

**NINE MONTHS
ACCOUNTS
MARCH,
2020**

BIBOJEE GROUP



**JANANA DE MALUCHO TEXTILE
MILLS LIMITED**

Janana De Malucho Textile Mills Limited

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Janana De Malucho Textile Mills Limited

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK, MR. MUSHTAQ AHMAD KHAN, FCA MRS. SHAHNAZ SAJJAD AHMAD MR. GOHAR AYUB KHAN BRIG. (RETD) ABDUL SAMAD KHAN MR. SAAD WAHEED MR. KHALID KULI KHAN KHATTAK COL. (RETD.) SYED YUNUS ALI RAZA	Chairman Chief Executive
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. RAZA KULI KHAN KHATTAK MR. SAAD WAHEED COL. (RETD.) SYED YUNUS ALI RAZA	Chairman Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. SAAD WAHEED COL. (RETD.) SYED YUNUS ALI RAZA	Chairman Chief Executive/ Member Member Member
CHIEF FINANCIAL OFFICER	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
COMPANY SECRETARY	MR. ABID RAZA, B. Com., APFA, Affiliate (ICAP)	
HEAD OF INTERNAL AUDIT	MR. NADEEM AHMED, ACCA, CIA	
AUDITORS	SHINEWING HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE	
REGISTRARS & SHARES REGISTRATION OFFICE	VISION CONSULTING LIMITED 3-C, LDA FLATS, 1ST FLOOR, LAWRANCE ROAD, LAHORE TEL: 042-36283096-97, FAX: 042-36312550 EMAIL: info@vcl.com.pk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) TEL. 0922 - 862161 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com WEB SITE: www.jdm.com.pk	

Janana De Malucho Textile Mills Limited

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we feel pleasure in presenting the unaudited condensed interim financial information of the Company for the 3rd quarter & Nine months period ended 31st March, 2020.

FINANCIAL HIGHLIGHTS

During the period under report your Company has posted the following results:

	Quarter ended		Nine months Period ended	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
	----- Rs. in thousand -----			
Sales	1,067,340	798,427	2,457,423	2,488,050
Gross profit	101,271	80,341	234,555	192,715
Profit from operations	79,971	50,384	165,797	96,344
Profit before taxation	54,727	27,324	52,503	27,987
Profit after taxation	32,703	5,466	10,776	12,411
	----- Rupees -----			
Earnings per share	6.83	1.14	2.25	2.59

During the nine months period ended 31 March, 2020, the net turnover of the Company has decreased by Rs.30.627 million as compared to nine months period ended 31 March, 2019. This is due to withdrawal of zero-rating regime for five export-oriented sectors including textile industry w.e.f. 01st July, 2019 and levy of 17% sales tax on sales to registered persons and 3% further tax on sales to unregistered persons. The sales tax on the sales for the nine months period ended 31 March, 2020 amounts to Rs.479.791 million whereas in preceding period the amount of sales tax was Rs.8.656 million only. This massive payment of sales tax and pending refunds have created liquidity problems for the Company. Further, the Company, in the nine months period under report, has earned a profit before tax of Rs.52.503 million, in comparison with profit before tax of Rs.27.987 million in the comparative period. While the profit after tax for the period under report is Rs.10.776 million in comparison with profit after tax of Rs.12.411 million, in the previous period. The decrease in the profit in the current period is due to share of loss from associated companies (calculated on the basis of intercompany investments) which amount to Rs.22.410 million in comparison with Rs.0.778 million in the previous period

GENERAL MARKET CONDITION

The local yarn markets have been quite stable during the quarter under report i.e. before the announcement of lockdown of the industry and markets due to the pandemic of COVID-19 (Coronavirus). However, on the other hand, the cotton cost has increased mainly due to devaluation of Pak Rupee. The withdrawal of custom duties on imported cotton has supported in reducing cost of production but its effect has been negated by the unstable dollar price. The domestic textile market (both yarn and cloth) for all practical purposes has completely collapsed and there have been NIL sales till date from the start of lockdown, which has made the cash flow crisis even more acute for indirect exporters. There is little hope that the domestic textile market would even recover to 50% of its pre-Covid levels even by the end of the year. The coming quarter is going to prove to be another test of survival for the textile industry. However, your management will strive to achieve better results by using every resource at its disposal.

Janana De Malucho Textile Mills Limited

FUTURE OUTLOOK

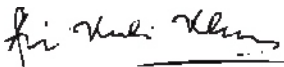
The coronavirus pandemic has hit Pakistan's economy hard like the rest of the world. It is a battle with an invisible enemy. The virus that started in China has now affected almost all the world, and all major economies, including China, the United States, and many European nations, are under complete or partial lockdown. Similarly, Pakistan was also in complete lockdown, however recently the Govt. has eased out the restrictions and has allowed several industries to restart their operations. However, the impact of COVID-19 will be huge on the economy of Pakistan as according to the report of The Asian Development Bank, Pakistan's economic growth would slow down to 1.5 percent during current fiscal year due to ongoing stabilization efforts, slower growth in agriculture and the impact of the COVID-19 outbreak. The Govt. has been taking necessary steps to support the people and industry of the country during the ongoing lockdown which include the Ehsaas Program, which is providing income support to poor families, reduction in the Policy rate by the State Bank of Pakistan (SBP) to 11% from 13.25% in the month of March, which has been further decreased to 9% recently, and announcement of a Refinance Scheme for the industry by SBP to pay their wage bills during these extremely difficult times. These measures that the Govt. has taken in a bid to help people, businesses and combat the growing uncertainty amid the coronavirus pandemic are highly commendable.

However, the ongoing last quarter of the financial year 2020 and the coming fiscal year are going to be financially very difficult for the people and all the industrial sectors of the country and specially Textile, which is the backbone of the Pakistan's local and export market. In order to mitigate the impact of COVID-19 and help the textile sector to stabilize the Govt. needs to take some further necessary steps such as restore the zero-rating regime, reduce the policy rate to 5%, defer the payments of mark-up, electricity & gas bills and release the sales tax refunds at the earliest in order to manage the cashflows, which would help to keep the business cycle in motion. The future outlook for textile markets is extremely bleak where currently, the bulk of the export orders already stand cancelled and where not cancelled the foreign buyers are asking for a long-term extended credit. Western analysts have unequivocally classified textiles as one of the markets that would take years to recover to its pre-Covid turnovers as textiles is not an essential commodity and consumer preferences will necessarily change for the worse on non-essential consumer goods, once the markets reopen. Therefore, the aforementioned measures are necessary to tackle and mitigate the affect of COVID-19 pandemic and help the workforce, manufacturing units and markets alike.

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have constantly facilitated the Company in financially difficult times. The hard work and diligence of the Company's senior management and the production workers is also commendable. We look forward to same dedication and cooperation from them in the future as well.

On behalf of the Board of Directors



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



Col. (Retd.) Syed Yunus Ali Raza
Director

Dated: April 23, 2020

Janana De Malucho Textile Mills Limited

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، 31 مارچ 2020 نو ماہ اور تیسری سہ ماہی کی ختم ہونے والی مدت پر کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔
کارکردگی کا جائزہ۔

ہم آپ کو بتاتے ہوئے خوشی محسوس کرتے ہیں کہ آپ کی کمپنی کی مالیاتی نتائج کے اہم جھلکیاں مندرجہ ذیل ہیں۔

نو ماہی		سہ ماہی		
31 مارچ 2019	31 مارچ 2020	31 مارچ 2019	31 مارچ 2020	
----- روپے ہزاروں میں -----				
2,488,050	2,457,423	798,427	1,067,340	فروخت
192,715	234,555	80,341	101,271	عبوری منافع
96,344	165,797	50,384	79,971	اپریشن کے بعد منافع
27,987	52,503	27,324	54,727	ٹیکس سے پہلے منافع
12,411	10,776	5,466	32,703	ٹیکس سے بعد منافع
----- روپے -----				
2.59	2.25	1.14	6.83	آمدنی فی شیئر

31 مارچ، 2020 کو ختم ہونے والے نو ماہ کے عرصہ کے دوران، کمپنی کے خالص کاروبار میں 31 مارچ، 2019 کو ختم ہونے والے نو ماہ کے عرصے کے مقابلے میں 30.627 ملین روپے کی کمی واقع ہوئی ہے۔ جس کی بنیادی وجہ 01 جولائی 2019 سے پانچ برآمدی شہجوں پر صفر فیصد ٹیکس کے خاتمے کے بعد رجسٹرڈ افراد کو فروخت پر 17% سیلز ٹیکس اور غیر رجسٹرڈ افراد کو فروخت پر 3% مزید ٹیکس عائد ہونا۔ اس کی وجہ سے نو ماہ جو 31 مارچ، 2020 کو ختم ہوئے کے عرصہ میں فروخت پر کمپنی نے سیلز ٹیکس 479.791 ملین روپے ادا کیا ہے جبکہ پچھلے دور میں سیلز ٹیکس کی رقم صرف 8.656 ملین روپے تھی۔ سیلز ٹیکس کی اس وسیع پیمانے پر ادائیگی اور ریلتواء ریفرنڈوم کی واپسی نے کمپنی کو لیکویڈیٹی کی مسائل پیدا کر دیئے ہیں۔ مزید یہ کہ کمپنی نے، رپورٹ کے تحت نو ماہ کے عرصے میں، تقابلی مدت میں 27.987 ملین روپے ٹیکس سے پہلے منافع کے مقابلے میں، 52.503 ملین روپے ٹیکس سے پہلے منافع حاصل کیا ہے۔ جبکہ رپورٹ کے تحت ٹیکس کے بعد منافع 10.776 ملین روپے ہے جبکہ اس سے پہلے کے دورانیے میں 12.411 ملین روپے کے ٹیکس کے بعد منافع تھا۔ موجودہ مدت میں منافع میں کمی کی کا تعلق اس سے منسلک کمپنیوں کے حصص میں ہونے والے نقصان کی وجہ سے ہوا ہے (انٹر کمپنی سرمایہ کاری کی بنیاد پر حساب کیا جاتا ہے) جو گذشتہ ادوار میں 0.778 ملین روپے کے مقابلے میں 22.410 ملین روپے بنتا ہے۔

عمومی مارکیٹ کی حالت

رپورٹ کے تحت سہ ماہی کے دوران مقامی سوت بازار کو روہتا بیماری کی وجہ سے بند ہونے سے پہلے کافی مستحکم رہا ہے۔ تاہم، دوسری طرف، روہتی کی قیمت میں بنیادی طور پر پاک روپے کی قدر میں کمی کی وجہ سے اضافہ ہوا ہے۔ درآئندہ روہتی پر کسٹم ڈیوٹی کے اخلائے پیداوار کی لاگت کو کم کرنے میں معاون ثابت ہوا ہے لیکن ڈالر کے غیر مستحکم قیمت کی وجہ سے اس اثر کو نفی کر دیا۔ مقامی ٹیکسٹائل مارکیٹ (سوت اور کپڑا دونوں کی) تمام عملی مقاصد کے لئے مکمل طور پر تنہو چکی ہے اور لاک ڈاؤن کے آغاز سے ہی آج تک کسی بھی قسم کی فروخت نہیں ہوئی ہے، جس سے بالواسطہ برآمد کنندگان کے لئے نقد رقم کے بہاؤ کا بحران اور بھی سنگین ہو گیا ہے۔ اس وقت بہت کم امید ہے کہ گھریلو ٹیکسٹائل مارکیٹ اس سال کے اختتام پر کو روہتا بیماری کی وجہ سے پہلے کی سطح کا 50% فیصد تک پہنچ جائے گی۔ آنے والی سہ ماہی ٹیکسٹائل کی صنعت کے لئے بقا کا ایک اور امتحان ثابت ہونے جا رہی ہے۔ تاہم، آپ کی انتظامیہ ہر وسائل کو اپنے اختیار میں لے کر بہتر نتائج حاصل کرنے کی کوشش کرے گی۔

مستقبل کا نقطہ نظر

کو روہتا بیماری کے آنے کی وجہ سے پاکستانی معیشت دیگر دنیا کے مقابلے میں بہت متاثر ہوئی ہے۔ یہ ایک پوشیدہ دشمن کے ساتھ لڑائی ہے۔ جینن سے شروع ہونے والی یہ بیماری اب پوری دنیا کو اپنی لپیٹ میں لے چکی ہے اور تمام بڑی معیشتیں، بشمول چین، ریاست ہائے متحدہ امریکہ، اور بہت سے یورپی ممالک، مکمل یا جزوی طور پر لاک ڈاؤن کے تحت ہیں۔ اسی طرح، پاکستان بھی مکمل طور پر لاک ڈاؤن میں تھا، حال ہی میں حکومت نے ان بائند یوں کو ختم کیا ہے اور متعدد صنعتوں کو اپنے کام دوبارہ شروع کرنے کی اجازت دی ہے۔ تاہم کوویڈ 19 کا اثر پاکستان کی معیشت پر بہت زیادہ پڑے گا جیسا کہ ایشین ڈیولپمنٹ بینک کی رپورٹ کے مطابق، استحکام کی جاری کوششوں، زراعت میں سست رفتار اور کوویڈ 19 کے دہائے کے اثرات کی وجہ سے رواں مالی سال کے دوران پاکستان کی معاشی نمو 1.5 فیصد تک کم ہو جائے گی۔ حکومت جاری لاک ڈاؤن کے دوران ملک کے عوام اور صنعت کو سپورٹ کرنے کے لئے ضروری اقدامات کر رہی ہے جس میں احساس پروگرام شامل ہے، جو غریب خاندانوں کو آمدنی میں مدد فراہم کر رہا ہے، اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح میں 11 فیصد تک کمی کی ہے جو مارچ کے مہینے میں 13.25% تھا، اب حال ہی میں کم ہو کر 9% رہ گیا ہے، اور اس انتہائی مشکل وقت کے دوران اسٹیٹ بینک کے ذریعہ انٹرنیٹی کے لئے ان کے مزدوروں کی اجرت کے بل ادا کرنے کے لئے ری فنانس اسکیم کا اعلان کیا گیا ہے۔ کو روہتا بیماری کی وجہ سے حکومت نے لوگوں، کاروباری اداروں اور بڑھتی ہوئی غیر یقینی صورتحال کا مقابلہ کرنے کے لیے جو اقدامات لیے ہیں وہ قابل تعریف ہیں۔

Janana De Malucho Textile Mills Limited

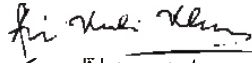
تاہم، مالیاتی سال 2020 کی جاری آخری سہ ماہی اور آنے والا مالی سال عوام اور ملک کے تمام صنعتی شعبوں اور خاص طور پر ٹیکسٹائل کے لئے مالی طور پر بہت مشکل ثابت ہوگا، جو پاکستان کی مقامی اور برآمدی مارکیٹ کی ریڑھ کی ہڈی ہے۔ کوویڈ 19 کے اثرات کو کم کرنے اور ٹیکسٹائل سیکٹر کو بحال کرنے کے لیے حکومت کو ٹیکسٹائل انڈسٹری کے اور بھی مثبت اقدامات لینے چاہیں جیسا کہ دوبارہ صفر فیصدی سیلز ٹیکس کا نفاذ، پالیسی شرح کو 5 فیصد تک کم کرنا، مارک اپ، بجلی اور گیس کے بلوں کی ادائیگی کو موخر کرنے جیسے کچھ مزید ضروری اقدامات کرنے کی ضرورت ہے تاکہ نظم و نسق کو منظم کیا جاسکے۔ اس سے رقم کے نقد بہاؤ میں بہتری آئے گی، جس سے کاروباری سرگرمیوں کو حرکت میں رکھنے میں مدد ملے گی۔ ٹیکسٹائل مارکیٹوں کے لئے مستقبل انتہائی تاریک ہے جہاں نئی الحال برآمدی آرڈر کا زیادہ تر حصہ پہلے ہی منسوخ ہے اور جہاں غیر ملکی خریدار طویل مدتی توسیع والے کریڈٹ کے لئے کہہ رہے ہیں۔ مغربی تجربہ کاروں نے ٹیکسٹائل کی غیر منطقی طور پر درجہ بندی کی ہے جو کوویڈ 19 سے پہلے کاروبار میں آنے کے لیے سالوں درکار ہوں گے کیونکہ اب ٹیکسٹائل ایک ضروری چیز نہیں ہے اور ایک بار جب مارکیٹیں دوبارہ کھل گئیں تو صارفین کی ترجیحات غیر ضروری اشیاء سے ہٹ جائیں گی۔ لہذا، مذکورہ بالا اقدامات کوویڈ 19 وبائی بیماری سے نمٹنے اور اسے کم کرنے اور افرادی قوت، مینوفیکچرنگ یونٹوں اور بازاروں میں یکساں مدد کرنے کے لئے ضروری ہیں۔


اعتراف

بورڈ آف ڈائریکٹرز کمپنی کے بینکاروں کی قدر کرتا ہے جو کہ مسلسل کمپنی کی مالی مشکلات میں بروقت مدد کرتے ہیں۔ اسکے علاوہ کمپنی کی انتظامیہ اور کارکنوں کی محنت کو بے مثال مشکل حالات میں بہتر نتائج حاصل کرنے پر شاباش دیتا ہے۔ اور امید کرتا ہے کہ مستقبل میں تمام کارکنان اسی لگن اور محنت سے کام کرتے رہیں گے۔

تاریخ: 23 اپریل 2020

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے


ایف۔ ن۔ خان
لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان جنگ
چیف ایگزیکٹو

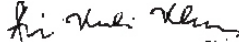

کرل (ریٹائرڈ) سید یونس علی رضا
ڈائریکٹر


Janana De Malucho Textile Mills Limited

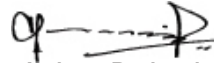
Condensed Interim Statement of Financial Position as at March 31, 2020

		(Un-Audited) March 31 2020	(Audited) June 30 2019
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,202,041	3,123,417
Investments in Associated Companies	7	316,942	312,921
Loans to employees		187	232
Security deposits		1,543	1,395
		3,520,713	3,437,965
Current assets			
Stores, spares and loose tools		58,503	64,057
Stock-in-trade	8	1,067,547	1,000,589
Trade debts - unsecured, considered good		10,493	20,003
Advances to employees		1,611	1,478
Advance payments		7,137	7,998
Trade deposits and prepayments		12,359	614
Due from Associated Companies	14.2	4,586	0
Other receivables		313	726
Sales tax refundable		38,081	47,492
Income tax refundable, advance tax and tax deducted at source		86,446	96,010
Cash and bank balances		7,504	5,130
		1,294,580	1,244,097
		4,815,293	4,682,062
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Authorized capital		200,000	200,000
Issued, subscribed and paid-up capital	9	47,848	47,848
Capital reserves			
- capital redemption		6,694	6,694
- tax holiday		350	350
- share premium		11,409	11,409
- revaluation surplus on property, plant and equipment	10	2,384,881	2,294,376
Revenue reserves			
- general reserve		371,530	371,530
- un-appropriated profit		567,500	514,546
		3,390,212	3,246,753
Shareholders' equity			
Liabilities			
Non-current liabilities			
Liabilities against assets subject to finance lease		4,206	0
Staff retirement benefits - gratuity		64,126	55,574
Deferred taxation		206,939	175,491
		275,271	231,065
Current liabilities			
Trade and other payables	11	303,028	345,944
Unclaimed dividends		294	294
Accrued mark-up		20,408	18,351
Short term finances		785,944	799,867
Current portion of Liabilities against assets subject to finance lease		2,083	0
Taxation	12	36,861	38,595
Preference shares redemption account		1,192	1,193
		1,149,810	1,204,244
		1,425,081	1,435,309
Total liabilities			
Contingencies and commitments			
	13		
		4,815,293	4,682,062

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


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


 Col. (Retd.) Syed Yunus Ali Raza
 Director

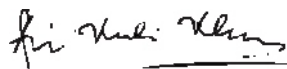

 Amin-ur-Rasheed
 Chief Financial Officer

Janana De Malucho Textile Mills Limited


Condensed Interim Statement of Profit or Loss & Other Comprehensive Income (Un-audited) For the Quarter and Nine Months Period Ended March 31, 2020

	Quarter ended		Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
Note	----- Rupees in thousand -----			
Sales - net	1,067,340	798,427	2,457,423	2,488,050
Cost of Sales	966,069	718,086	2,222,868	2,295,335
Gross Profit	101,271	80,341	234,555	192,715
Distribution Cost	5,937	10,138	17,219	35,702
Administrative Expenses	15,895	20,305	51,415	62,078
Other Expenses	0	0	1,764	20
Other Income	(532)	(486)	(1,640)	(1,429)
	21,300	29,957	68,758	96,371
Profit from Operations	79,971	50,384	165,797	96,344
Finance Cost	25,244	23,060	90,884	67,579
	54,727	27,324	74,913	28,765
Share of Loss of Associated Companies - net	0	0	(22,410)	(778)
Profit before Taxation	54,727	27,324	52,503	27,987
Taxation - Net	22,024	21,858	41,727	15,576
Profit after Taxation	32,703	5,466	10,776	12,411
Other Comprehensive Income				
Revaluation surplus on Property, plant and equipment	0	0	129,429	0
Deferred Tax	0	0	(23,176)	0
	0	0	106,253	0
Total Comprehensive Income for the Period	32,703	5,466	117,029	12,411
	----- Rupees -----			
Earnings per Share	6.83	1.14	2.25	2.59

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



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



**Col. (Retd.)
Syed Yunus Ali Raza
Director**



**Amin-ur-Rasheed
Chief Financial Officer**

Janana De Malucho Textile Mills Limited

Condensed Interim Statement of Changes In Equity (Un-Audited)

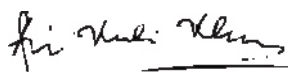
For the Nine Months Period Ended March 31, 2020

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

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

Balance as at June 30, 2019 (audited)	47,848	6,694	350	11,409	2,294,376	371,530	514,546	3,246,753
Total comprehensive income for the nine months period ended March 31, 2020	0	0	0	0	106,253	0	10,776	117,029
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	(13,972)	0	13,972	0
Share of revaluation surplus on property, plant and equipment of Associated Companies	0	0	0	0	(1,776)	0	0	(1,776)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	28,206	28,206
Balance as at March 31, 2020 (un-audited)	47,848	6,694	350	11,409	2,384,881	371,530	567,500	3,390,212
Balance as at June 30, 2018 (audited)	47,848	6,694	350	11,409	2,323,069	871,530	(22,790)	3,238,110
Total comprehensive income for the nine months period ended March 31, 2019	0	0	0	0	0	0	12,411	12,411
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	(14,348)	0	14,348	0
Share of revaluation surplus on property, plant and equipment of Associated Companies	0	0	0	0	(1,901)	0	0	(1,901)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	2,678	2,678
Balance as at March 31, 2019 (un-audited)	47,848	6,694	350	11,409	2,306,820	871,530	6,647	3,251,298

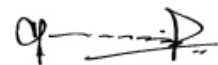
The annexed notes form an integral part of these condensed interim financial statements.



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



Col. (Retd.) Syed Yunus Ali Raza
Director



Amin-ur-Rasheed
Chief Financial Officer

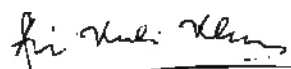
Janana De Malucho Textile Mills Limited

Condensed Interim Statement of Cash Flows (Un-Audited)

For the Nine Months Period Ended March 31, 2020

	Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019
	Rupees in thousand	
Cash flows from operating activities		
Profit for the period before taxation	74,913	28,765
Adjustments for non-cash charges and other items:		
Depreciation	62,613	60,747
Staff retirement benefits - gratuity (net)	8,552	5,840
Finance cost	88,544	66,262
Profit before working capital changes	234,622	161,614
Effect on cash flows due to working capital changes		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	5,554	(4,920)
Stock-in-trade	(66,958)	158,412
Trade debts	9,510	30,666
Loans and advances to employees	(88)	1,343
Advance payments	861	3,469
Trade deposits and prepayments	(11,745)	(10,460)
Due from Associated Companies	(4,586)	(3,899)
Other receivables	413	13,746
Sales tax	9,411	69,781
(Decrease) / Increase in Trade and other payables	(42,916)	15,245
	(100,544)	273,383
Cash generated from operations	134,078	434,997
Taxes paid	(25,625)	(21,138)
Net cash generated from operating activities	108,453	413,859
Cash flows from investing activities		
Fixed capital expenditure	(11,808)	(84,993)
Security deposits	(148)	0
Dividend received	0	1,829
Net cash used in investing activities	(11,956)	(83,164)
Cash flows from financing activities		
Liabilities against assets subject to finance lease - net	6,289	0
Short term finances - net	(13,923)	(271,759)
Finance cost paid	(86,488)	(64,532)
Net cash used in financing activities	(94,123)	(336,291)
Net increase / (decrease) in cash and cash equivalents	2,374	(5,596)
Cash and cash equivalents - at beginning of the period	5,130	12,170
Cash and cash equivalents - at end of the period	7,504	6,574

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



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



**Col. (Retd.)
Syed Yunus Ali Raza
Director**



**Amin-ur-Rasheed
Chief Financial Officer**

Janana De Malucho Textile Mills Limited

Notes to the Condensed Interim Financial Statements (Un-audited) For the Nine Months Period Ended March 31, 2020

1. Legal Status and Operations

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

2. Basis of Preparation

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

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

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

3. Significant Accounting Policies

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

3.1 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2019 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed financial statements, except for the following:

(a) Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement are effective for periods beginning on or after January 01, 2019. These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in statement of profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendments do not have any material impact on the Company's financial statements.

(b) IAS 23, 'Borrowing costs' is effective for accounting periods beginning on or after January 01, 2019. The amendment is part of the annual improvement 2015-2017 cycle. The amendment clarifies that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale - or any non-qualifying assets - are included in that general pool. The amendments do not have any material impact on the Company's financial statements.

Janana De Malucho Textile Mills Limited

(C) IFRIC 23, 'Uncertainty over income tax treatments' is effective for accounting periods beginning on or after January 01, 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The amendments do not have any material impact on the Company's financial statements.

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

5. Accounting estimates, judgments and financial risk management

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

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

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

6. Operating fixed assets - tangible

		Un-audited Mar. 31, 2020 (Rupees in thousand)
Book value of operating fixed assets as at June 30, 2019		3,121,633
Revaluation increments incorporated during the period:		
- freehold land	6.1	49,510
- buildings on freehold land	6.1	34,226
- plant and machinery	6.1	27,508
- generators	6.1	18,185
		129,429
Additions during the period		
Owned		
- plant & machinery		3,961
- furniture & fixtures		305
- computer equipment & accessories		118
Leased - vehicle		9,208
		13,592
Depreciation charge for the period		(62,613)
Book value of operating fixed assets as at March 31, 2020		3,202,041

Janana De Malucho Textile Mills Limited

- 6.1 Revaluation surplus on each class of assets, as a result of latest revaluation as detailed in note 10.1, has been determined as follows:

Particulars	Freehold land	Buildings on freehold land			Plant & machinery	Generators	Total
		Factory	Non - factory	Residential			
----- Rupees in thousand -----							
Cost / revaluation as at October 31, 2019	1,676,500	262,078	7,902	20,088	1,494,012	207,481	3,668,061
Accumulated depreciation to October 31, 2019	0	46,499	1,391	6,909	455,295	88,698	598,792
Book value before revaluation adjustments as at October 31, 2019	1,676,500	215,579	6,511	13,179	1,038,717	118,783	3,069,269
Revalued amounts	1,726,010	240,558	7,431	21,506	1,066,225	136,968	3,198,698
Revaluation surplus	49,510	24,979	920	8,327	27,508	18,185	129,429

- 6.2 Had the operating fixed assets been recognised Under the cost model, the carrying amounts of each revalued class of operating fixed assets would have been as follows:

	Un-audited Mar. 31, 2020 (Rupees in thousand)	Audited June.30, 2019
Freehold land	340	340
Buildings on freehold land:		
- factory	37,360	39,061
- non-factory	1,181	1,236
Residential	6,111	6,453
Plant & machinery	733,939	758,635
Generators	105,633	114,505
	<u>884,564</u>	<u>920,230</u>

- 6.3 Based on the revaluation exercise carried-out as at October 31, 2019, forced sale values of the Company's revalued assets have been assessed at Rs.2.499 billion.

7. Investments in Associated Companies - Quoted

Babri Cotton Mills Ltd. (BCM)

587,493 ordinary shares of Rs.10 each-cost-Equity held: 16.09%	10,973	10,973
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity	58,665	63,146
Share of revaluation surplus on property, plant and equipment	143,279	144,594
Loss for the period / year - net of taxation	(24,567)	(6,276)
Share of other comprehensive income - net of taxation	7,437	33
	<u>195,787</u>	<u>212,470</u>

Bannu Woollen Mills Ltd. (BWM)

731,626 ordinary shares of Rs.10 each-cost-Equity held: 7.70%	7,697	7,697
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity	71,294	74,880
Share of revaluation surplus on property, plant and equipment	121,993	122,454
Profit / (loss) for the period / year - net of taxation	2,157	(1,315)
Share of other comprehensive income / (loss) - net of taxation	19,371	(79)
Dividend received	0	(1,829)
	<u>222,512</u>	<u>201,808</u>
	418,299	414,278
Less: impairment loss - BWM	(101,357)	(101,357)
	<u>316,942</u>	<u>312,921</u>

Janana De Malucho Textile Mills Limited

- 7.1** Although the Company has less than 20% voting rights in BCM and BWM as at March 31, 2020 and June 30, 2019, BCM and BWM have been treated as Associated Companies by virtue of common directorships.
- 7.2** Market values of the Company's investments in BCM and BWM as at March 31, 2020 were Rs.32.118 million (June 30, 2019: Rs.21.990 million) and Rs.25.468 million (June 30, 2019: Rs.29.850 million) respectively.
- 7.3** The management intends to carry-out impairment testing of its investments in BCM and BWM as at June 30, 2020.

8. Stock-in-trade

Raw materials inventory valuing Rs.51.871 million was in transit as at March 31, 2020.

9. Ordinary shares held by the Associated Companies at the period / year-end:

	Un-audited Mar. 31, 2020	Audited June 30, 2019
Number of shares		
Bibojee Services (Pvt.) Ltd.	1,143,245	843,245
Bannu Woollen Mills Ltd.	1,559,230	1,559,230
Babri Cotton Mills Ltd.	341,000	341,000
	3,043,475	2,743,475

10. Revaluation surplus on property, plant and equipment - net

	Un-audited Mar. 31, 2020	Audited June 30, 2019
(Rupees in thousand)		
Revaluation surplus on the Company's property, plant & equipment	2,119,609	2,027,328
Share of revaluation surplus on property, plant and equipment of Associated Companies	265,272	267,048
	2,384,881	2,294,376

- 10.1** The Company, during the period, has again revalued its freehold land, buildings on freehold land, plant & machinery and generators. The revaluation exercise has been carried-out by independent Valuers - Hamid Mukhtar & Co. (Pvt.) Ltd, Lahore. Freehold land has been revalued on the basis of current market value whereas buildings on freehold land, plant & machinery and generators have been revalued on the basis of depreciated market values. The appraisal surplus arisen on latest revaluation aggregating Rs.129.429 million has been credited to this account. The period-end balance has been arrived at as follows:

	Un-audited Mar. 31, 2020	Audited June 30, 2019
	(Rupees in thousand)	
Note		
Opening balance	2,170,767	2,205,730
Add: surplus arisen on revaluation carried-out during the period	6.1 129,429	0
Less: transferred to unappropriated profit:		
- on account of incremental depreciation for the period / year	(19,679)	(26,873)
- upon sale of revalued assets	0	(8,090)
	2,280,517	2,170,767
Less: deferred tax on:		
- opening balance of surplus	143,439	153,578
- surplus arisen on revaluation carried-out during the period	23,176	0
- incremental depreciation for the period / year	(5,707)	(7,793)
- sale of revalued assets	0	(2,346)
	160,908	143,439
	2,119,609	2,027,328

Janana De Malucho Textile Mills Limited

11. Trade and other payables	Un-audited Mar. 31, 2020 (Rupees in thousand)	Audited June 30, 2019
Creditors	37,001	36,781
Bills payable against imported:		
- raw materials	51,871	97,199
- stores and spares	0	2,708
Advance from customers - contract liabilities	13,889	3,103
Advance payments	184	184
Accrued expenses	176,598	180,810
Tax deducted at source	2,026	234
Gratuity payable to:		
- key management personnel	13,614	13,614
- other employees	5,212	6,228
Due to Waqf-e-Kuli Khan	2,483	2,635
Workers' (profit) participation fund	0	2,172
Security deposits repayable on demand - interest free	112	112
Others	38	164
	303,028	345,944
12. Taxation - Net		
12.1 The provision for taxation for the current period represents minimum tax due under section 113 of the Income Tax Ordinance, 2001.		
12.2 There has been no significant change in the status of tax litigations as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2019.		
13. Contingencies and Commitments		
13.1 There has been no significant change in the status of contingencies and commitments as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2019.		
13.2 Counter guarantee given by the Company to a commercial bank outstanding as at March 31, 2020 was for Rs.85 million (June 30, 2019: Rs.75 million).		
13.3 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:	Un-audited Mar. 31, 2020 (Rupees in thousand)	Audited June 30, 2019
- stores and spares	9,587	2,300
- raw materials	205,785	0
	215,372	2,300

Janana De Malucho Textile Mills Limited

14. Transactions with Related Parties

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

Name	Nature of transaction	Nine months ended Mar, 31	
		2020 (Rupees in thousand)	2019
Associated Companies			
Babri Cotton Mills Ltd.	Purchase of raw cotton	32,777	0
	Residential rent received	1,596	1,388
	Utilities / expenses:		
	- paid	0	43
	- recovered	75	72
	Salaries & benefits recovered	2,393	2,094
Bannu Woollen Mills Ltd.	Sale of raw cotton	463	603
	Expenses recovered	75	72
	Salaries & benefits:		
	- paid	436	288
	- recovered	1,949	1,528
Gammon Pakistan Ltd.	Rent paid	150	150
Rahman Cotton Mills Ltd.	Expenses recovered	0	21
	Salaries & benefits recovered	0	368
Gandhara Nissan Ltd.	----- do -----	1,516	1,217
	Expenses recovered	75	72
Gandhara Industries Ltd.	----- do -----	75	72
	Salaries & benefits recovered	1,516	1,217
The Universal Insurance Company Ltd.	----- do -----	1,516	1,217
	Expenses recovered	75	72
Other related parties			
Staff retirement fund	Contributions paid to Janana De Malucho Textile Mills Limited Employees Provident Fund	19,120	17,353
Key management personnel	Salaries and benefits	93,591	87,115

14.2 Period / year-end balances were as follows:

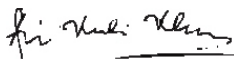
	Un-audited Mar. 31, 2020	Audited June 30, 2019
	(Rupees in thousand)	
- Babri Cotton Mills Ltd.	3,560	0
- Gandhara Industries Ltd.	513	0
- Gandhara Nissan Ltd.	513	0
	4,586	0


15. Corresponding Figures

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

16. Date of Authorisation for Issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 23, 2020.


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


Col. (Retd.) Syed Yunus Ali Raza
Director


Amin-ur-Rasheed
Chief Financial Officer

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