

**Quarterly
Accounts
September,
2021**

BIBOJEE GROUP



**BABRI COTTON MILLS
LIMITED**

BABRI COTTON MILLS LIMITED

COMPANY'S PROFILE

BOARD OF DIRECTORS	Mr. Muhammad Iftikhar Ali Lt. Gen. (Retd.) Ali Kuli Khan Khattak Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Gohar Ayub Khan Brig. (Retd.) Sajjad Azam Khan Brig. (Retd.) Abdul Ghaffar Khan	Chief Executive Chairman
AUDIT COMMITTEE	Brig. (Retd.) Sajjad Azam Khan Mr. Ahmad Kuli Khan Khattak Brig. (Retd.) Abdul Ghaffar Khan	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Brig. (Retd.) Sajjad Azam Khan Mr. Ahmad Kuli Khan Khattak Brig. (Retd.) Abdul Ghaffar Khan	Chairman Member Member
COMPANY SECRETARY	Mr. Abdul Moqheet Zaman Malik, BA, LLB	
CHIEF FINANCIAL OFFICER	Mr. Nasir Mehmood, MBA (Fin.)	
INTERNAL AUDITOR	Mr. Nasir Ali Khan ACCA, APFA	
AUDITORS	M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants	
SHARE REGISTRARS	Hameed Majeed Associates (Pvt.) Ltd., 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi Tel : (021) 32424826, 32412754 Fax: (021) 32424835	
BANKERS	National Bank of Pakistan The Bank of Khyber	
Legal Adviser	M/s Hassan & Hassan, Advocate Paaf building, 1-D Kashmir/Egerton road Lahore	
Tax Consultant	M. Nawaz Khan & Co. Ground Floor, Farrah centre, 2- Mozang road, Lahore	
REGISTERED OFFICE & MILLS	Habibabad, Kohat Tel : (0922) 862285 - 862284 Fax : (0922) 862283 Website : www.bcm.com.pk E-mail : info@bcm.com.pk	

BABRI COTTON MILLS LIMITED

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we feel pleasure in presenting the un-audited financial statements of the Company for the 1st quarter ended 30th September, 2021.

Company's Overview

The principal activity of the Company is the manufacturing & sale of yarn. The Company temporarily suspended its operation from March 25, 2020 due to Covid-19 pandemic. However, the Company was unable to start its operation again due to heavy losses and laid off its entire employees / workers in the month of July, 2020 and closed the mills. Then, with the approval of its shareholders, the Company gave its plant & machinery on lease to Janana De Malucho Textile Mills Ltd. (JDM), in order to keep its plant & machinery in excellent working condition.

During the first quarter, your Company has posted the following results:

	September 30,	
	2021	2020
	Rupees in million	
Sales-net	0	115.758
Gross Loss	(13.172)	(68.761)
Loss from Operations	(14.473)	(80.086)
Loss before Taxation	(24.512)	(99.844)
Loss after Taxation	(24.512)	(101.580)
	-----Rupees-----	
Loss per share	(6.71)	(27.81)

The operations of the Company have remained closed during the quarter under report. The Company, in the period under report, has incurred loss before tax amounting to Rs.24.512 million and loss after tax of Rs.24.512 million in comparison with loss before tax amounting to Rs.99.844 million and loss after tax amounting to Rs.101.580 million respectively, in the previous comparative period. The operations of the Company remained closed during the quarter.

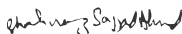
FUTURE OUTLOOK

We would like to further inform the shareholders, of the progress in the merger of the Company with JDM. The members of both the companies in their respective extra ordinary general meetings (EOGMs) held on 13th March 2021, have approved the merger / amalgamation of both the companies and have also given approval of the swap ratio of shares to be issued to the members of the Company upon merger. After the approval of members, in the respective EOGMs of the Companies, a petition has been filed with the Honorable Peshawar High Court for its approval of the merger of both the companies

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have consistently facilitated the Company in financially difficult times. We would also like to highlight the hard work and diligence of the Company's Management.

On behalf of the Board of Directors



Shahnaz Sajjad Ahmad
Director



Mr. Muhammad Iftikhar Ali
Chief Executive Officer

Dated: October 22, 2021

بابری کاٹن ملز لمیٹڈ

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے 30 نومبر 2021ء کو جاری کی گئی ہے۔

کٹنی کا جائزہ۔

کٹنی کی بنیادی سرگرمی دھاکے کی تیاری اور فروخت ہے۔ کوویڈ-19 وبائی امراض کی وجہ سے کٹنی نے 25 مارچ 2020ء سے اپنا آپریشن عوامی طور پر معطل کر دیا۔ تاہم، کٹنی بیماری نقصان کی وجہ سے دوبارہ اپنا آپریشن شروع کرنے سے قاصر رہی اور جولائی 2020ء کے سینیٹ میں اپنے تمام ملازمین کا کارکنوں کو فارغ کر دیا اور ملازمین کو بند کر دیا۔ پھر اپنے شیئر ہولڈرز کی منظوری سے، کٹنی نے اپنے پلانٹ اور مشینری کو لیز پر جانا ڈی مائیٹنگ سٹائل ملز (پے ڈی ایم) کو دے دیا تاکہ اس کے پلانٹ اور مشینری کو بہترین کام کی حالت میں رکھا جاسکے۔ اس سہ ماہی کے آپ کی کٹنی کے مالیاتی نتائج کی اہم جھلکیاں مندرجہ ذیل ہیں۔

سہ ماہی

	2021	2020
فروخت	0	115.758
عمدوری نقصان	(13.172)	(68.761)
اوپریشن کے بعد نقصان	(14.473)	(80.086)
ٹیکس سے پہلے نقصان	(24.512)	(99.844)
ٹیکس سے بعد نقصان	(24.512)	(101.580)
نقصان فی شیئر	(6.71)	(27.81)

رپورٹ کی جانے والی سہ ماہی کے دوران کٹنی کا آپریشن بند رہا ہے۔ کٹنی کا ڈیربر پورٹ مدت میں، ٹیکس سے پہلے کا نقصان 24.512 ملین روپے اور ٹیکس کے بعد کا نقصان 24.512 ملین روپے رہا۔ جبکہ پچھلے قیامی مدت میں ٹیکس سے پہلے کا نقصان 99.844 ملین روپے اور ٹیکس کے بعد کا نقصان 101.580 ملین روپے تھا۔

مستقبل کا نقطہ نظر


ہم پے ڈی ایم کے ساتھ کٹنی کے انضمام میں ہونے والی پیشرفت کے بارے میں شیئر ہولڈرز کو مزید مطلع کرنا چاہتے ہیں۔ دونوں کمپنیوں کے ممبران نے 13 مارچ 2021ء کو منعقدہ اپنی اپنی متعلقہ غیر معمولی جنرل میٹنگوں میں دونوں کمپنیوں کے انضمام کی منظوری دی ہے اور ممبران کو جاری کیے جانے والے اہلکھس کے سوہیپ تناسب کی بھی منظوری دی ہے۔ دونوں کمپنیوں کے ممبران کی اپنی اپنی کمپنیوں کے متعلقہ غیر معمولی جنرل میٹنگوں میں ممبران کی منظوری کے بعد دونوں کمپنیوں کے انضمام کی منظوری کے لیے معزز پیشواؤں کی کورٹ میں درخواست دائر کر دی گئی ہے۔

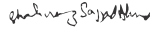
اعتراف

بورڈ آف ڈائریکٹرز کٹنی کے بینکاروں کی قدر کرتا ہے جو کہ مسلسل کٹنی کی مالی مشکلات میں بروقت مدد کرتے ہیں۔ اسکے علاوہ کٹنی کی انتظامیہ کا بھی ان مشکل حالات میں کام کرنے پر شکریہ ادا کرتا ہے۔

کٹنی کے بورڈ آف ڈائریکٹرز کی جانب سے

تاریخ: 22 اکتوبر 2021ء


محمد افتخار علی
چیف ایگزیکٹو آفیسر


شہباز احمد
ڈائریکٹر

BABRI COTTON MILLS LIMITED

Condensed Interim Statement of Financial Position as at September 30, 2021

		September 30, 2021	June 30, 2021
	Note	Un-audited Rupees in thousand	Audited
Assets			
Non-current Assets			
Property, plant and equipment	5	1,235,652	1,248,822
Investments in an Associated Company	6	250,057	250,057
Long term loans		174	119
Security deposits		929	929
		<u>1,486,812</u>	<u>1,499,927</u>
Current Assets			
Stores, spares and loose tools		15,318	15,318
Stock-in-trade		1,557	1,557
Trade debts		39,327	39,327
Security deposit		75,000	50,000
Loans and advances		7,785	7,829
Prepayments		1,340	435
Other receivables		2,895	2,895
Income tax refundable, advance tax and tax deducted at source		29,415	28,391
Cash and bank balances		5,596	25,562
Non-current assets held-for-sale	7	168,162	168,162
		<u>346,395</u>	<u>339,476</u>
Total Assets		<u>1,833,207</u>	<u>1,839,403</u>
Equity and Liabilities			
Equity			
Authorised capital		250,000	250,000
Issued, subscribed and paid-up capital		36,522	36,522
Capital reserves			
- share premium		15,096	15,096
- revaluation surplus on property, plant and equipment	8	822,523	826,217
Revenue reserves			
- general reserve		88,000	88,000
- gain on remeasurement of forward foreign exchange contracts		1,936	1,960
- accumulated loss		(369,774)	(348,956)
Shareholders' Equity		<u>594,303</u>	<u>618,839</u>
Liabilities			
Non-current Liabilities			
Long term finances	9	104,475	119,054
Staff retirement benefits - gratuity		3,426	4,270
Deferred taxation		9,208	9,208
		<u>117,109</u>	<u>132,532</u>
Current Liabilities			
Trade and other payables		310,257	370,104
Advances received against sale of fixed assets		477,930	383,577
Unclaimed dividends		2,431	2,431
Accrued interest / mark-up		8,945	9,133
Short term finances		257,941	258,496
Current portion of long term finances		58,317	58,317
Taxation	10	5,974	5,974
		<u>1,121,795</u>	<u>1,088,032</u>
Total Liabilities		<u>1,238,904</u>	<u>1,220,564</u>
Contingencies and Commitments	11		
Total Equity and Liabilities		<u>1,833,207</u>	<u>1,839,403</u>

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Iftikhar Ali
Chief Executive Officer


Sahnaz Sajjad Ahmad
Director


Nasir Mehmood
Chief Financial Officer

BABRI COTTON MILLS LIMITED

Condensed Interim Statement of Profit or Loss & Other Comprehensive Income (Un-audited)

For the Three Months Period Ended September 30, 2021

	Three Months Period Ended Sep 30,	
	2021	2020
	(Rupees in thousand)	
Sales	0	115,758
Cost of sales	13,172	184,519
Gross loss	(13,172)	(68,761)
Distribution cost	0	372
Administrative expenses	1,625	10,989
Other income	(324)	(36)
	1,301	11,325
Loss from operations	(14,473)	(80,086)
Finance cost	10,039	19,758
Loss before taxation	(24,512)	(99,844)
Taxation	0	1,736
Loss after taxation	(24,512)	(101,580)
Other comprehensive income	0	0
Total comprehensive loss	(24,512)	(101,580)
	----- Rupees -----	
Loss per share	(6.71)	(27.81)

The annexed notes form an integral part of these condensed interim financial statements.



Muhammad Iftikhar Ali
Chief Executive Officer



Sahnaz Sajjad Ahmad
Director



Nasir Mehmood
Chief Financial Officer

BABRI COTTON MILLS LIMITED
Condensed Interim Statement of Cash Flows (Un-audited)
For the Three Months Period Ended September 30, 2021

	Three Months Period Ended Sep 30,	
	2021	2020
	(Rupees in thousand)	
Cash flow from operating activities		
Loss for the period - before taxation and share of profit / (loss) on investments in an Associated Company	(24,512)	(99,844)
Adjustments for non-cash charges and other items:		
Depreciation	13,170	16,741
Amortisation of gain on forward foreign exchange contracts	(24)	(25)
Staff retirement benefits - gratuity (net)	(844)	(59,141)
Finance cost	10,039	19,758
Loss before working capital changes	(2,171)	(122,511)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	0	(2,133)
Stock-in-trade	0	135,735
Loans and advances	44	(2,913)
Prepayments	(905)	1,468
(Decrease) / Increase in trade and other payables	(59,847)	186,794
	(60,708)	318,951
Cash (used in) / generated from operations	(62,879)	196,440
Taxes paid	(1,024)	(2,864)
Long term loans - net	(55)	36
Net cash (used in) / generated from operating activities	(63,958)	193,612
Cash flow from investing activities		
Security deposits	0	104
Advances received against sale of fixed assets	94,353	0
Security deposits with bank	(25,000)	0
Net cash generated from investing activities	69,353	104
Cash flow from financing activities		
Long term finances - net	(14,579)	0
Short term finances - net	(555)	(133,705)
Finance cost paid	(10,227)	(48,165)
Net cash used in financing activities	(25,361)	(181,870)
Net (decrease) / increase in cash and cash equivalents	(19,966)	11,846
Cash and cash equivalents - at beginning of the period	25,562	4,389
Cash and cash equivalents - at end of the period	5,596	16,235

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Iftikhar Ali
Chief Executive Officer


Sahnaz Sajjad Ahmad
Director

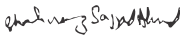

Nasir Mehmood
Chief Financial Officer

BABRI COTTON MILLS LIMITED
Condensed Interim Statement of Changes in Equity (Un-audited)
For the Three Months Period Ended September 30, 2021

	Capital Reserves			Revenue Reserves			Total
	Share capital	Share premium reserve	Revaluation surplus on property, plant and equipment	General reserve	Gain on hedging instruments	Unappropriated profit / (accumulated loss)	
----- Rupees in thousand -----							
Balance as at June 30, 2021	36,522	15,096	826,217	88,000	1,960	(348,956)	618,839
Total comprehensive loss for the three months period ended September 30, 2021:	0	0	0	0	0	(24,512)	(24,512)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the quarter ended September 30, 2021 (net of deferred taxation)	0	0	(3,694)	0	0	3,694	0
Amortisation of gain on forward foreign exchange contracts	0	0	0	0	(24)	0	(24)
Balance as at September 30, 2021	36,522	15,096	822,523	88,000	1,936	(369,774)	594,303
Balance as at June 30, 2020	36,522	15,096	911,638	88,000	2,032	(64,468)	988,820
Total comprehensive loss for the three months period ended September 30, 2020:	0	0	0	0	0	(101,508)	(101,508)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the quarter ended September 30, 2020 (net of deferred taxation)	0	0	(3,599)	0	0	3,599	0
Amortisation of gain on forward foreign exchange contracts	0	0	0	0	(25)	0	(25)
Balance as at September 30, 2020	36,522	15,096	908,039	88,000	2,007	(162,377)	887,287

The annexed notes form an integral part of these condensed interim financial statements.


Muhammad Iftikhar Ali
 Chief Executive Officer


Sahnaz Sajjad Ahmad
 Director


Nasir Mehmood
 Chief Financial Officer

BABRI COTTON MILLS LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For the Three Months Period Ended September 30, 2021

1. Legal status and operations

1.1 Babri Cotton Mills Limited (the Company) was incorporated in Pakistan on October 26, 1970 as a Public Company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of yarn. The Company's registered office and Mills are located at Habibabad, Kohat.

1.2 Going concern basis

These condensed interim financial statements have been prepared on going concern basis despite the uncertainties detailed below that may cast doubt about the Company's ability to continue as a going concern:

- (a) the Company's production facilities are closed since March, 2020;
- (b) the Company has accumulated losses aggregating Rs.369.774 million and current liabilities exceeded its current assets by Rs.775.400 million as at September 30, 2021;
- (c) the Company's financial ratios are adverse; and
- (d) major quantities of finished goods inventories of the Company have been sold during the current year.

1.3 These condensed interim financial statements have been prepared on going concern basis as fixed assets of the Company are operational and have been leased to Janana De Malucho Textile Mills Ltd. (JDM - an Associated Company). The Company's fixed assets are generating present and future economic benefits for JDM. Further, the Company's liabilities will be assumed by JDM after completion of merger of both entities.

1.4 Lease of factory buildings and plant & machinery

The members of the Company in the annual general meeting held on October 21, 2020 have passed the special resolution whereby the Company has leased its factory buildings and plant & machinery to JDM. The salient terms of this lease agreement are as follows:

- a) The lease rentals are Rs.100,000/- per month. The amount of lease rent has been determined on the basis that JDM shall bring back and keep the machinery of the Company in working condition.
- b) JDM shall not only maintain the machinery by oiling & cleaning and also use the machinery for manufacturing purposes so that unit shall remain in good working condition.
- c) The term of lease has commenced from October 01, 2020 and shall continue till June 30, 2022.
- d) Both the companies have the option to terminate the lease with one month prior notice.
- e) The lease of assets is a stop gap / interim arrangement till the completion of merger of both the entities.

1.5 Merger of the Company with and into JDM

The members of the Company, at the extra ordinary general meeting held on March 13, 2021 through special resolutions, have approved the proposed Scheme of Arrangement of Merger / Amalgamation of the Company with JDM under sections 279 to 285 of the Companies Act, 2017.

The merger of the Company with JDM is necessary because otherwise it would be impossible for the Company to survive any further because of massive outstanding liabilities and huge gross, operating and net losses. The only viable solution is the merger of the Company with JDM as it would not be possible for the Company to continue its operations alone.

As per the proposed scheme of merger / amalgamation between the Company and JDM, all assets and liabilities of the Company will be transferred into JDM and the members of the Company will be issued shares of JDM in the ratio of 1 share of JDM for every 1.438 shares of the Company.

A petition has been filed with the Peshawar High Court for approval of merger of both the Companies.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements of the Company 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 IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2021.

2.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statement has been extracted from the audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended September 30, 2020.

2.4 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary and property, plant and equipment at revalued amounts assessed by an independent valuer.

2.6 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended June 30, 2021.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commenced on July 01, 2021. However, these do not have any significant impact on the Company's financial reporting

and, therefore, have not been disclosed in these condensed interim financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Company's annual accounting periods commencing on or after January 01, 2022. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates, judgments and financial risk management

4.1 The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company 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 audited annual financial statements as at and for the year ended June 30, 2021.

5. Property, plant and equipment

	Un-audited Sep. 30, 2021	Audited June 30, 2021
	(Rupees in thousand)	
Opening book value	1,248,822	1,782,667
Depreciation charge for the period	13,170	533,845
	<u>1,235,652</u>	<u>1,248,822</u>

6. Investments in an Associated Company - Quoted

Janana De Malucho Textile Mills Ltd. (JDM)

6.1 Market value of the Company's investments in JDM as at September 30, 2021 was Rs.31.369 million (June 30, 2021: Rs.32.054 million).

6.2 The management intends to carry-out impairment testing of its investment in JDM as at June 30, 2022 as significant variations in estimates have been observed during the current period since June 30, 2021

7. Non-current assets held-for-sale

7.1 Fixed assets to be transferred to Janana De Malucho Textile Mills Ltd.(JDM):

Freehold land	156,640	156,640
Residential buildings - workers	11,522	11,522
	<u>168,162</u>	<u>168,162</u>

The Company, during the preceding year, has entered into an agreement with JDM (an Associated Company); the Company is an exclusive owner of the area of land measuring 354 marlas and has agreed to sell the said land according to the terms of sale as under:

- a) the price of land is Rs.600,000/- per marla and total consideration is Rs.212.400 million;
- b) the total amount has been paid in advance by JDM;
- c) JDM has taken possession of the area of land and the area is secured with barbed wire;
- d) JDM has purchased this land to construct quarters for its workers;
- e) transfer of land in name of JDM shall be done after completion of all legal formalities; and
- f) the total expenses on the execution of agreement, transfer of land, attorney fees, etc. shall be borne by JDM.

The Company, during the preceding year, has entered in to further agreement with JDM; the Company is an exclusive owner of the area of land measuring 625 marlas and residential buildings on land and has agreed to sell the said land and buildings according to the terms of sale as under:

- a) the price of land is Rs. 600,000/- per marla and total consideration is Rs. 375 million;
- b) the covered area of the residential buildings is 55,392 square feet and value of residential buildings has been agreed at Rs. 214 per square feet as per survey by an independent party. The value of area of residential buildings on land worked out to Rs.11.854 million;
- c) the total value of land and residential buildings being sold aggregate Rs.386.854 million. JDM has paid Rs.265.530 million in advance to the Company;
- d) JDM has taken possession of the area of land and the area is secured with barbed wire;
- e) JDM can do any alteration on building structures or can construct any new building as it may deem fit;
- f) transfer of land in the name of JDM shall be done after completion of all legal formalities; and
- g) the total expenses on the execution of agreement, transfer of land, attorney fees, etc. shall be borne by JDM.

8. Revaluation surplus on property, plant and equipment - net	Un-audited Sep. 30, 2021	Audited June 30, 2021
	(Rupees in thousand)	
Revaluation surplus on the Company's property, plant & equipment	662,351	666,045
Share of revaluation surplus on property, plant and equipment of Associated Companies	160,172	160,172
	<u>822,523</u>	<u>826,217</u>
9. Long term finances - secured		
The Bank of Khyber		
- demand finance - I	102,042	111,917
- demand finance - II	17,253	18,922
Sindh Modaraba - diminishing musharaka	43,497	46,532
	162,792	177,371
Less: current portion grouped under current liabilities	58,317	58,317
	<u>104,475</u>	<u>119,054</u>

10. Taxation - net

10.1 There has been no significant change during the current period in the status of taxation matter as detailed in notes 26.3 & 26.5 to the audited financial statements of the Company for the year ended June 30, 2021.

11. Contingencies and commitments

11.1 There has been no significant change in the status of the contingencies as reported in the preceding published annual financial statements of the Company for the year ended: June 30, 2021

11.2 No commitments were outstanding as at September 30, 2021 and June 30, 2021.

12. Transactions with related parties

12.1 Significant transactions made during the period with related parties were as follows:

Name	Cumulative	
	Jul. - Sep., 2021	Jul. - Sep., 2020
Associated Companies - JDM		
(Rupees in thousand)		
Residential rent paid	0	532
Utilities :		
- recovered	108,809	0
- paid	0	25
Sale of raw material	0	40,897
Salaries paid	0	2,280
Lease rentals received	300	0
Advances received against sale of freehold land and workers' residential buildings	94,353	0
Other related parties		
Key management personnel Salaries and benefits	0	1,497

13. Corresponding figures

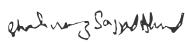
Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements and re-classifications have been made in these condensed interim financial statements.

14. Date of authorisation for issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on October 22, 2021.



Muhammad Iftikhar Ali
Chief Executive Officer



Sahnaz Sajjad Ahmad
Director



Nasir Mehmood
Chief Financial Officer