

*Quarterly
Accounts
September
2013*



BIBOJEE
Group of Companies

JANANA DE MALUCHO
TEXTILE MILLS LIMITED

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 Chairman MR. AHMAD KULI KHAN KHATTAK Member MR. MUSHTAQ AHMAD KHAN, FCA Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. RAZA KULI KHAN KHATTAK Chairman LT. GEN. (RETD.) ALI KULI KHAN KHATTAK Chief Executive / Member MR. AHMAD KULI KHAN KHATTAK Member MR. MUSHTAQ AHMAD KHAN, FCA Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager (Finance, Commercial & Corporate Affairs)
HEAD OF INTERNAL AUDIT	MR. NADEEM AHMED, ACCA
AUDITORS	HAMEED CHAUDHRI & CO., Chartered Accountants
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE
REGISTRARS & SHARES REGISTRATION OFFICE	MANAGEMENT & REGISTRATION SERVICES (PVT) LTD. BUSINESS EXECUTIVE CENTRE, F/17/3, BLOCK 8, CLIFTON, KARACHI TEL. 021-35375127-29, FAX. 021-35820325 EMAIL registrationservices@live.co.uk
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com WEB SITE: www.jdm.com.pk

JANANA DE MALUCHO TEXTILE MILLS LIMITED
DIRECTORS REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I feel pleasure in presenting the un-audited financial statements of the Company for the first quarter ended 30th September, 2013.

FINANCIAL HIGHLIGHTS

During the first quarter, your Company has posted the following results:

	2013	2012
	- Rs. in million -	
Sales	846.889	631.537
Gross Profit	196.048	83.875
Profit from operations	172.115	66.701
Profit before taxation	160.244	42.153
Profit after taxation	151.775	38.995
	--- Rupees ---	
Earnings per share	31.72	8.15

We have to inform the shareholders that the turnover of the Company has increased by Rs.215.352 million as compared to comparative period of last year. The gross profit in the first quarter has increased by Rs.112.173 million. Main reasons of increase in gross profit were increase in yarn sales by Rs.312.313 million (sale rates of current period have increased by Rs.39.38 per lbs due to peak season for Fine Counts 80/1 and increase in quantity sold was 879,076 lbs as compared to previous period). Another reason of increase in gross profit was decrease in cost of raw material consumed.

GENERAL MARKET CONDITION

Currently the prices of cotton in local and international markets are showing downward trend. However due to spinning of yarn counts which are in higher demand in the local markets, the prices of yarn are stable and there is generally an upward trend in the yarn markets. However it may not continue for a much longer period as the decrease in cotton prices is ultimately going to bring down the prices of yarn too. Currently all the market indicators are acting positively, but the load shedding and gas outages of 4 to 6 days in a week in the end user finishing and printing units in Punjab will ultimately affect the sale rates of yarn.

FUTURE OUTLOOK

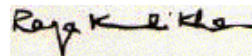
Despite the currently agreeable situation of textile sector, the future does not seem to be very positive. The winter season has already started and heavy load shedding of gas and electricity is expected in the current season which may continue up to March, 2014, resulting into great suffering of winter. All in all the coming quarter may well prove to be another test of survival for the textile industry. However your management will strive to achieve positive results and maintain current profit margins by using every resource on its disposal.

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have consistently facilitated the Company in financially difficult times. We would also like to highlight the hard work and diligence of the Company's Senior Management, support staff and the production workers. We look forward to same dedication and cooperation from them in the future as well.

Dated: 30th October, 2013

For and on behalf of the Board



RAZA KULI KHAN KHATTAK
Chairman

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER, 2013

	Un-audited 30 September 2013	Restated Audited 30 June 2013	Restated Audited 01 July 2012
ASSETS	Note	----- (Rupees in thousand) -----	
Non-current assets			
Property, plant and equipment	2,253,888	2,270,452	2,246,422
Investments in Associated Companies	157,839	157,839	108,784
Loans to employees	4,093	3,164	1,065
Security deposits	1,029	1,029	1,029
	<u>2,416,849</u>	<u>2,432,484</u>	<u>2,357,300</u>
Current assets			
Stores, spares and loose tools	48,015	49,452	40,551
Stock-in-trade	454,067	688,101	671,596
Trade debts - unsecured considered good	24,790	9,404	7,527
Advances to employees	5,235	3,314	1,820
Advance payments	35,365	33,637	16,595
Trade deposits and prepayments	55,105	1,614	1,215
Due from Associated Companies	20,397	20,208	7,615
Other receivables	1,623	1,844	3,421
Sales tax refundable	30,537	30,300	29,000
Income tax refundable, advance tax and tax deducted at source	66,175	62,387	43,791
Cash and bank balances	27,606	13,420	3,134
	<u>768,915</u>	<u>913,681</u>	<u>826,265</u>
TOTAL ASSETS	<u><u>3,185,764</u></u>	<u><u>3,346,165</u></u>	<u><u>3,183,565</u></u>
EQUITY AND LIABILITIES			
Equity			
Authorised capital	200,000	200,000	200,000
Issued, subscribed and paid-up capital	47,848	47,848	47,848
Reserves	389,983	389,983	217,673
Unappropriated profit	560,729	404,780	317,191
Shareholders' equity	<u>998,560</u>	<u>842,611</u>	<u>582,712</u>
Term finance certificates	34,759	34,759	49,821
Surplus on revaluation of property, plant and equipment	1,286,052	1,290,226	1,302,472
Liabilities			
Non-current liabilities			
Demand finances	0	278	210,892
Staff retirement benefits - gratuity	93,193	88,912	76,102
Deferred taxation	265,910	265,910	191,304
	<u>359,103</u>	<u>355,100</u>	<u>478,298</u>
Current liabilities			
Trade and other payables	169,473	184,959	223,931
Accrued mark-up / interest	9,561	3,581	25,142
Short term finances	299,299	585,112	461,246
Current portion of non-current liabilities	13,904	43,233	58,728
Taxation	13,838	5,369	0
Preference shares redemption account	1,215	1,215	1,215
	<u>507,290</u>	<u>823,469</u>	<u>770,262</u>
Total liabilities	<u>866,393</u>	<u>1,178,569</u>	<u>1,248,560</u>
Contingencies and commitments			
TOTAL EQUITY AND LIABILITIES	<u><u>3,185,764</u></u>	<u><u>3,346,165</u></u>	<u><u>3,183,565</u></u>

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

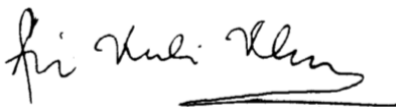

Chief Executive


Director

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER, 2013

	September 30,	
	2013	2012
	Rupees in thousand	
Sales	846,889	631,537
Cost of Sales	650,841	547,662
Gross Profit	196,048	83,875
Distribution Cost	5,513	2,112
Administrative Expenses	18,999	15,061
Other Expenses	8	5
Other Income	(587)	(4)
	23,933	17,174
Profit from Operations	172,115	66,701
Finance Cost	11,871	24,548
Profit before Taxation	160,244	42,153
Taxation	8,469	3,158
Profit after Taxation	151,775	38,995
Other Comprehensive Income	0	0
Total Comprehensive Income	151,775	38,995
	----- Rupees -----	
Earnings per Share	31.72	8.15

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



Chief Executive



Director

**JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER, 2013**

September 30,
2013 2012
Rupees in thousand

Cash flow from operating activities

Profit for the period - before taxation and share of profit of Associated Companies	160,244	42,153
Adjustments for non-cash charges and other items:		
Depreciation	16,789	16,536
Staff retirement benefits - gratuity (net)	4,281	4,703
Finance cost	11,577	24,264

Profit before working capital changes

192,891 87,656

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets:		
Stores, spares and loose tools	1,437	(4,294)
Stock-in-trade	234,034	93,743
Trade debts	(15,386)	(5,406)
Loans and advances to employees	(2,850)	(1,442)
Advance payments	(1,728)	(7,247)
Trade deposits and prepayments	(53,491)	(13,316)
Due from Associated Companies	(189)	320
Other receivables	221	1,880
Sales tax refundable	(237)	(2,726)
Decrease in trade and other payables	(15,486)	(29,615)
	146,325	31,897

Cash generated from operations

339,216 119,553

Taxes paid

(3,788) (4,418)

Net cash generated from operating activities

335,428 115,135

Cash flow from investing activities

Fixed capital expenditure

(225) (1,106)

Cash flow from financing activities

Demand finances

(29,607) (22,992)

Short term finances - net

(285,813) (51,792)

Finance cost paid

(5,597) (26,147)

Net cash used in financing activities

(321,017) (100,931)

Net increase / (decrease) in cash and cash equivalents

14,186 13,098

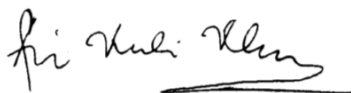
Cash and cash equivalents - at beginning of the period

13,420 3,134

Cash and cash equivalents - at end of the period

27,606 16,232

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



Chief Executive



Director

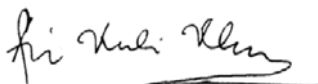
JANANA DE MALUCHO TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER, 2013

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

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

Balance as at 01 July, 2012									
- as previously reported	47,848	6,694	350	11,409	199,220	217,673	335,281	600,802	
Change in accounting policy for recognition of actuarial losses	0	0	0	0	0	0	(18,090)	(18,090)	
Balance as at 01 July, 2012 - as restated	47,848	6,694	350	11,409	199,220	217,673	317,191	582,712	
Transfer to general reserve	0	0	0	0	172,310	172,310	(172,310)	0	
Total comprehensive income for the three months period ended 30 September, 2012	0	0	0	0	0	0	52,195	52,195	
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation for the period (net of deferred taxation)	0	0	0	0	0	0	4,326	4,326	
Balance as at 30 September, 2012	47,848	6,694	350	11,409	371,530	389,983	201,402	639,233	
Balance as at 01 July, 2013									
- as previously reported	47,848	6,694	350	11,409	371,530	389,983	419,902	857,733	
Change in accounting policy for recognition of actuarial losses	0	0	0	0	0	0	(15,122)	(15,122)	
Balance as at 01 July, 2013 - as restated	47,848	6,694	350	11,409	371,530	389,983	404,780	842,611	
Total comprehensive income for the three months period ended 30 September, 2013	0	0	0	0	0	0	151,775	151,775	
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation for the period (net of deferred taxation)	0	0	0	0	0	0	4,174	4,174	
Balance as at 30 September, 2013	47,848	6,694	350	11,409	371,530	389,983	560,729	998,560	

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



Chief Executive



Director

JANANA DE MALUCHO TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER, 2013

1. Janana De Malucho Textile Mills Limited (the company) was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. It is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.
2. This condensed interim financial information of the Company for the three months period ended 30 September, 2013 is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984 (the Ordinance) and the listing regulations of Karachi Stock Exchange. This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 (Interim Financial Reporting) and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
3. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended 30 June, 2013.
4. The accounting policies and the methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited annual financial statements of the Company for the year ended 30 June, 2013 except for the adoption of new accounting policy as referred to in Note 5.
5. Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after 01 January 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses on employees' retirement benefit plans are recognised immediately in other comprehensive income. Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have thereby been restated.

	Cumulative effect upto 30 June 2013	effect for year ended 30 June 2013	Cumulative effect upto 01 July 2012
	----- Rupees in thousand -----		

Condensed interim Balance Sheet

(Decrease) / increase in unappropriated profit			
- Actuarial loss on retirement benefit plans (net of tax)	(15,122)	2,968	(18,090)
Increase / (Decrease) staff retirement benefits - gratuity	22,912	(4,497)	27,409
(Decrease) / Increase deferred taxation	(7,790)	1,529	(9,319)

The effect on the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarter ended 30 September, 2012 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on condensed interim statement of cash flows.

6. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the annual audited financial statements as at and for the year ended 30 June, 2013.

	Un-audited 30 September 2013	Audited 30 June 2013
	Rupees in thousand	
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - owned		
Book value at beginning of the period / year	2,270,452	2,246,422
Additions during the period / year		
Plant and machinery	0	82,299
Generators	0	170
Furniture & Fixture	148	777
Office and other equipment	32	170
Vehicles	45	1,744
Arms	0	6,373
	225	91,533
Book value of assets disposed off during the period / year	0	(822)
Depreciation charge for the period / year	(16,789)	(66,681)
Book value at end of the period / year	<u>2,253,888</u>	<u>2,270,452</u>
8. TRADE DEPOSITS AND PREPAYMENTS		
Letters of credit	43,615	616
Prepayments	11,490	998
	<u>55,105</u>	<u>1,614</u>
9. TAXATION		
9.1	Provision for the current period represents minimum tax payable under section 113 of the Income Tax Ordinance, 2001.	
9.2	There has been no significant change in the status of tax litigations as reported in the preceding published annual financial statements of the Company for the year ended 30 June, 2013 except for that the Commissioner Inland Revenue (Appeals) [CIR(A)] has deleted the additions amounting Rs.3.361 made by the department for the tax year 2007. There is no impact of this deletion on tax liability for the said year due to availability of tax losses and charging of minimum tax. The Company has filed an appeal with the Appellate Tribunal Inland Revenue against the CIR(A)'s order.	
10. CONTINGENCIES AND COMMITMENTS		
	There has been no significant change in the status of contingencies and commitments as reported in the preceding published annual financial statements of the Company for the year ended 30 June, 2013.	
11. TRANSACTIONS WITH RELATED PARTIES		
	The related parties comprise Associated Companies, companies in which directors are interested, directors, key management personnel and close members of the family of all the aforementioned related parties. The company in the normal course of business carries out transactions with various related parties. Transactions with related parties are executed on same terms as those prevailing at the time for comparable transactions with unrelated parties. There are no transactions with key management personnel other than under the terms of employment. Significant balances and transactions with related parties are as follows:	

Balances	Relationship	Un-audited	Audited
		30-Sep	30 June
		2013	2013
		Rupees in thousand	
Trade and other payables	Associated undertakings	440	511
Due from Associated Companies	Associated Companies	20,397	20,208
Loans to employees	Key management personnel	3,470	2,400
		Un-audited	
		Three months ended	
		30 September	30 September
		2013	2012
Transactions	Relationship		
Mark-up	Associated Company	0	37
Salaries & other benefits	Key management personnel	12,291	8,023

12. FINANCIAL RISK MANAGEMENT

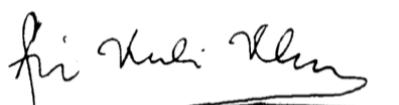
This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June, 2013. The Company's activities expose it to a variety of financial risks, which are (i) credit risk (ii) liquidity risk and (iii) market risk (including foreign currency risk and interest rate risk). There has been no change in the Company's sensitivity to these risks since 30 June, 2013.

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors meeting held on 30 October, 2013.

14. GENERAL

- Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in this condensed interim financial information except for re-statements required in terms of application of change in accounting policy as referred to in Note 5.



Chief Executive



Director