

**2<sup>nd</sup> Quarter &  
Half Year Accounts  
Period Ended**

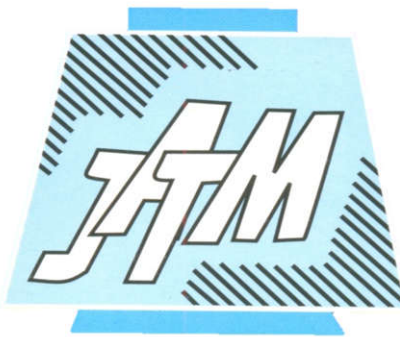
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**December 31<sup>st</sup>**

**2022**

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**(REVIEWED)**



**J. A. Textile Mills Limited**

# COMPANY INFORMATION

## Board of Directors

Chairman:	Mr. Riaz Ahmad
Chief Executive:	Mr. Imran Zahid
Directors:	Mr. Zahid Anwar
	Mr. Muhammad Anwar ul Haq
	Ms. Kurratulain Zahid
	Mr. Muhammad Ali
	Mr. Riaz Ahmad
	Mr. Liaqat Ali Qamar

## Audit Committee:

Chairman:	Mr. Riaz Ahmad
Member:	Mr. Muhammad Ali
Member:	Ms. Kurratulain 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 Rahim & Co., Chartered Accountants

Banks: Al Baraka Islamic Bank B.S.C. (E.C.)  
JS Bank Limited  
National Bank of Pakistan  
United Bank Limited  
Meezan 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  
1<sup>st</sup> Floor, H.M House, 7-Bank Square, Lahore.

Mills: 29-KM, Sheikhpura Road, Faisalabad

Web Site: [www.jatml.com](http://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 2<sup>nd</sup> quarter and half year ended December 31, 2022.

## Financial Results

Operating Indicators	Half Year Ended December 31, 2022 Rupees	Half Year Ended December 31, 2021 Rupees
Sales	33,685,700	951,355,788
Gross (Loss)/profit	(32,678,428)	64,062,653
Pretax (Loss)/profit	(26,878,660)	58,943,206
Provision for taxation	(14,265,729)	(23,945,855)
(Loss)/profit after tax	(41,144,389)	34,997,351
(Loss)/profit per share	(3.27)	2.78

During the period under review, sales decreased from 951.356 Million to 33.686 million. The Company suffer net loss of Rs. (41.144) million as compared to profit of Rs. 34 million of corresponding period of previous year.

Due to existing known fact of global persisting recession in textile industry; the management decided to temporarily shut down its business operations. This extensive slump in local and global market along with downward trend in price of yarn and increase in material and fuel costs can cause heavy losses.

Long outstanding repair and maintenance work is in progress to improve its production efficiency during shutdown.

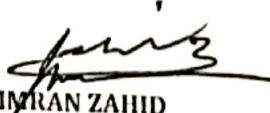
Regarding the auditor's reservation of going concern relating to note 1.2 of condensed interim financial statements, the management of the Company is making strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the Company. The management positively 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, 2022.

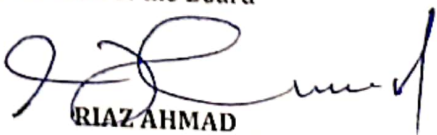
Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

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.

February 27, 2023  
Faisalabad

  
IMRAN ZAHID  
Chief Executive

For and on behalf of the Board

  
RIAZ AHMAD  
Director

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

آپ کے بورڈ آف ڈائریکٹرز کو دوری سماہی اور 31 دسمبر 2022 کو ختم ہونے والے ششماہی سال کے کمپنی کے لیر آڈٹ تخلیق شدہ مالیاتی اسٹیٹمنٹ پیش کرتے ہوئے نہایت مسرت محسوس ہو رہی ہے۔  
مالیاتی نتائج:

آپریٹنگ تفصیلات	ششماہی سال کا اختتام 31 دسمبر 2021	ششماہی سال کا اختتام 31 دسمبر 2022
	روپے	روپے
فروخت	951,355,788	33,685,700
مجموعی خسارہ/منافع	64,062,653	(32,678,428)
قبل از ٹیکس خسارہ/منافع	58,943,206	(26,878,660)
ٹیکس کے لئے پروویژن	(23,945,855)	(14,265,729)
ٹیکس کے بعد نقصان/منافع	34,997,351	(41,144,389)
نقصان/منافع فی شیئر	(3.27)	(3.27)

زیر جائزہ مدت کے دوران فروخت 951.356 ملین سے کم ہو کر 33.686 ملین رہ گئی ہے۔ کمپنی کو پچھلے سال کی 34 ملین منافع کی نسبت اس سال 41.144 ملین روپے کا نقصان ہوا ہے۔

ٹیکسٹائل انڈسٹری میں عالمی مسلسل کساد بازاری کی موجودہ صورتحال کی وجہ سے انتظامیہ نے اپنے کاروباری آپریشن کو عارضی طور پر بند کرنے کا فیصلہ کیا ہے۔ مقامی اور عالمی مارکیٹ میں دھماگے کی قیمت میں کمی کا رجحان اور میٹرل اور ایندھن کی قیمتوں میں اضافہ ہماری نقصان کا باعث بن سکتا ہے۔  
شٹ ڈاؤن کے دوران اس کی پیداواری کارکردگی کو بہتر بنانے کے لئے طویل عرصے سے مرمت اور دیکھ بھال کا کام جاری ہے۔


گوئیٹنگ کنسرن کے متعلق آڈیٹرز کے تحفظات، تھقیص 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

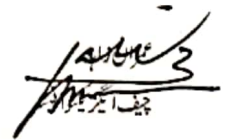
30 جون 2022 کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ برائے حصص یافتگان میں جو مقدمات اور دیگر امور رپورٹ کئے گئے ان میں کوئی تبدیلی نہیں ہوئی ہے۔

ریٹیل پارٹنر کے ساتھ لین دین آرم لینتھ بنیادوں پر کیا گیا اور قیمتوں کا تعین کمپنری ڈائریکٹرز پر افس میٹنگ کی بنیاد پر کیا گیا۔

ہم سب اے ٹیکسٹائل ملز لمیٹڈ کی پوری ٹیم اور اس کے تمام شراکت داروں، ملک کے اندر اور باہر میں، کی انتھک منت تعریف کرتے ہیں۔

بورڈ آف ڈائریکٹران کی طرف سے

  
ڈائریکٹر

  
چیف ایگزیکٹو آفیسر

27 فروری 2023  
فیصل آباد



## **J. A. TEXTILE MILLS LIMITED**

### **CHAIRMAN'S REVIEW**

I am presenting the financial results of the company.

The business operations completely stopped due to decline in demand of yarn both locally and globally along with downward trend in price of yarn and increase in material and fuel costs; but having optimistic approach, remained unable to foresee about this extensive slump in local and global market.


I value the ongoing efforts made by the board of directors' to develop business and address the issues brought on by the ongoing global recession.

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**

**FAISALABAD**  
**FEBRUARY 27, 2023**

  
**RIAZ AHMAD**  
**Chairman BOD**

## جے اے ٹیکسٹائل ملز لمیٹڈ

چیئرمین کا جائزہ

میں کمپنی کے مالیاتی نتائج پیش کر رہا ہوں۔

مقامی اور عالمی سطح پر دھماکے کی مانگ میں کمی کے ساتھ ساتھ دھماکے کی قیمت میں کمی اور میٹیریل اور ایندھن کی لاگت میں اضافے کی وجہ سے کاروباری سرگرمیاں مکمل طور پر رک گئیں۔ لیکن پرامید نقطہ نظر رکھتے ہوئے مقامی اور عالمی منڈی میں اس وسیع مندی کے بارے میں اندازہ لگانے سے قاصر ہے

میں بورڈ آف ڈائریکٹرز کی جانب سے کاروبار کو ترقی دینے اور عالمی کساد بازاری سے پیدا ہونے والے مسائل کو حل کرنے کے لئے کی جانے والی جاری کوششوں کی قدر کرتا ہوں

انتظامیہ اس سلسلے میں پر عزم ہے کہ آپ کی کمپنی 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 کمپنی کو حاصل رہا۔

آخر میں، میں بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہتا ہوں جن کی طرف سے پورے سال کے دوران قیمتی شراکت اور راہنمائی فراہم کی جاتی رہی۔

بورڈ کی طرف سے

27 فروری 2023

فیصل آباد۔

  
ریاض احمد

چیئرمین، بورڈ آف ڈائریکٹرز

**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, 2022** 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, 2022 and 2021 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, 2022.

**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, nothing has come to our attention that causes us to believe that accompanying interim financial information does not give a true and fair view of the financial position of the company as at December 31, 2022 and of its financial performance and its cash flows for the six month period then ended, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Emphasis of matter**

Without qualifying our conclusion, 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. 69.780 million against the paid-up capital of Rs. 126.012 million as at December 31, 2022 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 27.668 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

Contd.....P/2

**ARSHAD RAHEEM & CO**  
Chartered Accountants

- 2 -

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



ARSHAD RAHEEM & CO  
Chartered Accountants

LAHORE: 27 FEB 2023  
UDIN: RR202210216fyUXkqhGg



**J. A. TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Note	(Un-Audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	591,592,964	586,019,925
Long term deposits		32,145,750	32,145,750
		<u>623,738,714</u>	<u>618,165,675</u>
<b>CURRENT ASSETS</b>			
Stores and spares		9,652,663	10,769,509
Stock in trade		13,172,294	40,408,496
Trade debts		-	31,063
Advances, prepayments & other receivables		5,698,951	7,637,000
Short-term investment	6	359,539	358,688
Balance with statutory authorities		14,299,730	9,092,505
Cash and bank balances		192,282,461	219,671,541
		<u>235,465,638</u>	<u>287,968,802</u>
		<u>859,204,352</u>	<u>906,134,477</u>
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
20,000,000 ordinary shares of Rs.10 each		<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, subscribed and paid up capital</b>			
12,601,160 ordinary shares of Rs.10 each fully paid in cash		126,011,600	126,011,600
Accumulated loss		(69,779,756)	(34,487,054)
Surplus on remeasurement of investments available for sale to fair value		(8,832)	(9,683)
Surplus on revaluation of property, plant and equipment	7	287,437,713	293,289,400
Loan from related parties	8	129,420,153	129,796,213
		<u>473,080,878</u>	<u>514,600,476</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities	9	122,989,059	109,144,401
<b>CURRENT LIABILITIES</b>			
Trade and other payables		262,690,695	281,945,880
Unclaimed dividend		443,720	443,720
		<u>263,134,415</u>	<u>282,389,600</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	-	-
		<u>859,204,352</u>	<u>906,134,477</u>

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, 2022**

	Note	Half year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2022	2021	2022	2021
----- Rupees -----					
Sales - net	11	33,685,700	951,355,788	-	533,421,758
Cost of sales	12	66,364,128	887,293,135	20,447,143	499,473,779
Gross (Loss)/profit		(32,678,428)	64,062,653	(20,447,143)	33,947,979
<b>Operating expenses</b>					
Administrative expenses		8,727,463	7,292,232	4,222,487	3,520,950
Distribution cost		-	410,990	-	371,990
		8,727,463	7,703,222	4,222,487	3,892,940
		(41,405,891)	56,359,431	(24,669,630)	30,055,039
Other Operating Income		14,527,695	2,585,545	6,686,259	2,283,725
		(26,878,196)	58,944,976	(17,983,371)	32,338,764
Finance Cost		464	1,770	464	610
(Loss)/profit before taxation		(26,878,660)	58,943,206	(17,983,835)	32,338,154
Taxation		14,265,729	23,945,855	13,844,658	7,689,848
(Loss)/profit for the period		(41,144,389)	34,997,351	(31,828,493)	24,648,306
(Loss)/profit per share - basic and diluted		(3.27)	2.78	(2.53)	1.96

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, 2022**

	Half year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	----- Rupees -----			
<b>(Loss)/profit for the period</b>	(41,144,389)	34,997,351	(31,828,493)	24,648,306
<b>Other comprehensive income:</b>				
Items that may be subsequently reclassified to profit or loss:				
Unrealized (loss) / profit on changes in fair value of investment	851	(2,783)	6,635	3,001
<b>Total comprehensive (loss)/ Income for the period</b>	(41,143,538)	34,994,568	(31,821,858)	24,651,307

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, 2022**

	Half year Ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(26,878,660)	58,943,206
<b>Adjustments for non cash and other items:</b>		
Depreciation	13,096,477	12,626,639
Profit on deposit accounts	(12,800,679)	(1,728,682)
Gain on disposal of Machinery	(1,727,016)	(856,863)
Finance cost	464	1,770
<b>Cash (used in) / generated before changes in working capital</b>	(28,309,414)	68,986,070
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	1,116,846	(3,707,982)
Stock in trade	27,236,202	(114,446,398)
Trade debts	31,063	(12,354,589)
Advances, prepayments & other receivables	1,938,049	(18,967,567)
Balance with statutory authorities	(2,721,097)	(39,297)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	(19,255,185)	105,971,249
	8,345,878	(43,544,584)
<b>Cash (used in) / generated from operations</b>	(19,963,536)	25,441,486
Finance cost paid	(464)	(1,770)
Taxes Paid	(2,907,199)	(16,017,934)
	(2,907,663)	(16,019,704)
<b>Net cash (used in) / generated from operating activities</b>	(22,871,199)	9,421,782
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipment	(19,217,500)	(38,268,528)
Capital Working Progress	-	-
Sale Proceed on Disposal of Machinery	2,275,000	1,000,000
Long term deposits	-	(1,592,000)
Profit on deposit accounts	12,800,679	1,728,682
<b>Net cash (used in) investing activities</b>	(4,141,821)	(37,131,846)
<b>c) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from related parties paid	(376,060)	(153,500)
<b>Net cash (used in) financing activities</b>	(376,060)	(153,500)
<b>Net decrease in cash and cash equivalents (a+b+c)</b>	(27,389,080)	(27,863,564)
<b>Cash and cash equivalents at the beginning of the period</b>	219,671,541	106,090,200
<b>Cash and cash equivalents at the end of the period</b>	192,282,461	78,226,636

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, 2022**

	Share 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, 2021	126,011,600	(91,861,597)	25,373	304,705,572	130,092,281	468,973,229
Profit for the period	-	34,997,351	-	-	-	34,997,351
Other comprehensive loss	-	-	(2,783)	-	-	(2,783)
Transfer of Incremental depreciation on revalued property, plant and equipment for the period	-	8,039,558	-	(8,039,558)	-	-
Tax effect on incremental depreciation	-	(1,865,178)	-	1,865,178	-	-
Repayment of loan from related parties	-	-	-	-	(153,500)	(153,500)
<b>Balance as at December 31, 2021</b>	<b>126,011,600</b>	<b>(50,689,866)</b>	<b>22,590</b>	<b>298,531,192</b>	<b>129,938,781</b>	<b>503,814,297</b>
Balance as at July 01, 2022	126,011,600	(34,487,054)	(9,683)	293,289,400	129,796,213	514,600,476
Loss for the period	-	(41,144,389)	-	-	-	(41,144,389)
Other comprehensive income	-	-	851	-	-	851
Transfer of incremental depreciation on revalued assets for the period	-	7,619,383	-	(7,619,383)	-	-
Tax effect on incremental depreciation	-	(1,767,696)	-	1,767,696	-	-
Repayment of loan from related parties	-	-	-	-	(376,060)	(376,060)
<b>Balance as at December 31, 2022</b>	<b>126,011,600</b>	<b>(69,779,756)</b>	<b>(8,832)</b>	<b>287,437,713</b>	<b>129,420,153</b>	<b>473,080,878</b>

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, 2022**

**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. 69.780 million (June 30, 2022: Rs. 34.487 million) as against issued, subscribed and paid up capital of Rs. 126.012 million as at December 31, 2022 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 27.668 million (June 30, 2022: Rs. -5.579 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, 2022.

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, 2022 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, 2022.

**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, 2022.
- 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, 2022.
- 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, 2022.





5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / REVALUATION				DEPRECIATION				BOOK VALUE	Rate %	
	As at July 01, 2022	Additions/transfers during the period	Revaluation surplus	Deletion transfer during the period	As at December 31, 2022	As at July 01, 2022	Deletion during the year	For the Period	As at December 31, 2022		As at December 31, 2022
Rupees											
Freehold land	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-
Building on freehold land											
- factory	154,892,446	-	-	-	154,892,446	25,733,676	-	3,228,969	28,962,645	125,929,801	5%
- residential	30,301,188	-	-	-	30,301,188	5,136,068	-	629,128	5,765,196	24,535,992	5%
Plant and machinery	338,819,428	14,295,000	-	13,850,200	339,264,228	25,883,200	(13,302,216)	7,823,406	20,404,390	318,859,838	5%
Power Generators	31,500,001	-	-	-	31,500,001	11,930,523	-	978,474	12,908,997	18,591,004	10%
Electric installations	4,788,310	4,922,500	-	-	9,710,810	1,415,178	-	168,657	1,583,835	8,126,975	10%
Factory equipments	7,000,000	-	-	-	7,000,000	2,649,384	-	217,531	2,866,915	4,133,085	10%
Electric appliances	940,688	-	-	-	940,688	865,933	-	3,738	869,671	71,017	10%
Office equipments	2,917,855	-	-	-	2,917,855	2,483,167	-	21,734	2,504,901	412,954	10%
Furniture and fixtures	290,516	-	-	-	290,516	273,033	-	874	273,907	16,609	10%
Vehicles	4,839,307	-	-	-	4,839,307	4,599,652	-	23,966	4,623,618	215,689	20%
<b>Rupees: December 2022</b>	<b>666,989,739</b>	<b>19,217,500</b>	<b>-</b>	<b>13,850,200</b>	<b>672,357,039</b>	<b>80,969,814</b>	<b>(13,302,216)</b>	<b>13,096,477</b>	<b>80,764,075</b>	<b>591,592,964</b>	

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION				BOOK VALUE	Rate %	
	As at July 01, 2021	Additions/transfers during the Year	Revaluation during the year	Deletion	As at June 30, 2022	As at July 01, 2021	Deletion during the year	For the Year	As at June 30, 2022		As at June 30, 2022
Rupees											
Land - freehold	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-
Building on freehold land											
-factory	154,892,446	-	-	-	154,892,446	18,935,846	-	6,797,830	25,733,676	129,158,770	5%
-residential	30,301,188	-	-	-	30,301,188	3,811,588	-	1,324,480	5,136,068	25,165,120	5%
Plant and machinery	284,821,620	53,997,808	-	-	338,819,428	11,021,620	-	14,861,580	25,883,200	312,936,228	5%
Power generators	31,500,001	-	-	-	31,500,001	9,756,137	-	2,174,386	11,930,523	19,569,478	10%
Electric installation	3,500,000	1,288,310	-	-	4,788,310	1,082,856	-	332,322	1,415,178	3,373,132	10%
Factory Equipments	7,000,000	-	-	-	7,000,000	2,165,982	-	483,402	2,649,384	4,350,616	10%
Electric appliances	940,688	-	-	-	940,688	857,627	-	8,306	865,933	74,755	10%
Office equipments	2,917,855	-	-	-	2,917,855	2,434,868	-	48,299	2,483,167	434,688	10%
Furniture and fixture	290,516	-	-	-	290,516	271,090	-	1,943	273,033	17,483	10%
Vehicles	6,593,344	-	-	1,754,037	4,839,307	6,114,854	(1,610,900)	95,698	4,599,652	239,655	20%
<b>Rupees: June 2022</b>	<b>613,457,658</b>	<b>55,286,118</b>	<b>-</b>	<b>1,754,037</b>	<b>666,989,739</b>	<b>56,452,468</b>	<b>(1,610,900)</b>	<b>26,128,246</b>	<b>80,969,814</b>	<b>586,019,925</b>	

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

Cost of sales  
Administrative expenses

	Un-Audited December 31, 2022	Audited June 30, 2022
Rupees		
	13,049,903	25,982,306
	46,574	145,940
	<b>13,096,477</b>	<b>26,128,246</b>



	(Un-Audited)	(Audited)
	December 31,	June 30,
Note	2022	2022
	Rupees	Rupees

**6. SHORT-TERM INVESTMENT**

**Available for sale**

NAFA Government Securities Liquid Fund

359,539	358,688
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6.1 These have been valued by using published net asset value (NAV) as at December 31, 2022. The number of units held by the Company are 23,551.16 units (June 30, 2022: 23,551.16 units).

**7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Balance as on July 01, 2022

299,650,783	191,135,627
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Surplus on revaluation created during the period/year

-	119,931,329
299,650,783	311,066,956

Incremental depreciation on revalued property, plant and equipment for the period/year

(7,619,383)	(16,079,115)
1,767,696	4,662,942

Related effect of deferred tax liability

(5,851,687)	(11,416,173)
293,799,096	299,650,783

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 December 31, 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 values 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

129,420,153	129,796,213
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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, 2022	June 30, 2022
		Rupees	Rupees
<b>9. DEFERRED LIABILITIES</b>			
Deferred taxation	9.1	122,989,059	109,144,401
		<u>122,989,059</u>	<u>109,144,401</u>

**9.1 DEFERRED TAXATION**

Balance as on July 01	109,144,401	104,267,459
Provided /(Adjusted) during the period / year	13,844,658	4,876,942
Balance as on December 31	<u>122,989,059</u>	<u>109,144,401</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 judgment 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 judgment 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 Honorable 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.

11. SALES - net	Note	(Un-Audited)			
		Half Year Ended		Quarter Ended	
		December 31 2022	December 31 2021	December 31 2022	December 31 2021
		Rupees	Rupees	Rupees	Rupees
Yarn sales		33,685,700	941,573,750	-	529,522,600
Waste sales		-	9,782,038	-	3,899,158
		<u>33,685,700</u>	<u>951,355,788</u>	<u>-</u>	<u>533,421,758</u>

(Un-Audited)

	Note	Half Year Ended		Quarter Ended	
		December 31 2022	December 31 2021	December 31 2022	December 31 2021
12. COST OF SALES		Rupees	Rupees	Rupees	Rupees
Raw material consumed		-	638,909,559	-	352,342,950
Stores and spares consumed		7,551,401	38,757,467	2,401,749	13,789,091
Packing material consumed		2,730	18,951,739	280	9,727,458
Salaries and wages		12,549,455	85,800,674	9,074,102	44,714,000
Retirement benefits		670,806	2,549,392	334,210	1,425,543
Fuel and power		3,422,695	122,328,012	998,600	68,068,733
Repairs and maintenance		933,753	4,770,067	503,410	4,269,890
Postage and telecommunication		-	26,988	-	22,598
Vehicles running and maintenance		640,663	289,040	533,238	171,707
Depreciation	(5.1)	13,049,903	12,553,670	6,449,146	6,373,639
Others		308,690	683,924	152,408	393,627
		<u>39,130,096</u>	<u>925,620,532</u>	<u>20,447,143</u>	<u>501,299,236</u>
Inventory effect of work in process					
Opening balance		-	7,910,023	-	8,244,650
Closing balance		-	(12,235,309)	-	(12,235,309)
		-	(4,325,286)	-	(3,990,659)
Cost of goods manufactured		39,130,096	921,295,246	20,447,143	497,308,577
Inventory effect of finished goods					
Opening balance		27,234,032	1,456,845	-	37,624,158
Closing balance		-	(35,458,956)	-	(35,458,956)
		27,234,032	(34,002,111)	-	2,165,202
		<u>66,364,128</u>	<u>887,293,135</u>	<u>20,447,143</u>	<u>499,473,779</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:-

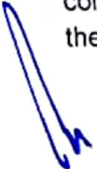
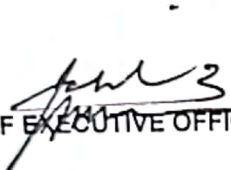
	(Un-Audited)	
	Half Year Ended	December 31
	December 31 2022	December 31 2021
	-----Rupees-----	
Employee provident fund trust- Company's contribution	910,848	2,772,880
Net payments - Directors	376,060	153,500

14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on 27-FEBRUARY-2023 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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