



**KHURSHID
SPINNING MILLS LIMITED**

**ACCOUNTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2021**

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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Ashraf	Chairman
Mr. Muhammad Iqbal	Chief Executive Officer
Mr. Zeeshan Saeed	Director
Mr. Usman Mahmood	Director (Independent)
Mrs. Saira Affan	Director (Independent)
Mr. Muhammad Amman Adil	Director (Nominee BIPL)
Mr. Qaiser Nasir	Director (Nominee BIPL)

Audit Committee

Mr. Usman Mahmood	Chairman
Mr. Muhammad Amman Adil	Member
Mr. Muhammad Ashraf	Member

HR and Remuneration Committee

Mrs. Saira Affan	Chairperson
Mr. Qaiser Nasir	Member
Mr. Muhammad Iqbal	Member

Company Secretary

Mr. Ali Mudassar

Chief Financial Officer

Mr. Bisharat Ali

Auditors

Riaz Ahmad and Company
Chartered Accountants
560-F, Raja Road, Gulistan Colony,
Faisalabad

Banks

The Bank of Punjab
Habib Metropolitan Bank Limited
First Women Bank Ltd.

Share Registrar

Corplink (Private) Limited
Wings Arcade, 1-K, Commercial, Model Town, Lahore

Registered/Head Office

133-134, Regency the Mall, Faisalabad.
+92-41-2610028, 2610030
www.khurshidgroup.com.pk

Mills

35 - Kilometer, Sheikhupura Road, Faisalabad



DIRECTORS' REPORT TO THE MEMBERS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The Board of Directors of the Company are pleased to present the un-audited financial results of the Company reviewed by statutory auditors of the Company for the half year ended on 31 December 2021.

Financial Results:

The financial results of the Company for the half year ended 31 December 2021 are as follow:

	Half year ended	
	31 December 2021	31 December 2020
	(RUPEES IN THOUSAND)	
REVENUE	611,184	439,325
COST OF SALES	(544,003)	(401,002)
GROSS PROFIT	67,181	38,323
DISTRIBUTION COST	(2,296)	(550)
ADMINISTRATIVE EXPENSES	(14,965)	(9,337)
OTHER EXPENSES	(4,430)	(1,851)
OTHER INCOME	14,460	3,234
FINANCE COST	(2,538)	(4,840)
PROFIT BEFORE TAXATION	57,412	24,979
TAXATION	(18,817)	(4,048)
PROFIT AFTER TAXATION	38,595	20,931
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	2.93	1.59

During the half year under review, your Company achieved revenue of Rupees 611.184 million as compared to Rupees 439.325 million during corresponding period of previous year. The Company has succeeded to earn profit after taxation of Rupees 38.595 million as compared to previous half year's profit after taxation of Rupees 20.931 million. Earnings per share (EPS) for the current period is Rupees 2.93 as compared to EPS of Rupees 1.59 in the corresponding period last year.

Industry Overview:

Spinning industry is the strong pillar of textile industry in the country and plays vital role for development of the economy of the country. Performance of textile industry remained growing and constant as per previous year. The prices of raw cotton and fuel & power is continuously rising, also there had been inflationary pressure and the latest Omicron variant of Covid-19 has riled the economy with uncertainty. However, Pakistan's economy has declared positive results in presence of these pressures with the help of government's pro-growth policies.

Future Prospects:

The management is optimistic about future performance of the Company. It is expected that the industry will maintain its momentum despite various challenges. The management of your Company is struggling hard to enhance existing market share and to target new markets as well. Our management remains focused on decreasing operating costs without compromising the quality of products and services. The directors are fully aware of the affairs of the Company and are making their strenuous efforts to make improvement in efficiencies and productivity as we enhanced cost controls.



Composition of the Board:

The total number of directors are seven as per the following:

a. Male: **06**

b. Female: **01**

The composition of board is as follows:

a) Independent Directors: **02**

b) Non-executive Directors: **03**

c) Executive Directors: **02**

Committees of the Board:

Audit Committee:

Sr. #	Name of Directors	
1-	Mr. Usman Mahmood	Chairman/Member
2-	Mr. Muhammad Amman Adil	Member
3-	Mr. Muhammad Ashraf	Member

Human Resource & Remuneration Committee:

Sr. #	Name of Directors	
1-	Mrs. Saira Affan	Chairman/Member
2-	Mr. Qaiser Nasir	Member
3-	Mr. Muhammad Iqbal	Member

Acknowledgment

We would like to take this opportunity to express appreciation to the employees of the Company for their hard work and commitment. We would also like to express our gratitude to the valued shareholders and lenders for extending their co-operation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Faisalabad:
February 24, 2022**

Director

Chief Executive Officer



ڈائریکٹرز رپورٹ برائے ممبران اختتام پذیر ششماہی 31 دسمبر 2021

کمپنی کے ڈائریکٹرز 31 دسمبر 2021 کو اختتام پذیر ششماہی کے غیر آڈٹ شدہ مالیاتی نتائج آپ کی خدمت میں پیش کر رہے ہیں۔
مالیاتی نتائج:

مالیاتی نتائج کا خلاصہ 31 دسمبر 2021 کے اختتام پر درج ذیل ہے۔

2020	2021	
روپے ہزاروں میں	روپے ہزاروں میں	
439,325	611,184	آمدن
(401,002)	(544,003)	لاگت آمدن
38,323	67,181	مجموعی نفع
(550)	(2,296)	تقسیم لاگت
(9,337)	(14,965)	انتظامی اخراجات
(1,851)	(4,430)	دیگر اخراجات
3,234	14,460	آمدن
(4,840)	(2,538)	مالیاتی لاگت
24,979	57,412	قبل از ٹیکس منافع/(نقصان)
(4,048)	(18,817)	ٹیکس
20,931	38,595	بعد از ٹیکس منافع
1.59	2.93	فی شخص منافع روپے میں

زیر نظر نصف سال کے عرصے کے دوران کمپنی کی آمدنی 611.184 ملین روپے ہے۔ جبکہ گزشتہ اسی مدت کی آمدنی 439.325 ملین روپے تھی۔ کمپنی نے بعد از ٹیکس 38.595 ملین روپے منافع کمایا ہے۔ جبکہ گزشتہ اسی مدت کے دوران 20.931 ملین روپے منافع کمایا تھا۔ فی شخص کمائی نصف سال کے اختتام پر 2.93 روپے رہی۔ جو کہ گزشتہ اسی دورانیے میں 1.59 روپے تھی۔

انڈسٹری کا جائزہ:

سپننگ انڈسٹری ملکی معیشت کا مضبوط ستون ہے۔ اور ملکی ترقی میں کلیدی کردار ادا کر رہی ہے۔ ٹیکسٹائل صنعت کی کارکردگی پچھلے سال کی طرح اس سال کافی اچھی اور مستقل رہی۔ خام کپاس بجلی اور ایندھن کی قیمتوں میں مسلسل اضافہ ہو رہا ہے۔ مہنگائی کے دباؤ اور کوویڈ-19 کی نئی قسم اوبی کروں نے معیشت کو غیر یقینی صورتحال سے دوچار کر دیا ہے۔ تاہم پاکستان کی معیشت نے حکومت کی اچھی پالیسیوں کی مدد سے اس دباؤ کے باوجود مثبت نتائج ظاہر کیے ہیں۔

مستقبل کے امکانات:

انتظامیہ کمپنی کے مستقبل کی کارکردگی کے بارے میں کافی پرامید ہے۔ اور توقع کرتی ہے۔ کہ صنعت مختلف چیلنجوں کے باوجود اپنی رفتار برقرار رکھے گی۔ آپ کی کمپنی کی انتظامیہ موجودہ مارکیٹ کے شہر کو بڑھانے اور نئی مارکیٹوں کی تلاش کے لئے سخت جدوجہد کر رہی ہے۔ کمپنی کے ڈائریکٹرز کمپنی کے معاملات سے مکمل طور پر آگاہ ہیں۔ اور کمپنی کی مجموعی کارکردگی، پیداواری صلاحیت اور لاگت کو کنٹرول کرنے کے لئے سخت کوششوں کو بروئے کار لارہی ہیں۔



بورڈ کی ساخت:

ڈائریکٹرز کی کل تعداد سات ہے

مرد: 06

خواتین: 01

بورڈ کی ساخت کی درج ذیل ہے۔

آزاد ڈائریکٹرز: 02

غیر ایگزیکٹو ڈائریکٹرز: 03

ایگزیکٹو ڈائریکٹرز: 02

بورڈ کی ترتیب:

بورڈ کی آڈٹ کمیٹی:

جناب عثمان محمود / چیئر مین / ممبر

جناب محمد امان عادل / ممبر

جناب محمد اشرف / ممبر

بورڈ کی انسانی وسائل اور معاوضہ کمیٹی:

مسز سائرہ عقیق / چیئر مین / ممبر

جناب قیصر ناصر / ممبر

جناب محمد اقبال / ممبر

اعتراف

بورڈ آف ڈائریکٹرز مالیاتی اداروں، شیئرز ہولڈرز اور اپنے ملازمین کی لگن اور محنت کی قدر کرتا ہے

بورڈ آف ڈائریکٹرز کی جانب سے

جناب ذیشان سعید

ڈائریکٹر

محمد اقبال

چیف ایگزیکٹو آفیسر

فیصل آباد

24 فروری 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Khurshid Spinning Mills Limited****Report on review of Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of KHURSHID SPINNING MILLS LIMITED as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Liaquat Ali Panwar.

Riaz Ahmad & Co.
RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad**Date: FEBRUARY 24, 2022****UDIN: RR202110184yWnBr3flv**

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Un-audited 31 December 2021 (RUPEES IN THOUSAND)	Audited 30 June 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
17 000 000 (30 June 2021: 17 000 000) ordinary shares of Rupees 10 each		170,000	170,000
Issued, subscribed and paid up share capital			
13 174 800 (30 June 2021: 13 174 800) ordinary shares of Rupees 10 each		131,748	131,748
Capital reserves			
Equity portion of former shareholders' loan		13,335	13,335
Surplus on revaluation of property, plant and equipment - net of deferred income tax		197,676	122,679
Accumulated loss		(334,793)	(379,776)
Total equity		7,966	(112,014)
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	-	19,841
Deferred income tax liability		77,336	57,477
Deferred liabilities		27,656	23,772
Long term security deposit		30,000	30,000
		134,992	131,090
CURRENT LIABILITIES			
Trade and other payables		196,855	173,689
Short term borrowings		223,427	263,427
Accrued mark-up on long term financing		302	449
Current portion of non-current liabilities		51,240	50,550
Taxation - net		11,879	9,210
		483,703	497,325
TOTAL LIABILITIES		618,695	628,415
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		626,661	516,401
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	443,123	352,617
Long term deposits and prepayments		11,101	8,301
		454,224	360,918
CURRENT ASSETS			
Stores, spare parts and loose tools		48,660	34,145
Stock in trade		6,049	8,054
Trade debts		81,923	70,777
Loans and advances		6,464	2,755
Prepayments and other receivables		146	124
Cash and bank balances		29,195	39,628
		172,437	155,483
TOTAL ASSETS		626,661	516,401

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
----- (RUPEES IN THOUSAND) -----					
REVENUE	6	611,184	439,325	321,506	216,794
COST OF SALES		<u>(544,003)</u>	<u>(401,002)</u>	<u>(270,798)</u>	<u>(195,527)</u>
GROSS PROFIT		67,181	38,323	50,708	21,267
DISTRIBUTION COST		(2,296)	(550)	(1,090)	(504)
ADMINISTRATIVE EXPENSES		(14,965)	(9,337)	(7,794)	(3,206)
OTHER EXPENSES		(4,430)	(1,851)	(3,639)	(1,851)
OTHER INCOME		14,460	3,234	8,721	2,915
FINANCE COST		(2,538)	(4,840)	(1,233)	(3,462)
PROFIT BEFORE TAXATION		<u>57,412</u>	<u>24,979</u>	<u>45,673</u>	<u>15,159</u>
TAXATION		(18,817)	(4,048)	(15,436)	(710)
PROFIT AFTER TAXATION		<u><u>38,595</u></u>	<u><u>20,931</u></u>	<u><u>30,237</u></u>	<u><u>14,449</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		<u>2.93</u>	<u>1.59</u>	<u>2.30</u>	<u>1.10</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

------(RUPEES IN THOUSAND)-----

PROFIT AFTER TAXATION 38,595 20,931 30,237 14,449

OTHER COMPREHENSIVE INCOME

Items that will not be reclassified subsequently to profit or loss:

Surplus on revaluation of property, plant and equipment

104,559

-

104,559

-

Related deferred income tax liability

(23,480)

-

(23,480)

-

81,079

-

81,079

-

Items that may be reclassified subsequently to profit or loss

-

-

-

-

Other comprehensive income for the period - net of tax

81,079

-

81,079

-

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

119,674

20,931

111,316

14,449

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	CAPITAL RESERVES				TOTAL	ACCUMULATED LOSS	TOTAL EQUITY
	SHARE CAPITAL	Equity portion of former shareholders' loan	Surplus on revaluation of property, plant and equipment - net of deferred income tax				
				(RUPEES IN THOUSAND)			
Balance as at 30 June 2020 - (Audited)	131,748	13,335	135,029	148,364	(426,627)	(146,515)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(6,224)	(6,224)	6,224	-	
Profit for the period	-	-	-	-	20,931	20,931	20,931
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	20,931	20,931	20,931
Balance as at 31 December 2020 - (Un-audited)	131,748	13,335	128,805	142,140	(399,472)	(125,584)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(6,126)	(6,126)	6,126	-	
Profit for the period	-	-	-	-	12,281	12,281	12,281
Other comprehensive income for the period	-	-	-	-	1,289	1,289	1,289
Total comprehensive income for the period	-	-	-	-	13,570	13,570	13,570
Balance as at 30 June 2021 - (Audited)	131,748	13,335	122,679	136,014	(379,776)	(112,014)	
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	306	306	-	306	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(5,514)	(5,514)	5,514	-	
Transfer from surplus on disposal of property, plant and equipment - net of deferred income tax	-	-	(874)	(874)	874	-	
Profit for the period	-	-	-	-	38,595	38,595	38,595
Other comprehensive income for the period	-	-	81,079	81,079	-	81,079	81,079
Total comprehensive income for the period	-	-	81,079	81,079	38,595	119,674	119,674
Balance as at 31 December 2021 - (Un-audited)	131,748	13,335	197,676	211,011	(334,793)	7,966	

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Half year ended	
	31 December 2021	31 December 2020
	(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	57,412	24,979
Adjustments for non-cash charges and other items:		
Depreciation	16,253	15,299
Provision for staff retirement gratuity	6,844	3,270
Gain on sale of property, plant and equipment	(1,014)	-
Gain on remeasurement of Gas Infrastructure Development Cess (GIDC)	-	(1,025)
Amortization of deferred grant	(1,355)	(2,106)
Finance cost	2,538	4,840
	80,678	45,257
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(14,515)	(4,005)
Stock in trade	2,005	-
Trade debts	(11,146)	(22,361)
Loans and advances	(3,709)	16,428
Prepayments and other receivables	(22)	(951)
	(27,387)	(10,889)
Increase / (decrease) in trade and other payables	22,987	(147,337)
Cash generated from / (used in) operations	76,278	(112,969)
Finance cost paid	(930)	(198)
Staff retirement gratuity paid	(2,336)	(1,769)
Income tax paid	(19,463)	(2,989)
Net increase in long term deposits and prepayments	(2,800)	(600)
Net cash generated from / (used in) operating activities	50,749	(118,525)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(4,686)	(10,913)
Proceeds from sale of property, plant and equipment	3,500	-
Net cash used in investing activities	(1,186)	(10,913)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(19,996)	(28,128)
Proceeds from long term financing	-	57,788
Repayment of short term borrowings	(40,000)	(133,000)
Net cash used in financing activities	(59,996)	(103,340)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,433)	(232,778)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	39,628	254,531
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	29,195	21,753

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

1. THE COMPANY AND ITS OPERATIONS

Khurshid Spinning Mills Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 133-134, Regency the Mall, Faisalabad. The Company manufactures and deals in all types of yarn. The manufacturing facility of the Company is situated at 35 Kilometers, Main Sheikhpura Road, Mouza Johal, Tehsil Jaranwala, District Faisalabad.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) 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.

- ii) These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2021.

- iii) These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and methods of computations

The accounting policies and methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2021.

2.2 Critical accounting estimates, judgments and financial risk management

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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.

During preparation of these condensed interim financial statements, 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 audited annual financial statements of the Company for the year ended 30 June 2021.

2.3 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 30 June 2021.

Un-Audited	Audited
31 December	30 June
2021	2021

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING

Financing from banking company - secured

Opening Balance	57,713	80,309
Add:		
Obtained during the period / year	-	57,788
Amortized during the period / year	1,355	6,732
	59,068	144,829



Less:
Repaid during the period / year
Deferred income recognized during the period / year

Less: Current portion shown under current liabilities

Un-Audited 31 December 2021	Audited 30 June 2021
(RUPEES IN THOUSAND)	
(19,996)	(83,448)
-	(3,668)
(19,996)	(87,116)
39,072	57,713
39,072	37,872
-	19,841

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

Guarantees of Rupees 20 million (30 June 2021: Rupees 20 million) are given by the Bank of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections.

b) Commitments

There was no commitment as at 31 December 2021 (30 June 2021: Rupees Nil).

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)
Capital work-in-progress (Note 5.2)

Un-Audited 31 December 2021	Audited 30 June 2021
(RUPEES IN THOUSAND)	

5.1 Operating fixed assets:

Opening book value
Add:
Cost of additions during the period / year (Note 5.1.1)
Effect of surplus on revaluation during the period / year

Less: Book value of deletions during the period / year - plant and machinery

Less: Depreciation charged during the period / year

436,977	338,533
6,146	14,084
443,123	352,617
338,533	327,724
12,624	42,127
104,559	-
455,716	369,851
(2,486)	-
453,230	369,851
(16,253)	(31,318)
436,977	338,533

5.1.1 Cost of additions during the period / year

Buildings on freehold land
Plant and machinery
Office equipment
Electric installations
Power generation house
Factory equipment
Vehicles

-	8,264
5,029	19,455
41	164
3,506	4,492
3,913	3,091
135	-
-	6,661
12,624	42,127

5.2 Capital work-in-progress

Buildings on freehold land
Plant and machinery
Electric installations
Power generation house

6,146	6,146
-	1,942
-	3,043
-	2,953
6,146	14,084

6. REVENUE TRANSACTIONS WITH RELATED PARTIES

6.1 The revenue represents conversion and doubling income of Rupees 593.948 million (31 December 2020: Rupees 439.325 million) and export sale of fabric of Rupees 17.236 million (31 December 2020: Rupees Nil).

6.2 The Company's revenue from external customers by geographical locations was Rupees 17.236 million (31 December 2020: Rupees Nil) from Asia and Rupees 593.948 million (31 December 2020: Rupees 439.321 million) from Pakistan.

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate and key management personnel. The Company in the normal course of business carries out transactions with various parties. Detail of transactions and balances with related parties are as follows:



(Un-audited)			
Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

(RUPEES IN THOUSAND)

i) Transactions

Associate

Purchase of goods and services	16,769	9,000	4,500	4,500
Repayment of short term borrowings	40,000	133,000	40,000	103,000

Key management personnel

Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	7,611	5,146	4,513	2,706
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Un-audited 31 December 2021	Audited 30 June 2021
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(RUPEES IN THOUSAND)

ii) Period end balances

Associate

Trade and other payables	1,500	18,536
Short term borrowings	223,427	263,427

8. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Loans / advances obtained as per Islamic mode

Short term borrowings	223,427	263,427
Contract liabilities	511	-

(Un-audited)	
Half year ended	
31 December 2021	31 December 2020

(RUPEES IN THOUSAND)

Revenue earned from shariah compliant business	611,184	439,325
Exchange gain	1,039	-
Profits earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	680	651
Profit on saving account	109	103

There was no shariah compliant bank balance, no profit on deposit with shariah compliant banks, no gain or dividend on shariah compliant investment and no mark-up paid on Islamic mode of financing.

9.

DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 24, 2022 .

10. 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.

11. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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133-134, REGENCY THE MALL,
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