

Quarterly Accounts September, 2019



**Janana De Malucho Textile
Mills Limited**

JANANA DE MALUCHO TEXTILE MILLS LIMITED COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK, Chief Executive MR. MUSHTAQ AHMAD KHAN, FCA MRS. SHAHNAZ SAJJAD AHMAD MR. GOHAR AYUB KHAN BRIG. (RETD) ABDUL SAMAD KHAN MR. SAAD WAHEED MR. KHALID KULI KHAN KHATTAK COL. (RETD.) SYED YUNUS ALI RAZA	Chairman
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. RAZA KULI KHAN KHATTAK MR. SAAD WAHEED COL. (RETD.) SYED YUNUS ALI RAZA	Chairman Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. SAAD WAHEED COL. (RETD.) SYED YUNUS ALI RAZA	Chairman Chief Executive / Member Member Member
CHIEF FINANCIAL OFFICER	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
COMPANY SECRETARY	MR. ABID RAZA, B. Com., APFA, Affiliate (ICAP)	
HEAD OF INTERNAL AUDIT	MR. NADEEM AHMED, ACCA, CIA	
AUDITORS	SHINewing HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE	
REGISTRARS & SHARES REGISTRATION OFFICE	MANAGEMENT & REGISTRATION SERVICES (PVT) LTD. BUSINESS EXECUTIVE CENTRE, F/17/3, BLOCK 8, CLIFTON, KARACHI TEL. 021-35375127-29, FAX. 021-35820325 EMAIL registrationservices@live.co.uk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) TEL. 0922 - 862161 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com WEB SITE: www.jdm.com.pk	

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019 (UN-AUDITED)

		(Un-Audited) September 30 2019	(Audited) June 30 2019
ASSETS	Note	Rupees in thousand	
Non-current assets			
Property, plant and equipment	6	3,105,460	3,123,417
Investments in Associated Companies	7	312,921	312,921
Loans to employees		215	232
Security deposits		1,543	1,395
		<u>3,420,139</u>	<u>3,437,965</u>
Current assets			
Stores, spares and loose tools		61,284	64,057
Stock-in-trade		974,786	1,000,589
Trade debts - unsecured, considered good		26,505	20,003
Advances to employees		1,554	1,478
Advance payments		7,716	7,998
Trade deposits and prepayments		10,028	614
Due from Associated Companies	12.2	1,399	0
Other receivables		302	726
Sales tax refundable		20,768	47,492
Income tax refundable, advance tax and tax deducted at source		103,612	96,010
Cash and bank balances		6,408	5,130
		<u>1,214,362</u>	<u>1,244,097</u>
TOTAL ASSETS		<u>4,634,501</u>	<u>4,682,062</u>
EQUITY AND LIABILITIES			
Equity			
Authorized capital		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		47,848	47,848
Capital reserves			
- capital redemption		6,694	6,694
- tax holiday		350	350
- share premium		11,409	11,409
- revaluation surplus on property, plant and equipment	8	2,289,912	2,294,376
Revenue reserves			
- general reserve		371,530	371,530
- un-appropriated profit		508,674	514,546
Shareholders' equity		<u>3,236,417</u>	<u>3,246,753</u>
Liabilities			
Non-current liabilities			
Staff retirement benefits - gratuity		58,885	55,574
Deferred taxation		142,170	175,491
		<u>201,055</u>	<u>231,065</u>
Current liabilities			
Trade and other payables	9	262,239	345,944
Unclaimed dividends		294	294
Accrued mark-up		33,913	18,351
Short term finances		855,521	799,867
Taxation	10	43,869	38,595
Preference shares redemption account		1,193	1,193
		<u>1,197,029</u>	<u>1,204,244</u>
Total liabilities		<u>1,398,084</u>	<u>1,435,309</u>
Contingencies and commitments	11		
TOTAL EQUITY AND LIABILITIES		<u>4,634,501</u>	<u>4,682,062</u>

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

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Three months period ended September 30,	
	2019	2018
	(Rupees in thousand)	
Sales - net	351,566	812,710
Cost of Sales	333,077	750,285
Gross Profit	18,489	62,425
Distribution Cost	4,692	11,932
Administrative Expenses	15,856	20,159
Other Expenses	1,238	0
Other Income	(565)	(481)
	<u>21,221</u>	<u>31,610</u>
(Loss) / Profit from Operations	(2,732)	30,815
Finance Cost	35,651	21,107
(Loss) / Profit before Taxation	(38,383)	9,708
Taxation - net	(28,047)	3,121
(Loss) / Profit after Taxation	(10,336)	6,587
Other Comprehensive Income / (loss)	0	0
Total Comprehensive (Loss) / Income	<u>(10,336)</u>	<u>6,587</u>
	----- Rupees -----	
(Loss) / Earnings per Share	<u>(2.16)</u>	<u>1.38</u>

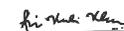
The annexed notes form an integral part of these condensed interim financial statements.


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


Brig. (Retd) Abdul Samad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

(4)


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


Brig. (Retd) Abdul Samad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

(5)

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Three months period ended	
	September 30,	
	2019	2018
	Rupees in thousand	
Cash flows from operating activities		
(Loss) / profit for the period before taxation	(38,383)	9,708
Adjustments for non-cash charges and other items:		
Depreciation	20,134	20,115
Staff retirement benefits - gratuity (net)	3,311	2,080
Finance cost	35,103	20,703
Profit before working capital changes	20,165	52,606
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	2,773	(1,524)
Stock-in-trade	25,803	283,361
Trade debts	(6,502)	101
Loans and advances to employees	(59)	1,818
Advance payments	282	187
Trade deposits and prepayments	(9,414)	(8,838)
Due from Associated Companies	(1,399)	(1,629)
Other receivables	424	0
Sales tax refundable	26,724	(2,959)
Decrease in Trade and other payables	(83,705)	(31,226)
	(45,073)	239,291
Cash (used in) / generated from operations	(24,908)	291,897
Taxes paid	(7,602)	(6,080)
Net cash (used in) / generated from operating activities	(32,510)	285,817
Cash flows from investing activities		
Fixed capital expenditure	(2,177)	(454)
Security deposits	(148)	0
Net cash used in investing activities	(2,325)	(454)
Cash flows from financing activities		
Short term finances - net	55,654	(274,096)
Finance cost paid	(19,541)	(20,457)
Net cash generated from / (used in) financing activities	36,113	(294,553)
Net increase / (decrease) in cash and cash equivalents	1,278	(9,190)
Cash and cash equivalents - at beginning of the period	5,130	12,170
Cash and cash equivalents - at end of the period	6,408	2,980

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

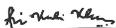
JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

Share capital	Reserves						Total
	Capital				Revenue		
	Capital redemption	Tax holiday	Share premium	Revaluation surplus on property, plant and equipment	General	Unappropriated profit / accumulated loss	

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

Balance as at July 01, 2019	47,848	6,694	350	11,409	2,294,376	371,530	514,546	3,246,753
Total comprehensive loss for the three months period ended September 30, 2019	0	0	0	0	0	0	(10,336)	(10,336)
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	(4,464)	0	4,464	0
Balance as at September 30, 2019 (un-audited)	47,848	6,694	350	11,409	2,289,912	371,530	508,674	3,236,417
Balance as at July 01, 2018 - restated	47,848	6,694	350	11,409	2,323,069	871,530	(22,790)	3,319,565
Total comprehensive income for the three months period ended September 30, 2018	0	0	0	0	0	0	6,587	6,587
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	(4,783)	0	4,783	0
Balance as at September 30, 2018 - restated	47,848	6,694	350	11,409	2,318,286	871,530	(11,420)	3,326,152

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


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


Brig. (Retd) Abdul Samad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

(6)


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


Brig. (Retd) Abdul Samad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

(7)

JANANA DE MALUCHO TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

1. Legal Status and Operations

Janana De Malucho Textile Mills Ltd. (the Company) was incorporated in Pakistan as a Public Company in the year 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.

2. Basis of Preparation

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim financial reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2019.

- 4.** These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended June 30, 2019.

5. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2019, except:

- The management, during the current period, in order to ascertain the useful life of roads, paths and culverts had carried-out an internal exercise and assessed their remaining useful lives. Keeping in consideration the assessed useful lives of roads, paths and culverts, their depreciation rates were estimated at 5% per annum on reducing balance method. The aforementioned revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 "Accounting policies, changes in accounting estimates and errors". The revision does not have any significant impact on these financial statements.

The effect of this change in accounting estimate has been recognised prospectively in the condensed interim statement of profit or loss of the current period.

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, 2019.

6. PROPERTY, PLANT AND EQUIPMENT	Note	Un-audited Sep. 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
Operating fixed assets - tangible	6.1	3,105,460	3,121,633
Capital work-in-progress		0	1,784
		<u>3,105,460</u>	<u>3,123,417</u>
6.1 Operating fixed assets - tangible			
Book value of operating fixed assets as at June 30, 2019		3,121,633	
Additions in plant & machinery during the period		3,961	
Depreciation charge for the period		(20,134)	
Book value of operating fixed assets as at September, 30, 2019		<u>3,105,460</u>	
7. Investments in Associated Companies - Quoted			
Market values of the Company's investments in BCM and BWM as at September 30, 2019 were Rs.25.450 million (June 30, 2019: Rs.21.990 million) and Rs.22.446 million (June 30, 2019: Rs.24.875 million) respectively.			
8. Revaluation surplus on property, plant and equipment - net			
Revaluation surplus on the Company's property, plant & equipment		2,022,864	2,027,328
Share of revaluation surplus on property, plant and equipment of Associated Companies		267,048	267,048
		<u>2,289,912</u>	<u>2,294,376</u>
9. Trade and other payables			
Creditors		38,146	36,781
Bills payable against imported:			
- raw materials		0	97,199
- stores and spares		1,184	2,708
Advance from customers - contract liabilities		4,197	3,103
Advance payments		184	184
Accrued expenses		192,381	180,810
Tax deducted at source		1,949	234
Gratuity payable to:			
- key management personnel		13,614	13,614
- other employees		5,460	6,228
Due to Waqf-e-Kuli Khan		2,635	2,635
Workers' (profit) participation fund		2,172	2,172
Security deposits repayable on demand - interest free		112	112
Others		205	164
		<u>262,239</u>	<u>345,944</u>

10. Taxation - Net

10.1 The provision for taxation for the current period represents minimum tax due under section 113 of the Income Tax Ordinance, 2001.

10.2 There has been no significant change in the status of tax litigations as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2019.

11. Contingencies and Commitments

11.1 There has been no significant change in the status of contingencies and commitments as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2019.

11.2 Counter guarantee given by the Company to a commercial bank outstanding as at September 30, 2019 was for Rs.85 million (June 30, 2019: Rs.75 million).

	Un-audited Sep. 30, 2019	Audited June 30, 2019
11.3 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:	(Rupees in thousand)	
- stores and spares	0	2,300
- raw materials	44,660	0
	<u>44,660</u>	<u>2,300</u>

12. Transactions with Related Parties

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

Name	Nature of transaction	Three months ended	
		Sep. 30 2019	2018
Associated Companies			
Babri Cotton Mills Ltd.	Purchase of raw materials	32,777	0
	Residential rent received	532	463
	Expenses recovered	52	21
	Salaries & benefits recovered	815	368
Bannu Woollen Mills Ltd.	Expenses recovered	25	21
	Salaries & benefits:		
	- paid	128	0
	- recovered	650	368
Gammon Pakistan Ltd.	Rent paid	150	0
Rahman Cotton Mills Ltd.	Expenses recovered	0	21
	Salaries & benefits recovered	0	368
Ghandhara Nissan Ltd.	----- do -----	522	368
	Expenses recovered	25	21
Ghandhara Industries Ltd.	----- do -----	25	21
	Salaries & benefits recovered	522	368
The Universal Insurance Company Ltd.	----- do -----	522	368
	Expenses recovered	25	21
Other related parties			
Staff retirement fund	Contributions paid to Janana De Malucho Textile Mills Limited		
	Employees Provident Fund	5,066	6,090
Key management personnel	Salaries and benefits	28,355	22,821

12.2 Period / year-end balances were as follows:

	Un-audited Sep. 30, 2019	Audited June 30, 2019
- Babri Cotton Mills Ltd.	(Rupees in thousand)	
	1,399	0

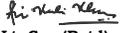
13. Corresponding Figures

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

13.2 Except for reclassification of preceding year's administrative expenses aggregating Rs.9.603 million to cost of sales for better presentation, corresponding figures have neither been re-arranged nor re-classified.

14. Date of Authorisation for Issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on October 20, 2019.


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


Brig. (Retd) Abdul Samad Khan
Director


Amin-ur-Rasheed
Chief Financial Officer

PRINTED MATTER
(Under Postal Certificate)

If undelivered please return to
Share Department
JANANA DE MALUCHO TEXTILE MILLS LTD.
Habibabad - KOHAT