



3rd Quarter Report 2025

66

Leading the Textile Revolution



**J.K. SPINNING
MILLS LIMITED**

إِنَّا لِلّٰهِ وَإِنَّا إِلَيْهِ رَاجِعُونَ



14-10-1940 to 22-03-2025

The Board of Directors and management of the Company are deeply saddened by the passing of our visionary Chairman, Mian Jawed Anwar. His leadership, unwavering commitment, and profound contributions helped shape the Company into what it is today.

Mian Jawed Anwar was more than a Chairman — he was a guiding force, a mentor, and a source of inspiration to all who had the privilege of working with him. His legacy of integrity, resilience, and strategic foresight will continue to guide us in the years to come.

We extend our heartfelt condolences to his family and loved ones during this time of great loss. The Company stands ready to offer its full support to his family in navigating any matters that may arise.

May Allah (SWT) grant him eternal peace and the highest ranks in Jannah. Ameen.



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Company Information

Chairperson

Mrs. Farhat Jehan

Chief Executive

Mr. Faiq Jawed

Directors

Mr. Shaiq Jawed
Mrs. Nageen Faiq
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 Committee

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

Nomination Committee

Chairperson Mrs. Farhat Jehan
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, Sheikhpura 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 feel pleasure to submit Un-audited Financial Statements of the company for the Nine months period ended March 31, 2025.

Financial Results and Operational Performance

The summarized financial results of the company for the Nine months ended March 31, 2025 are as under:

Particulars	Rupees in Million	
	Nine months ended	
	31 March, 2025	31 March, 2024
REVENUE FROM CONTRACTS WITH CUSTOMERS	33,095.582	31,942.490
COST OF SALES	29,597.170	27,811.032
GROSS PROFIT	3,498.412	4,131.458
OPERATING EXPENSES	1,443.995	1,440.425
OTHER INCOME	364.723	237.226
PROFIT FROM OPERATIONS	2,419.140	2,928.259
FINANCE COST	1,493.569	1,833.615
PROFIT BEFORE LEVY & TAXATION	925.571	1,094.644
LEVY & TAXATION	515.59	415.288
PROFIT AFTER TAXATION	409.981	679.356
EARNINGS PER SHARE - RUPEES	4.01	6.64

Sales for the period under review increased to Rupees 33,095.582 million from Rupees 31,942.490 million of the corresponding period indicating the increase of 3.61%. Profit after tax is of Rupees 409.981 million during the period ended on March 31, 2025 which is 1.24% against Rupees 679.356 million in corresponding period which is 2.13% translating into an EPS of Rs. 4.01 as compared to EPS of Rs.6.64 in corresponding period.

Cost of stores and spares and loose tools consumed, packing material, insurance cost and operating expenses increased in view of increase in volume and inflationary impact. Salaries and wages cost increased due to increase in minimum wage rate and increase in capacity while fuel and power cost increased due to increase in capacity and power tariff.

The company's management remains firmly committed to its ongoing policy of Balancing Modernization and Replacement (BMR) of machinery and equipment across its production facilities. This policy supports operational efficiency, cost-effectiveness, and alignment with market and environmental expectations.

In light of negative margins in PC counts processed through the existing spinning unit comprising 34,224 spindles, management has decided to convert the unit to an open-end spinning system featuring 6,000 rotors. This strategic move will enable the utilization of comber noil waste, supporting the production of yarns that meet the sustainability requirements of international buyers. Civil work for the transition from a traditional spun process to an open-end process is currently underway. The new machinery is expected to arrive within the next few weeks, with installation scheduled for completion by mid-August 2025.

As part of the company's sustainability drive, work is also progressing on the installation of a 3.5 MW solar power plant, which will raise the existing capacity from 3.5 MW to 7 MW. In addition, management has approved a further 7 MW solar capacity expansion plan, aiming to achieve a total green energy generation capacity of 14 MW.

Directors' Report to the Shareholders

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

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

Future Outlook:

It has been observed that economic indicators have stabilized during the period ending March 31, 2025. Pakistan's GDP growth is projected to be 3% in fiscal year 2025 and 4% in fiscal year 2026. Inflation is expected to range between 5% and 6% in fiscal year 2025. While key macroeconomic indicators, such as declining inflation and interest rates, a stable rupee, and improved fiscal discipline offer cautious optimism, challenges still persist. The Government's focus on reducing energy costs and further monetary easing provides a positive outlook for cost structures. Sustained growth will, however, depend on structural and fiscal reforms aimed at boosting investor confidence, productivity, and economic resilience.

The management of your company is proactively addressing these challenges by focusing on cost minimization, operational optimization, enhancing capacity and improving efficiencies to achieve favourable financial results in the enduring financial year.

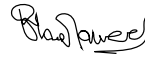
Acknowledgment:

The Directors wish to express their gratitude to our valued clients and bankers for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services demonstrated by the staff members and the workers of the company. The company Acknowledges and thanks all stakeholders for the confidence reposed.

For and on behalf of Board of Directors



Faiz Jawed
Chief Executive Officer



Shaiq Jawed
Director

Faisalabad
April 29, 2025

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

اور مزید مالیاتی نرمی پر حکومت کی توجہ لاگت کے ڈھانچے کے لیے ایک مثبت نقطہ نظر فراہم کرتی ہے۔ تاہم، پائیدار ترقی کا انحصار ساختی اور مالیاتی اصلاحات پر ہو گا جس کا مقصد سرمایہ کاروں کے اعتماد، پیداواری صلاحیت اور اقتصادی لچک کو بڑھانا ہے۔ آپ کی کمپنی کی انتظامیہ لاگت کو کم کرنے، آپریشنل آپٹیمائزیشن، صلاحیت کو بڑھانے اور مستقل مالی سال میں سازگار مالیاتی نتائج حاصل کرنے کے لیے افادیت کو بہتر بنانے پر توجہ مرکوز کرتے ہوئے ان چیلنجوں سے نمٹ رہی ہے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے گاہکوں اور بکریز 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 پُر اعتماد ریسپانس کا اقرار کرتی ہے اور شکرگزار بھی ہے۔

منجانب بورڈ آف ڈائریکٹرز:

امسوق

فائق جاوید

چیف ایگزیکٹو

Ram Puri

شائق جاوید

ڈائریکٹر

فیصل آباد: اپریل - 2025,29

ڈائریکٹر رپورٹ برائے حصص یافتگان:

کہ 1.24% ہے۔ اسی مدت کے مقابلے میں بعد از بیس منافع 679.356 ملین روپے ہے جو کہ 2.13% ہے۔ جس سے EPS اسی مدت میں 6.64 روپے کے مقابلے میں 4.01 ہو گئی ہے۔

تجزیہ میں اضافے اور افراط زر کے اثرات کے پیش نظر اسٹورز اور اسپینرز اور استعمال ہونے والے ڈھیلے آلات، پیکنگ میٹریل، انشورنس کی لاگت اور آپریٹنگ اخراجات میں اضافہ ہوا۔ کم از کم اجرت کی شرح میں اضافے اور صلاحیت میں اضافے کی وجہ سے تنخواہوں اور اجرتوں کی لاگت میں اضافہ ہوا جبکہ صلاحیت اور بجلی کے نرخوں میں اضافے کی وجہ سے ایندھن اور بجلی کی لاگت میں اضافہ ہوا۔

کمپنی کی انتظامیہ اپنی پیداواری سہولیات میں مشینری اور آلات کے توازن جدید اور تبدیلی (BMR) کی اپنی جاری پالیسی پر مضبوطی سے کاربند ہے۔ یہ پالیسی آپریٹنگ کارکردگی، لاگت کی تاثیر، اور مارکیٹ اور ماحولیاتی توقعات کے ساتھ صف بندی کی حمایت کرتی ہے۔

34,224 سپنڈلز پر مشتمل موجودہ سپنگ یونٹ کے ذریعے پروسیس شدہ PC شماروں میں منفی مارجن کی روشنی میں، انتظامیہ نے یونٹ کو 6,000 روٹرز والے اوپن اینڈ سپنگ سسٹم میں تبدیل کرنے کا فیصلہ کیا ہے۔ یہ اسٹریٹجک اقدام کو ممبرنائل ویسٹ کے استعمال کو قابل بنائے گا، جس سے یارن کی پیداوار میں مدد ملے گی جو بین الاقوامی خریداروں کی پائیداری کی ضروریات کو پورا کرتے ہیں۔ روایتی اسپن عمل سے کھلے عام عمل میں منتقلی کے لیے سول ورک فی الحال جاری ہے۔ توقع ہے کہ نئی مشینری اگلے چند ہفتوں میں پہنچ جائے گی، جس کی تنصیب اگست 2025 کے وسط تک مکمل ہو جائے گی۔

کمپنی کی پائیداری کی ہم کے ایک حصے کے طور پر، 3.5 میگاواٹ کے سولر پاور پلانٹ کی تنصیب پر بھی کام جاری ہے، جو موجودہ صلاحیت کو 3.5 میگاواٹ سے بڑھا کر 7 میگاواٹ کر دے گا۔ مزید برآں، انتظامیہ نے مزید 7 میگاواٹ شمسی توانائی کی صلاحیت کے توسیعی منصوبے کی منظوری دی ہے، جس کا مقصد 14 میگاواٹ کی کل سبز توانائی پیدا کرنے کی صلاحیت حاصل کرنا ہے۔

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:

یہ دیکھا گیا ہے کہ 31 مارچ 2025 کو ختم ہونے والی مدت کے دوران معاشی اشاریے مستحکم ہوئے ہیں۔ پاکستان کی جی ڈی پی کی شرح نمو مالی سال 2025 میں 3 فیصد اور مالی سال 2026 میں 4 فیصد رہنے کا امکان ہے۔ مالی سال 2025 میں افراط زر کی شرح 5 فیصد سے 6 فیصد کے درمیان رہنے کی توقع ہے، جب کہ اہم اقتصادیات جیسے کہ اہم اقتصادیات میں کمی۔ اور سود کی

ڈائریکٹرز رپورٹ برائے حصص یافتگان:

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

معزز حصص یافتگان،

آپ کی کمپنی کے ڈائریکٹر سال کے پہلے 9 ماہ کے اختتام 31 مارچ 2025 کے مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی نتائج اور آپریشنل کارکردگی:

مالیاتی سال 2025 کے پہلے 9 ماہ کے نتائج کی تفصیل درج ذیل ہیں:

تفصیلات	اختتام نو ماہ ملین روپے	اختتام نو ماہ ملین روپے
	31 مارچ 2024	31 مارچ 2025
سیلز	31,942.490	33,095.582
سیلز کے اخراجات	27,811.032	29,597.170
خام منافع	4,131.458	3,498.412
آپریٹنگ اخراجات	1,440.425	1,443.995
دیگر آمدن	237.226	364.723
آپریٹنگ منافع	2,928.259	2,419.140
مالی لاگت	1,833.615	1,493.569
منافع قبل از ٹیکس	1,094.644	925.571
ٹیکس	415.288	515.59
منافع بعد از ٹیکس	679.356	409.981
فی شیئر آمدنی	6.64	4.01

زیر جائزہ مدت کے لیے فروخت 31,942.490 ملین روپے سے بڑھ کر 33,095.582 ملین روپے ہو گئی جو 3.61 فیصد اضافے کو ظاہر کرتی ہے۔ 31 مارچ 2025 کو ختم ہونے والی مدت کے دوران بعد از ٹیکس منافع 409.981 ملین روپے ہے جو

Condensed Interim Statement of Financial Position (Un-Audited)

As At 31 March 2025

		Un-audited 31 March 2025 (RUPEES IN THOUSAND)	Audited 30 June 2024
NOTE			
	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	11,933,828	11,523,847
	Total reserves	12,881,787	12,471,806
	TOTAL EQUITY	13,904,962	13,494,981
	LIABILITIES		
	NON-CURRENT LIABILITIES		
	Long term financing	2,345,953	2,741,448
	Lease liability	26,234	37,677
	Deferred income - government grant	172,699	252,209
		2,544,886	3,031,334
	CURRENT LIABILITIES		
	Trade and other payables	3,156,054	2,887,196
	Accrued mark-up	275,500	355,641
	Short term borrowings	8,722,077	9,763,274
	Unclaimed dividend	749	749
	Current portion of non-current liabilities	866,873	919,687
	Provision for taxation and levy - net	136,722	112,149
		13,157,976	14,038,696
	TOTAL LIABILITIES	15,702,862	17,070,030
	CONTINGENCIES AND COMMITMENTS		
	TOTAL EQUITY AND LIABILITIES	29,607,824	30,565,011



Faiq Jawed
Chief Executive Officer



Shaiq Jawed
Director



Khawaja Nadeem Abbas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-Audited)

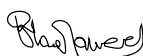
As At 31 March 2025

		Un-audited 31 March 2025 (RUPEES IN THOUSAND)	Audited 30 June 2024
	NOTE		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,898,852	11,290,876
Right-of-use asset		50,236	59,102
Long term investment		-	-
Long term deposits		39,660	1,081
		10,988,748	11,351,059
CURRENT ASSETS			
Stores, spare parts and loose tools		343,203	324,899
Stock-in-trade		11,603,953	10,674,019
Trade debts		3,709,857	4,293,691
Advances		183,930	103,179
Short term deposits and prepayments		64,038	53,659
Other receivables		113,019	184,088
Sales tax refundable		1,618,265	2,940,152
Short term investments		567,053	191,609
Cash and bank balances		415,758	448,656
		18,619,076	19,213,952
TOTAL ASSETS		29,607,824	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)

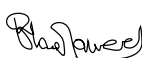
FOR THE NINE MONTHS ENDED 31 MARCH 2025

		Nine months ended		Quarter ended	
		31 March	31 March	31 March	31 March
	NOTE	2025	2024	2025	2024
		(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Revenue from contracts with customers	7	33,095,582	31,942,490	11,948,200	11,511,969
Cost of sales	8	(29,597,170)	(27,811,032)	(10,926,353)	(10,122,892)
Gross Profit		3,498,412	4,131,458	1,021,847	1,389,077
Distribution cost		(922,760)	(892,866)	(256,735)	(355,623)
Administrative expenses		(447,402)	(479,039)	(167,610)	(189,039)
Other expenses		(73,833)	(68,520)	(22,731)	(11,248)
		(1,443,995)	(1,440,425)	(447,076)	(555,910)
		2,054,417	2,691,033	574,771	833,167
Other income		364,723	237,226	67,553	79,066
Profit from operations		2,419,140	2,928,259	642,324	912,233
Finance cost		(1,493,569)	(1,833,615)	(355,415)	(608,039)
Profit before levy and taxation		925,571	1,094,644	286,909	304,194
Levy		(266,992)	(415,288)	(105,655)	(135,790)
Profit before taxation		658,579	679,356	181,254	168,404
Taxation		(248,598)	-	(73,965)	-
Profit after Taxation		409,981	679,356	107,289	168,404
Earnings per share – basic and diluted (Rupees)		4.01	6.64	1.05	1.65

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 NINE MONTHS ENDED 31 MARCH 2025

	Nine months ended		Quarter ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Profit after taxation	409,981	679,356	107,289	168,404
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	409,981	679,356	107,289	168,404

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



Faiz Jawed
Chief Executive Officer



Shaiq Jawed
Director



Khawaja Nadeem Abbas
Chief Financial Officer

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

	RESERVES						TOTAL EQUITY
	CAPITAL RESERVES				REVENUE RESERVE		
	PREMIUM ON ISSUE OF RIGHT SHARES	MERGER RESERVE	SURPLUS ON REVALUATION OF FREEHOLD LAND	SUB TOTAL	UNAPPROPRI- ATED PROFIT	TOTAL	
----- (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
Profit for the nine months ended 31 March 2024	-	-	-	-	-	679,356	679,356
Other comprehensive income for the nine months ended 31 March 2024	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2024	-	-	-	-	-	679,356	679,356
Balance as at 31 March 2024 - (Un-audited)	1,023,175	60,904	289,636	597,419	947,959	11,196,692	12,144,651
Profit for the quarter ended 30 June 2024	-	-	-	-	-	327,155	327,155
Other comprehensive income for the quarter ended 30 June 2024	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended 30 June 2024	-	-	-	-	-	327,155	327,155
Balance as at 30 June 2024 - (Audited)	1,023,175	60,904	289,636	597,419	947,959	11,523,847	12,471,806
Profit for the nine months ended 31 March 2025	-	-	-	-	-	409,981	409,981
Other comprehensive income for the nine months ended 31 March 2025	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2025	-	-	-	-	-	409,981	409,981
Balance as at 31 March 2025 - (Un-audited)	1,023,175	60,904	289,636	597,419	947,959	11,933,828	12,881,787
Balance as at 30 June 2023 - (Audited)	1,023,175	60,904	289,636	597,419	947,959	11,465,295	12,488,470
Balance as at 31 March 2024 - (Un-audited)	1,023,175	60,904	289,636	597,419	947,959	11,196,692	12,144,651
Balance as at 30 June 2024 - (Audited)	1,023,175	60,904	289,636	597,419	947,959	11,523,847	12,471,806
Balance as at 31 March 2025 - (Un-audited)	1,023,175	60,904	289,636	597,419	947,959	11,933,828	12,881,787

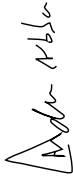
The annexed notes form an integral part of these condensed interim financial statements.



Faiz Jawed
Chief Executive Officer



Shaiq Jawed
Director




Khawaja Nadeem Abbas
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED 31 MARCH 2025

		Nine months ended	
	NOTE	31 March 2025	31 March 2024
(RUPEES IN THOUSAND)			
Cash flows from operating activities			
Cash generated from / (used in) operations	9	4,426,711	1,144,891
Finance cost paid		(1,553,763)	(1,819,549)
Mark-up paid on leases liabilities		(6,473)	(6,685)
Income tax and levy paid		(491,017)	(321,199)
Net (increase) / decrease in long term deposits		(38,579)	23,200
Workers' profit participation fund paid		(77,898)	(101,944)
Net cash generated from / (used in) operating activities		2,258,981	(1,081,286)
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		(443,440)	(534,057)
Proceeds from sale of property, plant and equipment		27,172	26,313
Proceeds from sale of investments		23,838	-
Investments made		(350,050)	-
Profit on saving accounts and term deposit receipts received		37,980	25,475
Net cash used in investing activities		(704,500)	(482,269)
Cash flows from financing activities			
Proceeds from long term financing		143,714	184,279
Repayment of long term financing		(674,320)	(595,335)
Repayment of lease liabilities		(7,874)	(13,102)
Short term borrowings - net		(1,041,197)	2,051,991
Net cash (used in) / from financing activities		(1,579,677)	1,627,833
Net increase in cash and cash equivalents		(25,196)	64,278
Net foreign exchange difference on translating bank balances		(7,702)	(8,257)
Cash and cash equivalents at the beginning of the period		448,656	372,236
Cash and cash equivalents at the end of the period		415,758	428,257

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 NINE MONTHS ENDED 31 MARCH 2025

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, Sheikhpura 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 NINE MONTHS ENDED 31 MARCH 2025

	Un-audited 31 March 2025 (RUPEES IN THOUSAND)	Audited 30 June 2024
3. LONG TERM FINANCING		
From banking companies - secured		
Opening balance	3,535,230	3,866,229
Add:		
Obtained during the period / year	143,714	350,631
Amortization during the period / year	90,102	128,628
	3,769,046	4,345,488
Less: Repaid during the period / year	674,320	810,258
	3,094,726	3,535,230
Less: Current portion shown under current liabilities	748,773	793,782
	2,345,953	2,741,448
4. SHORT TERM BORROWINGS		
From banking companies - secured		
Export refinances	3,523,000	2,190,331
Other short term finances	5,199,077	7,072,943
	8,722,077	9,263,274
Others - unsecured		
Related parties	-	500,000
	8,722,077	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:

- 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.
- Post dated cheques and security cheques of Rupees 6,316.824 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.

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

b) Commitments

- i) Letters of credit for capital expenditure are of Rupees 944.991 million (30 June 2024: Rupees 59.078 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 3,694.066 million (30 June 2024: Rupees 3,802.973 million).
- iii) Outstanding foreign currency forward contracts are of Rupees 6,913.467 million (30 June 2024: Rupees 4,818.549 million).
- iv) Ijarah commitments are of Rupees 2.091 million (30 June 2024: Rupees 6.984 million).

	NOTE	Un-Audited 31 March 2025 (Rupees in thousand)	Audited 30 June 2024
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	10,567,120	11,030,486
Capital work-in-progress	6.2	331,732	260,390
		10,898,852	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	372,098	1,042,606
		11,402,584	12,173,933
Less: Book value of deletions during the period / year	6.1.2	24,319	49,968
		11,378,265	12,123,965
Less: Depreciation charged during the period / year		811,145	1,093,479
		10,567,120	11,030,486
6.1.1 Cost of additions during the period / year			
Freehold land		808	2,198
Buildings on freehold land		133,960	459,720
Plant and machinery		66,238	173,231
Factory tools and equipment		-	29,788
Electric installations and appliances		8,482	251,946
Vehicles		162,610	125,723
		372,098	1,042,606

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

NOTE	Un-Audited	Audited
	31 March 2025 (Rupees in thousand)	30 June 2024
6.1.2 Book value of deletions during the period / year		
Plant and machinery	8,834	10,918
Vehicles	15,485	39,050
	24,319	49,968
6.2 Capital work-in-progress		
Freehold land	41,129	14,843
Buildings on freehold land	70,861	148,806
Plant and machinery	188,125	-
Vehicles	31,618	92,644
Electric installations and appliances	-	4,097
	331,732	260,390

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	----- (RUPEES IN THOUSAND) -----			
7. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Export sales	19,071,256	16,937,045	7,268,694	6,869,051
Local sales - net	13,959,618	14,948,248	4,656,042	4,617,364
Export rebate	64,708	57,197	23,464	25,554
	33,095,582	31,942,490	11,948,200	11,511,969
8. COST OF SALES				
Raw materials consumed	19,074,212	19,318,096	6,556,738	6,388,213
Stores, spare parts and loose tools consumed	1,154,924	1,003,143	382,297	358,395
Packing materials consumed	570,785	456,162	197,117	164,756
Processing, sizing and conversion charges	2,692,569	1,872,175	833,204	765,038
Fuel and power	3,240,828	2,954,125	1,104,193	1,091,670
Salaries, wages and other benefits	1,454,822	1,341,664	624,897	487,734
Repair and maintenance	32,309	36,773	12,110	11,758
Insurance	34,076	25,653	10,577	5,377
Other factory overheads	16,376	16,265	5,645	5,402
Depreciation on property, plant and equipment	721,693	730,186	242,031	244,856
	28,992,594	27,754,242	9,968,809	9,523,199

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	----- (RUPEES IN THOUSAND) -----			
Work-in-process:				
Opening stock	1,105,335	957,701	1,306,887	1,362,945
Closing stock	(1,057,522)	(1,105,863)	(1,057,522)	(1,105,863)
	47,813	(148,162)	249,365	257,082
Cost of goods manufactured	29,040,407	27,606,080	10,218,174	9,780,281
Finished goods:				
Opening stock	3,627,585	3,012,656	3,779,001	3,150,315
Closing stock	(3,070,822)	(2,807,704)	(3,070,822)	(2,807,704)
	556,763	204,952	708,179	342,611
	29,597,170	27,811,032	10,926,353	10,122,892

	NOTE	(Un-audited)	
		Nine months ended	
		31 March	31 March
		2025	2024
		(RUPEES IN THOUSAND)	
9. CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation and levy		925,571	1,094,644
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment		811,145	810,528
Depreciation on right-of-use assets		8,866	11,082
Finance cost		1,493,569	1,833,615
Net exchange loss		5,551	-
Allowance / (reversal of allowance) for expected credit losses		1,913	493
Provision for workers' welfare fund		17,323	-
Provision for workers' profit participation fund		45,586	57,533
Gain on sale of property, plant and equipment		(2,831)	(2,266)
Gain on sale of investments at FVTPL		(10,298)	-
Profit on saving accounts and term deposit receipts		(86,107)	(25,483)
Unrealized gain on remeasurement of investments at FVTPL		(2,933)	(12,645)
Working capital changes	9.1	1,219,356	(2,622,610)
		4,426,711	1,144,891

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

		(Un-audited)	
		Nine months ended	
	NOTE	31 March 2025	31 March 2024
		(RUPEES IN THOUSAND)	
9.1	Working capital changes		
	(Increase) / decrease in current assets:		
	Stores, spare parts and loose tools	(18,304)	(83,579)
	Stock-in-trade	(929,934)	(1,799,066)
	Trade debts	581,921	(739,570)
	Advances	(80,751)	(20,198)
	Short term deposits and prepayments	(10,379)	(24,484)
	Other receivables	71,069	(21,372)
	Sales tax refundable	1,321,887	(500,251)
		935,509	(3,188,520)
	Increase in trade and other payables	283,847	565,910
		1,219,356	(2,622,610)

10. TRANSACTIONS WITH RELATED PARTIES

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

		(Un-audited)			
		Nine months ended		Quarter ended	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
i) Transactions					
Associate					
J.K. Tech (Private) Ltd (JKTPL)					
	Service charges	1,980	1,890	660	630
	Rental income	1,800	1,710	600	570
	Expenses paid on behalf of JKTPL	70	61	-	-
Other related parties:					
	Company's contribution to Employees' Provident Fund Trust	56,537	49,660	19,608	17,382
	Remuneration paid to Chief Executive Officer, directors and executives	143,515	135,326	47,648	42,742
	Vehicles sold to executives	10,842	13,465	-	4,381
	Loans (repaid to) / obtained from Chief Executive Officer and director - net	(500,000)	500,000	-	-

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

	(Un-audited)	Audited
	31 March	30 June
	2025	2024
	(RUPEES IN THOUSAND)	
ii) Period end balances		
Associate		
Trade and other payables	366	256
Other related parties		
Short term borrowings	-	500,000
Loans and advances	5,344	3,713

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

11. SEGMENT INFORMATION

	Spinning		Fabric		Elimination of inter-segment transactions		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
----- (RUPEES IN THOUSAND) -----								
Revenue from contracts with customers								
External	13,561,365	14,409,366	19,534,217	17,533,124	-	-	33,095,582	31,942,490
Intersegment	1,678,926	2,067,230	-	-	(1,678,926)	(2,067,230)	-	-
Cost of sales	15,240,291	16,476,596	19,534,217	17,533,124	(1,678,926)	(2,067,230)	33,095,582	31,942,490
Gross profit	(13,581,710)	(15,153,130)	(17,694,386)	(14,725,132)	1,678,926	2,067,230	(29,597,170)	(27,811,032)
	1,658,581	1,323,466	1,839,831	2,807,992	-	-	3,498,412	4,131,458
Distribution cost	(124,605)	(93,159)	(798,155)	(799,707)	-	-	(922,760)	(892,866)
Administrative expenses	(305,373)	(314,694)	(142,029)	(164,345)	-	-	(447,402)	(479,039)
	(429,978)	(407,853)	(940,184)	(964,052)	-	-	(1,370,162)	(1,371,905)
Profit before levy and taxation and unallocated income and expenses	1,228,603	915,613	899,647	1,843,940	-	-	2,128,250	2,759,553
Unallocated income and expenses								
Other expenses							(73,833)	(68,520)
Other income							364,723	237,226
Finance cost							(1,493,569)	(1,833,615)
Levy							(266,992)	(415,288)
Taxation							(248,598)	-
Profit after taxation							409,981	679,356

11.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric		Total Company	
	(Un-audited)		(Un-audited)		(Un-audited)	
	31 March 2025	(Audited) 30 June 2024	31 March 2025	(Audited) 30 June 2024	31 March 2025	(Audited) 30 June 2024
----- (RUPEES IN THOUSAND) -----						
Total assets for reportable segments	19,072,087	18,944,944	8,917,472	8,679,915	27,989,559	27,624,859
Sales tax refundable					1,618,265	2,940,152
Total assets as per condensed interim statement of financial position					29,607,824	30,565,011
Total liabilities for reportable segments	10,191,462	11,277,108	5,119,365	5,410,471	15,310,827	16,687,579
Unallocated liabilities					392,035	382,451
Total liabilities as per condensed interim statement of financial position					15,702,862	17,070,030

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

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

11.2	Geographical Information				
	(RUPEES IN THOUSAND) -----				
	Spinning (Un-audited)		Fabric (Un-audited)		Total Company (Un-audited)
	Nine months ended	31 March 2024	Nine months ended	31 March 2024	Nine months ended
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025

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

Europe	-	14,488,051	12,952,359	14,488,051	12,952,359
North America	-	3,707,101	3,347,376	3,707,101	3,347,376
South America	-	518,586	240,103	518,586	240,103
Asia	-	270,382	127,497	270,382	127,497
Australia	-	-	9,283	-	9,283
Africa	-	87,136	82,190	87,136	260,427
Pakistan	13,561,365	14,231,129	717,119	13,959,618	14,948,248
Export rebate	-	64,708	57,197	64,708	57,197
	13,561,365	19,534,217	17,533,124	33,095,582	31,942,490

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

Yarn	12,972,977	13,688,001	8,729	12,981,706	14,090,303
Fabric	-	-	4,305,643	4,305,643	4,251,434
Made ups	-	-	14,970,886	14,970,886	12,727,475
Processing income	-	-	150,198	150,198	71,942
Waste	588,388	721,365	98,761	687,149	801,336
	13,561,365	14,409,366	19,534,217	33,095,582	31,942,490

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

FOR THE NINE MONTHS ENDED 31 MARCH 2025

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 March 2025 - (Un-audited)				
At fair value through profit or loss	11,047	-	-	11,047
Derivative financial assets	-	7,751	-	7,751
	<u>11,047</u>	<u>7,751</u>	<u>-</u>	<u>18,798</u>
At 30 June 2024 - (Audited)				
At fair value through profit or loss	21,609	-	-	21,609
Derivative financial assets	-	105,289	-	105,289
	<u>21,609</u>	<u>105,289</u>	<u>-</u>	<u>126,898</u>

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 NINE MONTHS ENDED 31 MARCH 2025

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on April 29, 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.

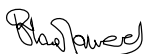
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made, except for term deposit receipts of Rupees 170 million which were grouped in cash and bank balances, now included in short term investments.

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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