



# Quarterly Report

For the period ended september 30, 2014



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J.K. SPINNING MILLS LIMITED





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## Company Information

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 NIB Bank Limited The Bank of Khyber Summit Bank
Head 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 the quarter ended September 30, 2014.

### Financial Results and Operational Performance

The summarized financial results of the company for the quarter ended September 30, 2014 are as under:

Particulars	Rupees in Millions	
	Quarter Ended	
	September 30, 2014	September 30, 2013
Sales	2,225.496	2,384.737
Cost of Sales	2,025.176	2,027.012
Gross Profit	200.320	357.725
Operating Expenses-net	145.081	134.136
Profit from Operations	55.239	223.589
Financial charges	30.220	44.664
Profit After taxation	2.765	152.074
Total Comprehensive income	13.080	163.434
Earnings per share – Rupee	0.05	2.50

Sales for the period under review decreased to Rupees 2,225.496 million from Rupees 2,384.737 millions of the corresponding period and accordingly raw material consumed also decreased as compared to corresponding period. Conversion cost including fuel and power, processing and conversion charges, salaries and wages, Stores, spare parts and loose tools cost and other overhead cost increased due to inflationary trend. Operating expenses net of income for the quarter ended September 30, 2014 increased to Rs. 145.081 million from Rs. 134.136 million of corresponding period while Financial charges decreased to Rs.30.220 million from 44.664 million of corresponding period.

Your company has earned profit after taxation of Rupees 2.765 million during the quarter ended September 30, 2014 against Rupees 152.074 million of the same period of last year while comprehensive income for the period attributed to equity stood at Rupees 13.080 million against comprehensive income of Rupees 163.434 million of the corresponding period.

The production of yarn converted into 20/S for the period under review was 6.172 million Kgs against 5.842 million kgs of corresponding period of last year. Your company's management believes on continuing policy of Balancing Modernization and Replacement (BMR) of machinery and equipments of its production facilities. As reported in chairman's review of last year's annual report, your management is working to implement planned BMR for up-gradation of blow room, cards, and ring sections of spinning division by replacing existing outdated machines with latest model.

### Future Outlook

Pakistan economy continues to face energy crises which is a big challenge for the government and is also threat to growth of Pakistan. LNG import plan of the government if timely completed, is likely to minimize gas shortage in second half of current financial year and would decrease production losses of the industry in view of gas and power outage.



## Directors' Report

Cotton crop arrival for season 2014-15 is surpassing last year's cotton arrival figures. Management of your company is keenly watching the cotton market to procure the cotton at lowest rates and is making efforts to procure cotton for the whole period of financial year ending June 30, 2015. In view of low and stable cotton prices, yarn sale margin has improved in second quarter of the financial year. The company is focusing on improving efficiencies and minimizing costs to achieve the better financial results of remaining period of financial year ending June 30, 2015.

### 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

Jawed Anwar

Chief Executive

Faisalabad

October 28, 2014

# Financial Statements

For The Quarter Ended 30 September 2014



## Condensed Interim Balance Sheet (Un-Audited)

As At 30 September 2014

	NOTE	Un-audited 30 September 2014	Audited 30 June 2014
(RUPEES IN THOUSAND)			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
96 000 000 (30 June 2014: 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		2,137,768	2,124,688
Total equity		2,746,801	2,733,721
Surplus on revaluation of property, plant and equipment - net of deferred income tax		554,497	564,815
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	7,145	10,715
Directors' loan	6	300,000	300,000
Liabilities against assets subject to finance lease		21,724	26,887
Deferred income on sale and lease back		1,742	1,951
Deferred income tax liability		258,612	258,612
		589,223	598,165
<b>CURRENT LIABILITIES</b>			
Trade and other payables		406,523	375,519
Accrued mark-up		9,242	21,234
Short term borrowings		992,185	1,202,486
Current portion of non-current liabilities		80,234	102,360
Provision for taxation		93,363	71,109
		1,581,547	1,772,708
<b>TOTAL LIABILITIES</b>		<b>2,170,770</b>	<b>2,370,873</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,472,068</b>	<b>5,669,409</b>

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

Jawed Anwar

Chief Executive Officer



## Condensed Interim Balance Sheet (Un-Audited)

As At 30 September 2014

	NOTE	Un-audited 30 September 2014	Audited 30 June 2014
(RUPEES IN THOUSAND)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	2,784,056	2,787,750
Long term investment	9	-	-
Long term loans		1,503	1,727
Long term deposits and prepayments		15,618	15,618
		2,801,177	2,805,095
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		44,709	61,125
Stock in trade		1,400,014	1,652,837
Trade debts		816,402	691,322
Loans and advances		52,726	83,290
Short term deposits and prepayments		14,362	5,578
Other receivables		35,479	79,361
Tax refunds due from the Government		282,810	263,505
Cash and bank balances		24,389	27,296
		2,670,891	2,864,314
<b>TOTAL ASSETS</b>		<b>5,472,068</b>	<b>5,669,409</b>



Faiq Jawed  
Director



## Condensed Interim Profit And Loss Account (Un-Audited)

For The Quarter Ended 30 September 2014

	NOTE	Quarter ended	
		30 September 2014	30 September 2013
(RUPEES IN THOUSAND)			
Sales		2,225,496	2,384,737
Cost Of Sales	10	(2,025,176)	(2,027,012)
Gross Profit		200,320	357,725
Distribution Cost		(93,350)	(95,994)
Administrative Expenses		(50,332)	(49,376)
Other Expenses		(1,774)	(12,455)
		(145,456)	(157,825)
		54,864	199,900
Other Income		375	23,689
Profit From Operations		55,239	223,589
Finance Cost		(30,220)	(44,664)
Profit Before Taxation		25,019	178,925
Taxation		(22,254)	(26,851)
Profit After Taxation		2,765	152,074
Earnings per Share-Basic and Diluted (Rupees)		0.05	2.50

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

Jawed Anwar  
Chief Executive Officer

Faiq Jawed  
Director

## Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Quarter Ended 30 September 2014

	Quarter ended	
	30 September 2014	30 September 2013
	(RUPEES IN THOUSAND)	
Profit After Taxation	2,765	152,074
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	10,315	11,360
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period	10,315	11,360
<b>Total Comprehensive income For The Period</b>	<b>13,080</b>	<b>163,434</b>

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



**Jawed Anwar**  
Chief Executive Officer



**Faiq Jawed**  
Director



## Condensed Interim Cash Flow Statement (Un-Audited)

For The Quarter Ended 30 September 2014

	NOTE	Quarter ended	
		30 September 2014	30 September 2013
(RUPEES IN THOUSAND)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	342,310	172,554
Finance cost paid		(42,212)	(42,396)
Net decrease in long term loans		224	66
<b>Net cash generated from operating activities</b>		<b>300,322</b>	<b>130,224</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on property, plant and equipment		(62,417)	(18,990)
Proceeds from sale of property, plant and equipment		349	624
<b>Net cash used in investing activities</b>		<b>(62,068)</b>	<b>(18,366)</b>
<b>Cash flows from financing activities</b>			
Repayment of long term financing		(26,291)	(33,791)
Repayment of finance lease liabilities		(4,569)	(2,976)
Short term borrowings - net		(210,301)	(85,491)
<b>Net cash from financing activities</b>		<b>(241,161)</b>	<b>(122,258)</b>
Net decrease in cash and cash equivalents during the period		(2,907)	(10,400)
Cash and cash equivalents at the beginning of the period		27,296	59,014
<b>Cash and cash equivalents at the end of the period</b>		<b>24,389</b>	<b>48,614</b>

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

Jawed Anwar  
Chief Executive Officer

Faiq Jawed  
Director

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

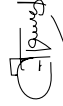
For The Quarter Ended 30 September 2014

	SHARE CAPITAL	RESERVES		TOTAL EQUITY	
		CAPITAL Merger reserve	REVENUE Unappropriated profit		TOTAL
----- (RUPEES IN THOUSAND) -----					
Balance as at 30 June 2013 - Audited	609,033	289,636	1,501,378	1,791,014	2,400,047
Profit for the quarter ended 30 September 2013	-	-	152,074	152,074	152,074
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	11,360	11,360	11,360
Total comprehensive income for the period ended 30 September 2013	-	-	163,434	163,434	163,434
Balance as at 30 September 2013 - Un-audited	609,033	289,636	1,664,812	1,954,448	2,563,481
Final dividend for the year ended 30 June 2013 at the rate of Rupees 5.00 per share	-	-	(5,259)	(5,259)	(5,259)
Profit for the nine months ended 30 June 2014	-	-	141,188	141,188	141,188
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	34,311	34,311	34,311
Total comprehensive income for the nine months ended 30 June 2014	-	-	175,499	175,499	175,499
Balance as at 30 June 2014 - Audited	609,033	289,636	1,835,052	2,124,688	2,733,721
Profit for the quarter ended 30 September 2014	-	-	2,765	2,765	2,765
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	10,315	10,315	10,315
Total comprehensive income for the quarter ended 30 September 2014	-	-	13,080	13,080	13,080
Balance as at 30 September 2014 - Un-audited	609,033	289,636	1,848,132	2,137,768	2,746,801

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



Fauz Jawed  
Chief Executive Officer



Fauz Jawed  
Director



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

For The Quarter Ended 30 September 2014

### 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 is situated at 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 is un-audited and being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the quarter ended 30 September 2014 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 2014.

### 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 2014.

### 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 judgements 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 judgements 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 2014.

	Un-audited 30 September 2014	Audited 30 June 2014
	(RUPEES IN THOUSAND)	
<b>5. LONG TERM FINANCING</b>		
From banking companies - secured		
Opening balance	93,933	199,391
Less: Repaid during the period / year	26,291	105,458
Closing balance	67,642	93,933
Less: Current portion shown under current liabilities	60,497	83,218
	7,145	10,715

For The Quarter Ended 30 September 2014

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

### 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 in original 02/2007 dated 03 May 2007 for Rupees 11.002 million (30 June 2014: 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 in original 13/2003 dated 29 April 2003 for Rupees 3.063 million (30 June 2014: 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 an appeal before Commissioner (Appeals), Inland Revenue, Faisalabad against assessment order issued under section 161 and section 205 of the Income Tax Ordinance, 2001 for tax year 2012 where tax liability of Rupees 28.285 million (30 June 2014: Rupees 28.285 million) was raised by the department. The Company considers that its stance is based on reasonable legal grounds and appeal is likely to succeed. Hence, no provision has been made in this condensed interim financial information.
- iv) 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 3.352 million (30 June 2014: Rupees 3.352 million) was 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.
- v) The Company has filed an appeal before Commissioner (Appeals), Inland Revenue, Faisalabad against orders in original 17/2014 and 18/2014 dated 28 April 2014 against the recovery of Rupees 10.573 million and Rupees 28.245 million respectively (30 June 2014: Rupees 10.573 million and Rupees 28.245 million respectively) alongwith default surcharge and penalty equivalent to the principal amount imposed under section 33(11) of the Sales Tax Act, 1990. The related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- vi) The Company has filed an appeal before Commissioner (Appeals), Inland Revenue, Lahore against order in original 07/2013 dated 28 June 2013 for Rupees 0.937 million (30 June 2014: Rupees 0.937 million) alongwith default surcharge and penalty imposed amounting to Rupees 0.658 million (30 June 2014: Rupees 0.658 million) under section 33(5) of the Sales Tax Act, 1990. The related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- vii) Guarantees of Rupees 44.253 million (30 June 2014: Rupees 44.253 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Punjab Power Development Board for installing electricity generation facility.
- viii) Post dated cheques of Rupees 132.405 million (30 June 2014: Rupees 125.794 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 are not provided on due dates, cheques issued as security shall be encashable.



## Selected Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended 30 September 2014

### b) Commitments

- i) There is no capital commitment as at 30 September 2014 (30 June 2014: Rupees 5.156 million).
- ii) Letter of credits other than for capital expenditures are of Rs.90.198 million as at 30 September 2014 (30 June 2014: Rupees Nil).
- iii) Ijarah (operating lease) commitments - Company as lessee

The Company obtained vehicle through sale and leaseback arrangement under ijarah (operating lease) agreement. The lease term is three years. The Company has given undertaking to purchase the leased vehicles on agreed purchase price at maturity.

The future aggregate minimum lease payments under ijarah (operating lease) are as follows:

	Un-audited 30 September 2014	Audited 30 June 2014
(RUPEES IN THOUSAND)		
Not later than one year	4,395	4,984
Later than one year and not later than five ears	7,324	7,060
	11,719	12,044
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets:		
Owned (Note 8.1)	2,654,312	2,624,831
Leased (Note 8.2)	55,788	57,769
Capital work-in-progress (Note 8.3)	73,956	105,150
	2,784,056	2,787,750
<b>8.1 Operating fixed assets - Owned</b>		
Opening book value	2,624,831	2,601,962
Add:		
Cost of additions during the period / year (Note 8.1.1)	93,609	352,771
	2,718,440	2,954,733
Less:		
Book value of deletions during the period / year (Note 8.1.2)	210	66,013
Depreciation charged during the period / year	63,918	263,889
	64,128	329,902
	2,654,312	2,624,831
<b>8.1.1 Cost of additions during the period / year</b>		
Buildings on freehold land	11,364	32,654
Plant and machinery	48,166	225,439
Electric installations and appliances	924	3,085
Factory equipment	-	15,042
Furniture and fixtures	62	88
Office equipment	290	419
Vehicles	32,803	76,044
	93,609	352,771



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

For The Quarter Ended 30 September 2014

	Un-audited 30 September 2014	Audited 30 June 2014
	(RUPEES IN THOUSAND)	
<b>8.1.2 Book value of deletions during the period / year</b>		
Plant and machinery	-	7,731
Factory equipment	210	-
Vehicles	-	58,282
	<u>210</u>	<u>66,013</u>
<b>8.2 Operating fixed assets - Leased</b>		
Opening book value	57,769	40,336
Additions during the period / year	-	23,000
Less:		
Depreciation charged during the period / year	1,981	5,567
	<u>55,788</u>	<u>57,769</u>
<b>8.3 Capital work-in-progress</b>		
Buildings on freehold land	63,699	57,175
Plant and machinery	-	37,718
Electric installations and appliances	10,257	10,257
	<u>73,956</u>	<u>105,150</u>

### 9. LONG TERM INVESTMENT

The investment of 750 (30 June 2014: 750) ordinary shares in J.K. Tech (Private) Limited, an associate, has been fully impaired in previous years.

	(Un-audited)	
	Quarter ended 30 September 2014	30 September 2013
	(RUPEES IN THOUSAND)	
<b>10. COST OF SALES</b>		
Raw materials consumed	1,522,146	1,765,200
Stores, spare parts and loose tools consumed	44,485	37,714
Packing materials consumed	19,963	16,860
Processing and conversion charges	89,760	65,007
Fuel and power	179,809	159,841
Salaries, wages and other benefits	102,566	94,500
Repair and maintenance	4,192	4,842
Insurance	2,779	2,650
Other factory overheads	13,007	12,055
Depreciation	61,335	60,192
	<u>2,040,042</u>	<u>2,218,861</u>



## Selected Notes To The Condensed Interim Financial Information (Un-Audited) For The Quarter Ended 30 September 2014

	(Un-audited)	
	Quarter ended	
	30 September 2014	30 September 2013
	(RUPEES IN THOUSAND)	
Work-in-process:		
Opening stock	270,065	311,908
Closing stock	(297,380)	(300,866)
	(27,315)	11,042
Cost of goods manufactured	2,012,727	2,229,903
Finished goods:		
Opening stock	721,090	343,863
Closing stock	(708,641)	(546,754)
	12,449	(202,891)
	2,025,176	2,027,012
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	25,019	178,925
Adjustments for non-cash charges and other items:		
Depreciation	65,899	64,493
Finance cost	30,220	44,664
Amortization of deferred income	(209)	-
Loss / (gain) on sale of property, plant and equipment	(139)	-
Working capital changes (Note 11.1)	221,520	(115,528)
	342,310	172,554
<b>11.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	16,416	4,835
Stock in trade	252,823	(146,421)
Trade debts	(125,080)	3,406
Loans and advances	30,564	12,617
Short term deposits and prepayments	(8,784)	(14,358)
Other receivables	43,882	(2,494)
Tax refunds due from the Government	(19,305)	(30,030)
	190,516	(172,445)
Increase in trade and other payables	31,004	56,917
	221,520	(115,528)
<b>12. TRANSACTIONS WITH RELATED PARTIES</b>		

The related parties comprise associated companies, staff retirement fund, 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:

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

For The Quarter Ended 30 September 2014

	(Un-audited) Quarter ended	
	30 September 2014	30 September 2013
	(RUPEES IN THOUSAND)	
<b>i) Transactions</b>		
<b>Associated companies</b>		
Service charges	650	784
<b>Other related parties</b>		
Remuneration paid to Chief Executive Officer, Directors and Executives	14,368	10,320
Contribution to Employees' Provident Fund Trust	3,837	2,950
loan repaid to directors	4,290	-
	Un-audited 30 September 2014	Audited 30 June 2014
	(RUPEES IN THOUSAND)	
<b>ii) Period end balances</b>		
Trade and other payables	305	325
Short term borrowings	41,889	46,179



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

### For The Quarter Ended 30 September 2014

	Spinning		Fabric		Home Textile		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales	1,42,986	1,51,302	22,711	471,196	588,195	423,486	(15,306)	(23,847)	2,225,496	2,384,737
Cost of sales	(1,32,325)	(1,262,105)	(193,626)	(417,618)	(523,604)	(371,136)	15,306	23,847	(2,025,176)	(2,027,012)
Gross profit	106,644	251,797	29,085	53,578	64,591	52,350	-	-	200,320	357,725
Distribution cost	(50,532)	(42,062)	(11,175)	(28,166)	(31,643)	(25,766)	-	-	(93,350)	(95,994)
Administrative expenses	(37,919)	(36,733)	(3,250)	(6,603)	(9,165)	(6,040)	-	-	(50,332)	(49,376)
	(88,451)	(78,795)	(14,425)	(34,769)	(40,806)	(31,806)	-	-	(143,682)	(145,370)
Profit before taxation and unallocated income and expenses	18,193	173,002	14,660	18,809	23,785	20,544	-	-	56,638	212,355
Unallocated income and expenses										
Other expenses									(1,774)	(12,465)
Other income									375	23,689
Finance cost									(30,220)	(44,664)
Taxation									(22,254)	(26,851)
Profit after taxation									2,765	152,074

#### 13.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric		Home Textile		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	30 September	30 June	30 September	30 June	30 September	30 June	30 September	30 June
	2014	2014	2014	2014	2014	2014	2014	2014
Total assets for reportable segments	3,866,374	4,21,8070	723,017	807,976	563,789	345,470	5,153,180	5,371,516
Unallocated assets							318,888	297,693
Total assets as per balance sheet							5,472,068	5,669,409
All segment assets are allocated to reportable segments other than those directly relating to corporate.								
Total liabilities for reportable segments	945,264	1,175,499	446,410	495,176	405,929	349,285	1,797,603	2,019,960
Unallocated liabilities							373,167	350,913
Total liabilities as per balance sheet							2,170,770	2,370,873
All segment liabilities are allocated to reportable segments other than provision for taxation, deferred income tax liability and other corporate liabilities.								

#### 13. SEGMENT INFORMATION

13.1

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

For The Quarter Ended 30 September 2014

### 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 2014.

### 15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue on October 28, 2014 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 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.



**Jawed Anwar**  
Chief Executive Officer



**Faiq Jawed**  
Director





## J.K SPINING MILLS LIMITED

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