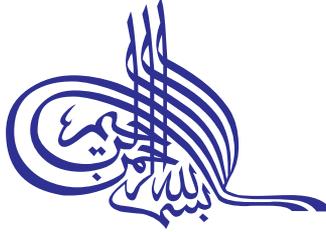


3RD QUARTERLY REPORT MARCH 31, 2012



J.K. SPINNING MILLS LIMITED



COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN/CHIEF EXECUTIVE Mr. Jawed Anwar

DIRECTORS

Mr. Faiq Jawed
Mr. Shaiq Jawed
Mrs. Farhat Jehan
Syed Hussain Shahid Mansoor Naqvi
Mr. Ghulam Muhammad
Mr. Qayyum Mohsin Malik

BOARD OF AUDIT COMMITTEE

Chairman

Mr. Shaiq Jawed

Members

Mr. Faiq Jawed
Syed Hussain Shahid Mansoor Naqvi

COMPANY SECRETARY

Syed Hussain Shahid Mansoor Naqvi

CHIEF FINANCIAL OFFICER

Amjad Ali

AUDITORS

RIAZ AHMAD & CO.
Chartered Accountants
A Members of Nexia International

LEGAL ADVISOR

Atif & Atif
Law Associates

BANKERS

Standard Chartered Bank Pakistan Limited
Askari Bank Limited.
The Bank of Punjab
National Bank of Pakistan
Al-Baraka Bank Pakistan Limited
United Bank Limited.
HSBC Bank Middle East Limited
Summit Bank Limited

REGISTERED OFFICE

3-1/A, Peoples Colony, Faisalabad.

MILLS

29-km, Shekhupura Road, Faisalabad.



DIRECTORS' REPORT TO THE SHARE HOLDERS

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 3rd quarter ended on March 31, 2012.

Merger of J.K. Fiber Mills Limited and Abid Faiq Textile Mills Limited with and into J.K. Spinning Mills Ltd.

J.K. Fiber Mills Ltd and Abid Faiq Textile Mills Ltd- Associated Companies have been merged with and into J.K Spinning Mills Ltd as reported in Directors report for the financial year ending June 30, 2011. . The merger has been sanctioned by the learned company bench of Lahore High Court Lahore vide order dated June 17, 2011 announced in the open court. Detailed attested copy of court order was received on November 15, 2011. The comparative financial figures of the financial year 2011 comprised of unmerged position of the J.K. Spinning Mills Ltd only.

FINANCIAL RESULTS

The summarized financial results of the company for the nine months period ended on March 31, 2012 are as under:

Rupees in Millions

Particulars	Nine Months Ended	
	March 31,2012	March 31,2011
Sales	5,302.402	1,551.875
Cost of Sales	4,611.370	1,218.360
Gross Profit	691.032	333.515
Operating Expenses -net	308.048	62.035
Operating Profit	382.984	271.480
Financial cost	177.983	62.652
Net After Tax Profit	137.221	125.969
Comprehensive income	170.833	136.637
Earnings per share – Rupee	2.25	2.07

Sales for the period under review increased to Rupees 5,302.402 million in 2012 from Rupees 1,551.875 millions of the corresponding period mainly due to merger of J.K. Fiber Mills Ltd into J.K. Spinning Mills Ltd. Cost of sales ratio to sales increased to 86.97% in 2012 from 78.51% in 2011 as a result of increase in wages rate, fuel and power cost and impact of product mix and accordingly gross profit ratio to sales decreased to 13.03% in 2012 from 21.49% in 2011. Operating expenses ratio to sales increased to 5.83% in 2012 from 3.95% in 2011 in view of increase in selling and distribution cost and higher export sales. Financial cost increased to Rs. 177.983 million in 2012 from Rs. 62.652 million in 2011 due to merger of J.K. Fiber Mills Ltd into J. K. Spinning Mills Ltd. Your company has earned net profit after tax of Rupees 137.221 million during nine months ended on March 31, 2012 against net profit after tax of Rupees 125.969 million of the same period of last year while comprehensive income for the period attributed to equity stood at Rupees 170.833 million against Rupees 136.637 million of the corresponding period.



PRODUCTION AND OPERATING FACILITIES

The production of yarn converted into 20/s for the period was 18.239 million Kgs against 7.386 million kgs of corresponding period of last year.

The management of your company is vigilant of Balancing, Modernization and Replacement (BMR) of the production facilities. As a continuing policy of BMR, four Lakshmi Comber machines and one Lap former machine have been added in the existing facilities during the period under review while two Lakshmi Blow Room Lines and sixteen Lakshmi Card machines are under erection and shall be commissioned in last quarter of the current financial year while letter of credits have been opened for import of seven Savio Automatic Winders which shall be commissioned by end June of current financial year.

FUTURE OUTLOOK

Textile sector is the backbone of the national economy as it has direct contribution to domestic production and foreign exchange earnings. Gas shortages in conjunction with electricity load shedding created immense problems for the industry and negatively impacted the production process as well export of value added textiles. Exports of textile sector declined by 9.4 percent in July 2011-March 2012 against same period last year.

It is apprehended that if gas and electricity situation remains constant, shortfall in textile export would be further enlarged. Unprecedented energy shortage was the prime reason behind substantial drop in exports. Situation arising out of gas outage would lead to further decline in exports, huge labor layoffs and decrease in the revenue of the Government. It is predicted that negative growth in the textile exports would adversely affect the country's economic growth.

Despite damage of cotton by heavy rains in province of Sindh, Pakistan is likely to produce highest ever cotton production of 14.7 million cotton bales for the cotton season 2011-12. Demand of yarn is surging upward and sale margins are improving. The management of your company has procured sufficient cotton for in house requirements for the Year 2011-12. In view of increasing demand for yarn and upward trend in yarn prices, last quarter of current financial year of spinning industry shall make healthy profits.

ACKNOWLEDGEMENT

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 of the staff members and workers of the company.

For and on behalf of the Board

Faisalabad
April 28, 2012

JAWED ANWAR
Chief Executive



CONDENSED INTERIM BALANCE SHEET (Un-Audited) AS AT MARCH 31, 2012

	Note	Un-Audited March 31, 2012	Audited June 30, 2011
		(Rupees in Thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment	5	2,761,532	2,623,342
Long term investment		-	-
Long term deposits		-	8,280
		2,761,532	2,631,622
CURRENT ASSETS			
Stores, spares parts & loose tools		31,895	35,227
Stock in trade		1,945,576	1,249,429
Trade debts		483,940	528,745
Loans and advances		73,676	36,358
Short term deposits and prepayments		8,288	17,554
Other receivables		8,307	9,729
Tax refunds due from the Government		184,936	242,729
Cash and bank balances		30,830	60,290
		2,767,448	2,180,061
TOTAL ASSETS		5,528,980	4,811,683
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing			
From banking companies - secured	6	203,200	65,080
Directors' loan - interest free - unsecured		300,000	300,000
Liabilities against assets subject to finance lease		-	5,981
Deferred income tax liability		273,208	258,452
		776,408	629,513
CURRENT LIABILITIES			
Trade and other payables		305,796	322,533
Accrued markup		57,547	46,739
Short term borrowings		1,674,639	1,175,632
Current portion of non-current liabilities		42,017	56,245
Provision for taxation		53,024	97,595
		2,133,023	1,698,744
TOTAL LIABILITIES		2,909,431	2,328,257
NET ASSETS		2,619,549	2,483,426
REPRESENTED BY:			
Authorized share capital	7	960,000	250,000
Issued, subscribed and paid up share capital	8	609,033	183,750
Reserves		999,988	1,255,536
Total Equity		1,609,021	1,439,286
Surplus on revaluation of property, plant and equipment - net of deferred income tax		1,010,528	1,044,140
CONTINGENCIES & COMMITMENTS	9	-	-
		2,619,549	2,483,426

The annexed notes form an integral part of this condensed interim financial information.

JAWED ANWAR
CHIEF EXECUTIVE

FAIQ JAWED
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

	Note	Nine months ended		Quarter ended	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
----- RUPEES IN THOUSAND -----					
Sales		5,302,402	1,551,875	2,041,896	629,267
Cost of sales	10	(4,611,370)	(1,218,360)	(1,721,701)	(483,547)
Gross profit		691,032	333,515	320,195	145,720
Distribution cost		(204,324)	(19,704)	(82,395)	(8,982)
Administrative expenses		(94,061)	(26,000)	(33,204)	(8,781)
Other operating expenses		(10,790)	(15,536)	(1,815)	(6,879)
		(309,175)	(61,240)	(117,414)	(24,642)
		381,857	272,275	202,781	121,078
Other operating income / (loss)		1,127	(795)	(163)	(703)
Profit from operations		382,984	271,480	202,618	120,375
Finance cost		(177,983)	(62,652)	(77,565)	(28,257)
Profit before taxation		205,001	208,828	125,053	92,118
Provision for taxation		(67,780)	(82,859)	(39,451)	(41,652)
Profit after taxation		137,221	125,969	85,602	50,466
Earnings per share -			(Restated)		(Restated)
Basic and Diluted (Rupees)	11	2.25	2.07	1.41	0.83

The annexed notes form an integral part of this condensed interim financial information.



**CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

For nine months ended		For Quarter ended	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- RUPEES IN THOUSAND -----

Profit after taxation	137,221	125,969	85,602	50,466
Other comprehensive income				
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	33,612	10,668	11,204	5,299
Total comprehensive income for the period	<u>170,833</u>	<u>136,637</u>	<u>96,806</u>	<u>55,765</u>

The annexed notes form an integral part of this condensed interim financial information.



**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

	Note	For the Nine months ended	
		31 March 2012	31 March 2011
(Rupees in Thousand)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash utilized in operations	12	(183,262)	(222,141)
Finance cost paid		(167,175)	(44,443)
Provident fund paid		-	(8,938)
Income tax paid		(39,803)	(10,650)
workers' profit participation fund paid		(26,549)	-
Workers' welfare fund paid		-	-
Net decrease in long term deposits		8,280	-
Net Cash utilized in operating activities		(408,509)	(286,172)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure Proceeds from sale of property, plant and equipment		(253,259) 16,487	(18,393) -
Net cash used in investing activities		(236,772)	(18,393)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term financing		164,000	-
Repayment of long term financing		(22,952)	-
Repayment of finance lease liabilities		(23,136)	(31,056)
Short term borrowings - net		499,007	315,905
Dividend paid		(1,098)	(2,092)
Net cash from financing activities		615,821	282,757
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		(29,460)	(21,808)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		60,290	24,453
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		30,830	2,645

The annexed notes form an integral part of this condensed interim financial information.



**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY
(Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

SHARE CAPITAL	RESERVES					TOTAL EQUITY	
	CAPITAL			REVENUE	TOTAL		
	Share capital	Merger	Sub Total	Unappropriated profit			
----- RUPEES IN THOUSAND -----							
Balance as at June 30, 2010 - Audited	175,000	-	-	-	158,864	158,864	333,864
Final dividend for the year ended 30 June 2010 at the rate of Rupees 2 per share	-	-	-	-	(2,092)	(2,092)	(2,092)
Bonus shares issued during the half year ended 31 December 2010	8,750	-	-	-	(8,750)	(8,750)	-
Total Comprehensive Income for the nine months ended 31 March 2011	-	-	-	-	136,637	136,637	136,637
Balance as at 31 March 2011 - Un-audited	183,750	-	-	-	284,659	284,659	468,409
Interim dividend for the quarter ended 31 March 2011 at the rate of Rupees 1 per share	-	-	-	-	(14,955)	(14,955)	(14,955)
Share capital reserve created under the scheme of merger	-	425,283	-	425,283	-	425,283	425,283
Merger reserve created under the scheme of merger	-	-	289,636	289,636	-	289,636	289,636
Total Comprehensive income for the quarter ended 30 June 2011	-	-	-	-	270,913	270,913	270,913
Balance as at 30 June 2011 - Audited	183,750	425,283	289,636	714,919	540,617	1,255,536	1,439,286
Final dividend for the year ended 30 June 2011 at the rate of Rupees 1 per share	-	-	-	-	(1,098)	(1,098)	(1,098)
Share capital issued under the scheme of merger	459,476	(425,283)	-	(425,283)	-	(425,283)	34,193
Share capital cancelled under the scheme of merger	(34,193)	-	-	-	-	-	(34,193)
Total comprehensive income for the nine months ended 31 March 2012	-	-	-	-	170,833	170,833	170,833
Balance as at 31 March 2012 - Un-audited	609,033	-	289,636	289,636	710,352	999,988	1,609,021

The annexed notes form an integral part of this condensed interim financial information.



**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2012**

1. THE COMPANY AND ITS OPERATIONS

- 1.1** J.K. Spinning Mills Limited (the Company) is public limited company incorporated in Pakistan on 07 January 1987 under the Companies Ordinance, 1984. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in business of textile manufacturing comprising of ginning, spinning, stitching, buying, selling and otherwise dealing in yarn, fabrics and other goods. Registered office of the Company is situated at 3-1/A, Peoples Colony, Faisalabad. The mill is located at Tehsil Jaranwala, District Faisalabad in the Province of Punjab.
- 1.2** The Honorable Lahore High Court while deciding petition No. C.O. 14/2011 regarding merger of J.K. Fibre Mills Limited and Abid Faiq Textile Mills Limited with and into J.K. Spinning Mills Limited has approved the scheme of merger on 17 June 2011 with effect from 01 July 2010. Pursuant to the merger scheme entire undertaking of J.K. Fibre Mills Limited and Abid Faiq Textile Mills Limited including all properties, assets, liabilities, receivable, payables and all other rights and obligations have been transferred into and vested in the Company on the effective date. Detailed copy of order was received on 15 November 2011. The Company issued 0.96 share against each share of the J.K. Fibre Mills Limited and 8.69 shares against each share of Abid Faiq Textile Mills Limited on 10 December 2011. The comparative figures of condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement comprised of only unmerged figures of J.K. Spinning Mills Limited.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the nine months period ended 31 March 2012 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2011.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

Accounting policies and methods of computation for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2011 except for the new accounting policy adopted by the Company during the period as stated in Note 3.1:

3.1 SEGMENT REPORTING

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.



Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibres), Home Textile (Manufacturing of home textile articles), Fabric (Buying yarn, fabric and selling after conversion).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2011.

	Un-audited 31 March 2012	Audited 30 June 2011
	(Rupees in thousand)	
5. Property, plant and equipment		
Operating fixed assets (Note 5.1)	2,501,309	2,501,144
Assets subject to finance lease (Note 5.2)	49,771	84,581
Capital work in progress (Note 5.3)	210,452	37,617
	2,761,532	2,623,342
5.1 Operating fixed assets		
Opening book value	2,501,144	733,507
Add:		
Cost of additions during the period / year (Note 5.1.1)	80,424	161,494
Book value of assets transferred under the scheme of merger	-	1,611,108
Book value of assets transferred from assets subject to finance lease	31,204	130,227
	2,612,772	2,636,336
Less:		
Book value of deletions during the period / year (Note 5.1.2)	15,431	14,929
Depreciation charged during the period / year	96,032	120,263
	111,463	135,192
	2,501,309	2,501,144



	Un-audited 31 March 2012	Audited 30 June 2011
	(Rupees in thousand)	
5.1.1 Cost of additions during the period / year		
Building on freehold land	16,066	33,394
Plant and machinery	52,783	78,735
Electric installations and appliances	3,663	24,279
Factory equipment	-	116
Office equipment	624	1,282
Furniture and fixtures	119	190
Vehicle	7,169	23,498
	80,424	161,494
5.1.2 Book value of deletions during the period / year		
Plant and machinery	-	13,400
Vehicle	15,431	1,529
	15,431	14,929
5.2. Assets subject to finance lease		
Opening book value	84,581	165,940
Add: Book value of assets transferred under the scheme of merger	-	58,690
	84,581	224,630
Less: Book value of assets transferred to operating fixed assets	31,204	130,227
Depreciation charged during the period/year	3,606	9,822
	34,810	140,049
	49,771	84,581
5.3. Capital work-in-progress		
Building on freehold land	69,580	37,617
Plant and machinery	140,872	-
	210,452	37,617
6. LONG TERM FINANCING FROM BAKING COMPANIES - SECURED		
Opening balance	89,019	-
Add: Obtained during the period / year	164,000	89,019
Less: Repaid during the period / year	22,952	-
	230,067	89,019
Closing balance	230,067	89,019
Less: Current portion shown under current liabilities	26,867	23,939
	203,200	65,080



7. AUTHORIZED SHARE CAPITAL

Un-audited 31 March 2012 (NUMBER OF SHARES)	Audited 30 June 2011		Un-audited 31 March 2012 (RUPEES IN THOUSAND)	Audited 30 June 2011
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<u>96,000,000</u>	<u>25,000,000</u>	Ordinary shares of Rupees 10 each	<u>960,000</u>	<u>250,000</u>
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7.1 Movement during the period / year

25,000,000	25,000,000	Opening balance	250,000	250,000
71,000,000	-	Increase in authorized share capital under the scheme of merger with J.K. Fibre Mills Limited and Abid Faiq Textiel Mills Ltd.	710,000	-
<u>96,000,000</u>	<u>25,000,000</u>		<u>960,000</u>	<u>250,000</u>

8. Issued, Subscribed and paid up share capital

14,243,500	17,500,000	Ordinary shares of Rupees 10 each fully paid in cash	142,435	175,000
45,947,600	-	Ordinary shares of Rupees 10 each issued to shareholders of J.K. Fibre Mills Limited and Abid Faiq Textile Mills Limited under the scheme of merger	459,476	-
712,175	875,000	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	7,122	8,750
<u>60,903,275</u>	<u>18,375,000</u>		<u>609,033</u>	<u>183,750</u>

8.1. Movement during the period/year

18,375,000	17,500,000	Opening balance	183,750	175,000
-	875,000	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	-	8,750
45,947,600	-	Ordinary shares of Rupees 10 each issued to shareholders of J.K. Fibre Mills Limited and Abid Faiq Textile Mills Limited under the scheme of merger	459,476	-
(3,256,500)	-	Ordinary shares of Rupees 10 each fully paid in cash cancelled under the scheme of merger	(32,565)	-
(162,825)	-	Ordinary shares of Rupees 10 each fully paid bonus shares cancelled under the scheme of merger	(1,628)	-
<u>60,903,275</u>	<u>18,375,000</u>		<u>609,033</u>	<u>183,750</u>



9. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company has filed an appeal before Honorable Lahore High Court against order in appeal no. 280/LB/2007 dated 17 December 2008 amounting to Rupees 11.002 million alongwith default surcharge under section 34 of Sales Tax Act, 1990 and penalty at the rate of 30 percent amounting to Rupees 8.474 million. The related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- ii) The Company has filed appeals before Appellate Tribunal, Inland Revenue, Lahore against orders made in 2002-2003 for an aggregate amount of Rupees 11.043 million alongwith additional tax and default surcharge under sections 36(3) and 34 respectively of Sales Tax Act, 1990 and penalty at the rate of 3 percent. The Appellate Tribunal had set aside the impugned orders in original. The related provision is not made in this condensed interim financial information in view of possible favourable outcomes of the appeals.
- iii) Letters of guarantee of Rupees 50.329 million (30 June 2011: Rupees 50.329 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.
- iv) Post dated cheques of Rupees 131.317 million (30 June 2011: Rupees 50.457 million) are issued to custom authorities in respect of duties on imported material availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

b) Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 151.136 million as at 31 March 2012 (30 June 2011: Nil).
- ii) Letters of credit for other than capital expenditure amounting to Rupees 75.832 million as at 31 March 2012 (30 June 2011: 17.981 million).

(Un-audited)			
For nine months ended		For Quarter ended	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- RUPEES IN THOUSAND -----

10 COST OF SALES

Raw material consumed	3,549,323	991,930	1,316,518	414,817
Stores, spare parts and loose tools	74,379	26,121	24,926	14,493
Packing material consumed	45,660	15,430	15,551	6,126
Processing and conversion charges	103,599	-	39,675	-
Doubling charges	7,728	-	3,888	-
Fuel and power	277,960	111,624	110,028	41,743
Salaries, wages and other benefits	203,891	62,129	69,661	22,260
Repair and maintenance	4,788	1,282	2,458	777
Insurance	7,262	2,451	2,508	969
Depreciation	93,030	34,418	31,382	13,432
Other factory overheads	20,209	8,546	7,351	7,835
	4,387,829	1,253,931	1,623,946	522,452
Work in process				
Opening Stock	112,164	8,190	126,642	7,030
Closing Stock	(93,552)	(14,070)	(93,552)	(14,070)
	18,612	(5,880)	33,090	(7,040)
Cost of goods manufactured	4,406,441	1,248,051	1,657,036	515,412
Finished goods:				
Opening stock	547,555	66,030	407,291	63,856
Closing stock	(342,626)	(95,721)	(342,626)	(95,721)
	204,929	(26,691)	64,665	(31,865)
	4,611,370	1,218,360	1,721,701	483,547



(Un-audited)			
For Nine Months Ended		For Quarter ended	
31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Restated		Restated

11. EARNINGS PER SHARE-BASIC AND DILUTED

There is no dilutive effect on the basic earning per share which is based on

Profit after taxation (Rupees in thousand)	137,221	125,969	85,602	50,466
Weighted average number of ordinary shares (Numbers)	60,903,275	60,903,275	60,903,275	60,903,275
Earning per share - Basic and diluted (Rupees)	<u>2.25</u>	<u>2.07</u>	<u>1.41</u>	<u>0.83</u>

- 11.1** Weighted average number of ordinary shares and earnings per share - basic and diluted for the Nine months ended 31 March 2011 and quarter ended 31 March 2011 have been restated after taking the effect of further issue of share capital under the scheme of merger.

(Un-audited)	
Nine Months Ended	
31 March 2012	31 March 2011
(Rupees in thousand)	

12. CASH UTILIZED IN OPERATIONS

Profit before taxation	205,001	208,828
Adjustment for non-cash charges and other items:		
Depreciation	99,638	39,361
Finance cost	177,983	62,652
Provision for provident fund	-	5,455
Provision for workers' profit participation fund	10,790	-
Gain on sale of property, plant and equipment	(1,056)	-
Working capital changes (Note 12.1)	(675,618)	(538,437)
	<u>(183,262)</u>	<u>(222,141)</u>

12.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools	3,332	2,228
Stock in trade	(696,147)	(419,452)
Trade debts	44,805	(105,504)
Loans and advances	(37,318)	(33,796)
Short term deposits and prepayments	9,266	(798)
Other receivables	1,422	-
	(674,640)	(557,322)
Increase / (decrease) in trade and other payables	(978)	18,885
	<u>(675,618)</u>	<u>(538,437)</u>



13. SEGMENT INFORMATION

13.1

	Spinning		Home Textile		Fabric		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	For nine Months ended	31 March	For nine Months ended	31 March	For nine Months ended	31 March	For nine Months ended	31 March	For nine Months ended	31 March
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Sales	3,681,473	1,551,875	836,024	-	1,011,015	-	(226,110)	-	5,302,402	1,551,875
Cost of sales	(3,251,263)	(1,218,360)	(689,632)	-	(886,585)	-	226,110	-	(4,611,370)	(1,218,360)
Gross profit	430,210	333,515	146,392	-	114,430	-	-	-	691,032	333,515
Distribution cost	(96,923)	(19,704)	(64,217)	-	(43,784)	-	-	-	(204,324)	(19,704)
Administrative expenses	(63,642)	(26,000)	(18,392)	-	(14,027)	-	-	-	(94,000)	(26,000)
	(180,565)	(45,704)	(80,609)	-	(57,211)	-	-	-	(298,385)	(45,704)
Profit before taxation and unallocated income and expenses	269,645	287,811	65,783	-	57,219	-	-	-	392,647	287,811
Unallocated income and expenses										
Other operating expenses									(10,780)	(15,536)
Other operating income / (loss)									1,127	(795)
Finance cost									(177,983)	(62,652)
Provision for taxation									(67,780)	(82,859)
Profit after taxation									137,221	125,969

13.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Home Textile		Fabric		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	31 March	30 June	31 March	30 June	31 March	30 June	31 March	30 June
	2012	2011	2012	2011	2012	2011	2012	2011
Total assets for reportable segments	4,672,064	-	208,921	-	522,559	-	5,403,544	-
Unallocated assets							125,436	-
							5,528,980	-
Total liabilities for reportable segments	2,147,522	-	146,522	-	279,365	-	2,572,409	-
Unallocated liabilities							337,022	-
							2,909,431	-

All segment liabilities are allocated to reportable segments other than workers' profit participation fund payable, workers welfare fund payable, provision for taxation and deferred tax liabilities.



14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, staff retirement benefits, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

(Un-audited)			
For nine months ended		Quarter ended	
31 March 2012	31 March 2011	31 March 2012	31 March 2011

----- RUPEES IN THOUSAND -----

Associated Companies

Service charges	2,477	1,041	826	178
Purchases	4,196	-	-	-

Other related parties

Remuneration paid to Chief Executive Officer, Directors and Executives	21,437	5,185	7,146	1,728
Employees' Provident Fund Trust	17,401	9,148	6,683	3,049
Office rent	405	405	135	135

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2011.

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors of the Company and authorized for issue on April 28, 2012.

17. CORRESPONDING FIGURES

Comparative figures have been reclassified / rearranged, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made except:

- Operating fixed assets and capital work-in-progress shown as single figure in property, plant and equipment instead of showing separately at the face of balance sheet.
- Current portion of long term financing and lease liabilities shown as single figure in current portion of non-current liabilities instead of showing separately at the face of balance sheet.
- Provision for taxation shown separately under current liabilities instead of adjusting against tax refunds due from the Government.
- '- Provision for workers' welfare fund grouped in trade and other payables instead of adjusting against tax refunds due from the Government.
- '- Export rebate grouped in sales instead of adjusting against cost of sales.
- Other operating income and other operating expenses shown separately in profit and loss account instead of showing as other losses by netting of against each other.
- Workers' profit participation fund and workers' welfare fund merged in other operating expenses instead of showing separately in profit and loss account.

18. GENERAL

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

JAWED ANWAR
CHIEF EXECUTIVE

FAIQ JAWED
DIRECTOR

BOOK POST

UNDER CERTIFICATE
OF POSTING

IF UNDELIVERED PLEASE RETURN TO

J.K. SPINNING MILLS LIMITED

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