



J.K. SPINNING
MILLS LIMITED

2023-24

HALF YEAR REPORT

“ Building Tomorrow's
Textile Legacy



Contents

| | |
|----|--|
| 02 | Company Information |
| 03 | Directors' Report to the Shareholders |
| 06 | Directors' Report to the Shareholders (Urdu) |
| 08 | Independent Auditor's Review Report |
| 10 | Condensed Interim Statement of Financial Position (Un-Audited) |
| 12 | Condensed Interim Statement of Profit or Loss (Un-Audited) |
| 13 | Condensed Interim Statement of Comprehensive Income (Un-Audited) |
| 14 | Condensed Interim Statement Of Changes In Equity (Un-Audited) |
| 15 | Condensed Interim Statement of Cash Flows (Un-Audited) |
| 16 | Selected Notes To The Condensed Interim Financial Information (Un-Audited) |

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 half year ended December 31, 2023.

Financial Results and Operational Performance

The summarized financial results of the company for the half year ended December 31, 2023 are as under:

| Particulars | Rupees in Million | |
|---------------------------------------|----------------------|----------------------|
| | Half year ended | |
| | 31 December, 2023 | 31 December, 2022 |
| Revenue from contracts with customers | 20,430.521 | 17,011.091 |
| Cost of sales | 17,668.140 | 14,363.998 |
| Gross profit | 2,742.381 | 2,647.093 |
| Operating expenses | 884.515 | 1,126.739 |
| Other income | 158.160 | 81.435 |
| Profit from operations | 2,016.026 | 1601.789 |
| Finance cost | 1,225.576 | 273.799 |
| Profit before taxation | 790.450 | 1,327.990 |
| Taxation | 279.498 | 236.666 |
| Profit after taxation | 510.952 | 1,091.324 |
| Earnings per share - rupees | 4.99 | 10.67 |

Sales for the period under review increased to Rupees 20,430.521 million from Rupees 17,011.091 million of the corresponding period. Raw material consumed percentage to sale increased to 60.63% from 60.49% of corresponding period. Salaries and wages cost increased due to increase in minimum wage rate. Fuel and power cost increased by 46.32% in view of increase in spinning and fabric processing capacity and increase in tariff. Cost of Stores and spare parts, loose tools consumed, packing material, processing and conversion charges and other overheads increased in view of increase in volume and inflationary impact. Financial cost increased in view of increase in Kibor rates and increase in working capital requirements.

Your company has earned profit after tax of Rupees 510.952 million during the half year ended on December 31, 2023 against Rupees 1,091.324 million of the same period of last year.

In view of increasing requirements of working capital and expansion plans, the Board of Directors did not approve any interim cash dividend.

The production of yarn converted into 20/5 for the period under review was 24.907 million Kgs against 20.558 million Kgs of corresponding period of last year. Your company's management believes on continuing policy of Balancing Modernization and Replacement (BMR) of machinery and equipments of its production facilities. The company has opened letter of credit to add solar power project of 2.4 MW on roof top of mills premises. Another solar power project of 3 MW is also likely to be added in next financial year.

Future Outlook

The textile sector in Pakistan is facing significant challenges such as high interest rates, currency depreciation, elevated power tariffs, rising raw material costs, and higher inflation rates. Moreover, unexpected fluctuations in the foreign exchange rate have introduced uncertainty into pricing strategies. Looking ahead, the remaining part of financial year 2023-24 is expected to be even more challenging. Additionally, global conflicts like the Russia-Ukraine war and unrest in the Middle East are posing persistent threats to the global economy, potentially leading to reduced economic activity worldwide. The economists and institutions are predicting a substantial slowdown in global growth for the fiscal year

Directors' Report

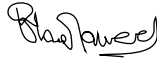
2024, with no significant recovery in sight.

The management of your company is proactively addressing these challenges by focusing on cost minimization, operational optimization, enhancing capacity and improving efficiencies to achieve favourable financial results in the enduring financial year.

Acknowledgement

The Directors wish to express their gratitude to our valued clients and bankers for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services demonstrated by the staff members and the workers of the company. The company acknowledges and thanks all stakeholders for the confidence reposed.

For and on behalf of the Board of Directors



Shaiq Jawed
Director

Faisalabad
February 26, 2024



Sadaf Aamir Arshad
Director

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

آپ کی کمپنی نے پہلی ششماہی کے اختتام 31 دسمبر 2023 میں 510.952 ملین روپے خالص منافع کمایا ہے جبکہ پچھلے سال کا منافع 1,091.324 ملین روپے تھا۔ توسیع کے منصوبوں میں اضافے اور ورکنگ کپٹل کی ضروریات بڑھنے کی وجہ سے ڈائریکٹرز نے کوئی عبوری ڈیویڈنڈ منظور نہیں کیا ہے۔

اس مالی سال کے 6 ماہ کے دوران دھاگے کی پیداوار 20 / s کے حساب سے 24.907 ملین کلوگرام رہی جبکہ پچھلے سال کی پیداوار 20.558 ملین کلوگرام تھی۔ آپ کی کمپنی کی انتظامیہ نے پرانی مشینری کو جدید مشینری سے بدلنے کی پالیسی اختیار کی ہوئی ہے۔ کمپنی نے ملز کے احاطے کی چھت پر 2.4 میگا واٹ کے سولر پاور پروجیکٹ کو شال کرنے کے لیے لیٹ آف کریڈٹ کھول دیا ہے۔ آئندہ مالی سال میں 3 میگا واٹ کا ایک اور سولر پاور پراجیکٹ بھی شال کیے جانے کا امکان ہے۔

مستقبل کا نقطہ نظر

پاکستان میں ٹیکسٹائل سیکٹر کو اعلیٰ شرح سود، کرنسی کی قدر میں کمی، بجلی کے نرخوں میں اضافہ، خام مال کی بڑھتی ہوئی قیمتوں اور مہنگائی کی بلند شرح جیسے اہم چیلنجز کا سامنا ہے۔ مزید برآں، زرمبادلہ کی شرح میں غیر متوقع اتار چڑھاؤ نے قیمتوں کے تعین کی حکمت عملیوں میں غیر یقینی صورتحال کو متعارف کرایا ہے۔ آگے دیکھتے ہوئے، مالی سال 2023-24 کا بقیہ حصہ اور بھی زیادہ چیلنجنگ ہونے کی امید ہے۔ مزید برآں، عالمی تنازعات جیسے روس-یوکرین جنگ اور مشرق وسطیٰ میں بد امنی عالمی معیشت کے لیے مستقل خطرات پیدا کر رہی ہے، جس سے ممکنہ طور پر دنیا بھر میں اقتصادی سرگرمیاں کم ہو رہی ہیں۔ ماہرین اقتصادیات اور ادارے مالی سال 2024 کے لیے عالمی نمو میں خاطر خواہ کمی کی پیش گوئی کر رہے ہیں، جس میں کوئی قابل ذکر بحالی نظر نہیں آ رہی ہے۔

آپ کی کمپنی کی انتظامیہ لاگت کو کم کرنے، آپریشنل آپٹیمائزیشن، صلاحیت کو بڑھانے اور مستقل مالی سال میں سازگار مالیاتی نتائج حاصل کرنے کے لیے افادیت کو بہتر بنانے پر توجہ مرکوز کرتے ہوئے ان چیلنجوں سے نمٹ رہی 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: فروری-26, 2024

Sady Am

صدف مامراشد
ڈائریکٹر

Raza Power

شائق جاوید
ڈائریکٹر

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 کی پہلی ششماہی کے اختتام 31 دسمبر 2023 کے مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی نتائج:

مالیاتی سال کی پہلی ششماہی کے نتائج کی تفصیل درج ذیل ہیں:

| تفصیلات | اختتام ششماہی 31 دسمبر 2023 | اختتام ششماہی 31 دسمبر 2022 |
|-------------------|--------------------------------|--------------------------------|
| سیلز | 20,430,521 | 17,011,091 |
| سیلز کے اخراجات | 17,668,140 | 14,363,998 |
| خام منافع | 2,742,381 | 2,647,093 |
| آپریٹنگ اخراجات | 884,515 | 1,126,739 |
| دیگر آمدن | 158,160 | 81,435 |
| آپریٹنگ منافع | 2,016,026 | 1,601,789 |
| مالی لاگت | 1,225,576 | 273,799 |
| منافع قبل از ٹیکس | 790,450 | 1,327,990 |
| ٹیکس | 279,498 | 236,666 |
| منافع بعد از ٹیکس | 510,952 | 1,091,324 |
| فی شیئر آمدنی | 4.99 | 10.67 |

مالی سال کی پہلی ششماہی کے دوران یہ میں فروخت، 17,011,091 ملین روپے سے بڑھ کر 20,430,521 ملین روپے ہوئی ہے۔ اسی طرح خام مال کے استعمال کی سیلز سے شرح تناسب کاٹن اور دھاگہ کی قیمت بڑھنے کی وجہ سے 60.49% سے بڑھ کر 60.63% تک ہو گئی ہے۔ تنخواہوں کے اخراجات کم از کم آہرت میں اضافہ کی وجہ سے بڑھے ہیں۔ توانائی کے اخراجات 46.32% بڑھنے کی وجہ سے پیداواری صلاحیت میں اضافہ، پروسیسنگ یونٹ میں اضافہ اور ٹریف میں اضافہ ہے۔ سٹورز، پارٹس اور اوزاروں، ہیٹنگ میٹریل، پروسیسنگ، کورجن اور دوسرے اوور ہیڈز کے خرچے پیداواری حجم اور مہنگائی کی وجہ سے بڑھ گئے ہیں۔ اس پہلی ششماہی کے آپریٹنگ اخراجات تبادلے کے نقصان اور ڈسٹری بوشن کاسٹ کے بڑھنے کی وجہ سے بڑھے ہیں۔ جبکہ مالی اخراجات کانٹریبیٹ کے بڑھنے اور ورکنگ کپینٹل کی ضروریات کے بڑھنے کی وجہ سے بڑھے ہیں۔

Financial Statements

For the Half Year Ended 31 December 2023

Independent Auditor's Review Report

To the members of J.K. Spinning Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of J.K. SPINNING MILLS LIMITED as at 31 December 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Liaquat Ali Panwar.



RIAZ AHMAD & COMPANY

Chartered Accountants

Faisalabad

Date: February 26, 2024

UDIN: RR202310184DEPoTIBWx

This page intentionally left blank.

Condensed Interim Statement of Financial Position (Un-Audited)

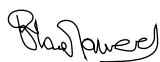
As At 31 December 2023

| | | Un-audited 31 December 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 |
| Capital reserves | | | |
| Premium on issue of right shares | | 60,904 | 60,904 |
| Merger reserve | | 289,636 | 289,636 |
| Surplus on revaluation of freehold land | | 597,419 | 597,419 |
| | | 947,959 | 947,959 |
| Revenue reserve - unappropriated profit | | 11,028,288 | 10,517,336 |
| Total reserves | | 11,976,247 | 11,465,295 |
| TOTAL EQUITY | | 12,999,422 | 12,488,470 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 3 | 2,791,343 | 3,142,272 |
| Lease liability | | 42,281 | 46,474 |
| Deferred income - government grant | | 307,855 | 367,952 |
| | | 3,141,479 | 3,556,698 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,682,301 | 2,332,900 |
| Accrued mark-up | | 425,449 | 411,628 |
| Short term borrowings | 4 | 10,368,013 | 7,860,721 |
| Unclaimed dividend | | 783 | 783 |
| Current portion of non-current liabilities | | 905,393 | 862,382 |
| | | 14,381,939 | 11,468,414 |
| TOTAL LIABILITIES | | 17,523,418 | 15,025,112 |
| CONTINGENCIES AND COMMITMENTS | 5 | | |
| TOTAL EQUITY AND LIABILITIES | | 30,522,840 | 27,513,582 |

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



Shaiq Jawed
Director



Sadaf Aamir Arshad
Director



Ghulam Muhammad
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-Audited)

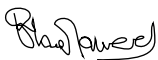
As At 31 December 2023

| | NOTE | Un-audited | Audited |
|-------------------------------------|------|---------------------|-------------------|
| | | 31 December 2023 | 30 June 2023 |
| (RUPEES IN THOUSAND) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 11,447,714 | 11,664,607 |
| Right-of-use asset | | 66,489 | 73,877 |
| Long term investment | | - | - |
| Long term deposits | | 1,081 | 24,281 |
| | | 11,515,284 | 11,762,765 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 372,944 | 283,957 |
| Stock-in-trade | | 10,521,727 | 8,489,011 |
| Trade debts | | 4,503,173 | 4,009,764 |
| Advances | | 297,034 | 108,903 |
| Short term deposits and prepayments | | 59,242 | 22,010 |
| Other receivables | | 91,237 | 55,201 |
| Sales tax refundable | | 2,548,718 | 2,293,891 |
| Advance income tax - net | | 6,571 | 94,089 |
| Short term investments | | 64,509 | 21,755 |
| Cash and bank balances | | 542,401 | 372,236 |
| | | 19,007,556 | 15,750,817 |
| TOTAL ASSETS | | 30,522,840 | 27,513,582 |

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



Shaik Jawed
Director



Sadaf Aamir Arshad
Director



Ghulam Muhammad
Chief Financial Officer

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

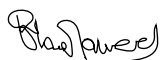
For the Half Year Ended 31 December 2023

| | NOTE | Half year ended | | Quarter ended | |
|---|------|----------------------|--------------|----------------------|-------------|
| | | 31 December | 31 December | 31 December | 31 December |
| | | 2023 | 2022 | 2023 | 2022 |
| | | (RUPEES IN THOUSAND) | | (RUPEES IN THOUSAND) | |
| Revenue from contracts with customers | 7 | 20,430,521 | 17,011,091 | 9,342,552 | 7,397,884 |
| Cost of sales | 8 | (17,688,140) | (14,363,998) | (8,110,570) | (6,424,613) |
| Gross Profit | | 2,742,381 | 2,647,093 | 1,231,982 | 973,271 |
| Distribution cost | | (537,243) | (569,717) | (290,492) | (219,075) |
| Administrative expenses | | (290,000) | (254,152) | (135,123) | (142,728) |
| Other expenses | | (57,272) | (302,870) | (24,321) | (79,617) |
| | | (884,515) | (1,126,739) | (449,936) | (441,420) |
| | | 1,857,866 | 1,520,354 | 782,046 | 531,851 |
| Other income | | 158,160 | 81,435 | 141,636 | 55,077 |
| Profit from operations | | 2,016,026 | 1,601,789 | 923,682 | 586,928 |
| Finance cost | | (1,225,576) | (273,799) | (634,745) | (166,783) |
| Profit before taxation | | 790,450 | 1,327,990 | 288,937 | 420,145 |
| Taxation | | (279,498) | (236,666) | (135,492) | (79,869) |
| Profit after Taxation | | 510,952 | 1,091,324 | 153,445 | 340,276 |
| Earnings per share - basic and diluted (Rupees) | | 4.99 | 10.67 | 1.50 | 3.33 |

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



Shaiq Jawed
Director



Sadaf Aamir Arshad
Director



Ghulam Muhammad
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)

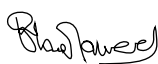
For the Half Year Ended 31 December 2023

| | Half year ended | | Quarter ended | |
|---|----------------------|---------------------|----------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | (RUPEES IN THOUSAND) | | (RUPEES IN THOUSAND) | |
| Profit after taxation | 510,952 | 1,091,324 | 153,445 | 340,276 |
| Other comprehensive income: | | | | |
| Items that will not be reclassified to profit or loss in subsequent periods | - | - | - | - |
| Items that may be reclassified to profit or loss in subsequent periods | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 510,952 | 1,091,324 | 153,445 | 340,276 |

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



Shaiq Jawed
Director



Sadaf Aamir Arshad
Director



Ghulam Muhammad
Chief Financial Officer

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

For the Half Year Ended 31 December 2023

| | RESERVES | | | | | | TOTAL EQUITY |
|--|---------------|----------------------------------|----------------|---|-----------------|------------|--------------|
| | SHARE CAPITAL | CAPITAL RESERVES | | | REVENUE RESERVE | TOTAL | |
| | | PREMIUM ON ISSUE OF RIGHT SHARES | MERGER RESERVE | SURPLUS ON REVALUATION OF FREEHOLD LAND | SUB TOTAL | | |
| ----- (RUPEES IN THOUSAND) ----- | | | | | | | |
| Balance as at 30 June 2022 - (Audited) | 1,023,175 | 60,904 | 289,636 | 597,419 | 947,959 | 8,901,872 | 10,873,006 |
| Transaction with owners: | | | | | | | |
| Final dividend for the year ended 30 June 2022 at the rate of Rupees 2 per share | - | - | - | - | - | (204,635) | (204,635) |
| Profit for the half year ended 31 December 2022 | - | - | - | - | - | 1,091,324 | 1,091,324 |
| Other comprehensive income for the half year ended 31 December 2022 | - | - | - | - | - | - | - |
| Total comprehensive income for the half year ended 31 December 2022 | - | - | - | - | - | 1,091,324 | 1,091,324 |
| Balance as at 31 December 2022 - (Un-audited) | 1,023,175 | 60,904 | 289,636 | 597,419 | 947,959 | 9,788,561 | 11,759,695 |
| Profit for the half year ended 30 June 2023 | - | - | - | - | - | 728,775 | 728,775 |
| Other comprehensive income for the half year ended 30 June 2023 | - | - | - | - | - | - | - |
| Total comprehensive income for the half year ended 30 June 2023 | - | - | - | - | - | 728,775 | 728,775 |
| Balance as at 30 June 2023 - (Audited) | 1,023,175 | 60,904 | 289,636 | 597,419 | 947,959 | 10,517,336 | 12,488,470 |
| Profit For the Half Year Ended 31 December 2023 | - | - | - | - | - | 510,952 | 510,952 |
| Other comprehensive income For the Half Year Ended 31 December 2023 | - | - | - | - | - | - | - |
| Total comprehensive income for the half year ended 31 December 2023 | - | - | - | - | - | 510,952 | 510,952 |
| Balance as at 31 December 2023 - (Un-audited) | 1,023,175 | 60,904 | 289,636 | 597,419 | 947,959 | 11,028,288 | 12,999,422 |

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



Shaiq Jawad
Director



Sadaf Amir Arshad
Director



Ghulam Muhammad
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

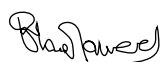
For the Half Year Ended 31 December 2023

| | NOTE | Half year ended | |
|---|------|---------------------|---------------------|
| | | 31 December 2023 | 31 December 2022 |
| (RUPEES IN THOUSAND) | | | |
| Cash flows from operating activities | | | |
| Cash (used in) / generated from operations | 9 | (142,777) | 686,813 |
| Finance cost paid | | (1,207,477) | (147,039) |
| Mark-up paid on leases liabilities | | (4,278) | (1,490) |
| Income tax paid | | (191,980) | (271,153) |
| Net decrease / (increase) in long term deposits | | 23,200 | (845) |
| Workers' profit participation fund paid | | (101,944) | (221,018) |
| Net cash (used in) / generated from operating activities | | (1,625,256) | 45,268 |
| Cash flows from investing activities | | | |
| Capital expenditure on property, plant and equipment | | (340,964) | (3,869,026) |
| Proceeds from sale of property, plant and equipment | | 19,666 | 126,546 |
| Proceeds from sale of investments | | - | 958,827 |
| Investments made | | (30,130) | - |
| Profit on saving accounts and term deposit receipts received | | 16,901 | 40 |
| Net cash used in investing activities | | (334,527) | (2,783,613) |
| Cash flows from financing activities | | | |
| Proceeds from long term financing | | - | 2,541,368 |
| Repayment of long term financing | | (368,104) | (313,574) |
| Repayment of lease liabilities | | (9,240) | (7,535) |
| Short term borrowings - net | | 2,507,292 | 741,435 |
| Dividend paid | | - | (204,498) |
| Net cash generated from financing activities | | 2,129,948 | 2,757,196 |
| Net increase in cash and cash equivalents | | 170,165 | 18,851 |
| Cash and cash equivalents at the beginning of the period | | 372,236 | 137,357 |
| Cash and cash equivalents at the end of the period | | 542,401 | 156,208 |

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



Shaik Jawed
Director



Sadaf Aamir Arshad
Director



Ghulam Muhammad
Chief Financial Officer

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

For the Half Year Ended 31 December 2023

1. THE COMPANY AND ITS ACTIVITIES

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 (repealed with the enactment of the 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. BASIS OF PREPARATION AND STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 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.

- 2.2 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.

2.3 Statement of material accounting policy information

The accounting policies adopted in the preparation of these condensed interim financial statements are the consistent with those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2023.

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the 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.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as on those that applied to 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 Half Year Ended 31 December 2023

| | Un-audited 31 December 2023 (RUPEES IN THOUSAND) | Audited 30 June 2023 |
|---|---|----------------------------|
| 3. LONG TERM 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 | 64,987 | 92,735 |
| | 3,931,216 | 4,975,999 |
| Less: | | |
| Repaid during the period / year | 368,104 | 554,344 |
| Deferred income recognized during the period / year | - | 555,426 |
| | 368,104 | 1,109,770 |
| | 3,563,112 | 3,866,229 |
| Less: Current portion shown under current liabilities | 771,769 | 723,957 |
| | 2,791,343 | 3,142,272 |
| 4. SHORT TERM BORROWINGS | | |
| From banking companies - secured | | |
| Export refinances | 2,186,000 | 2,656,000 |
| Other short term finances | 7,682,013 | 5,204,721 |
| | 9,868,013 | 7,860,721 |
| Others - unsecured | | |
| Related parties | 500,000 | - |
| | 10,368,013 | 7,860,721 |

5. CONTINGENCIES AND COMMITMENTS

a) Contingencies

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

- i) Guarantees of Rupees 219.328 million (30 June 2023: Rupees 219.328 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited and Faisalabad Electric Supply Company Limited against gas connections and electricity connection respectively.
- ii) Post dated cheques and security cheques of Rupees 6,207.421 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.

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

For the Half Year Ended 31 December 2023

b) Commitments

- i) Letters of credit for capital expenditure are of Rupees 434.366 million (30 June 2023: Rupees 12.632 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 2,293.100 million (30 June 2023: Rupees 2,933.176 million).
- iii) Outstanding foreign currency forward contracts are of Rupees 2,843.188 million (30 June 2023: Rupees 49.612 million).
- iv) Ijarah commitments are of Rupees 12.166 million (30 June 2023: Rupees 16.338 million).

| | NOTE | Un-Audited 31 December 2023 (Rupees in thousand) | Audited 30 June 2023 |
|--|-------|---|----------------------------|
| 6. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 6.1 | 10,763,939 | 11,131,327 |
| Capital work-in-progress | 6.2 | 683,775 | 533,280 |
| | | 11,447,714 | 11,664,607 |
| 6.1 Operating fixed assets | | | |
| Opening book value | | 11,131,327 | 5,377,900 |
| Add: | | | |
| Cost of additions during the period / year | 6.1.1 | 190,469 | 6,350,547 |
| Book value of assets transferred from right-of-use-assets during the period / year | | - | 15,286 |
| | | 190,469 | 6,365,833 |
| | | 11,321,796 | 11,743,733 |
| Less: Book value of deletions during the period / year | 6.1.2 | 20,105 | 40,974 |
| | | 11,301,691 | 11,702,759 |
| Less: Depreciation charged during the period / year | | 537,752 | 571,432 |
| | | 10,763,939 | 11,131,327 |
| 6.1.1 Cost of additions during the period / year | | | |
| Freehold land | | - | 12,555 |
| Buildings on freehold land | | 42,195 | 546,348 |
| Plant and machinery | | 61,517 | 4,775,778 |
| Factory tools and equipment | | 16,142 | 228,829 |
| Electric installations and appliances | | 945 | 223,801 |
| Vehicles | | 69,670 | 352,960 |
| Furniture and fixtures | | - | 8,938 |
| Stand-by equipment | | - | 201,338 |
| | | 190,469 | 6,350,547 |

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

For the Half Year Ended 31 December 2023

| | NOTE | Un-Audited | Audited |
|---|------|------------------|----------------|
| | | 31 December 2023 | 30 June 2023 |
| (Rupees in thousand) | | | |
| 6.1.2 Book value of deletions during the period / year | | | |
| Plant and machinery | | - | 12,080 |
| Vehicles | | 9,185 | 28,894 |
| Stand-by equipment | | 10,920 | - |
| | | 20,105 | 40,974 |
| 6.2 Capital work-in-progress | | | |
| Freehold land | | 17,091 | 4,034 |
| Buildings on freehold land | | 550,687 | 476,784 |
| Plant and machinery | | 72,317 | 18,536 |
| Vehicles | | 37,200 | 30,763 |
| Electric installations and appliances | | 6,480 | 3,163 |
| | | 683,775 | 533,280 |

(Un-audited)

| | Half year ended | | Quarter ended | |
|---|----------------------|-------------------|----------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | (RUPEES IN THOUSAND) | | (RUPEES IN THOUSAND) | |
| 7. REVENUE FROM CONTRACTS WITH CUSTOMERS | | | | |
| Export sales | 10,067,994 | 11,772,654 | 4,384,570 | 6,199,906 |
| Local sales - net | 10,330,884 | 5,209,005 | 4,944,365 | 1,168,546 |
| Export rebate | 31,643 | 29,432 | 13,617 | 29,432 |
| | 20,430,521 | 17,011,091 | 9,342,552 | 7,397,884 |
| 8. COST OF SALES | | | | |
| Raw materials consumed | 12,929,883 | 10,778,756 | 6,349,064 | 5,334,952 |
| Stores, spare parts and loose tools consumed | 644,748 | 430,246 | 303,061 | 235,045 |
| Packing materials consumed | 291,406 | 216,930 | 143,339 | 98,854 |
| Processing, sizing and conversion charges | 1,107,137 | 1,098,770 | 655,952 | 498,688 |
| Fuel and power | 1,862,455 | 1,272,896 | 973,934 | 593,227 |
| Salaries, wages and other benefits | 853,930 | 805,629 | 420,269 | 407,238 |
| Repair and maintenance | 25,015 | 16,167 | 11,179 | 6,548 |
| Insurance | 20,276 | 10,708 | 9,928 | 2,696 |
| Other factory overheads | 10,863 | 8,929 | 5,243 | 3,346 |
| Depreciation on property, plant and equipment | 485,330 | 213,093 | 243,751 | 108,157 |
| | 18,231,043 | 14,852,124 | 9,115,720 | 7,288,751 |

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

For the Half Year Ended 31 December 2023

| | (Un-audited) | | | |
|----------------------------|----------------------|---------------------|----------------------|---------------------|
| | Half year ended | | Quarter ended | |
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | (RUPEES IN THOUSAND) | | (RUPEES IN THOUSAND) | |
| Work-in-process: | | | | |
| Opening stock | 957,701 | 915,302 | 955,863 | 769,858 |
| Closing stock | (1,362,945) | (613,503) | (1,362,945) | (613,503) |
| | (405,244) | 301,799 | (407,082) | 156,355 |
| Cost of goods manufactured | 17,825,799 | 15,153,923 | 8,708,638 | 7,445,106 |
| Finished goods: | | | | |
| Opening stock | 3,012,656 | 2,279,326 | 2,552,247 | 2,048,758 |
| Closing stock | (3,150,315) | (3,069,251) | (3,150,315) | (3,069,251) |
| | (137,659) | (789,925) | (598,068) | (1,020,493) |
| | 17,688,140 | 14,363,998 | 8,110,570 | 6,424,613 |

| | NOTE | Un-audited | |
|---|------|----------------------|---------------------|
| | | Half year ended | |
| | | 31 December 2023 | 31 December 2022 |
| | | (RUPEES IN THOUSAND) | |
| 9. CASH (USED IN) / GENERATED FROM OPERATIONS | | | |
| Profit before taxation | | 790,450 | 1,327,990 |
| Adjustments for non-cash charges and other items: | | | |
| Depreciation on property, plant and equipment | | 537,752 | 247,496 |
| Depreciation on right-of-use assets | | 7,388 | 6,657 |
| Finance cost | | 1,225,576 | 273,799 |
| Reversal of allowance for expected credit losses - net | | (1,088) | - |
| Provision for workers' welfare fund | | 13,385 | 26,357 |
| Provision for workers' profit participation fund | | 35,224 | 69,359 |
| Loss / (gain) on sale of property, plant and equipment | | 439 | (33,004) |
| Profit on saving accounts and term deposit receipts | | (16,909) | (40) |
| Unrealized (gain) / loss on remeasurement of investments at FVTPL | | (12,625) | 5,704 |
| Working capital changes | 9.1 | (2,722,369) | (1,237,505) |
| | | (142,777) | 686,813 |

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

For the Half Year Ended 31 December 2023

| | NOTE | Un-audited | |
|--|------|---------------------|---------------------|
| | | Half year ended | |
| | | 31 December 2023 | 31 December 2022 |
| (RUPEES IN THOUSAND) | | | |
| 9.1 Working capital changes | | | |
| (Increase) / decrease in current assets: | | | |
| Stores, spare parts and loose tools | | (88,987) | (123,092) |
| Stock-in-trade | | (2,041,192) | (1,265,408) |
| Trade debts | | (492,321) | 875,692 |
| Advances | | (188,131) | (56,203) |
| Short term deposits and prepayments | | (37,232) | (18,377) |
| Other receivables | | (36,028) | (28,364) |
| Sales tax refundable | | (254,827) | (702,610) |
| | | (3,138,718) | (1,318,362) |
| Increase in trade and other payables | | 416,349 | 80,857 |
| | | (2,722,369) | (1,237,505) |

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associate, other related parties, post employment benefit plan 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) | | (Un-audited) | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Half year ended | | Quarter ended | |
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| (RUPEES IN THOUSAND) | | | | |
| i) Transactions | | | | |
| Associate | | | | |
| J.K. Tech (Private) Ltd (JKTPL) | | | | |
| Service charges | 1,260 | 1,260 | 630 | 630 |
| Rental income | 1,140 | 1,140 | 570 | 600 |
| Expenses paid on behalf of JKTPL | 61 | 223 | 61 | 2 |
| Other related parties: | | | | |
| Company's contribution to Employees' Provident Fund Trust | 32,278 | 24,802 | 18,174 | 12,407 |
| Dividend paid to Chief Executive Officer, directors and their spouses | - | 192,425 | - | 192,425 |
| Remuneration paid to Chief Executive Officer, directors and executives | 92,584 | 70,917 | 50,085 | 36,425 |
| Dividend paid to executives | - | 17 | - | 17 |
| Vehicles sold to executives | 9,084 | 14,007 | 7,121 | 13,794 |
| Loans obtained from Chief Executive Officer and director | 500,000 | - | 200,000 | - |

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

For the Half Year Ended 31 December 2023

| | (Un-audited) | Audited |
|--------------------------------|----------------------|---------|
| | 31 December | 30 June |
| | 2023 | 2023 |
| | (RUPEES IN THOUSAND) | |
| <hr/> | | |
| ii) Period end balances | | |
| Associate | | |
| Trade and other payables | 310 | 251 |
| Associated company | | |
| Trade and other payables | 2,853 | - |
| Short term borrowings | 500,000 | - |
| Loans and advances | 4,781 | 5,658 |

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

For the Half Year Ended 31 December 2023

11. SEGMENT INFORMATION

| | Spinning | | Fabric | | Elimination of inter-segment transactions | | Total Company | |
|--|------------------|------------------|------------------|------------------|---|------------------|----------------------|----------------------|
| | (Un-audited) | | (Un-audited) | | (Un-audited) | | (Un-audited) | |
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | Half year ended 2023 | Half year ended 2022 |
| Revenue from contracts with customers | | | | | | | | |
| External Intersegment | 10,000,814 | 7,802,694 | 10,429,707 | 9,208,397 | - | - | 20,430,521 | 17,011,091 |
| | 1,586,219 | 1,967,898 | - | - | (1,586,219) | (1,967,898) | - | - |
| Cost of sales | 11,587,033 | 9,770,592 | 10,429,707 | 9,208,397 | (1,586,219) | (1,967,898) | 20,430,521 | 17,011,091 |
| Gross profit | (10,172,686) | (8,887,701) | (9,101,673) | (7,444,195) | 1,586,219 | 1,967,898 | (17,688,140) | (14,363,998) |
| | 1,414,347 | 882,891 | 1,328,034 | 1,764,202 | - | - | 2,742,381 | 2,647,093 |
| Distribution cost | (85,112) | (73,058) | (452,131) | (496,659) | - | - | (537,243) | (569,717) |
| Administrative expenses | (178,012) | (164,018) | (111,988) | (90,134) | - | - | (290,000) | (254,152) |
| Profit before taxation and unallocated income and expenses | (263,124) | (237,076) | (564,119) | (586,793) | - | - | (827,243) | (823,869) |
| | 1,151,223 | 645,815 | 763,915 | 1,177,409 | - | - | 1,915,138 | 1,823,224 |
| Unallocated income and expenses | | | | | | | | |
| Other expenses | | | | | | | (57,272) | (302,870) |
| Other income | | | | | | | 158,160 | 81,435 |
| Finance cost | | | | | | | (1,225,576) | (273,799) |
| Taxation | | | | | | | (279,498) | (236,666) |
| | | | | | | | 510,952 | 1,091,324 |

11.1 Reconciliation of reportable segment assets and liabilities:

| | Spinning | | Fabric | | Total Company | |
|--|------------------|--------------|------------------|--------------|------------------|--------------|
| | (Audited) | | (Audited) | | (Audited) | |
| | 31 December 2023 | 30 June 2023 | 31 December 2023 | 30 June 2023 | 31 December 2023 | 30 June 2023 |
| Total assets for reportable segments | 19,426,166 | 17,919,702 | 8,541,385 | 7,205,900 | 27,967,551 | 25,125,602 |
| Sales tax refundable | | | | | 2,548,718 | 2,293,891 |
| Advance income tax - net | | | | | 6,571 | 94,089 |
| Total assets as per condensed interim statement of financial position | | | | | 30,522,840 | 27,513,582 |
| Total liabilities for reportable segments | 9,166,270 | 10,680,545 | 5,004,257 | 4,079,820 | 14,170,527 | 14,760,365 |
| Unallocated liabilities | | | | | 3,352,891 | 264,747 |
| Total liabilities as per condensed interim statement of financial position | | | | | 17,523,418 | 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 Half Year Ended 31 December 2023

| Spinning (Un-audited) | | Fabric (Un-audited) | | Total Company (Un-audited) | |
|--------------------------|---------------------|------------------------|---------------------|-------------------------------|---------------------|
| Half year ended | | Half year ended | | Half year ended | |
| 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |

11.2 Geographical Information

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

| | (RUPEES IN THOUSAND) | | | | | |
|---------------|--------------------------|---------------------|------------------------|---------------------|-------------------------------|---------------------|
| | Spinning (Un-audited) | | Fabric (Un-audited) | | Total Company (Un-audited) | |
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Europe | - | - | 7,409,381 | 6,555,072 | 7,409,381 | 6,555,072 |
| North America | - | - | 2,161,895 | 2,121,411 | 2,161,895 | 2,121,411 |
| South America | - | - | 168,071 | 302,367 | 168,071 | 302,367 |
| Asia | - | - | 127,498 | 55,211 | 127,498 | 55,211 |
| Australia | - | - | 9,283 | - | 9,283 | - |
| Africa | 178,237 | 173,254 | 13,629 | 4,574 | 191,866 | 177,828 |
| Pakistan | 9,822,577 | 5,068,675 | 508,307 | 140,330 | 10,330,884 | 5,209,005 |
| Export rebate | - | - | 31,643 | 29,432 | 31,643 | 29,432 |
| Others-SPOs | - | 2,560,765 | - | - | - | 2,560,765 |
| | 10,000,814 | 7,802,694 | 10,429,707 | 9,208,397 | 20,430,521 | 17,011,091 |

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

| | | | | | | |
|-------------------|------------|-----------|------------|-----------|------------|------------|
| Yarn | 9,483,667 | 7,465,840 | 307,195 | 39,425 | 9,790,862 | 7,505,265 |
| Fabric | - | - | 2,642,160 | 1,974,645 | 2,642,160 | 1,974,645 |
| Made ups | - | - | 7,407,342 | 7,172,394 | 7,407,342 | 7,172,394 |
| Processing income | - | - | 29,898 | 6,658 | 29,898 | 6,658 |
| Waste | 517,147 | 336,854 | 43,112 | 15,275 | 560,259 | 352,129 |
| | 10,000,814 | 7,802,694 | 10,429,707 | 9,208,397 | 20,430,521 | 17,011,091 |

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

For the Half Year Ended 31 December 2023

12. 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 31 December 2023 - (Un-audited) | | | | |
| At fair value through profit or loss | 64,509 | - | - | 64,509 |
| Derivative financial assets | - | 8,476 | - | 8,476 |
| | <u>64,509</u> | <u>8,476</u> | <u>-</u> | <u>72,985</u> |
| At 30 June 2023 - (Audited) | | | | |
| At fair value through profit or loss | <u>21,755</u> | <u>-</u> | <u>-</u> | <u>21,755</u> |
| FINANCIAL LIABILITIES: | | | | |
| At 31 December 2023 - (Un-audited) | | | | |
| Derivative financial liabilities | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 30 June 2023 - (Audited) | | | | |
| Derivative financial liabilities | <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 (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. 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 Half Year Ended 31 December 2023

13. 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.

14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on February 26, 2024 by the Board of Directors of the Company.

15. 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.

16. GENERAL

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

Statement under section 232(1) of the Companies Act, 2017:

The Chief Executive Officer of the Company is presently out of the country. Therefore these condensed interim financial statements have been signed by two Directors and Chief Financial Officer as required under section 232(1) of the Companies Act, 2017.



Shaiq Jawed
Director



Sadaf Aamir Arshad
Director



Ghulam Muhammad
Chief Financial Officer



jkgroup.net

J.K. SPINNING MILLS LIMITED

Registered Office:
34-Falcon Enclave, Tufail Road,
Lahore Cantt. Lahore.
Telephone No. +92-42-36672695
E-mail: jkgroup@jkgroup.net