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3rd Quarterly Report

March 31, 2013

J.K. SPINNING MILLS LIMITED

Contents

02	Company Information	<hr/>
03	Directors' Report	<hr/>
06	Condensed Interim Balance Sheet	<hr/>
08	Condensed Interim Profit And Loss Account	<hr/>
09	Condensed Interim Statement of Profit or Loss and other Comprehensive Income	<hr/>
10	Condensed Interim Cash Flow Statement	<hr/>
11	Condensed Interim Statement Of Changes In Equity	<hr/>
12	Selected Notes To The Condensed Interim Financial Information	<hr/>

Company Information

Board of Directors

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

Audit Committee

Chairman

Mr. Shaiq Jawed

Members

Mrs. Farhat Jehan

Syed Hussain Shahid Mansoor Naqvi

HR Committee

Chairman

Mr. Faiq Jawed

Members

Syed Hussain Shahid Mansoor Naqvi

Mr. Qayyum Mohsin Malik

Company Secretary

Syed Hussain Shahid Mansoor Naqvi

Chief Financial Officer

Mr. Ghulam Muhammad

Head of Internal Audit

Mr. Amjad Ali

Auditors

M/s Riaz Ahmad & Company, Chartered Accountants
(A member of Nexia International)

Faisalabad

Legal Advisor

Atif & Atif Law Associates Advocates

Bankers

Standard Chartered Bank (Pakistan) Limited

The Bank of Punjab

National Bank of Pakistan

Askari Bank Limited

United Bank Limited

Al-Baraka Bank (Pakistan) Limited

Summit Bank Limited

Registered Office/Mills

29-KM, Sheikhpura Road,
Faisalabad.

Directors' Report

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 Nine Months Period Ended March 31, 2013.

Financial Results and operational performance

The summarized financial results of the Company for the Nine Months Period Ended March 31, 2013 are as under:

Particulars	Rupees in Millions	
	Nine Months Period Ended March 31, 2013	March 31, 2012
Sales	6,640.829	5,302.402
Cost of Sales	5,485.772	4,611.370
Gross Profit	1,155.057	691.032
Operating Expenses-net	500.119	308.048
Profit from operations	654.938	382.984
Financial charges	158.997	177.893
Profit After Taxation	410.215	137.221
Total Comprehensive income	461.172	170.833
Earnings per share – Rupee	6.74	2.25

Sales for the period under review increased to Rupees 6,640.829 million from Rupees 5,302.402 million. Conversion cost including fuel and power, salaries and wages, stores, spare parts and loose tools cost and other overhead cost increased due to inflationary trend while packing cost, processing and conversion charges increased in view of increase in volume and inflationary trend. Gross Profit increased by 67.15% to Rupees. 1,155.057 million in 2013 from Rupees 691.032 million of same period of last financial year. Operating expenses increased to Rupees. 500.119 million in 2013 from Rupees 308.040 million of corresponding period. Financial charges decreased as compared to previous period in view of decrease in kibar rates .

Profit After Taxation increased by 198.94% to Rupees 410.215 million during the nine months period ended on March 31, 2013 against Rupees 137.221 million of the same period of last year while comprehensive income for the period attributed to equity stood at Rupees 461.172 million against comprehensive income of Rupees 170.833 million of the corresponding period.

The production of yarn converted into 20/5 for the period under review was 17.800 million kgs against 18.239 million kgs of corresponding period of last year. Your Company's management believes on enduring policy of Balancing Modernization and Replacement of machinery and equipments of its production facilities. During the period under review your Company has imported Uster Testing instruments including one Uster Tester UT5-5400 digital Testing & Analysing installation, one Uster Tensojet digital high-performance tensile testing installation and one Uster HVI 1000/M700 for the quality assurance of yarn, rovings and measuring the breaking force and elongation of staple yarn. Eight Auto Cone Machines of latest model has been commissioned during the third quarter while Fourteen Ring Machines comprising 12768 spindles are in process of commissioning.

Directors' Report

Future Outlook

Increasing fuel and power cost is a big challenge for the textile industry. Gas outage and power shut down is worsening further and use of alternate sources of energy is causing increase in cost of production and is making our products costlier in the region and resultantly export of value added textile products is declining.

Yarn prices are showing downward trend in last quarter of financial year following decrease in cotton prices in New York market. Management of your Company is endeavoring to achieve good financial results for the remaining period of the financial year ending June 30, 2013.

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 27, 2013

Jawed Anwar
Chief Executive

Financial Statements

For the Nine Months Ended March 31, 2013

Condensed Interim Balance Sheet

As At 31 March 2013

	NOTE	Un-audited 31 March 2013	Audited 30 June 2012
(RUPEES IN THOUSAND)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
96 000 000 (30 June, 2012: 96 000 000) ordinary shares of Rupees 10 each		960,000	960,000
Issued, subscribed and paid up share capital		609,033	609,033
Reserves		1,613,050	1,154,623
Total equity		2,222,083	1,763,656
Surplus on revaluation of property, plant and equipment net of deferred income tax		915,802	966,759
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	112,174	194,163
Directors' loan	6	300,000	300,000
Liabilities against assets subject to finance lease		24,353	-
Deferred income tax liability		296,480	264,216
		733,007	758,379
CURRENT LIABILITIES			
Trade and other payables		282,065	227,006
Accrued mark-up		38,644	34,491
Short term borrowings		1,940,889	1,032,246
Current portion of non-current liabilities		131,200	125,561
Provision for taxation		53,462	72,112
		2,446,260	1,491,416
TOTAL LIABILITIES		3,179,267	2,249,795
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		6,317,152	4,980,210

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

	NOTE	Un-audited 31 March 2013	Audited 30 June 2012
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,965,085	2,841,761
Long term investment	9	-	-
Long term loans		53	392
Long term deposits and prepayments		4,459	675
		2,969,597	2,842,828
CURRENT ASSETS			
Stores, spare parts and loose tools		43,889	37,082
Stock in trade		1,874,479	1,278,678
Trade debts		905,380	451,143
Loans and advances		197,521	62,553
Short term deposits and prepayments		22,678	11,260
Other receivables		13,792	68,935
Tax refunds due from the Government		190,559	182,514
Cash and bank balances		99,257	45,217
		3,347,555	2,137,382
TOTAL ASSETS		6,317,152	4,980,210

Jawed Anwar
Chief Executive Officer

Faiq Jawed
Director

Condensed Interim Profit And Loss Account (Un-audited)

For The Nine Months Ended 31 March 2013

	NOTE	Nine months ended		Quarter ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
-----RUPEES IN THOUSAND-----					
Sales		6,640,829	5,302,402	1,967,463	2,041,896
Cost Of Sales	10	(5,485,772)	(4,611,370)	(1,592,766)	(1,721,701)
Gross Profit		1,155,057	691,032	374,697	320,195
Distribution Cost		(357,864)	(204,324)	(109,929)	(82,395)
Administrative Expenses		(117,279)	(94,061)	(42,047)	(33,204)
Other Operating Expenses		(36,715)	(10,790)	(11,513)	(1,978)
		(511,858)	(309,175)	(163,489)	(117,577)
		643,199	381,857	211,208	202,618
Other Operating Income		11,739	1,127	5,581	-
Profit From Operations		654,938	382,984	216,789	202,618
Finance Cost		(158,997)	(177,983)	(59,381)	(77,565)
Profit Before Taxation		495,941	205,001	157,408	125,053
Taxation		(85,726)	(67,780)	(29,103)	(39,451)
Profit After Taxation		410,215	137,221	128,305	85,602
Earnings Per Share - Basic And Diluted (Rupees)		6.74	2.25	2.11	1.41

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

Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Un-audited)

For The Nine Months Ended 31 March 2013

	Nine months ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	----- (RUPEES IN THOUSAND) -----			
Profit After Taxation	410,215	137,221	128,305	85,602
Other Comprehensive Income				
Items that will not be reclassified to profit or loss:				
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	50,957	33,612	24,944	11,204
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	50,957	33,612	24,944	11,204
Total Comprehensive Income For The Period	461,172	170,833	153,249	96,806

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 31 March 2013

	NOTE	Nine months Ended	
		31 March 2013	31 March 2012
(RUPEES IN THOUSAND)			
Cash Flows From Operating Activities			
Cash utilized in operations	11	(311,668)	(183,262)
Finance cost paid		(154,844)	(167,175)
Income tax paid		(72,112)	(39,803)
Workers' profit participation fund paid		(20,820)	(26,549)
Workers' welfare fund paid		(3,023)	-
Net (increase) / decrease in long term deposits and prepayments		(3,784)	8,280
Net decrease in long term loans		339	-
Net Cash Utilized In Operating Activities		(565,912)	(408,509)
Cash Flows From Investing Activities			
Capital expenditure on property, plant and equipment		(259,862)	(253,259)
Proceeds from sale of property, plant and equipment		25,913	16,487
Net Cash Used In Investing Activities		(233,949)	(236,772)
Cash Flows From Financing Activities			
Proceeds from long term financing		-	164,000
Repayment of long term financing		(87,201)	(22,952)
Proceeds from finance lease liabilities		43,979	-
Repayment of finance lease liabilities		(8,775)	(23,136)
Short term borrowings - net		908,643	499,007
Dividend paid		(2,745)	(1,098)
Net Cash From Financing Activities		853,901	615,821
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		54,040	(29,460)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		45,217	60,290
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		99,257	30,830

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 31 March 2013

	RESERVES				TOTAL	TOTAL EQUITY
	SHARE CAPITAL		CAPITAL	REVENUE		
	Share capital reserve	Merger reserve	Sub total	Unappropriated profit		
	----- (RUPEES IN THOUSAND) -----					
Balance as at 30 June 2011 – audited	183,750	425,283	289,636	714,919	540,617	1,255,536
Final dividend for the year ended 30 June 2011 at the rate of Rupees 1.00 per share	-	-	-	-	(1,098)	(1,098)
Share capital issued under the scheme of merger	459,476	(425,283)	-	(425,283)	-	(425,283)
Share capital cancelled under the scheme of merger	(34,193)	-	-	-	-	(34,193)
Profit for the nine months ended 31 March 2012	-	-	-	-	137,221	137,221
Transfer from surplus on revaluation of property, plant and equipment on	-	-	-	-	33,612	33,612
Total comprehensive income for the nine months ended 31 March 2012	-	-	-	-	170,833	170,833
Balance as at 31 March 2012 – Un-audited	609,033	-	289,636	289,636	710,352	999,988
Profit for the quarter ended 30 June 2012	-	-	-	-	144,364	144,364
Transfer from surplus on revaluation of property, plant and equipment on	-	-	-	-	10,271	10,271
Total comprehensive income for the quarter ended 30 June 2012	-	-	-	-	154,635	154,635
Balance as at 30 June 2012 – audited	609,033	-	289,636	289,636	864,987	1,154,623
Final dividend for the year ended 30 June 2012 at the rate of Rupees 2.50 per share	-	-	-	-	(2,745)	(2,745)
Profit for the nine months ended 31 March 2013	-	-	-	-	410,215	410,215
Transfer from surplus on revaluation of property, plant and equipment on	-	-	-	-	50,957	50,957
Total comprehensive income for the nine months ended 31 March 2013	-	-	-	-	461,172	461,172
Balance as at 31 March 2013 – Un-audited	609,033	-	289,636	289,636	1,323,414	1,613,050
						2,222,083

Jawed Anwar
Chief Executive Officer

Faiq Jawed
Director

Selected Notes To The Condensed Interim Financial Information (Un-audited)

For The Nine Months Ended 31 March 2013

1. The Company And Its Operations

J.K. Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 07 January 1987 under the Companies Ordinance, 1984 and listed on Karachi and Lahore Stock Exchanges in Pakistan. Its registered office was situated at 3-1/A, Peoples Colony, Faisalabad, which has been subsequently changed with effect from 28 January 2013 to 29-Kilometers, Sheikhpura Road, Faisalabad where the factory premises of the Company are also located. 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.

2. Basis Of Preparation

This condensed interim financial information of the Company for the nine months ended 31 March 2013 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. 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 of the Company for the year ended 30 June 2012.

3. Accounting Policies And Computation Methods

The 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 2012.

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 2012.

Selected Notes To The Condensed Interim Financial Information (Un-audited)

For The Nine Months Ended 31 March 2013

	Un-audited 31 March 2013	Audited 30 June 2012
	(RUPEES IN THOUSAND)	
5. Long Term Financing		
From banking companies - secured		
Opening balance	313,746	89,019
Add: Obtained during the period / year	-	248,667
Less: Repaid during the period / year	<u>87,201</u>	<u>23,940</u>
Closing balance	226,545	313,746
Less: Current portion shown under current liabilities	<u>114,371</u>	<u>119,583</u>
	<u>112,174</u>	<u>194,163</u>

6. Directors' Loan

This represents unsecured interest free loan obtained from the directors of the Company with no defined repayment terms but is not repayable within next twelve months, hence has been classified as non-current. The entire loan is subordinated to the bank borrowings.

7. Contingencies And Commitments

a) Contingencies

- i) The Company has filed an appeal before Appellate Tribunal, Inland Revenue, Lahore against order No. 02/2007 dated 03 May 2007 for Rupees 11.002 million (30 June 2012: Rupees 11.002 million) along with default surcharge under section 34 of Sales Tax Act, 1990 and penalty at the rate of 30 percent. 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 an appeal before Appellate Tribunal, Inland Revenue, Lahore against order No. 13/2003 dated 29 April 2003 for Rupees 3.063 million (30 June 2012: Rupees 3.063 million) along with 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 related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- iii) The Company has filed appeals with Appellate Tribunal, Inland Revenue, Lahore for the revision of assessment orders issued under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2005 to 2009 where tax liability of Rupees 21.793 million (30 June 2012: Rupees 21.793 million) raised by the department. The Company considers that its stance is based on reasonable grounds and appeals are likely to succeed. Hence, no provision has been made in this condensed interim financial information.
- iv) Letters of guarantee of Rupees 43.185 million (30 June 2012: Rupees 43.185 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

Selected Notes To The Condensed Interim Financial Information (Un-audited)

For The Nine Months Ended 31 March 2013

- v) Post dated cheques of Rupees 69.764 million (30 June 2012: Rupees 5.700 million) are issued to customs authorities in respect of duties on imported material availed on the basis of consumption and export plans. If documents of exports will not be provided on due dates, cheques issued as security shall be encashable.

b) Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 7.696 million as at 31 March 2013 (30 June 2012: Rupees Nil).

- ii) Letters of credit for other than capital expenditure amounting to Rupees 58.902 million as at 31 March 2013 (30 June 2012: Rupees 68.525 million).

	Un-audited 31 March 2013	Audited 30 June 2012
	(RUPEES IN THOUSAND)	
8. Property, Plant And Equipment		
Operating fixed assets (Note 8.1)	2,909,689	2,654,077
Assets subject to finance lease (Note 8.2)	43,246	25,728
Capital work-in-progress (Note 8.3)	12,150	161,956
	<u>2,965,085</u>	<u>2,841,761</u>

8.1 Operating fixed assets

Opening book value	2,654,077	2,501,144
Add:		
Cost of additions during the period / year (Note 8.1.1)	365,689	290,179
Book value of assets transferred from assets subject to finance lease	25,704	57,235
	<u>3,045,470</u>	<u>2,848,558</u>
Less:		
Book value of deletions during the period / year (Note 8.1.2)	27,412	54,033
Depreciation charged during the period / year	108,369	129,387
Impairment loss charged during the period / year	-	11,061
	<u>135,781</u>	<u>194,481</u>
	<u>2,909,689</u>	<u>2,654,077</u>

8.1.1 Cost of additions during the period / year

Buildings on freehold land	54,788	41,063
Plant and machinery	227,170	214,314
Electric installations and appliances	2,334	3,664
Factory equipment	45,976	600
Office equipment	944	703
Furniture and fixtures	2,642	1,803
Vehicles	31,835	28,032
	<u>365,689</u>	<u>290,179</u>

Selected Notes To The Condensed Interim Financial Information (Un-audited)

For The Nine Months Ended 31 March 2013

	Un-audited 31 March 2013	Audited 30 June 2012
	(RUPEES IN THOUSAND)	
8.1.2 Book value of deletions during the period / year		
Plant and machinery	26,798	37,967
Vehicles	614	16,066
	<u>27,412</u>	<u>54,033</u>
8.2 Assets subject to finance lease		
Opening book value	25,728	84,581
Add:		
Cost of addition during the period / year	43,979	-
	<u>69,707</u>	<u>84,581</u>
Less:		
Book value of assets transferred to operating fixed assets	25,704	57,235
Depreciation charged during the period / year	757	1,618
	<u>26,461</u>	<u>58,853</u>
	<u>43,246</u>	<u>25,728</u>
8.3 Capital work-in-progress		
Buildings on freehold land	12,150	42,897
Plant and machinery	-	119,059
	<u>12,150</u>	<u>161,956</u>
9. Long Term Investment		
The investment of 750 (30 June 2012: 750) ordinary shares in J.K. Tech (Private) Limited, an associate, has been fully impaired in previous years.		

Selected Notes To The Condensed Interim Financial Information (Un-audited) For The Nine Months Ended 31 March 2013

10. Cost Of Sales

	(Un-audited)			
	Nine months ended 31 March 2013	31 March 2012	Quarter ended 31 March 2013	31 March 2012
	------(RUPEES IN THOUSAND)-----			
Raw materials consumed	4,584,151	3,549,323	1,391,432	1,316,518
Stores, spare parts and loose tools consumed	92,342	74,379	30,695	24,926
Packing materials consumed	53,626	45,660	17,520	15,551
Processing and conversion charges	141,635	103,599	41,972	39,675
Doubling charges	3,342	7,728	2,359	3,888
Fuel and power	400,882	277,960	148,423	110,028
Salaries, wages and other benefits	247,344	203,891	80,801	69,661
Repair and maintenance	9,651	4,788	3,670	2,458
Insurance	8,412	7,262	2,698	2,508
Other factory overheads	28,032	93,030	8,669	31,382
Depreciation	98,522	20,209	35,016	7,351
	<u>5,667,939</u>	<u>4,387,829</u>	<u>1,763,255</u>	<u>1,623,946</u>
Work-in-process:				
Opening stock	234,250	112,164	267,376	126,642
Closing stock	(319,246)	(93,552)	(319,246)	(93,552)
	<u>(84,996)</u>	<u>18,612</u>	<u>(51,870)</u>	<u>33,090</u>
Cost of goods manufactured	<u>5,582,943</u>	<u>4,406,441</u>	<u>1,711,385</u>	<u>1,657,036</u>
Finished goods:				
Opening stock	270,237	547,555	248,789	407,291
Closing stock	(367,408)	(342,626)	(367,408)	(342,626)
	<u>(97,171)</u>	<u>204,929</u>	<u>(118,619)</u>	<u>64,665</u>
	<u>5,485,772</u>	<u>4,611,370</u>	<u>1,592,766</u>	<u>1,721,701</u>

	(Un-audited)	
	Nine months ended 31 March 2013	31 March 2012
	(RUPEES IN THOUSAND)	

11. Cash Utilized In Operations

Profit before taxation	495,941	205,001
Adjustments for non-cash charges and other items:		
Depreciation	109,126	99,638
Finance cost	158,997	177,983
Provision for workers' profit participation fund	-	-
Provision for workers' welfare fund	-	10,790
Loss / (gain) on sale of property, plant and equipment	1,499	(1,056)
Working capital changes (Note 11.1)	<u>(1,077,231)</u>	<u>(675,618)</u>
	<u>(311,668)</u>	<u>(183,262)</u>

Selected Notes To The Condensed Interim Financial Information (Un-audited)

For The Nine Months Ended 31 March 2013

	(Un-audited)	
	Nine months ended 31 March 2013	31 March 2012
(RUPEES IN THOUSAND)		
11.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(6,807)	3,332
Stock in trade	(595,801)	(696,147)
Trade debts	(454,237)	44,805
Loans and advances	(134,968)	(37,318)
Short term deposits and prepayments	(11,418)	9,266
Other receivables	55,143	1,422
Tax refunds due from the Government	(8,045)	-
	(1,156,133)	(674,640)
Increase / (Decrease) in trade and other payables	78,902	(978)
	(1,077,231)	(675,618)

12. Transactions With Related Parties

The related parties comprise associated companies, employees' provident fund trust, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

	(Un-audited)			
	Nine months ended 31 March 2013	31 March 2012	Quarter ended 31 March 2013	31 March 2012
---(RUPEES IN THOUSAND)---				
i) Transactions				
Associated companies				
Service charges	2,786	2,477	1,379	826
Purchases	71,847	4,196	71,552	-
Other related parties				
Remuneration paid to Chief Executive Officer, Directors and Executives	24,598	21,437	8,199	7,146
Contribution to Employees' Provident Fund Trust	7,018	17,401	2,515	6,683
Office rent	315	405	45	135
Loans obtained from directors	30,430	-	27,600	-
Loans repaid to directors	63,532	-	46,245	-
			Un-audited 31 March 2013	Audited 30 June 2012
			(RUPEES IN THOUSAND)	
ii) Period end balances				
Trade and other payables			631	325
Short term borrowings			72,867	105,969

Selected Notes To The Condensed Interim Financial Information (Un-audited)

For The Nine Months Ended 31 March 2013

13. Segment information	Spinning (Un-audited)		Fabric (Un-audited)		Home Textile (Un-audited)		Elimination of inter-segment transactions (Un-audited)		Total - Company (Un-audited)	
	Nine months ended 31 March 2013	31 March 2012	Nine months ended 31 March 2013	31 March 2012	Nine months ended 31 March 2013	31 March 2012	Nine months ended 31 March 2013	31 March 2012	Nine months ended 31 March 2013	31 March 2012
13.1										
Sales	4,341,909	3,681,473	1,587,275	1,011,015	758,887	836,074	(47,242)	(226,110)	6,640,829	5,302,402
Cost of sales	(3,452,501)	(3,251,263)	(1,401,204)	(896,585)	(649,309)	(699,632)	47,242	226,110	(5,485,772)	(4,611,370)
Gross profit	889,408	430,210	186,071	114,430	109,578	146,392	-	-	1,155,057	691,032
Distribution cost	(201,332)	(96,923)	(105,901)	(43,184)	(50,631)	(64,217)	-	-	(357,864)	(204,324)
Administrative expenses	(80,317)	(63,642)	(25,006)	(14,027)	(11,956)	(16,392)	-	-	(117,279)	(94,061)
Profit before taxation and unallocated income and expenses	(281,649)	(160,565)	(130,807)	(57,211)	(62,587)	(80,609)	-	-	(475,143)	(298,385)
Unallocated income and expenses	577,759	269,645	55,164	57,219	46,991	65,783	-	-	679,914	392,647
Other operating expenses									(36,715)	(107,900)
Finance cost									11,739	11,27
Taxation									(158,997)	(177,983)
Profit after taxation									(85,246)	(67,780)
									410,215	137,221
13.2. Reconciliation of reportable segment assets and liabilities:										
Total assets for reportable segments	5,112,462	4,012,990	678,433	371,166	299,620	381,018	6,090,515	4,765,174		
Unallocated assets							226,637	215,036		
Total assets as per balance sheet							6,317,152	4,980,210		
All segment assets are allocated to reportable segments other than those directly relating to corporate.										
Total liabilities for reportable segments	2,041,479	1,506,749	517,225	153,716	270,621	230,574	2,829,325	1,891,039		
Unallocated liabilities							349,942	358,756		
Total liabilities as per balance sheet							3,179,267	2,249,795		
All segment liabilities are allocated to reportable segments other than provision for taxation, deferred income tax liability and other corporate liabilities.										

(RUPEES IN THOUSAND)

Selected Notes To The Condensed Interim Financial Information (Un-audited)

For The Nine Months Ended 31 March 2013

14. 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 2012.

15. Date Of Authorization For Issue

This condensed interim financial information was approved and authorized for issue on April 27, 2013 by the Board of Directors of the Company.

16. Corresponding Figures

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet 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 profit and loss account, condensed interim statement of profit or loss and other comprehensive income and condensed interim cash flow statement 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.

17. General

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

www.jkgroup.net



Registered Office:

3-17/A, Peoples Colony, Faisalabad, Pakistan.
UAN: +92 41 111 15 15 15 Fax: +92 41 111 16 16 16
E-mail: jkgroup@jkgroup.net

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