

**Nine Month
Accounts
March
2015**

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 MRS. ZEB GOHAR AYUB MRS. SHAHNAZ SAJJAD AHMAD DR. SHAHEEN KULI KHAN CH.SHER MUHAMMAD BRIG. (RETD) ABDUL SAMAD KHAN	Chairman
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. RAZA KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA CH.SHER MUHAMMAD	Chairman Member 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	HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE	
REGISTRARS & SHARES REGISTRATION OFFICE	MANAGEMENT & REGISTRATION SERVICES (PVT) LTD. BUSINESS EXECUTIVE CENTRE, F/17/3, BLOCK 8, CLIFTON, KARACHI TEL. 021-35375127-29, FAX. 021-35820325 EMAIL registrationservices@live.co.uk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) TEL. 0922 - 862161 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com WEB SITE: www.jdm.com.pk	

Janana De Malucho Textile Mills Ltd.

DIRECTORS REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I feel pleasure in presenting the un-audited financial statements of the Company for the 3rd quarter & nine months ended 31st March 2015.

FINANCIAL HIGHLIGHTS

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

	Third Quarter		Cumulative	
	Jan. – Mar.		Jul. – Mar.	
	2015	2014	2015	2014
	----- Rs. in million -----			
Sales	791.750	601.009	1,934.775	2,097.008
Gross profit	58.812	82.655	139.288	403.064
Profit from operations	35.589	62.539	64.811	314.352
Profit before taxation	17.223	36.134	1.323	283.204
Profit after taxation	18.756	31.982	8.130	189.089
	----- Rupees -----			
Earnings per share	3.92	6.68	1.70	39.52

During the nine months ended 31st March, 2015 the turnover of the Company has decreased by 8% as compared to previous nine months which has decreased gross profit sharply for the current period as compared to profit for the last period. Main reason for this reduction was dumping of 50,000,000 kgs cheap duty-free Indian yarn & cheaper grey cloth predominantly fine counts which is hurting the local textile and grey cloth industry very badly. India has imposed 10 percent customs duty on yarn import besides 12 percent CVD and 4 percent Special CVD, which brings the cumulative impact of 30 percent to block the import of yarn into India. Pakistan yarn market is already in a glut with the yarn of local spinning units. The import of Indian yarn resulted into decrease in quantum of sales and steep decline in gross profit & EPS. This phenomenon has decreased the sale rate by about Rs.18.29 per lbs i.e. decrease of about 10% in sale rates of the current nine months period which has reduced the sales by 47.962 million. Manufacturing expenses have increased by Rs.22.816 million mainly due to increase in power tariff and increase in minimum wage rate from Rs.10,000 to Rs.12,000. Finance Cost has also increased by Rs.5.152 million due to optimum utilization of short term finance facilities to finance the working capital in the event of drastic reduction in sales.

GENERAL MARKET CONDITION

The industry is under severe pressure as the electricity rates have been increased by 61 percent in one year and gas supplies were squeezed for majority of the textile

Janana De Malucho Textile Mills Ltd.

units. Increase in wage is not linked with the productivity. Only these two factors will increase the cost of production by about Rs.75 million in one year. Further, the Government is planning to impose sales tax on raw cotton in budget 2015-16 which would prove last straw on camel's back. But your management is still holding the ground and putting in the best efforts to run the Company in a profitable manner by adopting all sorts of opportunities it can have.

FUTURE OUTLOOK

We cannot comprehend the reasons and benefits of the decision of the Pakistan Government with regard to the decision of allowing almost free import of Indian yarn and grey cloth into Pakistan because this decision is thoroughly impacting the yarn prices. Severe energy shortages and high cost of doing business, which have stalled fresh investment in manufacturing sector for some years, have now brought the country's textile industry to a point where large-scale bankruptcies cannot be ruled out. While the growing energy shortage has led to the closure of almost one-third of the country's textile and clothing (T & C) manufacturing capacity and adversely affected its reputation as a credible supply source, its exports are becoming dearer than those from its regional rivals – China, Bangladesh and India – owing to rising energy, credit and labour costs. The cut in output has also added to the cost of doing business. Although the recent decline in global oil prices has helped bring down domestic transportation prices, its impact on the industry's overall cost of sales is minimal. However your management will strive to achieve positive results and make all the efforts to maintain profit margins by using every source on its disposal.

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 these results. We look forward to same dedication and cooperation from them in the future as well.

For on behalf of the board


RAZA KULI KHAN KHATTAK
Chairman

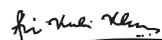
Dated: 30th April, 2015

Janana De Malucho Textile Mills Ltd.

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

		March 31, 2015	June 30, 2014
	Note	Un-audited Rupees in thousand	Audited
ASSETS			
Non-current Assets			
Property, plant and equipment	6	2,281,265	2,324,453
Long term investments	7	202,933	178,740
Loans to employees		2,545	4,400
Security deposits		1,029	1,029
		2,487,772	2,508,622
Current Assets			
Stores, spares and loose tools		61,101	49,026
Stock-in-trade		591,624	771,782
Trade debts - unsecured, considered good		40,379	41,055
Advances to employees		3,410	2,991
Advance payments		28,132	27,090
Trade deposits and prepayments		58,222	4,771
Due from Associated Companies		7,652	10,277
Sales tax refundable		24,394	18,392
Income tax refundable, advance tax and tax deducted at source		75,421	75,761
Cash and bank balances		5,918	67,082
		896,253	1,068,227
TOTAL ASSETS		3,384,025	3,576,849
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		591,773	585,489
Shareholders' Equity		1,029,604	1,023,320
Term Finance Certificates		0	9,269
Surplus on Revaluation of Property, Plant and Equipment		1,265,049	1,277,496
LIABILITIES			
Non-current Liabilities			
Staff retirement benefits - gratuity	8	106,461	104,139
Deferred taxation		270,942	295,207
		377,403	399,346
Current Liabilities			
Trade and other payables	9	128,516	164,480
Accrued mark-up		17,724	24,101
Short term finances		546,939	636,485
Current portion of term finance certificates		0	13,904
Taxation	10	17,576	27,234
Preference shares redemption account		1,214	1,214
		711,969	867,418
Total Liabilities		1,089,372	1,266,764
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		3,384,025	3,576,849

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



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



Mushtaq Ahmad Khan, FCA
Director

Janana De Malucho Textile Mills Ltd.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015

	Note	For the 3rd Quarter		Cumulative	
		Jan. - Mar., 2015	Jan. - Mar., 2014	Jul. - Mar., 2015	Jul. - Mar., 2014
----- Rupees in thousand -----					
Sales - net		791,750	601,009	1,934,775	2,097,008
Cost of Sales		732,938	518,354	1,795,487	1,693,944
Gross Profit		58,812	82,655	139,288	403,064
Distribution Cost		3,899	2,746	10,882	11,523
Administrative Expenses		19,748	17,471	59,909	54,877
Other Expenses	12	0	35	5,556	23,697
Other Income		(424)	(136)	(1,870)	(1,385)
		23,223	20,116	74,477	88,712
Profit from Operations		35,589	62,539	64,811	314,352
Finance Cost		18,366	26,405	57,621	52,469
		17,223	36,134	7,190	261,883
Share of (Loss) / Profit of Associated Companies - net	7.1	0	0	(5,867)	21,321
Profit before Taxation		17,223	36,134	1,323	283,204
Taxation					
- current	10.4	7,918	8,188	17,576	28,188
- prior year		0	0	(119)	(57)
- deferred		(9,451)	(4,036)	(24,264)	65,984
		(1,533)	4,152	(6,807)	94,115
Profit after Taxation		18,756	31,982	8,130	189,089
Other Comprehensive Income		0	0	0	0
Total Comprehensive Income for the Period		18,756	31,982	8,130	189,089
----- Rupees -----					
Earnings per Share		3.92	6.68	1.70	39.52

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


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

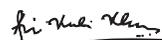

Mushtaq Ahmad Khan, FCA
Director

Janana De Malucho Textile Mills Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Nine months ended	
	Mar. 31, 2015	Mar. 31, 2014
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation and share of profit of Associated Companies	7,190	261,883
Adjustments for non-cash charges and other items:		
Depreciation	53,181	50,395
Provision for obsolete generator's parts	5,556	0
Gain on sale of vehicles	(1,485)	0
Staff retirement benefits - gratuity (net)	2,322	9,548
Restructuring cost balance amortised	0	(278)
Finance cost - net	57,621	52,469
Profit before working capital changes	124,385	374,017
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(12,075)	(37,626)
Stock-in-trade	180,158	(449,884)
Trade debts	676	(42,604)
Loans and advances to employees	1,436	(1,996)
Advance payments	(1,042)	2,543
Trade deposits and prepayments	(53,451)	(49,716)
Due from Associated Companies	2,625	10,555
Other receivables	0	1,818
Sales tax refundable	(6,002)	(5,281)
Decrease in trade and other payables	(39,149)	(37,378)
	73,176	(609,569)
Cash generated from / (used in) operations	197,561	(235,552)
Taxes paid	(26,775)	(19,585)
Net cash generated from / (used in) operating activities	170,786	(255,137)
Cash flow from investing activities		
Fixed capital expenditure	(16,504)	(73,616)
Sale proceeds of vehicles	2,440	0
Defence savings certificates purchased	(30,000)	0
Net cash used in investing activities	(44,064)	(73,616)
Cash flow from financing activities		
Term finance certificates repaid	(23,173)	(25,490)
Demand finances repaid	0	(29,329)
Short term finances - net	(89,546)	425,092
Preference shares redeemed	0	(1)
Finance cost paid	(63,998)	(30,007)
Cash dividend paid	(11,169)	0
Net cash (used in) / generated from financing activities	(187,886)	340,265
Net (decrease) / increase in cash and cash equivalents	(61,164)	11,512
Cash and cash equivalents - at beginning of the period	67,082	13,420
Cash and cash equivalents - at end of the period	5,918	24,932

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



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



Mushtaq Ahmad Khan, FCA
Director

Janana De Malucho Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	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, 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	0	0	0	0	0	0	(14,354)	(14,354)
Total comprehensive income for the period ended March 31, 2015:								
- profit for the period	0	0	0	0	0	0	8,130	8,130
- other comprehensive income	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	8,130	8,130
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation):								
- on account of incremental depreciation for the period	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
Balance as at June 30, 2013 (audited and restated)	47,848	6,694	350	11,409	371,530	389,983	404,780	842,611
Total comprehensive income for the period ended March 31, 2014:								
- profit for the period	0	0	0	0	0	0	189,089	189,089
- other comprehensive income	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	189,089	189,089
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)								
on account of incremental depreciation for the period	0	0	0	0	0	0	12,520	12,520
Effect of items directly credited in equity by Associated Companies								
	0	0	0	0	0	0	(4,994)	(4,994)
Balance as at March 31, 2014 (un-audited and restated)	47,848	6,694	350	11,409	371,530	389,983	601,395	1,039,226

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


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


Mushtaq Ahmad Khan, FCA
Director

Janana De Malucho Textile Mills Ltd.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

1. Legal Status and Operations

Janana De Malucho Textile Mills Ltd. (the Company) was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Karachi Stock Exchange Ltd. It 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

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, 2014.

3. Significant Accounting Policies

The accounting policies 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, 2014.

4. Changes in Accounting Standards and Interpretations

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

The amendments to following standards have been adopted by the Company for the first time for financial year beginning on July 01, 2014:

- (a) IAS 32 (Amendment) 'Financial Instruments: Presentation', is applicable on accounting periods beginning on or after January 01, 2014. This amendment updates the application guidance in IAS 32 'Financial Instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet date. The Company has applied this amendment from July 01, 2014 and does not expect to have a material impact on its financial statements.
- (b) IAS 36 (Amendment) 'Impairment of Assets', is applicable on accounting periods beginning on or after January 01, 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The Company has applied this amendment from July 01, 2014 and this will only affect the disclosures in the Company's financial statements in the event of impairment.

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

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 01, 2014 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

Janana De Malucho Textile Mills Ltd.

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

The following are the new standards and amendments to existing approved accounting standards that will be effective for the periods beginning January 1, 2015 that may have an impact on the financial statements of the Company.

- (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.

5. Accounting Estimates and Judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2014.

6. Property, Plant and Equipment

		Un-audited Mar. 31, 2015	Audited June 30, 2014
	Note	(Rupees in thousand)	
Operating fixed assets - tangible	6.1	2,281,265	2,309,742
Capital work-in-progress		0	1,421
Stores held for capital expenditure		0	13,290
		2,281,265	2,324,453

6.1 Operating fixed assets - owned

Book value as at June 30, 2014 2,309,742

Additions during the period including transfers
from capital work-in-progress:

- building - factory	3,286
- building - residential (workers)	4,991
- plant & machinery	2,230
- generators	14,559
- workshop equipment	928
- furniture & fixtures	512
- office & other equipment	226
- vehicles	4,445
- arms	38
	31,215

Book value of:

- disposals of vehicles made during the period	(955)
- transfer of one gas generator's parts to stores and spares inventory during the period	(5,556)

(6,511)

Depreciation charge for the period (53,181)

Book value as at March 31, 2015 **2,281,265**

Janana De Malucho Textile Mills Ltd.

		Un-audited Mar. 31, 2015 (Rupees in thousand)	Audited June 30, 2014
7. Long term investments			
Investments in Associated Companies	7.1	172,933	178,740
Defence Savings Certificates	7.3	30,000	0
		202,933	178,740
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		98,456	85,175
(Loss) / profit for the period / year - net of taxation		(10,138)	13,194
Share of other comprehensive loss - net of taxation		0	(752)
		99,291	108,590
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		61,674	52,716
Profit for the period / year - net of taxation		4,271	10,131
Share of other comprehensive loss - net of taxation		0	(394)
		73,642	70,150
		172,933	178,740
7.2 Market value of the Company's investments in BCM and BWM as at March 31, 2015 was Rs.24.669 million (June 30, 2014: Rs.42.893 million) and Rs.29.550 million (June 30, 2014: Rs.54.945 million) respectively.			
7.3 These represent 30 Defence Savings Certificates (DSCs), having face value of Rs.one million each, purchased during the current period with maturity period of 10 years.			
8. Staff retirement benefits - gratuity			
Benefits paid during the current period include partial payment of gratuity benefits to Executive Director Technical amounting Rs.10 million.			
9. Trade and other payables			
Creditors		30,435	23,997
Bills payable		0	19,642
Advance payments		184	184
Accrued expenses		79,614	90,656
Tax deducted at source		2,764	1,097
Due to Waqf-e-Kuli Khan		4,210	4,543
Security deposits repayable on demand - interest free		112	112
Workers' (profit) participation fund		0	12,389
Workers' welfare fund		11,746	11,746
Dividend payable		3,185	0
Others		165	114
		132,415	164,480

Janana De Malucho Textile Mills Ltd.

10. Taxation

- 10.1** Except for the matter detailed in note 10.2, there has been no significant change in the status of tax cases as detailed in the note 26 to the audited financial statements of the Company for the year ended June 30, 2014.
- 10.2** The Commissioner Inland Revenue - Appeals [CIR(A)], has decided the appeal for the tax year 2008 and upheld the order of the Department. Since no relief has been allowed by the CIR(A), the Company has filed an appeal before the Appellate Tribunal Inland Revenue against order of the CIR(A), which is pending adjudication.
- 10.3** Due to location of the mills in the most affected area, the income of the Company was exempt from tax under clause 126F of the second schedule to the Income Tax Ordinance, 2001 (the Ordinance) starting from the tax year 2010. As per management's contention, exemption available under clause 126F was a specific exemption granted by the Federal Board of Revenue to the specific areas of Khyber Pakhtunkhwa. The Company has filed a writ petition before the Islamabad High Court, Islamabad, praying exemption from levy of minimum tax under section 113 of the Ordinance, which is still pending adjudication. The Peshawar High Court, Peshawar, in an identical writ petition concerning exemption of minimum tax filed by a Group Company, had granted exemption from levy of minimum tax. The management is confident that Islamabad High Court will also grant exemption from levy of minimum tax; accordingly, no provision for minimum tax for the financial year ended June 30, 2012 was made in the books of account as well as provisions for minimum tax made during the financial years ended June 30, 2010 and June 30, 2011 aggregating Rs.28.655 million were written-back in the books of account. An adverse judgment by the Islamabad High Court will create tax liability under section 113 of the Ordinance aggregating Rs.51.828 million.
- 10.4** Provision for the current period represents minimum tax payable under section 113 of the Ordinance net of tax credit for investment in plant & machinery under section 65B of the Ordinance amounting Rs.1.772 million.

11. Contingencies and Commitments

- 11.1** There has been no significant change in the status of contingencies as reported in the audited financial statements of the Company for the year ended June 30, 2014.
- 11.2** Counter guarantee given by the Company to a commercial bank outstanding as at March 31, 2015 was for Rs.75 million (June 30, 2014: Rs.60 million).
- 11.3** The Company, during the current period, has challenged the levy of Gas Infrastructure Development Cess (GIDC) by filing a petition before the Peshawar High Court, Peshawar (PHC). The PHC has stayed the levy / cess charged through GIDC and the Respondents were directed to submit their comments. Earlier, the Supreme Court of Pakistan had dismissed the appeal of Federation on the same matter on August 22, 2014, wherein it was held that the levy under the GIDC Act, 2011 was not covered under any entry relating to the imposition or levy of a tax as envisaged in the Constitution.
Sui Northern Gas Pipelines Ltd., along with gas bill for the month of March, 2015, has raised GIDC demands aggregating Rs.75.560 million, which is payable along with interest subject to order of the Court / Authority. The petition before the PHC is pending adjudication.
- 11.4** The Company has filed a writ petition before the PHC against the Government of Khyber Pakhtunkhwa and Others in respect of minimum wages Notification dated September 09, 2014 whereby minimum wages of workers were enhanced upto Rs.15,000 per month. The PHC has admitted the writ petition and granted an interim order against the enhancement of minimum wages. An adverse judgment by the PHC will create additional wage liabilities aggregating Rs.25.296 million approximately.

Janana De Malucho Textile Mills Ltd.

Un-audited Audited
Mar. 31, June 30,
2015 2014
(Rupees in thousand)

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

- stores and spares	906	4,554
- raw materials	172,465	28,846
	173,371	33,400

11.6 Refer contents of note 10.3.

12. Other Expenses

	Cumulative	
	Jul. - Mar., 2015	Jul. - Mar., 2014
(Rupees in thousand)		
Donations (without directors' interest)	0	1,080
Donation to Waqf-e-Kuli Khan	0	5,480
Workers' (profit) participation fund	0	12,418
Workers' welfare fund	0	4,719
Provision against obsolete generator's parts	5,556	0
	5,556	23,697

13. Transactions with Related Parties

Name	Nature of relationship	Nature of transaction	Cumulative	
			July - Mar., 2015	July - Mar., 2014
Babri Cotton Mills Ltd.	Associated Company	Utilities:		
		- paid	68	14
		- received	1,088	528
Bannu Woollen Mills Ltd.	-do-	Dividend paid	1,023	0
		Utilities paid	266	125
		Salaries paid on behalf	235	120
		Mark-up earned	0	214
		Purchase of goods	0	5,442
Bibojee Services (Pvt.) Ltd.	-do-	Mark-up earned	0	395
		Dividend paid	1,687	0

No other 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.

14. Financial Risk Management

14.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the Company's financial statements for the year ended June 30, 2014. There have been no significant changes in the risk management policies since the year-end.

Janana De Malucho Textile Mills Ltd.

14.2 Fair Value Estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

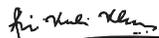
15. Date of Authorisation for Issue

This condensed interim financial information was authorised for issue on April 30, 2015 by the Board of Directors of the Company.

16. Corresponding Figures

16.1 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.

16.2 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



Mushtaq Ahmad Khan, FCA
Director

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