

Quarterly
Accounts
September,
2022

BIBOJEE GROUP



**Janana De Malucho Textile
Mills Limited**

JANANA DE MALUCHO TEXTILE MILLS LIMITED

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. AHMAD KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MRS. SHAHNAZ SAJJAD AHMAD MR. GOHAR AYUB KHAN DR. SHAHIN KULI KHAN KHATTAK 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, MAF, 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 PAK OMAN INVESTMENT COMPANY LTD. BANK ALFALAH LIMITED UNITED BANK LIMITED MEEZAN BANK 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@gmail.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, 2022.

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,	
	2022	2021
	Rupees in million	
Sales-net	1,850.621	1,561.005
Gross Profit	171.411	135.215
Profit from Operations	126.214	105.241
Profit before Taxation	57.364	89.078
Profit after Taxation	40.727	72.819
	-----Rupees-----	
Earnings per share	6.19	15.22

During the period under report, the turnover of the Company has increased by Rs.289.616 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.57.364 million and profit after tax of Rs.40.727 million in comparison with profit before tax amounting to Rs.89.078 million and profit after tax amounting to Rs.72.819 million respectively, in the previous comparative period.

GENERAL MARKET CONDITIONS AND FUTURE OUTLOOK

The winter season is coming and APTMA officials have said that over 300 textile mills have already been closed due to a cut in gas supply. The financial crisis is increasing day by day.

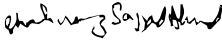
The total production of cotton in the country is expected to be around 65 lac bales. The consumption is expected to be around 12 million bales, therefore, about 6 million bales will have to be imported. Climate change has proven to be devastating for Pakistan's cotton cultivation and textile industry this year. The current country-wide severe flooding and rains have intensified the already declining cotton yield and destroyed more than 45% of the country's cotton crops. The global community in this regard needs to come forward to share the burden of their emissions and support Pakistan to enhance its textile exports sustainably.

The yarn markets are showing a bearish trend these days and considering that the textile sector is the mainstay of the country's economy (a 61% share in the country's exports and 40% of manufacturing sector employment) the fragile economy of the country cannot sustain the consequences of the closure of mills due to factors such as non-supply / low pressure of gas and high cotton prices in the international markets.

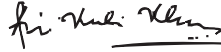
ACKNOWLEDGMENT

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



**Shahnaz Sajjad Ahmad
Director**



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

Dated: October 21, 2022

جانانندی مالوچو ٹیکسٹائل ملز لمیٹڈ ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، 30 ستمبر 2022ء سرمایہ کی ختم ہونے والی مدت پر کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔
کارکردگی کا جائزہ:-

ہم آپ کو بتاتے ہوئے خوشی محسوس کرتے ہیں کہ آپ کی کمپنی کی مالیاتی نتائج کے اہم جھلکیاں مندرجہ ذیل ہیں۔

سرمایہ

	2021	2022	
	----- روپے ملین میں -----		
فروخت	1,561.005	1,850.621	
عبوری منافع	135.215	171.411	
آپریشن کے بعد منافع	105.241	126.214	
ٹیکس سے پہلے منافع	89.078	57.364	
ٹیکس سے بعد منافع	72.819	40.727	
	----- روپے -----		
آمدنی فی شیئر	15.22	6.19	

رپورٹ کی جانے والی مدت کے دوران، کمپنی کے کاروبار میں کئی گھڑیوں کے مقابلے میں 289.616 ملین روپے کا اضافہ ہوا ہے۔ کاروبار میں اضافے کی اہم وجوہ پارن کی فروخت کے نرخوں اور فروخت کی مقدار میں اضافہ ہیں۔ مزید، کمپنی نے، زبرد پر رپورٹ مدت میں، ٹیکس سے پہلے کا منافع 57.364 ملین روپے اور ٹیکس کے بعد کا منافع 40.727 ملین روپے کمایا ہے، جبکہ پچھلی قحالی مدت میں ٹیکس سے پہلے کے منافع کی رقم 89.078 ملین روپے تھی اور ٹیکس کے بعد منافع کی رقم 72.819 ملین روپے تھی۔

عمومی مارکیٹ کی حالت اور مستقبل کا نقطہ نظر

سردیوں کا موسم آ رہا ہے اور اپنا کسے کام نے کہا ہے کہ گیس کی سپلائی میں کوئی کمی کی وجہ سے 300 سے زائد ٹیکسٹائل ملین پیلے ہی بند ہو چکی ہیں۔ معاشی بحران روز بروز بڑھتا جا رہا ہے۔ ملک میں کپاس کی کل پیداوار 65 لاکھ کاٹھوں کے لگ بھگ ہونے کی توقع ہے جبکہ قیمت تقریباً 12 ملین کاٹھوں کی متوقع ہے، اس لیے تقریباً 6 ملین کاٹھیں درآ کر باقیوں کی۔ موسمیاتی تبدیلیاں اس سال پاکستان کی کپاس کی کاشت اور ٹیکسٹائل انڈسٹری کے لیے جاہل ثابت ہوئی ہیں۔ ملک بھر میں شدید سیلاب اور بارشوں نے کپاس کی پھلے سے گرتی ہوئی پیداوار کی رفتار کو اور تیز کر دیا ہے اور ملک کی 45 فیصد سے زیادہ کپاس کی فصل تباہ کر دی ہے۔ اس سلسلے میں عالمی برادری کو مدد کے لیے آگے کی ضرورت ہے اور پاکستان کی ٹیکسٹائل کی برآمدات کو پائیدار طریقے سے بڑھانے کے لیے تعاون کرنے کی ضرورت ہے۔
پارن کی منڈیوں میں ان دنوں مندی کا رجحان ہے اور یہ دیکھتے ہوئے کہ ٹیکسٹائل کا شعبہ کئی معیشت کی بنیاد ہے (ملک کی برآمدات میں 61 فیصد حصہ اور مینوفیکچرنگ سیکٹر کی ملازمتوں میں 40 فیصد حصہ ہے)۔ گیس کی عدم فراہمی کم پریشر اور بین الاقوامی منڈیوں میں کپاس کی بلند قیمت جیسے عوامل کی وجہ سے ملوں کی بندش اور اس وجہ سے ملک کی کڑوہ معیشت ان نتائج کو برداشت نہیں کر سکتی۔

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 منت کو مشکل حالات میں بہتر نتائج حاصل کرنے پر شاباش دیتا ہے۔ اور امید کرتا ہے کہ مستقبل میں تمام کارکنان اسی گن اور محنت سے کام کرتے رہیں گے۔

تاریخ: 21 اکتوبر 2022ء کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

for the Chairman

لیٹیفیت جنرل (رٹائرڈ) علی علی خان ٹیکل
چیف ایگزیکٹو آفیسر

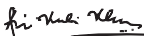
for the Director

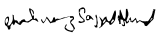
شہناز سعید
ڈائریکٹر

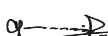
JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022 (UN-AUDITED)

		(Un-Audited) September 30 2022	(Audited) June 30, 2022
ASSETS			
	Note	- Rupees in thousand -	
Non-current assets			
Property, plant and equipment	5	7,653,302	7,674,209
Investments in an Associated Company	6	68,691	68,691
Intangible Assets		1,235	0
Loans to employees		1,110	873
Security deposits		14,346	14,346
		<u>7,738,684</u>	<u>7,758,119</u>
Current assets			
Stores, spares and loose tools	7	122,885	118,411
Stock-in-trade	8	1,482,761	1,822,914
Trade debts - unsecured, considered good		12,813	9,607
Advances to employees		2,368	2,219
Advance payments		43,238	23,013
Trade deposits and prepayments		94,756	75,876
Other receivables		4,762	3,513
Income tax refundable, advance tax and tax deducted at source		242,073	208,884
Cash and bank balances		25,400	17,169
		<u>2,031,056</u>	<u>2,281,606</u>
		<u>9,769,740</u>	<u>10,039,725</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Authorized capital		<u>450,000</u>	<u>450,000</u>
Issued, subscribed and paid-up capital		69,158	69,158
Treasury Shares		(3,410)	(3,410)
Capital reserves			
- capital redemption		6,694	6,694
- tax holiday		350	350
- share premium		11,409	11,409
- merger reserve		5,350	5,350
- revaluation surplus on property, plant and equipment		5,115,191	5,124,591
Revenue reserves			
- general reserve		371,530	371,530
- un-appropriated profit		1,086,124	1,035,997
		<u>6,662,396</u>	<u>6,621,669</u>
Shareholders' equity			
Liabilities			
Non-current liabilities			
Long term finances		245,697	263,616
Staff retirement benefits - gratuity		109,231	104,794
Deferred taxation		617,462	623,960
		<u>972,390</u>	<u>992,370</u>
Current liabilities			
Trade and other payables	9	873,097	865,347
Unclaimed dividends		2,715	2,715
Accrued mark-up		61,412	52,215
Short term finances		1,016,554	1,346,760
Current portion of non-current liabilities		59,679	60,285
Taxation	10	120,306	97,173
Preference shares redemption account		1,191	1,191
		<u>2,134,954</u>	<u>2,425,686</u>
Total liabilities		<u>3,107,344</u>	<u>3,418,056</u>
Contingencies and commitments	11		
TOTAL EQUITY AND LIABILITIES		<u>9,769,740</u>	<u>10,039,725</u>

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


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


Shahnaz Sajjad Ahmad
Director

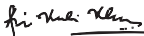

Amin-ur-Rasheed
Chief Financial Officer

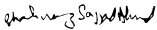
JANANA DE MALUCHO TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Three months period ended	
	September 30,	
	2022	2021
	Rupees in thousand	
Sales	1,850,621	1,561,005
Cost of sales	1,679,210	1,425,790
Gross profit	171,411	135,215
Distribution cost	17,237	9,610
Administrative expenses	28,016	20,395
Other income	(56)	(31)
	45,197	29,974
Profit from operations	126,214	105,241
Finance cost	68,850	16,163
Profit before taxation	57,364	89,078
Taxation	16,637	16,259
Profit after Taxation	40,727	72,819
Other comprehensive income	0	0
Total comprehensive income	40,727	72,819
	----- (Rupees) -----	
Earnings per share	6.19	15.22

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


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

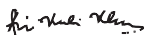

Shahnaz Sajjad Ahmad
Director

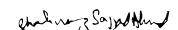

Amin-ur-Rasheed
Chief Financial Officer

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Three months period ended September 30,	
	2022	2021
	- Rupees in thousand -	
Cash flows from operating activities		
Profit for the period before taxation	57,364	89,078
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	40,224	20,201
Depreciation on right of use assets	255	801
Amortisation on intangible asset	65	0
Staff retirement benefits - gratuity (net)	4,437	3,423
Finance cost	67,941	15,377
Profit before working capital changes	170,286	128,880
Effect on cash flows due to working capital changes		
(Increase) / Decrease in current assets:		
Stores, spares and loose tools	(4,474)	(31,055)
Stock-in-trade	340,153	(22,030)
Trade debts	(3,206)	(6,775)
Loans and advances to employees	(386)	(733)
Advance payments	(20,225)	(3,448)
Trade deposits and prepayments	(18,880)	(11,567)
Due from Associated Companies	0	(2,004)
Other receivables	(1,249)	285
Sales tax	0	(29,441)
Increase / (Decrease) in trade and other payables	7,748	(51,002)
	299,481	(157,770)
Cash generated from / (used in) operations	469,767	(28,890)
Taxes paid	(33,189)	(23,885)
Net cash generated from / (used in) operating activities	436,578	(52,775)
Cash flows from investing activities		
Fixed capital expenditure	(20,872)	(115,266)
Net cash used in investing activities	(20,872)	(115,266)
Cash flows from financing activities		
Long term finances obtained - net of repayment	(17,879)	(217)
Liabilities against assets subject to finance lease - net	(646)	(868)
Short term finances - net	(330,206)	195,928
Finance cost paid	(58,744)	(12,980)
Net cash (used in) / generated from financing activities	(407,475)	181,863
Net increase in cash and cash equivalents	8,231	13,822
Cash and cash equivalents - at beginning of the period	17,169	18,886
Cash and cash equivalents - at end of the period	25,400	32,708

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


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


 Shahnaz Sajjad Ahmad
 Director


 Amin-ur-Rasheed
 Chief Financial Officer

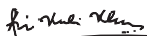
JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

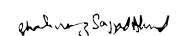
Share capital	Treasury Shares	Reserves							Total
		Capital					Revenue		
		Capital redemption	Tax holiday	Share premium	Revaluation surplus on property, plant and equipment	Merger Reserve	General	(Accumulated loss) / Unappropriated profit	

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

Balance as at July 01, 2022	69,158	(3,410)	6,694	350	11,409	5,124,591	5,350	371,530	1,035,997	6,621,669
Total comprehensive income for the three months period ended										
September 30, 2022	0	0	0	0	0	0	0	0	40,727	40,727
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	0	(9,400)	0	0	9,400	0
Balance as at September 30, 2022 (un-audited)	69,158	(3,410)	6,694	350	11,409	5,115,191	5,350	371,530	1,086,124	6,662,396
Balance as at July 01, 2021	47,848	0	6,694	350	11,409	2,353,716	0	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	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	0	(4,764)	0	0	4,764	0
Balance as at September 30, 2021 (un-audited)	47,848	0	6,694	350	11,409	2,348,952	0	371,530	796,151	3,582,934

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


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


Shahnaz Sajjad Ahmad
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, 2022

1. Legal status and operations

Janana De Malucho Textile Mills Ltd. (JDM / 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 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 International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ 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 of 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, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017.

2.4 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.

2.5 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 adopted for 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, 2022.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

There are certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 01, 2022 but do not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2022. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

4. Accounting estimates, judgments and financial risk management

4.1 The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2022.

		Un-audited Sep. 30, 2022	Audited June 30, 2022
5. Property, plant and equipment	Note	(Rupees in thousand)	
Operating fixed assets - tangible	5.1	7,605,342	7,625,994
Right of use assets		4,853	5,108
Capital work-in-progress		43,107	43,107
		<u>7,653,302</u>	<u>7,674,209</u>
5.1 Operating fixed assets - tangible			
Book value as at June 30, 2022		7,625,994	
Additions during the period in plant & machinery		19,572	
Depreciation charge for the period		(40,224)	
Book value as at September 30, 2022		<u>7,605,342</u>	
6. Investments in an Associated Company - Quoted			
6.1 Market value of the Company's investment in Bannu Woollen Mills Limited as at September 30, 2022 was Rs.22.315 million (June 30, 2022: Rs.21.949 million) .			
7. Stores, spares and loose tools			
Stores and spares inventory valuing Rs.25.021 million was in transit as at September 30, 2022 (June 30, 2022: Rs.22.031 million).			
8. Stocks-in-trade			
Raw materials inventory valuing Rs.195.558 million was in transit as at September 30, 2022 (June 30, 2022: Rs.233.483 million).			

9. Trade and other payables	Un-audited	Audited
	Sep. 30, 2022	June 30, 2022
	(Rupees in thousand)	
Creditors	170,714	180,543
Bills payable against imported:		
- raw materials	188,655	139,439
- stores and spares	0	9,008
Advances from customers - contract liabilities	78,860	95,954
Advance payments	184	184
Accrued expenses	299,891	360,417
Tax deducted at source	11,334	11,314
Sales tax payable	57,985	2,974
Gratuity payable to key management personnel	1,980	2,205
Due to Waqf-e-Kuli Khan	28,535	28,616
Workers' profit participation fund	14,268	14,268
Workers' welfare fund	5,256	5,256
Security deposits repayable on demand - interest free	283	283
Others	15,152	14,886
	873,097	865,347

10. Taxation - net

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, 2022.

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, 2022.

11.2 Guarantee amounting Rs.100 million and Rs.75 million (June 30, 2022: Rs.100 million & Rs.75 million) issued by National Bank of Pakistan on behalf of the Company and Babri Cotton Mills Limited respectively, in favour of Sui Northern Gas Pipelines Ltd. was outstanding as at September 30, 2022.

11.3 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:

- stores and spares	0	1,486
- raw materials	105,982	98,280
	105,982	99,766

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 2022	2021
(Rupees in thousand)			
Associated Companies			
Bannu Woollen Mills Ltd.	Expenses recovered	60	60
	Salaries and benefits recovered	547	608
	Sale of raw cotton	0	756
	Sale of yarn	0	1,112
The Universal Insurance Company Ltd.	Salaries & benefits recovered	547	608
	Expenses recovered	60	60
Gammon Pakistan Ltd.	Rent paid	242	220
Ghandhara Nissan Ltd.	Salaries & benefits recovered	547	608
	Expenses recovered	60	60
Ghandhara Industries Ltd.	do	60	60
	Salaries & benefits recovered	547	608
Babri Cotton Mills Ltd. (Associated Company uptill February 04, 2022)	Utilities / expenses paid	0	108,809
	Lease rental paid	0	300
	Advance made for purchase of freehold land	0	94,353
Other related parties			
Employees' Provident Fund	Contribution paid to Provident Fund	6,761	3,779
	Salaries & benefits	36,703	32,142

13. Financial risk management

13.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2022.

13.2 Fair value estimation

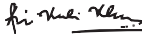
During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

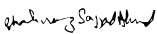
13. Corresponding figures

The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended June 30, 2022, 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, 2022.

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 21, 2022.


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


Shahnaz Sajjad Ahmad
Director


Amin-ur-Rasheed
Chief Financial Officer