

**Nine Month
Accounts
March
2016**

BIBOJEE GROUP



**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. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA MR. GOHAR AYUB KHAN MRS. SHAHNAZ SAJJAD AHMAD DR. SHAHEEN KULI KHAN BRIG. (RETD) ABDUL SAMAD KHAN	Chairman
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. AHMAD KULI KHAN KHATTAK MR. RAZA KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA	Chairman Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. RAZA KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA BRIG. (RETD) ABDUL SAMAD KHAN	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 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com WEB SITE: www.jdm.com.pk	

DIRECTORS REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I feel pleasure in presenting the un-audited financial statements of the Company for the 3rd quarter & nine months ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

	2016	2015
	- Rs. in million -	
Sales	1,850.689	1,934.775
Gross Profit	130.921	139.288
Profit from operations	59.391	64.811
Profit before taxation	27.909	1.323
Profit after taxation	16.523	8.130
	---- Rupees ----	
Earnings per share	3.45	1.70

During the nine months ended 31st March, 2016 the turnover of the Company has decreased by Rs.84.086 million, (4%) as compared to previous period and the gross profit has decreased by 6 %, mainly due to decrease in quantity sold. The main reason behind decrease in quantity sold is the continued supply of cheap Indian yarn in the local market. However, due to efficient financial management, the Company has been able to earn a profit after tax for Rs.16.523 million, which is higher by Rs.8.393 million as compared to previous period.

GENERAL MARKET CONDITION

Pakistan's textile export has declined by 8.76 percent during the first eight months of the current fiscal year to \$8.363 billion in July-February 2016 against \$9.166 billion for the same period of last fiscal year. According to trade figures released by the Pakistan Bureau of Statistics on Tuesday, raw cotton export declined to \$74.427 million during July-February 2015-16 from \$139.337 million from the same period of last fiscal year, reflecting a decline of 46.58 percent, cotton yarn declined to \$895.841 million from \$1.333 billion, which reflects a decline of 32.80 percent. Yarn exports other than cotton yarn export dwindled to \$23.248 million from \$29.501 million, which shows a decline of 21 percent. Pakistan's share in the world textile and clothing trade of an estimated \$718 billion has plunged to 1.7 percent from 2.2 percent less than a decade ago, with regional rivals capturing a greater market share. Bangladesh's share has increased from 1.9pc to 3.3 percent and India's share has gone from 3.4 percent to 4.7 percent in the same period.

Conditions in the local market are also not very promising. The continuous import of Indian yarn is making it very difficult for the local industry to maintain their operations in a profitable way and most of the companies are trying stay at the breakeven point.

FUTURE OUTLOOK

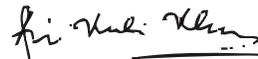
All Pakistan Textile Mills Association have pointed out that a variety of factors such as the energy crunch, high electricity and gas rates, gas load shedding in the name of load management, increase in gas rates and imposition of GIDC, unpaid sales tax and income tax refunds, provincial and federal taxes on exports, and import of cheap Indian yarn etc. are responsible for the unprecedented surge in the cost of doing business. Due to such factors, at least 35 textile factories in Punjab, which houses around 70 percent of the production capacity, have already closed down. Even though, the industries and service sectors are contributing to around 98 percent of tax collection in comparison with minimal contribution by other sectors such as wholesale, retail and agriculture but still the industrial and service sectors are not being facilitated by Govt. but rather their survival is being made difficult day after day by taking incomprehensible decisions such as allowing import of almost duty free yarn and cloth from India and imposition of GIDC.

In the present scenario the results are not likely to improve much in the next quarter; however the management is doing its best effort to achieve better profitability and the directors of the Company remain hopeful of improved and better results in the remaining months and hope to maximize the profitability of the Company.

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 which enabled the Company to achieve better results as compared to the nine months ended 31st March, 2015. We look forward to same dedication and cooperation from them in the future as well.

For on behalf of the board



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

Dated: 28th April, 2016

Janana De Malucho Textile Mills Ltd.

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، میں تیسری سہ ماہی اور نو ماہ 31 مارچ 2016 کو ختم ہونے والی مدت کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرنے میں خوشی محسوس کرتا ہوں۔

مالیاتی جھلکیاں

2015	2016	
- روپے لاکھوں میں -		
1,934.775	1,850.689	فروخت
139.288	130.921	عبوری منافع
64.811	59.391	کاروبار سے منافع
1.323	27.909	ٹیکس سے پہلے منافع
8.130	16.523	ٹیکس کے بعد منافع
---- روپے ----		
1.70	3.45	آمدنی فی شیئر

رواں مالی سال کے نو ماہ 31 مارچ 2016 کو کمپنی کو گزشتہ مالی سال کے نو ماہ کے مقابلے مال کی فروخت میں 4 فیصد کمی ہوئی ہے۔ جس کے نتیجے میں عبوری منافع 6 فیصد کم رہا ہے۔ اس کی بنیادی وجہ مال فروخت میں کمی ہے۔ مال فروخت میں کمی کی بنیادی وجہ مقامی مارکیٹ میں سستے بھارتی یارن کی مسلسل فراہمی ہے۔ تاہم، موثر مالی انتظام کی وجہ سے، کمپنی نے اس نو ماہ کو ٹیکس کے بعد منافع 16.523 ملین روپے حاصل کیا ہے جو کہ گزشتہ مدت سے 8.393 ملین روپے زیادہ ہے۔

عمومی طور پر یارن مارکیٹ کی حالت

پاکستان کی ٹیکسٹائل کی برآمد پہلے آٹھ ماہ، جولائی تا فروری 2016 کے دوران 8.363 بلین ڈالر رہی جبکہ گزشتہ مالی سال کے پہلے آٹھ ماہ کے عرصے میں برآمد 9.166 بلین ڈالر تھی جو کہ 8.76 فیصد تک کم ہیں۔ پاکستان کے شاریات بیورو نے جو تجارت کے اعداد و شمار جاری کئے ہیں اس کے مطابق خام کپاس کی برآمدات ماہ جولائی تا فروری 2016 کے دوران 74.427 بلین ڈالر رہی جبکہ گزشتہ مالی سال کے پہلے آٹھ ماہ کے عرصے میں برآمدات میں 139.337 بلین ڈالر تھی جو کہ 46.58 فیصد تک کمی کی عکاسی کرتے ہیں۔ اسی طرح کاٹن یارن کی برآمدات میں 32.80 فیصد کمی رہی جو کہ 1.333 بلین ڈالر سے کم ہو کر 895.841 ملین ڈالر رہ گئی ہے۔ کاٹن یارن کے علاوہ دوسرے یارن کی برآمدات میں 21 فیصد کمی ہوئی جو کہ 29.501 بلین ڈالر سے کم ہو کر 23.248 ملین ڈالر رہ گئی ہے۔ دنیا کے کپڑوں اور لباس کی تجارت میں پاکستان کا حصہ ایک ڈالر فی ٹن ہے۔ 2.2 فیصد تک کم ہو کر 1.7 فیصد تک رہ گیا ہے جو کہ ایک اندازے کے مطابق ولڈ ٹریڈ 718 بلین ڈالر ہے جبکہ علاقائی ترقیوں نے زیادہ سے زیادہ مارکیٹ شیئر پر قبضہ کیا ہے۔ جیسے کہ بنگلادیش کا حصہ 1.9 فیصد سے بڑھ کر 3.3 فیصد آ گیا ہے اور بھارت کا حصہ اسی عرصے میں 3.4 فیصد سے بڑھ کر 4.7 فیصد تک چلا گیا ہے۔

مقامی مارکیٹ میں حالات بھی بہت اچھے نہیں ہیں سستے بھارتی یارن کی مسلسل درآمدات کی وجہ سے مقامی صنعت کو ایک منافع بخش انداز میں چلانے میں دشواری ہو رہی ہے جبکہ زیادہ تر کمپنیاں نہ منافع نہ نقصان کی بنیاد پر کام کرنے کے کوشش کر رہی ہیں۔

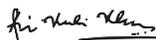
مستقبل کے نقطہ نظر

اچانے یارن بنانے والی کمپنیوں کی حالت زار کے متعلق کئی عوامل کی نشاندہی کی ہے جس میں لوڈ شیڈنگ کے نام پر توانائی بحران، بجلی اور گیس کے زیادہ نرخ، گیس کی بندش، جی آئی ڈی سی کا نفاذ، ہیلتھ ٹیکس اور انکم ٹیکس کی رقم کی واپسی، برآمدات کے سلسلے میں وفاقی اور صوبائی ٹیکس میں اضافہ اور سستے بھارتی یارن کی درآمد، کاروبار کی لاگت میں بے مثال اضافے کے ذمہ دار ہیں۔ ان عوامل کی وجہ سے پنجاب میں 35 ٹیکسٹائل کے کارخانے بند پڑے ہیں جس کی وجہ سے پیداواری صلاحیت 70 فیصد کم ہو کر رہ گئی ہے۔ اگرچہ صنعتوں اور سروس کے شعبے والے لوگ یا کمپنیاں دیگر شعبوں مثلاً تھوک، پرچون، اور زراعت کے مقابلے میں ٹیکس وصولی کا تقریباً 98 فیصد ادا کر رہے ہیں، جبکہ صنعتی اور سروس کے شعبوں کو گورنمنٹ کی طرف سے سہولیات فراہم نہیں کی جا رہی ہیں۔ بلکہ ان کی بقا کو ان اقدامات کی وجہ سے مشکل سے مشکل تر بنایا جا رہا ہے جو کہ سمجھ سے باہر ہیں جیسے بھارت سے تقریباً ڈیوٹی فری یارن اور کپڑے کی درآمد کی اجازت دی گئی اور جی آئی ڈی سی کا نفاذ۔ موجودہ منظر نامے میں نتائج اگلے سہ ماہی میں زیادہ بہتر ہونے کا امکان نہیں ہے۔ جبکہ کمپنی کی انتظامیہ اور ڈائریکٹرز باقی مہینوں میں بہتر سے بہتر نتائج کی امید رکھتے ہیں اور کمپنی کے منافع کو زیادہ سے زیادہ حاصل کرنے کے لئے اپنی بہترین کوشش کرتے رہیں گے۔

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 گزشتہ سال کے نو ماہ کے مقابلے میں بہتر نتائج حاصل کرنے پر شاباش دیتا ہے۔ اور امید کرتا ہے کہ مستقبل میں اسی لگن اور محنت سے کام کرتے رہیں گے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے



لیفٹیننٹ جنرل (ریٹائرڈ)

علی قاسم خان خانک

چیف ایگزیکٹو آفیسر

تاریخ: 28 اپریل 2016

Janana De Malucho Textile Mills Ltd.
Condensed Interim Balance Sheet As At March 31, 2016

		Mar. 31, 2016	June 30, 2015
	Note	Un-audited Rupees in thousand	Audited
ASSETS			
Non-current Assets			
Property, plant and equipment	6	2,260,041	2,265,866
Long term investments	7	176,477	202,278
Loans to employees		2,321	2,395
Security deposits		1,029	1,029
		2,439,868	2,471,568
Current Assets			
Stores, spares and loose tools		57,625	73,339
Stock-in-trade		665,373	658,518
Trade debts - unsecured, considered good		68,046	36,777
Advances to employees		4,734	3,196
Advance payments		40,569	28,220
Trade deposits and prepayments		8,076	991
Other receivables		1,912	4,710
Sales tax refundable		33,809	32,800
Income tax refundable, advance tax and tax deducted at source		84,987	92,773
Cash and bank balances		11,710	84,723
		976,841	1,016,047
TOTAL ASSETS		3,416,709	3,487,615
EQUITY AND LIABILITIES			
Equity			
Authorised capital		200,000	200,000
Issued, subscribed and paid-up capital		47,848	47,848
Reserves		389,983	389,983
Unappropriated profit		629,029	606,328
Shareholders' Equity		1,066,860	1,044,159
Surplus on Revaluation of Property, Plant and Equipment		1,253,992	1,265,587
LIABILITIES			
Non-current Liabilities			
Staff retirement benefits - gratuity		117,948	108,911
Deferred taxation		262,381	265,544
		380,329	374,455
Current Liabilities			
Trade and other payables	8	144,189	197,828
Accrued mark-up		10,970	8,287
Short term finances		544,625	572,609
Taxation	9	14,530	23,476
Preference shares redemption account		1,214	1,214
		715,528	803,414
Total Liabilities		1,095,857	1,177,869
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		3,416,709	3,487,615

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


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


Gohar Ayub Khan
Director

Janana De Malucho Textile Mills Ltd.

Condensed Interim Profit And Loss Account (Un-Audited) For The Quarter And Nine Months Ended March 31, 2016

	Note	For the 3rd Quarter		Cumulative	
		Jan. - Mar., 2016	Jan. - Mar., 2015	Jul. - Mar., 2016	Jul. - Mar., 2015
----- Rupees in thousand -----					
Sales - net		587,923	791,750	1,850,689	1,934,775
Cost of Sales		532,077	732,938	1,719,768	1,795,487
Gross Profit / (Loss)		55,846	58,812	130,921	139,288
Distribution Cost		4,581	3,899	11,595	10,882
Administrative Expenses		20,770	19,748	63,039	59,909
Other Expenses		19	0	676	5,556
Other Income		(1,199)	(424)	(3,780)	(1,870)
		24,171	23,223	71,530	74,477
Profit from Operations		31,675	35,589	59,391	64,811
Finance Cost		11,547	18,366	36,117	57,621
		20,128	17,223	23,274	7,190
Share of Profit / (Loss) of Associated Companies - net	7	0	0	4,635	(5,867)
Profit before Taxation		20,128	17,223	27,909	1,323
Taxation					
- current	9.2	3,817	7,918	14,530	17,576
- prior year		0	0	18	(119)
- deferred		1,256	(9,451)	(3,162)	(24,264)
		5,073	(1,533)	11,386	(6,807)
Profit after Taxation		15,055	18,756	16,523	8,130
Other Comprehensive Income		0	0	0	0
Total Comprehensive Income for the Period		15,055	18,756	16,523	8,130
----- Rupees -----					
Earnings per Share		3.15	3.92	3.45	1.70

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


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


Gohar Ayub Khan
Director

Janana De Malucho Textile Mills Ltd.

Condensed Interim Cash Flow Statement (Un-Audited) For The Nine Months Ended March 31, 2016

	Nine months ended	
	Mar. 31, 2016	Mar. 31, 2015
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation and share of profit / (loss) on investments in Associated Companies	23,274	7,190
Adjustments for non-cash charges and other items:		
Depreciation	51,253	53,181
Provision for obsolete generator's parts	0	5,556
Gain on sale of fixed assets	(446)	(1,485)
Staff retirement benefits - gratuity (net)	9,037	2,322
Finance cost	36,117	57,621
	119,235	124,385
Profit before working capital changes		
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	15,714	(12,075)
Stock-in-trade	(6,855)	180,158
Trade debts	(31,269)	676
Loans and advances to employees	(1,464)	1,436
Advance payments	(12,349)	(1,042)
Trade deposits and prepayments	(7,085)	(53,451)
Due from Associated Companies	0	2,625
Other receivables	2,798	0
Sales tax refundable	(1,009)	(6,002)
Decrease in trade and other payables	(54,901)	(39,149)
	(96,420)	73,176
Cash generated from operations	22,815	197,561
Taxes paid	(15,709)	(26,775)
Net cash generated from operating activities	7,106	170,786
Cash flow from investing activities		
Fixed capital expenditure	(45,627)	(16,504)
Sale proceeds of fixed assets	645	2,440
Dividend received	2,195	0
Defence savings certificates redeemed / (purchased)	30,000	(30,000)
Net cash used in investing activities	(12,787)	(44,064)
Cash flow from financing activities		
Term finance certificates repaid	0	(23,173)
Short term finances - net	(27,984)	(89,546)
Finance cost paid	(33,434)	(63,998)
Cash dividend paid	(5,914)	(11,169)
Net cash used in financing activities	(67,332)	(187,886)
Net decrease in cash and cash equivalents	(73,013)	(61,164)
Cash and cash equivalents - at beginning of the period	84,723	67,082
Cash and cash equivalents - at end of the period	11,710	5,918

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


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


Gohar Ayub Khan
Director

Janana De Malucho Textile Mills Ltd.

Condensed Interim Statement of Changes in Equity (Un-Audited) For The Nine Months Ended March 31, 2016

Share capital	Reserves					Unappropriated profit	Total
	Capital			Revenue			
	Capital redemption	Tax holiday	Share premium	General	Sub-total		

----- Rupees in thousand -----

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.1.50 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
Balance as at June 30, 2014 (audited)	47,848	6,694	350	11,409	371,530	389,983	585,489	1,023,320
Transaction with owners:								
Cash dividend at the rate of Rs.3 per ordinary share for the year ended June 30, 2014	0	0	0	0	0	0	(14,354)	(14,354)
Total comprehensive income for the period ended March 31, 2015	0	0	0	0	0	0	8,130	8,130
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	12,027	12,027
- upon obsolescence of revalued assets	0	0	0	0	0	0	421	421
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	60	60
Balance as at March 31, 2015 (un-audited)	47,848	6,694	350	11,409	371,530	389,983	591,773	1,029,604

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


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


Gohar Ayub Khan
Director

Janana De Malucho Textile Mills Ltd.

Notes To The Condensed Interim Financial Information (Un-Audited) For The Nine Months Ended March 31, 2016

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 and its shares are quoted on Karachi Stock Exchange Ltd. (now 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

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance). It has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim financial reporting' and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information does not include all the information required for annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2015.

3. Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2015.

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, 2015 and are considered to be relevant to the Company's operations.

- (a) IFRS 12, 'Disclosure of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.
- (b) IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

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

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 01, 2015, 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..

Janana De Malucho Textile Mills Ltd.

5. Accounting Estimates, Judgments and Financial Risk Management

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.

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, 2015.

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, 2015.

6. Property, Plant and Equipment

	Note	Un-audited Mar. 31, 2016 (Rupees in thousand)	Audited June 30, 2015
Book value as at June 30, 2015		2,265,866	
Additions during the period:			
- plant & machinery		44,284	
- furniture & fixtures		352	
- office & other equipment		91	
- arms		900	
		45,627	
Book value of vehicles sold during the period		(199)	
Depreciation charge for the period		(51,253)	
Book value as at March 31, 2016		2,260,041	

7. Long term investments

Investments in Associated Companies	7.1	176,477	172,278
Defence Savings Certificates (DSCs) - cost	7.3	0	30,000
		176,477	202,278

7.1 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		87,647	99,573
Loss for the period / year - net of taxation		(1,176)	(13,768)
Share of other comprehensive income - net of taxation		0	706
	c/f	97,444	97,484

Janana De Malucho Textile Mills Ltd.

	Un-audited Mar. 31, 2016 (Rupees in thousand)	Audited June 30, 2015
b/f	97,444	97,484
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	67,720	62,224
Profit for the period / year - net of taxation	5,811	4,841
Share of other comprehensive income - net of taxation	0	32
Dividend received during the period	(2,195)	0
	79,033	74,794
	176,477	172,278

- 7.2 (a)** Market value of the Company's investments in BCM and BWM as at March 31, 2016 was Rs.22.325 million (June 30, 2015: Rs.23.450 million) and Rs.31.921 million (June 30, 2015: Rs.37.233 million) respectively.
- (b)** The management intends to carry-out impairment testing of its investments in BCM and BWM as at June 30, 2016.
- 7.3** These DSCs have been encashed during the period to meet the Company's financing requirements.

8. Trade and other payables

Creditors	34,150	68,194
Bills payable against imported plant and machinery	0	16,008
Advance payments	184	184
Accrued expenses	86,136	90,183
Tax deducted at source	1,333	1,259
Due to Waqf-e-Kuli Khan	4,666	4,818
Security deposits repayable on demand - interest free	112	112
Workers' (profit) participation fund	191	1,339
Workers' welfare fund	13,369	12,904
Unclaimed dividends	4,000	2,737
Others	48	90
	144,189	197,828

Janana De Malucho Textile Mills Ltd.

9. Taxation

- 9.1** Income tax assessments of the Company have been completed upto the tax year 2015 i.e. accounting year ended June 30, 2015.
- 9.2** Provisions for the current period and preceding year represent minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance).
- 9.3** 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.
- 9.4** The Income Tax Department (the Department) has charged tax aggregating Rs.6.995 million under sections 161/236 G & H of the Ordinance for the tax year 2015 against which the Company has filed an appeal before the Commissioner Inland Revenue (Appeals), Lahore, which is pending adjudication.
- 9.5** The Company's case for tax year 2014 has been selected for audit under section 177 of the Ordinance during September, 2015. The Company has filed the information required by the Department and the proceedings are pending.
- 9.6** Except for the above matters, no significant change occurred during the period in the status of taxation matters as detailed in note 23 to the financial statements of the Company for the year ended June 30, 2015.

10. Contingencies and Commitments

- 10.1** Counter guarantee given by the Company to a commercial bank outstanding as at March 31, 2016 was for Rs.75 million (June 30, 2015: Rs.75 million).
- 10.2** The Company had received a show cause notice dated June 02, 2015 issued by the Deputy Commissioner Inland Revenue, Lahore wherein the Company was directed to make payment of Rs. 6.766 million as sales tax. The Commissioner Inland Revenue (Appeals), Lahore, during the period, vide his order dated December 29, 2015 has annulled the said order.
- 10.3** The Company, by filing a writ petition before the Peshawar High Court (PHC), has challenged the Notification issued by the Government of Khyber Pakhtunkhwa (KPK) dated August 12, 2015 to the extent of its retrospective application with effect from July 01, 2014. The Government of KPK, through the said Notification, has fixed minimum wages for unskilled workers working in the industrial and commercial establishments in the Province at Rs.12,000/- per month. An adverse judgment by PHC will create additional wage liabilities aggregating Rs.11 million approximately. The petition is pending adjudication.
- 10.4** The Company has challenged the levy of Gas Infrastructure Development Cess (GIDC) by filing a petition before the 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, 2016, has raised GIDC demands aggregating Rs.174.618 million, which are payable in case of an adverse judgement by the PHC. The petition before the PHC is pending adjudication.
- 10.5** Except for the above matters, no significant change occurred during the period in the status of contingencies as detailed in note 25 to the financial statements of the Company for the year ended June 30, 2015.
- 10.6** Refer contents of notes 9.3 and 9.4.

Janana De Malucho Textile Mills Ltd.

	Un-audited	Audited
	Mar. 31,	June 30,
	2016	2015
	(Rupees in thousand)	
10.7 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:		
- stores and spares	1,297	2,177
- raw materials	112,280	111,147
	113,577	113,324
	113,577	113,324

11. Transactions with Related Parties

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

Name	Nature of transaction	Cumulative	
		Jul. - Mar., 2016	Jul. - Mar., 2015
(Rupees in thousand)			
Babri Cotton Mills Ltd.	Dividend paid	511	1,023
	Sale of used spare part	409	0
Bannu Woollen Mills Ltd.	Dividend paid	2,339	4,678
	Dividend received	2,195	0
	Sale of raw material	2,143	0
Bibojee Services (Pvt.) Ltd.	Dividend paid	843	1,687
Gammon Pakistan Ltd.	Rent paid	75	0

11.2 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.

12. 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 28, 2016.

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.


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


Gohar Ayub Khan
Director

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