

**Nine Month
Accounts
March
2018**

BIBOJEE GROUP



**Janana De Malucho Textile
Mills Limited**

CONTENTS

	<i>Pages</i>
COMPANY'S PROFILE	1
DIRECTORS' REPORT (English & اُردو)	2-4
BALANCE SHEET	5
PROFIT & LOSS ACCOUNT	6
CASH FLOW STATEMENT	7
STATEMENT OF CHANGES IN EQUITY	8
SELECTED NOTES TO THE ACCOUNTS	9-15

Janana De Malucho Textile Mills Ltd.

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK, Chief Executive MR. MUSHTAQ AHMAD KHAN, FCA MRS. SHAHNAZ SAJJAD AHMAD MR. GOHAR AYUB KHAN BRIG. (RETD) ABDUL SAMAD KHAN MR. SAAD WAHEED MR. KHALID KULI KHAN KHATTAK	Chairman
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. RAZA KULI KHAN KHATTAK MR. SAAD WAHEED	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. RAZA KULI KHAN KHATTAK MR. SAAD WAHEED	Chairman Chief Executive / Member Member Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
HEAD OF INTERNAL AUDIT	MR. NADEEM AHMED, ACCA, CIA	
AUDITORS	SHINEWING HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
LEGAL ADVISOR	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 - 862161 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com WEB SITE: www.jdm.com.pk	

Janana De Malucho Textile Mills Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we feel pleasure in presenting the Director's Review Report together with the unaudited condensed interim financial information of the Company for the 3rd quarter & Nine months period ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

During the period under report, your Company has posted the following results:

	Quarter ended		Nine months Period ended	
	Mar. 31, 2018	Mar. 31, 2017	Mar. 31, 2018	Mar. 31, 2017
	----- Rs. in thousand -----			
Sales	746,330	607,752	2,068,013	1,921,674
Gross profit	73,994	79,388	143,192	189,583
Profit from operations	43,742	54,956	48,148	117,059
Profit / (loss) before taxation	24,606	42,907	(10,610)	96,718
Profit / (loss) after taxation	24,619	15,810	(6,738)	33,543
	----- Rupees -----			
Earnings / (loss) per share	5.15	3.30	(1.41)	7.01

The turnover of the Company has increased by Rs.146.339 million as compared to previous comparative period. The Company has earned a net profit after taxation amounting to Rs.24.619 million in the third quarter ended March, 2018. The remaining nominal loss for 9 months would have been wiped out if Pak Rupee had not been devalued which resulted in the increase of raw material cost. Further, the rampant import of yarn and grey cloth from India, levy of 1% further tax on sales and share of loss from investment in an Associated Company amounting to Rs.12.301 million have actually contributed to the loss of the Company.

GENERAL MARKET CONDITION

The yarn markets have constantly been showing up and down behavior in the quarter under report. The earning and production capacity of Pakistan is far lower as it earns \$1 billion through the products of one million cotton bales while Bangladesh and Vietnam earn \$6 billion and \$8 billion, respectively. The growth of textile business has become an illusion for the textile millers in Pakistan, due to inconsistent policies of the Govt. for the textile sector. Stagnancy in exports and unsustainable imports due to an increasingly overvalued exchange rates and midterm changing of policies through SROs and levy of duty and sales tax on import of cotton from other countries have put Pakistan current account in unprecedented stress along with uncontrollable burden on the textile sector of Pakistan.

FUTURE OUTLOOK


The European Union (EU) granted GSP+ status to Pakistan in December, 2013. Under GSP+, the EU's imports from Pakistan have risen from US\$6.9 billion in 2013 to US\$8.1 billion in 2016 – an increase of 17.1%. However, in spite of the tariff advantage, Pakistan's share in the EU's global imports market stands at an abysmal 0.2%. Even though textile products make a large share of exports to the EU (80% of the EU's total imports from Pakistan), Pakistan has been unable to significantly provide those goods that are demanded by the EU. It is due to core issues faced by the Pakistan's textile industry such as, lack of access to inputs including cotton and polyester fiber at international prices (mainly due to imposition of import duties in the cotton buying season), higher labor costs, outdated technology, and energy-shortages. To avail the benefits of GSP+, Govt. and industry need to develop a collaborative relationship. The industry will need to adopt progressive strategies for upgradation of competitiveness and the Govt. needs to put in place a long term plan to provide level playing fields for the industrialists viz-a-viz other regional players of the area to and allow them to invest in improving competitiveness. Otherwise Pakistan's GSP+ status will go down as “another missed opportunity”.

However, it has been further reported that higher imports demand for garments in China has created opportunities for countries like Pakistan to get a bigger share. Rising labour cost in China, growing demand for garments in major Asian economies create new opportunities for Pakistan to increase textile and garment exports. Pakistan being next-door neighbor to China enjoys a unique advantage while CPEC provides unprecedented gains to capitalize on, provided the Govt. gives a serious thought to facilitate its textile industry to achieve desired goals by reducing its input cost and making it equal to the other regionally competing countries.

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have constantly facilitated the Company in financially difficult times. The hard work and diligence of the Company's senior management and the production workers is also commendable. We look forward to same dedication and cooperation from them in the future as well.

For and on behalf of the Board of Directors



Brig. (Retd.) Abdul Sammad Khan
Director



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

Dated: April 29, 2018

Janana De Malucho Textile Mills Ltd.

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، 31 مارچ 2018 نو ماہ کی ختم ہونے والی مدت پر کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

کارکردگی کا جائزہ۔

ہم آپ کو بتاتے ہوئے خوشی محسوس کرتے ہیں کہ آپ کی کمپنی کی مالیاتی نتائج کے اہم جھلکیاں مندرجہ ذیل ہیں۔

نو ماہی	سہ ماہی	نو ماہی	سہ ماہی
2017 مارچ 31	2018 مارچ 31	2017 مارچ 31	2018 مارچ 31
----- روپے ہزاروں میں -----			
1,921,674	2,068,013	607,752	746,330
189,583	143,192	79,388	73,994
117,059	48,148	54,956	43,742
96,718	(10,610)	42,907	24,606
33,543	(6,738)	15,810	24,619
----- روپے -----			
7.01	(1.41)	3.30	5.15

نقصان یا آمدنی فی شیئر
ہم، 31 مارچ 2018 کو ختم ہونے والے نو ماہ کی مدت پر حصص یافتگان کو مطلع کرنے کے لئے خوشی محسوس کرتے ہیں۔ کمپنی کا کل مال فروخت گزشتہ سال کے پہلے نو ماہ کے مقابلے 146.339 ملین روپے کا زائد تھا۔ اس تیسری سہ ماہی میں آپ کی کمپنی نے 24.619 ملین روپے ٹیکس کے بعد منافع کمایا ہے۔ جبکہ اس نو ماہ کے دوران کمپنی معمولی نقصان ہوا ہے جس کی بڑی بنیادی وجہ امریکی ڈالر کی قدر پاکستانی روپے مقابلے میں بڑھنا ہے اور اس وجہ سے خام مال کی قیمتوں میں اضافہ ہوا ہے۔ اس لئے علاوہ بھارت سے سوت اور کورے کپڑے کی درآمدات، مال فروخت پر 1 فیصد در سٹیک ٹیکس کا لاگو ہونا اور جو دوسری گروپ کمپنیوں کے حصص میں سرمایہ کاری کی ہوئی تھی اس کی وجہ سے ان کمپنیوں کے نقصان کا حصہ ملنا شامل ہے۔

عمومی مارکیٹ کی حالت

اس سہ ماہی کے دوران سوت کی مارکیٹ میں قیمتوں میں کافی اتار چڑھاؤ رہا۔ پاکستان کی آمدنی اور پیداوار کی صلاحیت دوسرے مہاسیہ ممالک کے مقابلے میں کافی کم ہے جیسا کہ دس لاکھ کپاس کی بیلوں کے استعمال سے بنگلہ دیش نے 6 ارب ڈالر، ویتنام 8 ارب ڈالر جبکہ پاکستان 1 ارب ڈالر کماتا ہے۔ حکومت کی متنازعہ پالیسیوں کی وجہ سے پاکستان میں ٹیکسٹائل کی صنعت میں کوئی اضافہ نظر نہیں آ رہا ہے۔ جمود کی شکار درآمدات، روپے کی قدر میں کمی اور مالی سال کے دوران خام مال کی درآمد پر مختلف ٹوٹیکیشن کے زیریہ ڈیوٹی اور سٹیک ٹیکس لگانے کی وجہ سے پاکستان کی موجودہ ٹیکسٹائل کی صنعت دباؤ کا شکار ہے۔

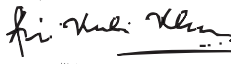
مستقبل کا نقطہ نظر


یورپی یونین نے 2013 میں جو پاکستان کو جی پی ایس پلس کا درجہ دیا تھا اس کی وجہ سے پاکستان کی یورپی یونین کو برآمدات جو 2013 میں 6.90 ملین امریکی ڈالر تھی بڑھ کر 2016 میں 8.1 ملین امریکی ڈالر ہو گئی ہے جو کہ پاکستان کی یورپی یونین کو کل گئی برآمدات کا 80 فیصد ہیں جو کہ دوسرے ممالک کے مقابلے میں کافی کم ہے اور معیاری بھی نہیں ہیں۔ اس کی بنیادی وجہ دوسرے ممالک کے مقابلے میں جا بجا مختلف ڈیوٹیوں اور ٹیکسوں کی وجہ سے خام مال کی قیمتوں میں اضافہ، تنگی لیبر، پرانی ٹیکنالوجی اور توانائی کی قلت ہے۔ جی پی ایس پلس کا فائدہ حاصل کرنے کے لیے حکومت اور ٹیکسٹائل کی صنعت کو مل کر کام کرنا ہوگا۔ جس کے لیے حکومت کو ایسے مواقع پیدا کرنے ہوں گے تاکہ ٹیکسٹائل کی صنعت کو جی ٹیکنالوجی استعمال کی طرف راغب ہو سکے۔ اس کے علاوہ حال ہی میں چین میں تیار کپڑے کی مانگ کی وجہ سے پاکستان جیسے ممالک کو بہت فائدہ ہو سکتا ہے۔ چین میں تیار کپڑے کی مانگ کی وجہ سے چین میں تیار کیے گئے عمل میں اخراجات میں اضافہ ہے۔ کیونکہ پاکستان چین کا ایک اچھا مہاسیہ ہے اس وقت سی پیک کی صورت میں ملک میں کافی کام ہو رہا ہے۔ حکومت کو چاہیے کہ کھلی صنعت کے لیے بھی کوئی سہولت پیدا کرے جیسا کہ درآمدی ٹیکسوں میں کمی، تاکہ پیداواری اخراجات کم ہو سکیں اور کھلی صنعت بھی اس سی پیک سے فائدہ حاصل کر سکے۔

اعتراف

بورڈ آف ڈائریکٹرز کمپنی کے بینکاروں کی قدر کرتا ہے جو کہ مسلسل کمپنی کی مالی مشکلات میں بروقت مدد کرتے ہیں۔ اسکے علاوہ کمپنی کی انتظامیہ اور کارکنوں کی محنت کو بے مثال مشکل حالات میں بہتر نتائج حاصل کرنے پر شاباش دیتا ہے۔ اور امید کرتا ہے کہ مستقبل میں تمام کارکنان اسی لگن اور محنت سے کام کرتے رہیں گے۔

تاریخ: 29 اپریل 2018

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

 لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان جنک
 چیف ایگزیکٹو

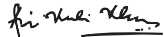

 برگینڈر (ریٹائرڈ) عبدالصمد خان
 ڈائریکٹر

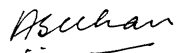
Janana De Malucho Textile Mills Ltd.


Condensed Interim Statement of Financial Position as at March 31, 2018

		March 31 2018	June 30 2017
	Note	Un-audited Rupees in thousand	Audited
Assets			
Non-current Assets			
Property, plant and equipment	6	3,142,954	3,183,026
Investments in Associated Companies	7	169,429	178,719
Loans to employees		1,408	1,151
Security deposits		1,204	1,204
		3,314,995	3,364,100
Current Assets			
Stores, spares and loose tools		56,011	61,404
Stock-in-trade	8	1,179,388	896,961
Trade debts - unsecured, considered good		53,089	122,510
Advances to employees		5,077	3,619
Advance payments		31,044	34,322
Trade deposits and prepayments		5,925	3,391
Due from Associated Companies		1,971	518
Other receivables		2,643	5,028
Sales tax refundable		107,107	58,024
Income tax refundable, advance tax and tax deducted at source		79,667	83,185
Cash and bank balances		29,662	16,999
		1,551,584	1,285,961
TOTAL ASSETS		4,866,579	4,650,061
EQUITY AND LIABILITIES			
Equity			
Authorized capital		200,000	200,000
Issued, subscribed and paid-up capital		47,848	47,848
Capital Reserves			
Capital redemption		6,694	6,694
Tax holiday		350	350
Share premium		11,409	11,409
Surplus on revaluation of property, plant and equipment		2,054,629	2,069,654
Revenue Reserve		871,530	871,530
Unappropriated profit		136,695	125,581
Shareholders' Equity		3,129,155	3,133,066
Non-current Liabilities			
Staff retirement benefits - gratuity		121,961	153,932
Deferred taxation		224,627	242,099
		346,588	396,031
Current Liabilities			
Trade and other payables	9	322,217	257,266
Unpaid dividends		195	901
Unclaimed dividends		116	524
Accrued mark-up		17,670	15,499
Short term finances		1,036,716	821,017
Taxation	10	12,729	24,564
Preference shares redemption account		1,193	1,193
		1,390,836	1,120,964
Total Liabilities		1,737,424	1,516,995
Contingencies and Commitments	11		
Total Equity and Liabilities		4,866,579	4,650,061

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


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


Brig. (Retd.) Abdul Sammad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

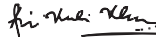
Janana De Malucho Textile Mills Ltd.


Condensed Interim Statement of Profit and Loss Account (Un-Audited) and Other Comprehensive Income

For the Quarter and Nine Months Period Ended March 31, 2018

	Quarter ended		Nine months period ended	
	Mar. 31, 2018	Mar. 31, 2017	Mar. 31, 2018	Mar. 31, 2017
Note	----- Rupees in thousand -----			
Sales - net	746,330	607,752	2,068,013	1,921,674
Cost of Sales	672,336	528,364	1,924,821	1,732,091
Gross Profit	73,994	79,388	143,192	189,583
Distribution Cost	8,074	5,060	23,846	15,738
Administrative Expenses	22,560	19,997	72,429	55,063
Other Expenses	20	0	20	4,369
Other Income	(402)	(625)	(1,251)	(2,646)
	30,252	24,432	95,044	72,524
Profit from Operations	43,742	54,956	48,148	117,059
Finance Cost	19,136	12,049	50,299	26,451
	24,606	42,907	(2,151)	90,608
Share of (Loss) / Profit of Associated Companies - net	0	0	(8,459)	6,110
Profit / (loss) before Taxation	24,606	42,907	(10,610)	96,718
Taxation				
- current	8,301	14,587	12,729	37,274
- prior year	0	0	871	(893)
- deferred	(8,314)	12,510	(17,472)	26,794
	(13)	27,097	(3,872)	63,175
Profit / (loss) after Taxation	24,619	15,810	(6,738)	33,543
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income / (loss) for the Period	24,619	15,810	(6,738)	33,543
	----- Rupees -----			
Earnings / (loss) per Share	5.15	3.30	(1.41)	7.01

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


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


Brig. (Retd.) Abdul Sammad Khan
Director



Amin-ur-Rasheed
Chief Financial Officer


Janana De Malucho Textile Mills Ltd.

Condensed Interim Statement of Cash Flows (Un-Audited) For the Nine Months Period Ended March 31, 2018

	Nine months ended	
	Mar. 31, 2018	Mar. 31, 2017
	(Rupees in thousand)	
Cash flow from operating activities		
(Loss) / Profit for the period - before taxation and share of profit on investments in Associated Companies	(2,151)	90,608
Adjustments for non-cash charges and other items:		
Depreciation	62,596	62,034
Gain on sale of vehicles	0	(258)
Staff retirement benefits - gratuity (net)	(31,971)	(2,070)
Finance cost	50,299	26,451
Profit before working capital changes	78,773	176,765
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	5,393	(7,025)
Stock-in-trade	(282,427)	(492,239)
Trade debts	69,421	69,585
Loans and advances to employees	(1,715)	(967)
Advance payments	3,278	(17,317)
Trade deposits and prepayments	(2,534)	968
Due from Associated Companies	(1,453)	(2,147)
Other receivables	2,385	533
Sales tax refundable	(49,083)	(24,662)
Increase in trade and other payables	64,951	33,309
	(191,784)	(439,962)
Cash used in operations	(113,011)	(263,197)
Taxes paid	(21,917)	(16,732)
Net cash used in operating activities	(134,928)	(279,929)
Cash flow from investing activities		
Fixed capital expenditure	(22,524)	(17,804)
Sale proceeds of vehicles	0	642
Dividend received	3,658	3,658
Net cash used in investing activities	(18,866)	(13,504)
Cash flow from financing activities		
Short term finances - net	215,699	316,632
Finance cost paid	(48,128)	(26,668)
Cash dividend paid	(1,114)	(4,592)
Preference shares redeemed	0	(21)
Net cash generated from financing activities	166,457	285,351
Net increase / (decrease) in cash and cash equivalents	12,663	(8,082)
Cash and cash equivalents - at beginning of the period	16,999	22,038
Cash and cash equivalents - at end of the period	29,662	13,956

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


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


Brig. (Retd.) Abdul Sammad Khan
Director



Amin-ur-Rasheed
Chief Financial Officer


Janana De Malucho Textile Mills Ltd.

Condensed Interim Statement of Changes in Equity (Un-Audited) For the Nine Months Period Ended March 31, 2018

	Reserves							Unappropriated profit	Total
	Share capital	Capital				Revenue	Sub-total		
		Capital redemption	Tax holiday	Share premium	Revaluation surplus	General			
----- Rupees in thousand -----									
Balance as at June 30, 2017 (audited)	47,848	6,694	350	11,409	2,069,654	871,530	2,959,637	125,581	3,133,066
Total comprehensive loss for the period ended March 31, 2018	0	0	0	0	0	0	0	(6,738)	(6,738)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	(15,025)	0	(15,025)	15,025	0
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	0	2,827	2,827
Balance as at March 31, 2018 (un-audited)	47,848	6,694	350	11,409	2,054,629	871,530	2,944,612	136,695	3,129,155
Balance as at June 30, 2016 (audited)	47,848	6,694	350	11,409	2,084,865	371,530	2,474,848	614,960	3,137,656
Transfer to general reserve	0	0	0	0		500,000	500,000	(500,000)	0
Transaction with owners:									
Cash dividend at the rate of Rs.1.25 per ordinary share for the year ended June 30, 2016	0	0	0	0	0	0	0	(5,981)	(5,981)
Total comprehensive income for the period ended March 31, 2017	0	0	0	0	0	0	0	33,543	33,543
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	(15,622)	0	(15,622)	15,622	0
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	0	2,085	2,085
Balance as at March 31, 2017 (un-audited)	47,848	6,694	350	11,409	2,069,243	871,530	2,959,226	160,229	3,167,303

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


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


Brig. (Retd.) Abdul Sammad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

Janana De Malucho Textile Mills Ltd.

Notes to the Condensed Interim Financial Information (Un-Audited) For the Nine Months Period Ended March 31, 2018

1. Legal Status and Operations

Janana De Malucho Textile Mills Ltd. (the Company) was incorporated in Pakistan as a Public Company in the year 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. It is principally engaged in manufacture and sale of yarn. The Company's registered office and its Mills are located at Habibabad, Kohat.

2. Basis of Preparation

2.1 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.

2.2 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.

2.3 This condensed interim financial information is being submitted to the shareholders as required by section 237 of the Companies Act, 2017.

3. Accounting Policies

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in preparation of financial statements of the Company for the year ended June 30, 2017.

4. Changes in Accounting Standards and Interpretations

4.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after January 01, 2017, and are considered to be relevant to the Company's operations.

- (a)** Amendments to IAS 7, 'Statement of cash flows' require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments only affect disclosures in the Company's financial statements.
- (b)** Amendments to IAS 12, 'Income taxes' in relation to recognition of deferred tax asset for unrealized losses clarify how to account for deferred tax asset related to debt instruments measured at fair value. These amendments do not have any impact on the Company's financial statements.

4.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 01, 2017, but are considered not to be relevant or have any significant effect on the Company's reporting and are, therefore, not disclosed in this condensed interim financial information.

4.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning July 01, 2018 that may have an impact on the financial statements of the Company.

- (a) IFRS 9 'Financial instruments', this standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- (b) IFRS 15 'Revenue from contracts with customers' replaces the previous revenue standards: IAS 18 (Revenue), IAS 11 (Construction contracts) and the related interpretations on revenue recognition. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach, entities will recognize transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

5. Accounting Estimates, Judgments and Financial Risk Management

- 5.1 The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and 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.
- 5.2 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 financial statements as at and for the year ended June 30, 2017.
- 5.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.
- 5.4 The Company follows the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in this condensed interim financial information.

Janana De Malucho Textile Mills Ltd.

	Note	Un-audited Mar. 31, 2018 (Rupees in thousand)	Audited June 30, 2017
6. Property, Plant and Equipment			
Operating fixed assets	6.1	3,142,954	3,072,855
Capital work-in-progress - plant and machinery		0	110,171
		<u>3,142,954</u>	<u>3,183,026</u>
6.1 Operating fixed assets			
Book value as at June 30, 2017		3,072,855	
Additions during the period:			
- plant & machinery		131,213	
- furniture & fixtures		173	
- computer equipment & accessories		447	
- refurbishing of lifter		706	
- security & surveillance		156	
		132,695	
Depreciation charge for the period		(62,596)	
Book value as at March 31, 2018		<u>3,142,954</u>	
7. Investments in Associated Companies - Quoted			
Babri Cotton Mills Ltd. (BCM)			
587,493 ordinary shares of Rs.10 each - cost		10,973	10,973
Equity held: 16.09%			
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by BCM		87,810	89,390
Loss for the period / year - net of taxation		(12,301)	(4,762)
Share of other comprehensive income - net of taxation		0	1,162
		<u>86,482</u>	<u>96,763</u>
Bannu Woollen Mills Ltd. (BWM)			
731,626 ordinary shares of Rs.10 each - cost		7,697	7,697
Equity held: 7.70%			
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by BWM		75,066	72,543
Profit for the period / year - net of taxation		3,842	5,212
Share of other comprehensive income - net of taxation		0	162
Dividend received		(3,658)	(3,658)
		<u>82,947</u>	<u>81,956</u>
		<u>169,429</u>	<u>178,719</u>

Janana De Malucho Textile Mills Ltd.

- 7.1 Although the Company has less than 20% voting rights in BCM and BWM as at March 31, 2018 and June 30, 2017, it is presumed that the Company has significant influence over these Companies due to majority representation on their board of directors.
- 7.2 (a) Market value of the Company's investments in BCM and BWM as at March 31, 2018 was Rs.29.375 million (June 30, 2017: Rs.47.587 million) and Rs.38.776 million (June 30, 2017: Rs.50.116 million) respectively.
- (b) The management intends to carry-out impairment testing of its investments in BCM and BWM as at June 30, 2018.

8. Stock-in-trade

Raw materials inventory valuing Rs.100.545 million was in transit as at March 31, 2018.

	Un-audited Mar. 31, 2018	Audited June 30, 2017
(Rupees in thousand)		
9. Trade and other payables		
Creditors	36,404	43,102
Bills payable against imported:		
- plant and machinery	0	5,445
- raw materials	112,376	56,554
Advances from customers	10,320	4,262
Advance payments	184	184
Accrued expenses	159,514	142,057
Tax deducted at source	712	234
Due to Waqf-e-Kuli Khan	2,466	4,565
Security deposits repayable on demand - interest free	112	112
Workers' welfare fund	0	495
Others	129	256
	322,217	257,266
10. Taxation - net		
Balance as at June 30, 2017	24,564	
Add: provision made during the period:		
current (net of tax credit for investment in plant & machinery under section 65B of the Income Tax Ordinance, 2001 amounting Rs.13.121 million)	12,729	
prior year	871	
	13,600	
	38,164	
Less: payments / adjustments made against completed assessment	25,435	
	12,729	

Janana De Malucho Textile Mills Ltd.

- 10.1** Income tax returns of the Company have been filed upto the tax year 2017, i.e. accounting year ended June 30, 2017.
- 10.2** Provision for the current period represents tax payable under sections 5 (Tax on dividends) and 113 (Minimum tax on the income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).
- 10.3** The Company's writ petition before the Islamabad High Court, Islamabad praying exemption from levy of minimum tax under section 113 of the Ordinance is still pending adjudication. An adverse judgment by the Court will create tax liability under section 113 of the Ordinance aggregating Rs.51.828 million.
- 10.4** As detailed in note 22.9 to the financial statements of the Company for the year ended June 30, 2017, the Appellate Tribunal Inland Revenue has decided the appeal in favor of the Company and workers' welfare fund levy of Rs.3.488 million has been deleted for the tax year 2010.
- 10.5** Except for the above matters, no significant change occurred during the period in the status of taxation matters as detailed in note 22 to the financial statements of the Company for the year ended June 30, 2017.

11. Contingencies and Commitments

- 11.1** The Company, vide show cause notice dated May 28, 2013, was directed to make payments aggregating Rs.75.698 million by way of sales tax under various sections of the Sales Tax Act, 1990 read with certain SROs. The Lahore High Court, Lahore had suspended the operation of the impugned show cause notice on September 12, 2013. The writ petition is still pending adjudication.
- 11.2** The Company had challenged the levy of Gas Infrastructure Development Cess (GIDC) by filing a petition before the Peshawar High Court, Peshawar (PHC). GIDC was levied on supply of natural gas under the GIDC Act, 2011. Constitutionality of the said Act was challenged before the PHC, which had declared the same as constitutional. The order of the PHC was assailed before the Supreme Court of Pakistan (SCP), which met the same fate there. After enactment of the GIDC Act, 2015, it was challenged before the PHC, which dismissed the said petition. The Company, thereafter, has filed a petition before the SCP, which is pending adjudication.
- Sui Northern Gas Pipelines Ltd., along with gas bill for the month of March, 2018, has raised GIDC demands aggregating Rs.441.609 million, which are payable in case of an adverse judgment by the SCP. The management, during the preceding year ended June 30, 2017, has made GIDC provisions aggregating Rs.78.043 million relating to that year in its books of account; no further provision has been made during the current period. Provisions for the balance GIDC demands aggregating Rs.363.566 million pertaining to prior years and the current period have not been made in the books of account as the management expects a favorable judgment by the SCP due to meritorious legal grounds.
- 11.3** Counter guarantee given by the Company to a commercial bank outstanding as at March 31, 2018 was for Rs.75 million (June 30, 2017: Rs.75 million).
- 11.4** Refer contents of note 10.3.

Janana De Malucho Textile Mills Ltd.

	Un-audited	Audited
	Mar. 31,	June 30,
	2018	2017
	(Rupees in thousand)	
11.5 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:		
- stores and spares	3,084	7,158
- raw materials	230,403	0
	233,487	7,158
	233,487	7,158

12. Transactions with Related Parties

12.1 Significant transactions made during the period with Associated Companies were as follows:

Name	Nature of transaction	Cumulative	
		Nine months ended	
		March, 31	
		2018	2017
		(Rupees in thousand)	
Babri Cotton Mills Ltd.	Residential rent:		
	- paid	0	18
	- received	1,207	1,049
	Utilities / expenses:		
	- paid	48	95
	- recovered	69	60
	Salaries and benefits:		
	- paid	0	40
	- recovered	2,025	5,784
	Dividend paid	0	426
Bibojee Services (Pvt.) Ltd.	---- do ----	0	1,054
	Salaries & benefits recovered	0	698
	Expenses recovered	0	105
Bannu Woollen Mills Ltd.	---- do ----	69	60
	Salaries & benefits recovered	1,187	5,217
	Dividend paid	0	1,949
	Dividend received	3,658	3,658
Gammon Pakistan Ltd.	Rent paid	150	150
	Expenses recovered	0	60
Rahman Cotton Mills Ltd.	---- do ----	69	60
	Salaries & benefits recovered	1,187	4,659
Ghandhara Nissan Ltd.	---- do ----	1,187	698
	Expenses recovered	69	60
Ghandhara Industries Ltd.	---- do ----	69	60
	Salaries & benefits recovered	1,187	698
The Universal Insurance Company Ltd.	---- do ----	1,187	698
	Expenses recovered	69	60
The General Tyre & Rubber Company of Pakistan Ltd.	---- do ----	0	60

12.2 Period / year-end balances are as follows:

	Un-audited	Audited
	Mar. 31,	June 30,
	2018	2017
	(Rupees in thousand)	
- Due from Bibojee Services (Pvt.) Ltd.	0	518
- Due from Babri Cotton Mills Ltd.	1,582	0
- Due from Rahman Cotton Mills Ltd.	389	0
	2,051	518
	2,051	518

Janana De Malucho Textile Mills Ltd.

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

13. Corresponding Figures

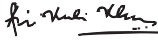
13.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.


13.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information, other than disclosed as below:

Reclassification from component	Reclassification to component	Amount
		Rs. in '000
Surplus on revaluation of property, plant and equipment	Share capital and reserves - Capital reserves - Surplus on revaluation of property, plant and equipment	2,069,654
Trade and other payables - Unclaimed dividend	Unpaid dividend Unclaimed dividend	901 524

14. Date of Authorization for Issue

This condensed interim financial information was approved and authorized for issue by the Board of Directors of the Company on April 29, 2018.


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


Brig. (Retd.) Abdul Sammad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

PRINTED MATTER
(Under Postal Certificate)
16 P.R. OF 1960-1961

If undelivered please return to
Share Department
JANANA DE MALUCHO TEXTILE MILLS LIMITED
Habibabad - KOHAT