

**Half Yearly
Accounts
December,
2015**

BIBOJEE GROUP



**Janana De Malucho Textile
Mills Limited**

CONTENTS

	<i>Pages</i>
COMPANY'S PROFILE	1
DIRECTORS' REPORT(English & اُردو)	2-3
AUDITORS' REVIEW REPORT	4
BALANCE SHEET	5
PROFIT & LOSS ACCOUNT	6
CASH FLOW STATEMENT	7
STATEMENT OF CHANGES IN EQUITY	8
SELECTED NOTES TO THE ACCOUNTS	9-13

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. SHAHNAZ SAJJAD AHMAD
DR. SHAHEEN KULI KHAN
CH.SHER MUHAMMAD
BRIG. (RETD) ABDUL SAMAD KHAN

AUDIT COMMITTEE

BRIG. (RETD) ABDUL SAMAD KHAN Chairman
MR. AHMAD KULI KHAN KHATTAK Member
MR. RAZA KULI KHAN KHATTAK Member
MR. MUSHTAQ AHMAD KHAN, FCA Member
CH.SHER MUHAMMAD 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
BRIG. (RETD) ABDUL SAMAD KHAN Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

MR. AMIN-UR-RASHEED
B. Com. (Hons.) FICS
Sr. Gen. Manager Finance & Corporate Affairs

HEAD OF INTERNAL AUDIT

MR. NADEEM AHMED, ACCA, CIA

AUDITORS

SHINEWING HAMEED CHAUDHRI & CO., Chartered Accountants

BANKERS

NATIONAL BANK OF PAKISTAN
THE BANK OF KHYBER
HABIB BANK LIMITED

LEGAL ADVISOR

HASSAN & HASSAN (ADVOCATES)
PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE

TAX CONSULTANTS

M. NAWAZ KHAN & CO.
GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD,
LAHORE

REGISTRARS & SHARES REGISTRATION OFFICE

MANAGEMENT & REGISTRATION SERVICES (PVT) LTD.
BUSINESS EXECUTIVE CENTRE,
F/17/3, BLOCK 8, CLIFTON, KARACHI
TEL. 021-35375127-29, FAX. 021-35820325
EMAIL registrationservices@live.co.uk

REGISTERED OFFICE & MILLS

HABIBABAD, KOHAT (KPK)
TEL. 0922 - 862161 - 512930 - 510494
FAX. 0922 - 510474
E-MAIL: janana@brain.net.pk, janana_textile@hotmail.com
WEB SITE: www.jdm.com.pk

DIRECTORS REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I feel pleasure in presenting the un-audited, reviewed financial statements of the Company for the 2nd quarter & half year ended 31st December 2015.

FINANCIAL HIGHLIGHTS

	2015	2014
	- Rs. in million-	
Sales	1,262.766	1,143.025
Gross Profit	75.075	80.476
Profit from operations	27.717	29.219
Profit / (Loss) before taxation	7.783	(15.906)
Profit / (Loss) after taxation	1.469	(10.632)
	---- Rupees ----	
(Loss) / Earnings per share	0.31	(2.22)

During the half year ended 31st December 2015 the turnover of the Company has increased by 10% as compared to previous half year due to increase in quantity sold but the gross profit for the current half year has decreased as compared to profit for the last half year by 6.75% mainly due to decrease in sale rates. Main reason for this reduction was import of yarn from India which was duty free before imposition of 10% regulatory duty from November 01, 2015. APTMA however have rejected this and have sought imposition of 15% regulatory duty on fine count cotton yarn from India to discourage such imports. But in our opinion, as long as imports under DTRE are allowed, imposition of 10% or 15% duty will not change this adverse situation.

GENERAL MARKET CONDITION

The spinning sector is once again warning that it is on the verge of a shutdown. The items on the menu of complaints laid out by the textile industry are increase in gas prices, GIDC issue, tax issues, overvalued currency and import of cheap Indian yarn. India is capturing Pakistan's domestic market by design as the end product of fine counts cotton yarn is meant for domestic consumption. The import data of first six months of the current fiscal year suggests that 3,000 tonnes per month fine count cotton yarn from India is entering Pakistan, and 90% of textile imports are being originated from India. Around 232.706 million Kgs of yarn have been import from India since October 2014. On the other hand, Pakistan's exports are already on a downward path, with no uptake in sight. In the present scenario the results are not likely to improve much in the next quarter; however, the management is doing its best effort to achieve better profitability. Due to government policies Pakistani cotton cloth export has decreased by 9.76%, art, silk 20.15%, tents, canvas by 38.19%, cotton yarn by 32.02%, yarn other than cotton yarn by 23.30%, and cotton carded yarn by 98.49%. Main reasons for this decrease is continuous import of Indian yarn and cloth which has resulted into closure of various textile mills.

FUTURE OUTLOOK

Pakistan textile industry and cotton sector as a whole seems under difficult situation, when, other world including USA and China subsidize their farmers and industry whereas no such policy exists in our country. Due to the cotton crop failure in Punjab by about 4 million bales, the acreage of cotton crop and its production is set to shrink drastically in future. It has currently resulted in the rise of cotton prices in international market which will further worsen the situation for spinning sector as the textile value-added sector will prefer to buy comparatively cheaper imported yarn. It has become extremely necessary that the Government should support the industry and cotton economy as whole before it is too late, and the first step in the right direction would be the withdrawal of DTRE import policy or impose higher duties on the import of yarn and grey cloth from India by giving due consideration to the rates of duties imposed by India on textile imports of Pakistan.

However, even under these very difficult challenges the directors of the Company remain hopeful of improved and better results in the remaining months and hope to maximize the profitability of the Company.

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 which enabled the Company to achieve better results as compare to the half year ended 31st December 2014. We look forward to same dedication and cooperation from them in the future as well.

For & on behalf of the board of directors,



Raza Kuli Khan Khattak
Chairman

Dated: 28th February, 2016

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، میں دوسری چوتھائی اور نصف سال 31 دسمبر 2015 کو ختم ہونے کے لئے کمپنی کے آڈیٹر کی جائزہ شدہ مالیاتی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔
مالیاتی جھلکیاں

2014	2015	
		- روپے لاکھوں میں -
1,143.025	1,262.766	فروخت
80.476	75.075	عمومی منافع
29.219	27.717	کاروبار سے منافع
(15.906)	7.783	ٹیکس سے پہلے منافع / (خسارہ)
(10.632)	1.469	ٹیکس کے بعد منافع / (خسارہ)
		----- روپے -----
(2.22)	0.31	آمدنی / خسارہ فی شیئر

رواں نصف مالی سال 31 دسمبر 2015 کو کمپنی کو گزشتہ نصف سال کے مقابلے میں فروخت 10 فیصد بڑھی ہے۔ لیکن عموری منافع 6.25 فیصد کم رہا ہے۔ اس کی بنیادی وجہ قیمت فروخت میں کمی ہے۔ اس کے علاوہ موجودہ قیمت فروخت میں کمی جو کہ 10 فیصدی انضباطی ڈیوٹی جو کہ 1 نومبر 2015 سے نفاذ ہونے سے پہلے بھارت سے سوت کی درآمد ہے۔ اپنا نئے اس 10 فیصدی انضباطی ڈیوٹی کو ستر د کرتے ہوئے بھارتی سوت پر 15 فیصدی انضباطی ڈیوٹی لگانے کا مطالبہ کیا ہے تاکہ بھارتی سوت کی درآمد کم کی جاسکے۔ لیکن ہماری رائے میں جب تک ڈی ٹی ارا می کے تہت درآمد کی اجازت ہے اس 10 اور 15 فیصدی انضباطی ڈیوٹی اس ضمنی صورت حال کو تبدیل نہیں کرے گا۔

عمومی مارکیٹ کی حالت

کتنی شیعہ ایک بار پھر بند ہونے کے راستے پر ہے۔ ٹیکسٹائل کی صنعت کی شکایات جو وجود ہات رکھی ہیں ان میں، گیس کی قیمتوں میں اضافہ، جی آئی ڈی سی، مختلف ٹیکس، روپے کی مالیت میں کمی، سستے بھارتی سوت کی درآمد مثال ہے۔ بھارت پاکستان کی مقامی ٹیکسٹائل مارکیٹ کو اپنے قبضے میں کرنے کے لیے تیار مصنوعات تیار کر رہا ہے۔ رواں مالی سال کے پہلے چھ ماہ کی درآمد کے اعداد و شمار سے پتہ چلتا ہے کہ بھارت کی جانب سے فی مہینہ 3,000 ٹن سوت پاکستان میں آیا ہے۔ تقریباً 23.27 کروڑ کلوگرام سوت 13 اکتوبر 2014ء سے بھارت سے درآمد کیا گیا ہے۔ دوسری طرف پاکستان برآمدات دن باند کم ہو رہی ہیں۔ موجودہ منظر نامے میں، نتائج اگلے سہ ماہی میں زیادہ بہتر ہونے کا امکان نہیں ہیں تاہم انتظامیہ بہتر منافع کے حصول کے لئے اپنی بہترین کوشش کر رہی ہے۔ حکومت کی بیوقوفی کے سبب پاکستانی کاشن کپڑے کی درآمد 9.76 فیصد، آرٹ، ریشم 20.15 فیصد، شیٹوں، کیٹوس 38.19 فیصد، کاشن یارن 32.02 فیصد، کاشن یارن کے علاوہ دیگر یارن 23.30 فیصد، کاشن کارنڈ یارن 98.49 فیصد گر چکی ہے۔ اس کمی کے اہم وجوہات بھارتی یارن اور کپڑے کی مسلسل درآمد ہے جس کی وجہ سے ٹیکسٹائل کی صنعت بھی بندش کا موجب بن رہی ہے۔

مستقبل کے نقطہ نظر

مجموعی طور پر پاکستان ٹیکسٹائل انڈسٹری اور کپاس کے شعبے مشکل صورت حال میں ہیں جبکہ امریکہ اور چائینا اپنے کسانوں اور صنعت کو سہڈی دے رہی ہے اور جبکہ اس کے برعکس کوئی ٹیکسٹائل پالیسی ہمارے ملک میں موجود نہیں ہے۔ پنجاب میں کپاس کی فصل کی ناکامی کی وجہ سے اندازاً 40 لاکھ گھنٹیں کم پیدا ہوئی ہیں اور مستقبل میں بڑی تیزی سے کپاس کی فصل اور اس کی پیداوار کے قریب سکر رہے ہیں۔ موجودہ صورتحال میں کپاس کی قیمتیں مسلسل بڑھنے کی وجہ سے ملکی کٹائی کا شعبہ مشکلات کا شکار ہے کیونکہ کپڑے بنانے والا شعبہ باہر سے سستا سوت درآمد کرنے کو ترجیح دے رہا ہے۔ کپاس کی صنعت اور معیشت کو سہارہ دینے کی خاطر حکومت کو امدادی اقدامات کرنے چاہے کہ اس سے پہلے دیر ہو جائے۔ اس کے لیے حکومت کو فوری طور پر ڈی ٹی ارا می کے تہت درآمد کو روکنا یا سوت اور کپڑے کے درآمد پر بھاری ڈیوٹی لگانی ہوگی جیسا کہ بھارت نے اپنے ملک میں پاکستانی سوت اور کپڑے پر لگائی ہوئی ہے۔

تاہم، یہاں تک کہ یہ بہت مشکل چیلنجوں کے تحت کمپنی کے ڈائریکٹرز باقی مہینوں میں بہتر اور بہتر نتائج اور کمپنی کے منافع کو زیادہ سے زیادہ کرنے کی امید کرتے ہیں۔

اعتراف

بورڈ آف ڈائریکٹرز کمپنی کے بینکاروں کی قدر کرتا ہے جو کہ مسلسل کمپنی کی مالی مشکلات میں بروقت مدد کرتا ہے۔ اسکے علاوہ کمپنی کی انتظامیہ اور کارکنوں کی محنت کو گزشتہ نصف سال کے مقابلے میں بہتر نتائج حاصل کرنے پر شاباش دیتا ہے۔ اور امید کرتا ہے کہ مستقبل میں اسی گن اور محنت سے کام کرتے رہیں گے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

تاریخ: 28 فروری 2016

Raza Khan

رضاقلی خان خٹک

چیئر مین

**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half-year ended December 31, 2015 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

LAHORE: February 28, 2016

Hameed Chaudhri & Co.


**SHINewing HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**
Engagement Partner: Nafees ud din


JDM TEXTILE MILLS LIMITED

Condensed Interim Balance Sheet As At December 31, 2015

		Dec. 31, 2015 Un-audited	June 30, 2015 Audited
	Note	Rupees in thousand	
ASSETS			
Non-current Assets			
Property, plant and equipment	6	2,254,935	2,265,866
Long term investments	7	176,477	202,278
Loans to employees		2,059	2,395
Security deposits		1,029	1,029
		2,434,500	2,471,568
Current Assets			
Stores, spares and loose tools		73,599	73,339
Stock-in-trade		739,984	658,518
Trade debts - unsecured, considered good		100,947	36,777
Advances to employees		3,908	3,196
Advance payments		33,813	28,220
Trade deposits and prepayments		10,618	991
Other receivables		1,912	4,710
Sales tax refundable		25,824	32,800
Income tax refundable, advance tax and tax deducted at source		78,973	92,773
Cash and bank balances		19,612	84,723
		1,089,190	1,016,047
TOTAL ASSETS		3,523,690	3,487,615
EQUITY AND LIABILITIES			
Equity			
Authorised capital		200,000	200,000
Issued, subscribed and paid-up capital		47,848	47,848
Reserves		389,983	389,983
Unappropriated profit		610,108	606,328
Shareholders' Equity		1,047,939	1,044,159
Surplus on Revaluation of Property, Plant and Equipment		1,257,857	1,265,587
LIABILITIES			
Non-current Liabilities			
Staff retirement benefits - gratuity		116,308	108,911
Deferred taxation		261,126	265,544
		377,434	374,455
Current Liabilities			
Trade and other payables	8	337,613	197,828
Accrued mark-up		10,821	8,287
Short term finances		480,099	572,609
Taxation	9	10,713	23,476
Preference shares redemption account		1,214	1,214
		840,460	803,414
Total Liabilities		1,217,894	1,177,869
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		3,523,690	3,487,615

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

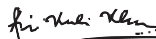

Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive



Mushtaq Ahmad Khan, FCA
Director

**Condensed Interim Profit And Loss Account (Un-Audited)
For The Quarter And Half-Year Ended December 31, 2015**

	Note	For the 2nd Quarter		Cumulative	
		Oct. - Dec., 2015	Oct. - Dec., 2014	Jul. - Dec., 2015	Jul. - Dec., 2014
----- Rupees in thousand -----					
Sales - net		766,306	504,607	1,262,766	1,143,025
Cost of Sales		716,912	507,687	1,187,691	1,062,549
Gross Profit / (Loss)		49,394	(3,080)	75,075	80,476
Distribution Cost		3,935	3,623	7,014	6,983
Administrative Expenses		21,843	20,457	42,269	40,161
Other Expenses		657	5,556	657	5,559
Other Income		(1,535)	(1,223)	(2,581)	(1,446)
		24,900	28,413	47,359	51,257
Profit / (Loss) from Operations		24,494	(31,493)	27,716	29,219
Finance Cost		11,154	23,359	24,570	39,258
		13,340	(54,852)	3,146	(10,039)
Share of Profit / (Loss) of Associated Companies- net	7	4,635	(5,867)	4,635	(5,867)
Profit / (Loss) before Taxation		17,975	(60,719)	7,781	(15,906)
Taxation					
- current	9.2	5,748	(6,273)	10,713	9,658
- prior year		18	(119)	18	(119)
- deferred		(4,418)	(14,813)	(4,418)	(14,813)
		1,348	(21,205)	6,313	(5,274)
Profit / (Loss) after Taxation		16,627	(39,514)	1,468	(10,632)
Other Comprehensive Income		0	0	0	0
Total Comprehensive Income / (Loss) for the Period		16,627	(39,514)	1,468	(10,632)
----- Rupees -----					
Earnings / (Loss) per Share		3.47	(8.26)	0.31	(2.22)

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


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



Mushtaq Ahmad Khan, FCA
Director


JDM TEXTILE MILLS LIMITED

**Condensed Interim Cash Flow Statement (Un-Audited)
For The Half-Year Ended December 31, 2015**

	Half-year ended	
	Dec. 31, 2015	Dec. 31, 2014
	(Rupees in thousand)	
Cash flow from operating activities		
Profit / (loss) for the period - before taxation and share of profit / (loss) on investments in Associated Companies	3,146	(10,039)
Adjustments for non-cash charges and other items:		
Depreciation	33,862	35,458
Provision for obsolete generator's parts	0	5,556
Gain on sale of vehicles	(446)	(1,061)
Staff retirement benefits - gratuity (net)	7,397	(595)
Finance cost	24,570	39,258
Profit before working capital changes	68,529	68,577
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(260)	(7,395)
Stock-in-trade	(81,466)	(104,160)
Trade debts	(64,170)	(8,276)
Loans and advances to employees	(376)	1,645
Advance payments	(5,593)	(3,320)
Trade deposits and prepayments	(9,627)	(8,324)
Due from Associated Companies	0	3,023
Other receivables	2,798	0
Sales tax refundable	6,976	(4,932)
Increase in trade and other payables	137,269	5,314
	(14,449)	(126,425)
Cash generated from / (used in) operations	54,080	(57,848)
Taxes paid	(9,695)	(14,367)
Net cash generated from / (used in) operating activities	44,385	(72,215)
Cash flow from investing activities		
Fixed capital expenditure	(23,130)	(11,393)
Sale proceeds of vehicles	645	1,675
Dividend received	2,195	0
Defence savings certificates redeemed / (purchased)	30,000	(50,000)
Net cash generated from / (used in) investing activities	9,710	(59,718)
Cash flow from financing activities		
Short term finances - net	(92,510)	144,107
Finance cost paid	(22,036)	(41,779)
Cash dividend paid	(4,660)	(9,198)
Net cash (used in) / generated from financing activities	(119,206)	93,130
Net decrease in cash and cash equivalents	(65,111)	(38,803)
Cash and cash equivalents - at beginning of the period	84,723	67,082
Cash and cash equivalents - at end of the period	19,612	28,279

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


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

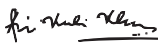

Mushtaq Ahmad Khan, FCA
Director


JDM TEXTILE MILLS LIMITED

**Condensed Interim Statement Of Changes In Equity (Un-Audited)
For The Half-Year Ended December 31, 2015**

	Reserves						Unappropriated profit	Total
	Share capital	Capital			Revenue	Sub-total		
		Capital redemption	Tax holiday	Share premium	General			
----- Rupees in thousand -----								
Balance as at June 30, 2015 (audited)	47,848	6,694	350	11,409	371,530	389,983	606,328	1,044,159
Transaction with owners:								
Cash dividend at the rate of Rs.1.50 per ordinary share for the year ended June 30, 2015	0	0	0	0	0	0	(7,177)	(7,177)
Total comprehensive income for the period ended December 31, 2015	0	0	0	0	0	0	1,468	1,468
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	0	0	7,730	7,730
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	1,759	1,759
Balance as at December 31, 2015 (un-audited)	47,848	6,694	350	11,409	371,530	389,983	610,108	1,047,939
Balance as at June 30, 2014 (audited)	47,848	6,694	350	11,409	371,530	389,983	585,489	1,023,320
Transaction with owners:								
Cash dividend at the rate of Rs.3 per ordinary share for the year ended June 30, 2014	0	0	0	0	0	0	(14,354)	(14,354)
Total comprehensive loss for the period ended December 31, 2014	0	0	0	0	0	0	(10,632)	(10,632)
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	0	0	8,018	8,018
- upon obsolescence of revalued assets	0	0	0	0	0	0	421	421
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	60	60
Balance as at December 31, 2014 (un-audited)	47,848	6,694	350	11,409	371,530	389,983	569,002	1,006,833

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


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


Mushtaq Ahmad Khan, FCA
Director

**Notes To The Condensed Interim Financial Information (Un-Audited)
For The Half-Year Ended December 31, 2015**

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 and its shares are quoted on Karachi Stock Exchange Ltd. (now Pakistan Stock Exchange Ltd.). It is principally engaged in manufacture and sale of yarn. The Company's registered office and its Mills are located at Habibabad, Kohat.

2. Basis of Preparation

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance). It has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim financial reporting' and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half-year ended December 31, 2015 have, however, been subjected to limited scope review by the external Auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2015.

3. Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2015.

4. Changes in Accounting Standards and Interpretations

4.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after January 01, 2015 and are considered to be relevant to the Company's operations.

(a) IFRS 12, 'Disclosure of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.

(b) IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the Financial Statement of the company.

4.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 01, 2015, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in this condensed interim financial information.

5. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial information 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 this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2015.

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, 2015.

6. Property, Plant and Equipment

	Note	Un-audited Dec. 31, 2015	Audited June 30, 2015
		(Rupees in thousand)	
Book value as at June 30, 2015		2,265,866	
Additions during the period:			
- plant & machinery		21,989	
- furniture & fixtures		199	
- office & other equipment		42	
- arms		900	
		23,130	
Book value of vehicles sold during the period		(199)	
Depreciation charge for the period		(33,862)	
Book value as at December 31, 2015		2,254,935	

7. Long term investments

Investments in Associated Companies	7.1	176,477	172,278
Defence Savings Certificates (DSCs) -cost	7.3	0	30,000
		176,477	202,278

7.1 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 by BCM		87,647	99,573
Loss for the period / year - net of taxation		(1,176)	(13,768)
Share of other comprehensive income - net of taxation		0	706
	c/f	97,444	97,484

JDM TEXTILE MILLS LIMITED

	Un-audited Dec. 31, 2015 (Rupees in thousand)	Audited June 30, 2015
b/f	97,444	97,484
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 by BWM	67,720	62,224
Profit for the period / year - net of taxation	5,811	4,841
Share of other comprehensive income - net of taxation	0	32
Dividend received during the period	(2,195)	0
	79,033	74,794
	176,477	172,278

7.2 (a) Market value of the Company's investments in BCM and BWM as at December 31, 2015 was Rs.23.500 million (June 30, 2015: Rs.23.450 million) and Rs.37.013 million (June 30, 2015: Rs.37.233 million) respectively.

(b) The management intends to carry-out impairment testing of its investments in BCM and BWM as at June 30, 2016.

7.3 These DSCs have been encashed during the period to meet the Company's financing requirements.

8. Trade and other payables

Creditors	36,245	68,194
Bills payable against imported:		
- plant and machinery	18,384	16,008
- raw materials	174,384	0
Advance payments	184	184
Accrued expenses	83,408	90,183
Tax deducted at source	1,315	1,259
Due to Waqf-e-Kuli Khan	4,728	4,818
Security deposits repayable on demand - interest free	112	112
Workers' (profit) participation fund	191	1,339
Workers' welfare fund	13,369	12,904
Unclaimed dividends	5,254	2,737
Others	39	90
	337,613	197,828

9. Taxation

- 9.1** Income tax assessments of the Company have been completed upto the tax year 2015 i.e. accounting year ended June 30, 2015.
- 9.2** Provisions for the current period and preceding year represent minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance).
- 9.3** The Company's writ petition before the Islamabad High Court, Islamabad praying exemption from levy of minimum tax under section 113 of the Ordinance is still pending adjudication. An adverse judgment by the Court will create tax liability under section 113 of the Ordinance aggregating Rs.51.828 million.
- 9.4** The Income Tax Department (the Department) has charged tax aggregating Rs.6.995 million under sections 161/236 G & H of the Ordinance for the tax year 2015 against which the Company has filed an appeal before the Commissioner Inland Revenue (Appeals), Lahore, which is pending adjudication.
- 9.5** The Company's case for tax year 2014 has been selected for audit under section 177 of the Ordinance during September, 2015. The Company has filed the information required by the Department and the proceedings are pending.
- 9.6** Except for the above matters, no significant change occurred during the period in the status of taxation matters as detailed in note 23 to the financial statements of the Company for the year ended June 30, 2015.

10. Contingencies and Commitments

- 10.1** Counter guarantee given by the Company to a commercial bank outstanding as at December 31, 2015 was for Rs.75 million (June 30, 2015: Rs.75 million).
- 10.2** The Company had received a show cause notice dated June 02, 2015 issued by the Deputy Commissioner Inland Revenue, Lahore wherein the Company was directed to make payment of Rs. 6.766 million as sales tax. The Commissioner Inland Revenue (Appeals), Lahore, during the period, vide his order dated December 29, 2015 has annulled the said order.
- 10.3** The Company, by filing a writ petition before the Peshawar High Court (PHC), has challenged the Notification issued by the Government of Khyber Pakhtunkhwa (KPK) dated August 12, 2015 to the extent of its retrospective application with effect from July 01, 2014. The Government of KPK, through the said Notification, has fixed minimum wages for unskilled workers working in the industrial and commercial establishments in the Province at Rs.12,000/- per month. An adverse judgment by PHC will create additional wage liabilities aggregating Rs.11 million approximately. The petition is pending adjudication.
- 10.4** The Company has challenged the levy of Gas Infrastructure Development Cess (GIDC) by filing a petition before the PHC, which has stayed the levy / cess charged through GIDC Act, 2015 and the Respondents were directed to submit their comments. Sui Northern Gas Pipelines Ltd., along with gas bill for the month of December, 2015, has raised GIDC demands aggregating Rs.148.676 million, which are payable in case of an adverse judgement by the PHC. The petition before the PHC is pending adjudication.
- 10.5** Except for the above matters, no significant change occurred during the period in the status of contingencies as detailed in note 25 to the financial statements of the Company for the year ended June 30, 2015.
- 10.6** Refer contents of notes 9.3 and 9.4.

JDM TEXTILE MILLS LIMITED

	Un-audited	Audited
	Dec. 31,	June 30,
	2015	2015
	(Rupees in thousand)	
10.7 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:		
- stores and spares	3,608	2,177
- raw materials	41,126	111,147
	44,734	113,324

11. Transactions with Related Parties

11.1 Significant transactions made during the period with Associated Companies were as follows:

		Cumulative	
		Jul. - Dec.,	Jul. - Dec.,
Name	Nature of transaction	2015	2014
(Rupees in thousand)			
Babri Cotton Mills Ltd.	Dividend paid	511	1,023
Bannu Woollen Mills Ltd.	Dividend paid	2,339	4,678
	Dividend received	2,195	0
Bibojee Services (Pvt.) Ltd.	Dividend paid	843	1,687
Gammon Pakistan Ltd.	Rent paid	75	0

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

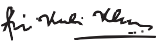
12. Date of Authorisation for Issue

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on February 28, 2016.

13. Corresponding Figures

13.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

13.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.


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


Mushtaq Ahmad Khan, FCA
Director

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