

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

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

**2023**

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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. Kuratulain Zahid  
Mr. Muhammad Ali  
Mr. Riaz Ahmad  
Mr. Liaqat Ali Qamar

## Audit Committee:

Chairman: Mr. Riaz Ahmad  
Member: Mr. Muhammad Ali  
Member: Ms. Kuratulain 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, Sheikhupura 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, 2023.

## Financial Results

Operating Indicators	Half Year Ended December 31, 2023 Rupees	Half Year Ended December 31, 2022 Rupees
Sales	117,884,000	33,685,700
Gross Loss	(27,979,138)	(32,678,428)
Pretax Loss	(29,887,150)	(26,878,660)
Provision for taxation	891,341	(14,265,729)
Loss after tax	(28,997,839)	(41,144,389)
Loss per share	(2.30)	(3.27)

During the period under review, sales increased from 33.686 Million to 117.884 million. The Company suffer net loss of Rs. (28.998) million as compared to loss of Rs. (41.144) million of corresponding period of previous year.

Due to existing known fact of global persisting recession in textile industry; the management still decided to 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.

Further the management is hopeful that upcoming cotton crop will be available in reasonable prices and the Government will also reconsider the prices of fuel and power and give preferential rates to textile industry.

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.

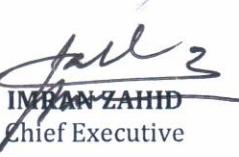
There is no material change in position of on going litigation and other matters related to court as reported in the Directors' report to the shareholders for the year ended June 30, 2023.

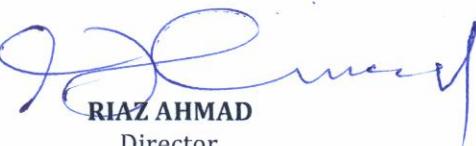
Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

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 28, 2024  
Faisalabad

  
IMRAN ZAHID  
Chief Executive

  
RIAZ AHMAD  
Director

# بے اے ٹیکسٹائل ملز میڈیٹر

## ڈائریکٹر پورٹ

آپ کے بورڈ آف ڈائریکٹر کو 31 دسمبر 2023 کو ختم ہونے والی دوسری سماں اور شماہی کے لیے کمپنی کے مختصر عبوری مالیاتی بیانات پیش کرنے پر خوشی ہے۔

مالیاتی متن:

آپ پرینگ تفصیلات

روپے (میں میں)

شماہی سال کا اختتام	شماہی سال کا اختتام	فروخت
31 دسمبر 2022	31 دسمبر 2023	مجموعی منافع (خسارہ)
33,685,700	117,884,000	قبل از ٹکسٹ مانا ف (خسارہ)
(32,678,428)	(27,979,138)	ٹکسٹ میں کے لیے پروپریٹ
(26,878,660)	(29,887,150)	ٹکسٹ میں کے بعد فضان
(14,265,729)	891,341	منافع (خسارہ) نی شیئر
(41,144,389)	(28,997,839)	
(3.27)	(2.30)	

زیرِ چائزہ مدت کے دوران فروخت 33.386 میں سے بڑھ کر 117.884 میں ہو گئی۔ کمپنی کو گزشتہ سال کی اسی مدت کے (41.144) میں روپے کے نقصان کے مقابلے میں (28.998) میں روپے کا خالص نقصان ہوا ہے۔

ٹکسٹ میں کمی کا راجان اور میٹر میں اور ایندھن کی قیمتوں میں اضافہ بھاری نقصان کا باعث بن سکتا ہے۔

مزید برآں انتظامیہ کو امید ہے کہ آنے والی کپاس کی فعل مناسب قیمتوں پر دستیاب ہو گئی اور حکومت ایندھن اور بجلی کی قیمتوں پر بھی نظر ثانی کرے گی اور ٹکسٹ میں اضافہ بھاری نیز دے گی۔

کنڈنیٹ عبوری مالیاتی بیانات کے نوٹ 1.2 سے متعلق آڈیٹ کے تھفاظات کے بارے میں، کمپنی کی انتظامیہ کمپنی کے منافع کو بہتر بنانے کیلئے سخت کوشیں، بہترین پیداواری حکمت عملی اور لگاتر موثر کنٹرول کر رہی ہے۔ انتظامیہ ثابت طور پر تمام چیزوں کا مقابلہ کرنے کے لیے پر عزم ہے اور بہترین مکنہ متن کو فراہم کرنے کے لیے پر عزم ہے اور اپنے مقاصد اور اہداف کو پورا کرتی رہے گی۔ ان پہلوؤں کی بنیاد پر اورڈریکٹر اور ایسوی ایس کی جانب سے جاری مالی تعاون کی بنیاد پر مالیاتی گوشواروں کو تشویش کی بنیاد پر تیار کیا گیا ہے۔

30 جون 2023 کو ختم ہونے والے سال کے لیے شیئر ہولڈر زکوڈ ڈائریکٹر کی رپورٹ میں بتایا گیا ہے کہ جاری قانونی چارہ جوئی اور عدالت سے متعلق دیگر معاملات کی پوزیشن میں کوئی مادی تبدیلی نہیں ہے۔ متعلقہ فریقوں کے ساتھ لین دین و سعیت کی بنیاد پر کیا جاتا ہے۔ قیمتوں کا تعین غیر کنٹرول شدہ قیمت کے مقابلی طریقہ کے مطابق کیا جاتا ہے۔

ہم جے اے ٹکسٹ میڈیٹر اور اس کے تمام شرکت داروں، ملک کے اندر اور دنیا میں پوری ٹیم کی لگن اور محنت کیلئے ان کی تعریف کا اظہار کرنا چاہتے ہیں۔

بورڈ آف ڈائریکٹر ان کی طرف سے

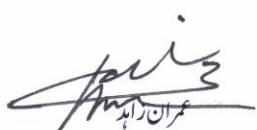


ریاض احمد

ڈائریکٹر

28 فروری 2024

فیصل آباد



چیف ایگزیکٹو آفیسر

میران راہب

## **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 which cause downward trend in price of yarn. Although having positive attitude, we are inept to foresee this severe extensive slump in both the markets.

We are hopeful that upcoming cotton crop will be available in reasonable prices and the Government will also reconsider the prices of fuel and power and give preferential rates to textile industry.

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**



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

**FAISALABAD**  
**FEBRUARY 28, 2024**

## بے اے ٹیکسٹائل ملٹی میڈیم

### چیئرمین کا جائزہ

میں کپنی کے مالیاتی نتائج پیش کر رہا ہوں۔

مقامی اور عالمی سطح پر یارن کی مانگ میں کمی کی وجہ سے کاروباری سرگرمیاں مکمل طور پر رک گئیں جس کی وجہ سے سوت کی قیمت میں کمی واقع ہوئی ہے۔ اگر چہ بت رو یہ رکھتے ہوئے، ہم دونوں بازاروں میں اس شدید و سچ مندی کا اندازہ لگانے کے لیے نااہل ہیں۔

ہمیں امید ہے کہ آنے والی کپاس کی فصل مناسب قیمتوں پر دستیاب ہوگی اور حکومت ایڈھن اور بھلی کی قیمتیوں پر بھی نظر ثانی کرے گی اور ٹیکسٹائل انڈسٹری کو ترقی بخ دے گی۔ میں بورڈ آف ڈائریکٹر کی طرف سے کاروباری کوتیری دیتے اور جاری عالمی کساد بازاری سے بیدا ہونے والے مسائل کو حل کرنے کے لیے کی جانے والی کوششوں کی قدر کرتا ہوں۔ انتظامیہ کپنی کی مالی کارکردگی کو برقرار کھنے پر توجہ مرکوز رکھنے کے لئے پر عزم ہے۔ ہم اپنے حصہ یا ذیگان، صارفین، بیکارز اور عملے کا کپنی میں تعاون اور اعتماد کیلئے شکریہ ادا کرتے ہیں۔ آخر میں، میں بورڈ آف ڈائریکٹر کو ان کے عزم، محنت اور کپنی کی بہتری کے لیے مسلسل کوششوں کے لیے سراہنا چاہوں گا۔

بورڈ آف ڈائریکٹر کی طرف سے



ریاض احمد

چیئرمین بورڈ آف ڈائریکٹر

28 فروری 2024

**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, 2023** 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, 2023 and 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2023.

**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, 2023 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. 80.690 million against the paid-up capital of Rs. 126.012 million as at December 31, 2023 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 47.949 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

- 2 -

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

  
**ARSHAD RAHEEM & CO**  
CHARTERED ACCOUNTANTS

LAHORE: 28 FEB 2024  
UDIN: RR202310216HEytmM6XI

**J. A. TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	Note	(Un-Audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	569,754,086	577,926,585
Long term deposits		32,145,750	32,145,750
		<hr/>	<hr/>
		601,899,836	610,072,335
<b>CURRENT ASSETS</b>			
Stores and spares		12,534,494	14,437,963
Stock in trade		61,028,159	13,162,644
Trade debts		29,279	-
Advances, prepayments & other receivables		2,250,493	2,621,417
Short-term investment	6	437,381	366,162
Balance with statutory authorities		27,467,182	18,747,035
Cash and bank balances		58,564,413	163,318,064
		<hr/>	<hr/>
		162,311,401	212,653,285
		<hr/>	<hr/>
		764,211,237	822,725,620
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
20,000,000 ordinary shares of Rs.10 each		<hr/>	<hr/>
		200,000,000	200,000,000
<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		(80,690,287)	(57,238,974)
Surplus/(Deficit) on remeasurement of investments			
available for sale to fair value		59,473	(11,746)
Surplus on revaluation of			
property, plant and equipment	7	276,923,349	282,469,875
Loan from related parties	8	127,706,118	128,768,659
		<hr/>	<hr/>
		450,010,253	479,999,414
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities	9	103,940,225	106,305,116
<b>CURRENT LIABILITIES</b>			
Trade and other payables		209,817,039	235,977,370
Unclaimed dividend		443,720	443,720
		<hr/>	<hr/>
		210,260,759	236,421,090
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-
		<hr/>	<hr/>
		764,211,237	822,725,620

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

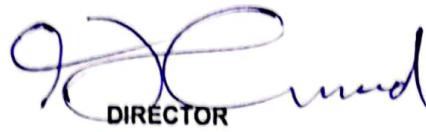
**J. A. TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Note	Half year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2023	2022	2023	2022
----- Rupees -----					
Sales - net	11	117,884,000	33,685,700	69,725,000	-
Cost of sales	12	145,863,138	66,364,128	87,650,651	20,447,143
Gross (Loss)/Profit		(27,979,138)	(32,678,428)	(17,925,651)	(20,447,143)
<b>Operating expenses</b>					
Administrative expenses		8,374,265	8,727,463	3,933,051	4,222,487
Distribution cost		63,800	-	63,800	-
		8,438,065	8,727,463	3,996,851	4,222,487
		(36,417,203)	(41,405,891)	(21,922,502)	(24,669,630)
Other Operating Income		6,530,053	14,527,695	1,472,495	6,686,259
		(29,887,150)	(26,878,196)	(20,450,007)	(17,983,371)
Finance Cost		2,030	464	2,030	464
(Loss)/Profit before taxation		(29,889,180)	(26,878,660)	(20,452,037)	(17,983,835)
Taxation		(891,341)	14,265,729	(688,510)	13,844,658
(Loss)/Profit for the period		(28,997,839)	(41,144,389)	(19,763,527)	(31,828,493)
(Loss)/Profit per share - basic and diluted		(2.30)	(3.27)	(1.57)	(2.53)

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, 2023

	Half year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees			
(Loss) /Profit for the period	(28,997,839)	(41,144,389)	(19,763,527)	(31,828,493)
Other comprehensive Income:				
Items that may be subsequently reclassified to profit or loss				
Unrealized Profit/(Loss) on changes in fair value of investment	71,219	851	21,072	6,635
Total comprehensive Income for the period	<u>(28,926,620)</u>	<u>(41,143,538)</u>	<u>(19,742,455)</u>	<u>(31,821,858)</u>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information  
 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, 2023**

	Half year Ended	
	December 31, 2023	December 31, 2022
	----- Rupees -----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(29,889,180)	(26,878,660)
<b>Adjustments for non cash and other items:</b>		
Depreciation	12,941,652	13,096,477
Profit on deposit accounts	(6,530,053)	(12,800,679)
Gain on disposal of Machinery	-	(1,727,016)
Finance cost	2,030	464
<b>Cash generated before changes in working capital</b>	<b>(23,475,551)</b>	<b>(28,309,414)</b>
<b>Changes in working capital</b>		
(Increase)/decrease in current assets		
Stores and spares	1,903,469	1,116,846
Stock in trade	(47,865,515)	27,236,202
Trade debts	(29,279)	31,063
Advances, prepayments & other receivables	370,924	1,938,049
Balance with statutory authorities	(7,440,334)	(2,721,097)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	(26,160,331)	(19,255,185)
	(79,221,066)	8,345,878
<b>Cash generated from operations</b>	<b>(102,696,617)</b>	<b>(19,963,536)</b>
Finance cost paid	(2,030)	(464)
Taxes Paid	(2,753,363)	(2,907,199)
	(2,755,393)	(2,907,663)
<b>Net cash generated from / (used in) operating activities</b>	<b>(105,452,010)</b>	<b>(22,871,199)</b>
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipment	(4,769,153)	(19,217,500)
Sale Proceed on Disposal of Machinery	-	2,275,000
Profit on deposit accounts	6,530,053	12,800,679
<b>Net cash (used in) / generated from investing activities</b>	<b>1,760,900</b>	<b>(4,141,821)</b>
<b>c) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from related parties paid	(1,062,541)	(376,060)
<b>Net cash used in financing activities</b>	<b>(1,062,541)</b>	<b>(376,060)</b>
<b>Net decrease / increase in cash and cash equivalents (a+b+c)</b>	<b>(104,753,651)</b>	<b>(27,389,080)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>163,318,064</b>	<b>219,671,541</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>58,564,413</b>	<b>192,282,461</b>

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

  
**CHIEF EXECUTIVE OFFICER**

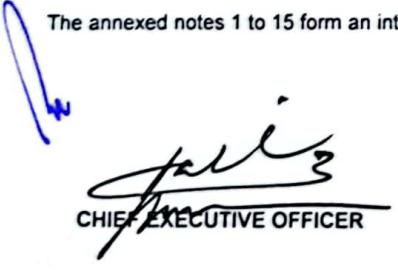
  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**J. A. TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	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
<b>— Rupees —</b>						
<b>Balance as at July 01, 2022</b>	126,011,600	(34,487,054)	(9,683)	293,289,400	129,796,213	514,600,476
(Loss)/Profit for the period	-	(41,144,389)	-	-	-	(41,144,389)
Other comprehensive Income		-	851	-	-	851
Transfer of incremental depreciation on revalued property, plant and equipment for the period	-	7,619,383	-	(7,619,383)	-	-
Tax effect on incremental depreciation	-	(1,769,696)	-	1,769,696	-	-
Repayment of loan from related parties	-	-	-	-	(376,060)	(376,060)
<b>Balance as at December 31, 2022</b>	<b>126,011,600</b>	<b>(69,781,756)</b>	<b>(8,832)</b>	<b>287,439,713</b>	<b>129,420,153</b>	<b>473,080,878</b>
<b>Balance as at July 01, 2023</b>	<b>126,011,600</b>	<b>(57,238,974)</b>	<b>(11,746)</b>	<b>282,469,875</b>	<b>128,768,659</b>	<b>479,999,414</b>
(Loss)/Profit for the period	-	(28,997,839)	-	-	-	(28,997,839)
Other comprehensive Income		-	71,219	-	-	71,219
Transfer of incremental depreciation on revalued assets for the period	-	7,222,039	-	(7,222,039)	-	-
Tax effect on incremental depreciation	-	(1,675,513)	-	1,675,513	-	-
Repayment of loan from related parties	-	-	-	-	(1,062,541)	(1,062,541)
<b>Balance as at December 31, 2023</b>	<b>126,011,600</b>	<b>(80,690,287)</b>	<b>59,473</b>	<b>276,923,349</b>	<b>127,706,118</b>	<b>450,010,253</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, 2023**

## **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, Sheikhupura 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. 80.690 million (June 30, 2023: Rs. 57.239 million) as against issued, subscribed and paid up capital of Rs.126.012 million as at December 31, 2023 and as of that date, the Company's current liabilities exceeds its current assets by Rs.47.949 million (June 30, 2023: Rs. 23.768 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.

Inspite 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 Accounting Standard (IAS) 34-interim Financial Reporting, issued by the International Accounting Standard 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, 2023.

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, 2023 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, 2023.

**3. MATERIAL ACCOUNTING POLICIES INFORMATION**

- 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, 2023.
- 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, 2023.
- 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, 2023.



## 5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / REVALUATION					DEPRECIATION				BOOK VALUE	Rate %
	As at July 01, 2023	Additions/ transfers during the period	Revaluation surplus	Deletion transfer during the period	As at December 31, 2023	As at July 01, 2023	Deletion during the year	For the Period	As at December 31, 2023		
Rupees											
Freehold land	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-
Building on freehold land											
-factory	154,892,446	-	-	-	154,892,446	32,191,615	-	3,067,521	35,259,136	119,833,310	5%
-residential	30,301,188	-	-	-	30,301,188	6,394,324	-	597,672	6,991,996	23,309,192	5%
Plant and machinery	339,264,228	-	-	-	339,264,228	28,701,326	-	7,784,073	36,465,399	302,798,829	5%
Power Generators	31,500,001	-	-	-	31,500,001	13,887,471	-	880,627	14,768,098	16,731,903	10%
Electric installations	10,086,872	4,769,153	-	-	14,856,025	2,224,925	-	393,097	2,618,022	12,238,003	10%
Factory equipments	7,000,000	-	-	-	7,000,000	3,084,446	-	195,778	3,230,224	3,719,778	10%
Electric appliances	940,688	-	-	-	940,688	873,409	-	3,364	876,773	63,915	10%
Office equipments	2,917,855	-	-	-	2,917,855	2,526,636	-	19,561	2,546,197	371,858	10%
Furniture and fixtures	290,516	-	-	-	290,516	274,781	-	787	275,568	14,948	10%
Vehicles	4,839,307	-	-	-	4,839,307	4,647,583	-	19,172	4,666,755	172,552	20%
Rupees: December 2023	672,733,101	4,769,153	-	-	677,502,254	94,806,516	-	12,941,652	107,748,192	569,754,086	

PARTICULARS	COST / REVALUED AMOUNTS					DEPRECIATION				BOOK VALUE	Rate %
	As at July 01, 2022	Additions/ transfers during the Year	Revaluation during the year	Deletion	As at June 30, 2023	As at July 01, 2022	Deletion during the year	For the Year	As at June 30, 2023		
Rupees											
Land - freehold	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-
Building on freehold land											
-factory	154,892,446	-	-	-	154,892,446	25,733,676	-	6,457,939	32,191,615	122,700,831	5%
-residential	30,301,188	-	-	-	30,301,188	5,136,068	-	1,258,256	6,394,324	23,309,864	5%
Plant and machinery	338,819,428	14,295,000	-	13,850,200	339,264,228	25,883,200	(13,315,915)	16,134,041	28,701,326	310,562,902	5%
Power generators	31,500,001	-	-	-	31,500,001	11,930,523	-	1,956,948	13,887,471	17,812,530	10%
Electric installation	4,788,310	5,298,562	-	-	10,086,872	1,415,178	-	809,747	2,224,925	7,861,947	10%
Factory Equipments	7,000,000	-	-	-	7,000,000	2,649,384	-	435,062	3,084,446	3,915,554	10%
Electric appliances	940,688	-	-	-	940,688	865,933	-	7,476	873,409	67,279	10%
Office equipments	2,917,855	-	-	-	2,917,855	2,483,167	-	43,469	2,526,636	391,219	10%
Furniture and fixture	290,516	-	-	-	290,516	273,033	-	1,748	274,781	15,735	10%
Vehicles	4,839,307	-	-	-	4,839,307	4,599,652	-	47,931	4,647,583	191,724	20%
Rupees: June 2023	666,989,739	19,593,562	-	13,850,200	672,733,101	80,969,814	(13,315,915)	27,152,617	94,806,516	577,926,585	

Un-Audited	Audited
December 31, 2023	June 30, 2023
Rupees	

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

Cost of sales	12,902,132	27,059,468
Administrative expenses	39,520	93,147
	12,941,652	27,152,615

	Note	(Un-Audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>6. SHORT-TERM INVESTMENT</b>			
Available for sale			
NAFA Government Securities Liquid Fund		<u>437,381</u>	<u>366,162</u>

6.1 These have been valued by using published net asset value (NAV) as at December 31, 2023. The number of units held by the Company are 39,116.47 units (June 30, 2023: 24,180.91 units).

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

Balance as on July 01	282,469,875	293,289,400
Surplus on revaluation created during the period/year	-	-
	<u>282,469,875</u>	<u>293,289,400</u>
Incremental depreciation on revalued property, plant and equipment for the period/year	(7,222,039)	(15,238,768)
Related effect of deferred tax liability	1,675,513	4,419,243
	<u>(5,546,526)</u>	<u>(10,819,525)</u>
	<u>276,923,349</u>	<u>282,469,875</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 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	<u>127,706,118</u>	<u>128,768,659</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.



		(Un-Audited)	(Audited)
		December 31,	June 30,
	Note	2023	2023
		Rupees	Rupees
<b>9. DEFERRED LIABILITIES</b>			
Deferred taxation	9.1	103,940,225	106,305,116
		<u>103,940,225</u>	<u>106,305,116</u>
<b>9.1 DEFERRED TAXATION</b>			
Balance as on July 01		106,305,116	109,144,401
Provided /(Adjusted) during the period / year		(2,364,891)	(2,839,285)
Balance as on December 31		<u>103,940,225</u>	<u>106,305,116</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 2023	December 31 2022	December 31 2023	December 31 2022
		Rupees	Rupees	Rupees	Rupees
Yarn sales		117,884,000	33,685,700	69,725,000	-
		<u>117,884,000</u>	<u>33,685,700</u>	<u>69,725,000</u>	<u>-</u>

Yarn sales



<b>12. COST OF SALES</b>	<b>Note</b>	<b>(Un-Audited)</b>			
		<b>Half Year Ended</b>		<b>Quarter Ended</b>	
		<b>December 31</b>	<b>December 31</b>	<b>December 31</b>	<b>December 31</b>
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Raw material consumed		88,957,889	-	-	-
Stores and spares consumed		6,224,822	7,551,401	1,654,215	2,401,749
Packing material consumed		596,047	2,730	417	280
Salaries and wages		13,919,502	12,549,455	4,245,376	9,074,102
Retirement benefits		682,705	670,806	305,404	334,210
Fuel and power		30,660,132	3,422,695	5,541,675	998,600
Repairs and maintenance		459,672	933,753	171,200	503,410
Vehicles running and maintenance		765,798	640,663	275,020	533,238
Depreciation	(5.1)	12,902,132	13,049,903	6,451,067	6,449,146
Others		600,439	308,690	346,777	152,408
Cost of goods manufactured		155,769,138	39,130,096	18,991,151	20,447,143
Inventory effect of finished goods					
Opening balance		-	27,234,032	78,565,500	-
Closing balance		(9,906,000)	-	(9,906,000)	-
		(9,906,000)	27,234,032	68,659,500	-
		<u>145,863,138</u>	<u>66,364,128</u>	<u>87,650,651</u>	<u>20,447,143</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:-

<b>(Un-Audited)</b>			
<b>Half Year Ended</b>			
<b>December 31</b>	<b>December 31</b>		
<b>2023</b>	<b>2022</b>		
<b>-----Rupees-----</b>			

Employee provident fund trust- Company's contribution	945,073	910,848
Net payments - Directors	1,062,541	376,060

**14. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information were authorized for issue on 28 FEB 2024 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