



J.K. SPINNING
MILLS LIMITED

2023-24

1ST QUARTER REPORT

“ Building Tomorrow's
Textile Legacy



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Company Information

Chairman	Mr. Jawed Anwar
Chief Executive	Mr. Faiq Jawed
Directors	Mr. Shaiq Jawed Mr. Rehan Ashfaq Mrs. Farhat Jehan Mrs. Sadaf Aamir Arshad Mr.Mamoor Ijaz
Audit Committee	
Chairman	Mr.Rehan Ashfaq
Members	Mrs.Farhat Jehan Mrs.Sadaf Aamir Arshad
HR Committee	
Chairman	Mr.Mamoor Ijaz
Members	Mr.Shaiq Jawed Mr. Rehan Ashfaq
Risk Management Committe	
Chairman	Mr. Faiq Jawed
Members	Mr.Shaiq Jawed Mr. Rehan Ashfaq
Nomination Committe	
Chairman	Mr. Jawed Anwar
Members	Mr. Faiq Jawed Mr.Shaiq Jawed
Company Secretary	Syed Hussain Shahid Mansoor Naqvi
Chief Financial Officer	Mr. Ghulam Muhammad
Head of Internal Audit	Mr. Farhan Safdar
Auditors	Riaz Ahmad & Company Chartered Accountants
Legal Advisor	Mahfooz Ahmad khan Advocates
Registrar's and Share	CORPTEC Associates (Pvt.) Ltd.,
Registration office	503-E, Johar Town, Lahore
Bankers	Standard Chartered Bank (Pakistan) Limited The Bank of Punjab National Bank of Pakistan Habib Bank Limited Meezan Bank Limited Askari Bank Limited Summit Bank The Bank of Khyber Dubai Islamic Bank Industrial and Commercial Bank of China
Registered office	34-Falcon Enclave, Tufail Road, Lahore Cantt. Lahore.
Head Office & Mills	29-KM, Sheikhpura Road, khurrianwala Faisalabad.

Directors' Report to the Shareholders

In the name of Almighty Allah The Most Gracious, The beneficent, The Merciful

Dear Shareholders,

The Directors' of your company feel pleasure to submit Un-audited Financial Statements of the company for the quarter ended September 30, 2023.

Financial Results and Operational Performance

The summarized financial results of the company for the quarter ended September 30, 2023 are as under:

Particulars	Rupees in Million	
	Quarter ended	
	30 September, 2023	30 September, 2022
Revenue from contracts with Customers	11,087.969	9,613.207
Cost of Sales	9,577.171	7,939.385
Gross Profit	1,510.798	1,673.822
Operating Expenses-net	418.055	733.705
Profit from Operations	1,092.743	940.117
Finance cost	590.831	107.016
Profit After taxation	357.906	676.304
Earnings per share – Basic (Rupees)	3.50	6.61

In light of the current volatile market conditions, your board of directors has decided not to recommend any interim dividend.

We are pleased to report that sales for the period under review increased to Rupees 11,087.969 million from Rupees 9,613.207 million. This growth can be attributed to the increase in raw material prices on a global scale and a rise in volume. Additionally, fuel and power costs escalated due to increased electricity tariffs, while salaries, wages, and other benefit expenses saw an increase driven by the rise in minimum wage rates and inflationary factors. Stores, spare parts, loose tools, and packing material costs also increased, primarily due to rising volume and inflationary trends. On a positive note, operating expenses for the quarter ended September 30, 2023, decreased to Rupees 418.055 million from Rupees 733.705 million in the corresponding period last year.

However, it is worth noting that financial charges increased to Rupees 590.831 million from Rupees 107.016 million in the corresponding period, primarily due to higher KIBOR rates, increased short-term and long-term borrowings.

For the quarter ended September 30, 2023, your company achieved a profit after taxation of Rupees 357.906 million, compared to Rupees 676.304 million for the same period in the previous year.

During the review period, production of yarn converted into 20/S increased to 13.735 million Kgs from 10.243 million Kgs in the corresponding period. Your company's management is committed to the policy of Balancing Modernization and Replacement (BMR) of machinery and equipment in its production facilities. In the spinning division, a complete spinning unit with 52,896 spindles of the latest machinery commenced commercial operations in the first quarter of the current financial year.

Future Outlook

The textile sector is anticipated to face continued economic challenges, including high interest rates, currency depreciation, elevated power tariffs, rising raw material costs, and higher inflation rate. Furthermore, the ongoing global conflicts, such as the Russia-Ukraine conflict and unrest in the Middle East, pose persistent threats to the global economy, leading to reduced economic activity worldwide. In view of sluggish demand, high inflation, and rising interest rates, economists and institutions are predicting a substantial slowdown in global growth for the fiscal year 2024 with no significant recovery.

Directors' Report

The management of your company is closely monitoring these circumstances and is dedicated to minimizing costs by enhancing capacity and improving efficiencies to achieve favorable financial results in the upcoming financial year.

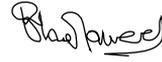
Acknowledgement

The Board of Directors would like to express their gratitude to our esteemed clients and bankers for their unwavering support during our business activities. We also wish to commend the dedication and hard work demonstrated by our staff members and workers. We appreciate the trust and confidence shown by all stakeholders in our company.

For and on behalf of the Board of Directors



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director

Faisalabad
October 30, 2023

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

مستقبل کا نقطہ نظر:

بیکسائل کے شعبے کو مسلسل اقتصادی چیلنجوں کا سامنا کرنے کی توقع ہے، جن میں اعلیٰ شرح سود، کرنسی کی قدر میں کمی، بجلی کے نرخوں میں اضافہ، خام مال کی بڑھتی ہوئی قیمتیں، اور مہنگائی کی بلند شرح شامل ہیں۔ مزید برآں، جاری عالمی تنازعات، جیسا کہ روس۔ یوکرین تنازعہ اور مشرق وسطیٰ میں بد امنی، عالمی معیشت کے لیے مستقل خطرات کا باعث ہے، جس کی وجہ سے دنیا بھر میں اقتصادی سرگرمیاں کم ہو رہی ہیں۔ سست مانگ، بلند افراط زر، اور بڑھتی ہوئی شرح سود کے پیش نظر، ماہرین اقتصادیات اور ادارے مالی سال 2024 کے لیے عالمی نمو میں خاطر خواہ کمی کی پیش گوئی کر رہے ہیں جس میں کوئی خاص بحالی نہیں ہوگی۔ آپ کی کمپنی کی انتظامیہ ان حالات پر گہری نظر رکھے ہوئے ہے اور آنے والے مالی سال میں سازگار مالیاتی نتائج حاصل کرنے کے لیے صلاحیت کو بڑھا کر اور استعداد کار کو بہتر بنا کر لاگت کو کم کرنے کے لیے وقف ہے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے گاہکوں اور بیکرز کے کمپنی کے کاروبار میں تعاون پر شکرگزار ہیں ڈائریکٹرز کمپنی کے سٹاف اور مزدوروں کی محنت اور کوششوں کو بھی سراہتے ہیں۔ کمپنی سٹیک ہولڈرز کے پُر اعتماد سپورٹس کا اقرار کرتی ہے اور شکرگزار بھی ہے۔

منجانب بورڈ آف ڈائریکٹرز:

فیصل آباد: اکتوبر 30، 2023



شائق جاوید
ڈائریکٹر



فائق جاوید
چیف ایگزیکٹو

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

شروع اللہ کے نام سے جو نہایت مہربان اور رحم والا ہے۔

معزز حصص یافتگان،

آپ کی کمپنی کے ڈائریکٹرز سال کے پہلے کوارٹر کے اختتام 30 ستمبر 2023 کے بغیر آڈٹ کے مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔
مالیاتی نتائج:

مالیاتی سال کے پہلے کوارٹر کے نتائج کے تفصیل درج ذیل ہیں:

تفصیلات	ملین روپے	ملین روپے
	اختتام کوارٹر	اختتام کوارٹر
30 ستمبر 2023	30 ستمبر 2022	
گاہکوں سے معاہدوں کا حصول	9,613.207	11,087.969
ییلز کے اخراجات	7,939.385	9,577.171
خام منافع	1,673.822	1,510.798
آپریٹنگ اخراجات	733.705	418.055
آپریٹنگ منافع	940.117	1092.743
مالی لاگت	107.016	590.831
منافع بعد از ٹیکس	676.304	357.906
فی شیئر آمدنی	6.61	3.50

آپ کے ڈائریکٹرز نے غیر مستحکم مارکیٹ کے حالات کے پیش نظر کسی عبوری ڈیویڈنڈ کی سفارش نہیں کی ہے۔

زیر جائزہ مدت کے لیے فروخت 9,613.207 ملین روپے سے بڑھ کر 11,087.969 ملین روپے ہو گئی۔ عالمی سطح پر خام مال کی قیمتوں میں اضافے اور حجم میں اضافے کے پیش نظر خام مال کی کھپت میں اضافہ ہوا۔ کھلی کے نرخوں میں اضافے سے ایندھن اور کھلی کی قیمت بڑھ گئی۔ کم از کم اجرت کی شرح میں اضافے اور مہنگائی کے عنصر کی وجہ سے تنخواہوں، اجرتوں اور دیگر فوائد کے اخراجات میں اضافہ ہوا۔ حجم میں اضافے اور مہنگائی کے رجحان کے پیش نظر اسٹورز، اسپینر پارٹس اور لوڈنگ کی کھپت اور چیکنگ میٹر بل کی لاگت میں اضافہ ہوا۔ ایک مثبت نوٹ پر، 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے لیے آپریٹنگ اخراجات، پچھلے سال کی اسی مدت میں 733.705 ملین روپے سے کم ہو کر 418.055 ملین روپے رہ گئے۔ KIBOR کی شرحوں میں اضافے اور مختصر مدت اور طویل مدتی قرضوں میں اضافے کے پیش نظر مالیاتی چارجز اسی مدت کے 107.016 ملین روپے سے بڑھ کر 590.831 ملین روپے ہو گئے۔

آپ کی کمپنی نے 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے دوران 357.906 ملین روپے کا ٹیکس کے بعد منافع کمایا ہے جو گزشتہ سال کی اسی مدت کے 676.304 ملین روپے تھا۔

زیر جائزہ مدت کے لیے S/20 دھاگے کی پیداوار پچھلے سال کی پیداوار 10,243 ملین گلوگرام سے بڑھ کر 13,735 ملین گلوگرام ہو گئی۔ آپ کی کمپنی کی انتظامیہ نے پرانی مشینری کو جدید مشینری سے بدلنے (BMR) کی پالیسی اختیار کی ہوئی ہے۔

اسپینگ ڈویژن میں، جدید ترین مشینری کے 52,896 سپینڈلز کے ساتھ ایک مکمل اسپینگ یونٹ نے رواں مالی سال کی پہلی سہ ماہی میں تجارتی کام شروع کیا۔

Financial Statements

For the Quarter Ended 30 September 2023

Condensed Interim Statement of Financial Position (Un-Audited)

As At 30 September 2023

		Un-audited 30 September 2023	Audited 30 June 2023
	NOTE	(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200 000 000 (30 June 2023: 200 000 000)			
ordinary shares of Rupees 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital		1,023,175	1,023,175
Reserves:			
Capital reserves			
Merger reserve		289,636	289,636
Premium on issue of right shares		60,904	60,904
Surplus on revaluation of freehold land		597,419	597,419
		947,959	947,959
Revenue reserve - unappropriated profit		10,875,242	10,517,336
Total reserves		11,823,201	11,465,295
TOTAL EQUITY		12,846,376	12,488,470
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	2,960,692	3,142,272
Lease liabilities		43,938	46,474
Deferred income - government grant		331,812	367,952
		3,336,442	3,556,698
CURRENT LIABILITIES			
Trade and other payables		2,389,166	2,332,900
Accrued mark-up		468,240	411,628
Short term borrowings		8,905,887	7,860,721
Unclaimed dividend		783	783
Current portion of non-current liabilities		935,582	862,382
		12,699,658	11,468,414
TOTAL LIABILITIES		16,036,100	15,025,112
CONTINGENCIES AND COMMITMENTS	4	-	-
TOTAL EQUITY AND LIABILITIES		28,882,476	27,513,582

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Ghulam Muhammad
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-Audited)

As At 30 September 2023

	NOTE	Un-audited	Audited
		30 September 2023	30 June 2023
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	11,490,942	11,664,607
Right-of-use assets	6	70,182	73,877
Long term investment		-	-
Long term deposits		24,281	24,281
		11,585,405	11,762,765
CURRENT ASSETS			
Stores, spare parts and loose tools		306,607	283,957
Stock-in-trade		9,631,719	8,489,011
Trade debts		4,622,728	4,009,764
Advances		62,750	108,903
Short term deposit and prepayments		66,715	22,010
Other receivables		52,069	55,201
Sales tax refundable		2,351,832	2,293,891
Advance income tax - net		38,259	94,089
Short term investments		25,182	21,755
Cash and bank balances		139,210	372,236
		17,297,071	15,750,817
TOTAL ASSETS		28,882,476	27,513,582

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Ghulam Muhammad
Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-Audited)

For the Quarter Ended 30 September 2023

	NOTE	Quarter ended	
		30 September 2023	30 September 2022
(RUPEES IN THOUSAND)			
Revenue from contracts with customers	7	11,087,969	9,613,207
Cost of sales	8	(9,577,171)	(7,939,385)
Gross Profit		1,510,798	1,673,822
Distribution cost		(246,751)	(343,824)
Administrative expenses		(154,877)	(118,242)
Other expenses	9	(32,951)	(297,997)
		(434,579)	(760,063)
		1,076,219	913,759
Other income	10	16,524	26,358
Profit from operations		1,092,743	940,117
Finance cost		(590,831)	(107,016)
Profit before taxation		501,912	833,101
Taxation		(144,006)	(156,797)
Profit after Taxation		357,906	676,304
Earnings per share - basic and diluted (Rupees)		3.50	6.61

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Ghulam Muhammad
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Quarter Ended 30 September 2023

	Quarter ended	
	30 September 2023	30 September 2022
	(RUPEES IN THOUSAND)	
Profit after taxation	357,906	676,304
Other comprehensive income:		
Items that will not be reclassified to profit or loss in subsequent periods:		
Surplus on revaluation of freehold land	-	-
Items that may be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	357,906	676,304

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Ghulam Muhammad
Chief Financial Officer

Condensed Interim Statement of Changes In Equity (Un-Audited)

For the Quarter Ended 30 September 2023

	RESERVES							TOTAL EQUITY	
	SHARE CAPITAL	Merger reserve	CAPITAL			REVENUE			TOTAL
			PREMIUM ON ISSUE OF RIGHT SHARES	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	UNAPPROPRIATED PROFIT			
Balance as at 30 June 2022 - (Audited)	1,023,175	289,636	60,904	597,419	947,959	8,901,872	9,849,831	10,873,006	
Profit for the quarter ended 30 September 2022	-	-	-	-	-	676,304	676,304	676,304	
Other comprehensive income for the quarter ended 30 September 2022	-	-	-	-	-	-	-	-	
Total comprehensive income for the quarter ended 30 September 2022	-	-	-	-	-	676,304	676,304	676,304	
Balance as at 30 September 2022 - (Un-audited)	1,023,175	289,636	60,904	597,419	947,959	9,578,176	10,526,135	11,549,310	
Final dividend for the year ended 30 June 2022 at the rate of Rupees 2 per share	-	-	-	-	-	(204,635)	(204,635)	(204,635)	
Profit for the nine months ended 30 June 2023	-	-	-	-	-	1,143,795	1,143,795	1,143,795	
Other comprehensive income for the nine months ended 30 June 2023	-	-	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 30 June 2023	-	-	-	-	-	1,143,795	1,143,795	1,143,795	
Balance as at 30 June 2023 - (Audited)	1,023,175	289,636	60,904	597,419	947,959	10,517,336	11,465,295	12,488,470	
Profit for the quarter ended 30 September 2023	-	-	-	-	-	357,906	357,906	357,906	
Other comprehensive income for the quarter ended 30 September 2023	-	-	-	-	-	-	-	-	
Total comprehensive income for the quarter ended 30 September 2023	-	-	-	-	-	357,906	357,906	357,906	
Balance as at 30 September 2023 - (Un-audited)	1,023,175	289,636	60,904	597,419	947,959	10,875,242	11,823,201	12,846,376	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Ghulam Muhammad
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the Quarter Ended 30 September 2023

	NOTE	Quarter ended	
		30 September 2023	30 September 2022
(RUPEES IN THOUSAND)			
Cash flows from operating activities			
Cash (used in) / generated from operations	11	(413,380)	5,049,661
Finance cost paid		(534,272)	(77,459)
Income tax paid		(88,176)	(59,533)
Net cash (used in) / generated from operating activities		(1,035,828)	4,912,669
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		(105,831)	(508,311)
Proceeds from sale of property, plant and equipment		8,521	1,776
Net cash used in investing activities		(97,310)	(506,535)
Cash flows from financing activities			
Proceeds from long term financing		-	247,842
Repayment of long term financing		(142,518)	(131,486)
Repayment of lease liabilities		(2,536)	(4,765)
Short term borrowings - net		1,045,166	1,109,130
Net cash generated from financing activities		900,112	1,220,721
Net (decrease) / increase in cash and cash equivalents		(233,026)	5,626,855
Cash and cash equivalents at the beginning of the period		372,236	117,680
Cash and cash equivalents at the end of the period		139,210	5,744,535

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Ghulam Muhammad
Chief Financial Officer

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

1. THE COMPANY AND ITS OPERATIONS

J.K. Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 07 January 1987 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017), and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 34-Falcon Enclave, Tufail Road, Lahore Cantt. The head office and factory premises of the Company are located at 29-Kilometers, Sheikhpura Road, Faisalabad. A sales office is located at Montgomery Bazar, Opposite Habib Bank Limited, Near Clock Tower, Faisalabad while a godown is located at Dost Street, Maqbool Road, Faisalabad. The Company is engaged in business of textile manufacturing which comprises spinning, weaving, processing, stitching, buying, selling and otherwise dealing in yarn, fabrics and other goods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

i) 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.

ii) These condensed interim financial statements do not include all the information and disclosures as required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2023.

iii) These condensed interim financial statements are un-audited 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.

b) Accounting policies

The accounting policies and methods of computations used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2023.

2.2 Critical accounting estimates, judgments and financial risk management

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions of accounting estimates are recognized prospectively commencing from the period of revision.

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 annual financial statements of the Company for the year ended 30 June 2023.

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

	Un-audited 30 September 2023 (RUPEES IN THOUSAND)	Audited 30 June 2023
3. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	3,866,229	2,055,330
Add:		
Obtained during the period / year	-	2,827,934
Amortization during the period / year	38,226	92,735
	3,904,455	4,975,999
Less:		
Repaid during the period / year	142,518	554,344
Deferred income recognized during the period / year	-	555,426
	142,518	1,109,770
	3,761,937	3,866,229
Less: Current portion shown under current liabilities	801,245	723,957
	2,960,692	3,142,272

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

There has been no significant change in the status of contingencies as reported in annual financial statements of the Company for the year ended 30 June 2023 except as follows:

- i) Post dated cheques of Rupees 6,332.222 million (30 June 2023: Rupees 5,626.249 million) have been issued to custom authorities in respect of duties on imported material availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security can be encashed by the custom authorities.

b) Commitments

- i) Letters of credit for capital expenditure are of Rupees 2.544 million (30 June 2023: Rupees 12.632 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 163.266 million (30 June 2023: Rupees 2,933.176 million).
- iii) Outstanding foreign currency forward contracts are of Rupees 2,422.278 million (30 June 2023: Rupees 49.612 million).
- iv) Ijarah commitments are of Rupees 10.568 million (30 June 2023: Rupees 16.338 million).

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

	NOTE	Un-Audited	Audited
		30 September 2023	30 June 2023
		(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	10,899,522	11,131,327
Capital work-in-progress	5.2	591,420	533,280
		11,490,942	11,664,607
5.1 Operating fixed assets			
Opening book value		11,131,327	5,377,900
Add:			
Cost of additions during the period / year	5.1.1	47,691	6,350,547
Book value of assets transferred from right-of-use-assets	6	-	15,286
		47,691	6,365,833
		11,179,018	11,743,733
Less: Book value of deletions during the period / year	5.1.2	12,423	40,974
		11,166,595	11,702,759
Less: Depreciation charged during the period / year		267,073	571,432
		10,899,522	11,131,327
5.1.1 Cost of additions during the period / year			
Freehold land		-	12,555
Buildings on freehold land		-	546,348
Plant and machinery		24,750	4,775,778
Factory tools and equipment		9,819	228,829
Electric installations and appliances		1,784	223,801
Vehicles		11,338	352,960
Furniture and fixtures		-	8,938
Stand-by equipment		-	201,338
		47,691	6,350,547
5.1.2 Book value of deletions during the period / year			
Plant and machinery		10,919	12,080
Vehicles		1,504	28,894
		12,423	40,974
5.2 Capital work-in-progress			
Freehold land		4,034	4,034
Buildings on freehold land		511,396	476,784
Stand-by equipment		-	5,046
Plant and machinery		37,819	13,490
Vehicles		38,171	30,763
Electric installations and appliances		-	3,163
		591,420	533,280

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

NOTE	Un-Audited	Audited
	30 September 2023	30 June 2023
(Rupees in thousand)		
6. RIGHT-OF-USE ASSETS		
Vehicles:		
Opening book value	73,877	29,774
Add:		
Additions during the period / year	-	85,241
Less:		
Book value of assets transferred to operating fixed assets	-	15,286
De-recognition of right-of-use asset	-	11,089
	-	26,375
	73,877	88,640
Less: Depreciation charged during the period / year	3,695	14,763
	70,182	73,877
	(Un-audited)	
	Quarter ended	
	30 September 2023	30 September 2022
	(RUPEES IN THOUSAND)	
7. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Export sales	5,683,424	5,554,254
Local sales - net	5,386,519	4,040,459
Export rebate	18,026	18,494
	11,087,969	9,613,207

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

	(Un-audited)	
	Quarter ended	
	30 September 2023	30 September 2022
(RUPEES IN THOUSAND)		
8. COST OF SALES		
Raw materials consumed	6,580,819	5,443,804
Stores, spare parts and loose tools consumed	341,687	195,201
Packing materials consumed	148,067	118,076
Processing, sizing and conversion charges	451,185	600,082
Fuel and power	888,521	657,669
Salaries, wages and other benefits	433,661	398,391
Repair and maintenance	13,836	9,619
Insurance	10,348	8,012
Other factory overheads	5,620	27,583
Deprecation on property, plant and equipment	241,579	104,936
	9,115,323	7,563,373
Work-in-process:		
Opening stock	957,302	915,302
Closing stock	(955,863)	(769,858)
	1,439	145,444
Cost of goods manufactured	9,116,762	7,708,817
Finished goods:		
Opening stock	3,012,656	2,279,326
Closing stock	(2,552,247)	(2,048,758)
	460,409	230,568
	9,577,171	7,939,385
9. OTHER EXPENSES		
Donations	2,662	5,463
Workers' profit participation fund	26,386	34,714
Workers' welfare fund	-	9,653
Loss on sales of property, plant and equipment	3,903	-
Net exchange loss	-	172,242
Fair value loss on forward exchange contracts	-	74,744
Unrealized loss on remeasurement of investments at FVTPL	-	1,181
	32,951	297,997

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

		(Un-audited)	
		Quarter ended	
		30 September 2023	30 September 2022
		(RUPEES IN THOUSAND)	
10.	OTHER INCOME		
	Income from financial assets		
	Dividend income on investments at FVTPL	105	21,700
	Profit on saving account	2,501	14
	Unrealized gain on remeasurement of investments at FVTPL	3,404	-
	Net exchange gain	2,633	-
		8,643	21,714
	Income from non-financial assets		
	Rental income	570	540
	Scrap sales	7,311	4,065
	Gain on sale of property, plant and equipment	-	39
		7,881	4,644
		16,524	26,358
11.	CASH (USED IN) / GENERATED FROM OPERATIONS		
	Profit before taxation	501,912	833,101
	Adjustments for non-cash charges and other items:		
	Depreciation	270,768	119,326
	Finance cost	590,831	107,016
	Provision for workers' welfare fund	-	9,653
	Provision for workers' profit participation fund	26,386	34,714
	Loss / (Gain) on sale of property, plant and equipment	3,903	(39)
	Unrealized (Gain) / loss on remeasurement of investments at FVTPL	(3,404)	1,181
	Working capital changes	11.1 (1,803,776)	3,944,709
		(413,380)	5,049,661

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

	NOTE	Un-audited	
		Quarter ended	
		30 September 2023	30 September 2022
(RUPEES IN THOUSAND)			
11.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(22,650)	66,510
Stock-in-trade		(1,142,708)	1,761,597
Trade debts		(612,964)	299,385
Advances		46,153	(40,992)
Short term deposit and prepayments		(44,705)	(8,075)
Other receivables		3,132	5,020
Sales tax refundable		(57,941)	1,445,347
		(1,831,683)	3,528,792
Increase in trade and other payables		27,907	415,917
		(1,803,776)	3,944,709

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties is as follows:

	(Un-audited)	
	Quarter ended	
	30 September 2023	30 September 2022
(RUPEES IN THOUSAND)		
i) Transactions		
Associated company		
J.K. Tech (Private) Ltd		
Service charges	630	630
Rental income	570	540
Other related parties:		
Company's contribution to Employees' Provident Fund Trust	14,104	12,395
	(Un-audited)	Audited
	30 September 2023	30 June 2023
(RUPEES IN THOUSAND)		
ii) Period end balances		
Associated company		
Trade and other payables	210	142

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

13. SEGMENT INFORMATION

	Spinning		Fabric		Elimination of inter-segment transactions		Total Company	
	(Un-audited) Quarter ended 30 September 2023	(Audited) Quarter ended 30 September 2022	(Un-audited) Quarter ended 30 September 2023	(Audited) Quarter ended 30 September 2022	(Un-audited) Quarter ended 30 September 2023	(Un-audited) Quarter ended 30 September 2022	(Un-audited) Quarter ended 30 September 2023	(Un-audited) Quarter ended 30 September 2022
Revenue								
External Intersegment	5,238,169	4,009,933	5,849,800	5,603,274	-	-	11,087,969	9,613,207
	872,154	1,269,007	-	-	(872,154)	(1,269,007)	-	-
Cost of sales	6,110,323	5,278,940	5,849,800	5,603,274	(872,154)	(1,269,007)	11,087,969	9,613,207
Gross profit	(5,561,009)	(4,632,256)	(4,888,316)	(4,576,136)	872,154	1,269,007	(9,577,171)	(7,939,385)
	549,314	646,684	961,484	1,027,138	-	-	1,510,798	1,673,822
Distribution cost	(35,215)	(31,463)	(211,536)	(312,361)	-	-	(246,751)	(343,824)
Administrative expenses	(102,376)	(79,140)	(52,501)	(39,102)	-	-	(154,877)	(118,242)
Profit before taxation and unallocated income and expenses	(137,591)	(110,603)	(264,037)	(351,463)	-	-	(401,628)	(462,066)
	411,723	536,081	697,447	675,675	-	-	1,109,170	1,211,756
Unallocated income and expenses								
Other expenses							(32,951)	(297,997)
Other income							16,524	26,358
Finance cost							(590,831)	(107,016)
Taxation							(144,006)	(156,797)
							357,906	676,304

13.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric		Total Company	
	(Un-audited) 30 September 2023	(Audited) 30 June 2023	(Un-audited) 30 September 2023	(Audited) 30 June 2023	(Un-audited) 30 September 2023	(Audited) 30 June 2023
Total assets for reportable segments	18,417,638	17,919,702	8,074,747	7,205,900	26,492,385	25,125,602
Sales tax refundable					2,351,832	2,293,891
Advance income tax - net					38,259	94,089
Total assets as per condensed interim statement of financial position					28,882,476	27,513,582
Total liabilities for reportable segments	11,726,518	10,680,545	4,283,196	4,079,820	16,009,714	14,760,365
Unallocated liabilities					26,386	264,747
Total liabilities as per condensed interim statement of financial position					16,036,100	15,025,112

All segment liabilities are allocated to reportable segments other than corporate and tax liabilities.

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

Spinning (Un-audited)		Fabric (Un-audited)		Total Company (Un-audited)	
Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended
30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022

----- (RUPEES IN THOUSAND) -----

13.2 Geographical Information

The Company's revenue from external customers by geographical locations is detailed below:

America	-	1,384,602	1,380,175	1,384,602	1,380,175
Asia, Africa and Australia	113,641	38,248	45,525	151,889	77,638
Europe	-	4,146,933	4,096,441	4,146,933	4,096,441
Pakistan	5,124,528	3,977,820	62,639	5,386,519	4,040,459
Export Rebate	-	18,026	18,494	18,026	18,494
	5,238,169	5,849,800	5,603,274	11,087,969	9,613,207

13.3 The Company's revenue from external customers in respect of products is detailed below:

Yarn	4,924,963	3,833,514	149,303	17,247	3,850,761
Fabric	-	-	5,679,910	5,575,252	5,575,252
Processing Income	-	-	3,225	3,960	3,960
Waste	313,206	176,419	17,362	6,815	183,234
	5,238,169	4,009,933	5,849,800	5,603,274	9,613,207

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

14. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

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 following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Recurring fair value measurements				
FINANCIAL ASSETS:				
At 30 September 2023 - (Un-audited)				
At fair value through profit or loss	25,182	-	-	25,182
	<u>25,182</u>	<u>-</u>	<u>-</u>	<u>25,182</u>
At 30 June 2023 - (Audited)				
At fair value through profit or loss	21,755	-	-	21,755
	<u>21,755</u>	<u>-</u>	<u>-</u>	<u>21,755</u>
FINANCIAL LIABILITIES:				
At 30 September 2023 - (Un-audited)				
Derivative financial liabilities	-	1,676	-	1,676
	<u>-</u>	<u>1,676</u>	<u>-</u>	<u>1,676</u>
At 30 June 2023 - (Audited)				
At fair value through profit or loss	-	3,526	-	3,526
	<u>-</u>	<u>3,526</u>	<u>-</u>	<u>3,526</u>

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 the 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 out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. 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.

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For the Quarter Ended 30 September 2023

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 30 June 2023.

16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on October 30, 2023 by the Board of Directors.

17. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual 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.

18. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Ghulam Muhammad
Chief Financial Officer



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