

**2nd Quarter &
Half Year Accounts
Period Ended**

**December 31st
2020**

(REVIEWED)



J. A. Textile Mills Limited

COMPANY INFORMATION

Board of Directors

Chair Person:	Mrs. Rukhsana Begum
Chief Executive:	Mr. Imran Zahid
Directors:	Mr. Zahid Anwar
	Ms. Quratul-Ain Zahid
	Mr. Muhammad Ali
	Mr. Riaz Ahmad
	Mr. Liaqat Ali Qamar

Audit Committee:

Chairman:	Mr. Riaz Ahmad
Member:	Mr. Muhammad Ali
Member:	Ms. Quratul-Ain Zahid

Human Resources & Remuneration (HR&R) Committee:

Chairman:	Mr. Muhammad Ali
Member:	Mr. Imran Zahid
Member:	Mr. Liaqat Ali Qamar

Company Secretary: Mr. Ajmal Shabab

Chief Financial Officer: Mr. Muhammad Umer Farooq

Auditors: Arshad Raheem & Company, Chartered Accountants

Banks: Al Baraka Islamic Bank B.S.C. (E.C.)
Dubai Islamic Bank Pakistan Limited
JS Bank Limited
National Bank of Pakistan
United Bank Limited

Legal Advisor: Mr. Zia-ul-Haq (Advocate)

Registered Office: JK House, 32-W, Susan Road, Madina Town, Faisalabad

Share Registrar Office: Hameed Majeed Associates (Private) Limited
1st Floor, H.M House, 7-Bank Square, Lahore.

Mills: 29-KM, Sheikhpura Road, Faisalabad

Web Site: www.jatml.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Board of Directors is pleased to present condensed interim financial statements of the Company for the 2nd quarter and half year ended December 31, 2020.

Financial Results

Operating Indicators	Half Year Ended December 31, 2020 Rupees	Half Year Ended December 31, 2019 Rupees
Sales	692,732,239	513,785,333
Gross profit /(Loss)	60,871,612	(10,704,558)
Pretax profit/(Loss)	55,003,814	(14,439,748)
Provision for taxation	(9,924,588)	(3,959,462)
Profit / (Loss) after tax	45,079,226	(18,399,210)
Profit /loss per share	3.58	(1.46)

During the period under review, sales increased from 513 Million to 692 million. The Company earned net profit of Rs. 45 million as compared to loss of Rs. 18 million of corresponding period of previous year.

Regarding the auditor's reservation of going concern relating to note 1.2 of condensed interim financial statements, the management of the Company is making strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the Company. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet our objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

There is no material change in position of on going litigation and other matters related to court as reported in the Directors' report to the shareholders for the year ended June 30, 2020.

Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

We would like to express our appreciation for the dedication and hard work put in by the entire team at J. A. Textile Mills Limited and all its partners within the country and all across the world.

For and on behalf of the Board

February 26, 2021
Faisalabad


IMRAN ZAHID
Chief Executive

ڈائریکٹرز رپورٹ برائے حصص یافتگان

آپ کے بورڈ آف ڈائریکٹرز کو دوسری سہ ماہی اور 31 دسمبر 2020 کو ختم ہونے والے ششماہی سال کے کمپنی کے غیر آڈٹ تخلیق شدہ مالیاتی اسٹیٹمنٹ پیش کرتے ہوئے نہایت مسرت محسوس ہو رہی ہے۔ مالیاتی نتائج:

آپریٹنگ تفصیلات	ششماہی سال کا اختتام 31 دسمبر 2020	ششماہی سال کا اختتام 31 دسمبر 2019
	روپے	روپے
فروخت	692,732,239	513,785,333
مجموعی آمدن/خسارہ	60,871,612	(10,704,558)
قبل از ٹیکس آمدن/خسارہ	55,003,814	(14,439,748)
ٹیکس کے لئے پروویژن	(9,924,588)	(3,959,462)
ٹیکس کے بعد آمدن (خسارہ)	45,079,226	(18,339,210)
آمدن فی شیئر	3.58	(1.46)

زیر جائزہ مدت کے دوران فروخت 513 ملین سے بڑھ کر 692 ملین ہو گئی۔ پچھلے سال کی اسی مدت کے 18 ملین روپے کے نقصان کے مقابلے میں کمپنی کو 45 ملین روپے کا خالص منافع ہوا۔

گوئیٹنگ کنسرن کے متعلق آڈیٹرز کے تحفظات، تلیخیص شدہ درمیانی مدت کے مالیاتی اسٹیٹمنٹس کے نوٹ نمبر 1.2 کی بابت کمپنی کے منافع کو بہتر بنانے کے لئے کمپنی کی انتظامیہ مسلسل کوششیں کر رہی ہے، پیداوار بڑھانے کی حکمت عملی اور لاگت کنٹرول کرنے کے موثر طریقوں پر عمل کیا جا رہا ہے۔ کمپنی کی انتظامیہ مثبت انداز میں آنے والے تمام چیلنجوں کا مقابلہ کرنے کے لئے تیار ہے اور ممکنہ بہترین نتائج فراہم کرنے کے لئے پختہ ارادہ رکھتی ہے۔ اور اپنے مقاصد اہداف کو پورا کرنے کے لئے کوششیں جاری رہیں گی۔ ان پہلوؤں، ڈائریکٹرز اور ایسوسی ایشن کی مسلسل مالی امداد کی بنیاد پر یہ مالیاتی اسٹیٹمنٹس گوئیٹنگ کنسرن بنیادوں پر بنائی گئی ہیں

30 جون 2020 کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ برائے حصص یافتگان میں جو مقدمات اور دیگر امور رپورٹ کئے گئے ان میں کوئی تبدیلی نہیں ہوئی ہے۔

ریٹیلڈ پارٹنرز کے ساتھ لین دین آرم لینتھ بنیادوں پر کیا گیا اور قیمتوں کا تعین کمپنیز ڈائریکٹرز اور ایسوسی ایشن کی بنیاد پر کیا گیا۔

ہم نے اسے ٹیکسٹائل ملز لمیٹڈ کی پوری ٹیم اور اس کے تمام شرکاء داروں، ملک کے اندر دیا بھر میں، کی انتھک محنت کی تعریف کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

26 فروری، 2021

فیصل آباد

عمران زاہد
چیف ایگزیکٹو آفیسر

J A TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

We are pleased to present the financial results of the company. The sale has increased in this half year as compared to the corresponding period of the last year. Due to increase of prices of yarn the profit has also increased as compared to corresponding period of last year.

We are confident that our existing business trend will continue adding to sustainable growth to achieve better results during the current year.

The management remains committed to maintain focus on sustaining the financial performance of the company. We thank our shareholders, customers, bankers and staff for their support and trust in the company.

In the end, I would like to thank the board of directors for their valuable contribution and guidance throughout the company.

For and on behalf of the Board of Directors



RUKHSANA BEGUM
Chairperson BOD

FAISALABAD
FEBRUARY 26, 2021

جے اے ٹیکسٹائل ملز لمیٹڈ

چیئر پرسن کا جائزہ
ہم بھد خوشی کہنی کے مالی نتائج پیش کر رہے ہیں

پچھلے سال کے اسی عرصے کے مقابلے میں اس نصف سال میں فروخت میں اضافہ ہوا ہے دھا کے کی قیمتوں میں اضافے کی وجہ سے پچھلے سال کے اسی عرصے کے مقابلے میں منافع میں بھی اضافہ ہوا ہے

ہم اس بات پر بڑا امید ہیں کہ کہنی اس سال ترقی کی طرف گامزن رہے گی۔ اور اس سال بہتر نتائج حاصل کرنے کیلئے کاروبار کے بہترین طریقے اختیار کریں گے۔

انتظامیہ اس سلسلے میں پر عزم ہے کہ آپ کی کہنی کی مالی کارکردگی کو برقرار رکھنے کے معاملے پر خصوصی توجہ مرکوز رکھے گی۔ ہم اپنے حصص یافتگان، کسٹمرز اور سٹاف کے شکر گزار ہیں جنکی مدد اور اعتماد کہنی کو حاصل رہا۔

آخر میں، میں بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہتی ہوں جن کی طرف سے انتھک محنت، قیمتی شراکت اور رہنمائی فراہم کی جاتی رہی۔

بورڈ کی طرف سے

26 فروری 2021

فیصل آباد

رخسانہ بیگم
چیئر پرسن بورڈ آف ڈائریکٹرز

ARSHAD RAHEEM & Co
Chartered Accountants

YOUSAF ISLAM HOUSE
39-Link Farid Kot Road,
Near A.G. Office, LAHORE.
Tel: (92-42) 37236169 - 37236170
Fax: (92-42) 37236168
E-mail: arshad.raheem@gmail.com

**Auditor's Report to the Members on Review of
Interim Financial Information**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **J. A. Textile Mills Limited** ("the Company") as at **December 31, 2020** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flow and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended December 31, 2020 and 2019 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 December 31, 2020.

Scope of Review

We conducted our review in accordance with the 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 information 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, with the exception of matters described in preceding paragraph, nothing has to come in our attention that causes us to believe that accompanying interim financial information as of and for the half year ended December 31, 2020 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without qualifying our conclusion;

- a) We draw attention of the members to the contents of note 1.2 to the annexed interim financial information, the Company has accumulated losses of Rs. 148.635 million against the paid-up capital of Rs. 126.012 million as at December 31, 2020 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 10.583 million. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

ARSHAD RAHEEM & Co
Chartered Accountants

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- b) We draw attention of the members to the contents of note 10 to the annexed interim financial information, which indicated that the Company has filed appeal before the Supreme Court of Pakistan against the decision of the Lahore High Court, Lahore for remitting back the case to Banking Court – II, Faisalabad for necessary calculations and verification of payments to the tune of Rs. 26.890 million, which had originally been decided in its favor. However, the ultimate outcome of the matter cannot be determined with any degree of certainty.

The engagement partner on the review resulting in this independent auditor's report is Arshad Raheem.



ARSHAD RAHEEM & CO
Chartered Accountants

LAHORE: 26 FEB 2021

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	358,358,659	366,414,438
Long term deposits		17,453,462	17,427,380
		375,812,121	383,841,818
CURRENT ASSETS			
Stores and spares		6,172,183	7,609,956
Stock in trade		152,522,156	48,698,252
Trade debts		5,161,032	11,868,102
Advances and prepayments		10,159,449	3,394,064
Short-term investment	6	375,356	325,953
Balance with statutory authorities		8,667,729	7,303,535
Cash and bank balances		49,522,859	55,492,837
		232,580,764	134,692,699
		608,392,885	518,534,517
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 ordinary shares of Rs.10 each		200,000,000	200,000,000
Issued, subscribed and paid up capital			
12,601,160 ordinary shares of Rs.10 each fully paid in cash		126,011,600	126,011,600
Accumulated loss		(139,840,270)	(188,284,382)
Surplus/ deficit on remeasurement of investments available for sale to fair value		5,271	(44,132)
Surplus on revaluation of property plant and equipment	7	187,770,741	191,135,627
Loan from related parties	8	130,165,652	132,454,324
		304,112,994	261,273,037
NON CURRENT LIABILITIES			
Deferred liabilities	9	66,315,938	66,782,334
CURRENT LIABILITIES			
Trade and other payables		237,060,712	190,035,426
Unclaimed dividend		443,720	443,720
Provision for taxation		459,521	-
		237,963,953	190,479,146
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		608,392,885	518,534,517

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	Half year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2020	2019	2020	2019
----- Rupees -----					
Sales - net	11	692,732,239	513,785,333	368,589,530	431,159,955
Cost of sales	12	631,860,627	524,489,891	325,533,813	435,022,649
Gross profit / (loss)		60,871,612	(10,704,558)	43,055,717	(3,862,694)
Operating expenses					
Administrative expenses		6,161,571	5,506,516	2,929,660	2,951,979
Distribution cost		1,081,230	393,661	998,730	393,661
		7,242,801	5,900,177	3,928,390	3,345,640
		53,628,811	(16,604,735)	39,127,327	(7,208,334)
Other Operating Income		1,395,164	2,184,405	1,395,164	2,184,405
		55,023,975	(14,420,330)	40,522,491	(5,023,929)
Finance Cost		20,161	19,418	8,126	16,169
Profit / (loss) before taxation		55,003,814	(14,439,748)	40,514,365	(5,040,098)
Taxation		9,924,588	3,959,462	30,174,310	3,447,274
Profit / (loss) for the period		45,079,226	(18,399,210)	10,340,055	(8,487,372)
Profit / (loss) per share - Basic and diluted		3.58	(1.46)	0.82	(0.67)

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
	----- Rupees -----			
Profit / (loss) for the period	45,079,226	(18,399,210)	10,340,055	(8,487,372)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized profit / (loss) on changes in fair value of investment	49,403	(19,024)	49,403	(19,024)
Total comprehensive income for the period	45,128,629	(18,418,234)	10,389,458	(8,506,396)

The annexed notes 1 to 15 form an integral part of the condensed interim financial information


 CHIEF EXECUTIVE OFFICER

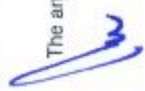

 DIRECTOR


 CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	capital	Accumulated loss	Surplus on remeasurement of investments available for sale to fair value	Surplus on revaluation of property, plant and equipment	Loan from related parties	Total
	----- Rupees -----					
Balance as at July 01, 2019	126,011,600	(202,562,192)	(69,959)	197,865,399	133,203,264	254,448,112
Loss for the period	-	(18,399,210)	-	-	-	(18,399,210)
Other comprehensive income	-	-	54,305	-	-	54,305
Transfer of incremental depreciation on revalued property, plant and equipment for the period	-	4,739,276	-	(4,739,276)	-	-
Tax effect on incremental depreciation	-	(1,374,390)	-	1,374,390	-	-
Repayment of loan from related parties	-	-	-	-	(247,940)	(247,940)
Balance as at December 31, 2019	126,011,600	(217,596,516)	(15,654)	194,500,513	132,955,324	235,855,267
Balance as at July 01, 2020	126,011,600	(188,284,382)	(44,132)	191,135,627	132,454,324	261,273,037
Profit for the period	-	45,079,226	-	-	-	45,079,226
Other comprehensive income	-	-	49,403	-	-	49,403
Transfer of incremental depreciation on revalued assets for the period	-	4,739,276	-	(4,739,276)	-	-
Tax effect on incremental depreciation	-	(1,374,390)	-	1,374,390	-	-
Repayment of loan from related parties	-	-	-	-	(2,288,672)	(2,288,672)
Balance as at December 31, 2020	126,011,600	(139,840,270)	5,271	187,770,741	130,165,652	304,112,994

The annexed notes 1 to 15 form an integral part of the condensed interim financial information



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year Ended	
	December 31, 2020	December 31, 2019
	----- Rupees -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	55,003,814	(14,439,748)
Adjustments for non cash and other items		
Depreciation	8,055,779	8,567,893
Profit on deposit accounts	(1,395,164)	(2,192,795)
Finance cost	20,161	19,418
Cash generated /used before changes in working capital	61,684,590	(8,045,233)
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	1,437,773	(391,489)
Stock in trade	(103,823,904)	17,382,666
Trade debts	6,707,070	46,592,263
Advances, prepayments	(6,765,385)	(1,380,077)
Tax refunds due from Government	(4,465,844)	(7,305,153)
Increase/(decrease) in current liabilities		
Trade and other payables	47,025,286	(16,545,051)
	(59,885,004)	38,353,159
Cash generated from operations	1,799,586	30,307,926
Finance cost paid	(20,161)	(19,418)
Taxes Paid	(6,829,813)	(10,398,443)
	(6,849,974)	(10,417,861)
Net cash used in operating activities	(5,050,388)	19,890,065
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits	(26,082)	-
Profit on deposit accounts	1,395,164	1,466,233
Net cash generated from / (used in) investing activities	1,369,082	1,466,233
c) CASH FLOW FROM FINANCING ACTIVITIES		
Loan from related parties	(2,288,672)	(247,940)
NET CASH USED FROM FINANCING ACTIVITIES	(2,288,672)	(247,940)
Net decrease / increase in cash and cash equivalents (a+b+c)	(5,969,978)	21,108,358
Cash and cash equivalents at the beginning of the period	55,492,837	42,755,000
Cash and cash equivalents at the end of the period	49,522,859	63,863,358

The annexed notes 1 to 15 form an integral part of the condensed interim financial information


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

J. A. TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. COMPANY AND ITS OPERATIONS

1.1 J.A. Textile Mills Limited (the Company) was incorporated in Pakistan on 25 May, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The shares of the company are listed on Pakistan Stock Exchange. The Mill is situated at 29-KM, Sheikhpura Road, Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

1.2 Going concern assumption

The Company has accumulated loss stands at Rs. 148.635 million (June 30, 2020: Rs. 188.284 million) as against issued, subscribed and paid up capital of Rs.126.012 million as at December 31, 2020 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 10.583 million (June 30, 2020: Rs. 55.786 million) respectively. These factors along with matters described in condensed interim financial statements may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business, for which no adjustments have been incorporated in these financial statements.

In spite of the huge accumulated losses and negative current ratio, the management of the Company is making strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the Company. These measures include balancing and modernization of plant and machinery in previous years, improvement in future industry situation and better production efficiency. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.


This condensed interim financial information is un-audited and has been prepared in condensed form in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS -34 "Interim Financial Reporting" as applicable in Pakistan. This interim financial information do not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2020.

This condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the selected notes for the half year ended December 31, 2020 which have been subjected to a review but not audited. This condensed interim financial statements also include condensed profit and loss statement for the quarter ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computations which have been used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements for the year ended June 30, 2020.
- 3.2** Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were either not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2** Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2020.
- 4.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.
- 

5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / REVALUATION			DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2020	Additions/ transfers during the period	Deletion transfer during the period	As at December 31, 2020	As at July 01, 2020	Deletion during the year	For the Period	As at December 31, 2020	
Freehold land	78,800,000	-	-	78,800,000	-	-	-	78,800,000	-
Building on freehold land									
- factory	115,130,180	-	-	115,130,180	13,872,986	-	2,531,430	16,404,416	5%
- residential	23,178,400	-	-	23,178,400	2,792,282	-	508,653	3,301,935	5%
Plant and machinery	150,527,547	-	-	150,527,547	17,976,905	-	3,313,766	21,290,671	5%
Power generators	31,500,001	-	-	31,500,001	7,340,152	-	1,207,992	6,548,144	10%
Electric installations	3,500,000	-	-	3,500,000	814,284	-	134,286	948,570	10%
Factory equipments	7,000,000	-	-	7,000,000	1,628,869	-	268,557	1,897,426	10%
Electric appliances	940,688	-	-	940,688	848,398	-	4,615	853,013	10%
Office equipments	2,875,855	-	-	2,875,855	2,384,055	-	24,590	2,408,645	10%
Furniture and fixtures	290,516	-	-	290,516	268,931	-	1,079	270,010	10%
Vehicles	6,593,344	-	-	6,593,344	5,995,231	-	59,811	6,055,042	20%
Rupees: December 2020	420,336,531	-	-	420,336,531	53,922,093	-	8,055,779	61,977,872	358,358,659

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2019	Additions/ transfers during the Year	Deletion transfer during the year	As at June 30, 2020	As at July 01, 2019	Deletion during the year	For the Year	As at June 30, 2020	
Land - freehold	78,800,000	-	-	78,800,000	-	-	-	78,800,000	-
Building on freehold land									
-factory	115,130,180	-	-	115,130,180	8,543,660	-	5,329,326	13,872,986	5%
-residential	23,178,400	-	-	23,178,400	1,719,326	-	1,072,954	2,792,282	5%
Plant and machinery	150,127,547	400,000	-	150,527,547	11,011,082	-	6,965,823	17,976,905	5%
Power generators	31,500,001	-	-	31,500,001	4,655,724	-	2,684,428	7,340,152	10%
Electric installation	3,500,000	-	-	3,500,000	515,871	-	298,413	814,284	10%
Factory Equipments	7,000,000	-	-	7,000,000	1,032,077	-	596,792	1,628,869	10%
Electric appliances	940,688	-	-	940,688	838,143	-	10,255	848,398	10%
Office equipments	2,875,855	-	-	2,875,855	2,329,411	-	54,644	2,384,055	10%
Furniture and fixture	290,516	-	-	290,516	266,533	-	2,398	268,931	10%
Vehicles	6,593,344	-	-	6,593,344	5,845,703	-	149,528	5,995,231	20%
Rupees: June 2020	419,936,531	400,000	-	420,336,531	36,757,532	-	17,164,561	53,922,093	366,414,438

Un-Audited December 31, 2020

Audited June 30, 2020

5.1 Depreciation charged for the period/year has been allocated as under:

Cost of sales	7,970,299
Administrative expenses	85,480
	8,055,779

----- Rupees -----

	(Un-Audited)	(Audited)
	December 31,	June 30,
Note	2020	2020
	Rupees	Rupees
6. SHORT-TERM INVESTMENT		
Available for sale		
NAFA Government Securities Liquid Fund	375,356	325,953
	<u>375,356</u>	<u>325,953</u>

These have been valued by using published net asset value (NAV) as at December 31, 2020. The number of units held by the Company are 22,978.5434 units (June 30, 2020: 22,978.5434 units).

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as on July 01, 2020	191,135,627	197,865,399
Surplus on revaluation created during the period/year	-	-
	<u>191,135,627</u>	<u>197,865,399</u>
Incremental depreciation on revalued property, plant and equipment for the period/year	(4,739,276)	(9,478,552)
Related effect of deferred tax liability	1,374,390	2,748,780
	<u>(3,364,886)</u>	<u>(6,729,772)</u>
	<u>187,770,741</u>	<u>191,135,627</u>

The Company's freehold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipment were revalued by M/S Yousaf Adil Saleem & Co. Chartered Accountants as on September 30, 1998 and by M/S Nizamy Associates as on June 30, 2007 and June 30, 2012 and M/S Amir Evaluators & Consultants as on 31st December 2017. Revaluation of freehold land is carried out at market value and building on freehold land, plant and machinery, power generators, electric installations and factory equipment on depreciated replacement values

The fair valuation of the revalued assets are considered to represent a level 2 valuation based on significant observable inputs being the location and condition of the assets. The fair value are subject to change owing to change in input. However the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs.

8. LOAN FROM RELATED PARTIES

Chief executive, directors and members	<u>130,165,652</u>	<u>132,454,324</u>
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This represents interest free loan from chief executive, directors and members of the Company, repayable at the discretion of the Company. However, in light of guidance provided in Technical Release -32 ("Accounting Directors' Loan") issued by the Institute of Chartered Accountants of Pakistan, this loan has been classified as part of equity.

	Note	(Un-Audited)	(Audited)
		December 31, 2020 Rupees	June 30, 2020 Rupees
9. DEFERRED LIABILITIES			
Deferred taxation	9.1	66,315,938	66,782,334
		<u>66,315,938</u>	<u>66,782,334</u>
9.1 DEFERRED TAXATION			
Balance as on July 01		66,782,334	67,985,263
Adjusted during the period / year		(466,396)	(1,202,929)
Balance as on December 31,		<u>66,315,938</u>	<u>66,782,334</u>

10. CONTINGENCIES AND COMMITMENTS

The Faysal Bank Limited filed a suit against the Company for recovery of Rs. 48.560 million on 21 September 2001 before Banking Court-II Faisalabad. The Company made the payment of principal amount of Rs. 44.510 million as against the purchase price of 48.560 million so the Banking Court directed the Faysal Bank to recover only 4.05 million vide judgement dated 4 November 2002. The Bank filed an appeal before the Lahore High Court (LHC), Lahore against the decision of Banking Court-II Faisalabad for recovery of Rs. 18.726 million (principal 45.616 minus payment as per bank 26.890). The High Court enhanced the liability at Rs. 56.845 million and allowed to adjust Rs. 26.890 million already paid by the Company as per statements of accounts of the bank and established Rs. 29.955 million as recoverable from the Company after adjustment of already paid amount along with cost of funds vide judgement dated 6 July 2010. Regarding contention of payment between bank and Company the LHC has remitted this matter to the banking court for deputation of chartered accountant for verification of payment by the company to the bank.

Having been aggrieved by the decision of the Honourable Lahore High Court, Lahore, the Company filed an appeal before the Supreme Court of Pakistan which is pending adjudication. The management of the company has optimistic opinion that the case will be decided in its favor on the pretext that due relief had already been given by the apex court in identical cases.

	Note	(Un-Audited)			
		Half Year Ended		Quarter Ended	
		December 31 2020 Rupees	December 31 2019 Rupees	December 31 2020 Rupees	December 31 2019 Rupees
11. SALES - net					
Local:					
Yarn sales		681,522,449	508,450,893	361,144,700	426,779,020
Waste sales		11,209,790	5,334,440	7,444,830	4,380,935
Local sales		<u>692,732,239</u>	<u>513,785,333</u>	<u>368,589,530</u>	<u>431,159,955</u>

		(Un-Audited)			
		Half Year Ended		Quarter Ended	
		December 31 2020	December 31 2019	December 31 2020	December 31 2019
12. COST OF SALES	Note	Rupees	Rupees	Rupees	Rupees
Raw material consumed		419,481,412	388,278,372	218,454,585	308,541,195
Stores and spares consumed		16,563,719	6,897,099	5,498,485	5,099,029
Packing material consumed		13,397,252	7,371,929	6,330,222	5,756,856
Salaries and wages		67,992,681	47,997,655	28,920,167	33,534,696
Retirement benefits		2,309,498	1,754,118	1,087,312	864,459
Fuel and power		102,082,743	76,061,660	50,819,818	59,146,027
Repairs and maintenance		393,965	71,460	54,425	36,060
Postage and telecommunication		22,276	36,965	8,689	18,283
Vehicles running and maintenance		162,688	205,239	57,638	106,499
Depreciation	(5)	7,970,299	8,473,995	3,985,151	4,236,997
Others		477,637	324,765	226,046	126,565
		<u>630,854,170</u>	<u>537,473,257</u>	<u>315,442,538</u>	<u>417,466,666</u>
Inventory effect of work in process					
Opening balance		10,667,655	10,274,038	8,962,875	10,497,821
Closing balance		(7,385,789)	(11,930,726)	(7,385,789)	(11,930,726)
		<u>3,281,866</u>	<u>(1,656,688)</u>	<u>1,577,086</u>	<u>(1,432,905)</u>
Cost of goods manufactured		634,136,036	535,816,569	317,019,624	416,033,761
Inventory effect of finished goods					
Opening balance		5,844,614	819,798	16,634,212	31,135,364
Closing balance		(8,120,023)	(12,146,476)	(8,120,023)	(12,146,476)
		<u>(2,275,409)</u>	<u>(11,326,678)</u>	<u>8,514,189</u>	<u>18,988,888</u>
Cost of goods sold		<u>631,860,627</u>	<u>524,489,891</u>	<u>325,533,813</u>	<u>435,022,649</u>

13. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and other key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to condensed interim financial information. Transactions with related parties undertaken during the period were as follows:-

	(Un-Audited)	
	Half Year Ended	
	December,31 2020	December,31 2019
	-----Rupees-----	
Employee provident fund trust- Company's contribution	2,359,125	1,922,459
Net payments / (received) - Directors	2,288,672	247,940

14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on **26-FEBRUARY-2021** by the Board of Directors of the Company.

15. GENERAL

- Figure have been rounded off to the nearest thousand rupees unless otherwise stated.
- Corresponding figures have been rearranged , wherever necessary , for the purpose of comparison However, no significant reclassification / rearrangements were made during the period


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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





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