

Quarterly
Accounts
September,
2021

BIBOJEE GROUP



**Janana De Malucho Textile
Mills Limited**

JANANA DE MALUCHO TEXTILE MILLS LIMITED

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MRS. SHAHNAZ SAJJAD AHMAD MR. GOHAR AYUB KHAN BRIG. (RETD) ABDUL SAMAD KHAN COL. (RETD) SYED YUNUS ALI RAZA	Chairman Chief Executive
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. AHMAD KULI KHAN KHATTAK COL. (RETD) SYED YUNUS ALI RAZA	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	COL. (RETD) SYED YUNUS ALI RAZA LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MRS. SHAHNAZ SAJJAD AHMAD	Chairman Chief Executive / Member Member Member
CHIEF FINANCIAL OFFICER	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
COMPANY SECRETARY	MR. ABID RAZA, B.Com, APFA, Affiliate (ICAP)	
HEAD OF INTERNAL AUDIT	MR. RAEES KHAN, CIA(Pak)	
AUDITORS	SHINewing HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN THE BANK OF KHYBER MEEZAN BANK LIMITED HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE	
REGISTRARS & SHARES REGISTRATION OFFICE	VISION CONSULTING LIMITED 3-C, LDA FLATS, 1ST FLOOR, LAWRENCE ROAD, LAHORE TEL. 042-36283096-97, FAX. 042-36312550 EMAIL: info@vcl.com.pk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) TEL. 0922 - 862161 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com WEB SITE: www.jdm.com.pk	

JANANA DE MALUCHO TEXTILE MILLS LIMITED
DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we feel pleasure in presenting the un-audited financial statements of the Company for the 1st quarter ended 30th September, 2021.

FINANCIAL HIGHLIGHTS

The principal activity of the Company is the manufacturing & sale of yarn. During the first quarter, your Company has posted the following results:

	September 30,	
	2021	2020
	Rupees in million	
Sales-net	1,561.005	1,150.808
Gross Profit	135.215	80.990
Profit from Operations	105.241	61.261
Profit before Taxation	89.078	43.685
Profit after Taxation	72.819	31.161
	-----Rupees-----	
Earnings per share	15.22	6.51

During the period under report, the turnover of the Company has increased by Rs.410.197 million as compared to the previous period. Main reasons of increase in turnover are increase in yarn sale rates and increase in quantity sold. Further, the Company, in the period under report, has earned profit before tax amounting to Rs.89.078 million and profit after tax of Rs.72.819 million in comparison with profit before tax amounting to Rs.43.685 million and profit after tax amounting to Rs.31.161 million respectively, in the previous comparative period.

We would also like to inform the members of the Company, of the progress in the merger of Babri Cotton Mills Ltd. (BCM) with the Company. The members of both the companies in their respective extra ordinary general meetings (EOGMs) held on 13th March 2021, have approved the merger / amalgamation of both the companies and have also given approval of the swap ratio of shares to be issued to the members of BCM upon merger. After the approval of members, in the respective EOGMs of the Companies, a petition has been filed with the Honorable Peshawar High Court for its approval of the merger of both the companies.

FUTURE OUTLOOK


The domestic cotton prices have reached the unprecedented high rate of Rs.15,400/- per maund prices of imported cotton have also been increased manifold in unbearable manner coupled with constant increase in Dollar viz-a-viz Pak Rupee parity.

The State Bank of Pakistan (SBP) has ramped up its benchmark interest rate by 25 basis points to 7.25 percent and SBP further planning to increase the rate by 100 basis points in the near future. The local yarn market is also slow due to which stocks are piling up. Therefore, this rapid escalation of Dollar vs Pak Rupee parity, increase in interest rates and uncertainty of the market conditions due to changing Govt. policies have made it very difficult for the textile industry, especially spinning units, to take a long-term view over their operations.

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have consistently facilitated the Company in financially difficult times. We would also like to highlight the hard work and diligence of the Company's Senior Management, support staff and the production workers. We look forward to same dedication and cooperation from them in the future as well.

On behalf of the Board of Directors



**Col. (Retd) Syed Yunus Ali Raza
Director**



**Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Chief Executive Officer**

Dated: October 22, 2021

جانانندی مالوچونیکسٹائل ملز لمیٹڈ ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، 30 ستمبر 2021ء سے مابقی کی ختم ہونے والی مدت پر کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں۔
کارکردگی کا جائزہ۔

ہم آپ کو بتاتے ہوئے خوش محسوس کرتے ہیں کہ آپ کی کمپنی کی مالیاتی نتائج کے ہم جھلمکیاں مندرجہ ذیل ہیں۔

سرمایہ

	2021	2020
----- روپے ملین میں -----		
فروخت	1,561.005	1,150.808
عبوری منافع	135.215	80.990
اپریشن کے بعد منافع	105.241	61.261
ٹیکس سے پہلے منافع	89.078	43.685
ٹیکس سے بعد منافع	72.819	31.161
----- روپے -----		
آمدنی فی شیئر	15.22	6.51

رپورٹ کی جانے والی مدت کے دوران، کمپنی کے کاروبار میں گزشتہ عرصے کے مقابلے میں 410.197 ملین روپے کا اضافہ ہوا ہے۔ کاروبار میں اضافے کی اہم وجوہ کارن کی فروخت کے نرخوں اور فروخت کی مقدار میں اضافہ ہیں۔ مزید، کمپنی نے، ڈیزل رپورٹ مدت میں، ٹیکس سے پہلے کا منافع 89.078 ملین روپے اور ٹیکس کے بعد کا منافع 72.819 ملین روپے کا ریکارڈ کیا ہے، جبکہ پچھلی تقابلی مدت میں ٹیکس سے پہلے کے منافع کی رقم 43.685 ملین روپے تھی اور ٹیکس کے بعد منافع کی رقم 31.161 ملین روپے تھی۔

ہم کمپنی کے ممبران کو باہری کارکن ملز لمیٹڈ (بی سی ایم) کے کمپنی کے ساتھ انعام میں پیش رفت سے بھی آگاہ کرنا چاہیں گے۔ دونوں کمپنیوں کے ممبران نے 13 مارچ 2021ء کو ہونے والی اپنی اپنی متعلقہ غیر معمولی جنرل میٹنگز میں دونوں کمپنیوں کے انعام کی منظوری دی ہے اور ممبران کو جاری کیے جانے والے حصص کے سوپ تاساب کی بھی منظوری دی ہے۔ دونوں کمپنیوں کے ممبران کی اپنی اپنی کمپنیوں کے متعلقہ غیر معمولی جنرل میٹنگز میں ممبران کی منظوری کے بعد دونوں کمپنیوں کے انعام کی منظوری کے لیے معزز ریٹائرڈ ہائی کورٹ میں درخواست دائر کر دی گئی ہے۔

مستقبل کا نقطہ نظر

مقامی کپاس کی قیمتیں 15,400 روپے فی من کی غیر معمولی بلند ترین شرح پر پہنچ گئی ہیں اور درآمدی روٹی کی قیمتوں میں بہت زیادہ اضافہ ہوا ہے۔ ڈالر کی قدر گھی پاک روپے کے مقابلے میں مسلسل بڑھ رہی ہے۔

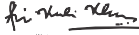
اسٹیٹ بینک آف پاکستان (ایس بی پی) نے اپنی بیچ مارک سوڈی شرح میں 25 فیسٹ پوائنٹس کا اضافہ کر کے سوڈی شرح کو 7.25 فیصد کر دیا ہے اور اسٹیٹ بینک مستقبل قریب میں شرح سوڈی میں 100 فیسٹ پوائنٹس تک کے اضافے کا منصوبہ بنا رہا ہے۔ مقامی دھماکے کی مارکیٹ بھی سست ہے جس کی وجہ سے ٹاک ڈائریکٹ رہا ہے۔ لہذا، ڈالر کی قدر کا پاک روپے کے مقابلے میں تیزی سے اضافہ شرح سوڈی میں اضافہ اور حکومت کی بددیہی پالیسیوں کی وجہ سے مارکیٹ کے حالات غیر یقینی صورتحال کا شکار ہیں۔ ان پالیسیوں نے ٹیکسٹائل انڈسٹری، خاص طور پر اسپننگ یونٹس کے لیے اپنے آپریشنز پر طویل مدتی سرمایہ کاری کو نامشکل بنا دیا ہے۔


اعتراف

بورڈ آف ڈائریکٹرز کمپنی کے بینکاروں کی قدر کرتا ہے جو کہ مسلسل کمپنی کی مالی مشکلات میں بروقت مدد کرتے ہیں۔ اسکے علاوہ کمپنی کی انتظامیہ اور کارکنوں کی بے مثال محنت کو مشکل حالات میں بہتر نتائج حاصل کرنے پر شاباش دیتا ہے اور امید کرتا ہے کہ مستقبل میں تمام کارکنان ایگنس اور محنت سے کام کرتے رہیں گے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

تاریخ: 22 اکتوبر 2021



لیفٹیننٹ جنرل (ریٹائرڈ) علی علی خان خٹک
چیف ایگزیکٹو آفیسر

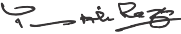

کرشن (ریٹائرڈ) سید فیض علی رضا
ڈائریکٹر

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021 (UN-AUDITED)

		(Un-Audited) September 30 2021	(Audited) June 30, 2021
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,648,420	3,554,156
Investments in Associated Companies	6	114,970	114,970
Loans to employees		518	398
Security deposits		1,543	1,543
		<u>3,765,451</u>	<u>3,671,067</u>
Current assets			
Stores, spares and loose tools	7	99,424	68,369
Stock-in-trade	8	1,373,929	1,351,899
Trade debts - unsecured, considered good		15,747	8,972
Advances to employees		1,712	1,099
Advance payments		21,658	18,210
Trade deposits and prepayments		13,919	2,352
Due from Associated Companies	12.2	2,004	0
Other receivables		925	1,210
Sales tax refundable		29,441	0
Income tax refundable, advance tax and tax deducted at source		157,414	133,528
Cash and bank balances		32,708	18,886
		<u>1,748,881</u>	<u>1,604,525</u>
TOTAL ASSETS		<u>5,514,332</u>	<u>5,275,592</u>
EQUITY AND LIABILITIES			
Equity			
Authorized capital		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		47,848	47,848
Capital reserves			
- capital redemption		6,694	6,694
- tax holiday		350	350
- share premium		11,409	11,409
- revaluation surplus on property, plant and equipment		2,348,952	2,353,716
Revenue reserves			
- general reserve		371,530	371,530
- un-appropriated profit		796,151	718,568
Shareholders' equity		<u>3,582,934</u>	<u>3,510,115</u>
Liabilities			
Non-current liabilities			
Lease liabilities		439	1,084
Long term finances		3,329	3,567
Staff retirement benefits - gratuity		76,152	72,729
Deferred taxation		298,987	302,241
		<u>378,907</u>	<u>379,621</u>
Current liabilities			
Trade and other payables	9	511,857	562,859
Unclaimed dividends		284	284
Accrued mark-up		14,761	12,364
Short term finances		908,061	712,133
Current portion of non-current liabilities		4,279	4,479
Taxation	10	112,058	92,546
Preference shares redemption account		1,191	1,191
		<u>1,552,491</u>	<u>1,385,856</u>
Total liabilities		<u>1,931,398</u>	<u>1,765,477</u>
Contingencies and commitments	11		
TOTAL EQUITY AND LIABILITIES		<u>5,514,332</u>	<u>5,275,592</u>

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


 Lt. Gen. Retd.
 Ali Kuli Khan Khattak
 Chief Executive

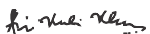

 Col. (Retd) Syed Yunus Ali Raza
 Director



 Amin-ur-Rasheed
 Chief Financial Officer

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Three months period ended	
	September 30,	
	2021	2020
	Rupees in thousand	
Sales	1,561,005	1,150,808
Cost of sales	1,425,790	1,069,818
Gross profit	135,215	80,990
Distribution cost	9,610	4,760
Administrative expenses	20,395	15,545
Other income	(31)	(576)
	29,974	19,729
Profit from operations	105,241	61,261
Finance cost	16,163	17,576
Profit before taxation	89,078	43,685
Taxation	16,259	12,524
Profit after taxation	72,819	31,161
Other comprehensive income	0	0
Total comprehensive income	72,819	31,161
	----- Rupees -----	
Earnings per share	15.22	6.51

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


 Lt. Gen. Retd.
 Ali Kuli Khan Khattak
 Chief Executive

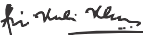

 Col. (Retd) Syed Yunus Ali Raza
 Director


 Amin-ur-Rasheed
 Chief Financial Officer

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Three months period ended September 30,	
	2021	2020
	Rupees in thousand	
Cash flows from operating activities		
Profit for the period before taxation	89,078	43,685
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	20,201	20,668
Depreciation on right of use assets	801	0
Staff retirement benefits - gratuity (net)	3,423	2,436
Finance cost	15,377	16,757
	128,880	83,546
Profit before working capital changes		
Effect on cash flows due to working capital changes		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	(31,055)	(4,005)
Stock-in-trade	(22,030)	450,315
Trade debts	(6,775)	(31,536)
Loans and advances to employees	(733)	259
Advance payments	(3,448)	30
Trade deposits and prepayments	(11,567)	(9,555)
Due from Associated Companies	(2,004)	(1,020)
Other receivables	285	(7,770)
Sales tax	(29,441)	52,301
Decrease in trade and other payables	(51,002)	(46,522)
Decrease in unclaimed dividends	0	(10)
	(157,770)	402,487
Cash (used in) / generated from operations	(28,890)	486,033
Taxes paid	(23,885)	(5,478)
	(52,775)	480,555
Net cash (used in) / generated from operating activities		
Cash flows from investing activities		
Fixed capital expenditure	(115,266)	(5,827)
	(115,266)	(5,827)
Net cash used in investing activities		
Cash flows from financing activities		
Long term finances obtained - net of repayment	(217)	0
Liabilities against assets subject to finance lease - net	(868)	(542)
Short term finances - net	195,928	(446,877)
Finance cost paid	(12,980)	(31,318)
	181,863	(478,737)
Net cash generated from / (used in) financing activities		
Net increase / (decrease) in cash and cash equivalents	13,822	(4,009)
Cash and cash equivalents - at beginning of the period	18,886	11,160
Cash and cash equivalents - at end of the period	32,708	7,151

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


 Lt. Gen. Retd.
 Ali Kuli Khan Khattak
 Chief Executive


 Col. (Retd) Syed Yunus Ali Raza
 Director


 Amin-ur-Rasheed
 Chief Financial Officer

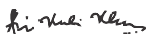
JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021


Share capital	Reserves						Total
	Capital			Revenue			
	Capital redemption	Tax holiday	Share premium	Revaluation surplus on property, plant and equipment	General	(Accumulated loss) / Unappropriated profit	

----- Rupees in thousand -----

Balance as at July 01, 2021	47,848	6,694	350	11,409	2,353,716	371,530	718,568	3,510,115
Total comprehensive income for the three months period ended September 30, 2021	0	0	0	0	0	0	72,819	72,819
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	(4,764)	0	4,764	0
Balance as at September 30, 2021 (un-audited)	47,848	6,694	350	11,409	2,348,952	371,530	796,151	3,582,934
Balance as at July 01, 2020 - restated	47,848	6,694	350	11,409	2,373,502	371,530	446,749	3,258,082
Total comprehensive income for the three months period ended September 30, 2020	0	0	0	0	0	0	31,161	31,161
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	(5,039)	0	5,039	0
Balance as at September 30, 2020 (un-audited)	47,848	6,694	350	11,409	2,368,463	371,530	482,949	3,289,243

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


 Lt. Gen. Retd.
 Ali Kuli Khan Khattak
 Chief Executive


 Col. (Retd) Syed Yunus Ali Raza
 Director


 Amin-ur-Rasheed
 Chief Financial Officer

JANANA DE MALUCHO TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1. Legal status and operations

Janana De Malucho Textile Mills Ltd. (the Company) was incorporated in Pakistan as a Public Company in the year 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements of the Company 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 IFRS standards, 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 required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2021.

2.3 The comparative condensed interim statements of financial position presented in these condensed interim financial statements have been extracted from the audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended September 30, 2020.

2.4 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary, liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by an independent valuer.

2.6 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended June 30, 2021.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commenced on July 01, 2021. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Company's annual accounting periods commencing on or after January 01, 2022. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates, judgments and financial risk management

4.1 The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended June 30, 2021.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2021.

		Un-audited Sep. 30, 2021	Audited June 30, 2021
5. Property, plant and equipment	Note	(Rupees in thousand)	
Operating fixed assets - tangible	5.1	3,161,306	3,162,094
Advance against vehicles		2,500	1,000
Right of use assets		6,684	7,485
Advance made for purchase of freehold land and residential buildings	5.2 & 5.3	477,930	383,577
		<u>3,648,420</u>	<u>3,554,156</u>
5.1 Operating fixed assets - tangible			
Book value as at June 30, 2021		3,162,094	
Additions during the period:			
- plant & machinery		18,601	
- furniture & fixtures		737	
- Office equipment		75	
		19,413	
Depreciation charge for the period		(20,201)	
Book value as at September 30, 2021		<u>3,161,306</u>	

- 5.2** The Company, during the preceding year, has entered into an agreement with Babri Cotton Mills Ltd. (BCM- an Associated Company); BCM is an exclusive owner of the area of land measuring 354 marlas and has agreed to sell the said land according to the terms of sale as under:
- a) the price of land is Rs.600,000/- per marla and total consideration is Rs.212.400 million;
 - b) the total amount has been paid in advance by the Company;
 - c) the Company has taken possession of the area of land and the area is secured with barbed wire;
 - d) the Company has purchased this land to construct quarters for its workers;
 - e) transfer of land in name of the Company shall be done after completion of all legal formalities; and
 - f) the total expenses on the execution of agreement, transfer of land, attorney fees, etc. shall be borne by the Company.
- 5.3** The Company, during the preceding year, has entered into a further agreement with BCM; BCM is an exclusive owner of the area of land measuring 625 marlas and residential buildings on land and has agreed to sell the said land and buildings according to the terms of sale as under:
- a) the price of land is Rs. 600,000/- per marla and total consideration is Rs. 375 million;
 - b) the covered area of the residential buildings is 55,392 square feet and value of residential buildings has been agreed at Rs. 214 per square feet as per survey by an independent party. The value of area of residential buildings on land worked out to Rs.11.854 million;
 - c) the total value of land and residential buildings being sold aggregate Rs.386.854 million. The Company has paid Rs.265.530 million in advance to BCM;
 - d) the Company has taken possession of the area of land and the area is secured with barbed wire;
 - e) the Company can do any alteration on building structures or can construct any new building as it may deem fit;
 - f) transfer of land in the name of the Company shall be done after completion of all legal formalities; and
 - g) the total expenses on the execution of agreement, transfer of land, attorney fees, etc. shall be borne by the Company.
- 6. Investments in Associated Companies - Quoted**
- 6.1** Market values of the Company's investments in BCM and BWM as at September 30, 2021 were Rs.27.128 million (June 30, 2021: Rs.32.413 million) and Rs.30.545 million (June 30, 2021: Rs.36.640 million) respectively.
- 6.2** The management intends to carry-out impairment testing of its investment in BCM as at June 30, 2022 as significant variations in estimates have been observed during the current period since June 30, 2021.
- 7. Stores, spares and loose tools**
Stores and spares inventory valuing Rs.23.340 million was in transit as at September 30, 2021 (June 30, 2021: Rs.14.331 million).
- 8. Stock-in-trade**
Raw materials inventory valuing Rs.125.429 million was in transit as at September 30, 2021 (June 30, 2021: Rs.222.163 million).

9. Trade and other payables

	Un-audited Sep. 30, 2021	Audited June 30, 2021
	(Rupees in thousand)	
Creditors	110,822	98,087
Bills payable against imported stores and spares	0	7,342
Advances from customers - contract liabilities	35,271	60,246
Advance payments	184	184
Accrued expenses	308,072	329,089
Tax deducted at source	234	234
Sales tax payable	0	7,128
Gratuity payable to other employees	2,793	6,039
Due to Waqf-e-Kuli Khan	11,669	11,798
Workers' profit participation fund	29,801	29,801
Workers' welfare fund	12,004	12,004
Security deposits repayable on demand - interest free	113	112
Others	894	795
	511,857	562,859

10. Taxation - net

10.1 There has been no significant change during the current period in the status of taxation matters as detailed in note 26 to the audited financial statements of the Company for the year ended June 30, 2021.

11. Contingencies and commitments

11.1 There has been no significant change in the status of the contingencies and commitments as detailed in note 28 to the audited financial statements of the Company for the year ended June 30, 2021.

11.2 Guarantee amounting Rs.100 million (June 30, 2021: Rs.100 million) issued by National Bank of Pakistan on behalf of the Company in favour of Sui Northern Gas Pipelines Ltd. was outstanding as at September 30, 2021.

	Un-audited Sep. 30, 2021	Audited June 30, 2021
	(Rupees in thousand)	
11.3 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:		
- stores and spares	149,942	53,683
- raw materials	774,350	261,810
	924,292	315,493

12. Transactions with Related Parties

12.1 Significant transactions made during the period with related parties were as follows:

Name	Nature of transaction	Three months period ended September, 30	
		2021	2020
Associated Companies			
Babri Cotton Mills Ltd.	Residential rent received	0	532
	Utilities / expenses:		
	- paid	108,809	0
	- recovered	0	25
	Salaries and benefits recovered	0	2,280
	Purchase of raw material	0	40,897
	Lease rental paid	300	0
	Advance made for purchase of freehold land	94,353	0
Bannu Woollen Mills Ltd.	Expenses recovered	60	25
	Salaries and benefits recovered	608	451
	Sale of raw cotton	756	0
	Sale of yarn	1,112	0
The Universal Insurance Company Ltd.	Salaries & benefits recovered	608	451
	Expenses recovered	60	25
Gammon Pakistan Ltd.	Rent paid	220	150
Gandhara Nissan Ltd.	Salaries & benefits recovered	608	451
	Expenses recovered	60	25
Gandhara Industries Ltd.	---- do ----	60	25
	Salaries & benefits recovered	608	451
	Purchase of vehicle	0	6,334
Other related parties			
Employees' Provident Fund	Contribution paid to Provident Fund	3,779	13,086
Key Management Personnel	Salaries & benefits	32,142	25,831

12.2 Period-end balance was as follows:

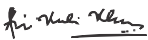
	Un-audited Sep. 30, 2021	Audited June 30, 2021
Due from:		
Bannu Woollen Mills Ltd.	668	0
Gandhara Industries Ltd.	668	0
Gandhara Nissan Ltd.	668	0
	2,004	0


13. Corresponding figures

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

14. Date of authorisation for issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on October 22, 2021.


Lt. Gen. Retd.
Ali Kuli Khan Khattak
Chief Executive


Col. (Retd) Syed Yunus Ali Raza
Director


Amin-ur-Rasheed
Chief Financial Officer