



1st Quarter Report 2024



Leading the Textile Revolution



**J.K. SPINNING
MILLS LIMITED**



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Company Information

Chairman	Mr. Jawed Anwar
Chief Executive	Mr. Faiq Jawed
Directors	Mr. Shaiq Jawed Mrs. Farhat Jehan Mrs. Sadaf Aamir Arshad Mr. Muhammad Tayyab Zahid Syed Sohaib Mansoor Naqvi
Audit Committee	
Chairman	Syed Sohaib Mansoor Naqvi
Members	Mrs. Farhat Jehan Mrs. Sadaf Aamir Arshad
HR Committee	
Chairman	Mr. Muhammad Tayyab Zahid
Members	Mr. Shaiq Jawed Syed Sohaib Mansoor Naqvi
Risk Management Committee	
Chairman	Mr. Faiq Jawed
Members	Mr. Shaiq Jawed Syed Sohaib Mansoor Naqvi
Nomination Committee	
Chairman	Mr. Jawed Anwar
Members	Mr. Faiq Jawed Mr. Shaiq Jawed
Director Finance	Mr. Ghulam Muhammad
Company Secretary	Syed Hussain Shahid Mansoor Naqvi
Chief Financial Officer	Khawaja Nadeem Abbas
Head of Internal Audit	Mr. Farhan Safdar
Auditors	Riaz Ahmad & Company Chartered Accountants
Legal Advisor	Mahfooz Ahmad Khan Advocates
Registrar's and Share Registration office	CORPTEC Associates (Pvt.) Ltd., 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 are pleased to submit Un-audited Financial Statements of the company for the quarter ended September 30, 2024.

Financial Results and Operational Performance

Sales clocked in at Rs.10, 444.063 Million as compared to Rs. 11,087.969 Million during the corresponding period registering a decrease of 5.8%. Profit after tax is 1.96% as compared to 3.22% in the corresponding period translating into a EPS of Rs. 2.01 as compared to EPS of Rs.3.50 in corresponding period.

High raw material cost, Expensive energy and borrowing cost adverse impact has put the textile industry into trouble. On global front multiple on going wars are worsening the existing geopolitical divide, hence negatively impacting the world economy.

The summarized financial results of the company for the quarter ended September 30, 2024 are as under:

Particulars	Rupees in Million	
	Quarter ended	
	30 September, 2024	30 September, 2023
Revenue from contracts with Customers	10,444.063	11,087.969
Cost of Sales	9,067.187	9,577.171
Gross Profit	1,376.876	1,510.798
Operating Expenses-net	435.968	418.055
Profit from Operations	940.908	1,092.743
Finance cost	578.386	590.831
Profit After taxation	205.183	357.906
Earnings per share – Basic (Rupees)	2.01	3.50

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

Future Outlook

On the economic front, macro indicators like the current account deficit, rupee devaluation and inflations rate are improving day by day. In spite of political stabilization, IMF agreement and positive economic factors, risks still remain extremely high and faster sustained growth will require substantial reforms. Pakistan has important strategic endowments and development potential. Nevertheless the road ahead challenges for both the economy and industry.

JK management has been vigilant in the continuously changing business environment, proactively taking measures to mitigate any potential business risk and remains committed to its stake holders and customers. The strategic focus is to ensure a profitable customer mix and sustainable business practices to achieve study growth.


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, 2024

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 2024 کے بغیر آڈٹ کے مالیاتی حسابات پیش کرنے میں خوش محسوس کرتے ہیں۔ مالیاتی نتائج:

زیر جائزہ مدت کے لیے فروخت 11,087.696 ملین روپے سے کم ہو کر 10,444.063 ملین روپے ہو گئی ہے۔ جس میں 5.8 فیصد کمی کی درج کی گئی۔ بعد از ٹیکس منافع اسی مدت میں 3.22% سے کم ہو کر 1.96% ہو گیا ہے۔ جس سے اسی مدت میں EPS 3.50 روپے سے کم ہو کر 2.01 روپے ہو گئی ہے۔

خام مال کی زیادہ قیمت، مہنگی توانائی اور قرض لینے کی لاگت کے منفی اثرات نے ٹیکسٹائل کی صنعت کو مشکلات میں ڈال دیا ہے۔ عالمی محاذ پر متعدد جاری جنگیں موجودہ جغرافیائی سیاسی تقسیم کو مزید خراب کر رہی ہیں، اس لیے عالمی معیشت پر منفی اثرات مرتب ہو رہے ہیں۔

30 ستمبر 2024 کو ختم ہونے والی سماہی کے لیے کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

تفصیلات	ملین روپے	ملین روپے
	اختتام کوارٹر	اختتام کوارٹر
	30 ستمبر 2024	30 ستمبر 2023
گاہکوں سے معاہدوں کا حصول	10,444.063	11,087.969
بیلز کے اخراجات	9,067.187	9,577.171
خام منافع	1,376.876	1,510.798
آپریٹنگ اخراجات	435.968	418.055
آپریٹنگ منافع	940.908	1092.743
مالی لاگت	578.386	590.831
منافع بعد از ٹیکس	205.183	357.906
نیٹ شیئر آمدنی	2.01	3.50

آپ کے ڈائریکٹرز نے غیر مستحکم مارکیٹ کے حالات کے پیش نظر کسی عبوری ڈیڈ ویڈنگ کی سفارش نہیں کی ہے۔ مستقبل کا نقطہ نظر:

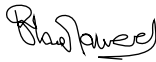
معاشی محاذ پر، کرنٹ کاؤنٹ خسارہ، روپے کی قدر میں کمی اور مہنگائی کی شرح جیسے ٹیکرو اشارے روز بروز بہتر ہو رہے ہیں۔ سیاسی استحکام، آئی ایم ایف معاہدے اور مثبت اقتصادی عوامل کے باوجود خطرات اب بھی بہت زیادہ ہیں اور تیز رفتاری کے لیے خاطر خواہ اصلاحات کی ضرورت ہوگی۔ پاکستان کے پاس اہم اسٹریٹجک اوقاف اور ترقی کی صلاحیت ہے۔ 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 بکریز 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 ریپوسٹس کا اقرار کرتی ہے اور شکرگزار بھی ہے۔

منجانب بورڈ آف ڈائریکٹرز:

فیصل آباد: 30 اکتوبر، 2024



شائق جاوید
ڈائریکٹر



فائق جاوید
چیف ایگزیکٹو

Financial Statements

For the Quarter Ended 30 September 2024

Condensed Interim Statement of Financial Position (Un-Audited)

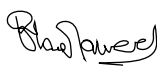
As At 30 September 2024

		Un-audited 30 September 2024	Audited 30 June 2024
	NOTE	(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200 000 000 (30 June 2024: 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			
		11,729,030	11,523,847
Total reserves			
		12,676,989	12,471,806
TOTAL EQUITY			
		13,700,164	13,494,981
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing			
	3	2,567,061	2,741,448
Lease liabilities			
		34,765	37,677
Deferred income - government grant			
		223,052	252,209
		2,824,878	3,031,334
CURRENT LIABILITIES			
Trade and other payables			
		3,242,435	2,887,196
Accrued mark-up			
		417,303	355,641
Short term borrowings			
		12,409,267	9,763,274
Unclaimed dividend			
		749	749
Current portion of non-current liabilities			
		892,175	919,687
Provision for taxation and levy - net			
		92,573	112,149
		17,054,502	14,038,696
TOTAL LIABILITIES			
		19,879,380	17,070,030
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
	4	33,579,544	30,565,011

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



Khawaja Nadeem Abbas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-Audited)

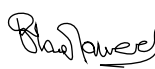
As At 30 September 2024

	NOTE	Un-audited	Audited
		30 September 2024	30 June 2024
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	11,133,831	11,290,876
Right-of-use assets	6	56,146	59,102
Long term investment		-	-
Long term deposits		1,081	1,081
		11,191,058	11,351,059
CURRENT ASSETS			
Stores, spare parts and loose tools		338,149	324,899
Stock-in-trade		13,178,719	10,674,019
Trade debts		4,404,634	4,293,691
Advances		95,938	103,179
Short term deposit and prepayments		104,085	53,659
Other receivables		128,488	184,088
Sales tax refundable		3,602,236	2,940,152
Short term investments		20,922	21,609
Cash and bank balances		515,315	618,656
		22,388,486	19,213,952
TOTAL ASSETS		33,579,544	30,565,011

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



Khawaja Nadeem Abbas
Chief Financial Officer

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

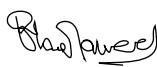
For the Quarter Ended 30 September 2024

	NOTE	Quarter ended	
		30 September 2024	30 September 2023
(RUPEES IN THOUSAND)			
Revenue from contracts with customers	7	10,444,063	11,087,969
Cost of sales	8	(9,067,187)	(9,577,171)
Gross Profit		1,376,876	1,510,798
Distribution cost		(348,635)	(246,751)
Administrative expenses		(153,299)	(154,877)
Other expenses	9	(23,409)	(32,951)
		(525,343)	(434,579)
		851,533	1,076,219
Other income	10	89,375	16,524
Profit from operations		940,908	1,092,743
Finance cost		(578,386)	(590,831)
Profit before taxation and levy		362,522	501,912
Levy		(157,339)	(144,006)
Profit before taxation		205,183	357,906
Taxation		-	-
Profit after taxation		205,183	357,906
Earnings per share - basic and diluted (Rupees)		2.01	3.50

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



Khawaja Nadeem Abbas
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)


For the Quarter Ended 30 September 2024

	Quarter ended	
	30 September 2024	30 September 2023
	(RUPEES IN THOUSAND)	
Profit after taxation	205,183	357,906
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	205,183	357,906

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



Khawaja Nadeem Abbas
Chief Financial Officer

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

For the Quarter Ended 30 September 2024

	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 2023 - (Audited)	1,023,175	289,636	60,904	597,419	947,959	10,517,336	11,465,295	12,488,470	
Transactions with owners:									
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	
Profit for the nine months ended 30 June 2024	-	-	-	-	-	648,605	648,605	648,605	
Other comprehensive income for the nine months ended 30 June 2024	-	-	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 30 June 2024	-	-	-	-	-	648,605	648,605	648,605	
Balance as at 30 June 2024 - (Audited)	1,023,175	289,636	60,904	597,419	947,959	11,523,847	12,471,806	13,494,981	
Profit for the quarter ended 30 September 2024	-	-	-	-	-	205,183	205,183	205,183	
Other comprehensive income for the quarter ended 30 September 2024	-	-	-	-	-	-	-	-	
Total comprehensive income for the quarter ended 30 September 2024	-	-	-	-	-	205,183	205,183	205,183	
Balance as at 30 September 2024 - (Un-audited)	1,023,175	289,636	60,904	597,419	947,959	11,729,030	12,676,989	13,700,164	

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

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



Khawaja Nadeem Abbas
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)


For the Quarter Ended 30 September 2024

NOTE	Quarter ended		
	30 September 2024	30 September 2023	
(RUPEES IN THOUSAND)			
Cash flows from operating activities			
Cash used in operations	11	(1,710,415)	(413,380)
Finance cost paid		(519,488)	(531,858)
Mark-up paid on leases liabilities		(2,764)	(2,414)
Income tax and levy paid		(176,915)	(88,176)
Net cash used in operating activities		(2,409,582)	(1,035,828)
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		(116,502)	(105,831)
Proceeds from sale of property, plant and equipment		10,047	8,521
Profit on saving accounts and term deposit receipts received		1,096	-
Proceeds from sale of investments		2,339	-
Net cash used in investing activities		(103,020)	(97,310)
Cash flows from financing activities			
Repayment of long term financing		(231,692)	(142,518)
Repayment of lease liabilities		(5,040)	(2,536)
Short term borrowings - net		2,645,993	1,045,166
Net cash generated from financing activities		2,409,261	900,112
Net decrease in cash and cash equivalents		(103,341)	(233,026)
Cash and cash equivalents at the beginning of the period		618,656	372,236
Cash and cash equivalents at the end of the period		515,315	139,210

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



Khawaja Nadeem Abbas
Chief Financial Officer

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

For the Quarter Ended 30 September 2024

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 on 24 September 1990. 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 2024.
- 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 2024.

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 2024.

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

For the Quarter Ended 30 September 2024

	Un-audited 30 September 2024	Audited 30 June 2024
	(RUPEES IN THOUSAND)	
3. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	3,535,230	3,866,229
Add:		
Obtained during the period / year	-	350,631
Amortization during the period / year	31,061	128,628
	3,566,291	4,345,488
Less:		
Repaid during the period / year	231,692	810,258
	3,334,599	3,535,230
Less: Current portion shown under current liabilities	767,538	793,782
	2,567,061	2,741,448

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 2024 except as follows:

- i) Post dated cheques of Rupees 6,070.644 million (30 June 2024: Rupees 6,329.303 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 Nil (30 June 2024: Rupees 59.078 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 4,090.489 million (30 June 2024: Rupees 3,802.973 million).
- iii) Outstanding foreign currency forward contracts are of Rupees 5,193.355 million (30 June 2024: Rupees 4,818.549 million).
- iv) Ijarah commitments are of Rupees 5.002 million (30 June 2024: Rupees 6.984 million).

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

For the Quarter Ended 30 September 2024

	NOTE	Un-Audited	Audited
		30 September 2024	30 June 2024
		(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	10,852,148	11,030,486
Capital work-in-progress	5.2	281,683	260,390
		11,133,831	11,290,876
5.1 Operating fixed assets			
Opening book value		11,030,486	11,131,327
Add:			
Cost of additions during the period / year	5.1.1	95,209	1,042,606
		11,125,695	12,173,933
Less: Book value of deletions during the period / year	5.1.2	6,295	49,968
		11,119,400	12,123,965
Less: Depreciation charged during the period / year		267,252	1,093,479
		10,852,148	11,030,486
5.1.1 Cost of additions during the period / year			
Freehold land		808	2,198
Buildings on freehold land		-	459,720
Plant and machinery		-	173,231
Factory tools and equipment		-	29,788
Electric installations and appliances		7,774	251,946
Vehicles		86,627	125,723
		95,209	1,042,606
5.1.2 Book value of deletions during the period / year			
Plant and machinery		-	10,918
Vehicles		6,295	39,050
		6,295	49,968
5.2 Capital work-in-progress			
Freehold land		14,035	14,843
Buildings on freehold land		153,517	148,806
Plant and machinery		60,007	-
Electric installations and appliances		-	4,097
Vehicles		54,124	92,644
		281,683	260,390

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

For the Quarter Ended 30 September 2024

NOTE	Un-Audited	Audited
	30 September 2024	30 June 2024
(Rupees in thousand)		
6. RIGHT-OF-USE ASSETS		
Vehicles:		
Opening book value	59,102	73,877
Less: Depreciation charged during the period / year	2,956	14,775
	56,146	59,102
	(Un-audited)	
	Quarter ended	
	30 September 2024	30 September 2023
	(RUPEES IN THOUSAND)	
7. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Export sales	6,193,800	5,683,424
Local sales - net	4,229,192	5,386,519
Export rebate	21,071	18,026
	10,444,063	11,087,969
8. COST OF SALES		
Raw materials consumed	6,016,908	6,580,819
Stores, spare parts and loose tools consumed	352,772	341,687
Packing materials consumed	162,362	148,067
Processing, sizing and conversion charges	935,087	451,185
Fuel and power	1,143,224	888,521
Salaries, wages and other benefits	440,465	433,661
Repair and maintenance	11,714	13,836
Insurance	13,438	10,348
Other factory overheads	4,981	5,620
Deprecation on property, plant and equipment	239,544	241,579
	9,320,495	9,115,323
Work-in-process:		
Opening stock	1,105,335	957,302
Closing stock	(1,390,842)	(955,863)
	(285,507)	1,439
Cost of goods manufactured	9,034,988	9,116,762
Finished goods:		
Opening stock	3,627,585	3,012,656
Closing stock	(3,595,386)	(2,552,247)
	32,199	460,409
	9,067,187	9,577,171

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

For the Quarter Ended 30 September 2024

		(Un-audited)	
		Quarter ended	
		30 September 2024	30 September 2023
		(RUPEES IN THOUSAND)	
9.	OTHER EXPENSES		
	Donations	2,262	2,662
	Workers' profit participation fund	15,324	26,386
	Workers' welfare fund	5,823	-
	Loss on sales of property, plant and equipment	-	3,903
		23,409	32,951
10.	OTHER INCOME		
	Income from financial assets		
	Dividend income on investments at FVTPL	108	105
	Profit on saving accounts and TDRs	9,576	2,501
	Unrealized gain on remeasurement of investments at FVTPL	301	3,404
	Gain on sale of investments at FVTPL	82	-
	Net exchange gain	68,735	2,633
		78,802	8,643
	Income from non-financial assets		
	Rental income	600	570
	Scrap sales	6,243	7,311
	Gain on sale of property, plant and equipment	3,730	-
		10,573	7,881
		89,375	16,524
11.	CASH USED IN OPERATIONS		
	Profit before taxation	362,522	501,912
	Adjustments for non-cash charges and other items:		
	Depreciation	270,208	270,768
	Finance cost	578,386	590,831
	Provision for workers' welfare fund	5,823	-
	Provision for workers' profit participation fund	15,324	26,386
	(Gain) / Loss on sale of property, plant and equipment	(3,730)	3,903
	Unrealized Gain on remeasurement of investments at FVTPL	(301)	(3,404)
	Working capital changes	11.1 (2,938,647)	(1,803,776)
		(1,710,415)	(413,380)

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

For the Quarter Ended 30 September 2024

NOTE	Un-audited	
	Quarter ended	
	30 September 2024	30 September 2023
(RUPEES IN THOUSAND)		
11.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(13,250)	(22,650)
Stock-in-trade	(2,504,700)	(1,142,708)
Trade debts	(110,943)	(612,964)
Advances	7,241	46,153
Short term deposit and prepayments	(50,426)	(44,705)
Other receivables	55,600	3,132
Sales tax refundable	(662,084)	(57,941)
	(3,278,562)	(1,831,683)
Increase in trade and other payables	339,915	27,907
	(2,938,647)	(1,803,776)

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 2024	30 September 2023
(RUPEES IN THOUSAND)		
i) Transactions		
Associated company		
J.K. Tech (Private) Ltd		
Service charges	660	630
Rental income	600	570
Expenses paid on behalf of JKTP	61	61
Other related parties:		
Company's contribution to Employees' Provident Fund Trust	17,248	14,104
Remuneration paid to Chief Executive Officer, directors and executives	44,784	45,154
Loans obtained from Chief Executive Officer and director	700,000	300,000
Vehicles sold to executives	9,681	1,964
ii) Period end balances		
Associated company		
Trade and other payables	255	256
Other related parties		
Short term borrowings	700,000	500,000

13. SEGMENT INFORMATION

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

For the Quarter Ended 30 September 2024

	Spinning		Fabric		Elimination of inter-segment transactions		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Revenue	4,108,603	5,238,169	6,335,460	5,849,800	(1,121,353)	-	10,444,063	11,087,969
External Intersegment	1,121,353	872,154	-	-	(872,154)	-	-	-
Cost of sales	5,229,956	6,110,323	6,335,460	5,849,800	(1,121,353)	(872,154)	10,444,063	11,087,969
Gross profit	(4,539,511)	(5,561,009)	(5,649,029)	(4,888,316)	1,121,353	872,154	(9,067,187)	(9,577,171)
Distribution cost	690,445	549,314	686,431	961,484	-	-	1,376,876	1,510,798
Administrative expenses	(37,712)	(35,215)	(310,923)	(211,536)	-	-	(348,635)	(246,751)
Profit before taxation and unallocated income and expenses	(101,941)	(102,376)	(51,358)	(52,501)	-	-	(153,299)	(154,877)
Unallocated income and expenses	(139,653)	(137,591)	(362,281)	(264,037)	-	-	(501,934)	(401,628)
Other expenses	550,792	411,723	324,150	697,447	-	-	874,942	1,109,170
Other income	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	(23,409)	(32,951)
Taxation	-	-	-	-	-	-	89,375	16,524
Profit after taxation	-	-	-	-	-	-	(578,386)	(590,831)
	-	-	-	-	-	-	(157,339)	(144,006)
	-	-	-	-	-	-	205,183	357,906

13.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric		Total Company	
	(Audited)		(Audited)		(Audited)	
	30 September 2024	30 June 2024	30 September 2024	30 June 2024	30 September 2024	30 June 2024
Total assets for reportable segments	20,382,932	18,944,944	9,594,376	8,679,915	29,977,308	27,624,859
Sales tax refundable	-	-	-	-	3,602,236	2,940,152
Total assets as per condensed interim statement of financial position	-	-	-	-	33,579,544	30,565,011
Total liabilities for reportable segments	13,196,826	11,277,108	6,568,834	5,410,471	19,765,660	16,687,579
Unallocated liabilities	-	-	-	-	113,720	382,451
Total liabilities as per condensed interim statement of financial position	-	-	-	-	19,879,380	17,070,030

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 2024

Spinning (Un-audited)		Fabric (Un-audited)		Total Company (Un-audited)	
Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended
30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023

13.2 Geographical Information

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

	(RUPEES IN THOUSAND)					
	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
America	-	-	1,643,335	1,384,602	1,643,335	1,384,602
Asia, Africa and Australia	-	113,641	239,459	38,248	239,459	151,889
Europe	-	-	4,311,006	4,146,933	4,311,006	4,146,933
Pakistan	4,108,603	5,124,528	120,589	261,991	4,229,192	5,386,519
Export Rebate	-	-	21,071	18,026	21,071	18,026
	4,108,603	5,238,169	6,335,460	5,849,800	10,444,063	11,087,969

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

	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Yarn	3,893,786	4,924,963	-	149,303	3,893,786	5,074,266
Fabric	-	-	6,257,604	5,679,910	6,257,604	5,679,910
Processing Income	-	-	46,701	3,225	46,701	3,225
Waste	214,817	313,206	31,155	17,362	245,972	330,568
	4,108,603	5,238,169	6,335,460	5,849,800	10,444,063	11,087,969

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

For the Quarter Ended 30 September 2024

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 2024 - (Un-audited)				
At fair value through profit or loss	20,922	-	-	20,922
Derivative financial asset	-	55,636	-	55,636
	<u>20,922</u>	<u>55,636</u>	<u>-</u>	<u>76,558</u>
At 30 June 2024 - (Audited)				
At fair value through profit or loss	21,609	-	-	21,609
Derivative financial asset	-	105,289	-	105,289
	<u>21,609</u>	<u>105,289</u>	<u>-</u>	<u>126,898</u>
FINANCIAL LIABILITIES:				
At 30 September 2024 - (Un-audited)				
Derivative financial liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2024 - (Audited)				
At fair value through profit or loss	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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.

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

For the Quarter Ended 30 September 2024

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.

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 2024.

16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on October 30, 2024 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



Khawaja Nadeem Abbas
Chief Financial Officer



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