

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

**December 31st
2023**

(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 st 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, 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.

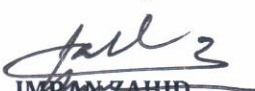
There is no material change in position of on going litigation and other matters related to court as reported in the Directors' report to the shareholders for the year ended June 30, 2023.

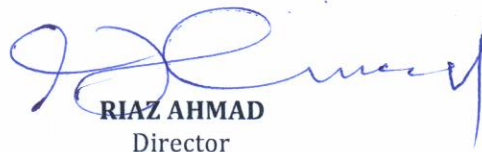
Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

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

جے اے ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کے لیے کمپنی کے مختصر عبوری مالیاتی بیانات پیش کرنے پر خوشی ہے۔

مالیاتی نتائج:

آپریٹنگ تفصیلات

روپے (ملین میں)

ششماہی سال کا اختتام	ششماہی سال کا اختتام
31 دسمبر 2022	31 دسمبر 2023
33,685,700	117,884,000
(32,678,428)	(27,979,138)
(26,878,660)	(29,887,150)
(14,265,729)	891,341
(41,144,389)	(28,997,839)
(3.27)	(2.30)

فروخت

مجموعی منافع / (خسارہ)

قبل از ٹیکس منافع / (خسارہ)

ٹیکس کے لیے پروویژن

ٹیکسیشن کے بعد نقصان

منافع / (خسارہ) فی شیئر

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

ٹیکسٹائل انڈسٹری میں عالمی مسلسل کساد بازاری کی موجودہ معلوم حقیقت کی وجہ سے، انتظامیہ نے پھر اپنے کاروبار کو بند کرنے کا فیصلہ کیا۔ مقامی اور عالمی منڈی میں اس وسیع گراؤ کے ساتھ ساتھ یارن کی قیمتوں میں کمی کا رجحان اور میٹیل اور ایندھن کی قیمتوں میں اضافہ بھاری نقصان کا باعث بن سکتا ہے۔

مزید برآں انتظامیہ کو امید ہے کہ آنے والی کپاس کی فصل مناسب قیمتوں پر دستیاب ہوگی اور حکومت ایندھن اور بجلی کی قیمتوں پر بھی نظر ثانی کرے گی اور ٹیکسٹائل انڈسٹری کو ترجیحی نرخ دے گی۔ کنڈینڈ عبوری مالیاتی بیانات کے نوٹ 1.2 سے متعلق آڈیٹر کے تحفظات کے بارے میں، کمپنی کی انتظامیہ کمپنی کے منافع کو بہتر بنانے کیلئے سخت کوششیں، بہترین پیداواری حکمت عملی اور لاگت موثر کنٹرول کر رہی ہے۔ انتظامیہ مثبت طور پر تمام چیلنجوں کا مقابلہ کرنے کے لیے پرعزم ہے اور بہترین ممکنہ نتائج فراہم کرنے کے لیے پرعزم ہے اور اپنے مقاصد اور اہداف کو پورا کرتی رہے گی۔ ان پہلوؤں کی بنیاد پر اور ڈائریکٹرز اور ایسوسی ایشن کی جانب سے جاری مالی تعاون کی بنیاد پر مالیاتی گوشواروں کو تنویش کی بنیاد پر تیار کیا گیا ہے۔

30 جون 2023 کو ختم ہونے والے سال کے لیے شیئر ہولڈرز کو ڈائریکٹرز 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 وسعت کی بنیاد پر کیا جاتا ہے۔ قیمتوں کا تعین غیر کنٹرول شدہ قیمت کے تقابلی طریقہ کے مطابق کیا جاتا ہے۔

جے اے ٹیکسٹائل ملز لمیٹڈ اور اس کے تمام شراکت داروں، ملک کے اندر اور دنیا میں پوری ٹیم کی لگن اور محنت کیلئے ان کی تعریف کا اظہار کرتا چاہتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

ریاض احمد

ڈائریکٹر

28 فروری 2024

فیصل آباد

چیف ایگزیکٹو آفیسر

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

FAISALABAD
FEBRUARY 28, 2024



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 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۔ اگرچہ مثبت رویہ رکھتے ہوئے، ہم دونوں بازاروں میں اس شدید وسیع مندی کا اندازہ لگانے کے لیے نا اہل ہیں۔ ہمیں امید ہے کہ آنے والی کپاس کی فصل مناسب قیمتوں پر دستیاب ہوگی اور حکومت ایندھن اور بجلی کی قیمتوں پر بھی نظر ثانی کرے گی اور ٹیکسٹائل انڈسٹری کو ترجیحی نرخ دے گی۔ میں بورڈ آف ڈائریکٹرز کی طرف سے کاروبار کو ترقی دینے اور جاری عالمی کساد بازاری سے پیدا ہونے والے مسائل کو حل کرنے کے لیے کی جانے والی کوششوں کی قدر کرتا ہوں۔ انتظامیہ کمپنی کی مالی کارکردگی کو برقرار رکھنے پر توجہ مرکوز رکھنے کے لئے پرعزم ہے۔ ہم اپنے حصص یافتگان، صارفین، بینکرز اور عملے کا کمپنی میں تعاون اور اعتماد کیلئے شکریہ ادا کرتے ہیں۔ آخر میں، میں بورڈ آف ڈائریکٹرز کو ان کے عزم، محنت اور کمپنی کی بہتری کے لیے مسلسل کوششوں کے لیے سراہنا چاہوں گا۔

بورڈ آف ڈائریکٹرز کی طرف سے



ریاض احمد

چیئرمین بورڈ آف ڈائریکٹرز

28 فروری 2024

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, 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 POSTION
AS AT DECEMBER 31, 2023

	Note	(Un-Audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	569,754,086	577,926,585
Long term deposits		32,145,750	32,145,750
		<u>601,899,836</u>	<u>610,072,335</u>
CURRENT ASSETS			
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
		<u>162,311,401</u>	<u>212,653,285</u>
		<u>764,211,237</u>	<u>822,725,620</u>
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 ordinary shares of Rs.10 each		<u>200,000,000</u>	<u>200,000,000</u>
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		(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
		<u>450,010,253</u>	<u>479,999,414</u>
NON CURRENT LIABILITIES			
Deferred liabilities	9	103,940,225	106,305,116
CURRENT LIABILITIES			
Trade and other payables		209,817,039	235,977,370
Unclaimed dividend		443,720	443,720
		<u>210,260,759</u>	<u>236,421,090</u>
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		<u>764,211,237</u>	<u>822,725,620</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, 2023

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


 CHIEF EXECUTIVE OFFICER

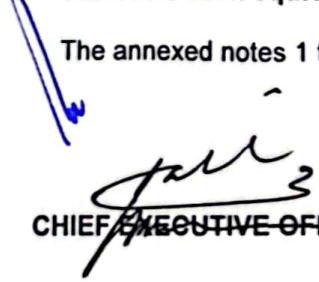

 DIRECTOR


 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 -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(29,889,180)	(26,878,660)
Adjustments for non cash and other items:		
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
Cash generated before changes in working capital	(23,475,551)	(28,309,414)
Changes in working capital		
(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)
Increase/(decrease) in current liabilities		
Trade and other payables	(26,160,331)	(19,255,185)
	(79,221,066)	8,345,878
Cash generated from operations	(102,696,617)	(19,963,536)
Finance cost paid	(2,030)	(464)
Taxes Paid	(2,753,363)	(2,907,199)
	(2,755,393)	(2,907,663)
Net cash generated from / (used in) operating activities	(105,452,010)	(22,871,199)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
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
Net cash (used in) / generated from investing activities	1,760,900	(4,141,821)
c) CASH FLOW FROM FINANCING ACTIVITIES		
Loan from related parties paid	(1,062,541)	(376,060)
Net cash used in financing activities	(1,062,541)	(376,060)
Net decrease / increase in cash and cash equivalents (a+b+c)	(104,753,651)	(27,389,080)
Cash and cash equivalents at the beginning of the period	163,318,064	219,671,541
Cash and cash equivalents at the end of the period	58,564,413	192,282,461

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
	— Rupees —					
Balance as at July 01, 2022	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)
Balance as at December 31, 2022	126,011,600	(69,781,756)	(8,832)	287,439,713	129,420,153	473,080,878
Balance as at July 01, 2023	126,011,600	(57,238,974)	(11,746)	282,469,875	128,768,659	479,999,414
(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)
Balance as at December 31, 2023	126,011,600	(80,690,287)	59,473	276,923,349	127,706,118	450,010,253

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, 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. 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.

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 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	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	119,633,310	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	-	7,764,073	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	3,280,224	3,719,776	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	371,658	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	107,748,168	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	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	23,906,864	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	17,612,530	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	

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

Cost of sales
Administrative expenses

Un-Audited December 31, 2023	Audited June 30, 2023
Rupees	
12,902,132	27,059,468
39,520	93,147
12,941,652	27,152,615

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

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	-	-
	282,469,875	293,289,400
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
	(5,546,526)	(10,819,525)
	276,923,349	282,469,875

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	127,706,118	128,768,659
--	-------------	-------------

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) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
9. DEFERRED LIABILITIES			
Deferred taxation	9.1	103,940,225	106,305,116
		<u>103,940,225</u>	<u>106,305,116</u>
9.1 DEFERRED TAXATION			
Balance as on July 01		106,305,116	109,144,401
Provided /(Adjusted) during the period / year		<u>(2,364,891)</u>	<u>(2,839,285)</u>
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.

	Note	(Un-Audited)			
		Half Year Ended		Quarter Ended	
		December 31 2023 Rupees	December 31 2022 Rupees	December 31 2023 Rupees	December 31 2022 Rupees
11. SALES - net					
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>

(Un-Audited)

		Half Year Ended		Quarter Ended	
		December 31 2023	December 31 2022	December 31 2023	December 31 2022
12. COST OF SALES	Note	Rupees	Rupees	Rupees	Rupees
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	-
		145,863,138	66,364,128	87,650,651	20,447,143

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
2023 2022
-----Rupees-----

Employee provident fund trust- Company's contribution
Net payments - Directors

945,073 910,848
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