

**Nine Month
Accounts
March
2017**

BIBOJEE GROUP



**Janana De Malucho Textile
Mills Limited**

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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. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA MR. GOHAR AYUB KHAN MRS. SHAHNAZ SAJJAD AHMAD BRIG. (RETD) ABDUL SAMAD KHAN MR. SAAD WAHEED MR. KHALID KULI KHAN KHATTAK	Chairman
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. AHMAD KULI KHAN KHATTAK MR. RAZA KULI KHAN KHATTAK MR. SAAD WAHEED	Chairman Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. AHMAD 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 THE BANK OF KHYBER HABIB BANK 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, I feel pleasure in presenting the un-audited financial statements of the Company for the 3rd quarter & nine months ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

During the first quarter, your Company has posted the following results:

	Nine months ended 31st March	
	2017	2016
	- Rs. in million -	
Sales	1,921.674	1,850.689
Gross Profit	189.583	130.921
Profit from operations	117.059	59.391
Profit before taxation	96.718	27.909
Profit after taxation	33.543	16.523
	--- Rupees ---	
Earnings per share	7.01	3.45

We are glad to inform the shareholders that the turnover of the Company has increased by Rs.70.985 million as compared to same period of last year whereas the gross profit of the current period has increased by Rs.58.662 million.

GENERAL MARKET CONDITION

- i. Due to higher cost of Cotton (Local/Imported), power and high rates of Gas the exports have gone down about 20% i.e from 29 billion to 20 billion. For this reason about 120 Spinning Mills have been closed down in Punjab and other 30 Mills are available for sale in the market due to heavy losses.
- ii. Pakistan is facing significant economic, governance and security challenges to achieve robust economic development and growth. The scarcity of energy and water infrastructure, a largely uneducated and untrained workforce, persistence of conflict in the border security challenges throughout the country distress all the segment of life in Pakistan and impede development and economic growth. A sustainable and reliable energy and water infrastructure along with improved security is crucial for economic growth in Pakistan.
- iii. It is most unfortunate that we are yet again reporting the same distressing scenario because of the reasons such as continued cost push-ups in all inputs like labour, raw material, etc. The long awaited Textile Package was finally announced, though, it is insufficient and inadequate. Nevertheless, we hope it will bring some development in the Textile Sector and help boost the declining exports.

FUTURE OUTLOOK

Pakistan's power shortage is unequivocally the single biggest impediment to development in the recent past. Not only has it given great distress to the public, but it has also stagnated industrial development. Long hours of load shedding have made Pakistani exports, especially textile products, uncompetitive in the international market. It has

Janana De Malucho Textile Mills Ltd.

increased costs by making the industrial units unproductive by decreasing their efficiency and forcing them to look for expensive alternatives for power provision. The management is hopeful that economics prospects of the country will improve in the future and hope to maximize the profitability of the company by the guidance and support of the board of directors and all upcoming projects of government from road to energy will achieve their goals in coming years.

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, support staff 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: 14th April, 2017

Janana De Malucho Textile Mills Ltd.

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، 31 مارچ 2017 نو ماہ کی ختم ہونے والی مدت پر کمپنی کی 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۔

2016	2017	
		روپے لاکھوں میں
1,850.689	1,921.674	فروخت
130.921	189.583	عموری منافع
59.391	117.059	اپریشن کے بعد منافع
27.909	96.718	ٹیکس سے پہلے منافع
16.523	33.543	ٹیکس سے بعد منافع

---روپے---

آمدنی فی شیئر 3.45 7.01

ہم، 31 مارچ 2017 کو ختم ہونے والے نو ماہ کی مدت پر حصص یافتگان کو مطلع کرنے کے لئے خوشی محسوس کرتے ہیں۔ کمپنی کا کل کاروبار میں گزشتہ سال کے مقابلے میں 70.985 ملین روپے کا اضافہ ہوا ہے۔ اس کے علاوہ موجودہ دور کے عموری منافع گزشتہ سال کے مقابلے میں 58.662 ملین روپے بڑھا ہے۔

عموری مارکیٹ کی حالت

- 1- موجودہ نو ماہ کے دوران اندرون ملک و بیرون ملک روٹی کی قدر میں اضافہ ہو گیا اور گیس کے نرخ میں اضافہ کی وجہ سے کئی ٹیکسٹائل کی برآمدات میں 20% کمی کے ساتھ 29 ملین روپے سے کم ہو کر 20 ملین روپے ہو گئی ہے۔ جس کی وجہ سے پنجاب اور دیگر صوبوں میں 120 دھاگہ بنانے والے کارخانے بند ہو گئے ہیں جس میں سے 30 کارخانوں نے اپنے آپ کو مارکیٹ میں فروخت کے لیے پیش کیا ہے۔
- 2- پاکستان مضبوط اقتصادی ترقی اور ترقی کے حصول کے لئے اہم اقتصادی، گورننس اور سیکورٹی چیلنجز کا سامنا ہے۔ ملک کو توانائی اور پانی کے بنیادی ڈھانچے، ایک بڑی حد تک غیر تعلیم یافتہ اور غیر تربیت یافتہ افرادی قوت، سرحدی سکیورٹی چیلنجز میں مسلسل اضافہ کی وجہ سے تمام پاکستان میں ملنے والی ترقی اور اقتصادی ترقی میں رکاوٹ ہے۔ جس کے لیے بہتر تحفظ کے ساتھ ساتھ ایک پائیدار اور قابل اعتماد توانائی اور پانی کے بنیادی ڈھانچے کو پاکستان میں اقتصادی ترقی کے لئے بہت ضروری ہے۔
- 3- یہ سب سے زیادہ بد قسمتی کی بات ہے کہ ہم ایک بار پھر نشانہ بن رہے ہیں کہ لیبر، خام مال، وغیرہ کی لاگت میں لگاتار اضافہ ایک پریشان کن بات ہے۔ جبکہ طویل انتظار کے بعد ٹیکسٹائل سیکٹور کا اعلان کیا گیا، اگرچہ، یہ نا کافی ہے۔ بہر حال، اس سے ٹیکسٹائل سیکٹور میں کچھ ترقی لانے اور زوال پذیر برآمدات کو فروغ دینے میں مدد ملنے کی امید ہے۔

مستقبل کا نقطہ نظر

پاکستان کی بجلی کی قلت ماضی قریب میں ترقی کے لئے واحد سب سے بڑی رکاوٹ تھی۔ نہ صرف یہ عوام کے لئے بڑی تکلیف کا باعث ہے، بلکہ اس سے صنعتی ترقی جمود کا شکار ہے۔ بجلی کی طویل اوڈ شیڈنگ کی وجہ سے پاکستانی برآمدات، خصوصاً ٹیکسٹائل کی مصنوعات، بین الاقوامی مارکیٹ میں مقابلہ سے باہر ہو گئی ہیں۔ جس کی بنیادی وجہ سے ٹیکسٹائل کی مصنوعات کے برآمد کنندگان کا بجلی کے حصول کے لیے دیگر مہنگے ذریعہ کو اپنانے کی وجہ سے ٹیکسٹائل کی مصنوعات بنانے کے اخراجات میں اضافہ ہوا ہے۔ کمپنی کی انتظامیہ کو امید ہے کہ ملک کی معاشیات کے امکانات مستقبل میں بہتر بنانے اور آنے میں ان کے مقاصد کو حاصل کرے گا اور کمپنی کے ڈائریکٹرز کی رہنمائی میں کمپنی کے منافع کو زیادہ سے زیادہ حاصل کرنے کی امید کرتی ہے۔

اخراجات

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۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

تاریخ: 14 اپریل 2017

Raja K. K.

رضاقلی خان خٹک

چیئرمین

Janana De Malucho Textile Mills Ltd.

Condensed Interim Balance Sheet As At March 31, 2017

		March 31, 2017 Un-audited	June 30, 2016 Audited
	Note	Rupees in thousand	
Assets			
Non-current Assets			
Property, plant and equipment	6	3,084,826	3,129,440
Investments in Associated Companies	7	181,058	176,521
Loans to employees		1,456	2,097
Security deposits		1,204	1,204
		3,268,544	3,309,262
Current assets			
Stores, spares and loose tools	8	64,499	57,474
Stock-in-trade	8	1,016,414	524,175
Trade debts - unsecured, considered good		35,404	104,989
Advances to employees		5,963	4,355
Advance payments		52,148	34,831
Trade deposits and prepayments		6,352	7,320
Due from Associated Companies		2,147	0
Other receivables		2,145	2,678
Sales tax refundable		53,955	29,293
Income tax refundable, advance tax and tax deducted at source		79,653	82,616
Cash and bank balances		13,956	22,038
		1,332,636	869,769
Total Assets		4,601,180	4,179,031
Equity and Liabilities			
Equity			
Authorised capital		200,000	200,000
Issued, subscribed and paid-up capital		47,848	47,848
Reserves		889,983	389,983
Unappropriated profit		160,229	614,960
Shareholders' Equity		1,098,060	1,052,791
Surplus on Revaluation of Property, Plant and Equipment		2,069,243	2,084,865
Liabilities			
Non-current Liabilities			
Staff retirement benefits - gratuity		146,859	148,929
Deferred Liabilities		311,789	284,996
		458,648	433,925
Current Liabilities			
Trade and other payables	9	168,317	133,619
Accrued mark-up		10,376	10,593
Short term finances		758,068	441,436
Taxation	10	37,275	20,588
Preference shares redemption account		1,193	1,214
		975,229	607,450
Total Liabilities		1,433,877	1,041,375
Contingencies and Commitments	11		
Total Equity and Liabilities		4,601,180	4,179,031

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



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



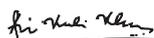
Ahmad Kuli Khan Khattak
Director

Janana De Malucho Textile Mills Ltd.

**Condensed Interim Profit And Loss Account (Un-Audited)
For The Quarter And Nine Months Ended March 31, 2017**

	Note	Quarter ended		Nine months ended	
		March, 31		March, 31	
		2017	2016	2017	2016
----- Rupees in thousand -----					
Sales - net		607,752	587,923	1,921,674	1,850,689
Cost of Sales		528,364	532,077	1,732,091	1,719,768
Gross Profit		79,388	55,846	189,583	130,921
Distribution Cost		5,060	4,581	15,738	11,595
Administrative Expenses		19,997	20,770	55,063	63,039
Other Expenses		0	19	4,369	676
Other Income		(625)	(1,199)	(2,646)	(3,780)
		24,432	24,171	72,524	71,530
Profit from Operations		54,956	31,675	117,059	59,391
Finance Cost		12,049	11,547	26,451	36,117
		42,907	20,128	90,608	23,274
Share of Profit / (Loss) of Associated Companies - net	7	0	0	6,110	4,635
Profit before Taxation		42,907	20,128	96,718	27,909
Taxation					
- current	10.2	14,587	3,817	37,274	14,530
- prior year		0	0	(893)	18
- deferred liabilities		12,510	1,256	26,794	(3,162)
		27,097	5,073	63,175	11,386
Profit after Taxation		15,810	15,055	33,543	16,523
Other Comprehensive Income		0	0	0	0
Total Comprehensive Income for the Period		15,810	15,055	33,543	16,523
----- Rupees -----					
Earnings per Share		3.30	3.15	7.01	3.45

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

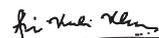

Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive

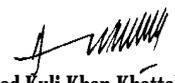

Ahmad Kuli Khan Khattak
Director

Janana De Malucho Textile Mills Ltd.
Condensed Interim Cash Flow Statement (Un-Audited)
For The Nine Months Ended March 31, 2017

	Nine months ended	
	March 31,	
	2017	2016
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation and share of profit on investments in Associated Companies	90,608	23,274
Adjustments for non-cash charges and other items:		
Depreciation	62,034	51,253
Gain on sale of vehicles	(258)	(446)
Staff retirement benefits - gratuity (net)	(2,070)	9,037
Finance cost	26,451	36,117
Profit before working capital changes	176,765	119,235
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(7,025)	15,714
Stock-in-trade	(492,239)	(6,855)
Trade debts	69,585	(31,269)
Loans and advances to employees	(967)	(1,464)
Advance payments	(17,317)	(12,349)
Trade deposits and prepayments	968	(7,085)
Due from Associated Companies	(2,147)	0
Other receivables	533	2,798
Sales tax refundable	(24,662)	(1,009)
Increase / (decrease) in trade and other payables	33,309	(54,901)
	(439,962)	(96,420)
Cash (used in) / generated from operations	(263,197)	22,815
Taxes paid	(16,732)	(15,709)
Net cash (used in) / generated from operating activities	(279,929)	7,106
Cash flow from investing activities		
Fixed capital expenditure	(17,804)	(45,627)
Sale proceeds of vehicles	642	645
Dividend received	3,658	2,195
Defence savings certificates redeemed	0	30,000
Net cash used in investing activities	(13,504)	(12,787)
Cash flow from financing activities		
Short term finances - net	316,632	(27,984)
Finance cost paid	(26,668)	(33,434)
Cash dividend paid	(4,592)	(5,914)
Preference shares redeemed	(21)	0
Net cash generated from / (used in) financing activities	285,351	(67,332)
Net decrease in cash and cash equivalents	(8,082)	(73,013)
Cash and cash equivalents - at beginning of the period	22,038	84,723
Cash and cash equivalents - at end of the period	13,956	11,710

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


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

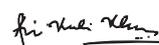

Ahmad Kuli Khan Khattak
Director

Janana De Malucho Textile Mills Ltd.

Condensed Interim Statement of Changes In Equity (Un-Audited) For The Nine Months Ended March 31, 2017

	Reserves						Unappropriated profit	Total
	Share capital	Capital			Revenue	Sub-total		
		Capital redemption	Tax holiday	Share premium	General			
----- Rupees in thousand -----								
Balance as at June 30, 2016 (audited)	47,848	6,694	350	11,409	371,530	389,983	614,960	1,052,791
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	(5,981)	(5,981)
Total comprehensive income for the period ended March 31, 2017	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	0	0	15,622	15,622
Effect of items directly credited in equity by Associated Companies								
	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	871,530	889,983	160,229	1,098,060
Balance as at June 30, 2015 (audited)	47,848	6,694	350	11,409	371,530	389,983	606,328	1,044,159
Transaction with owners:								
Cash dividend at the rate of								
Rs.1.5 per ordinary share for								
the year ended June 30, 2015								
	0	0	0	0	0	0	(7,177)	(7,177)
Total comprehensive income for the period ended March 31, 2016	0	0	0	0	0	0	16,523	16,523
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	0	0	11,596	11,596
Effect of items directly credited in equity by Associated Companies								
	0	0	0	0	0	0	1,759	1,759
Balance as at March 31, 2016 (un-audited)	47,848	6,694	350	11,409	371,530	389,983	629,029	1,066,860

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


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


Ahmad Kuli Khan Khattak
Director

Notes To The Condensed Interim Financial Information (Un-Audited)
For The Nine Months Ended March 31, 2017

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 Ordinance, 1984) and its shares are quoted on Pakistan Stock Exchange. 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** This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - "Interim financial reporting" and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information of the Company for the Nine months period ended March 31, 2017 is un-audited.
- 2.2** This condensed interim financial information does not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2016.
- 2.3** This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 245 of the Ordinance.

3. Accounting Policies

The accounting policies and methods of computation used in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended June 30, 2016.

4. New / Revised Standards, Interpretations and Amendments

4.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current period

Certain standards, interpretations and amendments to approved accounting standards are effective for accounting periods beginning on July 01, 2016, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

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

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

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 recognised prospectively commencing from the period of revision.
- 5.2** Except for the matter detailed in note 6.1, 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 financial statements as at and for the year ended June 30, 2016.
- 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, 2016.
- 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.

6. Property, Plant and Equipment

Book value as at June 30, 2016

Additions during the period:

- buildings on freehold land:
 - factory
 - non factory
- plant & machinery
- furniture & fixtures
- office & other equipment
- computer equipment & accessories
- vehicles
- security & surveillance

**Un-audited
March 31,
2017
(Rupees in thousand)
3,129,440**

5,040
560
5,173
97
66
189
6,416
263

17,804

Book value of vehicle sold during the period

(384)

Depreciation charge for the period

(62,034)

Book value as at March 31, 2017

3,084,826

- 6.1** The management, during the current period, in order to ascertain the useful life of generators has carried-out an internal exercise and assessed their remaining useful life. Keeping in consideration the assessed useful life of generators, the depreciation rate of generators has been enhanced to 10% per annum from 5% per annum.

The aforementioned revision has been accounted for as change in accounting estimate in accordance with the requirements of IAS 8 "Accounting policies, changes in accounting estimates and errors". The effect of this change in accounting estimate has been recognised prospectively in the profit and loss account of the current period. Had there been no revision, profit before taxation for the current period and carrying value of operating fixed assets would have been higher by Rs.5.539 million. Accordingly, earnings per share for the period ended March 31, 2017 would have been Rs.8.17 instead of Rs.7.01.

Janana De Malucho Textile Mills Ltd.

	Un-audited	Audited
	March 31,	June 30,
	2017	2016
7. Investments in Associated Companies - Quoted		
Babri Cotton Mills Ltd. (BCM)	(Rupees in thousand)	
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	88,074	88,811
Loss for the period / year - net of taxation	(158)	(2,006)
Share of other comprehensive loss - net of taxation	0	(155)
	98,889	97,623
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	71,862	68,303
Profit for the period / year - net of taxation	6,268	5,743
Share of other comprehensive loss - net of taxation	0	(650)
Dividend received	(3,658)	(2,195)
	82,169	78,898
	181,058	176,521
7.1 (a) Market value of the Company's investments in BCM and BWM as at March 31, 2017 was Rs.35.866 million (June 30, 2016: Rs.60.018 million) and Rs.54.140 million (June 30, 2016: Rs.38.893 million) respectively.		
(b) The management intends to carry-out impairment testing of its investments in BCM and BWM as at June 30, 2017.		
8. Stores, spares and loose tools and stock-in-trade		
Stores & spares valuing Rs.1.699 million and raw materials inventory valuing Rs.75.509 million were in transit as at March 31, 2017.		
9. Trade and other payables		
Creditors	24,869	24,105
Bills payable against imported:		
- plant and machinery	55	0
- raw materials	48,746	24,935
Advances from customers	7,170	3,956
Advance payments	184	184
Accrued expenses	72,554	69,061
Tax deducted at source	1,096	1,686
Due to Waqf-e-Kuli Khan	4,858	4,872
Security deposits repayable on demand - interest free	112	112
Workers' (profit) participation fund	2,590	609
Workers' welfare fund	1,468	916
Unclaimed dividends	4,489	3,100
Others	126	83
	168,317	133,619

10. Taxation

- 10.1** Income tax assessments of the Company have been completed upto the tax year 2016 i.e. accounting year ended June 30, 2016.
- 10.2** Provision for the current period represents tax payable under section 4 of the Income Tax Ordinance, 2001 (the Ordinance) whereas provision for the preceding year represented minimum tax due under section 113 of 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** The Commissioner Inland Revenue (Appeals) [CIR(A)], during the period, has decided the appeal for the tax year 2011 in favour of the Company and demands of tax charged under sections 161/205 of the Ordinance aggregating Rs.5.632 million have been deleted.
- 10.5** The Income Tax Department (the Department) has charged tax aggregating Rs.3.998 million under sections 161/205 of the Ordinance for the tax year 2012 against which appeal has been filed with the CIR(A), which is pending adjudication.
- 10.6** The Appellate Tribunal Inland Revenue (ATIR), during the period for the tax years 2004 to 2006, has cancelled all the assessments made under section 122(5A) of the Ordinance by the CIR and restored the original assessments under section 120(1) of the Ordinance as detailed below:
- (a)** The Department had charged tax amounting Rs.7.123 million under section 122(5A) of the Ordinance for the tax year 2004 (year ended September 30, 2003). The CIR(A) has deleted the additions against which the Department filed an appeal before the ATIR, which has rejected the said appeal during the period.
- (b)** The ATIR has cancelled the orders passed under section 122(5A) of the Ordinance for the tax year 2005 (year ended September 30, 2004 and period ended June 30, 2005) and tax charged amounting Rs.2.289 million has been deleted.
- (c)** The ATIR has cancelled the order passed under section 122(5A) of the Ordinance for the tax year 2006 (year ended June 30, 2006) and tax charged amounting Rs.894 thousand has been deleted.
- (d)** For the tax year 2006 (year ended June 30, 2006), tax has been charged under sections 161/205 of the Ordinance at Rs.560 thousand against which appeals have been filed by the Department and the Company with the ATIR, which is pending adjudication.
- 10.7** Except for the above matters, no significant change occurred during the period in the status of taxation matters as detailed in note 21 to the financial statements of the Company for the year ended June 30, 2016.

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.

Janana De Malucho Textile Mills Ltd.

11.2 The Company has challenged the levy of Gas Infrastructure Development Cess (GIDC) by filing a petition before the Peshawar High Court, Peshawar (PHC) which has stayed the levy / cess charged through GIDC Act, 2015 and the Respondents were directed to submit their comments. Sui Northern Gas Pipelines Ltd., along with gas bill for the month of March, 2017, has raised GIDC demands aggregating Rs. 310.265 million, which are payable in case of an adverse judgment by the PHC. The petition before the PHC is pending adjudication.

The last hearing of the GIDC case was held on 14-03-2017 before the divisional bench of PHC. Our counsel appeared but the case was adjourned on the request of Ministry's representative for hiring a lawyer on the behalf of Ministry. Next date of hearing in the matter is 18-04-2017. The stay order on the GIDC issue is in field. APTMA has informed that in a meeting with our counsel on GIDC issue regarding the future strategy, he informed that our grounds in the GIDC case are very strong and valid, so we are hoping that the court decision will be in the favour of the industry. The High Court and the Supreme Court of Pakistan in our earlier appeal have already declared GIDC Act, 2011 as un-constitutional. The Government has made no changes in the new GIDC Act of 2015 which is replete with the mistakes of 2011 Act and we are of the considered opinion that this Act will also be struck down by he learned courts.

11.3 Counter guarantee given by the Company to a commercial bank outstanding as at March 31, 2017 was for Rs.75 million (June 30, 2016: Rs.75 million).

11.4 Refer contents of note 10.

11.5 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:

- stores and spares

- raw materials

Un-audited March 31, 2017	Audited June 30, 2016
7,512	0
53,948	24,132
61,460	24,132

Janana De Malucho Textile Mills Ltd.

12. Transactions with Related Parties

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

Name	Nature of transaction	Nine months ended March 31,	
		2017	2016
(Rupees in thousand)			
Babri Cotton Mills Ltd.	Residential rent:		
	- paid	18	0
	- received	1,049	0
	Utilities / expenses:		
	- paid	95	0
	- recovered	60	0
	Salaries:		
	- paid	40	0
	- recovered	5,784	0
	Dividend paid	426	511
Sale of used machinery parts	0	409	
Bibojee Services (Pvt.) Ltd.	Dividend paid	1,054	843
	Salaries recovered	698	0
	Expenses recovered	105	0
Bannu Woollen Mills Ltd.	Salaries recovered	5,217	0
	Expenses recovered	60	0
	Dividend paid	1,949	2,339
	Dividend received	3,658	2,195
	Sale of raw materials	0	2,143
Gammon Pakistan Ltd.	Rent paid	150	75
	Expenses recovered	60	0
Rahman Cotton Mills Ltd.	Salaries recovered	4,659	0
	Expenses recovered	60	0
Ghandhara Nissan Ltd.	Salaries recovered	698	0
	Expenses recovered	60	0
Ghandhara Industries Ltd.	Salaries recovered	698	0
	Expenses recovered	60	0
The Universal Insurance Company Ltd.	Salaries recovered	698	0
	Expenses recovered	60	0
The General Tyre & Rubber Company of Pakistan Ltd.	Salaries recovered	698	0
	Expenses recovered	60	0

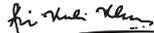
12.2 No other significant transactions, other than remuneration and benefits paid to key management personnel under the terms of their employment, were executed with other related parties during the period.

13. Date of Authorisation for Issue

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on April 14, 2017.

14. Corresponding Figures

- 14.1** 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.
- 14.2** 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.


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


Ahmad Kuli Khan Khattak
Director

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