

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK Chairman 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	
AUDIT COMMITTEE	MR. RAZA KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA	Chairman Member Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Gen. Manager Finance & Corporate Affairs	
AUDITORS	M/S HAMEED CHAUDHRI & CO. Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
REGISTRARS & SHARES REGISTRATION OFFICE	MANAGEMENT & REGISTRATION SERVICES (PVT) LTD. BUSINESS EXECUTIVE CENTRE, F/17/3, BLOCK 8, CLIFTON, KARACHI	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (N.W.F.P) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk janana_textile@hotmail.com WEB SITE: www.bibojee.com www.jdm.com.pk	

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Board of Directors are pleased to present the unaudited financial statements and Directors' report thereon for the nine months ended 31st March 2010. The performance of your company for the nine months ended 31st March 2010 has improved considerably as compared to the corresponding period of the last nine months ended 31st March 2009. The company has earned after tax profit of Rs.2.711 million as compared after tax net loss of Rs. 67.148 million for the nine months ended 31st March 2009 which is commendable improvement.

The comparative nine months results for the period 31-03-2010 vis-à-vis 31-12-2009 are detailed as under:

PARTICULARS	Un-audited July 2009- Mar 2010	Un-audited July 2008- Mar 2009
Sale	962,421	788,972
Cost of Sales:	828,683	749,938
Gross Profit	133,738	39,034
Operating Expenses		
Administrative & Dist. Expenses	29,049	29,995
Other Operating Expenses	4,685	1,175
	33,734	31,170
Operating Profit	100,004	7,864
Other Operating Income	4,267	3,876
	104,271	11,740
Finance Cost	97,954	109,264
	6,317	(97,524)
Share of Profit of Associated Companies	2,803	371
Impairment loss on investment in Associated Companies	(719)	0
	2,084	371
Profit/(Loss) Before Taxation	8,401	(97,153)
Taxation		
- Current	5,012	0
- Deferred	678	(30,005)
	5,690	(30,005)
Profit/(Loss) After Taxation	2,711	(67,148)
Earnings/(Loss) Per Share (Rs.)	Rs 0.60	Rs (21.22)

The Gross profit for the nine months ended 31st March 2010 in terms of %age works out to be 13.90% as compared to 4.95% for the corresponding period of last year due to following factors:

- a) Idle capacity due to gas & electricity shutdown was 4.59% (31-03-2010) viz-a-viz 10.74% (31-03-2009).
- b) Increase in the production was 0.292 million lbs for the nine months ended 31st March 2010.

- c) Due to the prudent production planning & procurement of raw material well in time the Raw Material ratio to sales was 55.56% (31-03-2010) as compared to 60.11% (31-03-2009) in spite of the fact that indigenous cotton prices for the current year has crossed threshold Rs. 6,700/- per maund as compared to Rs. 3,200/- per maund of last year.
- d) During the period under report the increase in production resulted into increased sales revenue to the extent of Rs. 173.449 million mainly due to better sales rates.

In the foreseeable future we can predict commendable improvement in the sale rates of yarn in local as well as export market. However, unilateral increase of electricity and gas charges being increased by the government will definitely hamper the results of the textile units in the coming months. The Ministry of Water & Power has further announced an increase of 18% to 22% in the electricity tariff in the year ending 30th June 2010 and has also predicted a shortfall of 5000 MW which is going to effect production and the sale rates in the end users market. SNGPL is further contemplating to increase the gas prices by about Rs. 86 per MMBTU by the end of June 2010.

On behalf of the Board of Directors I wish to appreciate the deductions and efforts of our employees, workers and management team for making strenuous efforts to keep the company running as profitable unit in a war like conditions of this area and results achieved could not have been possible without their hard work and undeterred high spirit and extremely high zeal.

The financial support of the company's bankers is also gratefully acknowledged. However the financial relief as declared by Prime Minister by way of reduced markup rates to be charged by banks to the industrial units established in the mostly strife torn area which also includes Kohat have been withdrawn by the Government unilaterally without assigning any congenial reasons.

for & on behalf of the Board of Directors
Janana De Malucho Textile Mills Ltd.


(Raza Kuli Khan Khattak)
Chairman

Dated: 30th April, 2010

**COMPREHENSIVE INCOME / (LOSS) (UN-AUDITED)
NINE MONTHS & THIRD QUARTER ENDED 31 MARCH 2010**

	3rd. Quarter ended		CUMULATIVE	
	Jan.-Mar. 2010	Jan.-Mar. 2009	July - Mar. 2010	July - Mar. 2009
	(Rupees in thousand)		(Rupees in thousand)	
(LOSS)/PROFIT AFTER TAX	(7,346)	(25,460)	2,711	(67,148)
OTHER COMPREHENSIVE INCOME:				
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation (net of deferred taxation)	2,162	2,368	6,607	7,112
- realised on disposal of revalued fixed assets (net of deferred taxation)	503	0	7,261	478
Effect of items directly credited in other comprehensive income by the Associated Companies	0	0	3,730	697
Total other comprehensive income for the period	2,665	2,368	17,598	8,287
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(4,681)	(23,092)	20,309	(58,861)

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


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

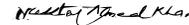

Mushtaq Ahmad Khan, FCA
Director

**CASH FLOW STATEMENT
NINE MONTHS ENDED 31 MARCH, 2010**

	2010	2009
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the half year - before taxation	6,317	(90,413)
Adjustments for non-cash charges and other items:		
Depreciation	38,881	32,599
Loss/(gain) on sale of operating fixed assets	4,649	1,152
Staff retirement benefits - gratuity (net)	29,849	(4,192)
Finance cost	97,954	109,264
CASH FLOW FROM OPERATING ACTIVITIES Before working capital changes	177,650	48,410
Increase/(decrease) in current assets:		
Stores, spares and loose tools	(243)	(623)
Stock-in-trade	(219,165)	64,516
Trade debts	6,866	(13,356)
Advances to employees	206	(379)
Advance payments	(2,448)	(6,990)
Trade deposits and prepayments	(437)	1,623
Sales tax refundable	(1,179)	2,096
Due from Associated Companies	(5,434)	(6,897)
Other receivables	0	3,786
Increase/(decrease) in trade and other payables	(9,228)	39,737
	(231,062)	83,513
CASH INFLOW FROM OPERATING ACTIVITIES - Before taxation	(53,412)	131,923
Taxes paid	(11,991)	(3,069)
CASH INFLOW FROM OPERATING ACTIVITIES - After taxation	(65,403)	128,854
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(50,452)	(29,127)
Sale proceeds of operating fixed assets	9,325	399
Security deposits	(25)	0
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(41,152)	(28,728)
CASH FLOW FROM FINANCING ACTIVITIES		
Demand finances - net	(12,535)	(12,535)
Lease finances - net	0	(1,136)
Short term finances - net	179,723	(21,732)
Preference shares redeemed	0	(1)
Finance cost paid	(60,295)	(60,999)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	106,893	(96,403)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	338	3,723
CASH AND CASH EQUIVALENTS - At the beginning of the period	3,177	5,092
CASH AND CASH EQUIVALENTS - At the end of the period	3,515	8,815

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

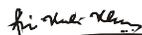

Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director

**STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED 31 MARCH 2010**

	RESERVES						Unappropriated profit / (Accumulated loss)/	Total
	Share capital	Share Premium Reserve	Capital redemption reserve	Tax holiday reserve	General reserve	Sub-total		
-----Rupees in thousands-----								
Balance as at 30 June 2008	31,655	0	6,694	350	121,171	128,215	47,066	206,936
Total comprehensive loss for the half year ended 31 December 2008	0	0	0	0	0	0	(32,573)	(32,573)
Balance as at 31 December 2008	31,655	0	6,694	350	121,171	128,215	14,493	174,363
Total comprehensive loss for the half year ended 30 June 2009	0	0	0	0	0	0	(66,087)	(66,087)
Balance as at 30 June 2009	31,655	0	6,694	350	121,171	128,215	(51,594)	108,276
Total comprehensive income for the nine months ended 31 March 2010	0	0	0	0	0	0	20,309	20,309
Nominal value of ordinary of Rs.10 each issued as other than right @ Rs.20 per share	11,409	11,409	0	0	0	11,409	0	22,818
Balance as at 31 March 2010	43,064	11,409	6,694	350	121,171	139,624	(31,285)	151,403

- The annexed notes form an integral part of these financial statements



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



Mushtaq Ahmad Khan, FCA
Director

**NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL INFORMATION
FOR THE PERIOD NINE MONTHS ENDED 31 MARCH, 2010 (UN-AUDITED)**

1. CORPORATE INFORMATION

Janana De Malucho Textile Mills Limited (the Company) was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. 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 financial information is un-audited and has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. This condensed financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the preceding annual published financial statements of the Company for the year ended 30 June, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation of balances adopted in the preparation of this condensed financial information are the same as those applied in preparation of the annual published financial statements of the Company for the year ended 30 June, 2009 except for the changes mentioned below:-

3.1 IAS 1 (Revised), 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. The financial information has been prepared under the revised disclosure requirements.

3.2 In addition the above, following amendments to standards are mandatory for the first time for financial year beginning on 01 July, 2009 and are also relevant to the Company. The adoption of these amendments does not have significant impact on the condensed financial information of the Company.

- IAS 23 (Amendment) - Borrowing Costs
- IAS 28 (Amendment) - Investment in Associates
- IAS 36 (Amendment) - Impairment of Assets
- IAS 39 (Amendment) - Financial instruments: Recognition and Measurement

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after 01 July, 2009 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in the condensed financial information.

4. SHARES DEPOSIT MONEY

The Company previously announced 300% right issue, which was cancelled with the permission of shareholders in their meeting held on 31 October 2007. Bannu Woollen Mills Ltd. (BWM), however, had advanced money at that time amounting to Rs.22.818 million against the said right issue. This amount of Rs.22.818 million has been adjusted during the current period against issue of 1,140,900 ordinary shares as otherwise than right at price of Rs.20 per share to BWM as approved by the Board of Directors in their meeting held on 06 August, 2009. The price has been fixed in view of the average market price of the Company's share during the preceding six months. The Securities & Exchange Commission of Pakistan, vide its letter Ref.No.EMD/CI/78/08/713 dated 25 November, 2009, has also allowed the Company to issue 1,140,900 ordinary shares at Rs.20 per share under section 86(1) of the Companies' Ordinance, 1984 otherwise than right to BWM against conversion of Shares Deposit Money.

5. FROZEN MARK-UP ON DEMAND FINANCES

5.1 This represents mark-up accrued on demand finances pertaining to the period from 01 October, 2008 to 31 March, 2010. The management intends to issue ordinary & preference shares against this liability and negotiations are on the final stage with National Bank of Pakistan (NBP) to finalize the rescheduling arrangements. The management is of the considered opinion that the rescheduling arrangements will be finalized prior to 30th June 2010.

6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	Un-audited 9 Months ended 31 March, 2010	Audited Year ended 30 June, 2009
Note	Rupees in thousand	
Opening balance	661,613	671,333
Less:		
transferred to unappropriated profit / (accumulated loss) on account of:		
- incremental depreciation for the period / year - net of deferred taxation	(6,608)	(9,481)
- realized on disposal of plant & machinery - net of deferred taxation	(7,261)	(239)
	(13,869)	(9,720)
Closing balance	<u>647,744</u>	<u>661,613</u>
7. DEMAND FINANCES - Secured		
Demand Finance I (DF I)	7.1 201,930	201,930
Demand Finance III (DF III)	7.1 7,177	7,177
Demand Finance IV (DF IV)	7.1 27,500	27,500
Demand Finance V (DF V)	7.1 69,818	69,818
Rescheduled Demand Finance I (RDF I)	11,203	16,005
Rescheduled Demand Finance III (RDF III)	12,889	20,622
	<u>330,517</u>	<u>343,052</u>
Less: current portion grouped under current liabilities	16,713	16,713
	<u>313,804</u>	<u>326,339</u>

(a) These finances have been obtained from NBP against various demand finance facilities aggregating Rs.451 million and are secured against first charge on fixed assets of the Company for Rs.1,099 million. These finances, during the period, carried mark-up at the rates of 14.61% per annum.

(b) As per the revised repayment terms communicated by NBP vide its letter Ref.No.CBIG-N / JDM / 349/2007 dated 14 November, 2007:

DF I is repayable in 14 equal half-yearly installments commencing January, 2009.
DF III is repayable in 6 equal half-yearly installments commencing January, 2009.
DF IV is repayable in 10 equal half-yearly installments commencing January, 2009.
DF V is repayable in 12 equal half-yearly installments commencing January, 2009.

(c) The Company has paid no installment of these finances during the current period and preceding financial year; arrangements with NBP for renewal / rescheduling of these liabilities is under consideration as Communicated by NBP's Corporate Head vide his letter Ref. # CIBG/ISD/106/2009 dated 08 September, 2009. Accordingly current and overdue portion of these finances aggregating Rs.127.127 million (30 June 2009: Rs.72.564 million) have not been grouped under current liabilities.

8. CONTINGENCIES AND COMMITMENTS

8.1 There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June, 2009.

8.2 Commitments for irrevocable letters of credit outstanding as at 31 March, 2010 aggregated Rs.Nil (30 June 2009: 4.234 million).

9. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 9 Months ended 31 March, 2010	Audited Year ended 30 June, 2009
Note	Rupees in thousand	
Operating fixed assets - tangible	9.1 1,452,782	1,497,608
Capital work-in-progress	46,267	3,845
	<u>1,499,049</u>	<u>1,501,453</u>
9.1 Operating fixed assets - tangible		
Opening book value	1,497,608	1,494,346
Additions during the period / year:		
Owened:		
- buildings on freehold land - factory	0	1,286
- plant and machinery	7,895	49,264
- generators	0	6,432
- workshop equipment	0	27
- furniture and fixtures	122	491
- office and other equipment	0	17
- vehicles	0	507
- arm	13	0
	8,030	58,024
Transfer-in to owned vehicles	0	3,561
Transfer-out from leased vehicles	0	(3,561)
Book value of assets disposed-off during the period / year	(13,975)	(1,195)
Depreciation charge for the period / year	(38,881)	(53,567)
Closing book value	<u>1,452,782</u>	<u>1,497,608</u>
10. INVESTMENTS IN ASSOCIATED COMPANIES - Quoted		
Babri Cotton Mills Ltd. (BCM)	10.1	
510,864 ordinary shares of Rs.10 each - cost	10,973	10,973
Equity held: 17.64%		
Post acquisition profit brought forward including effect of items directly credited in other comprehensive income	(3,531)	7,092
Loss for the period / year - net of taxation	77	(10,915)
	7,519	7,150
Bannu Woollen Mills Ltd. (BWM)	10.2	
585,301 ordinary shares of Rs.10 each including 285,146 bonus shares - cost	7,697	7,697
Equity held: 7.70%		
Post acquisition profit brought forward including effect of items directly credited in other comprehensive income	20,989	16,760
Profit for the period / year - net of taxation	2,726	791
	31,412	25,248
Less: impairment loss	22,313	21,594
	<u>16,618</u>	<u>10,804</u>

	<i>Un-audited</i>	<i>Audited</i>
	9 Months ended	Year ended
	31 March,	30 June,
	2010	2009
	Rupees in thousand	
11. TRADE DEPOSITS AND PREPAYMENTS		
Letters of credit	0	28
Prepayments	<u>1,813</u>	<u>1,348</u>
	<u>1,813</u>	<u>1,376</u>
12. DUE FROM ASSOCIATED COMPANIES		
12.1 Due on account of normal trading transactions:		
Rahman Cotton Mills Limited	18,619	18,289
Babri Cotton Mills Limited	5,415	3,425
	<u>24,034</u>	<u>21,714</u>
12.2 Due on account of fund transfers and other transactions:		
Rahman Cotton Mills Limited:		
- mark-up	1,153	1,285
- fund transfers	(4,825)	(6,996)
	<u>(3,672)</u>	<u>(5,711)</u>
Babri Cotton Mills Limited:		
- mark-up	2,377	1,301
- fund transfers	6,404	6,405
	<u>8,781</u>	<u>7,706</u>
	<u>29,143</u>	<u>23,709</u>

13. OTHER OPERATING EXPENSES
Expenses for the period includes loss arisen on disposal of operating fixed assets amounting to Rs.4.650 million.

14. TRANSACTIONS WITH ASSOCIATED COMPANIES AND RELATED PARTIES

14.1 Aggregate transactions made during the period with Associated Companies were as follows:

	<i>Un-audited</i>	
	09 months ended	
	31 March	31 March
	2010	2009
	Rupees in thousand	
- sale of goods and services	2,672	326
- purchase of goods and services	6,700	8,711
- insurance claim received	0	1,315
- residential rent received	99	99
- mark-up:		
- earned	2,566	2,121
- expensed	452	490
- management charges:		
- paid	1,681	1,419
- received	6,026	5,412

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

14.3 Sales, purchases and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for the allocation of expenses relating to combined offices shared with the Associated Companies, which are on the actual basis.

14.4 Trade and other payables include due to Associated Companies aggregating Rs.5,952 thousand (30 June, 2009: Rs.13,540 thousand).

14.5 Accrued mark-up / interest includes due to Associated Companies aggregating Rs. 476 thousand (30 June, 2009: Rs.24 thousand).

15. DATE OF AUTHORISATION FOR ISSUE

This condensed financial information was authorised for issue in the Board of Directors' meeting held on 30 April, 2010.

16. GENERAL

- Figures in the condensed financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.

- Corresponding figures have neither been re-arranged nor re-classified.


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


Mushtaq Ahmad Khan, FCA
Director

Nine Month Accounts March 2010

BIBOJEE GROUP



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