

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS,
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

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JANANA DE MALUCHO TEXTILE MILLS LIMITED
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 Senior Manager Finance & Corporate Affairs	
INTERNAL AUDITOR	MR. SYED RAHEEL GILLANI	
AUDITORS	M/S HAMEED CHAUDHRI & CO. Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (N.W.F.P) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk WEB SITE: www.bibojee.com	

JANANA DE MALUCHO TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors are pleased to present the un-audited financial statements and the Directors' report for the six months period ended 31st December 2006. Domestic cotton crop was short by Rs.1.00 million bales than the last year and therefore prices of cotton were higher by 10% and the prices of imported cotton ELS of USA and CIS countries were higher by about 60% as compared to the last year. The recession in the spinning industry of the country since July 2005 continued unabated and has further deepened from January to 31st March 2006 on account of recession in the export markets and domestic yarn markets. This was due to excessive production and supply of yarn than its demand in the country and declining index of exports of made ups and other textile goods from Pakistan.

Despite the fact that we have made large expansion in the plant capacity with Rieter's and other quality machinery, the performance of your company has not been satisfactory during the six months period ended 31st December 2006. This has been due to increase in raw material prices and further decrease in sale prices of the yarn along with high increase in financial cost as compared to the last year's corresponding period. The six months results are summarized as under:

Particulars	31 st December 2006	31 st December 2005
	Rupees in thousands	
Sales-Net	532,857	486,355
Cost of Sales	482,558	458,311
Gross Profit	50,299	28,044
Administration & Distribution Cost	18,716	15,534
Other operating expenses	15	1,215
	18,731	16,749
Operating Profit	31,568	11,295
Other Income	1,401	1,410
	32,969	12,705
Finance Cost	50,036	34,701
	(17,067)	(21,996)
Share of Profit of Associates-Net	524	1,258
Loss before tax	(16,543)	(20,738)
Provision for taxation		
-Current	2,674	2,433
-Deferred	(8,749)	(5,919)
	(6,075)	(3,486)
Loss after tax	(10,468)	(17,252)
Loss per share-basic Rs.	(3.30)	(5.45)

1. The gross profit in terms of percentage works out to 9.44% for the period under report as compared to gross profit 5.77% for the six months period ended 31st December 2005.

2. The financial cost has increased by Rs.15.335 million (44.19%) due to higher rates of markup during the period under report charged by bank on KIBOR basis. This factor alone has contributed to add to our cost of sales. Moreover the Company has to increase the minimum wages of its labour force from Rs.3,000/- to Rs.4,000/- in accordance with the government directives which has resulted into an increase of Rs.11.752 million and further erosion of the gross profit of the company during the six months period ended 31st December 2006.
3. In spite of these extraordinary and unfavourable conditions/ reasons on account of:
 - i. Higher prices of raw materials,
 - ii. Slump in the yarn market,
 - iii. Higher rate of markup, our gross profit has shown an increase of Rs.11.752 million during the current period of six months ended 31st December 2006 as compared to the gross profit for the half year ended 31st December 2005. The improvement in the results could be achieved with the strenuous efforts of the management to run better production plans and to increase the quantitative production of the company.

FUTURE PROSPECTS:

Textile products' export of yarn, cloth and made-ups from Pakistan is facing many difficulties due to lower sale rates being offered as compared to higher cost of sales during the period under review. The large demand of foreign buyers is there, but prices are not commensurate with the cost of production. Due to these unfavourable factors, bulk production of yarn was dumped in the local market which resulted into serious recession in the local yarn market resulting into unprecedented decline in the sale rates of yarn.

Profitable prospects of our production of super fine and medium fine counts is dismal due to large increase in prices of extra long staple American cotton and CIS cotton including domestic cotton too from October 2006 crop (which is about 60% in case of imported cotton as compared to last year) and extremely low sale rates of yarn of all counts without equivalent demand of yarn vis-à-vis country production capacity. Finally we have to report that with these lower sale prices of yarn coupled with decreased demand of super fine/fine counts (40s to 80s counts) we may suffer increased financial losses during the next six months of the year ending 30th June 2007 as compared to first six months period under report.

The board of directors appreciates the management and other employees' efforts for maintaining excellent quality standards of the Company's products with peaceful working conditions in the mills.

For and on behalf of the Board of Directors

Dated 24-02-2007


RAZA KULI KHAN KHATTAK
Chairman

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** as at 31 December, 2006 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. The figures of the profit and loss account for the quarters ended 31 December, 2005 and 2006 have not been reviewed as we are required to review only the cumulative figures for the half-year ended 31 December, 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

LAHORE;

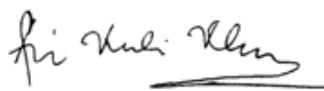


**HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS**

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER, 2006

		Un-audited 31 Dec., 2006	Audited 30 June, 2006		Un-audited 31 Dec., 2006	Audited 30 June, 2006	
	Note	(Rupees in thousand)			Note	(Rupees in thousand)	
EQUITY AND LIABILITIES				NON-CURRENT ASSETS			
SHARE CAPITAL AND RESERVES				Property, plant and equipment			
Authorised capital	6	200,000	56,000	Operating fixed assets	12	1,183,858	1,120,227
Issued, subscribed and paid-up capital	7	31,655	28,777	Capital work-in-progress	13	19,775	103,115
Reserves		128,215	131,093	Stores held for capital expenditure		2,094	2,632
Unappropriated profit		10,950	14,192			1,205,727	1,225,974
		170,820	174,062	Investments in associates	14	27,966	26,876
DEPOSIT FOR SHARES	8	22,818	0	Long term loans		615	512
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		365,151	371,811	Long term security deposits		1,004	1,003
						1,235,312	1,254,365
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Demand finances	9	311,988	353,364	Stores, spares and loose tools		14,841	11,188
Liabilities against assets subject to finance lease		2,256	3,294	Stock-in-trade		475,798	308,010
Staff retirement benefits-gratuity		9,847	9,422	Trade debtors-unsecured considered good		26,681	5,714
Deferred taxation		92,382	101,131	Advances to employees		2,286	1,305
		416,473	467,211	Advance payments		10,953	13,993
CURRENT LIABILITIES				Trade deposits and prepayments		3,930	742
Current portion of:				Sales tax refundable		5,288	5,839
- demand finances	9	107,164	102,182	Due from associates		19,060	22,154
- liabilities against assets subject to finance lease		2,003	1,859	Other receivables		5,276	4,631
Short term finances	10	645,126	419,034	Income tax refundable, advance tax and tax deducted at source		12,375	11,440
Trade and other payables		80,549	85,916	Cash and bank balances		48,873	9,781
Accrued mark-up		45,154	24,324			625,361	394,797
Taxation		4,148	1,474				
Preference shares redemption account		1,267	1,289				
		885,411	636,078				
CONTINGENCIES AND COMMITMENTS	11						
		1,860,673	1,649,162			1,860,673	1,649,162

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


CHIEF EXECUTIVE

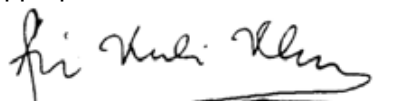

DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	For the 2nd Quarter		Cumulative	
	Oct. - Dec., 2006	Oct. - Dec., 2005	July - Dec., 2006	July - Dec., 2005
----- Rupees in thousand -----				
Sales - net	260,813	259,807	532,857	486,355
Cost of sales	250,633	243,827	482,558	458,311
Gross profit	10,180	15,980	50,299	28,044
Administrative and distribution expenses	10,191	8,435	18,716	15,534
Other operating expenses	8	1,205	15	1,215
	10,199	9,640	18,731	16,749
	(19)	6,340	31,568	11,295
Other operating income	813	612	1,401	1,410
Operating profit	794	6,952	32,969	12,705
Finance cost	25,764	17,757	50,036	34,701
	(24,970)	(10,805)	(17,067)	(21,996)
Share of profit of associates - net	524	1,258	524	1,258
Loss before taxation	(24,446)	(9,547)	(16,543)	(20,738)
Taxation				
- current (note 15)	1,311	1,300	2,674	2,433
- deferred	(8,749)	(5,919)	(8,749)	(5,919)
	(7,438)	(4,619)	(6,075)	(3,486)
Loss after taxation	(17,008)	(4,928)	(10,468)	(17,252)
----- Rupees -----				
Loss per share - basic	(5.37)	(1.56)	(3.30)	(5.45)

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

- Appropriations have been reflected in the statement of changes in equity.



CHIEF EXECUTIVE

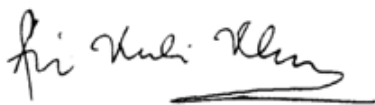


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006

	Half-year ended	
	31 Dec., 2006	31 Dec., 2005
	(Rupees in thousand)	
Cash flow from operating activities		
Loss for the period - before taxation and share of profit of associates	(17,067)	(21,996)
Adjustments for:		
Depreciation	45,417	44,808
Gain on sale of operating fixed assets - net	(266)	(183)
Staff retirement benefits - gratuity (net)	425	(1,803)
Finance cost	50,036	34,447
Cash inflow from operating activities - before working capital changes	78,545	55,273
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(3,653)	(4,807)
Stock-in-trade	(167,788)	(168,702)
Trade debtors	(20,967)	(20,737)
Advances to employees	(633)	0
Advance payments	3,040	(5,080)
Trade deposits and prepayments	(3,188)	(2,597)
Sales tax refundable	551	(1,985)
Due from associates	3,094	(1,548)
Other receivables	(645)	(2,154)
Increase / (decrease) in trade and other payables	(5,225)	82,781
	(195,414)	(124,829)
Cash outflow from operating activities - before taxation	(116,869)	(69,556)
Taxes paid	(935)	(2,232)
Cash outflow from operating activities - after taxation	(117,804)	(71,788)
Long term loans - net	(451)	(157)
Net cash outflow from operating activities	(118,255)	(71,945)
Cash flow from financing activities		
Deposit for shares	22,818	0
Demand finances - net	(36,394)	(3,994)
Lease finances - net	(894)	4,898
Short term finances - net	226,092	180,758
Preference shares redeemed	(22)	(242)
Finance cost paid	(29,206)	(25,152)
Dividends paid	(142)	0
Net cash inflow from financing activities	182,252	156,268
Cash flow from investing activities		
Property, plant and equipment	(25,884)	(36,175)
Sale proceeds of operating fixed assets	980	520
Long term security deposits - net	(1)	0
Net cash outflow from investing activities	(24,905)	(35,655)
Net increase in cash and cash equivalents	39,092	48,668
Cash and cash equivalents - at the beginning of the period	9,781	2,265
Cash and cash equivalents - at the end of the period	48,873	50,933

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

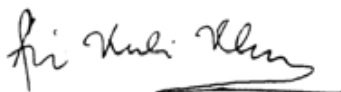

CHIEF EXECUTIVE


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	Share capital	Reserves			Sub-total	Unappropriated profit	Total
		Capital redemption	Tax holiday	General			
	----- Rupees in thousand -----						
Balance as at 30 June, 2005	28,777	6,694	350	124,049	131,093	30,464	190,334
Loss for the half-year ended 31 December, 2005	0	0	0	0	0	(17,252)	(17,252)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	7,189	7,189
Effect of items directly credited in equity by the associates	0	0	0	0	0	590	590
Balance as at 31 December, 2005	28,777	6,694	350	124,049	131,093	20,991	180,861
Loss for the half-year ended 30 June, 2006	0	0	0	0	0	(15,060)	(15,060)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	7,185	7,185
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	295	295
Effect of items directly credited in equity by the associates	0	0	0	0	0	781	781
Balance as at 30 June, 2006	28,777	6,694	350	124,049	131,093	14,192	174,062
Loss for the half-year ended 31 December, 2006	0	0	0	0	0	(10,468)	(10,468)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	6,462	6,462
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	198	198
Effect of items directly credited in equity by the associates	0	0	0	0	0	566	566
Nominal value of ordinary bonus shares issued	2,878	0	0	(2,878)	(2,878)	0	0
Balance as at 31 December, 2006	31,655	6,694	350	121,171	128,215	10,950	170,820

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



CHIEF EXECUTIVE



DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

1. 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. These interim financial statements (the financial statements) are presented in condensed form in accordance with International Accounting Standard 34 (Interim Financial Reporting). The financial statements have been reviewed by the external Auditors as required by the Code of Corporate Governance and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.
3. These financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June, 2006.
4. The accounting policies and methods of computation, which have been used in the preparation of these financial statements, are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June, 2006.
5. The significant judgment, estimates and assumptions used by the management in preparation of these financial statements are the same as those applied to the annual financial statements as at and for the year ended 30 June, 2006.

6. AUTHORISED SHARE CAPITAL

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
Rupees in thousand		
18,000,000 (30 June, 2006: 3,600,000) ordinary shares of Rs.10 each	180,000	36,000
700,000 - 7.5% redeemable cumulative preference shares of Rs.10 each	7,000	7,000
1,300,000 -10% redeemable cumulative preference shares of Rs.10 each	13,000	13,000
	200,000	56,000
	200,000	56,000

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued for cash:

500,000 ordinary shares of Rs.10 each	5,000	5,000
1,652,100 ordinary shares of Rs.10 each issued to Financial Institutions by conversion of loans and debentures	16,521	16,521
6,832 ordinary shares of Rs.10 each issued by conversion of preference shares	68	68
	21,589	21,589

Issued as bonus shares:

1,006,518 (30 June, 2006: 718,750) ordinary shares of Rs.10 each	10,066	7,188
	31,655	28,777
	31,655	28,777

8. DEPOSIT FOR SHARES

This deposit has been received from Bannu Woollen Mills Limited (an associate) on account of share deposit money for issue of right shares.

9. DEMAND FINANCES - Secured

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
Demand Finance I (DF I)	257,334	280,728
Demand Finance II (DF II)	2,500	7,500
Demand Finance III (DF III)	57,000	60,000
Demand Finance IV (DF IV)	32,500	37,500
Demand Finance V (DF V)	69,818	69,818
	419,152	455,546
Less: current portion grouped under current liabilities:		
- instalments due within following 12 months	75,770	76,288
- instalments overdue	31,394	25,894
	107,164	102,182
	311,988	353,364

9.1 These finances have been obtained from National Bank of Pakistan (NBP) against five demand finance facilities aggregating Rs.471 million and are secured against first exclusive charge on entire present and future current and fixed assets of the Company. These finances, during the period, carried mark-up at the rates ranging from 12.11% to 12.16% per annum.

9.2 As per the revised repayment terms communicated by NBP vide its letter Ref. # KT / MBR / FIN / 06, dated 30 September, 2006:

- (a) DF I is repayable in 12 equal half-yearly instalments commenced from June, 2006.
- (b) DF II is repayable in 8 equal half-yearly instalments commenced from March, 2005.
- (c) DF III is repayable in 20 equal quarterly instalments commenced from September, 2006.
- (d) DF IV is repayable in 16 equal quarterly instalments commenced from March, 2006.
- (e) DF V is repayable in 10 equal half-yearly instalments commencing December, 2007.

10. SHORT TERM FINANCES - Secured

Short term finance facilities available from National Bank of Pakistan (NBP) under mark-up arrangements aggregate Rs.770 million (30 June, 2006: Rs.660 million) and are secured against pledge of stock-in-trade, lien on export documents and first charge on fixed and current assets of the Company. These facilities, during the period, carried mark-up at the rate of 11.11% per annum.

Facilities available for opening letters of credit and guarantee from NBP aggregate Rs.211.200 million (30 June, 2006: Rs.161.200 million) and are secured against lien on import documents and first charge on current and fixed assets of the Company.

These facilities are available upto 31 October, 2007.

11. CONTINGENCIES AND COMMITMENTS

- 11.1** There has been no significant change in the status of contingencies since the date of preceding published financial statements of the Company for the year-ended 30 June, 2006.
- 11.2** No commitments were outstanding as at 31 December, 2006; (commitments for irrevocable letters of credit outstanding as at 30 June, 2006 amounted Rs.45,162 thousand).
- 11.3** Counter guarantee given by the Company to a commercial bank outstanding as at 31 December, 2006 was for Rs.11.200 million (30 June, 2006: Rs.11.200 million).

12. OPERATING FIXED ASSETS

	Un-audited Half-year ended 31 Dec., 2006 Rupees in thousand	Audited Year ended 30 June, 2006
Opening book value	1,120,227	1,102,837
Additions during the period / year:		
Owned:		
- roads, paths and culverts	0	647
- buildings on freehold land - factory	628	10,411
- non-factory	0	456
- residential for workers	1,804	19
- plant and machinery	105,506	10,004
- generators	0	78,900
- workshop equipment	0	82
- furniture and fixtures	720	655
- office and other equipment	141	12
- vehicles	963	4,298
	109,762	105,484
Leased - vehicles	0	6,874
	109,762	112,358
Book value of assets disposed-off during the period / year	(714)	(1,977)
Depreciation charge for the period / year	(45,417)	(92,991)
Closing book value	1,183,858	1,120,227

13. CAPITAL WORK-IN-PROGRESS

	Un-audited 31 Dec., 2006 (Rupees in thousand)	Audited 30 June, 2006
Advance to an associate against construction of cotton godowns	18,500	0
Plant and machinery:		
- costs and expenses	0	96,713
- in transit	1,016	2,503
- advance payments	259	3,899
	19,775	103,115

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
14. INVESTMENTS IN ASSOCIATES - Quoted		
Babri Cotton Mills Ltd. (BCM)		
150,886 (30 June,2006:150,886) ordinary shares of Rs.10 each - cost	1,973	1,973
Equity held: 7.54% (30 June,2006:7.54%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	6,029	7,815
Loss for the period / year - net of taxation	(1,267)	(2,050)
	6,735	7,738
Bannu Woollen Mills Ltd. (BWM)		
390,201 (30 June,2006:390,201) ordinary shares of Rs.10 each including 90,046 bonus shares - cost	7,697	7,697
Equity held: 7.70% (30 June,2006:7.70%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	11,743	9,316
Profit for the period / year - net of taxation	1,791	2,125
	21,231	19,138
	27,966	26,876

14.1 Fair value of investments in BCM as at 31 December, 2006 was Rs.1.811 million (30 June, 2006: Rs.2.716 million).

14.2 Fair value of investments in BWM as at 31 December, 2006 was Rs.11.706 million (30 June, 2006: Rs.12.252 million).

15. TAXATION

In view of available tax losses, the current tax expense represents the minimum tax on turnover for the half-year due under section 113 of the Income Tax Ordinance, 2001.

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Aggregate transactions made during the period / year with associates were as follows:

	Un-audited Half-year ended 31 Dec., 2006	Audited Year ended 30 June, 2006
	Rupees in thousand	
- sale of goods and services	1,137	6,298
- purchase of goods and services	8,925	8,357
- purchase of fixed assets	0	4,232
- sale of fixed assets	325	0
- insurance claim received	0	257
- residential rent:		
- paid	0	5
- received	66	132
- mark-up:		
- earned	1,048	1,943
- accrued	519	774
- management charges:		
- paid	656	1,510
- received	2,818	4,136

16.2 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.

16.3 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 associates, which are on actual basis.

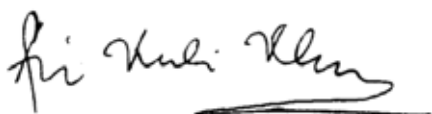
16.4 Trade and other payables include due to associates aggregating Rs.12,411 thousand (30 June, 2006: Rs.16,792 thousand).

17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 24 February, 2007.

18. FIGURES

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been rearranged nor reclassified.



CHIEF EXECUTIVE



DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS,
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

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JANANA DE MALUCHO TEXTILE MILLS LIMITED
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 Senior Manager Finance & Corporate Affairs	
INTERNAL AUDITOR	MR. SYED RAHEEL GILLANI	
AUDITORS	M/S HAMEED CHAUDHRI & CO. Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (N.W.F.P) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk WEB SITE: www.bibojee.com	

JANANA DE MALUCHO TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors are pleased to present the un-audited financial statements and the Directors' report for the six months period ended 31st December 2006. Domestic cotton crop was short by Rs.1.00 million bales than the last year and therefore prices of cotton were higher by 10% and the prices of imported cotton ELS of USA and CIS countries were higher by about 60% as compared to the last year. The recession in the spinning industry of the country since July 2005 continued unabated and has further deepened from January to 31st March 2006 on account of recession in the export markets and domestic yarn markets. This was due to excessive production and supply of yarn than its demand in the country and declining index of exports of made ups and other textile goods from Pakistan.

Despite the fact that we have made large expansion in the plant capacity with Rieter's and other quality machinery, the performance of your company has not been satisfactory during the six months period ended 31st December 2006. This has been due to increase in raw material prices and further decrease in sale prices of the yarn along with high increase in financial cost as compared to the last year's corresponding period. The six months results are summarized as under:

Particulars	31 st December 2006	31 st December 2005
	Rupees in thousands	
Sales-Net	532,857	486,355
Cost of Sales	482,558	458,311
Gross Profit	50,299	28,044
Administration & Distribution Cost	18,716	15,534
Other operating expenses	15	1,215
	18,731	16,749
Operating Profit	31,568	11,295
Other Income	1,401	1,410
	32,969	12,705
Finance Cost	50,036	34,701
	(17,067)	(21,996)
Share of Profit of Associates-Net	524	1,258
Loss before tax	(16,543)	(20,738)
Provision for taxation		
-Current	2,674	2,433
-Deferred	(8,749)	(5,919)
	(6,075)	(3,486)
Loss after tax	(10,468)	(17,252)
Loss per share-basic Rs.	(3.30)	(5.45)

1. The gross profit in terms of percentage works out to 9.44% for the period under report as compared to gross profit 5.77% for the six months period ended 31st December 2005.

2. The financial cost has increased by Rs.15.335 million (44.19%) due to higher rates of markup during the period under report charged by bank on KIBOR basis. This factor alone has contributed to add to our cost of sales. Moreover the Company has to increase the minimum wages of its labour force from Rs.3,000/- to Rs.4,000/- in accordance with the government directives which has resulted into an increase of Rs.11.752 million and further erosion of the gross profit of the company during the six months period ended 31st December 2006.
3. In spite of these extraordinary and unfavourable conditions/ reasons on account of:
 - i. Higher prices of raw materials,
 - ii. Slump in the yarn market,
 - iii. Higher rate of markup, our gross profit has shown an increase of Rs.11.752 million during the current period of six months ended 31st December 2006 as compared to the gross profit for the half year ended 31st December 2005. The improvement in the results could be achieved with the strenuous efforts of the management to run better production plans and to increase the quantitative production of the company.

FUTURE PROSPECTS:

Textile products' export of yarn, cloth and made-ups from Pakistan is facing many difficulties due to lower sale rates being offered as compared to higher cost of sales during the period under review. The large demand of foreign buyers is there, but prices are not commensurate with the cost of production. Due to these unfavourable factors, bulk production of yarn was dumped in the local market which resulted into serious recession in the local yarn market resulting into unprecedented decline in the sale rates of yarn.

Profitable prospects of our production of super fine and medium fine counts is dismal due to large increase in prices of extra long staple American cotton and CIS cotton including domestic cotton too from October 2006 crop (which is about 60% in case of imported cotton as compared to last year) and extremely low sale rates of yarn of all counts without equivalent demand of yarn vis-à-vis country production capacity. Finally we have to report that with these lower sale prices of yarn coupled with decreased demand of super fine/fine counts (40s to 80s counts) we may suffer increased financial losses during the next six months of the year ending 30th June 2007 as compared to first six months period under report.

The board of directors appreciates the management and other employees' efforts for maintaining excellent quality standards of the Company's products with peaceful working conditions in the mills.

For and on behalf of the Board of Directors

Dated 24-02-2007


RAZA KULI KHAN KHATTAK
Chairman

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** as at 31 December, 2006 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. The figures of the profit and loss account for the quarters ended 31 December, 2005 and 2006 have not been reviewed as we are required to review only the cumulative figures for the half-year ended 31 December, 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

LAHORE;

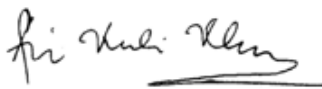


**HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS**

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER, 2006

		Un-audited 31 Dec., 2006	Audited 30 June, 2006			Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Note	(Rupees in thousand)			Note	(Rupees in thousand)	
EQUITY AND LIABILITIES				NON-CURRENT ASSETS			
SHARE CAPITAL AND RESERVES				Property, plant and equipment			
Authorised capital	6	200,000	56,000	Operating fixed assets	12	1,183,858	1,120,227
Issued, subscribed and paid-up capital	7	31,655	28,777	Capital work-in-progress	13	19,775	103,115
Reserves		128,215	131,093	Stores held for capital expenditure		2,094	2,632
Unappropriated profit		10,950	14,192			1,205,727	1,225,974
		170,820	174,062	Investments in associates	14	27,966	26,876
DEPOSIT FOR SHARES	8	22,818	0	Long term loans		615	512
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		365,151	371,811	Long term security deposits		1,004	1,003
						1,235,312	1,254,365
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Demand finances	9	311,988	353,364	Stores, spares and loose tools		14,841	11,188
Liabilities against assets subject to finance lease		2,256	3,294	Stock-in-trade		475,798	308,010
Staff retirement benefits-gratuity		9,847	9,422	Trade debtors-unsecured considered good		26,681	5,714
Deferred taxation		92,382	101,131	Advances to employees		2,286	1,305
		416,473	467,211	Advance payments		10,953	13,993
CURRENT LIABILITIES				Trade deposits and prepayments		3,930	742
Current portion of:				Sales tax refundable		5,288	5,839
- demand finances	9	107,164	102,182	Due from associates		19,060	22,154
- liabilities against assets subject to finance lease		2,003	1,859	Other receivables		5,276	4,631
Short term finances	10	645,126	419,034	Income tax refundable, advance tax and tax deducted at source		12,375	11,440
Trade and other payables		80,549	85,916	Cash and bank balances		48,873	9,781
Accrued mark-up		45,154	24,324			625,361	394,797
Taxation		4,148	1,474				
Preference shares redemption account		1,267	1,289				
		885,411	636,078				
CONTINGENCIES AND COMMITMENTS	11						
		1,860,673	1,649,162			1,860,673	1,649,162

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


CHIEF EXECUTIVE

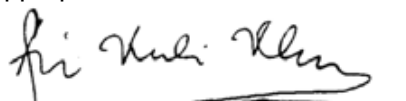

DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	For the 2nd Quarter		Cumulative	
	Oct. - Dec., 2006	Oct. - Dec., 2005	July - Dec., 2006	July - Dec., 2005
----- Rupees in thousand -----				
Sales - net	260,813	259,807	532,857	486,355
Cost of sales	250,633	243,827	482,558	458,311
Gross profit	10,180	15,980	50,299	28,044
Administrative and distribution expenses	10,191	8,435	18,716	15,534
Other operating expenses	8	1,205	15	1,215
	10,199	9,640	18,731	16,749
	(19)	6,340	31,568	11,295
Other operating income	813	612	1,401	1,410
Operating profit	794	6,952	32,969	12,705
Finance cost	25,764	17,757	50,036	34,701
	(24,970)	(10,805)	(17,067)	(21,996)
Share of profit of associates - net	524	1,258	524	1,258
Loss before taxation	(24,446)	(9,547)	(16,543)	(20,738)
Taxation				
- current (note 15)	1,311	1,300	2,674	2,433
- deferred	(8,749)	(5,919)	(8,749)	(5,919)
	(7,438)	(4,619)	(6,075)	(3,486)
Loss after taxation	(17,008)	(4,928)	(10,468)	(17,252)
----- Rupees -----				
Loss per share - basic	(5.37)	(1.56)	(3.30)	(5.45)

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

- Appropriations have been reflected in the statement of changes in equity.



CHIEF EXECUTIVE

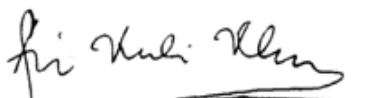


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006

	Half-year ended	
	31 Dec., 2006	31 Dec., 2005
	(Rupees in thousand)	
Cash flow from operating activities		
Loss for the period - before taxation and share of profit of associates	(17,067)	(21,996)
Adjustments for:		
Depreciation	45,417	44,808
Gain on sale of operating fixed assets - net	(266)	(183)
Staff retirement benefits - gratuity (net)	425	(1,803)
Finance cost	50,036	34,447
Cash inflow from operating activities - before working capital changes	78,545	55,273
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(3,653)	(4,807)
Stock-in-trade	(167,788)	(168,702)
Trade debtors	(20,967)	(20,737)
Advances to employees	(633)	0
Advance payments	3,040	(5,080)
Trade deposits and prepayments	(3,188)	(2,597)
Sales tax refundable	551	(1,985)
Due from associates	3,094	(1,548)
Other receivables	(645)	(2,154)
Increase / (decrease) in trade and other payables	(5,225)	82,781
	(195,414)	(124,829)
Cash outflow from operating activities - before taxation	(116,869)	(69,556)
Taxes paid	(935)	(2,232)
Cash outflow from operating activities - after taxation	(117,804)	(71,788)
Long term loans - net	(451)	(157)
Net cash outflow from operating activities	(118,255)	(71,945)
Cash flow from financing activities		
Deposit for shares	22,818	0
Demand finances - net	(36,394)	(3,994)
Lease finances - net	(894)	4,898
Short term finances - net	226,092	180,758
Preference shares redeemed	(22)	(242)
Finance cost paid	(29,206)	(25,152)
Dividends paid	(142)	0
Net cash inflow from financing activities	182,252	156,268
Cash flow from investing activities		
Property, plant and equipment	(25,884)	(36,175)
Sale proceeds of operating fixed assets	980	520
Long term security deposits - net	(1)	0
Net cash outflow from investing activities	(24,905)	(35,655)
Net increase in cash and cash equivalents	39,092	48,668
Cash and cash equivalents - at the beginning of the period	9,781	2,265
Cash and cash equivalents - at the end of the period	48,873	50,933

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



CHIEF EXECUTIVE

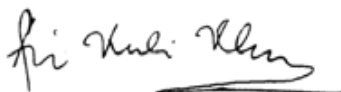


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	Share capital	Reserves			Sub-total	Unappropriated profit	Total
		Capital redemption	Tax holiday	General			
	----- Rupees in thousand -----						
Balance as at 30 June, 2005	28,777	6,694	350	124,049	131,093	30,464	190,334
Loss for the half-year ended 31 December, 2005	0	0	0	0	0	(17,252)	(17,252)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	7,189	7,189
Effect of items directly credited in equity by the associates	0	0	0	0	0	590	590
Balance as at 31 December, 2005	28,777	6,694	350	124,049	131,093	20,991	180,861
Loss for the half-year ended 30 June, 2006	0	0	0	0	0	(15,060)	(15,060)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	7,185	7,185
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	295	295
Effect of items directly credited in equity by the associates	0	0	0	0	0	781	781
Balance as at 30 June, 2006	28,777	6,694	350	124,049	131,093	14,192	174,062
Loss for the half-year ended 31 December, 2006	0	0	0	0	0	(10,468)	(10,468)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	6,462	6,462
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	198	198
Effect of items directly credited in equity by the associates	0	0	0	0	0	566	566
Nominal value of ordinary bonus shares issued	2,878	0	0	(2,878)	(2,878)	0	0
Balance as at 31 December, 2006	31,655	6,694	350	121,171	128,215	10,950	170,820

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



CHIEF EXECUTIVE



DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

1. 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. These interim financial statements (the financial statements) are presented in condensed form in accordance with International Accounting Standard 34 (Interim Financial Reporting). The financial statements have been reviewed by the external Auditors as required by the Code of Corporate Governance and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.
3. These financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June, 2006.
4. The accounting policies and methods of computation, which have been used in the preparation of these financial statements, are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June, 2006.
5. The significant judgment, estimates and assumptions used by the management in preparation of these financial statements are the same as those applied to the annual financial statements as at and for the year ended 30 June, 2006.

6. AUTHORISED SHARE CAPITAL

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
Rupees in thousand		
18,000,000 (30 June, 2006: 3,600,000) ordinary shares of Rs.10 each	180,000	36,000
700,000 - 7.5% redeemable cumulative preference shares of Rs.10 each	7,000	7,000
1,300,000 -10% redeemable cumulative preference shares of Rs.10 each	13,000	13,000
	200,000	56,000
	200,000	56,000

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued for cash:

500,000 ordinary shares of Rs.10 each	5,000	5,000
1,652,100 ordinary shares of Rs.10 each issued to Financial Institutions by conversion of loans and debentures	16,521	16,521
6,832 ordinary shares of Rs.10 each issued by conversion of preference shares	68	68
	21,589	21,589

Issued as bonus shares:

1,006,518 (30 June, 2006: 718,750) ordinary shares of Rs.10 each	10,066	7,188
	31,655	28,777
	31,655	28,777

8. DEPOSIT FOR SHARES

This deposit has been received from Bannu Woollen Mills Limited (an associate) on account of share deposit money for issue of right shares.

9. DEMAND FINANCES - Secured

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
Demand Finance I (DF I)	257,334	280,728
Demand Finance II (DF II)	2,500	7,500
Demand Finance III (DF III)	57,000	60,000
Demand Finance IV (DF IV)	32,500	37,500
Demand Finance V (DF V)	69,818	69,818
	419,152	455,546
Less: current portion grouped under current liabilities:		
- instalments due within following 12 months	75,770	76,288
- instalments overdue	31,394	25,894
	107,164	102,182
	311,988	353,364

9.1 These finances have been obtained from National Bank of Pakistan (NBP) against five demand finance facilities aggregating Rs.471 million and are secured against first exclusive charge on entire present and future current and fixed assets of the Company. These finances, during the period, carried mark-up at the rates ranging from 12.11% to 12.16% per annum.

9.2 As per the revised repayment terms communicated by NBP vide its letter Ref. # KT / MBR / FIN / 06, dated 30 September, 2006:

- (a) DF I is repayable in 12 equal half-yearly instalments commenced from June, 2006.
- (b) DF II is repayable in 8 equal half-yearly instalments commenced from March, 2005.
- (c) DF III is repayable in 20 equal quarterly instalments commenced from September, 2006.
- (d) DF IV is repayable in 16 equal quarterly instalments commenced from March, 2006.
- (e) DF V is repayable in 10 equal half-yearly instalments commencing December, 2007.

10. SHORT TERM FINANCES - Secured

Short term finance facilities available from National Bank of Pakistan (NBP) under mark-up arrangements aggregate Rs.770 million (30 June, 2006: Rs.660 million) and are secured against pledge of stock-in-trade, lien on export documents and first charge on fixed and current assets of the Company. These facilities, during the period, carried mark-up at the rate of 11.11% per annum.

Facilities available for opening letters of credit and guarantee from NBP aggregate Rs.211.200 million (30 June, 2006: Rs.161.200 million) and are secured against lien on import documents and first charge on current and fixed assets of the Company.

These facilities are available upto 31 October, 2007.

11. CONTINGENCIES AND COMMITMENTS

- 11.1** There has been no significant change in the status of contingencies since the date of preceding published financial statements of the Company for the year-ended 30 June, 2006.
- 11.2** No commitments were outstanding as at 31 December, 2006; (commitments for irrevocable letters of credit outstanding as at 30 June, 2006 amounted Rs.45,162 thousand).
- 11.3** Counter guarantee given by the Company to a commercial bank outstanding as at 31 December, 2006 was for Rs.11.200 million (30 June, 2006: Rs.11.200 million).

12. OPERATING FIXED ASSETS

	Un-audited Half-year ended 31 Dec., 2006 Rupees in thousand	Audited Year ended 30 June, 2006
Opening book value	1,120,227	1,102,837
Additions during the period / year:		
Owned:		
- roads, paths and culverts	0	647
- buildings on freehold land - factory	628	10,411
- non-factory	0	456
- residential for workers	1,804	19
- plant and machinery	105,506	10,004
- generators	0	78,900
- workshop equipment	0	82
- furniture and fixtures	720	655
- office and other equipment	141	12
- vehicles	963	4,298
	109,762	105,484
Leased - vehicles	0	6,874
	109,762	112,358
Book value of assets disposed-off during the period / year	(714)	(1,977)
Depreciation charge for the period / year	(45,417)	(92,991)
Closing book value	1,183,858	1,120,227

13. CAPITAL WORK-IN-PROGRESS

	Un-audited 31 Dec., 2006 (Rupees in thousand)	Audited 30 June, 2006
Advance to an associate against construction of cotton godowns	18,500	0
Plant and machinery:		
- costs and expenses	0	96,713
- in transit	1,016	2,503
- advance payments	259	3,899
	19,775	103,115

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
14. INVESTMENTS IN ASSOCIATES - Quoted		
Babri Cotton Mills Ltd. (BCM)		
150,886 (30 June,2006:150,886) ordinary shares of Rs.10 each - cost	1,973	1,973
Equity held: 7.54% (30 June,2006:7.54%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	6,029	7,815
Loss for the period / year - net of taxation	(1,267)	(2,050)
	6,735	7,738
Bannu Woollen Mills Ltd. (BWM)		
390,201 (30 June,2006:390,201) ordinary shares of Rs.10 each including 90,046 bonus shares - cost	7,697	7,697
Equity held: 7.70% (30 June,2006:7.70%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	11,743	9,316
Profit for the period / year - net of taxation	1,791	2,125
	21,231	19,138
	27,966	26,876

14.1 Fair value of investments in BCM as at 31 December, 2006 was Rs.1.811 million (30 June, 2006: Rs.2.716 million).

14.2 Fair value of investments in BWM as at 31 December, 2006 was Rs.11.706 million (30 June, 2006: Rs.12.252 million).

15. TAXATION

In view of available tax losses, the current tax expense represents the minimum tax on turnover for the half-year due under section 113 of the Income Tax Ordinance, 2001.

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Aggregate transactions made during the period / year with associates were as follows:

	Un-audited Half-year ended 31 Dec., 2006	Audited Year ended 30 June, 2006
	Rupees in thousand	
- sale of goods and services	1,137	6,298
- purchase of goods and services	8,925	8,357
- purchase of fixed assets	0	4,232
- sale of fixed assets	325	0
- insurance claim received	0	257
- residential rent:		
- paid	0	5
- received	66	132
- mark-up:		
- earned	1,048	1,943
- accrued	519	774
- management charges:		
- paid	656	1,510
- received	2,818	4,136

16.2 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.

16.3 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 associates, which are on actual basis.

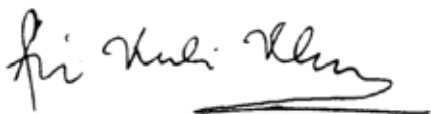
16.4 Trade and other payables include due to associates aggregating Rs.12,411 thousand (30 June, 2006: Rs.16,792 thousand).

17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 24 February, 2007.

18. FIGURES

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been rearranged nor reclassified.



CHIEF EXECUTIVE



DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS,
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

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JANANA DE MALUCHO TEXTILE MILLS LIMITED
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 Senior Manager Finance & Corporate Affairs	
INTERNAL AUDITOR	MR. SYED RAHEEL GILLANI	
AUDITORS	M/S HAMEED CHAUDHRI & CO. Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (N.W.F.P) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk WEB SITE: www.bibojee.com	

JANANA DE MALUCHO TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors are pleased to present the un-audited financial statements and the Directors' report for the six months period ended 31st December 2006. Domestic cotton crop was short by Rs.1.00 million bales than the last year and therefore prices of cotton were higher by 10% and the prices of imported cotton ELS of USA and CIS countries were higher by about 60% as compared to the last year. The recession in the spinning industry of the country since July 2005 continued unabated and has further deepened from January to 31st March 2006 on account of recession in the export markets and domestic yarn markets. This was due to excessive production and supply of yarn than its demand in the country and declining index of exports of made ups and other textile goods from Pakistan.

Despite the fact that we have made large expansion in the plant capacity with Rieter's and other quality machinery, the performance of your company has not been satisfactory during the six months period ended 31st December 2006. This has been due to increase in raw material prices and further decrease in sale prices of the yarn along with high increase in financial cost as compared to the last year's corresponding period. The six months results are summarized as under:

Particulars	31 st December 2006	31 st December 2005
	Rupees in thousands	
Sales-Net	532,857	486,355
Cost of Sales	482,558	458,311
Gross Profit	50,299	28,044
Administration & Distribution Cost	18,716	15,534
Other operating expenses	15	1,215
	18,731	16,749
Operating Profit	31,568	11,295
Other Income	1,401	1,410
	32,969	12,705
Finance Cost	50,036	34,701
	(17,067)	(21,996)
Share of Profit of Associates-Net	524	1,258
Loss before tax	(16,543)	(20,738)
Provision for taxation		
-Current	2,674	2,433
-Deferred	(8,749)	(5,919)
	(6,075)	(3,486)
Loss after tax	(10,468)	(17,252)
Loss per share-basic Rs.	(3.30)	(5.45)

1. The gross profit in terms of percentage works out to 9.44% for the period under report as compared to gross profit 5.77% for the six months period ended 31st December 2005.

2. The financial cost has increased by Rs.15.335 million (44.19%) due to higher rates of markup during the period under report charged by bank on KIBOR basis. This factor alone has contributed to add to our cost of sales. Moreover the Company has to increase the minimum wages of its labour force from Rs.3,000/- to Rs.4,000/- in accordance with the government directives which has resulted into an increase of Rs.11.752 million and further erosion of the gross profit of the company during the six months period ended 31st December 2006.
3. In spite of these extraordinary and unfavourable conditions/ reasons on account of:
 - i. Higher prices of raw materials,
 - ii. Slump in the yarn market,
 - iii. Higher rate of markup, our gross profit has shown an increase of Rs.11.752 million during the current period of six months ended 31st December 2006 as compared to the gross profit for the half year ended 31st December 2005. The improvement in the results could be achieved with the strenuous efforts of the management to run better production plans and to increase the quantitative production of the company.

FUTURE PROSPECTS:

Textile products' export of yarn, cloth and made-ups from Pakistan is facing many difficulties due to lower sale rates being offered as compared to higher cost of sales during the period under review. The large demand of foreign buyers is there, but prices are not commensurate with the cost of production. Due to these unfavourable factors, bulk production of yarn was dumped in the local market which resulted into serious recession in the local yarn market resulting into unprecedented decline in the sale rates of yarn.

Profitable prospects of our production of super fine and medium fine counts is dismal due to large increase in prices of extra long staple American cotton and CIS cotton including domestic cotton too from October 2006 crop (which is about 60% in case of imported cotton as compared to last year) and extremely low sale rates of yarn of all counts without equivalent demand of yarn vis-à-vis country production capacity. Finally we have to report that with these lower sale prices of yarn coupled with decreased demand of super fine/fine counts (40s to 80s counts) we may suffer increased financial losses during the next six months of the year ending 30th June 2007 as compared to first six months period under report.

The board of directors appreciates the management and other employees' efforts for maintaining excellent quality standards of the Company's products with peaceful working conditions in the mills.

For and on behalf of the Board of Directors

Dated 24-02-2007


RAZA KULI KHAN KHATTAK
Chairman

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** as at 31 December, 2006 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. The figures of the profit and loss account for the quarters ended 31 December, 2005 and 2006 have not been reviewed as we are required to review only the cumulative figures for the half-year ended 31 December, 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

LAHORE;



**HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS**

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER, 2006

		Un-audited 31 Dec., 2006	Audited 30 June, 2006			Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Note	(Rupees in thousand)			Note	(Rupees in thousand)	
EQUITY AND LIABILITIES				NON-CURRENT ASSETS			
SHARE CAPITAL AND RESERVES				Property, plant and equipment			
Authorised capital	6	200,000	56,000	Operating fixed assets	12	1,183,858	1,120,227
Issued, subscribed and paid-up capital	7	31,655	28,777	Capital work-in-progress	13	19,775	103,115
Reserves		128,215	131,093	Stores held for capital expenditure		2,094	2,632
Unappropriated profit		10,950	14,192			1,205,727	1,225,974
		170,820	174,062	Investments in associates	14	27,966	26,876
DEPOSIT FOR SHARES	8	22,818	0	Long term loans		615	512
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		365,151	371,811	Long term security deposits		1,004	1,003
						1,235,312	1,254,365
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Demand finances	9	311,988	353,364	Stores, spares and loose tools		14,841	11,188
Liabilities against assets subject to finance lease		2,256	3,294	Stock-in-trade		475,798	308,010
Staff retirement benefits-gratuity		9,847	9,422	Trade debtors-unsecured considered good		26,681	5,714
Deferred taxation		92,382	101,131	Advances to employees		2,286	1,305
		416,473	467,211	Advance payments		10,953	13,993
CURRENT LIABILITIES				Trade deposits and prepayments		3,930	742
Current portion of:				Sales tax refundable		5,288	5,839
- demand finances	9	107,164	102,182	Due from associates		19,060	22,154
- liabilities against assets subject to finance lease		2,003	1,859	Other receivables		5,276	4,631
Short term finances	10	645,126	419,034	Income tax refundable, advance tax and tax deducted at source		12,375	11,440
Trade and other payables		80,549	85,916	Cash and bank balances		48,873	9,781
Accrued mark-up		45,154	24,324			625,361	394,797
Taxation		4,148	1,474				
Preference shares redemption account		1,267	1,289				
		885,411	636,078				
CONTINGENCIES AND COMMITMENTS	11						
		1,860,673	1,649,162			1,860,673	1,649,162

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


CHIEF EXECUTIVE

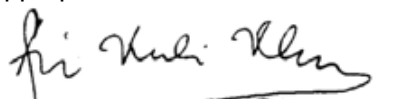

DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	For the 2nd Quarter		Cumulative	
	Oct. - Dec., 2006	Oct. - Dec., 2005	July - Dec., 2006	July - Dec., 2005
----- Rupees in thousand -----				
Sales - net	260,813	259,807	532,857	486,355
Cost of sales	250,633	243,827	482,558	458,311
Gross profit	10,180	15,980	50,299	28,044
Administrative and distribution expenses	10,191	8,435	18,716	15,534
Other operating expenses	8	1,205	15	1,215
	10,199	9,640	18,731	16,749
	(19)	6,340	31,568	11,295
Other operating income	813	612	1,401	1,410
Operating profit	794	6,952	32,969	12,705
Finance cost	25,764	17,757	50,036	34,701
	(24,970)	(10,805)	(17,067)	(21,996)
Share of profit of associates - net	524	1,258	524	1,258
Loss before taxation	(24,446)	(9,547)	(16,543)	(20,738)
Taxation				
- current (note 15)	1,311	1,300	2,674	2,433
- deferred	(8,749)	(5,919)	(8,749)	(5,919)
	(7,438)	(4,619)	(6,075)	(3,486)
Loss after taxation	(17,008)	(4,928)	(10,468)	(17,252)
----- Rupees -----				
Loss per share - basic	(5.37)	(1.56)	(3.30)	(5.45)

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

- Appropriations have been reflected in the statement of changes in equity.



CHIEF EXECUTIVE

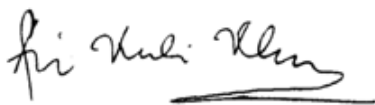


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006

	Half-year ended	
	31 Dec., 2006	31 Dec., 2005
	(Rupees in thousand)	
Cash flow from operating activities		
Loss for the period - before taxation and share of profit of associates	(17,067)	(21,996)
Adjustments for:		
Depreciation	45,417	44,808
Gain on sale of operating fixed assets - net	(266)	(183)
Staff retirement benefits - gratuity (net)	425	(1,803)
Finance cost	50,036	34,447
Cash inflow from operating activities - before working capital changes	78,545	55,273
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(3,653)	(4,807)
Stock-in-trade	(167,788)	(168,702)
Trade debtors	(20,967)	(20,737)
Advances to employees	(633)	0
Advance payments	3,040	(5,080)
Trade deposits and prepayments	(3,188)	(2,597)
Sales tax refundable	551	(1,985)
Due from associates	3,094	(1,548)
Other receivables	(645)	(2,154)
Increase / (decrease) in trade and other payables	(5,225)	82,781
	(195,414)	(124,829)
Cash outflow from operating activities - before taxation	(116,869)	(69,556)
Taxes paid	(935)	(2,232)
Cash outflow from operating activities - after taxation	(117,804)	(71,788)
Long term loans - net	(451)	(157)
Net cash outflow from operating activities	(118,255)	(71,945)
Cash flow from financing activities		
Deposit for shares	22,818	0
Demand finances - net	(36,394)	(3,994)
Lease finances - net	(894)	4,898
Short term finances - net	226,092	180,758
Preference shares redeemed	(22)	(242)
Finance cost paid	(29,206)	(25,152)
Dividends paid	(142)	0
Net cash inflow from financing activities	182,252	156,268
Cash flow from investing activities		
Property, plant and equipment	(25,884)	(36,175)
Sale proceeds of operating fixed assets	980	520
Long term security deposits - net	(1)	0
Net cash outflow from investing activities	(24,905)	(35,655)
Net increase in cash and cash equivalents	39,092	48,668
Cash and cash equivalents - at the beginning of the period	9,781	2,265
Cash and cash equivalents - at the end of the period	48,873	50,933

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

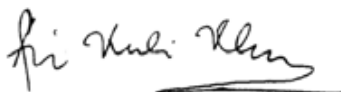

CHIEF EXECUTIVE


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	Share capital	Reserves			Sub-total	Unappropriated profit	Total
		Capital redemption	Tax holiday	General			
	----- Rupees in thousand -----						
Balance as at 30 June, 2005	28,777	6,694	350	124,049	131,093	30,464	190,334
Loss for the half-year ended 31 December, 2005	0	0	0	0	0	(17,252)	(17,252)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	7,189	7,189
Effect of items directly credited in equity by the associates	0	0	0	0	0	590	590
Balance as at 31 December, 2005	28,777	6,694	350	124,049	131,093	20,991	180,861
Loss for the half-year ended 30 June, 2006	0	0	0	0	0	(15,060)	(15,060)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	7,185	7,185
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	295	295
Effect of items directly credited in equity by the associates	0	0	0	0	0	781	781
Balance as at 30 June, 2006	28,777	6,694	350	124,049	131,093	14,192	174,062
Loss for the half-year ended 31 December, 2006	0	0	0	0	0	(10,468)	(10,468)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	6,462	6,462
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	198	198
Effect of items directly credited in equity by the associates	0	0	0	0	0	566	566
Nominal value of ordinary bonus shares issued	2,878	0	0	(2,878)	(2,878)	0	0
Balance as at 31 December, 2006	31,655	6,694	350	121,171	128,215	10,950	170,820

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



CHIEF EXECUTIVE



DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

1. 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. These interim financial statements (the financial statements) are presented in condensed form in accordance with International Accounting Standard 34 (Interim Financial Reporting). The financial statements have been reviewed by the external Auditors as required by the Code of Corporate Governance and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.
3. These financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June, 2006.
4. The accounting policies and methods of computation, which have been used in the preparation of these financial statements, are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June, 2006.
5. The significant judgment, estimates and assumptions used by the management in preparation of these financial statements are the same as those applied to the annual financial statements as at and for the year ended 30 June, 2006.

6. AUTHORISED SHARE CAPITAL

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
Rupees in thousand		
18,000,000 (30 June, 2006: 3,600,000) ordinary shares of Rs.10 each	180,000	36,000
700,000 - 7.5% redeemable cumulative preference shares of Rs.10 each	7,000	7,000
1,300,000 -10% redeemable cumulative preference shares of Rs.10 each	13,000	13,000
	200,000	56,000
	200,000	56,000

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued for cash:

500,000 ordinary shares of Rs.10 each	5,000	5,000
1,652,100 ordinary shares of Rs.10 each issued to Financial Institutions by conversion of loans and debentures	16,521	16,521
6,832 ordinary shares of Rs.10 each issued by conversion of preference shares	68	68
	21,589	21,589

Issued as bonus shares:

1,006,518 (30 June, 2006: 718,750) ordinary shares of Rs.10 each	10,066	7,188
	31,655	28,777
	31,655	28,777

8. DEPOSIT FOR SHARES

This deposit has been received from Bannu Woollen Mills Limited (an associate) on account of share deposit money for issue of right shares.

9. DEMAND FINANCES - Secured

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
Demand Finance I (DF I)	257,334	280,728
Demand Finance II (DF II)	2,500	7,500
Demand Finance III (DF III)	57,000	60,000
Demand Finance IV (DF IV)	32,500	37,500
Demand Finance V (DF V)	69,818	69,818
	419,152	455,546
Less: current portion grouped under current liabilities:		
- instalments due within following 12 months	75,770	76,288
- instalments overdue	31,394	25,894
	107,164	102,182
	311,988	353,364

9.1 These finances have been obtained from National Bank of Pakistan (NBP) against five demand finance facilities aggregating Rs.471 million and are secured against first exclusive charge on entire present and future current and fixed assets of the Company. These finances, during the period, carried mark-up at the rates ranging from 12.11% to 12.16% per annum.

9.2 As per the revised repayment terms communicated by NBP vide its letter Ref. # KT / MBR / FIN / 06, dated 30 September, 2006:

- (a) DF I is repayable in 12 equal half-yearly instalments commenced from June, 2006.
- (b) DF II is repayable in 8 equal half-yearly instalments commenced from March, 2005.
- (c) DF III is repayable in 20 equal quarterly instalments commenced from September, 2006.
- (d) DF IV is repayable in 16 equal quarterly instalments commenced from March, 2006.
- (e) DF V is repayable in 10 equal half-yearly instalments commencing December, 2007.

10. SHORT TERM FINANCES - Secured

Short term finance facilities available from National Bank of Pakistan (NBP) under mark-up arrangements aggregate Rs.770 million (30 June, 2006: Rs.660 million) and are secured against pledge of stock-in-trade, lien on export documents and first charge on fixed and current assets of the Company. These facilities, during the period, carried mark-up at the rate of 11.11% per annum.

Facilities available for opening letters of credit and guarantee from NBP aggregate Rs.211.200 million (30 June, 2006: Rs.161.200 million) and are secured against lien on import documents and first charge on current and fixed assets of the Company.

These facilities are available upto 31 October, 2007.

11. CONTINGENCIES AND COMMITMENTS

11.1 There has been no significant change in the status of contingencies since the date of preceding published financial statements of the Company for the year-ended 30 June, 2006.

11.2 No commitments were outstanding as at 31 December, 2006; (commitments for irrevocable letters of credit outstanding as at 30 June, 2006 amounted Rs.45,162 thousand).

11.3 Counter guarantee given by the Company to a commercial bank outstanding as at 31 December, 2006 was for Rs.11.200 million (30 June, 2006: Rs.11.200 million).

12. OPERATING FIXED ASSETS

	Un-audited Half-year ended 31 Dec., 2006 Rupees in thousand	Audited Year ended 30 June, 2006
Opening book value	1,120,227	1,102,837
Additions during the period / year:		
Owned:		
- roads, paths and culverts	0	647
- buildings on freehold land - factory	628	10,411
- non-factory	0	456
- residential for workers	1,804	19
- plant and machinery	105,506	10,004
- generators	0	78,900
- workshop equipment	0	82
- furniture and fixtures	720	655
- office and other equipment	141	12
- vehicles	963	4,298
	109,762	105,484
Leased - vehicles	0	6,874
	109,762	112,358
Book value of assets disposed-off during the period / year	(714)	(1,977)
Depreciation charge for the period / year	(45,417)	(92,991)
Closing book value	1,183,858	1,120,227

13. CAPITAL WORK-IN-PROGRESS

	Un-audited 31 Dec., 2006 (Rupees in thousand)	Audited 30 June, 2006
Advance to an associate against construction of cotton godowns	18,500	0
Plant and machinery:		
- costs and expenses	0	96,713
- in transit	1,016	2,503
- advance payments	259	3,899
	19,775	103,115

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
14. INVESTMENTS IN ASSOCIATES - Quoted		
Babri Cotton Mills Ltd. (BCM)		
150,886 (30 June,2006:150,886) ordinary shares of Rs.10 each - cost	1,973	1,973
Equity held: 7.54% (30 June,2006:7.54%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	6,029	7,815
Loss for the period / year - net of taxation	(1,267)	(2,050)
	6,735	7,738
Bannu Woollen Mills Ltd. (BWM)		
390,201 (30 June,2006:390,201) ordinary shares of Rs.10 each including 90,046 bonus shares - cost	7,697	7,697
Equity held: 7.70% (30 June,2006:7.70%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	11,743	9,316
Profit for the period / year - net of taxation	1,791	2,125
	21,231	19,138
	27,966	26,876

14.1 Fair value of investments in BCM as at 31 December, 2006 was Rs.1.811 million (30 June, 2006: Rs.2.716 million).

14.2 Fair value of investments in BWM as at 31 December, 2006 was Rs.11.706 million (30 June, 2006: Rs.12.252 million).

15. TAXATION

In view of available tax losses, the current tax expense represents the minimum tax on turnover for the half-year due under section 113 of the Income Tax Ordinance, 2001.

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Aggregate transactions made during the period / year with associates were as follows:

	Un-audited Half-year ended 31 Dec., 2006	Audited Year ended 30 June, 2006
	Rupees in thousand	
- sale of goods and services	1,137	6,298
- purchase of goods and services	8,925	8,357
- purchase of fixed assets	0	4,232
- sale of fixed assets	325	0
- insurance claim received	0	257
- residential rent:		
- paid	0	5
- received	66	132
- mark-up:		
- earned	1,048	1,943
- accrued	519	774
- management charges:		
- paid	656	1,510
- received	2,818	4,136

16.2 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.

16.3 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 associates, which are on actual basis.

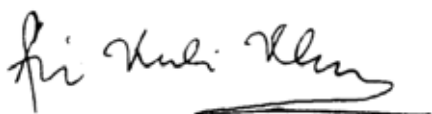
16.4 Trade and other payables include due to associates aggregating Rs.12,411 thousand (30 June, 2006: Rs.16,792 thousand).

17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 24 February, 2007.

18. FIGURES

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been rearranged nor reclassified.



CHIEF EXECUTIVE



DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS,
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

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JANANA DE MALUCHO TEXTILE MILLS LIMITED
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 Senior Manager Finance & Corporate Affairs	
INTERNAL AUDITOR	MR. SYED RAHEEL GILLANI	
AUDITORS	M/S HAMEED CHAUDHRI & CO. Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (N.W.F.P) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk WEB SITE: www.bibojee.com	

JANANA DE MALUCHO TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors are pleased to present the un-audited financial statements and the Directors' report for the six months period ended 31st December 2006. Domestic cotton crop was short by Rs.1.00 million bales than the last year and therefore prices of cotton were higher by 10% and the prices of imported cotton ELS of USA and CIS countries were higher by about 60% as compared to the last year. The recession in the spinning industry of the country since July 2005 continued unabated and has further deepened from January to 31st March 2006 on account of recession in the export markets and domestic yarn markets. This was due to excessive production and supply of yarn than its demand in the country and declining index of exports of made ups and other textile goods from Pakistan.

Despite the fact that we have made large expansion in the plant capacity with Rieter's and other quality machinery, the performance of your company has not been satisfactory during the six months period ended 31st December 2006. This has been due to increase in raw material prices and further decrease in sale prices of the yarn along with high increase in financial cost as compared to the last year's corresponding period. The six months results are summarized as under:

Particulars	31 st December 2006	31 st December 2005
	Rupees in thousands	
Sales-Net	532,857	486,355
Cost of Sales	482,558	458,311
Gross Profit	50,299	28,044
Administration & Distribution Cost	18,716	15,534
Other operating expenses	15	1,215
	18,731	16,749
Operating Profit	31,568	11,295
Other Income	1,401	1,410
	32,969	12,705
Finance Cost	50,036	34,701
	(17,067)	(21,996)
Share of Profit of Associates-Net	524	1,258
Loss before tax	(16,543)	(20,738)
Provision for taxation		
-Current	2,674	2,433
-Deferred	(8,749)	(5,919)
	(6,075)	(3,486)
Loss after tax	(10,468)	(17,252)
Loss per share-basic Rs.	(3.30)	(5.45)

1. The gross profit in terms of percentage works out to 9.44% for the period under report as compared to gross profit 5.77% for the six months period ended 31st December 2005.

2. The financial cost has increased by Rs.15.335 million (44.19%) due to higher rates of markup during the period under report charged by bank on KIBOR basis. This factor alone has contributed to add to our cost of sales. Moreover the Company has to increase the minimum wages of its labour force from Rs.3,000/- to Rs.4,000/- in accordance with the government directives which has resulted into an increase of Rs.11.752 million and further erosion of the gross profit of the company during the six months period ended 31st December 2006.
3. In spite of these extraordinary and unfavourable conditions/ reasons on account of:
 - i. Higher prices of raw materials,
 - ii. Slump in the yarn market,
 - iii. Higher rate of markup, our gross profit has shown an increase of Rs.11.752 million during the current period of six months ended 31st December 2006 as compared to the gross profit for the half year ended 31st December 2005. The improvement in the results could be achieved with the strenuous efforts of the management to run better production plans and to increase the quantitative production of the company.

FUTURE PROSPECTS:

Textile products' export of yarn, cloth and made-ups from Pakistan is facing many difficulties due to lower sale rates being offered as compared to higher cost of sales during the period under review. The large demand of foreign buyers is there, but prices are not commensurate with the cost of production. Due to these unfavourable factors, bulk production of yarn was dumped in the local market which resulted into serious recession in the local yarn market resulting into unprecedented decline in the sale rates of yarn.

Profitable prospects of our production of super fine and medium fine counts is dismal due to large increase in prices of extra long staple American cotton and CIS cotton including domestic cotton too from October 2006 crop (which is about 60% in case of imported cotton as compared to last year) and extremely low sale rates of yarn of all counts without equivalent demand of yarn vis-à-vis country production capacity. Finally we have to report that with these lower sale prices of yarn coupled with decreased demand of super fine/fine counts (40s to 80s counts) we may suffer increased financial losses during the next six months of the year ending 30th June 2007 as compared to first six months period under report.

The board of directors appreciates the management and other employees' efforts for maintaining excellent quality standards of the Company's products with peaceful working conditions in the mills.

For and on behalf of the Board of Directors

Dated 24-02-2007


RAZA KULI KHAN KHATTAK
Chairman

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** as at 31 December, 2006 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. The figures of the profit and loss account for the quarters ended 31 December, 2005 and 2006 have not been reviewed as we are required to review only the cumulative figures for the half-year ended 31 December, 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

LAHORE;



**HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS**

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER, 2006

		Un-audited 31 Dec., 2006	Audited 30 June, 2006		Un-audited 31 Dec., 2006	Audited 30 June, 2006	
	Note	(Rupees in thousand)			Note	(Rupees in thousand)	
EQUITY AND LIABILITIES				NON-CURRENT ASSETS			
SHARE CAPITAL AND RESERVES				Property, plant and equipment			
Authorised capital	6	200,000	56,000	Operating fixed assets	12	1,183,858	1,120,227
Issued, subscribed and paid-up capital	7	31,655	28,777	Capital work-in-progress	13	19,775	103,115
Reserves		128,215	131,093	Stores held for capital expenditure		2,094	2,632
Unappropriated profit		10,950	14,192			1,205,727	1,225,974
		170,820	174,062	Investments in associates	14	27,966	26,876
DEPOSIT FOR SHARES	8	22,818	0	Long term loans		615	512
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		365,151	371,811	Long term security deposits		1,004	1,003
						1,235,312	1,254,365
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Demand finances	9	311,988	353,364	Stores, spares and loose tools		14,841	11,188
Liabilities against assets subject to finance lease		2,256	3,294	Stock-in-trade		475,798	308,010
Staff retirement benefits-gratuity		9,847	9,422	Trade debtors-unsecured considered good		26,681	5,714
Deferred taxation		92,382	101,131	Advances to employees		2,286	1,305
		416,473	467,211	Advance payments		10,953	13,993
CURRENT LIABILITIES				Trade deposits and prepayments		3,930	742
Current portion of:				Sales tax refundable		5,288	5,839
- demand finances	9	107,164	102,182	Due from associates		19,060	22,154
- liabilities against assets subject to finance lease		2,003	1,859	Other receivables		5,276	4,631
Short term finances	10	645,126	419,034	Income tax refundable, advance tax and tax deducted at source		12,375	11,440
Trade and other payables		80,549	85,916	Cash and bank balances		48,873	9,781
Accrued mark-up		45,154	24,324			625,361	394,797
Taxation		4,148	1,474				
Preference shares redemption account		1,267	1,289				
		885,411	636,078				
CONTINGENCIES AND COMMITMENTS	11						
		1,860,673	1,649,162			1,860,673	1,649,162

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


CHIEF EXECUTIVE

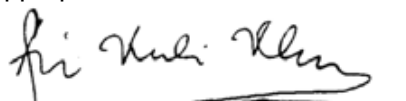

DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	For the 2nd Quarter		Cumulative	
	Oct. - Dec., 2006	Oct. - Dec., 2005	July - Dec., 2006	July - Dec., 2005
----- Rupees in thousand -----				
Sales - net	260,813	259,807	532,857	486,355
Cost of sales	250,633	243,827	482,558	458,311
Gross profit	10,180	15,980	50,299	28,044
Administrative and distribution expenses	10,191	8,435	18,716	15,534
Other operating expenses	8	1,205	15	1,215
	10,199	9,640	18,731	16,749
	(19)	6,340	31,568	11,295
Other operating income	813	612	1,401	1,410
Operating profit	794	6,952	32,969	12,705
Finance cost	25,764	17,757	50,036	34,701
	(24,970)	(10,805)	(17,067)	(21,996)
Share of profit of associates - net	524	1,258	524	1,258
Loss before taxation	(24,446)	(9,547)	(16,543)	(20,738)
Taxation				
- current (note 15)	1,311	1,300	2,674	2,433
- deferred	(8,749)	(5,919)	(8,749)	(5,919)
	(7,438)	(4,619)	(6,075)	(3,486)
Loss after taxation	(17,008)	(4,928)	(10,468)	(17,252)
----- Rupees -----				
Loss per share - basic	(5.37)	(1.56)	(3.30)	(5.45)

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

- Appropriations have been reflected in the statement of changes in equity.



CHIEF EXECUTIVE

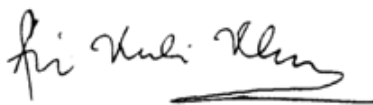


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006

	Half-year ended	
	31 Dec., 2006	31 Dec., 2005
	(Rupees in thousand)	
Cash flow from operating activities		
Loss for the period - before taxation and share of profit of associates	(17,067)	(21,996)
Adjustments for:		
Depreciation	45,417	44,808
Gain on sale of operating fixed assets - net	(266)	(183)
Staff retirement benefits - gratuity (net)	425	(1,803)
Finance cost	50,036	34,447
Cash inflow from operating activities - before working capital changes	78,545	55,273
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(3,653)	(4,807)
Stock-in-trade	(167,788)	(168,702)
Trade debtors	(20,967)	(20,737)
Advances to employees	(633)	0
Advance payments	3,040	(5,080)
Trade deposits and prepayments	(3,188)	(2,597)
Sales tax refundable	551	(1,985)
Due from associates	3,094	(1,548)
Other receivables	(645)	(2,154)
Increase / (decrease) in trade and other payables	(5,225)	82,781
	(195,414)	(124,829)
Cash outflow from operating activities - before taxation	(116,869)	(69,556)
Taxes paid	(935)	(2,232)
Cash outflow from operating activities - after taxation	(117,804)	(71,788)
Long term loans - net	(451)	(157)
Net cash outflow from operating activities	(118,255)	(71,945)
Cash flow from financing activities		
Deposit for shares	22,818	0
Demand finances - net	(36,394)	(3,994)
Lease finances - net	(894)	4,898
Short term finances - net	226,092	180,758
Preference shares redeemed	(22)	(242)
Finance cost paid	(29,206)	(25,152)
Dividends paid	(142)	0
Net cash inflow from financing activities	182,252	156,268
Cash flow from investing activities		
Property, plant and equipment	(25,884)	(36,175)
Sale proceeds of operating fixed assets	980	520
Long term security deposits - net	(1)	0
Net cash outflow from investing activities	(24,905)	(35,655)
Net increase in cash and cash equivalents	39,092	48,668
Cash and cash equivalents - at the beginning of the period	9,781	2,265
Cash and cash equivalents - at the end of the period	48,873	50,933

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

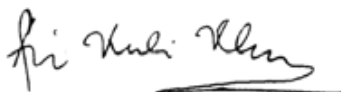

CHIEF EXECUTIVE


DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

	Share capital	Reserves			Sub-total	Unappropriated profit	Total
		Capital redemption	Tax holiday	General			
	----- Rupees in thousand -----						
Balance as at 30 June, 2005	28,777	6,694	350	124,049	131,093	30,464	190,334
Loss for the half-year ended 31 December, 2005	0	0	0	0	0	(17,252)	(17,252)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	7,189	7,189
Effect of items directly credited in equity by the associates	0	0	0	0	0	590	590
Balance as at 31 December, 2005	28,777	6,694	350	124,049	131,093	20,991	180,861
Loss for the half-year ended 30 June, 2006	0	0	0	0	0	(15,060)	(15,060)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	7,185	7,185
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	295	295
Effect of items directly credited in equity by the associates	0	0	0	0	0	781	781
Balance as at 30 June, 2006	28,777	6,694	350	124,049	131,093	14,192	174,062
Loss for the half-year ended 31 December, 2006	0	0	0	0	0	(10,468)	(10,468)
Transfer from surplus on revaluation of property, plant & equipment on account of :							
- incremental depreciation - net of deferred taxation	0	0	0	0	0	6,462	6,462
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	198	198
Effect of items directly credited in equity by the associates	0	0	0	0	0	566	566
Nominal value of ordinary bonus shares issued	2,878	0	0	(2,878)	(2,878)	0	0
Balance as at 31 December, 2006	31,655	6,694	350	121,171	128,215	10,950	170,820

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



CHIEF EXECUTIVE



DIRECTOR

JANANA DE MALUCHO TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2006 (UN-AUDITED)

1. 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. These interim financial statements (the financial statements) are presented in condensed form in accordance with International Accounting Standard 34 (Interim Financial Reporting). The financial statements have been reviewed by the external Auditors as required by the Code of Corporate Governance and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.
3. These financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June, 2006.
4. The accounting policies and methods of computation, which have been used in the preparation of these financial statements, are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June, 2006.
5. The significant judgment, estimates and assumptions used by the management in preparation of these financial statements are the same as those applied to the annual financial statements as at and for the year ended 30 June, 2006.

6. AUTHORISED SHARE CAPITAL

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
Rupees in thousand		
18,000,000 (30 June, 2006: 3,600,000) ordinary shares of Rs.10 each	180,000	36,000
700,000 - 7.5% redeemable cumulative preference shares of Rs.10 each	7,000	7,000
1,300,000 -10% redeemable cumulative preference shares of Rs.10 each	13,000	13,000
	200,000	56,000
	200,000	56,000

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued for cash:

500,000 ordinary shares of Rs.10 each	5,000	5,000
1,652,100 ordinary shares of Rs.10 each issued to Financial Institutions by conversion of loans and debentures	16,521	16,521
6,832 ordinary shares of Rs.10 each issued by conversion of preference shares	68	68
	21,589	21,589

Issued as bonus shares:

1,006,518 (30 June, 2006: 718,750) ordinary shares of Rs.10 each	10,066	7,188
	31,655	28,777
	31,655	28,777

8. DEPOSIT FOR SHARES

This deposit has been received from Bannu Woollen Mills Limited (an associate) on account of share deposit money for issue of right shares.

9. DEMAND FINANCES - Secured

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
Demand Finance I (DF I)	257,334	280,728
Demand Finance II (DF II)	2,500	7,500
Demand Finance III (DF III)	57,000	60,000
Demand Finance IV (DF IV)	32,500	37,500
Demand Finance V (DF V)	69,818	69,818
	419,152	455,546
Less: current portion grouped under current liabilities:		
- instalments due within following 12 months	75,770	76,288
- instalments overdue	31,394	25,894
	107,164	102,182
	311,988	353,364

9.1 These finances have been obtained from National Bank of Pakistan (NBP) against five demand finance facilities aggregating Rs.471 million and are secured against first exclusive charge on entire present and future current and fixed assets of the Company. These finances, during the period, carried mark-up at the rates ranging from 12.11% to 12.16% per annum.

9.2 As per the revised repayment terms communicated by NBP vide its letter Ref. # KT / MBR / FIN / 06, dated 30 September, 2006:

- (a) DF I is repayable in 12 equal half-yearly instalments commenced from June, 2006.
- (b) DF II is repayable in 8 equal half-yearly instalments commenced from March, 2005.
- (c) DF III is repayable in 20 equal quarterly instalments commenced from September, 2006.
- (d) DF IV is repayable in 16 equal quarterly instalments commenced from March, 2006.
- (e) DF V is repayable in 10 equal half-yearly instalments commencing December, 2007.

10. SHORT TERM FINANCES - Secured

Short term finance facilities available from National Bank of Pakistan (NBP) under mark-up arrangements aggregate Rs.770 million (30 June, 2006: Rs.660 million) and are secured against pledge of stock-in-trade, lien on export documents and first charge on fixed and current assets of the Company. These facilities, during the period, carried mark-up at the rate of 11.11% per annum.

Facilities available for opening letters of credit and guarantee from NBP aggregate Rs.211.200 million (30 June, 2006: Rs.161.200 million) and are secured against lien on import documents and first charge on current and fixed assets of the Company.

These facilities are available upto 31 October, 2007.

11. CONTINGENCIES AND COMMITMENTS

- 11.1** There has been no significant change in the status of contingencies since the date of preceding published financial statements of the Company for the year-ended 30 June, 2006.
- 11.2** No commitments were outstanding as at 31 December, 2006; (commitments for irrevocable letters of credit outstanding as at 30 June, 2006 amounted Rs.45,162 thousand).
- 11.3** Counter guarantee given by the Company to a commercial bank outstanding as at 31 December, 2006 was for Rs.11.200 million (30 June, 2006: Rs.11.200 million).

12. OPERATING FIXED ASSETS

	Un-audited Half-year ended 31 Dec., 2006 Rupees in thousand	Audited Year ended 30 June, 2006
Opening book value	1,120,227	1,102,837
Additions during the period / year:		
Owned:		
- roads, paths and culverts	0	647
- buildings on freehold land - factory	628	10,411
- non-factory	0	456
- residential for workers	1,804	19
- plant and machinery	105,506	10,004
- generators	0	78,900
- workshop equipment	0	82
- furniture and fixtures	720	655
- office and other equipment	141	12
- vehicles	963	4,298
	109,762	105,484
Leased - vehicles	0	6,874
	109,762	112,358
Book value of assets disposed-off during the period / year	(714)	(1,977)
Depreciation charge for the period / year	(45,417)	(92,991)
Closing book value	1,183,858	1,120,227

13. CAPITAL WORK-IN-PROGRESS

	Un-audited 31 Dec., 2006 (Rupees in thousand)	Audited 30 June, 2006
Advance to an associate against construction of cotton godowns	18,500	0
Plant and machinery:		
- costs and expenses	0	96,713
- in transit	1,016	2,503
- advance payments	259	3,899
	19,775	103,115

	Un-audited 31 Dec., 2006	Audited 30 June, 2006
	Rupees in thousand	
14. INVESTMENTS IN ASSOCIATES - Quoted		
Babri Cotton Mills Ltd. (BCM)		
150,886 (30 June,2006:150,886) ordinary shares of Rs.10 each - cost	1,973	1,973
Equity held: 7.54% (30 June,2006:7.54%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	6,029	7,815
Loss for the period / year - net of taxation	(1,267)	(2,050)
	6,735	7,738
Bannu Woollen Mills Ltd. (BWM)		
390,201 (30 June,2006:390,201) ordinary shares of Rs.10 each including 90,046 bonus shares - cost	7,697	7,697
Equity held: 7.70% (30 June,2006:7.70%)		
Post acquisition profit brought forward including effect of items directly credited in equity by the associates	11,743	9,316
Profit for the period / year - net of taxation	1,791	2,125
	21,231	19,138
	27,966	26,876

14.1 Fair value of investments in BCM as at 31 December, 2006 was Rs.1.811 million (30 June, 2006: Rs.2.716 million).

14.2 Fair value of investments in BWM as at 31 December, 2006 was Rs.11.706 million (30 June, 2006: Rs.12.252 million).

15. TAXATION

In view of available tax losses, the current tax expense represents the minimum tax on turnover for the half-year due under section 113 of the Income Tax Ordinance, 2001.

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Aggregate transactions made during the period / year with associates were as follows:

	Un-audited Half-year ended 31 Dec., 2006	Audited Year ended 30 June, 2006
	Rupees in thousand	
- sale of goods and services	1,137	6,298
- purchase of goods and services	8,925	8,357
- purchase of fixed assets	0	4,232
- sale of fixed assets	325	0
- insurance claim received	0	257
- residential rent:		
- paid	0	5
- received	66	132
- mark-up:		
- earned	1,048	1,943
- accrued	519	774
- management charges:		
- paid	656	1,510
- received	2,818	4,136

16.2 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.

16.3 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 associates, which are on actual basis.

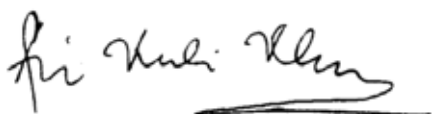
16.4 Trade and other payables include due to associates aggregating Rs.12,411 thousand (30 June, 2006: Rs.16,792 thousand).

17. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 24 February, 2007.

18. FIGURES

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been rearranged nor reclassified.



CHIEF EXECUTIVE



DIRECTOR