

BIBOJEE GROUP



Half Yearly Accounts December, 2018

Janana De Malucho Textile
Mills Limited

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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 COL. (RETD.) SYED YUNUS ALI RAZA | Chairman |
| AUDIT COMMITTEE | BRIG. (RETD) ABDUL SAMAD KHAN MR. RAZA KULI KHAN KHATTAK MR. SAAD WAHEED COL. (RETD.) SYED YUNUS ALI RAZA | Chairman Member 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 COL. (RETD.) SYED YUNUS ALI RAZA | Chairman Chief Executive / Member 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 | |

DIRECTORS REVIEW

On behalf of the Board of Directors, we feel pleasure in presenting the unaudited reviewed financial statements of the Company for the 2nd quarter & half year ended 31st December 2018.

FINANCIAL HIGHLIGHTS

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

| | Quarter Ended | | Six months Period ended | |
|---------------------------------|---------------------------|----------------------|--------------------------------|----------------------|
| | Dec. 31, 2018 | Dec. 31, 2017 | Dec. 31, 2018 | Dec. 31, 2017 |
| Sales | 876,913 | 769,152 | 1,689,623 | 1,321,683 |
| Gross profit | 40,346 | 53,491 | 112,374 | 53,895 |
| Profit from operations | 15,145 | 35,208 | 45,960 | 4,406 |
| Profit / (loss) before taxation | (9,045) | 10,025 | 663 | (35,216) |
| Profit / (loss) after taxation | 358 | 15,636 | 6,945 | (31,357) |
| | ----- Rupees ----- | | | |
| Earnings / (loss) per share | 0.08 | 3.27 | 1.45 | (6.55) |

The turnover of the Company has increased by Rs.367.940 million as compared to half year ended 31st December, 2017, and the Company has earned a profit after tax for Rs.6.945 million for the six months as compared to loss of Rs.31.357 million in the comparative period.

GENERAL MARKET CONDITION

The year 2018 had been marked by economic instability due to widening trade deficit owing to huge import bills, devaluation of Pak Rupee, and increase in interest rate. Average Inflation for 2018-19 is expected to be between 6.5% to 7.5%, higher than 3.9% recorded in 2017-18. Increase in gas tariffs shall further add to the inflation. Foreign exchange reserves, as on 11th January, 2019 were down to \$13.5 billion as compared to \$16.4 at the end of June, 2018. Local cotton prices have also increased in comparison with previous year as the domestic output was far less than demand (around 10.78 million bales have been produced which is down by 24% then the initial target of 14.37 million bales). Spinning units had to import cotton to meet their production targets. But Govt. kept the import duties and taxes intact during the cotton season, which, combined with unpredictable depreciation of Pak Rupee made it impossible to import cotton during the main cotton season. The Govt. has exempted the import of cotton from sales tax and duties w.e.f. 01st February to 30th June, 2019 (whereas last year it was done w.e.f. 08th January, 2018). The taxes and duties are imposed by the Govt. to give artificial support to the local ginners and growers of cotton. But the Country is a net importer of cotton since the year 1991-92 (due to shortage of indigenous cotton i.e. 10 to 12 million bales as compared to the average consumption of 15 million bales by its textile industry), which makes it necessary to give such relief from duties and sales tax for the whole year, not just for few months, so as to enable the industry to absorb the increasing cost of doing business and make it possible to compete in markets which are dominated by the buyers. But competing in the yarn market is very difficult as the import of yarn from India is increasing every year without any hurdle. According to APTMA, around 60,000 tons of yarn has been imported in the year 2018-19 (Jul to Jan) out of which 69% was from India. There is a need to put a stop to this morass so the textile industry can survive, which has resulted in close of 100 textile units.

FUTURE OUTLOOK

Current macroeconomic challenges required a well thought out and decisive policy response and the Govt. has succeeded win confidence of the people by managing to get critical dollar inflows from friendly nations. It helped in securing a breathing space and positioned the country's economic managers at a better level to bargain with the IMF regarding conditions that are perceived to be unduly harsh, devastating and politically costly. Increase in remittances by overseas Pakistanis and decrease in international oil prices are further expected to ease out the pressure on foreign exchange reserves. 2019 is also expected to be the year for foreign investments in Pakistan. CPEC shall be entering its second phase that shall be more focused on trade and industry, moving further from infrastructure. This

shall play a pivotal role in terms of technology and skills transfer to our economy. Multi-national companies from sectors ranging from automobiles, telecommunications, energy, electronics and others have also expressed their interest to invest in Pakistan. Despite these positive developments, recovery in current scenario is conditional upon the restoration of long term macro-economic stability and supportive external environment. Because some fiscal policies of the Govt. firstly, leaving the Dollar vs Rupee value to self-correcting mechanism of demand and supply and secondly increase in benchmark rate by the State Bank of Pakistan could be a recipe for disaster. Some analysts have warned that the Pakistani currency is still over-valued and would continue to fall which is adding to the insecurities of the local as well as foreign investors. The SBP has ramped up its benchmark interest rate by a more-than-expected 175 basis points to 10.25 percent citing it would check rising inflation and elevated fiscal deficit, but it is likely to put a further dent in economic growth, which has been estimated to be little over 4 percent for the fiscal year 2019. The Govt. has informed that its negotiations with IMF for bail out have been finalized. While it is good news in terms of strengthening the depleted foreign reserves but the bail-out would pull Pakistan in further debt and discourage potential investment.

COMMENTS ON “QUALIFIED OPINION” IN THE AUDITOR’S REPORT:

The auditors of the Company have qualified their report on the grounds that The management has not carried-out impairment testing of its investments in Associated Companies at the reporting date as required under IAS 36 "Impairment of assets".

Management comments:

The management shall carry out impairment testing of its Investment in Associated Companies as at 30th June 2019 in accordance with IAS 36. “ impairment of assets”.

COMMENTS ON “EMPHASIS OF MATTER” PARAGRAPH IN THE AUDITOR’S REPORT

The GIDC issue has been currently challenged in the Peshawar High Court (PHC) as well as the Supreme Court of Pakistan. The PHC has granted a stay order against recovery of GIDC which is in force. The lawyer hired by APTMA has said that our case is very strong and valid, so we are hoping that the decision of the Courts will be in the favour of the industry. The High Court and the Supreme Court of Pakistan in our earlier appeals have already declared GIDC Act, 2011 and GIDC Ordinance, 2014 as un-constitutional and we are of the considered opinion that GIDC Act, 2015, will also be struck down by the learned courts.

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.

On behalf of the Board of Directors



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



Brig. Retd. Abdul Samad Khan
Director

Dated: February 26, 2019

ڈائریکٹر کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، 31 دسمبر 2018 چھ ماہ کی ختم ہونے والی مدت پر کمپنی کے آڈیٹرز کے زیر نظر تالیف شدہ مالیاتی رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں۔ کارکردگی کا جائزہ۔

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

| ماہی | ماہی | ماہی | ماہی |
|-----------------------------|---------------|---------------|---------------|
| 31 دسمبر 2017 | 31 دسمبر 2018 | 31 دسمبر 2017 | 31 دسمبر 2018 |
| ----- | | | |
| ہزاروں میں | | | |
| فروخت | 876,913 | 769,152 | 1,321,683 |
| عبوری منافع | 40,346 | 53,491 | 53,895 |
| ایریٹن کے بعد منافع | 15,145 | 35,208 | 4,406 |
| ٹیکس سے پہلے منافع یا نقصان | (9,045) | 10,025 | (35,216) |
| ٹیکس سے بعد منافع یا نقصان | 358 | 15,636 | (31,357) |
| ----- | | | |
| روپے | | | |
| نقصان یا آمدنی فی شیئر | 0.08 | 3.27 | (6.55) |

ہم، 31 دسمبر 2018 کو ختم ہونے والے چھ ماہ کی مدت پر حصص یافتگان کو مطلع کرنے کے لئے خوش محسوس کرتے ہیں۔ کہ کمپنی کا کل مالیاتی فروخت میں گزشتہ سال کے پہلے چھ ماہ کے مقابلے میں 367.940 ملین روپے کا اضافہ ہوا ہے۔ اور کمپنی کو 31 دسمبر 2018 میں روپے کا خالص منافع ہوا ہے جس کی مقابلے میں گزشتہ مالی سال کے چھ ماہ پر کمپنی کو 31.357 ملین روپے کا نقصان ہوا تھا۔

عمومی مارکیٹ کی حالت

وسیع درآمدی بلوں، پاکستانی روپیہ کی قدر میں کمی، اور سود کی شرح میں اضافہ کی وجہ سے اس سال 2018 کو اقتصادی عدم استحکام کے شکار ہونے کی نشاندہی کی گئی تھی۔ سال 2018-19 میں وسط افراط زر کی شرح 6.5 سے 7.5 فی صد ہوئی جو کہ 2017-18 میں رکارڈ شدہ افراط زر 3.9 فی صد سے زائد ہے۔ ٹیکس کے نرخ میں اضافے سے اس میں مزید اضافہ ہوگا۔ غیر ملکی کرنسی کے ذخائر، 11 جنوری 2019 پر 13.5 بلین ڈالر تھے جبکہ جون 2018 کے اختتام پر 16.4 بلین ڈالر تھے۔ گزشتہ سال کے مقابلے میں اس سال مقامی کمپنیوں میں بھی اضافہ ہوا ہے کیونکہ ملکی پیداوار بہت کم تھی (تقریباً 10.78 بلین گائیس تیار کی گئی ہیں جو کہ ہدف سے 24 فیصد کم ہے اور اس کے لیے ابتدائی ہدف 14.37 بلین گائیس رکھا گیا تھا۔)۔ سٹیٹ بینک کو ان کی پیدوار کے اہداف کو پورا کرنے کے لئے کمپنیوں کو درآمد کرنا پڑی ہے۔ لیکن حکومت نے کمپنیوں کے دوران کاشن کی درآمد پر سٹیم ڈیوٹی اور ٹیکس برقرار رکھے، نیز اس نے علاوہ پاکستانی روپیہ کی قدر میں کمی کی وجہ سے کاشن بیزنس کے دوران کمپنیوں کو درآمد کرنا ایک مشکل مرحلہ تھا۔ حکومت نے کاشن کی درآمد پر سٹیم ڈیوٹی کو 01 فروری سے لے کر 30 جون 2019 تک معاف کیا ہے جبکہ گزشتہ سال یہ 08 جنوری 2018، معاف کردی گئی تھی۔ کمپنیوں کے مقامی کاشن کارکنوں کو صنعتی مدد دینے کے لیے حکومت کی طرف کاشن پر سٹیم ڈیوٹی لگانا چاہی ہے۔ سال 1992-99 سے مسلسل کاشن کی درآمد ہو رہی ہے کیونکہ کاشن کی ملکی اوسط کھپت 15 ملین گائیس ہے جبکہ ملکی کاشن کی پیداوار 12 سے 13 ملین گائیس ہیں۔ جس کے لیے ضروری ہے کہ حکومت کاشن کی درآمد پر سارا سال کی ختم ہونے تک سٹیم ڈیوٹی نہ لگائے جس سے خام مال کی لاگت پر اضافہ بھی نہیں ہوگا اور دھارے کی قیمت بھی علاقائی اعتبار سے مناسب رہے گی۔ مگر مارکیٹ میں غیر ملکی سٹیم دھارے کی موجودگی کی وجہ سے ملکی دھارے کی فروخت میں مشکلات کا سامنا ہے۔ اپنا کے مطابق اس سال 2018-19 میں جولائی سے جنوری تک تقریباً 60 ہزار ٹن دھارے کو درآمد ہوا ہے جس میں سے 69 فیصد بہمنستان سے ملگایا گیا دھارے کا بھی شامل ہے۔ لہذا ضروری ہے کہ ملکی ٹیکسٹائل کی صنعت کی ترقی کے لیے حکومت غیر ملکی تیار دھارے کو اور پکڑے کی درآمد کی حوصلہ شکنی کرے۔

مستقبل کا نظریہ

موجودہ تیار دھارے کی مشکلات کو حل کرنے کے لیے ایک اچھی سوچ اور فیصلے کی ضرورت ہوتی ہے۔ موجودہ حکومت لوگوں کا اعتماد حاصل کرنے میں کامیاب ہو چکی ہے تاکہ دوستانہ ممالک کی جانب سے غیر ملکی کرنسی کی صورت میں ڈالر وصول کیے جاسکیں۔ جس سے ملکی اقتصادی حالات میں بہتری آئی ہے اور ملک آئی ایم ایف سے امداد حاصل کرنے کے لیے بہترین پیشکش میں ہیں۔ غیر ملکی پاکستانیوں کی طرف سے تریسیات میں اضافے اور بین الاقوامی تیل کی قیمتوں میں کمی کی وجہ سے غیر ملکی کرنسی کے ذخائر پر دباؤ کم ہونے کی توقع ہے۔ 019 کا سال غیر ملکی سرمایہ کاری کا سال ہونے کی توقع ہے۔ سیک اپ اپنے دوسرے مرحلے میں داخل ہو رہا ہے۔ جس میں اب تجارت اور صنعت پر ٹو جو کوز ہوئی ہے۔ یہ ہماری معیشت میں نیکینا کوئی اور مہارت کی منتقلی کے لحاظ سے اہم کردار ادا کرے گا۔ ٹومو، ملکی مواصلات، توانائی، انٹرنیٹ، آؤٹسورس اور دیگر سے ملنے والے شعبوں سے ترقی کو یقین دہانے پاکستان میں سرمایہ کاری کرنے کے لئے اپنی دلچسپی کا اظہار کیا ہے۔ ان مثبت پیش رفتوں کے باوجود، موجودہ حالات میں وصولی طویل مدتی اقتصادی استحکام اور معادن بیرونی ماحول کی بحالی شرط ہے۔ کیونکہ حکومت کی سچھ مالی پالیسیاں جس میں سب سے پہلے مہلکار اور سپلائی کی خود کار مہیا کی ضرورت ہے۔ ڈالر بہت مہلکار ہے۔ قیمت آزاد اور نارٹھ بینک آف پاکستان کی طرف سے سٹیج مارک کی شرح میں دوسری دفعہ اضافہ اقتصادی تباہی کا موجب ہو چکی ہے۔ کچھ چھڑ چھڑا کر کیا ہے پاکستانی کرنسی قدر میں کمی زیادہ ہے جو کہ مستقبل میں کرنسی کے بچے سے ملے گی اور غیر ملکی افراد سرمایہ کاری کرنے کے لیے گریز کر رہے ہیں۔ چیک دولت پاکستان نے سوڈی شرح کو زیادہ سے زیادہ 175 بنیادی پونٹ کی بنیاد پر 10.25 فیصد سے بڑھا دیا ہے۔ جس سے بڑھتی ہوئی افراط زر اور مالیاتی خسارہ پر مبنی اثر پڑے گا۔ اس کی وجہ سے اقتصادی ترقی میں بیرون خزانہ لگانے کا امکان ہے جو مالی سال 2019 لے لے 4 فیصد سے زائد ہے۔ حکومت نے اعلان کیا ہے کہ آئی ایم ایف کے ساتھ تیل آؤٹ پیٹچ پر بات چیت مکمل ہو چکی ہے۔ اس سے تم ہوتے ہوئے غیر ملکی زریعہ مبادلہ کے ذخائر میں بہتری آنے کی گریز پاکستان کو یقین دہانی میں دیکھ دے گا اور اس وجہ سے مائیکرو سرمایہ کاری کی حوصلہ شکنی ہوگی۔

آڈیٹرز کی رپورٹ میں اعتراض

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں اعتراض کیا ہے کہ وہ ایسی ایبٹ کمپنیوں میں سرمایہ کاری کی قابل قدر رقم کی قیمتوں کا حساب کرنے کے لئے استعمال کرنے والے مخصوص تخمینوں کی جانچ نہیں کی ہے جو کہ IAS 36 "Impairment of assets" کے تحت کرتی ہوتی ہے۔

آڈیٹرز کی رپورٹ میں اعتراض پر انتظامیہ کا بیان

انتظامیہ ایسی ایبٹ کمپنیوں میں سرمایہ کاری کی قابل قدر رقم کی قیمتوں کا حساب کرنے کے لئے استعمال کرنے والے مخصوص تخمینوں کی جانچ 30 جون 2019 کو کرے گی۔

آڈیٹرز کی رپورٹ کے پرکراف پر تبصرہ

گیس انفراسٹرکچر ڈیولپمنٹ سیس کا ٹیکس پٹا روپائی گورنٹ کے ساتھ ساتھ پیریم گورنٹ آف پاکستان میں بھی دائر ہے۔ پٹا روپائی گورنٹ گیس انفراسٹرکچر ڈیولپمنٹ سیس کی رگوری کرنے پر حکم امتناعی دیا ہوا ہے۔ آل پاکستان ٹیکسٹائل ملز ایسی ایبٹ نے بتایا ہے کہ ہمارے دیمل کے مطابق گیس انفراسٹرکچر ڈیولپمنٹ سیس کے ٹیکس پر چھاری بنیاد بہت مضبوط اور درست ہے اور امید کرتے ہیں کہ سپریم کورٹ آف پاکستان ہماری رائے کو مد نظر رکھتے ہوئے ٹیکسٹائل کی صنعت کے حق میں فیصلہ ہو جائے گا۔ ہم نے گیس انفراسٹرکچر ڈیولپمنٹ سیس کی کسی بھی قسم کی رقم مقرر نہیں کی ہے کیونکہ ہائی کورٹ اور پاکستان کی سپریم کورٹ نے پہلے ہی ہماری اپیل میں گیس انفراسٹرکچر ڈیولپمنٹ سیس ایکٹ 2011 اور گیس انفراسٹرکچر ڈیولپمنٹ سیس آرڈنس 2014 کو غیر آئینی قرار دیا تھا جبکہ حکومت نے گیس انفراسٹرکچر ڈیولپمنٹ سیس ایکٹ 2015 میں کوئی تبدیلی نہیں کی ہے یہ بھی گیس انفراسٹرکچر ڈیولپمنٹ سیس ایکٹ 2011 ہی طرح ہے جس کو ملکی عدالتوں نے مسترد کیا ہے۔ اور ہم امید رکھتے ہیں ہمارے ملک کی اعلیٰ عدالتیں اس ایکٹ کو بھی مسترد کریں گی۔

اختلاف

بورڈ آف ڈائریکٹرز کمپنی کے بینکاروں کی قدر کرتا ہے جو کہ مسلسل کمپنی کی مالی مشکلات میں بروقت مدد کرتے ہیں۔ اس کے علاوہ کمپنی کی انتظامیہ اور کارکنوں کی محنت کو بے مثال مشکل حالات میں بہتر نتائج حاصل کرنے پر شہاش دیتا ہے۔ اور امید کرتا ہے کہ مستقبل میں تمام کارکنان اس گلن اور محنت سے کام لے رہے ہیں۔

تاریخ: 28 فروری 2019

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

جی۔ ایس۔ علی
 لیفٹیننٹ جنرل (ریٹائر) علی قلی خان تنک
 چیف ایگزیکٹو آفیسر

Asghar
 بریگیڈیئر (ریٹائر) عبدالصمد خان
 ڈائریکٹر

**Independent Auditors' Review Report to the Members of
Janana De Malucho Textile Mills Limited**

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Janana De Malucho Textile Mills Limited** (the Company) as at December 31, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as "interim financial statements"). Management is responsible for the preparation and presentation of these 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 interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2017 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

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 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.

Basis for Qualified Conclusion

The management has not carried-out impairment testing of its investments in Associated Companies at the reporting date as required under IAS 36 "Impairment of assets".

Qualified Conclusion

Based on our review, except for the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying 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.

Emphasis of Matter

Without further qualifying our conclusion, we draw attention to note 16.3 to the interim financial statements, which describes the matter regarding non-provisioning of Gas Infrastructure Development Cess aggregating Rs.489.415 million.

The engagement partner on the review resulting in this independent auditors' report is Nafees ud Din.

Shine Wing Hameed Chaudhri

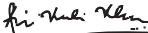
**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**

LAHORE; February 26, 2019

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

| | Note | Dec. 31, 2018 Un-audited Rupees in thousand | June 30, 2018 Audited |
|--|------|--|-----------------------------|
| Assets | | | |
| Non-current Assets | | | |
| Property, plant and equipment | 6 | 3,079,321 | 3,117,231 |
| Investments in Associated Companies | 7 | 424,058 | 425,888 |
| Loans to employees | | 446 | 1,163 |
| Security deposits | | 1,204 | 1,204 |
| | | 3,505,029 | 3,545,486 |
| Current Assets | | | |
| Stores, spares and loose tools | 8 | 67,079 | 60,662 |
| Stock-in-trade | 9 | 942,685 | 1,187,384 |
| Trade debts - unsecured, considered good | | 62,947 | 45,364 |
| Advances to employees | | 1,579 | 2,792 |
| Advance payments | | 23,767 | 17,581 |
| Trade deposits and prepayments | 10 | 57,277 | 1,207 |
| Due from Associated Companies | | 3,491 | 772 |
| Other receivables | 11 | 1,072 | 14,053 |
| Sales tax refundable | 12 | 30,852 | 112,381 |
| Income tax refundable, advance tax and tax deducted at source | | 77,600 | 87,826 |
| Cash and bank balances | | 4,877 | 12,170 |
| | | 1,273,226 | 1,542,192 |
| Total Assets | | 4,778,255 | 5,087,678 |
| Equity and Liabilities | | | |
| Equity | | | |
| Authorised 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 |
| - revaluation surplus on property, plant and equipment | 13 | 2,311,603 | 2,323,069 |
| Revenue reserves | | | |
| - general reserve | | 871,530 | 871,530 |
| - unappropriated profit | | 77,853 | 58,665 |
| | | 3,327,287 | 3,319,565 |
| Shareholders' Equity | | | |
| Liabilities | | | |
| Non-current Liabilities | | | |
| Staff retirement benefits - gratuity | | 55,817 | 51,343 |
| Deferred taxation | | 182,970 | 209,882 |
| | | 238,787 | 261,225 |
| Current Liabilities | | | |
| Trade and other payables | 14 | 250,983 | 321,569 |
| Unclaimed dividends | | 294 | 294 |
| Accrued mark-up | | 21,411 | 19,818 |
| Short term finances | | 917,024 | 1,142,370 |
| Taxation | 15 | 21,276 | 21,644 |
| Preference shares redemption account | | 1,193 | 1,193 |
| | | 1,212,181 | 1,506,888 |
| Total Liabilities | | 1,450,968 | 1,768,113 |
| Contingencies and Commitments | 16 | | |
| Total Equity and Liabilities | | 4,778,255 | 5,087,678 |

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



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



**Brig. (Retd) Abdul Samad Khan
Director**

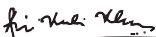



**Amin-ur-Rasheed
Chief Financial Officer**

**Condensed Interim Statement of Profit or Loss & Other
Comprehensive Income (Un-audited)
For the Quarter and Six Months Period Ended December 31, 2018**

| | Note | Quarter ended | | Six months period ended | |
|---|------|------------------|------------------|-------------------------|------------------|
| | | Dec. 31, 2018 | Dec. 31, 2017 | Dec. 31, 2018 | Dec. 31, 2017 |
| ----- Rupees in thousand ----- | | | | | |
| Sales - net | | 876,913 | 769,152 | 1,689,623 | 1,321,683 |
| Cost of Sales | | 836,567 | 715,661 | 1,577,249 | 1,267,788 |
| Gross Profit | | 40,346 | 53,491 | 112,374 | 53,895 |
| Distribution Cost | | 13,632 | 8,697 | 25,564 | 15,772 |
| Administrative Expenses | | 12,011 | 10,418 | 41,773 | 34,566 |
| Other Expenses | | 20 | 0 | 20 | 0 |
| Other Income | | (462) | (832) | (943) | (849) |
| | | 25,201 | 18,283 | 66,414 | 49,489 |
| Profit from Operations | | 15,145 | 35,208 | 45,960 | 4,406 |
| Finance Cost | | 23,412 | 16,724 | 44,519 | 31,163 |
| | | (8,267) | 18,484 | 1,441 | (26,757) |
| Share of Loss of Associated Companies - net | 7 | (778) | (8,459) | (778) | (8,459) |
| Profit / (Loss) before Taxation | | (9,045) | 10,025 | 663 | (35,216) |
| Taxation | | | | | |
| - current | 15.2 | 11,116 | 2,676 | 21,276 | 4,428 |
| - prior year | | (646) | 871 | (646) | 871 |
| - deferred | | (19,873) | (9,158) | (26,912) | (9,158) |
| | | (9,403) | (5,611) | (6,282) | (3,859) |
| Profit / (Loss) after Taxation | | 358 | 15,636 | 6,945 | (31,357) |
| Other Comprehensive Income | | 0 | 0 | 0 | 0 |
| Total Comprehensive Income / (Loss) for the Period | | 358 | 15,636 | 6,945 | (31,357) |
| ----- Rupees ----- | | | | | |
| Earnings / (Loss) per Share | | 0.08 | 3.27 | 1.45 | (6.55) |

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


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

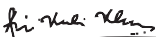

Brig. (Retd) Abdul Samad Khan
Director



Amin-ur-Rasheed
Chief Financial Officer

**Condensed Interim Statement of Cash Flows (Un-audited)
For the Six Months Period Ended December 31, 2018**

| | Six months period ended | |
|---|-------------------------|------------------|
| | Dec. 31, 2018 | Dec. 31, 2017 |
| | (Rupees in thousand) | |
| Cash flow from operating activities | | |
| Profit / (loss) for the period - before taxation and share of loss on investments in Associated Companies | 1,441 | (26,757) |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 40,233 | 41,099 |
| Staff retirement benefits - gratuity (net) | 4,474 | (27,525) |
| Finance cost | 44,519 | 31,163 |
| Profit before working capital changes | 90,667 | 17,980 |
| Effect on cash flow due to working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stores, spares and loose tools | (6,417) | (176) |
| Stock-in-trade | 244,699 | (346,746) |
| Trade debts | (17,583) | 51,263 |
| Loans and advances to employees | 1,930 | (1,362) |
| Advance payments | (6,186) | 8,080 |
| Trade deposits and prepayments | (56,070) | (4,072) |
| Due from Associated Companies | (2,719) | (2,020) |
| Other receivables | 12,981 | 762 |
| Sales tax refundable | 81,529 | (40,865) |
| (Decrease) / increase in trade and other payables | (70,586) | 65,405 |
| | 181,578 | (269,731) |
| Cash generated from / (used in) operations | 272,245 | (251,751) |
| Taxes paid | (10,772) | (16,362) |
| Net cash generated from / (used in) operating activities | 261,473 | (268,113) |
| Cash flow from investing activities | | |
| Fixed capital expenditure | (2,323) | (17,149) |
| Dividend received | 1,829 | 3,658 |
| Net cash used in investing activities | (494) | (13,491) |
| Cash flow from financing activities | | |
| Short term finances - net | (225,346) | 311,890 |
| Finance cost paid | (42,926) | (30,381) |
| Net cash (used in) / generated from financing activities | (268,272) | 281,509 |
| Net decrease in cash and cash equivalents | (7,293) | (95) |
| Cash and cash equivalents - at beginning of the period | 12,170 | 16,999 |
| Cash and cash equivalents - at end of the period | 4,877 | 16,904 |

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


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


Brig. (Retd) Abdul Samad Khan
Director

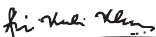

Amin-ur-Rasheed
Chief Financial Officer


JDM TEXTILE MILLS LIMITED

**Condensed Interim Statement of Changes in Equity (Un-audited)
For the Six Months Period Ended December 31, 2018**

| | Reserves | | | | | | | Total |
|--|---------------|--------------------|-------------|---------------|--|----------------|-----------------------|------------------|
| | Capital | | | | | Revenue | | |
| | Share capital | Capital redemption | Tax holiday | Share premium | Revaluation surplus on property, plant and equipment | General | Unappropriated profit | |
| ----- Rupees in thousand ----- | | | | | | | | |
| Balance as at June 30, 2018 (audited) | 47,848 | 6,694 | 350 | 11,409 | 2,323,069 | 871,530 | 58,665 | 3,319,565 |
| Total comprehensive income for the period ended December 31, 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 6,945 | 6,945 |
| 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 | (9,565) | 0 | 9,565 | 0 |
| Share of revaluation surplus on property, plant and equipment of Associated Companies | 0 | 0 | 0 | 0 | (1,901) | 0 | 0 | (1,901) |
| Effect of items directly credited in equity by Associated Companies | 0 | 0 | 0 | 0 | 0 | 0 | 2,678 | 2,678 |
| Balance as at December 31, 2018 (un-audited) | 47,848 | 6,694 | 350 | 11,409 | 2,311,603 | 871,530 | 77,853 | 3,327,287 |
| Balance as at June 30, 2017 (audited) | 47,848 | 6,694 | 350 | 11,409 | 2,344,350 | 871,530 | 122,205 | 3,404,386 |
| Total comprehensive loss for the period ended December 31, 2017 | 0 | 0 | 0 | 0 | 0 | 0 | (31,357) | (31,357) |
| 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 | (10,016) | 0 | 10,016 | 0 |
| Share of revaluation surplus on property, plant and equipment of Associated Companies | 0 | 0 | 0 | 0 | (2,610) | 0 | 0 | (2,610) |
| Effect of items directly credited in equity by Associated Companies | 0 | 0 | 0 | 0 | 0 | 0 | (3,193) | (3,193) |
| Balance as at December 31, 2017 (un-audited) | 47,848 | 6,694 | 350 | 11,409 | 2,331,724 | 871,530 | 97,671 | 3,367,226 |

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


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


**Brig. (Retd) Abdul Samad Khan
Director**


**Amin-ur-Rasheed
Chief Financial Officer**

**Notes to the Condensed Interim Financial Statements (Un-audited)
For the Six Months Period Ended December 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. The Company is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.

2. Basis of Preparation

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.

3. Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The revised accounting policy adopted by the management is as follows:

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 has been notified by Securities and Exchange Commission of Pakistan to be effective for annual periods beginning on or after July 01, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces IAS 18, "Revenue" and IAS 11, "Construction contracts" and related interpretations.

The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of unappropriated profit in the period of initial application is nil.

- 4.** These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017. The figures of the condensed interim statement of profit or loss & other comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed by the statutory auditors of the Company as the auditors have reviewed the cumulative figures for the six months period ended December 31, 2018. These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended June 30, 2018.

5. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial statements 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 recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018.

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, 2018.

6. Property, Plant and Equipment

| | Un-audited Dec. 31, 2018 Rupees in thousand |
|--|---|
| Book value of operating fixed assets as at June 30, 2018 | 3,117,231 |
| Additions during the period: | |
| - plant & machinery | 2,054 |
| - furniture & fixtures | 190 |
| - computer equipment & accessories | 79 |
| | 2,323 |
| Depreciation charge for the period | (40,233) |
| Book value of operating fixed assets as at December, 31, 2018 | 3,079,321 |

7. Investments in Associated Companies - Quoted

| | Un-audited Dec. 31, 2018 (Rupees in thousand) | Audited June 30, 2018 |
|---|--|-----------------------------|
| 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 | 63,250 | 85,893 |
| Share of revaluation surplus on property, plant and equipment | 145,975 | 147,291 |
| Loss for the period / year - net of taxation | (1,973) | (22,349) |
| Share of other comprehensive loss - net of taxation | 0 | (1,829) |
| | 218,225 | 219,979 |
| 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 | 75,729 | 74,908 |
| Share of revaluation surplus on property, plant and equipment | 123,041 | 123,626 |
| Profit for the period / year - net of taxation | 1,195 | 3,898 |
| Share of other comprehensive loss - net of taxation | 0 | (562) |
| Dividend received | (1,829) | (3,658) |
| | 205,833 | 205,909 |
| | 424,058 | 425,888 |

- 7.1** Although the Company has less than 20% voting rights in BCM and BWM as at December 31, 2018 and June 30, 2018, it is presumed that the Company has significant influence over these Companies due to majority representation on their board of directors.
- 7.2** Market values of the Company's investments in BCM and BWM as at December 31, 2018 were Rs.31.460 million (June 30, 2018: Rs.29.962 million) and Rs.35.250 million (June 30, 2018: Rs.36.398 million) respectively.
- 7.3** The management intends to carry-out impairment testing of its investments in BCM and BWM as at June 30, 2019.
- 7.4** The management, as at June 30, 2018, had carried-out impairment testing of its investments in BCM and BWM as required under IAS 36, "Impairment of Assets". The recoverable amounts of investments in BCM and BWM amounted Rs.235.881 million and Rs.223.671 million respectively. The recoverable amounts of investments were determined using the 'value-in-use' computations. In assessing the value in use, estimated future cash flows were discounted to their present value using pre-tax discount rates that reflected current market assessments of the time value of money. The pre-tax discount rates applied to cash flow projections by BCM and BWM were 6.13% and 11.32% respectively. As a result of the aforementioned impairment testing, the management had concluded that the carrying values of investments in BCM and BWM did not exceed the recoverable amounts.

8. Stores, spares and loose tools

Spares inventory valuing Rs.6.626 million was in transit as at December 31, 2018.

9. Stock-in-trade

Raw materials inventory valuing Rs.23.631 million was in transit as at December 31, 2018.

10. Trade deposits and prepayments

These include deposits aggregating Rs.51 million held with National Bank of Pakistan as the Company's short term finance limits were in the process of renewal at December 31, 2018. These deposits have been received-back on January 02, 2019.

11. Other receivables

The balance as at June 30, 2018 included arbitration award amounting U.S.\$ 104,074 (Rs.12.635 million) delivered by International Cotton Association in favour of the Company. The Company had made bargains to import cotton from DML EXIM (Pvt.) Ltd. India (DML), which could not perform and backed-out of bargains. The Company, as per the agreement terms, referred its case for arbitration and won the aforementioned award. The Company, during the current period, has agreed to settle the claim on payment of U.S.\$ 90,000 by DML and also received the payment.

12. Sales tax refundable

The Company, during the current period, has received sales tax refunds aggregating Rs.98.167 million.

13. Revaluation surplus on property, plant and equipment - net

| | Note | Un-audited Dec. 31, 2018 (Rupees in thousand) | Audited June 30, 2018 |
|---|-------------|--|--------------------------------------|
| Revaluation surplus on the Company's property, plant & equipment | | 2,042,587 | 2,052,152 |
| Share of revaluation surplus on property, plant and equipment of Associated Companies | 7 | 269,016 | 270,917 |
| | | <u>2,311,603</u> | <u>2,323,069</u> |

| 14. Trade and other payables | Note | Un-audited Dec. 31, 2018 (Rupees in thousand) | Audited June 30, 2018 |
|---|------|--|-----------------------------|
| Creditors | | 35,441 | 45,684 |
| Bills payable against imported: | | | |
| - plant and machinery | | 0 | 26,868 |
| - raw materials | | 0 | 3,119 |
| - stores and spares | | 6,586 | 0 |
| Contract liabilities | | 1,828 | 8,013 |
| Advance payments | | 184 | 184 |
| Accrued expenses | | 158,790 | 142,159 |
| Tax deducted at source | | 1,666 | 1,778 |
| Gratuity payable to: | | | |
| - key management personnel | 14.1 | 24,316 | 66,231 |
| - other employees | | 19,469 | 22,734 |
| Due to Waqf-e-Kuli Khan | | 2,421 | 2,421 |
| Security deposits repayable on demand - interest free | | 112 | 112 |
| Employees' provident fund payable | | 0 | 1,878 |
| Others | | 170 | 388 |
| | | <u>250,983</u> | <u>321,569</u> |

14.1 Gratuity benefits paid, during the current period, include payments to Executive Director Technical and Senior General Manager Finance amounting Rs.24.727 million and Rs.16.035 million respectively.

15. **Taxation - net**

| | |
|--|---------------|
| Balance as at June 30, 2018 | 21,644 |
| 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 (the Ordinance) amounting Rs.119 thousand) | 21,276 |
| prior year | (646) |
| | <u>20,630</u> |
| | 42,274 |
| Less: payments / adjustments made against completed assessment | 20,998 |
| | <u>21,276</u> |

15.1 Income tax returns of the Company have been filed upto the tax year 2018, i.e. accounting year ended June 30, 2018.

15.2 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 Ordinance.

15.3 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.

The Finance Act, 2015 has omitted clause 126F of the Ordinance and inserted a new sub-clause (xx) of clause (11A) in part IV of the second schedule of the Ordinance wherein exemption from levy of minimum tax under section 113 of the Ordinance has been provided. The amendment would have a retrospective impact being related to tax years 2010, 2011 and 2012.

15.4 There has been no significant change during the current period in the status of taxation matters as detailed in note 25 to the financial statements of the Company for the year ended June 30, 2018.

16. Contingencies and Commitments

16.1 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 (the Act) read with certain SROs. The Lahore High Court, Lahore (LHC) had suspended the operation of the impugned show cause notice on September 12, 2013. The LHC has decided the case on October 10, 2017 with the direction that the Company may take its objections before the adjudication officer determining the show cause notice. Subsequently, the Sales Tax Department (the Department), vide its judgment dated February 20, 2018, has reduced the demands to Rs.5.978 million against which the Company has filed an appeal, which is pending before Commissioner Inland Revenue (Appeals) - CIR(A) Lahore.

16.2 The Department, vide order dated January 01, 2018 under section 11(3) of the Act, has created demand of Rs.182.690 million for the period July, 2011 to June, 2013 against which the Company has filed writ petition before the LHC, which has declared the order passed by the Department illegal and void ab-initio. The Department against order of the LHC has filed an appeal before the Supreme Court of Pakistan (SCP), which is pending adjudication.

16.3 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 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 December, 2018, has raised GIDC demands aggregating Rs.567.458 million, which are payable in case of an adverse judgment by the SCP. The management, during the 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 and preceding year. Provisions for the balance GIDC demands aggregating Rs.489.415 million pertaining to prior years and the current period have not been made in the books of account as the management expects a favourable judgment by the SCP due to meritorious legal grounds.

16.4 Counter guarantee given by the Company to a commercial bank outstanding as at December 31, 2018 was for Rs.75 million (June 30, 2018: Rs.75 million).

16.5 Refer contents of note 15.3.

| | Un-audited | Audited |
|--|-----------------------------|----------|
| | Dec. 31, | June 30, |
| | 2018 | 2018 |
| | (Rupees in thousand) | |
| 16.6 Commitments against irrevocable letters of credit outstanding at the period / year-end were for: | | |
| - stores and spares | 8,891 | 6,914 |
| - raw materials | 33,914 | 40,790 |
| | 42,805 | 47,704 |

17. Transactions with Related Parties

17.1 Significant transactions made during the period with related parties were as follows:

| Name | Nature of transaction | Cumulative | |
|--------------------------------------|-------------------------------------|----------------------|----------------------|
| | | Jul. - Dec., 2018 | Jul. - Dec., 2017 |
| Associated Companies | | | |
| Babri Cotton Mills Ltd. | Residential rent received | 925 | 804 |
| | Utilities / expenses: | | |
| | - paid | 15 | 0 |
| | - recovered | 46 | 47 |
| | Salaries and benefits recovered | 1,373 | 820 |
| Bannu Woollen Mills Ltd. | Expenses recovered | 46 | 47 |
| | Salaries and benefits: | | |
| | - paid | 144 | 0 |
| | - recovered | 929 | 820 |
| | Dividend received | 1,829 | 3,658 |
| Gammon Pakistan Ltd. | Rent paid | 150 | 150 |
| Rahman Cotton Mills Ltd. | Expenses recovered | 21 | 47 |
| | Salaries & benefits recovered | 367 | 820 |
| Gandhara Nissan Ltd. | ---- do ---- | 788 | 820 |
| | Expenses recovered | 46 | 47 |
| Gandhara Industries Ltd. | ---- do ---- | 46 | 47 |
| | Salaries & benefits recovered | 788 | 820 |
| The Universal Insurance Company Ltd. | ---- do ---- | 788 | 820 |
| | Expenses recovered | 46 | 47 |
| Other related parties | | | |
| Employees Provident Fund | Contribution paid to Provident Fund | 12,434 | 0 |
| Key Management Personnel | Salaries & benefits | 67,153 | 46,784 |

17.2 Period / year-end balances were as follows:

| Due from: | Un-audited | Audited |
|----------------------------|----------------------|------------------|
| | Dec. 31, 2018 | June 30, 2018 |
| | (Rupees in thousand) | |
| - Babri Cotton Mills Ltd. | 2,330 | 0 |
| - Rahman Cotton Mills Ltd. | 1,161 | 772 |

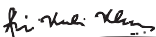
18. Corresponding Figures


18.1 In order to comply with the requirements of IAS 34 "Interim financial reporting", the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

18.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, except for reclassification of preceding period's administrative expenses aggregating Rs.15.303 million to cost of sales, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

19. Date of Authorisation for Issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on 26 February, 2019.


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


Brig. (Retd) Abdul Samad Khan
 Director


Amin-ur-Rasheed
 Chief Financial Officer

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