Half Yearly REPORT 2024

Leading the Textile Revolution

J.K. SPINNING MILLS LIMITED

Contents

Company Information

Chairman
Mr. Jawed Anwar

Chief Executive
Mr. Faiq Jawed

Directors
Mr. Shaiq Jawed
Mrs. Farhat Jehan
Mrs. Sadaf Aamir Arshad
Mr. Muhammad Tayyab Zahid
Syed Sohaib Mansoor Naqvi

Audit Committee

Chairman	Syed Sohaib Mansoor Naqvi
Members	Mrs.Farhat Jehan
	Mrs.Sadaf Aamir Arshad

HR Committee

Chairman	Mr. Muhammad Tayyab Zahid
Members	Mr.Shaiq Jawed
	Syed Sohaib Mansoor Naqvi

Risk Management Committe

Chairman	Mr. Faiq Jawed
Members	Mr.Shaiq Jawed
	Syed Sohaib Mansoor Naqvi

Nomination Committe

Chairman	Mr. Jawed Anwar
Members	Mr. Faiq Jawed
	Mr.Shaiq Jawed

Director Finance
Mr. Ghulam Muhammad

Company Secretary
Syed Hussain Shahid Mansoor Naqvi

Chief Financial Officer
Khawaja Nadeem Abbas

Head of Internal Audit
Mr. Farhan Safdar

Auditors
Riaz Ahmad & Company
Chartered Accountants

Legal Advisor
Mahfooz Ahmad khan Advocates

Registrar's and Share Registration office
CORPTEC Associates (Pvt.) Ltd.,
503-E, Johar Town, Lahore

Bankers
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
National Bank of Pakistan
Habib Bank Limited
Meezan Bank Limited
Askari Bank Limited
Summit Bank
The Bank of Khyber
Dubai Islamic Bank
Industrial and Commercial Bank of China

Registered office
34-Falcon Enclave, Tufail Road,Lahore
Cantt. Lahore.

Head Office & Mills
29-KM, Sheikhupura Road, khurrianwala
Faisalabad.

Directors' Report to the Shareholders

In the name of Almighty Allah The Most Gracious, The beneficent, The Merciful

Dear Shareholders,

The Directors of your company are pleased to submit Un-audited Financial Statements of the company for the half year ended December 31, 2024.

Financial Results and Operational Performance

Sales clocked in at Rs.21,147.382 million as compared to Rs. 20,430.521 million during the corresponding period registering an Increase of 3.51%. Profit after tax is 1.43% as compared to 2.5% in the corresponding period translating into an EPS of Rs. 2.96 as compared to EPS of Rs.4.99 in corresponding period.

Rising energy cost, expensive raw material and heavy taxation continue to pose significant challenges for Pakistan textile industry. This has intensified competition with regional competition, further ending the profitability of Pakistan textile industry. However, export market is crawling with rising sales due to stability of economy.

The summarized financial results of the company for the half year ended December 31, 2024 are as under:

	Rupees in Million	
Particulars	Half year ended	
	31 December, 2024	31 December, 2023
Revenue from contracts with Customers	21,147.382	20,430.521
Cost of Sales	18,670.817	17,688.140
Gross Profit	2,476.565	2,742.381
Operating Expenses-net	996.919	884.515
Profit from Operations	1,776.816	2,016.026
Finance cost	1,138.154	1,225.576
Profit After taxation	302.692	510.952
Earnings per share – Basic and Diluted (Rupees)	2.96	4.99

In light of the current volatile market conditions, your board of directors has decided not to recommend any interim dividend.

Future Outlook:

Pakistan textile industry, once cornerstone of national economy stands at critical crossroads. The textile industry in Pakistan is a testament to the country resilience and adaptability in the face of global economic slowdown triggered by increased production cost.

JK management has been vigilant in the continuously changing business environment, proactively taking measures to mitigate any potential business risk and remains committed to its stake holders and customers. The strategic focus is to ensure a profitable customer mix and sustainable business practices to achieve steady growth.

Acknowledgment:

The Board of Directors would like to express their gratitude to our esteemed clients and bankers for their unwavering support during our business activities. We also wish to commend the dedication and hard work demonstrated by our staff members and workers. We appreciate the trust and confidence shown by all stakeholders in our company.

For and on behalf of the Board of Directors

Faisalabad
February 25, 2025

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

مارکیٹ کے موجودہ غیر مستحکم حالات کی روشنی میں، آپ کے بورڈ آف ڈائریکٹرز نے کسی عبوری ڈیویڈنڈ کی سفارش نہ کرنے کا فیصلہ کیا ہے۔

مستقبل کا نقطہ نظر:

پاکستان کی ٹیکسٹائل انڈسٹری، جو کبھی قومی معیشت کا سنگ بنیاد تھی، اب اہم سنگم پر کھڑی ہے۔ پاکستان میں ٹیکسٹائل کی صنعت بڑھتی ہوئی پیداواری لاگت کی وجہ سے پیدا ہونے والی عالمی معاشی سست روی کے مقابلہ میں ملک کی لچک اور موافقت کا ثبوت ہے۔ JK انتظامیہ مسلسل بدلتے ہوئے کاروباری ماحول میں چوکس رہی ہے، کسی بھی ممکنہ کاروباری خطرے کو کم کرنے کے لیے سرگرمی سے اقدامات کر رہی ہے اور اپنے اسٹیک ہولڈرز اور صارفین کے لیے پرعزم ہے۔ اسٹریٹجک توجہ ایک منافع بخش کسٹمر مکس اور پائیدار کاروباری طریقوں کو یقینی بنانا ہے تاکہ مستحکم ترقی حاصل کی جاسکے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے گاہکوں اور بنکرز کے کمپنی کے کاروبار میں تعاون پر شکرگزار ہیں ڈائریکٹرز کمپنی کے سٹاف اور مزدوروں کی محنت اور کوششوں کو بھی سراہتے ہیں۔ کمپنی سٹیک ہولڈرز کے پُراعتماد رسپونس کا اقرار کرتی ہے اور شکرگزار بھی ہے۔

منجانب بورڈ آف ڈائریکٹرز:

فیصل آباد: فروری۔25,2025

فائق جاوید	شائق جاوید
چیف ایگزیکٹو	ڈائریکٹر

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

شروع اللہ کے نام سے جو نہایت مہربان اور رحم والا ہے۔

معزز حصص یافتگان،

آپ کی کمپنی کے ڈائریکٹرز سال کی پہلی ششماہی کے اختتام 31 دسمبر 2024 کے مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی نتائج اور آپریٹنگ کارکردگی:

فروخت 21,147.382 ملین روپے کے مقابلے میں 20,430.521 ملین اسی مدت کے دوران 3.51 فیصد کا اضافہ درج کیا گیا۔ ٹیکس کے بعد منافع 1.43% ہے جو کہ اسی مدت میں 2.5% درج کیا گیا۔ جس سے EPS اسی مدت میں 4.99 روپے کے مقابلے میں 2.96 ہو گئی ہے۔

بڑھتی ہوئی تو اانائی کی قیمت، مہنگا خام مال اور بھاری ٹیکسز پاکستان ٹیکسٹائل انڈسٹری کے لیے بدستور اہم چیلنجز ہیں۔ اس نے علاقائی مسابقت کو تیز کر دیا ہے، جس سے پاکستان ٹیکسٹائل انڈسٹری کے منافع کو مزید ختم کر دیا گیا ہے۔ تاہم، معیشت کے استحکام کی وجہ سے برآمدی منڈی کی فروخت بڑھ رہی ہے۔

31 دسمبر 2024 کو ختم ہونے والی ششماہی کے لیے کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

ملین روپے ملین روپے

تفصیلات	اختتام ششماہی	اختتام ششماہی
	31 دسمبر 2024	31 دسمبر 2023
سیلز	21,147.382	20,430.521
سیلز کے اخراجات	18,670.817	17,688.140
خام منافع	2,476.565	2,742.381
آپریٹنگ اخراجات	996.919	884.515
آپریٹنگ منافع	1,776.816	2,016.026
مالی لاگت	1,138.154	1,225.576
منافع بعد از ٹیکس	302.692	510.952
فی شیئر آمدنی	2.96	4.99

Financial Statements

For the Half Year Ended 31 December 2024

Independent Auditor's Review Report

To the members of J.K. Spinning Mills Limited
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of J.K. SPINNING MILLS LIMITED as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 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 31 December 2024.

Scope of Review

We conducted our review in accordance with 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 statements 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 the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Liaqat Ali Panwar.

Riaz Ahmad & co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: February 25, 2025

UDIN: RR202410184fpN9OliBt

Condensed Interim Statement of Financial Position (Un-Audited)

As At 31 December 2024

	NOTE	Un-audited 31 December 2024	Audited 30 June 2024
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200 000 000 (30 June 2024: 200 000 000)			
ordinary shares of Rupees 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital		1,023,175	1,023,175
Capital reserves			
Premium on issue of right shares		60,904	60,904
Merger reserve		289,636	289,636
Surplus on revaluation of freehold land		597,419	597,419
		947,959	947,959
Revenue reserve - unappropriated profit		11,826,539	11,523,847
Total reserves		12,774,498	12,471,806
TOTAL EQUITY		13,797,673	13,494,981
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	2,383,867	2,741,448
Lease liability		30,102	37,677
Deferred income - government grant		200,799	252,209
		2,614,768	3,031,334
CURRENT LIABILITIES			
Trade and other payables		2,745,514	2,887,196
Accrued mark-up		310,616	355,641
Short term borrowings	4	11,340,236	9,763,274
Unclaimed dividend		749	749
Current portion of non-current liabilities		888,412	919,687
Provision for taxation and levy - net		123,583	112,149
		15,409,110	14,038,696
TOTAL LIABILITIES		18,023,878	17,070,030
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		31,821,551	30,565,011

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

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-Audited)

As At 31 December 2024

	NOTE	Un-audited 31 December 2024	Audited 30 June 2024
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,955,282	11,290,876
Right-of-use asset		53,192	59,102
Long term investment		-	-
Long term deposits		17,122	1,081
		11,025,596	11,351,059
CURRENT ASSETS			
Stores, spare parts and loose tools		384,037	324,899
Stock-in-trade		13,584,616	10,674,019
Trade debts		3,218,043	4,293,691
Advances		293,171	103,179
Short term deposits and prepayments		51,694	53,659
Other receivables		182,886	184,088
Sales tax refundable		2,185,505	2,940,152
Short term investments		507,499	191,609
Cash and bank balances		388,504	448,656
		20,795,955	19,213,952
TOTAL ASSETS		31,821,551	30,565,011

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

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	NOTE	Half year ended		Quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Revenue from contracts with customers	7	21,147,382	20,430,521	10,703,319	9,342,552
Cost of sales	8	(18,670,817)	(17,688,140)	(9,603,630)	(8,110,570)
Gross Profit		2,476,565	2,742,381	1,099,689	1,231,982
Distribution cost		(666,025)	(537,243)	(317,390)	(290,492)
Administrative expenses		(279,792)	(290,000)	(126,493)	(135,123)
Other expenses		(51,102)	(57,272)	(27,693)	(24,321)
		(996,919)	(884,515)	(471,576)	(449,936)
		1,479,646	1,857,866	628,113	782,046
Other income		297,170	158,160	207,795	141,636
Profit from operations		1,776,816	2,016,026	835,908	923,682
Finance cost		(1,138,154)	(1,225,576)	(559,768)	(634,745)
Profit before levy and taxation		638,662	790,450	276,140	288,937
Levy		(161,337)	(279,498)	(3,998)	(135,492)
Profit before taxation		477,325	510,952	272,142	153,445
Taxation		(174,633)	-	(174,633)	-
Profit after Taxation		302,692	510,952	97,509	153,445
Earnings per share - basic and diluted (Rupees)		2.96	4.99	0.95	1.50

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

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

Condensed Interim
Statement of Comprehensive Income (Un-Audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Profit after taxation	302,692	510,952	97,509	153,445
Other comprehensive income:				
Items that will not be reclassified to profit or loss in subsequent periods	-	-	-	-
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	302,692	510,952	97,509	153,445

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

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	SHARE CAPITAL	RESERVES						TOTAL EQUITY
		CAPITAL RESERVES				REVENUE RESERVE	TOTAL	
		PREMIUM ON ISSUE OF RIGHT SHARES	MERGER RESERVE	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	UNAPPROPRIATED PROFIT		
	(RUPEES IN THOUSAND)							
Balance as at 30 June 2023 - (Audited)	1,023,175	60,904	289,636	597,419	947,959	10,517,336	11,465,295	12,488,470
Profit for the half year ended 31 December 2023	-	-	-	-	-	510,952	510,952	510,952
Other comprehensive income for the half year ended 31 December 2023	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2023	-	-	-	-	-	510,952	510,952	510,952
Balance as at 31 December 2023 - (Un-audited)	1,023,175	60,904	289,636	597,419	947,959	11,028,288	11,976,247	12,999,422
Profit for the half year ended 30 June 2024	-	-	-	-	-	495,559	495,559	495,559
Other comprehensive income for the half year ended 30 June 2024	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 30 June 2024	-	-	-	-	-	495,559	495,559	495,559
Balance as at 30 June 2024 - (Audited)	1,023,175	60,904	289,636	597,419	947,959	11,523,847	12,471,806	13,494,981
Profit for the half year ended 31 December 2024	-	-	-	-	-	302,692	302,692	302,692
Other comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	302,692	302,692	302,692
Balance as at 31 December 2024 - (Un-audited)	1,023,175	60,904	289,636	597,419	947,959	11,826,539	12,774,498	13,797,673

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

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	NOTE	Half year ended 31 December 2024	31 December 2023
		(RUPEES IN THOUSAND)	
Cash flows from operating activities			
Cash generated from / (used in) operations	9	823,266	(132,354)
Finance cost paid		(1,169,963)	(1,207,477)
Mark-up paid on leases liabilities		(4,233)	(4,278)
Income tax and levy paid		(324,536)	(191,980)
Net (increase) / decrease in long term deposits		(16,041)	23,200
Workers' profit participation fund paid		-	(101,944)
Net cash used in operating activities		(691,507)	(1,614,833)
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		(213,993)	(340,964)
Proceeds from sale of property, plant and equipment		12,519	19,666
Proceeds from sale of investments		23,838	-
Investments made		(326,050)	(30,130)
Profit on saving accounts and term deposit receipts received		12,477	16,901
Net cash used in investing activities		(491,209)	(334,527)
Cash flows from financing activities			
Proceeds from long term financing		8,169	-
Repayment of long term financing		(450,769)	(368,104)
Repayment of lease liabilities		(5,654)	(9,240)
Short term borrowings - net		1,576,962	2,507,292
Net cash from financing activities		1,128,708	2,129,948
Net (decrease) / increase in cash and cash equivalents		(54,008)	180,588
Net foreign exchange difference on translating bank balances		(6,144)	(10,423)
Cash and cash equivalents at the beginning of the period		448,656	372,236
Cash and cash equivalents at the end of the period		388,504	542,401

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

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

1. THE COMPANY AND ITS ACTIVITIES

J.K. Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 07 January 1987 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited on 24 September 1990. Its registered office is situated at 34-Falcon Enclave, Tufail Road, Lahore Cantt. The head office and factory premises of the Company are located at 29-Kilometers, Sheikhupura Road, Faisalabad. The Company is engaged in business of textile manufacturing which comprises spinning, weaving, processing, stitching, buying, selling and otherwise dealing in yarn, fabrics and other goods.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures as required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2024.

2.3 Material accounting policy information

The material accounting policy information and methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2024.

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The 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.

Judgements and estimates in the preparation of these condensed interim financial statements are the same as those that were applied to the annual audited financial statements of the Company for the year ended 30 June 2024.

2.5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended 30 June 2024.

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

		Un-audited 31 December 2024	Audited 30 June 2024
		(RUPEES IN THOUSAND)	
3.	**LONG TERM FINANCING**		
	From banking companies - secured		
	Opening balance	3,535,230	3,866,229
	Add:		
	Obtained during the period / year	8,169	350,631
	Amortization during the period / year	60,097	128,628
		3,603,496	4,345,488
	Less: Repaid during the period / year	450,769	810,258
		3,152,727	3,535,230
	Less: Current portion shown under current liabilities	768,860	793,782
		2,383,867	2,741,448
4.	**SHORT TERM BORROWINGS**		
	From banking companies - secured		
	Export refinances	3,341,000	2,190,331
	Other short term finances	7,999,236	7,072,943
		11,340,236	9,263,274
	Others - unsecured		
	Related parties	-	500,000
		11,340,236	9,763,274

5. **CONTINGENCIES AND COMMITMENTS**

a) **Contingencies**

There is no significant change in the status of contingencies as disclosed in Note 13 to the annual audited financial statements of the Company for the year ended 30 June 2024, except as mentioned below:

i) Guarantees of Rupees 468.277 million (30 June 2024: Rupees 440.423 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited and Faisalabad Electric Supply Company Limited against gas connections and electricity connection respectively.

ii) Post dated cheques and security cheques of Rupees 6,323.338 million (30 June 2024: Rupees 6,329.303 million) have been issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans along with covering full amount plus profit against diminishing musharakah to First Habib Modaraba. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.

b) Commitments

i) Letters of credit for capital expenditure are of Rupees 148.021 million (30 June 2024: Rupees 59.078 million).

ii) Letters of credit other than for capital expenditure are of Rupees 2,553.623 million (30 June 2024: Rupees 3,802.973 million).

iii) Outstanding foreign currency forward contracts are of Rupees 4,724.900 million (30 June 2024: Rupees 4,818.549 million).

iv) Ijarah commitments are of Rupees 2.307 million (30 June 2024: Rupees 6.984 million).

		NOTE	Un-Audited 31 December 2024	Audited 30 June 2024
			(Rupees in thousand)	
6.	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	6.1	10,679,239	11,030,486
	Capital work-in-progress	6.2	276,043	260,390
			10,955,282	11,290,876
6.1	**Operating fixed assets**			
	Opening book value		11,030,486	11,131,327
	Add: Cost of additions during the period / year	6.1.1	198,340	1,042,606
			11,228,826	12,173,933
	Less: Book value of deletions during the period / year	6.1.2	11,644	49,968
			11,217,182	12,123,965
	Less: Depreciation charged during the period / year		537,943	1,093,479
			10,679,239	11,030,486
6.1.1	**Cost of additions during the period / year**			
	Freehold land		808	2,198
	Buildings on freehold land		-	459,720
	Plant and machinery		33,750	173,231
	Factory tools and equipment		-	29,788
	Electric installations and appliances		8,130	251,946
	Vehicles		155,652	125,723
			198,340	1,042,606

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

		NOTE	Un-Audited 31 December 2024	Audited 30 June 2024
			(Rupees in thousand)	
6.1.2	**Book value of deletions during the period / year**			
	Plant and machinery		4,197	10,918
	Vehicles		7,447	39,050
			11,644	49,968
6.2	**Capital work-in-progress**			
	Freehold land		26,152	14,843
	Buildings on freehold land		169,056	148,806
	Plant and machinery		61,096	-
	Vehicles		19,739	92,644
	Electric installations and appliances		-	4,097
			276,043	260,390

		(Un-audited)			
		Half year ended		Quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(RUPEES IN THOUSAND)			
7.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**				
	Export sales	11,802,562	10,067,994	5,608,762	4,384,570
	Local sales - net	9,303,576	10,330,884	5,074,384	4,944,365
	Export rebate	41,244	31,643	20,173	13,617
		21,147,382	20,430,521	10,703,319	9,342,552
8.	**COST OF SALES**				
	Raw materials consumed	12,517,474	12,929,883	6,500,566	6,349,064
	Stores, spare parts and loose tools consumed	772,627	644,748	419,855	303,061
	Packing materials consumed	373,668	291,406	211,306	143,339
	Processing, sizing and conversion charges	1,859,365	1,107,137	924,278	655,952
	Fuel and power	2,136,635	1,862,455	993,411	973,934
	Salaries, wages and other benefits	829,925	853,930	389,460	420,269
	Repair and maintenance	20,199	25,015	8,485	11,179
	Insurance	23,499	20,276	10,061	9,928
	Other factory overheads	10,731	10,863	5,750	5,243
	Depreciation on property, plant and equipment	479,662	485,330	240,118	243,751
		19,023,785	18,231,043	9,703,290	9,115,720

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(RUPEES IN THOUSAND)			
Work-in-process:				
Opening stock	1,105,335	957,701	1,390,842	955,863
Closing stock	(1,306,887)	(1,362,945)	(1,306,887)	(1,362,945)
	(201,552)	(405,244)	83,955	(407,082)
Cost of goods manufactured	18,822,233	17,825,799	9,787,245	8,708,638
Finished goods:				
Opening stock	3,627,585	3,012,656	3,595,386	2,552,247
Closing stock	(3,779,001)	(3,150,315)	(3,779,001)	(3,150,315)
	(151,416)	(137,659)	(183,615)	(598,068)
	18,670,817	17,688,140	9,603,630	8,110,570

		NOTE	(Un-audited) Half year ended 31 December 2024	31 December 2023
			(RUPEES IN THOUSAND)	
9.	CASH GENERATED FROM / (USED IN) OPERATIONS			
	Profit before taxation and levy		638,662	790,450
	Adjustments for non-cash charges and other items:			
	Depreciation on property, plant and equipment		537,943	537,752
	Depreciation on right-of-use assets		5,910	7,388
	Finance cost		1,138,154	1,225,576
	Net exchange loss		12,297	4,319
	Allowance / (reversal of allowance) for expected credit losses		1,913	(1,088)
	Provision for workers' welfare fund		12,324	13,385
	Provision for workers' profit participation fund		32,431	35,224
	(Gain) / loss on sale of property, plant and equipment		(875)	439
	Gain on sale of investments at FVTPL		(10,298)	-
	Profit on saving accounts and term deposit receipts		(31,962)	(16,909)
	Unrealized gain on remeasurement of investments at FVTPL		(3,379)	(12,625)
	Working capital changes	9.1	(1,509,854)	(2,716,265)
			823,266	(132,354)

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

		NOTE	(Un-audited) Half year ended 31 December 2024	31 December 2023
			(RUPEES IN THOUSAND)	
9.1	**Working capital changes**			
	(Increase) / decrease in current assets:			
	Stores, spare parts and loose tools		(59,138)	(88,987)
	Stock-in-trade		(2,910,597)	(2,041,192)
	Trade debts		1,064,932	(494,693)
	Advances		(189,992)	(188,131)
	Short term deposits and prepayments		1,965	(37,232)
	Other receivables		23,749	(27,552)
	Sales tax refundable		754,647	(254,827)
			(1,314,434)	(3,132,614)
	(Decrease) / increase in trade and other payables		(195,420)	416,349
			(1,509,854)	(2,716,265)

10. TRANSACTIONS WITH RELATED PARTIES

Detail of transactions and balances with related parties is as follows:

	(Un-audited) Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
i) Transactions				
Associate				
J.K. Tech (Private) Ltd (JKTPL)				
Service charges	1,320	1,260	660	630
Rental income	1,200	1,140	600	570
Expenses paid on behalf of JKTPL	70	61	9	61
Other related parties:				
Company's contribution to Employees' Provident Fund Trust	36,929	32,278	19,681	18,174
Remuneration paid to Chief Executive Officer, directors and executives	95,867	92,584	51,083	50,085
Vehicles sold to executives	10,842	9,084	1,161	7,121
Loans (repaid to) / obtained from Chief Executive Officer and director - net	(500,000)	500,000	(700,000)	200,000

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	(Un-audited) 31 December 2024	Audited 30 June 2024
	(RUPEES IN THOUSAND)	
ii) Period end balances		
Associate		
Trade and other payables	306	256
Other related parties		
Short term borrowings	-	500,000
Loans and advances	6,884	3,713

11. SEGMENT INFORMATION

	Spinning		Fabric		Elimination of Inter-segment transactions		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(RUPEES IN THOUSAND)							
Revenue from contracts with customers								
External	9,053,377	10,000,814	12,094,005	10,429,707	-	-	21,147,382	20,430,521
Intersegment	1,279,733	1,586,219	-	-	(1,279,733)	(1,586,219)	-	-
	10,333,110	11,587,033	12,094,005	10,429,707	(1,279,733)	(1,586,219)	21,147,382	20,430,521
Cost of sales	(9,237,276)	(10,172,686)	(10,713,274)	(9,101,673)	1,279,733	1,586,219	(18,670,817)	(17,688,140)
Gross profit	1,095,834	1,414,347	1,380,731	1,328,034	-	-	2,476,565	2,742,381
Distribution cost	(116,076)	(85,112)	(549,949)	(452,131)	-	-	(666,025)	(537,243)
Administrative expenses	(162,615)	(178,012)	(117,177)	(111,988)	-	-	(279,792)	(290,000)
	(278,691)	(263,124)	(667,126)	(564,119)	-	-	(945,817)	(827,243)
Profit before levy and taxation and unallocated income and expenses	817,143	1,151,223	713,605	763,915	-	-	1,530,748	1,915,138
Unallocated income and expenses								
Other expenses							(51,102)	(57,272)
Other income							297,170	158,160
Finance cost							(1,138,154)	(1,225,576)
Levy							(161,337)	(279,498)
Taxation							(174,633)	-
Profit after taxation							302,692	510,952

11.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric		Total Company	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 December 2024	30 June 2024	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	20,010,234	18,944,944	9,625,812	8,679,915	29,636,046	27,624,859
Sales tax refundable					2,185,505	2,940,152
Total assets as per condensed interim statement of financial position					31,821,551	30,565,011
Total liabilities for reportable segments	11,122,736	11,277,108	6,453,519	5,410,471	17,576,255	16,687,579
Unallocated liabilities					447,623	382,451
Total liabilities as per condensed interim statement of financial position					18,023,878	17,070,030

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

	Spinning		Fabric		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended		Half year ended		Half year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(RUPEES IN THOUSAND)					

11.2 Geographical Information

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

Europe	-	-	8,560,177	7,409,381	8,560,177	7,409,381
North America	-	-	2,540,371	2,161,895	2,540,371	2,161,895
South America	-	-	435,366	168,071	435,366	168,071
Asia	-	-	216,938	127,498	216,938	127,498
Australia	-	-	-	9,283	-	9,283
Africa	-	178,237	49,710	13,629	49,710	191,866
Pakistan	9,053,377	9,822,577	250,199	508,307	9,303,576	10,330,884
Export rebate	-	-	41,244	31,643	41,244	31,643
	9,053,377	10,000,814	12,094,005	10,429,707	21,147,382	20,430,521

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

Yarn	8,632,936	9,483,667	5,563	307,195	8,638,499	9,790,862
Fabric	-	-	2,888,734	2,642,160	2,888,734	2,642,160
Made ups	-	-	9,037,415	7,407,342	9,037,415	7,407,342
Processing income	-	-	93,278	29,898	93,278	29,898
Waste	420,441	517,147	69,015	43,112	489,456	560,259
	9,053,377	10,000,814	12,094,005	10,429,707	21,147,382	20,430,521

12. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Recurring fair value measurements				
FINANCIAL ASSETS:				
At 31 December 2024 - (Un-audited)				
At fair value through profit or loss	11,498	-	-	11,498
Derivative financial assets	-	72,009	-	72,009
	11,498	72,009	-	83,507
At 30 June 2024 - (Audited)				
At fair value through profit or loss	21,609	-	-	21,609
Derivative financial assets	-	105,289	-	105,289
	21,609	105,289	-	126,898

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

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

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on February 25, 2025 by the Board of Directors of the Company.

14. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made, except for term deposit receipts of Rupees 170 million which were grouped in cash and bank balances, now included in short term investments.

15. GENERAL

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

Faiq Jawed
Chief Executive Officer

Shaiq Jawed
Director

Khawaja Nadeem Abbas
Chief Financial Officer

jkgroup.net

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