

*3rd Quarter
& Nine Month
Accounts
March, 2008*

BIBOJEE GROUP



**JANANA DE MALUCHO
TEXTILE MILLS LIMITED**



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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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

MR. AMIN-UR-RASHEED

B. Com. (Hons.) FICS

General Manager Finance, Commercial
& Corporate Affairs

INTERNAL AUDITOR

SYED RAHEEL GILLANI

AUDITORS

M/S HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

BANKERS

NATIONAL BANK OF PAKISTAN

BANK ALFALAH LIMITED

ALLIED BANK LIMITED

HABIB BANK LIMITED

UNITED BANK LIMITED

REGISTERED OFFICE & MILLS

HABIBABAD, KOHAT (N.W.F.P)

TEL. 0922-510063 - 512930 - 510494

FAX. 0922 - 510474

EMAIL: janana@brain.net.pk

WEB SITE: www.bibojee.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors are pleased to present the reviewed financial statements and the directors' report for the nine months period ended 31st March, 2008.

The performance of your company for the nine months period ended 31st March, 2008 was satisfactory as compared to the last nine months period ended 31st March, 2007. These results have been achieved due to spinning of better production plan and controlling other factors of the cost during the period under report. The comparative nine months results for both the periods ended 31st March 2008 vis-à-vis 31st March 2007 are summarized as under: -

Particulars	Un-Audited July - Mar 2008 (Rupees in thousands)	Restated July - Mar 2007
SALES NET	842,113	815,668
COST OF SALES	706,025	724,433
GROSS PROFIT	136,088	91,235
ADMINISTRATIVE & DISTRIBUTION EXPENSES	28,118	27,130
OTHER OPERATING EXPENSES	904	33
	29,022	27,163
OPERATING PROFIT	107,066	64,072
OTHER OPERATING INCOME	3,714	2,606
	110,780	66,678
FINANCE COST	69,637	78,249
	41,143	(11,571)
SHARE OF PROFIT OF ASSOCIATES -NET	1,662	524
PROFIT/(LOSS) - BEFORE TAXATION	42,805	(11,047)
TAXATION	9,270	(3,354)
PROFIT/(LOSS) FOR THE PERIOD	33,535	(7,693)
EARNING/(LOSS) PER SHARE	Rs.10.60	Rs. (2.43)

Gross profit for the nine months period ended 31st March 2008 in terms of percentage works out to 16.16% as compared to 11.18% for the corresponding period of last year. In spite of increase in KIBOR rates the financial cost of the company has decreased slightly due to the payment of Rs.12.535 million on account of long term loans during the preceding period. However, this benefit has been off set by increase in the wages of the labour force from Rs.4,000/- to Rs.4,600/- which was increased under the mandatory government notification. This increase has resulted into additional burden of Rs.1.30 million per month which will erode the gross profit of the company in the coming annual accounts.

FUTURE PROSPECTS:

The future prospects of the company do not seem to be very bright for the following reasons: -


- (a) Due to epidemic of mealy bug attack on the cotton crop the quality of cotton has been damaged which also resulted in significant shortage of three million bales of domestic cotton in the current year. Only this factor has pushed the prices of domestic cotton from Rs.2,400/- to Rs.3,300/- per maund as compared to the last year i.e. an increase of 35%. This phenomena has increased the demand for imported cotton thereby increasing the prices of imported cotton of USA, CIS countries and Indian cotton.
- (b) Textile sector is facing lot of difficulties due to multiple factors such as lower sales rates being offered by our competitors namely India, China Bangladesh and Far Eastern countries. Therefore, it is an uphill task to push our export sales on account of higher manufacturing cost inspite of the facts that there is huge demand from the foreign buyers. The prices of end products are not commensurate with the cost of production coupled with the load shedding, gas outrages, political turmoil and deteriorating law and order situation in the country.
- (c) The economic experts (The News February 02, 2008) have stressed that in order to salvage the economy in the textile sector the government has to take some politically tough decisions with regard to the energy outrages in an effort to sustain growth by giving preference to industry over domestic and commercial consumers. They argue that stoppage of energy supply to the industry would ultimately force them to close their business leading to un-employment on a mass scale with the result that the majority of the domestic consumers would be left with no funds even to feed themselves.

They stated that it takes years to establish an industry but it goes into the red in few months if the enabling environments are denied to run the industry on profitable basis. The economists have further said that the recurring expenses of the industries could not be met if they are forced to curtail normal production for any reason (electricity/gas) for which they had hired staff and arranged other facilities.

- (d) Due to the load shedding of gas, electricity and electricity pylons being blown by the militants intermittently we have to close down the operations of the mills partially since first week of January, 2008 and this partial shutdown adversely effected the performance of the mills during the current quarter Dec,07 to Mar, 08. However, the management is trying its level best to keep the company running in this strife torn area and earn profit due to production of A Grade quality of yarn making for Air jet Looms of the weaving units at Lahore.

On behalf of the Board, I wish to acknowledge and appreciate the dedication and efforts of our employees/workers and the management for the achievements during the nine month period. The support of our dealers/customers and the support of banks and financial institutions is also gratefully acknowledged.

For and on behalf of the Board of Directors



RAZA KULI KHAN KHATTAK
Chairman

Dated: April 26, 2008

CONDENSED BALANCE SHEET AS AT 31 MARCH 2008

	31 March 2008 (Rupees in thousand)	30 June 2007		31 March 2008 (Rupees in thousand)	30 June 2007
EQUITY AND LIABILITIES			NON-CURRENT ASSETS		
SHARE CAPITAL AND RESERVES			PROPERTY, PLANT AND EQUIPMENT		
Authorised capital	200,000	200,000	Operating assets	1,507,979	1,547,998
Issued, subscribed and paid-up capital	31,655	31,655	Capital work-in-progress	3,374	18,766
Reserves	128,215	128,215	Stores held for capital expenditure	1,862	1,741
Unappropriated profit	58,237	24,211		<u>1,513,215</u>	<u>1,568,505</u>
	<u>218,107</u>	<u>184,081</u>	INVESTMENTS IN ASSOCIATES	31.115	28,962
DEPOSIT FOR SHARES	22,818	22,818	DEPOSIT FOR SHARES	9,000	0
SURPLUS ON REVALUATION OF FIXED ASSETS	675,176	682,720		<u>1,553,330</u>	<u>1,597,467</u>
NON CURRENT LIABILITIES			CURRENT ASSETS		
Demand finances	323,043	359,766	Stores, spares and loose tools	20,153	14,867
Liabilities against assets subject to finance lease	466	1,134	Stock-in-trade	548,141	379,028
Staff retirement benefits-gratuity	12,262	11,614	Trade debtors - unsecured considered good	25,187	23,003
Deferred taxation	146,075	141,016	Advances to Employees	2,776	1,972
	<u>481,846</u>	<u>513,530</u>	Advance payments	8,428	7,997
CURRENT LIABILITIES			Loans to Employees	796	479
Current portion of:			Security Deposits	1,004	1,004
- demand finances	40,901	16,713	Deposits and prepayments	25,598	131
- liabilities against assets subject to finance lease	1,251	2,238	Sales tax refundable	7,718	4,315
Short term finances	656,913	502,740	Due from Associates	23,100	18,637
Trade and other payables	95,948	68,874	Other receivables	1,095	994
Accrued mark-up/interest	27,932	61,462	Income tax refundable, advance tax and tax deducted at source	5,406	7,157
Taxation	4,211	5,376	Cash and bank balances	3,612	4,768
Preference shares redemption account	1,241	1,267		<u>673,014</u>	<u>464,352</u>
	<u>828,397</u>	<u>658,670</u>		<u>2,226,344</u>	<u>2,061,819</u>
CONTINGENCIES AND COMMITMENTS				<u>2,226,344</u>	<u>2,061,819</u>
	<u>2,226,344</u>	<u>2,061,819</u>			

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

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

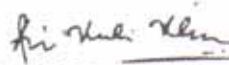
Mushtaq Ahmad Khan
Mushtaq Ahmad Khan, FCA
 Director

CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD NINE MONTHS ENDED 31 MARCH 2008

	FOR THE 3RD. QUARTER		CUMULATIVE	
	Unaudited JAN.-MARCH 2008 Rupees in thousands	Restated JAN.-MARCH 2007 Rupees in thousands	Unaudited JULY - MARCH 2008 Rupees in thousands	Restated JULY - MARCH 2007 Rupees in thousands
Sales-Net	263,652	282,811	842,113	815,668
Cost of Sales	214,290	248,170	706,025	724,433
Gross Profit	49,362	34,641	136,088	91,235
Administrative & Distribution Expenses	9,202	8,581	28,118	27,130
Other operating expenses	8	18	904	33
	9,210	8,599	29,022	27,163
Operating Profit	40,152	26,042	107,066	64,072
Other Operating Income	2,191	1,205	3,714	2,606
	42,343	27,247	110,780	66,678
Finance Cost-Net	22,972	28,213	69,637	78,249
	19,371	(966)	41,143	(11,571)
Share of profit of Associates-Net	0	0	1,662	524
Incremental Depreciation	2,514	3,233	7,543	9,695
Adjusted directly against revaluation surplus	(2,514)	(3,233)	(7,543)	(9,695)
	0	0	1,662	524
Profit/(Loss) before taxation	19,371	(966)	42,805	(11,047)
Taxation				
- Current	1,319	1,412	4,211	4,086
- Deferred	0	1,309	5,059	(7,440)
	1,319	2,721	9,270	(3,354)
Profit/(Loss) - for the period	18,052	(3,687)	33,535	(7,693)
Earning/(Loss) per Share - basic	5.70	(1.16)	10.60	(2.43)

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

- Incremental depreciation has not been included in the Statement of Changes in Equity due to above adjustment.


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

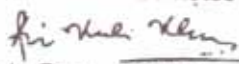

Mushtaq Ahmad Khan, FCA
Director


**CONDENSED CASH FLOW STATEMENT
FOR THE PERIOD NINE MONTHS ENDED ON 31 MARCH 2008**

	Unaudited 31 MARCH 2008	Restated 31 MARCH 2007
CASH FLOW FROM OPERATING ACTIVITIES		
Cash flow from operating activities		
(Rupees in thousand)		
Profit for the period - before taxation and share of profit of associates	41,143	(11,571)
Adjustments for:		
Depreciation	33,585	60,321
Gain on sale of operating fixed assets - net	(182)	(266)
Staff retirement benefits - gratuity (net)	648	1,933
Finance cost	69,637	78,249
Cash inflow from operating activities - before working capital changes	144,831	128,666
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(5,286)	(1,390)
Stock-in-trade	(169,113)	(113,855)
Trade debtors	(2,184)	(23,583)
Advances to employees	(1,121)	(1,033)
Advance payments	(431)	(14,980)
Trade deposits and prepayments	(25,467)	(2,192)
Sales tax refundable	(3,403)	1,660
Due from associates	(4,463)	2,495
Other receivables	(101)	2,827
Increase / (decrease) in trade and other payables	27,069	(22,025)
Cash outflow from operating activities - before taxation	(184,500)	(172,076)
Taxes paid	(39,669)	(43,410)
Cash outflow from operating activities - after taxation	(43,294)	(44,494)
Cash flow from financing activities		
Demand finances - net	(12,535)	(38,895)
Lease finances - net	(1,655)	(1,371)
Share deposit money received	0	22,818
Short term finances - net	154,173	137,937
Preference shares redeemed	(26)	(31)
Finance cost paid	(103,167)	(67,308)
Dividends paid	5	(215)
Deposit for shares	(9,000)	0
Net cash inflow from financing activities	27,795	52,935
Cash flow from investing activities		
Property, plant and equipment	14,093	(13,107)
Sale proceeds of operating fixed assets	250	980
Long term security deposits - net	0	(1)
Net cash outflow from investing activities	14,343	(12,128)
Net increase in cash and cash equivalents	(1,156)	(3,687)
Cash and cash equivalents - at the beginning of the period	4,768	9,781
Cash and cash equivalents - at the end of the period	3,612	6,094

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

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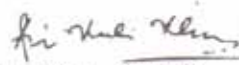

Lt. Gen. (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD NINE MONTHS ENDED ON 31 MARCH 2008**

	Reserves				Unappropriated profit/ (Accumulated loss)	Total
	Share capital	Capital redemption reserve	Tax holiday reserve	General reserve		
(-----Rupees in thousands-----)						
Balance as at 30 June 2006	28,777	6,694	350	124,049	131,093	174,062
Loss for the half year ended 31 December 2006	0	0	0	0	0	(10,468)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	6,462
- realised on disposal of fixed assets - net of deferred taxation	0	0	0	0	0	198
Effect of items directly credited in equity by the associates	0	0	0	0	0	566
Nominal Value of ordinary bonus shares issued	2,878	0	0	(2,878)	(2,878)	0
Balance as at 31 December 2006	31,655	6,694	350	121,171	128,215	170,820
Profit for the half year ended 30 June 2007	0	0	0	0	0	4,930
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	7,257
realised on disposal of operating fixed assets net of deferred taxation	0	0	0	0	0	203
Effect of items directly credited in equity by the associates	0	0	0	0	0	871
Balance as at 30 June 2007	31,655	6,694	350	121,171	128,215	184,081
Profit for the period ended 31 March 2008	0	0	0	0	0	33,535
Effect of items directly credited in equity by the associates	0	0	0	0	0	491
Balance as at 31 March 2008	31,655	6,694	350	121,171	128,215	218,107

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


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


Mushtaq Ahmad Khan, FCA
Director

**SELECTED NOTES TO THE CONDENSED FINANCIAL INFORMATION
FOR THE PERIOD NINE MONTHS ENDED 31 MARCH 2008 (UN-AUDITED)**

1. The Company was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. It is principally engaged in manufacture and sale of yarn. The Company's mills and registered office are located at Habibabad, Kohat.
2. These condensed financial information have been prepared in accordance with the requirements of International Accounting Standard 34 and are being submitted to the shareholders as required. These financial information is un-audited and have been prepared as required by Code of Corporate Governance.
3. These condensed financial information does not include all the information required for full financial statements and should be read in conjunction with the preceding published annual financial statements of the Company for the year ended 30 June, 2007.
4. The accounting policies adopted for the preparation of these condensed financial information are the same as those applied in the preparation of preceding published annual financial statements of the company for the year ended 30 June 2007.
5. The significant judgment, estimates and assumptions used by the management in the preparation of these condensed financial information are the same as those applied to the preceding published annual financial statements of the Company for the year ended 30 June, 2007.

6. DEMAND FINANCES - Secured		Un-audited	Audited
National Bank of Pakistan (NBP)		31 March	30 June,
		2008	2007
	Note	Rupees in thousand	
Demand Finance I (DF I)	6.1	201,930	201,930
Demand Finance III (DF III)	6.1	7,177	7,177
Demand Finance IV (DF IV)	6.1	27,500	27,500
Demand Finance IV (DF V)	6.1	69,818	69,818
Rescheduled Demand Finance I (RDF I)		24,007	28,809
Rescheduled Demand Finance III (RDF III)		33,512	41,245
		363,944	376,479
Less: current portion grouped under current liabilities:		40,901	16,713
		323,043	359,766

6.1 NBP, during the current period, vide its letter Ref. # CBIG-N/JDM/349/2007 dated 14 November 2007 has rescheduled the repayment of DF I, DF III, DF IV and DF V as follows:

- DF I is repayable in 14 equal half-yearly installments commencing January 2009.
- DF III is repayable in 06 equal quarterly installments commencing January 2009.
- DF IV is repayable in 10 equal quarterly installments commencing January 2009.
- DF V is repayable in 12 equal half-yearly installments commencing January 2009.

7. CONTINGENCIES AND COMMITMENTS

7.1 There has been no significant change in the status of contingencies since the date of preceding published financial statements of the Company for the year-ended 30 June, 2007.

8. OPERATING FIXED ASSETS - Tangible

Un-audited
31 March
2008

Audited
30 June,
2007

Note

Rupees in thousand

Opening book value	1,547,998	1,120,227
Surplus arisen on revaluation carried-out during the year - net	0	359,299
Additions during the period:		

Owned:

- buildings on freehold land - factory	0	1,773
- non-factory	0	76
- residential for officers	0	2,161
- plant and machinery	216	112,627
- workshop equipment	0	1,024
- furniture and fixtures	768	1,053
- office and other equipment	84	222
- vehicles	0	962
- arms	110	0

1,178 119,898

Book value of assets disposed-off during the period (68) (1,040)

Depreciation charged for the period (41,129) (50,386)

Closing book value 1,507,979 1,547,998

9. CAPITAL WORK-IN-PROGRESS

Mobilization advance to an associate against Construction of cotton godowns. 0 18,500

Advance payments 3,374 266

3,374 18,766

10. INVESTMENTS IN ASSOCIATES - Quoted

Babri Cotton Mills Ltd. (BCM)

150,864 ordinary shares of Rs.10 each - cost Equity held: 7.54% 1,973 1,973

Post acquisition profit brought forward including effect of item directly credited in equity by the associates 5,521 6,123

Loss for the period / year - net of taxation (797) (837)

6,697 7,259

Bannu Woollen Mills Ltd. (BWM)

585,301 (30 June 2007:390,201) ordinary shares of Rs.10 each including 285,146 (30 June 2007:90,046) bonus shares - Cost Equity held: 7.70% 7,697 7,697

Post acquisition profit brought forward including effect of item directly credited in equity by the associates 14,262 11,954

Profit for the period / year - net of taxation 2,459 2,052

24,418 21,703

31,115 28,962

11. DEPOSIT FOR SHARES

This amount has been deposited with M/S Babri Cotton Mills Limited (BCM-an associated company) and will be utilized for issuance of further capital by BCM after completion of legal requirements under section 86(1) of the Companies' Ordinance 1984.

12. TAXATION

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

13. TRANSACTIONS WITH RELATED PARTIES

14.1 Aggregate transactions with Associates during the period / year with associates were as follows:

	Un-audited 31 March 2008	Audited 30 June, 2007
	Rupees in thousand	
- Deposit for shares	0	22,818
- Sale of goods and services	376	4,538
- Purchase of goods and services	10,287	12,586
- Purchase of fixed assets	0	29
- Sales of fixed assets	0	325
- Advance for construction of - cotton godowns	0	18,500
- Insurance claim received	0	8
- Residential rent:		
- paid	0	5
- received	99	132
Mark-up:		
- earned	1,496	2,090
- expensed	1,464	1,005
Management charges:		
- paid	982	1,684
- received	5,924	6,203

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


14.3 Sales, purchases and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for the allocation of expenses relating to combined offices shared with the Associates.

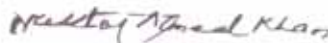
14. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These condensed interim financial information has been authorized for issue by the Board of Directors of the Company in its meeting held on 26 April, 2008.

15. FIGURES

- Figures in the condensed financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of comparison.


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


Mushtaq Ahmad Khan, FCA
Director