



# 3rd Quarter Report

## 2021-2022

**J.K. SPINNING**  
MILLS LIMITED





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## Company Information

<b>Chairman</b>	Mr. Jawed Anwar
<b>Chief Executive</b>	Mr. Faiq Jawed
<b>Directors</b>	Mr. Shaiq Jawed Mr. Rehan Ashfaq Mrs. Farhat Jehan Mrs. Sadaf Aamir Arshad Mr. Mamoor Ijaz
<b>Audit Committee</b>	
<b>Chairman</b>	Mr.Rehan Ashfaq
<b>Members</b>	Mrs.Farhat Jehan Mrs.Sadaf Aamir Arshad
<b>HR Committee</b>	
<b>Chairman</b>	Mr. Mamoor Ijaz
<b>Members</b>	Mr.Shaiq Jawed Mrs. Sadaf Aamir Arshad
<b>Company Secretary</b>	Syed Hussain Shahid Mansoor Naqvi
<b>Chief Financial Officer</b>	Mr. Ghulam Muhammad
<b>Head of Internal Audit</b>	Mr. Farhan Safdar
<b>Auditors</b>	Riaz Ahmad & Company Chartered Accountants
<b>Legal Advisor</b>	Mehfooz Ahmad Khan Advocates
<b>Registrar's and Share Registrations Office</b>	CORPTEC Associates (Pvt.) Ltd., 503-E, Johar Town, Lahore
<b>Bankers</b>	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
<b>Registration Office</b>	34-Falcon Enclave, Tufail Road, Lahore Cantt. Lahore.
<b>Head Office &amp; Mills</b>	29-KM, Sheikhpura Road, khurrianwala Faisalabad.

## Directors' Report

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 Nine months period ended March 31, 2022.

### Financial Results and Operational Performance

The summarized financial results of the company for the Nine months period ended March 31, 2022 are as under:

Particulars	Rupees in Millions	
	Nine months ended	
	31 March, 2022	31 March, 2021
Revenue	20,120.682	12,207.687
Cost Of Revenue	15,419.531	9,952.416
Gross Profit	4,701.151	2,255.271
Operating Expenses	1,428.879	673.951
Other Income	120.133	20.892
Operating Profit	3,392.405	1,602.212
Finance Cost	287.113	182.672
Profit Before Taxation	3,105.292	1419.540
Taxation	460.609	256.644
Profit After Taxation	2,644.683	1,162.896
Earnings Per Share - Rupee	25.85	11.37

Sales for the period under review increased to Rupees 20,120.682 million from Rupees 12,207.687 million of the corresponding period. Raw material consumed percentage to sale increased to 58.84 % from 54.59% of corresponding period. Cost of Stores and spares and loose tools consumed, packing material, processing and conversion charges and other overheads increased in view of increase in volume and inflationary impact. Salaries and wages cost increased due to increase in minimum wage rate while fuel and power cost increased due to increase in spinning capacity, addition of processing unit and increase in power tariff. Operating expenses increased due to increase in volume and inflationary trend. Financial cost increased in view of surge in mark up rates.

Your company has earned profit after tax of Rupees 2,644.683 million during the Nine Months period ended on March 31, 2022 against Rupees 1,162.896 million of the same period of last year.

In view of increasing requirements of working capital as a result of devaluation of Pak rupee, increase in raw material prices, and expansion plans, the Board of Directors did not approve any interim cash dividend.

The production of yarn converted into 20/S for the period under review was 30.658 million Kgs against 29.549 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 equipment's of its production facilities. Civil work for construction of spinning unit building for installation of 52,896 spindles is likely to complete in last quarter of current financial year.

### Future Outlook

In view of increasing fuel prices, most of the economies of the globe are facing challenges of inflationary pressure. Global growth is projected at a moderate pace. The inflationary pressures are expected to persist longer than anticipated. At Pakistan front, economic risks remain high considering conditions of the IMF Program and international debt repayments. Pakistani economy is likely to face challenges of inflationary pressures, consistent devaluation of Pak Rupee, higher cost of borrowings and energy availability constraints. The recent events happening between Russia and Ukraine pose challenges and uncertainties for many nations including Pakistan. Nations that are more dependent on energy imports are at greater risk. For the textile industry as well as for the company, oil and gas prices will impact margins as nation's

## Directors' Report

high record imports are mainly driven by purchase of petroleum products and gasoline. However, your management is confident to achieve very good results in FY 2021-22 by implementing timely strategies and measures such as timely purchase of raw material and cost optimization.

### 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

Faisalabad  
April 26, 2022



**Jawed Anwar**  
Chairman



**Faiq Jawed**  
Chief Executive

## ڈائریکٹرز رپورٹ برائے حصص یافتگان:

پاکستانی روپے کی قدر میں کمی، خام مال کی قیمتوں میں اضافے اور توسیع کے منصوبہ جات کی وجہ سے ورکنگ کپٹیل کی ضروریات بڑھیں جس کی وجہ سے ڈائریکٹرز نے کوئی عبوری ڈیویڈنڈ منظور نہیں کیا ہے۔

اس مالی سال کے 9 ماہ کے دوران دھاگے کی پیداوار 20 s کے حساب سے 30.658 ملین کلوگرام رہی جبکہ پچھلے سال کی پیداوار 29.549 ملین کلوگرام تھی۔ آپ کی کمپنی کی انتظامیہ نے پرانی مشینری کو جدید مشینری سے بدلنے کی پالیسی اختیار کی ہوئی ہے۔ 52,896 سپنڈلز کے سپیننگ یونٹ لگانے کے لیے سول ورک اس مالی سال کے آخری کوئٹر میں مکمل ہو جائے گا۔

### مستقبل کا نقطہ نظر:

اینڈرھن کی بڑھتی ہوئی قیمتوں کے پیش نظر دنیا کی بیشتر معیشتوں کو مہنگائی کے دباؤ کے چیلنجز کا سامنا ہے۔ عالمی ترقی ایک معتدل رفتار سے متوقع ہے۔ افراط زر کا دباؤ تو قح سے زیادہ دیر تک برقرار رہنا متوقع ہے۔ پاکستان کے لیے آئی ایم ایف پروگرام کی شرائط اور بین الاقوامی قرضوں کی ادائیگیوں کو مد نظر رکھتے ہوئے اقتصادی خطرات بدستور زیادہ ہیں۔ پاکستانی معیشت کو افراط زر کے دباؤ، پاکستانی روپے کی مسلسل قدر میں کمی، قرضوں کی بلند قیمت اور توانائی کی دستیابی میں رکاوٹوں کے چیلنجز کا سامنا کرنے کا امکان ہے۔ روس اور یوکرین کے درمیان ہونے والے حالیہ واقعات پاکستان سمیت کئی ممالک کے لیے چیلنجز اور غیر یقینی صورتحال پیدا کر رہے ہیں۔ جو ممالک توانائی کی درآمدات پر زیادہ انحصار کرتے ہیں وہ زیادہ خطرے میں ہیں۔ ٹیکسٹائل انڈسٹری کے ساتھ کمپنی کے لیے، تیل اور گیس کی قیمتیں مارجن پر اثر انداز ہوں گی کیونکہ ملک کی اعلیٰ ریکارڈ درآمدات بنیادی طور پر پیٹرولیم مصنوعات اور پٹرول کی خریداری سے ہوتی ہیں۔ تاہم، آپ کی انتظامیہ کو یقین ہے کہ مالی سال 2021-22 میں خام مال کی بروقت خریداری اور لاگت کی اصلاح جیسے بروقت حکمت عملیوں اور اقدامات پر عمل درآمد کے بہت اچھے نتائج حاصل کیے جائیں گے۔

### 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: 26 اپریل 2022



فائق جاوید

چیف ایگزیکٹو



جاوید انوار

چیئرمین

## 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 9 ماہ کے اختتام 31 مارچ 2022 کے مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی نتائج:

مالیاتی سال کے پہلے 9 ماہ کے نتائج کی تفصیل درج ذیل ہیں:

تفصیلات	اختتام نومبر	اختتام نومبر
	مملین روپے	مملین روپے
	2021 مارچ	2022 مارچ
سیلز	12,207.687	20,120.682
سیلز کے اخراجات	9,952.416	15,419.531
خام منافع	2,255.271	4,701.151
آپریٹنگ اخراجات	673.951	1,428.879
دیگر آمدن	20.892	120.133
آپریٹنگ منافع	1,602.212	3,392.405
مالی لاگت	182.672	287.113
منافع قبل از ٹیکس	1,419.540	3,105.292
ٹیکس	256.644	460.609
منافع بعد از ٹیکس	1,162.896	2,644.683
فی شیئر آمدنی	11.37	25.85

مالی سال کے نومبر کے دورانیہ میں فروخت 12,207.682 ملین روپے سے بڑھ کر 20,120.682 ملین روپے ہوئی ہے۔ اسی طرح خام مال کے استعمال کی سیلو سے شرح تناسب %54.59 سے بڑھ کر %58.84 تک ہو گئی ہے۔ سٹورز، پارٹس اور اوزاروں، بیکنگ میٹریل، پروسیسنگ، کنورژن اور دوسرے اور ہینڈلنگ کے خرچے پیداواری صلاحیت میں اضافہ اور مہنگائی کی وجہ سے بڑھ گئے ہیں۔ تجاویز کے اخراجات کم از کم اجرت میں اضافہ کی وجہ سے بڑھے ہیں۔ توانائی کے اخراجات سپیننگ کی صلاحیت میں اضافے، پروسیسنگ یونٹ کے اضافے اور پاور ٹریف کے بڑھنے سے بڑھے ہیں۔ اس نومبر کے آپریٹنگ اخراجات پچھلے سال کے مقابلے میں زیادہ پیداوار اور مہنگائی کی وجہ سے بڑھ گئے ہیں جبکہ مالی اخراجات شرح سود میں اضافے کی وجہ سے بڑھے ہیں۔

آپ کی کمپنی نے پہلے نومبر کے اختتام 31 مارچ 2022 میں 2,644.683 ملین روپے خالص منافع کمایا ہے جبکہ پچھلے سال کا منافع 1,162.896 ملین روپے تھا۔



## Condensed Interim Statement of Financial Position (Un-Audited)

As At 31 March 2022

	NOTE	Un-audited 31 March 2022 (RUPEES IN THOUSAND)	Audited 30 June 2021
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 200 000 000 (30 June 2021: 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			
Surplus on revaluation of freehold land		519,629	396,036
Other capital reserves		350,540	350,540
		870,169	746,576
Revenue reserve - unappropriated profit		7,885,035	5,393,828
<b>Total reserves</b>		<b>8,755,204</b>	<b>6,140,404</b>
<b>TOTAL EQUITY</b>		<b>9,778,379</b>	<b>7,163,579</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	3	1,156,381	1,131,883
Lease liabilities		2,614	10,078
Deferred income - government grant		-	2,217
Deferred income tax liability		195,570	231,949
		1,354,566	1,376,127
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,485,189	870,931
Short term borrowings		2,549,595	3,816,833
Accrued mark-up		37,067	43,051
Unclaimed dividend		297	617
Current portion of non-current liabilities		594,393	591,354
Provision for taxation - net		310,415	24,548
		4,976,956	5,347,334
<b>TOTAL LIABILITIES</b>		<b>6,331,521</b>	<b>6,723,461</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	4		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,109,900</b>	<b>13,887,040</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	6,262,922	5,418,923
Right-of-use assets	6	32,378	59,319
Long term investment		-	-
Long term deposits		23,436	23,436
		6,318,736	5,501,678
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		135,091	142,424
Stock-in-trade		5,776,893	5,809,836
Trade debts		2,578,523	1,697,846
Advances		386,902	116,479
Short term deposit and prepayments		9,024	5,862
Other receivables		145,494	97,614
Sales tax refundable		573,113	367,968
Short term investments		31,090	42,224
Cash and bank balances		155,034	105,109
		9,791,164	8,385,362
<b>TOTAL ASSETS</b>		<b>16,109,900</b>	<b>13,887,040</b>

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



**Jawed Anwar**  
Chairman



**Faiq Jawed**  
Chief Executive Officer



**Ghulam Muhammad**  
Chief Financial Officer

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

For the Nine Months Ended 31 March 2022

	NOTE	Nine months ended		Quarter ended	
		31 March	31 March	31 March	31 March
		2022	2021	2022	2021
		(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Revenue		20,120,682	12,207,687	7,762,389	4,340,990
Cost of sales	7	(15,419,531)	(9,952,416)	(5,973,463)	(3,401,136)
Gross Profit		4,701,151	2,255,271	1,788,926	939,854
Distribution cost		(743,601)	(262,440)	(301,048)	(107,358)
Administrative expenses		(327,706)	(290,408)	(116,051)	(102,418)
Other expenses	8	(357,572)	(121,103)	(83,626)	(58,234)
		(1,428,879)	(673,951)	(500,725)	(268,010)
		3,272,272	1,581,320	1,288,201	671,844
Other income	9	120,133	20,892	2,887	4,285
Profit from operations		3,392,405	1,602,212	1,291,088	676,129
Finance cost		(287,113)	(182,672)	(88,073)	(68,550)
Profit before taxation		3,105,292	1,419,540	1,203,015	607,579
Taxation		(460,609)	(256,644)	(230,025)	(127,417)
Profit for the period		2,644,683	1,162,896	972,990	480,162
Earnings per share - basic and diluted (Rupees)		25.85	11.37	9.51	4.69

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

  
Jawed Anwar  
Chairman

  
Faiq Jawed  
Chief Executive Officer

  
Ghulam Muhammad  
Chief Financial Officer

## Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Nine Months Ended 31 March 2022

	Nine months ended		Quarter ended	
	31 March 2022 (RUPEES IN THOUSAND)	31 March 2021	31 March 2022 (RUPEES IN THOUSAND)	31 March 2021
<b>Profit after taxation</b>	<b>2,644,683</b>	1,162,896	<b>972,990</b>	480,162
Other comprehensive income:				
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>				
Surplus on revaluation of freehold land	123,593	-	123,593	-
<b>Items that may be reclassified to profit or loss in subsequent periods</b>	-	-	-	-
Other comprehensive income for the period	123,593	-	123,593	-
<b>Total comprehensive income for the period</b>	<b>2,768,276</b>	1,162,896	<b>1,096,583</b>	480,162

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



**Jawed Anwar**  
Chairman



**Faiq Jawed**  
Chief Executive Officer



**Ghulam Muhammad**  
Chief Financial Officer

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

For the Nine Months Ended 31 March 2022

	RESERVES						TOTAL EQUITY	
	SHARE CAPITAL	CAPITAL		SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	REVENUE		TOTAL
		PREMIUM ON ISSUE OF RIGHT SHARES	MERGER RESERVE					
Balance as at 30 June 2020 - (Audited)	730,839	60,904	289,636	396,036	746,576	3,947,568	4,694,144	5,424,983
Transactions with owners:								
Final dividend for the year ended 30 June 2020 at the rate of Rupee 1 per share	-	-	-	-	-	(73,084)	(73,084)	(73,084)
Bonus shares issued	292,336	-	-	-	-	(292,336)	(292,336)	-
Profit for the nine months ended 31 March 2021	-	-	-	-	-	1,162,896	1,162,896	1,162,896
Other comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-	1,162,896	1,162,896	1,162,896
<b>Balance as at 31 March 2021 - (Un-audited)</b>	1,023,175	60,904	289,636	396,036	746,576	4,745,044	5,491,620	6,514,795
Profit for the Nine months ended 30 June 2021	-	-	-	-	-	648,784	648,784	648,784
Other comprehensive income for the Nine months ended 30 June 2021	-	-	-	-	-	-	-	-
Total comprehensive income for the Nine months ended 30 June 2021	-	-	-	-	-	648,784	648,784	648,784
<b>Balance as at 30 June 2021 - (Audited)</b>	1,023,175	60,904	289,636	396,036	746,576	5,393,828	6,140,404	7,163,579
Transaction with owners:								
Final dividend for the year ended 30 June 2021 at the rate of Rupees 1.50 per share	-	-	-	-	-	(153,476)	(153,476)	(153,476)
Profit for the Nine months ended 31 March 2022	-	-	-	-	-	2,644,683	2,644,683	2,644,683
Other comprehensive income for the nine months ended 31 March 2022	-	-	-	123,593	123,593	-	123,593	123,593
Total comprehensive income for the nine months ended 31 March 2022	-	-	-	123,593	123,593	2,644,683	2,768,276	2,768,276
<b>Balance as at 31 March 2022 - (Un-audited)</b>	1,023,175	60,904	289,636	519,629	870,169	7,885,035	8,755,204	9,778,379

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



**Jawed Anwar**  
Chairman



**Faiz Jawed**  
Chief Executive Officer



**Ghulam Muhammad**  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the Nine Months Ended 31 March 2022

	NOTE	Nine months ended	
		31 March 2022	31 March 2021
(RUPEES IN THOUSAND)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	3,120,647	1,277,514
Finance cost paid		(293,097)	(172,247)
Income tax paid		(211,121)	(117,636)
Workers' profit participation fund paid		(119,996)	(70,821)
<b>Net cash generated from operating activities</b>		<b>2,496,433</b>	<b>916,810</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on property, plant and equipment		(1,063,084)	(1,419,661)
Proceeds from sale of property, plant and equipment		17,033	12,625
Proceeds from sale of investments		-	(6,387)
<b>Net cash used in investing activities</b>		<b>(1,046,051)</b>	<b>(1,413,423)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term financing		453,687	655,320
Repayment of long term financing		(423,848)	(299,867)
Repayment of lease liabilities		(9,662)	(13,477)
Short term borrowings - net		(1,267,238)	246,116
Dividend paid		(153,396)	(73,244)
<b>Net cash (used in) / generated from financing activities</b>		<b>(1,400,457)</b>	<b>514,848</b>
<b>Net increase in cash and cash equivalents</b>		<b>49,925</b>	<b>18,235</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>105,109</b>	<b>91,555</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>155,034</b>	<b>109,790</b>

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



**Jawed Anwar**  
Chairman



**Faiq Jawed**  
Chief Executive Officer



**Ghulam Muhammad**  
Chief Financial Officer

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

For the Nine Months Ended 31 March 2022

## 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 (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. The Company is engaged in business of textile manufacturing which comprises spinning, weaving, 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 2021.
  - 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 2021.

### 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 2021.

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

For the Nine Months Ended 31 March 2022

	Un-audited 31 March 2022 (RUPEES IN THOUSAND)	Audited 30 June 2021
<b>3. LONG TERM FINANCING</b>		
<b>Financing from banking companies - secured</b>		
Opening balance	1,695,983	1,450,421
Add:		
Obtained during the period / year	453,687	685,163
Amortization during the period / year	7,782	18,851
	2,157,452	2,154,435
Less:		
Repaid during the period / year	423,848	424,595
Deferred income recognized during the period / year	-	33,857
	423,848	458,452
	1,733,604	1,695,983
Less: Current portion shown under current liabilities	577,223	564,100
	1,156,381	1,131,883

### 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 2021 except as follows:

i) Post dated cheques of Rupees 2,917.322 million (30 June 2021: Rupees 455.239 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.

ii) Foreign bills (under letters of credit) discounted with banks are of Rupees 520.196 million (30 June 2021: Rupees 207.312 million).

#### b) Commitments

i) Letters of credit for capital expenditure are of Rupees 3,224.885 million (30 June 2021: Rupees 2,491.364 million).

ii) Letters of credit other than for capital expenditure are of Rupees 46.298 million (30 June 2021: Rupees 102.328 million).

iii) Outstanding foreign currency forward contracts are of Rupees 1,145.222 million (30 June 2021: Rupees 2,389.210 million).

iv) Ijarah commitments are of Rupees 21.971 million (30 June 2021: Rupees 26.706 million).

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

For the Nine Months Ended 31 March 2022

	NOTE	Un-Audited	Audited
		31 March 2022	30 June 2021
		( Rupees in thousand )	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	5,329,133	4,809,259
Capital work-in-progress	5.2	933,789	609,664
		<b>6,262,922</b>	<b>5,418,923</b>
<b>5.1 Operating fixed assets</b>			
Opening book value		4,809,259	4,051,003
<b>Add:</b>			
Cost of additions during the period / year	5.1.1	738,959	1,166,942
Effect of surplus on revaluation during the period / year		123,593	-
Book value of assets transferred from right-of-use-assets	6	18,043	-
		<b>880,595</b>	<b>1,166,942</b>
		<b>5,689,854</b>	<b>5,217,945</b>
Less: Book value of deletions during the period / year	5.1.2	9,699	10,666
		<b>5,680,155</b>	<b>5,207,279</b>
Less: Depreciation charged during the period / year		351,022	398,020
		<b>5,329,133</b>	<b>4,809,259</b>
<b>5.1.1 Cost of additions during the period / year</b>			
Freehold land		9,248	211,354
Buildings on freehold land		290,934	123,762
Plant and machinery		293,912	683,334
Stand-by equipment		-	2,900
Electric installations and appliances		53,065	85,202
Factory equipment		-	4,385
Vehicles		91,800	56,005
		<b>738,959</b>	<b>1,166,942</b>
<b>5.1.2 Book value of deletions during the period / year</b>			
Plant and machinery		1,733	1,436
Vehicles		7,966	9,230
		<b>9,699</b>	<b>10,666</b>
<b>5.2 Capital work-in-progress</b>			
Buildings on freehold land		597,101	415,048
Plant and machinery		264,380	78,269
Advance against purchase of freehold land		34,210	56,280
Advance against purchase of vehicles		38,098	60,067
		<b>933,789</b>	<b>609,664</b>



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

For the Nine Months Ended 31 March 2022

	NOTE	Un-Audited		Audited	
		31 March 2022	31 March 2021	30 June 2021	30 June 2021
( Rupees in thousand )					
<b>6. RIGHT-OF-USE ASSETS</b>					
<b>Vehicles:</b>					
Opening book value		59,319		74,149	
Less: Book value of assets transferred to operating fixed assets	5.1	18,043		-	
		41,276		74,149	
Less: Depreciation charged during the period / year		8,898		14,830	
		32,378		59,319	
(Un-audited)					
		Nine months ended		Quarter ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
<b>7. COST OF SALES</b>					
Raw materials consumed		11,838,783	6,664,529	4,271,488	2,376,490
Stores, spare parts and loose tools consumed		447,271	199,582	161,666	79,325
Packing materials consumed		267,308	179,572	103,904	66,063
Processing, sizing and conversion charges		1,617,672	1,067,977	513,023	431,551
Fuel and power		1,170,616	817,573	456,155	259,881
Salaries, wages and other benefits		916,215	643,063	325,752	233,914
Repair and maintenance		9,674	17,416	1,210	5,777
Insurance		14,882	9,737	2,873	1,101
Other factory overheads		58,566	27,213	43,186	9,689
Depreciation		321,935	269,406	115,343	93,638
		16,662,922	9,896,068	5,994,600	3,557,429
Work-in-process:					
Opening stock		380,821	403,753	1,430,328	732,862
Closing stock		(1,305,889)	(835,694)	(1,305,889)	(835,694)
		(925,068)	(431,941)	124,439	(102,832)
Cost of goods manufactured		15,737,854	9,464,127	6,119,039	3,454,597
Finished goods:					
Opening stock		1,235,488	1,301,115	1,408,235	759,365
Closing stock		(1,553,811)	(812,826)	(1,553,811)	(812,826)
		(318,323)	488,289	(145,576)	(53,461)
		15,419,531	9,952,416	5,973,463	3,401,136

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

For the Nine Months Ended 31 March 2022

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2022 (RUPEES IN THOUSAND)	31 March 2021	31 March 2022 (RUPEES IN THOUSAND)	31 March 2021
<b>8. OTHER EXPENSES</b>				
Workers' profit participation fund	155,328	77,369	59,345	34,192
Workers' welfare fund	60,338	21,578	21,517	14,834
Allowance for expected credit losses	5,727	-	-	-
Donations	5,473	5,517	1,524	2,173
Exchange loss - net	117,553	16,639	(1,220)	7,035
Unrealized loss on remeasurement of investments at Fair Value Through Profit or Loss (FVTPL)	13,153	-	2,460	-
	<b>357,572</b>	<b>121,103</b>	<b>83,626</b>	<b>58,234</b>
<b>9. OTHER INCOME</b>				
<b>Income from financial assets</b>				
Unrealized gain on remeasurement of investments at FVTPL	-	11,653	-	-
Credit balance written back	168	-	-	-
Profit on saving account	31	29	5	7
Dividend income	610	93	100	17
Duty drawback / rebate of previous years	104,482	-	1,546	-
	<b>105,291</b>	<b>11,775</b>	<b>1,651</b>	<b>24</b>
<b>Income from non-financial assets</b>				
Gain on sale of property, plant and equipment	7,334	4,280	408	3,737
Rental income	960	1,440	-	480
Scrap sales	6,548	3,397	828	44
	<b>14,842</b>	<b>9,117</b>	<b>1,236</b>	<b>4,261</b>
	<b>120,133</b>	<b>20,892</b>	<b>2,887</b>	<b>4,285</b>

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

For the Nine Months Ended 31 March 2022

	NOTE	Un-audited	
		Nine months ended	
		31 March 2022 (RUPEES IN THOUSAND)	31 March 2021
<b>10. CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation</b>		<b>3,105,292</b>	1,419,540
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		359,920	300,770
Finance cost		287,113	182,672
Exchange loss		-	16,639
Allowance for expected credit losses		5,727	-
Provision for workers' welfare fund		60,338	21,578
Provision for workers' profit participation fund		155,328	77,369
Gain on sale of property, plant and equipment		(7,334)	(4,280)
Unrealized loss / (gain) on remeasurement of investments at FVTPL		13,153	(11,653)
Working capital changes	10.1	(858,890)	(725,121)
		<b>3,120,647</b>	<b>1,277,514</b>
<b>10.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		7,333	(79,600)
Stock-in-trade		32,943	(469,667)
Trade debts		(886,404)	(210,422)
Advances		(270,423)	(51,016)
Short term deposit and prepayments		(3,162)	(6,934)
Other receivables		(47,880)	(56,792)
Sales tax refundable		(205,145)	(204,326)
		<b>(1,372,739)</b>	<b>(1,078,757)</b>
Increase in trade and other payables		513,848	353,636
		<b>(858,890)</b>	<b>(725,121)</b>

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

For the Nine Months Ended 31 March 2022

### 11. 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)			
	Nine months ended		Quarter ended	
	31 March 2022 (RUPEES IN THOUSAND)	31 March 2021 (RUPEES IN THOUSAND)	31 March 2022 (RUPEES IN THOUSAND)	31 March 2021 (RUPEES IN THOUSAND)
<b>i) Transactions</b>				
<b>Associated company</b>				
<b>J.K. Tech (Private) Ltd</b>				
Service charges	1,710	1,710	570	570
Rental income	1,440	1,440	480	480
<b>Other related parties:</b>				
Company's contribution to Employees' Provident Fund Trust	29,176	24,260	9,819	8,732
Loans repaid to directors	-	(35,445)	-	-
Dividend paid to Chief Executive Officer, directors and their spouses	145,075	70,046	-	-
Remuneration paid to Chief Executive Officer, directors and executives	88,262	78,745	27,442	20,915
Dividend paid to executives	13	6	13	6
<b>Issuance of bonus shares</b>				
------(NUMBER OF SHARES)-----				
Bonus shares issuance to Chief Executive Officer, directors and their spouses	-	28 018 260	-	28 018 260
Bonus shares issuance to executives	-	2 416	-	2 416
			(Un-audited)	Audited
			31 March	31 March
			2022	2021
			(RUPEES IN THOUSAND)	
<b>ii) Period end balances</b>				
<b>Associated company</b>				
Trade and other payables			193	189

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

For the Nine Months Ended 31 March 2022

	Spinning		Fabric		Elimination of inter-segment transactions		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Nine months ended 31 March 2022	31 March 2021	Nine months ended 31 March 2022	31 March 2021	Nine months ended 31 March 2022	31 March 2021	Nine months ended 31 March 2022	31 March 2021
Revenue	10,996,336	7,768,455	9,124,346	4,439,232	-	-	20,120,682	12,207,687
External Intersegment	2,113,043	871,152	-	-	(2,113,043)	(871,152)	-	-
Cost of sales	13,109,379	8,639,607	9,124,346	4,439,232	(2,113,043)	(871,152)	20,120,682	12,207,687
Gross profit	(9,942,074)	(7,005,265)	(7,590,500)	(3,818,303)	2,113,043	871,152	(15,419,531)	(9,952,416)
Distribution cost	3,167,305	1,634,342	1,533,846	620,929	-	-	4,701,151	2,255,271
Administrative expenses	(117,843)	(49,229)	(625,758)	(213,211)	-	-	(743,601)	(262,440)
Profit before taxation and unlocated income and expenses	(219,612)	(203,398)	(108,094)	(87,010)	-	-	(327,706)	(290,408)
Unallocated income and expenses	(37,455)	(252,627)	(733,852)	(300,221)	-	-	(1,071,307)	(552,848)
Other expenses	2,829,850	1,381,715	799,994	320,708	-	-	3,629,844	1,702,423
Finance cost	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	-	-	-
Unallocated income and expenses	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	(357,572)	(121,103)
Finance cost	-	-	-	-	-	-	120,133	20,892
Taxation	-	-	-	-	-	-	(287,113)	(182,672)
Profit after taxation	-	-	-	-	-	-	(460,609)	(256,644)
Profit after taxation	-	-	-	-	-	-	2,644,683	1,162,896

### 12.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric		Total Company	
	(Audited)		(Audited)		(Audited)	
	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022
Total assets for reportable segments	10,326,267	10,829,896	5,210,520	2,689,176	15,536,787	13,519,072
Sales tax refundable	-	-	-	-	573,113	367,968
Total assets as per condensed interim statement of financial position	-	-	-	-	16,109,900	13,887,040
Total liabilities for reportable segments	3,448,257	5,264,934	2,161,613	1,160,461	5,609,870	6,425,395
Unallocated liabilities	-	-	-	-	721,651	298,066
Total liabilities as per condensed interim statement of financial position	-	-	-	-	6,331,521	6,723,461

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

### 12. SEGMENT INFORMATION

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

For the Nine Months Ended 31 March 2022

	Spinning (Un-audited)		Fabric (Un-audited)		Total Company (Un-audited)	
	Nine months ended		Nine months ended		Nine months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021

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

### 12.2 Geographical Information

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

America	-	-	3,216,187	1,248,682	3,216,187	1,248,682
Asia, Africa and Australia	541,676	519,201	213,462	322,751	755,138	841,952
Europe	-	743,363	5,525,071	2,733,623	5,525,071	3,476,986
Pakistan	10,454,660	6,505,891	169,626	134,176	10,624,286	6,640,067
	10,996,336	7,768,455	9,124,346	4,439,232	20,120,682	12,207,687

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

Yarn	10,651,728	7,509,271	14,026	-	10,665,754	7,509,271
Fabric - Made ups	-	-	9,028,434	4,406,425	9,028,434	4,406,425
Fabric - Processing	-	-	41,668	-	41,668	-
Waste	344,608	259,184	40,218	32,807	384,826	291,991
	10,996,336	7,768,455	9,124,346	4,439,232	20,120,682	12,207,687

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

For the Nine Months Ended 31 March 2022

### 13. 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	Level 4
	----- (Rupees in thousand) -----			
<b>Recurring fair value measurements</b>				
<b>At 31 March 2022 - (Un-audited)</b>				
<b>Financial assets</b>				
At fair value through profit or loss	31,090	-	-	31,090
<b>Total financial assets</b>	<b>31,090</b>	<b>-</b>	<b>-</b>	<b>31,090</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	18,807	-	18,807
<b>Total financial liabilities</b>	<b>-</b>	<b>18,807</b>	<b>-</b>	<b>18,807</b>
<b>At 30 June 2021 - (Audited)</b>				
At fair value through profit or loss	42,224	-	-	42,224
	<b>42,224</b>	<b>-</b>	<b>-</b>	<b>42,224</b>

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

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

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

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

### 14. 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 2021.

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

For the Nine Months Ended 31 March 2022

	Un-audited 31 March 2022	Audited 30 June 2021
	(RUPEES IN THOUSAND)	
<b>15. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX</b>		
Shariah compliant bank deposits / bank balances		
Bank balances	61,957	34,508
Loans / advances obtained as per Islamic mode		
Long term financing	234,460	282,976
Short term borrowings	1,240,373	539,607
Contract liabilities	110,915	100,485
		Un-audited 31 March 2022 (RUPEES IN THOUSAND)
<b>Dividend earned or loss on shariah compliant investments</b>		
Dividend income		610
Unrealized loss on remeasurement of investments at FVTPL		13,153
Exchange loss - net		117,553
<b>Profit earned from shariah compliant bank deposits / bank balances</b>		31
<b>Revenue earned from shariah compliant business</b>		20,120,682
<b>Mark-up paid on Islamic mode of financing</b>		
Mark-up on long term financing		8,843
Mark-up on short term borrowings		29,225
<b>Interest paid on any conventional loans</b>		
Mark-up on long term financing		37,402
Mark-up on short term borrowings		190,287



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

For the Nine Months Ended 31 March 2022

### Relationship with shariah compliant banks

Bank Name	Relationship
Askari Bank Limited	Bank balances
Dubai Islamic Bank Limited	Bank balance and short term borrowings
Meezan Bank Limited	Bank balances, long term financing and short term borrowings

The Company has become listed on Islamic Index with effect from 30 June 2021, therefore the comparative figures have not been presented for the half year ended 31 December 2020.

### 16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on April 26, 2022 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.

### 18. GENERAL

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



**Jawed Anwar**  
Chairman



**Faiq Jawed**  
Chief Executive Officer



**Ghulam Muhammad**  
Chief Financial Officer



[jkgroup.net](http://jkgroup.net)

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