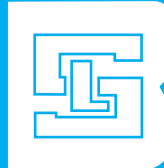


**Half Yearly
Accounts
December,
2011**

BIBOJEE GROUP



**Janana De Malucho Textile
Mills Limited**

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JDM TEXTILE MILLS LIMITED

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK Chairman LT. GEN. (RETD.) ALI KULI KHAN KHATTAK Chief Executive MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA MRS. ZEB GOHAR AYUB MRS. SHAHNAZ SAJJAD AHMAD DR. SHAHEEN KULI KHAN	
AUDIT COMMITTEE	MR. RAZA KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA	Chairman Member Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
CHIEF INTERNAL AUDITOR	MR. KHALID KULI KHAN KHATTAK	
AUDITORS	M/S HAMEED CHAUDHRI & CO. Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
LEGAL ADVISOR	M/S. HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE	
REGISTRARS & SHARES REGISTRATION OFFICE	MANAGEMENT & REGISTRATION SERVICES (PVT) LTD. BUSINESS EXECUTIVE CENTRE, F/17/3, BLOCK 8, CLIFTON, KARACHI TEL. 021-35375127-29 FAX. 021-35820325 EMAIL registrationservices@live.co.uk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk janana_textile@hotmail.com WEB SITE: www.jdm.com.pk	

DIRECTORS REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I feel pleasure in presenting the unaudited reviewed financial statements of the company for the 2nd quarter & half year ended 31st December 2011.

1. FINANCIAL HIGHLIGHTS

During the current period of your Company has posted the following results:

	Second Quarter		Cumulative	
	Oct. – Dec.		Jul. – Dec.	
	2011	2010	2011	2010
	----- Rs. in million -----			
Sales	503.283	549.218	1,062.734	1,009.049
Gross Profit	51.303	69.348	105.083	148.873
Profit from operations	38.076	52.799	74.591	116.313
Profit before taxation	32.143	54.941	56.075	122.919
Profit after taxation	30.038	36.311	48.368	99.683
Earnings per share – Rs.	6.28	8.43	10.11	23.15

During the half year ended 31st December 2011 the turnover of the Company has increased by Rs.53.685 as compared to previous half year whereas the gross profit of the current period has decreased by Rs.43.790 million. Main reasons of decrease in gross profit were stagnant sale rates and increased cost of production mainly due to increased prices of raw material i.e. Rs. 62.229 million during the half year under report viz-a-viz depreciation of Pak Rupee Vs US Dollar and, increase of about 14% in gas rates (valuing Rs. 8.621 million in the half year ended 31st December 2011).

2. GENERAL MARKET CONDITION

Currently the yarn market is behaving in most unpredictable way. The demand is highly volatile due to enormous shortage of electricity and gas in end user market. The cotton prices have decreased in comparison with last quarter due to which there was decreasing trend in yarn prices as well with no correlation with reduction of cotton prices. There is also a continuous decrease in value of Pak rupees, increasing the prices of raw material & fuel and consequently production costs of whole textile industry are on the rise.

FUTURE OUTLOOK

The financial assistance program of Federal Govt. in the form of markup subsidy to KPK industry has expired on 31 December, 2011. APTMA has urged the government to renew the relief package for the textile industry, which has been badly hit by unprecedented electricity and gas crisis. Subsequent to current period there is downward trend in production and sales and textile exports have decreased by 17% in January 2012 against corresponding period. The sale rates are very unstable at the moment making it difficult to decide whether to hold stocks or make regular

supplies. During the half year under report the increase in Gas prices was Rs.52 per MMBTU and now the Federal Govt. has notified a further increase of Rs.60 per MMBTU in gas rates with effect from January, 2012 which will further diminish the profit margins to the tune of Rs. 40 million in one year. All in all the coming quarter will be another test of survival for the textile industry. However your management will strive to achieve positive results and maintain current profit margins by using every resource on its disposal.

3. ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have consistently facilitated the Company in financially difficult times. We would also like to highlight the hard work and diligence of the Company's Senior Management and the production workers. We look forward to same dedication and cooperation from them in the future as well.

For & on behalf of the board of directors,



Raza Kuli Khan Khattak
Chairman

Dated: 29th February, 2012

**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** (the Company) as at 31 December, 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended 31 December, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended 31 December, 2011.

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 interim financial information 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 information as of and for the half-year ended 31 December, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Hameed Chaudhri & Co

**HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**
Engagement Partner: Osman Hameed Chaudhri

LAHORE: 29 February, 2012

JDM TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER, 2011

	Un-audited 31 Dec., 2011	Audited 30 June, 2011		Un-audited 31 Dec., 2011	Audited 30 June, 2011
	Note	(Rupees in thousand)		Note	(Rupees in thousand)
Equity and Liabilities			Assets		
Share Capital and Reserves			Non-current Assets		
Authorised capital		200,000	Property, plant and equipment	11	1,909,175
Issued, subscribed and paid-up capital		47,848	Investments in Associated Companies	12	94,827
Reserves		217,673	Loans to employees		1,103
Unappropriated profit		230,057	Security deposits		1,029
		<u>495,578</u>			<u>2,006,134</u>
		437,831			2,023,790
Term Finance Certificates		63,725	Current Assets		
Surplus on Revaluation of Property, Plant and Equipment		1,005,633	Stores, spares and loose tools		39,615
		1,014,043	Stock-in-trade	13	734,454
Non-current Liabilities			Trade debts - unsecured considered good		33,732
Demand finances	8	234,110	Advances to employees		1,470
Staff retirement benefits - gratuity		41,853	Advance payments		21,314
Deferred taxation		142,963	Trade deposits and prepayments		5,370
		<u>418,926</u>			490
		438,030			
Current Liabilities			Mark-up subsidy receivable		22,234
Trade and other payables		158,061	Other receivables		933
Accrued mark-up		26,573	Sales tax refundable		21,825
Short term finances		660,756	Income tax refundable, advance tax and tax deducted at source		35,683
Current portion of non-current liabilities: - term finance certificates		12,745	Cash and bank balances		6,142
- demand finances	8	45,983			922,772
Taxation	9	39,709			701,481
Preference shares redemption account		1,217			
		<u>945,044</u>			
		771,642			
Contingencies and Commitments	10				
		<u>2,928,906</u>			<u>2,928,906</u>
		2,725,271			2,725,271

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

Ali Kuli Khan
Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive

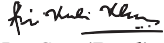
Mushtaq Ahmad Khan
Mushtaq Ahmad Khan, FCA
Director


JDM TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND HALF-YEAR ENDED 31 DECEMBER, 2011

	Note	For the 2nd Quarter		Cumulative	
		Oct. - Dec., 2011	Oct. - Dec., 2010	July - Dec., 2011	July - Dec., 2010
----- Rupees in thousand -----					
Sales - net		503,283	549,218	1,062,734	1,009,049
Cost of Sales		451,980	479,870	957,651	860,176
Gross Profit		51,303	69,348	105,083	148,873
Distribution Cost		2,024	3,599	5,798	6,031
Administrative Expenses		14,854	12,109	28,381	20,067
Other Operating Expenses		4,054	2,136	5,107	9,053
Other Operating Income	14	(7,705)	(1,295)	(8,794)	(2,591)
		13,227	16,549	30,492	32,560
Profit from Operations		38,076	52,799	74,591	116,313
Finance Cost	15	17,521	31,289	30,104	26,825
		20,555	21,510	44,487	89,488
Share of Profit of Associated Companies	12	11,588	33,431	11,588	33,431
Profit before Taxation		32,143	54,941	56,075	122,919
Taxation					
- current	9.1	5,335	5,506	10,937	10,112
- prior year		102	0	102	0
- deferred		(3,332)	13,124	(3,332)	13,124
		2,105	18,630	7,707	23,236
Profit after Taxation		30,038	36,311	48,368	99,683
Other Comprehensive Income		0	0	0	0
Total Comprehensive Income for the Period		30,038	36,311	48,368	99,683
----- Rupees -----					
Earnings per Share		6.28	8.43	10.11	23.15

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


 Lt. Gen (Retd)
 Ali Kuli Khan Khattak
 Chief Executive

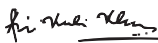

 Mushtaq Ahmad Khan, FCA
 Director


JDM TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER, 2011 (UN-AUDITED)

	Half-year ended	
	31 Dec., 2011	31 Dec., 2010
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation and share of profit of Associated Companies	44,487	89,488
Adjustments for non-cash charges and other items:		
Depreciation	28,724	29,829
Loss on sale of operating fixed assets - net	783	130
Staff retirement benefits - gratuity (net)	7,450	8,127
Unclaimed payable balances written-back	(6,394)	(382)
Restructuring cost balance amortised	(231)	0
Finance cost - net	30,104	26,825
Profit before working capital changes	104,923	154,017
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(5,211)	(7,744)
Stock-in-trade	(226,083)	(367,728)
Trade debts	16,225	(36,870)
Loans and advances to employees	54	104
Advance payments	(11,488)	(2,537)
Trade deposits and prepayments	(4,880)	(19,675)
Mark-up subsidy receivable	8,661	0
Due from Associated Companies	0	9,439
Other receivables	268	0
Sales tax refundable	(7,457)	(3,919)
(Decrease) / increase in trade and other payables	(19,783)	76,241
	(249,694)	(352,689)
Cash used in operations	(144,771)	(198,672)
Taxes paid	(6,460)	(6,953)
Net cash used in operating activities	(151,231)	(205,625)
Cash flow from investing activities		
Fixed capital expenditure	(6,740)	(8,535)
Sale proceeds and insurance claim of operating fixed assets	4,447	1,930
Dividend received from an Associated Company	2,926	1,171
Net cash generated from / (used in) investing activities	633	(5,434)
Cash flow from financing activities		
Demand finances repaid	(27,389)	(8,357)
Short term finances - net	196,945	241,965
Preference shares redeemed	(1)	(17)
Finance cost paid	(34,008)	(26,388)
Net cash generated from financing activities	135,547	207,203
Net decrease in cash and cash equivalents	(15,051)	(3,856)
Cash and cash equivalents - at beginning of the period	21,193	5,850
Cash and cash equivalents - at end of the period	6,142	1,994

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


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive



Mushtaq Ahmad Khan, FCA
Director


JDM TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF-YEAR ENDED 31 DECEMBER, 2011

	Reserves						Unappropriated profit	Total
	Share capital	Capital			Revenue	Sub-total		
		Capital redemption	Tax holiday	Share premium	General			
----- Rupees in thousand -----								
Balance as at 30 June, 2010	43,064	6,694	350	11,409	121,171	139,624	80,649	263,337
Transfer to general reserve	0	0	0	0	78,049	78,049	(78,049)	0
Total comprehensive income for the half-year ended 31 December, 2010	0	0	0	0	0	0	99,683	99,683
Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation):								
- on account of incremental depreciation for the half-year	0	0	0	0	0	0	6,575	6,575
- upon disposal of plant & machinery	0	0	0	0	0	0	1,267	1,267
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	0	0	5,156	5,156
Balance as at 31 December, 2010	43,064	6,694	350	11,409	199,220	217,673	115,281	376,018
Balance as at 30 June, 2011	47,848	6,694	350	11,409	199,220	217,673	172,310	437,831
Total comprehensive income for the half-year ended 31 December, 2011	0	0	0	0	0	0	48,368	48,368
Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation):								
- on account of incremental depreciation for the half-year	0	0	0	0	0	0	6,216	6,216
- upon disposal of plant & machinery	0	0	0	0	0	0	2,194	2,194
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	0	0	969	969
Balance as at 31 December, 2011	47,848	6,694	350	11,409	199,220	217,673	230,057	495,578

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


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2011**

1. Janana De Malucho Textile Mills Ltd. (the Company) was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on the Karachi Stock Exchange. It is principally engaged in manufacture and sale of yarn. The Company's mills and registered office are located at Habibabad, Kohat.
2. This condensed interim financial information of the Company for the half-year ended 31 December, 2011 is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984 (the Ordinance) and the listing regulations of Karachi Stock Exchange. This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 (Interim Financial Reporting) and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
3. This condensed interim financial information is un-audited; however, has been reviewed by the statutory Auditors under limited scope in accordance with the requirements of Code of Corporate Governance.
4. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended 30 June, 2011.
5. This condensed interim financial information is presented in Pak Rupee, which is the functional currency of the Company. All the financial information presented in Pak Rupees has been rounded-off to the nearest thousand except stated otherwise.
6. The accounting policies and the methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited annual financial statements of the Company for the year ended 30 June, 2011 except for the adoption of new accounting policies as referred to in note 6.1.

6.1 Standards, amendments and interpretations to published approved accounting standards, which have been effective during the current financial period

- (a) Following amendment to existing approved accounting standard became effective for the periods beginning on or after 01 January, 2011 and is relevant to the Company:

IAS 34 (Amendment), 'Interim Financial Reporting'. This amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value measurement hierarchy, changes in classification of financial assets and changes in contingent liabilities and assets. The amendment has resulted in an additional disclosure as presented in note 17 to this condensed interim financial information.

- (b) There are certain new and amended standards and interpretations that have been published and are mandatory for accounting periods beginning on or after 01 July, 2011 but are considered not to be relevant or did not have any significant effect on the Company's operations and are therefore not detailed in this condensed interim financial information.

6.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are other standards, amendments and interpretations, which are not yet effective and are not considered to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in this condensed interim financial information.

7. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the annual audited financial statements as at and for the year ended 30 June, 2011.

8. DEMAND FINANCES - Secured

	Un-audited 31 Dec., 2011 (Rupees in thousand)
National Bank of Pakistan	
Balance of demand finances as at 30 June, 2011	304,842
Restructuring cost balance as at 30 June, 2011	2,871
	307,713
Less:	
Instalments of demand finances repaid during the period	27,389
Restructuring cost balance amortised during the period	231
	27,620
	280,093
Less: current portion grouped under current liabilities	45,983
	234,110

9. TAXATION

9.1 Provision for the current period represents minimum tax payable under section 113 and tax on dividend under section 5 of the Income Tax Ordinance, 2001 (the Ordinance). Due to location in the most affected area, the Company's income is exempt from tax for a period of three years under clause 126F of the second schedule to the Ordinance starting from the tax year 2010.

9.2 Income tax assessments of the Company have been completed upto the Tax Year 2011 creating refund of Rs.17.160 million.

9.3 The Income Tax Department (the Department) charged tax under section 122(5A) of the Ordinance amounting Rs.7.123 million for Tax Year 2004 against which an appeal was filed with the Commissioner Inland Revenue (Appeals) [CIR(A)], which was decided in the Company's favour. However, the Department has filed a further appeal with the Appellate Tribunal Inland Revenue.

JDM TEXTILE MILLS LIMITED

- 9.4** The Department charged tax under section 221 of the Ordinance amounting Rs.2.772 million for the Tax Year 2007 against which an appeal has been filed with the CIR(A), who had set-aside the said appeal.
- 9.5** The Department charged workers' welfare fund demand under section 4 of the Workers' Welfare Fund Ordinance, 1971 amounting Rs.3.488 million for the Tax Year 2010 against which an appeal was filed before the CIR(A), which is pending adjudication.
- 9.6** The Department charged tax under sections 161/205 of the Ordinance amounting Rs.0.560 million for the Tax Year 2006 against which an appeal is pending adjudication.
- 9.7** The Department charged tax under section 122(5A) of the Ordinance amounting Rs.2.289 million for the Tax Year 2005 against which an appeal has been filed before the CIR(A), which is pending adjudication.
- 9.8** Minimum tax liabilities under section 113 of the Ordinance pertaining to financial years ended 30 June, 2010 and 30 June, 2011 have not been paid as the Company has filed a writ petition before the Islamabad High Court, Islamabad under article 199 of the Constitution praying for the declaration of section 113 as unconstitutional and discriminatory.

10. CONTINGENCIES AND COMMITMENTS

- 10.1** There has been no significant change in the status of contingencies as reported in the preceding published annual audited financial statements of the Company for the year ended 30 June, 2011.
- 10.2** Counter guarantee given by the Company to a commercial bank outstanding as at 31 December, 2011 was for Rs.30 million (30 June, 2011: Rs.25 million).

	Note	Un-audited 31 Dec., 2011 (Rupees in thousand)	Audited 30 June, 2011
10.3 Commitments for irrevocable letters of credit:			
- stores and spares		4,341	6,559
- raw materials		109,453	27,346
		113,794	33,905

10.4 Refer contents of taxation notes.

11. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - tangible	11.1	1,908,580	1,877,956
Capital work-in-progress			
- plant & machinery - cost and expenses		595	58,433
		1,909,175	1,936,389
11.1 Operating fixed assets - owned			
Opening book value		1,877,956	1,929,393
Additions during the period / year:			
- roads, paths and culverts		20	397
- factory buildings on freehold land		459	0
- plant & machinery		61,640	3,558
- furniture & fixtures		568	918
- office & other equipment		63	75
- vehicles		1,828	5,996
		64,578	10,944
Book value of assets disposed-off during the period / year		(5,230)	(2,431)
Depreciation charge for the period / year		(28,724)	(59,950)
		1,908,580	1,877,956

JDM TEXTILE MILLS LIMITED

12. INVESTMENTS IN ASSOCIATED COMPANIES - Quoted	Un-audited 31 Dec., 2011	Audited 30 June, 2011
	(Rupees in thousand)	
Babri Cotton Mills Ltd. (BCM)		
587,493 (30 June, 2011: 587,493) ordinary shares of Rs.10 each - cost	10,973	10,973
Equity held: 16.09% (30 June, 2011: 16.09%)		
Post acquisition profit brought forward including effect of items directly credited in equity by BCM	32,310	11,969
Profit for the period / year - net of taxation	3,278	19,717
	<u>46,561</u>	<u>42,659</u>
Bannu Woollen Mills Ltd. (BWM)		
585,301 (30 June, 2011: 585,301) ordinary shares of Rs.10 each - cost	7,697	7,697
Equity held: 7.70% (30 June, 2011: 7.70%)		
Post acquisition profit brought forward including effect of items directly credited in equity by BWM	35,185	24,856
Dividend received during the period / year	(2,926)	(1,171)
Profit for the period / year - net of taxation	8,310	11,155
	<u>48,266</u>	<u>42,537</u>
	<u>94,827</u>	<u>85,196</u>
12.1 Fair value of investments in BCM as at 31 December, 2011 was Rs.4.906 million(30 June, 2011: Rs.9.400 million).		
12.2 Fair value of investments in BWM as at 31 December, 2011 was Rs.8.206 million (30 June, 2011: Rs.9.049 million).		
13. STOCK-IN-TRADE		
Raw materials:		
- at mills (30 June, 2011 balance included inventory valuing Rs.72.021 million valued at replacement cost)	565,299	310,988
- in transit	39,568	70,566
	<u>604,867</u>	<u>381,554</u>
Work-in-process	61,970	62,191
Finished goods (30 June, 2011 balance included inventory valuing Rs.7.370 million valued at fair value)	67,617	64,626
	<u>734,454</u>	<u>508,371</u>

JDM TEXTILE MILLS LIMITED

14. OTHER OPERATING INCOME

The Company during the current period, based on the advice of its legal Advisors, has forfeited unclaimed ordinary and preference dividends aggregating Rs.6.394 million in terms of Article 130 of its Articles of Association. The accumulated balances of dividends on ordinary and preference shares had remained unclaimed in excess of three years from the date of their declarations.

15. FINANCE COST - Net

	Un-audited	
	Half-year ended	
	31 Dec., 2011	31 Dec., 2010
	(Rupees in thousand)	
Mark-up on demand finances	19,648	22,593
Less: mark-up subsidy	8,711	9,373
	10,937	13,220
Mark-up on short term finances	31,328	31,312
Less: mark-up subsidy	13,530	19,324
	17,798	11,988
Interest accrued on:		
- Associated Companies' balances	508	350
- workers' (profit) participation fund	387	716
Bank charges	474	551
	30,104	26,825

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Aggregate transactions made during the period with the Associated Companies were as follows:

- sale of goods	1,420	0
- purchase of goods and services	9,732	9,049
- insurance claim received	1,400	0
- insurance premium paid	4,407	8,146
- residential rent paid	576	0
- mark-up:		
- earned	0	61
- expensed	508	350
- management charges:		
- paid	0	59
- received	0	3,824
- dividend received	2,926	1,171
- purchase of vehicles	0	4,462

16.2 No other transactions, other than remuneration and benefits to key management personnel under the terms of their employment, were executed with other related parties during the period.

16.3 Trade and other payables include due to Associated Companies on account of normal trading transactions and outstanding insurance premium aggregating Rs.25.876 million (30 June, 2011: Rs.4.010 million).

16.4 Accrued mark-up includes due to Associated Companies aggregating Rs.538 thousand (30 June, 2011: Rs.97 thousand).

17. FINANCIAL RISK MANAGEMENT


This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June, 2011. The Company's activities expose it to a variety of financial risks, which are (i) credit risk (ii) liquidity risk and (iii) market risk (including foreign currency risk and interest rate risk). There has been no change in the Company's sensitivity to these risks since 30 June, 2011.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorised for issue on 29 February, 2012.

19. CORRESPONDING FIGURES

- Corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended 30 June, 2011 and corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period of the immediately preceding financial year, i.e. half-year ended 31 December, 2010. In addition, corresponding figures in the condensed interim profit and loss account also include balances of the three months period ended 31 December, 2010.
- Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director

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