before Banking Court-II Faisalabad. The Company made the payment of principal amount of Rs. 44.510 million as against the purchase price of 48.560 million so the Banking Court directed the Faysal Bank to recover only 4.05 million vide judgment dated 4 November 2002. The Bank filed an appeal before the Lahore High Court (LHC), Lahore against the decision of Banking Court-II Faisalabad for recovery of Rs. 18.726 million (principal 45.616 minus payment as per bank 26.890). The High Court enhanced the liability at Rs. 56.845 million and allowed to adjust Rs. 26.890 million already paid by the Company as per statements of accounts of the bank and established Rs. 29.955 million as recoverable from the Company after adjustment of already paid amount along with cost of funds vide judgment dated 6 July 2010. Regarding contention of payment between bank and Company the LHC has remitted this matter to the banking court for deputation of chartered accountant for verification of payment by the company to the bank.

Having been aggrieved by the decision of the Honorable Lahore High Court, Lahore, the Company filed an appeal before the Supreme Court of Pakistan which is pending adjudication. The management of the company has optimistic opinion that the case will be decided in its favor on the pretext that due relief had already been given by the apex court in identical cases.

	Note	(Un-Audited)			
		Half Year Ended		Quarter Ended	
		December 31 2021	December 31 2020	December 31 2021	December 31 2020
11. SALES - net		Rupees	Rupees	Rupees	Rupees
Yarn sales		941,573,750	681,522,449	529,522,600	361,144,700
Waste sales		9,782,038	11,209,790	3,899,158	7,444,830
		<u>951,355,788</u>	<u>692,732,239</u>	<u>533,421,758</u>	<u>368,589,530</u>

(Un-Audited)

	Note	Half Year Ended		Quarter Ended	
		December 31	December 31	December 31	December 31
		2021	2020	2021	2020
12. COST OF SALES		Rupees	Rupees	Rupees	Rupees
Raw material consumed		638,909,559	419,481,412	352,342,950	218,454,585
Stores and spares consumed		38,757,467	16,563,719	13,789,091	5,498,485
Packing material consumed		18,951,739	13,397,252	9,727,458	6,330,222
Salaries and wages		85,800,674	67,992,681	44,714,000	28,920,167
Retirement benefits		2,549,392	2,309,498	1,425,543	1,087,312
Fuel and power		122,328,012	102,082,743	68,068,733	50,819,818
Repairs and maintenance		4,770,067	393,965	4,269,890	54,425
Postage and telecommunication		26,988	22,276	22,598	8,689
Vehicles running and maintenance		289,040	162,688	171,707	57,638
Depreciation	(5.1)	12,553,670	7,970,299	6,373,639	3,985,151
Others		683,924	477,637	393,627	226,046
		925,620,532	630,854,170	501,299,236	315,442,538
Inventory effect of work in process					
Opening balance		7,910,023	10,667,655	8,244,650	8,962,875
Closing balance		(12,235,309)	(7,385,789)	(12,235,309)	(7,385,789)
		(4,325,286)	3,281,866	(3,990,659)	1,577,086
Cost of goods manufactured		921,295,246	634,136,036	497,308,577	317,019,624
Inventory effect of finished goods					
Opening balance		1,456,845	5,844,614	37,624,158	16,634,212
Closing balance		(35,458,956)	(8,120,023)	(35,458,956)	(8,120,023)
		(34,002,111)	(2,275,409)	2,165,202	8,514,189
		887,293,135	631,860,627	499,473,780	325,533,813

13. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and other key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to condensed interim financial information. Transactions with related parties undertaken during the period were as follows:-

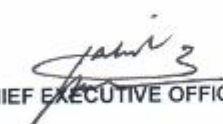
	(Un-Audited)	
	Half Year Ended	
	December 31	December 31
	2021	2020
	-----Rupees-----	
Employee provident fund trust- Company's contribution	2,772,880	2,359,125
Net payments - Directors	153,500	2,288,672

14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on **25-FEBRUARY-2022** by the Board of Directors of the Company.

15. GENERAL

- Figure have been rounded off to the nearest thousand rupees unless otherwise stated.
- Corresponding figures have been rearranged , wherever necessary , for the purpose of comparison However, no significant reclassification / rearrangements were made during the period



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