

Nine Months
Accounts
Period Ended
March 31,
2021

BIBOJEE GROUP



**JANANA DE MALUCHO TEXTILE
MILLS LIMITED**

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COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MRS. SHAHNAZ SAJJAD AHMAD MR. GOHAR AYUB KHAN BRIG. (RETD) ABDUL SAMAD KHAN COL. (RETD) SYED YUNUS ALI RAZA	Chairman Chief Executive
AUDIT COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN MR. AHMAD KULI KHAN KHATTAK COL. (RETD) SYED YUNUS ALI RAZA	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	COL. (RETD) SYED YUNUS ALI RAZA LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATAK MRS. SHAHNAZ SAJJAD AHMAD	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. RAEES KHAN, CIA(Pak)	
AUDITORS	SHINEWING HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN THE BANK OF KHYBER MEEZAN 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, LAWRENCE 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	

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we are pleased to present the Directors' Review along with the condensed interim financial statements of the Company for the 3rd quarter & nine months period ended 31st March 2021.

FINANCIAL HIGHLIGHTS

During the current period your Company has reported the following results:

	Quarter Ended		Nine months Period Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
	----- Rs. in thousand -----			
Sales-net	1,518,394	1,067,340	4,059,376	2,457,423
Gross profit	82,835	101,271	342,645	234,555
Profit from operations	52,438	79,971	264,502	165,797
Profit before taxation	39,410	54,727	245,415	52,503
Profit after taxation	27,428	32,703	182,667	10,776
	----- Rupees -----			
Earnings per share	5.73	6.83	38.18	2.25

The turnover of the Company for the nine months period ended 31st March, 2021, has increased by Rs.1,601.953 million as compared to the corresponding nine months period ended 31st March, 2020. This is due to the reason that yarn markets have remained quite active and stable and there has been no stock piling and accumulation of yarn. On the start of the current financial year the Company had yarn worth Rs.531.554 million piled up in its godowns, however, then the lockdown was lifted and the economic activity started to revive which helped the Company to achieve this turnover. The Company, in the period under report, has earned profit before tax amounting to Rs.245.415 million and profit after tax of Rs.182.667 million in comparison with profit before tax amounting to Rs.52.503 million and profit after tax amounting to Rs.10.776 million respectively, in the previous comparative period.

We would also like to inform the members, of the progress in the merger of Babri Cotton Mills Ltd. (BCM) with the Company. The members of both the companies in their respective extra ordinary general meetings (EOGMs) held on 13th March 2021, have approved the merger / amalgamation of both the companies and have also approved the swap ratio of shares to be issued to the members of BCM upon merger. After the approval of members, in the respective EOGMs of the Companies, a petition has been filed with the Honorable Peshawar High Court for approval of the merger of both the companies.

GENERAL MARKET CONDITION

The International Monetary Fund (IMF) has forecasted an economic growth rate of 1.5 per cent for Pakistan, coupled with a higher rate of inflation and rising unemployment, during the current fiscal year. Going forward, the IMF has projected economic growth rate recovering to 4pc of GDP next year (FY2022) and 5pc by 2026. It says inflation rate would come down from 10.2pc last year to 8pc year on year and 10pc on average by FY2022. The Fund estimates current account deficit rising from 1.1pc of GDP in FY2020 to 1.5pc in FY2021 and then going up to 1.8pc of GDP in FY2022 and peak at 2.9pc of GDP by 2026.

FUTURE OUTLOOK

Pakistan's economy has started with a positive outlook in the ongoing calendar year, reflected by decent growth prospects and improved business sentiments. With the availability of COVID-19 vaccine, and an extremely positive initiative by the Govt. to provide the vaccine to people over 60 and 50 years of age is expected to reduce the impact of COVID-19 pandemic upto a great extent. Even though the 3rd wave of the COVID-19 pandemic is still going strong, the -policy measures taken by the Government shall hopefully bring the daily activities back to normalcy and shall move the wheel of the economy in a positive direction.

At the end of the quarter under report, the Economic Coordination Committee (ECC) took up the matter of import of cotton and yarn from India and decided to allow the import, which was a dismaying decision for the spinning industry as it would have had a substantial negative impact on the local spinning mills. However, the federal cabinet decided against allowing the import of cotton and cotton yarn from India. In our opinion, the Government, instead of allowing the import of cotton from India, should focus on finding the reasons behind the historically low production of cotton i.e. 5.3 & 5.5 million bales as compared to the target of 10.5 million bales and should take up meaningful research & development so that the required quantity of Cotton is grown domestically within the Country fulfilling the demand of spinning mills.

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have constantly facilitated the Company in financially difficult times and to all other stakeholders in their ongoing support to the Company. The hard work and diligence of the Company's senior management and the production workers is also commendable. We look forward to the 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



Shahnaz Sajjad Ahmad
Director

Dated: April 22, 2021

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، 31 مارچ 2021 نو ماہ کی ختم ہونے والی مدت پر کمپنی کی مالیاتی رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں۔

کارکردگی کا جائزہ۔

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

-----نوماہی-----

-----سہ ماہی-----

31 مارچ 2020	31 مارچ 2021	31 مارچ 2020	31 مارچ 2021	
-----روپے ہزاروں میں-----				
2,457,423	4,059,376	1,067,340	1,518,394	فروخت
234,555	342,645	101,271	82,835	عبوری منافع
165,797	264,502	79,971	52,438	اپریشن کے بعد منافع
52,503	245,415	54,727	39,410	نگیس سے پہلے منافع
10,776	182,667	32,703	27,428	نگیس سے بعد منافع
-----روپے-----				
2.25	38.18	6.83	5.73	آمدنی فی شیئر

31 مارچ 2021 کو ختم ہونے والی نو ماہ کی مدت میں کمپنی کا کاروبار 31 مارچ 2020 کو ختم ہونے والے اسی نو ماہ کی مدت کے مقابلے میں 1,601.953 ملین روپے سے بڑھ گیا ہے۔ یہ اسی وجہ سے ہے کہ سوتز کی منڈیاں کافی سرگرم اور مستحکم ہیں۔ اور سوتز کا کوئی اسٹاک جمع نہیں ہوا ہے۔ رواں مالی سال کے آغاز پر، کمپنی کے اپنے گوداموں میں کوڈ 19 کے لاک ڈاؤن کی وجہ سے 531.554 ملین روپے کا سوتز اکٹھا ہو گیا تھا، تاہم، اس لاک ڈاؤن کے ختم ہونے کی بعد اور معاشی سرگرمیاں بحال ہونے کی وجہ سے اس جمع شدہ سوتز کے سٹاک کو بیچنے سے کمپنی کو فائدہ ہوا ہے۔ رپورٹ کے تحت، کمپنی نے 245.415 ملین روپے نگیس سے پہلے منافع حاصل کیا ہے اور نگیس کے بعد کا منافع 182.667 ملین روپے کمایا ہے، جبکہ پچھلے تقابلی مدت میں نگیس سے پہلے منافع 52.503 ملین روپے تھا اور نگیس کے بعد منافع 10.776 ملین روپے تھا۔

ہم ممبران کو باہری کاؤنٹرولنگ (بی سی ایم) کا کمپنی میں ضم ہونے میں ہونے والی پیشرفت سے بھی آگاہ کرنا چاہتے ہیں۔ دونوں کمپنیوں کے ممبروں نے 13 مارچ 2021 کو منعقدہ اپنے اضافی عام اجلاس (ای او بی ایم) میں، دونوں کمپنیوں کے انضمام کی منظوری دے دی ہے اور بی سی ایم ایل کے ممبروں کو شیئروں کے تبادلہ تناسب کی منظوری بھی دے دی ہے۔ ممبران کی منظوری کے بعد، کمپنیوں کے متعلقہ ای او بی ایم میں، دونوں کمپنیوں کے انضمام کی منظوری کے لئے معزز پیشاور ہائی کورٹ میں درخواست دائر کر دی گئی ہے۔

عمومی مارکیٹ کی حالت

بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے رواں مالی سال کے دوران افراط زر کی شرح اور بڑھتی ہوئی بے روزگاری کے ساتھ، پاکستان کے لئے 1.5 فیصد کی معاشی نمو کی پیش گوئی کی ہے۔ آئی ایم ایف نے پیش گوئی کی ہے کہ اقتصادی نمو کی شرح اگلے سال جی ڈی پی کے 4 فیصد اور 2026 تک 5 فیصد ہو جائے گی۔ ان کا کہنا ہے کہ افراط زر کی شرح گزشتہ سال 10.2 فیصد سے کم ہو کر اس سال 8 فیصد ہوگی اور مالی سال 2022 تک وسطاً 10 فیصد ہو جائے گی۔ فنڈ نے تخمینہ لگایا ہے کہ کرنٹ اکاؤنٹ خسارہ مالی سال 2020 میں جی ڈی پی کے 1.1 فیصد سے بڑھ کر مالی سال 2021 میں 1.5 فیصد اور پھر مالی سال 2022 میں جی ڈی پی کے 1.8 فیصد اور 2026 تک جی ڈی پی کے 2.9 فیصد تک جائے گی۔

مستقبل کا نقطہ نظر

پاکستان کی معیشت کا آغاز رواں سال میں ایک مثبت نقطہ نظر کے ساتھ ہوا ہے، کوویڈ-19 ویکسین کی دستیابی اور حکومت کی طرف سے ایک انتہائی مثبت اقدام کے ساتھ۔ توقع کی جاتی ہے کہ 60 اور 50 سال سے زیادہ عمر کے لوگوں کو ویکسین فراہم کی جائے تو یہ توقع کی جاتی ہے کہ کوویڈ-19 وبائی مرض کے اثرات کو کافی حد تک کم کر دیں گے۔ اگرچہ کوویڈ-19 کی تیسری وبائی لہر ابھی بھی مضبوطی کے ساتھ جاری ہے، لیکن حکومت کی طرف سے اٹھائے گئے اقدامات سے امید ہے کہ روزمرہ کی سرگرمیاں معمول پر آئیں گی اور معیشت کے پتے کو مثبت سمت میں لے جانے کا امکان ہے۔ اس سہ ماہی کے تحت اختتام پر، اقتصادی رابطہ کمیٹی (ای سی سی) نے ہندوستان سے روٹی اور سوتز کی درآمد کا معاملہ اٹھایا اور درآمد کی اجازت دینے کا فیصلہ کیا، جو ملکی سوتز کی صنعت کے لئے ایک پریشان کن فیصلہ تھا کیونکہ اس سے مقامی اسپننگ ملوں پر خاطر خواہ منفی اثرات پڑنے تھے۔ تاہم، وفاقی کابینہ نے ہندوستان سے روٹی اور روٹی کے سوتز کی درآمد کی اجازت دینے کے خلاف فیصلہ کیا۔ ہماری رائے میں، حکومت کو ہندوستان سے کپاس کی درآمد کی اجازت دینے کے بجائے، روٹی کی تاریخی اعتبار سے کم پیداوار یعنی 5.3 اور 5.5 ملین گانٹھوں کا 10.5 ملین گانٹھوں کے ہدف کے مقابلے میں وجوہات تلاش کرنے پر توجہ

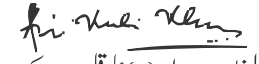
دینی چاہئے اور اس پر تحقیق اور ترقی کو با مقصد بنانا چاہئے۔ تاکہ کپاس کی مطلوبہ مقدار حاصل ہو جو ملک میں اسپننگ ملز کی طلب کو پورا کرنے کے لئے پوری ہو۔


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: 22 اپریل 2021

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

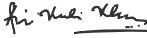

لیفٹننٹ جنرل (ر) علی قلی خان خٹک
چیف ایگزیکٹو



شہناز سجاد احمد
ڈائریکٹر

Condensed Interim Statement of Financial Position As at March 31, 2021 (Un-Audited)

		March 31 2021 (Un-Audited)	July 01, 2020 (Audited) (Restated)	July 01, 2019 (Audited) (Restated)
-----Rupees in thousand-----				
Assets				
Non-current assets				
Property, plant and equipment	6	3,370,877	3,174,164	3,123,417
Investments in Associated Companies	7	243,115	243,115	312,921
Loans to employees		402	100	232
Security deposits		1,543	1,543	1,395
		3,615,937	3,418,922	3,437,965
Current assets				
Stores, spares and loose tools	8	75,009	65,197	64,057
Stock-in-trade	9	660,038	1,406,119	1,000,589
Trade debts - unsecured, considered good		14,747	9,909	20,003
Advances to employees		1,491	1,432	1,478
Advance payments		15,728	9,985	7,998
Trade deposits and prepayments		7,465	928	614
Due from Associated Companies	15.2	1,713	4,851	0
Other receivables		10,508	849	726
Sales tax refundable		0	29,996	47,492
Income tax refundable, advance tax and tax deducted at source		95,495	92,967	96,010
Cash and bank balances		9,148	11,160	5,130
		891,342	1,633,393	1,244,097
Total Assets		4,507,279	5,052,315	4,682,062
Equity and Liabilities				
Equity				
Authorized capital		200,000	200,000	200,000
Issued, subscribed and paid-up capital		47,848	47,848	47,848
Capital reserves				
- capital redemption		6,694	6,694	6,694
- tax holiday		350	350	350
- share premium		11,409	11,409	11,409
- revaluation surplus on property, plant and equipment		2,360,330	2,373,502	2,294,376
Revenue reserves				
- general reserve		371,530	371,530	371,530
- un-appropriated profit		624,885	446,749	485,152
Shareholders' equity		3,423,046	3,258,082	3,217,359
Liabilities				
Non-current liabilities				
Lease liabilities		933	3,541	0
Long term finances		3,798	0	0
Staff retirement benefits - gratuity		64,210	58,738	55,574
Deferred taxation	10	236,544	234,729	204,888
		305,485	297,008	260,462
Current liabilities				
Trade and other payables	11	290,949	334,397	345,941
Unclaimed dividends		284	294	294
Accrued mark-up		11,184	32,023	18,351
Short term finances		408,751	1,085,758	799,867
Current portion of non-current liabilities		5,463	2,243	0
Taxation	12	60,926	41,318	38,595
Preference shares redemption account		1,191	1,192	1,193
		778,748	1,497,225	1,204,241
Total liabilities		1,084,233	1,794,233	1,464,703
Contingencies and commitments	13			
Total Equity and Liabilities		4,507,279	5,052,315	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


Shahnaz Sajjad Ahmad
Director



Amin-ur-Rasheed
Chief Financial Officer

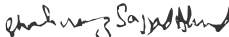
JDM TEXTILE MILLS LIMITED

Condensed Interim Statement of Profit or Loss & Other Comprehensive Income(Un-Audited) For The Quarter And Nine Months Period Ended March 31, 2021

	Quarter ended		Nine months period ended	
	Jan. - Mar., 2021	Jan. - Mar., 2020	Mar. 31, 2021	Mar. 31, 2020
Note	----- Rupees in thousand -----			
Sales - net	1,518,394	1,067,340	4,059,376	2,457,423
Cost of Sales	1,435,559	966,069	3,716,731	2,222,868
Gross Profit	<u>82,835</u>	<u>101,271</u>	<u>342,645</u>	<u>234,555</u>
Distribution Cost	<u>8,007</u>	<u>5,937</u>	<u>20,173</u>	<u>17,219</u>
Administrative Expenses	<u>22,390</u>	<u>15,895</u>	<u>61,175</u>	<u>51,415</u>
Other Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,764</u>
Other Income	<u>0</u>	<u>(532)</u>	<u>(3,205)</u>	<u>(1,640)</u>
	<u>30,397</u>	<u>21,300</u>	<u>78,143</u>	<u>68,758</u>
Profit from Operations	<u>52,438</u>	<u>79,971</u>	<u>264,502</u>	<u>165,797</u>
Finance Cost	<u>13,028</u>	<u>25,244</u>	<u>36,790</u>	<u>90,884</u>
	<u>39,410</u>	<u>54,727</u>	<u>227,712</u>	<u>74,913</u>
Share of profit / (loss) of Associated Companies - net	7	0	17,703	(22,410)
Profit before Taxation	<u>39,410</u>	<u>54,727</u>	<u>245,415</u>	<u>52,503</u>
Taxation				
- current	<u>22,776</u>	<u>16,010</u>	<u>60,926</u>	<u>36,861</u>
- prior year	<u>0</u>	<u>0</u>	<u>4</u>	<u>(3,406)</u>
- deferred	<u>(10,794)</u>	<u>6,014</u>	<u>1,818</u>	<u>8,272</u>
	<u>11,982</u>	<u>22,024</u>	<u>62,748</u>	<u>41,727</u>
Profit after Taxation	<u>27,428</u>	<u>32,703</u>	<u>182,667</u>	<u>10,776</u>
Other Comprehensive Income				
Revaluation surplus on Property, plant and equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>129,429</u>
Deferred Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>(23,176)</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>106,253</u>
Total Comprehensive Income for the Period	<u>27,428</u>	<u>32,703</u>	<u>182,667</u>	<u>117,029</u>
	----- Rupees -----			
Earnings per share	<u>5.73</u>	<u>6.83</u>	<u>38.18</u>	<u>2.25</u>

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


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


Shahnaz Sajjad Ahmad
Director



Amin-ur-Rasheed
Chief Financial Officer

JDM TEXTILE MILLS LIMITED

Condensed Interim Statement of Cash Flows (Un-Audited) For the Nine Months Period Ended March 31, 2021

	Nine months period ended March 31,	
	2021	2020
	Rupees in thousand	
Cash flows from operating activities		
Profit for the period before taxation	227,712	74,913
Adjustments for non-cash charges and other items:		
Depreciation	63,182	62,613
Staff retirement benefits - gratuity (net)	5,472	8,552
Finance cost	34,414	88,544
Profit before working capital changes	330,780	234,622
Effect on cash flows due to working capital changes		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	(9,812)	5,554
Stock-in-trade	746,081	(66,958)
Trade debts	(4,838)	9,510
Loans and advances to employees	(361)	(88)
Advance payments	(5,743)	861
Trade deposits and prepayments	(6,537)	(11,745)
Due from Associated Companies	3,138	(4,586)
Other receivables	(9,659)	413
Sales tax	29,996	9,411
Decrease in trade and other payables	(43,451)	(42,916)
	698,814	(100,544)
Cash generated from operations	1,029,594	134,078
Taxes paid	(43,850)	(25,625)
Net cash generated from operating activities	985,744	108,453
Cash flows from investing activities		
Fixed capital expenditure	(259,893)	(11,808)
Security deposits	0	(148)
Net cash used in investing activities	(259,893)	(11,956)
Cash flows from financing activities		
Long term finances obtained - net of repayment	4,665	0
Liabilities against assets subject to finance lease - net	(256)	6,289
Short term finances - net	(677,007)	(13,923)
Finance cost paid	(55,253)	(86,488)
Preference shares redeemed	(1)	0
Dividend paid	(10)	0
Net cash used in financing activities	(727,863)	(94,122)
Net (decrease) / increase in cash and cash equivalents	(2,012)	2,375
Cash and cash equivalents - at beginning of the period	11,160	5,130
Cash and cash equivalents - at end of the period	9,148	7,505

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


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JDM TEXTILE MILLS LIMITED

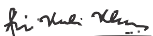
Condensed Interim Statement of Changes in Equity (Un-Audited) For the Nine Months Period Ended March 31, 2021

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, 2020 (audited) (as previously reported)	47,848	6,694	350	11,409	2,373,502	371,530	484,006	3,295,339
Effect of retrospective restatement of deferred taxation on impairment loss on investments (note 5)	0	0	0	0	0	0	(37,257)	(37,257)
Total comprehensive income for the nine months period ended March 31, 2021	0	0	0	0	0	0	182,667	182,667
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	(15,118)	0	15,118	0
Share of revaluation surplus on property, plant and equipment of Associated Companies	0	0	0	0	1,946	0	0	1,946
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	0	(19,649)	(19,649)
Balance as at March 31, 2021 (un-audited)	47,848	6,694	350	11,409	2,360,330	371,530	624,885	3,423,046
Balance as at June 30, 2019 (audited) (as previously reported)	47,848	6,694	350	11,409	2,294,376	371,530	514,546	3,246,753
Effect of retrospective restatement of deferred taxation on impairment loss on investments (note 5)	0	0	0	0	0	0	(29,394)	(29,394)
Balance as at July 01, 2019 - restated	47,848	6,694	350	11,409	2,294,376	371,530	485,152	3,217,359
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	538,106	3,360,818

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


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


Shahnaz Sajjad Ahmad
Director


Amin-ur-Rasheed
Chief Financial Officer

**Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2021****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**2.1 Statement of compliance**

These condensed interim financial statements of the Company 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 IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2020.

2.3 The comparative condensed interim statements of financial position presented in these condensed interim financial statements have been extracted from the audited financial statements of the Company for the year ended June 30, 2020 and June 30, 2019, whereas the comparative 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 extracted from the un-audited condensed interim financial statements for the period ended March 31, 2020.

2.4 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary, liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by an independent valuer.

2.6 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

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 audited annual financial statements of the Company as at and for the year ended June 30, 2020.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commenced on July 01, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Company's annual accounting periods commencing on or after January 01, 2021. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates, judgments and financial risk management

4.1 The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended June 30, 2020.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2020

5. Restatement

The management, during the period, has decided to discontinue recognition of deferred taxation on impairment loss of investments in Associated Companies for fair and better presentation. Accordingly, corresponding figures have been restated retrospectively. The effect of this restatement has been disclosed in the condensed interim statement of changes in equity.

		Un-audited Mar. 31, 2021 (Rupees in thousand)	Audited June 30, 2020
6. Property, plant and equipment	Note		
Operating fixed assets - tangible	6.1	3,150,318	3,166,183
Right of use assets	6.2	8,159	7,981
Advance made for purchase of freehold land	6.3	212,400	0
		<u>3,370,877</u>	<u>3,174,164</u>
6.1 Operating fixed assets - tangible			
Book value as at June 30, 2020		3,166,183	
Additions during the period:			
- plant & machinery		36,403	
- furniture & fixtures		350	
- Computer & accessories		41	
- vehicles		8,776	
		45,570	
Depreciation charge for the period		(61,435)	
Book value as at March 31, 2021		<u>3,150,318</u>	

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	Un-audited Mar. 31, 2021 (Rupees in thousand)
6.2 Right of use assets	
Book value as at June 30, 2020	7,981
Additions during the period	1,925
Depreciation charge for the period	(1,747)
Book value as at March 31, 2021	8,159
6.3 The Company, during the period, has entered into an agreement with Babri Cotton Mills Ltd. (BCM- an Associated Company); BCM is an exclusive owner of the area of land measuring 354 marlas and has agreed to sell the said land according to the terms of sale as under:	
a) the price of land is Rs.600,000/- per marla and total consideration is Rs.212.400 million;	
b) the total amount has been paid in advance by the Company;	
c) the Company has taken possession of the area of land and the area is secured with barbed wire;	
d) the Company has purchased this land to construct quarters for its workers;	
e) transfer of land in name of the Company shall be done after completion of all legal formalities; and	
f) the total expenses on the execution of agreement, transfer of land, attorney fees, etc. shall be borne by the Company.	
7. Investments in Associated Companies - Quoted	
Babri Cotton Mills Ltd. (BCM)	
587,193 ordinary shares of Rs.10 each - cost - Equity held: 16.08%	10,873
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity	4,703
Share of revaluation surplus on property, plant and equipment	143,041
Loss for the period - net of taxation	(35,098)
Share of other comprehensive loss	(15,321)
	108,198
Bannu Woollen Mills Ltd. (BWM)	
731,626 ordinary shares of Rs.10 each - cost - Equity held: 7.70%	7,697
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity	82,596
Share of revaluation surplus on property, plant and equipment	120,984
Profit for the period - net of taxation	8,157
Share of other comprehensive loss	(692)
	218,742
	326,940
Less: impairment loss - BCM	(19,693)
BWM	(64,132)
	243,115
7.1 Although the Company has less than 20% voting rights in BCM and BWM as at March 31, 2021 and June 30, 2020, these Companies have been treated as Associated Companies by virtue of common directorships.	

JDM TEXTILE MILLS LIMITED

7.2 Market values of the Company's investments in BCM and BWM as at March 31, 2021 were Rs.34.210 million (June 30, 2020: Rs.30.428 million) and Rs.35.111 million (June 30, 2020: Rs.23.127 million) respectively.

7.3 The management intends to carry-out impairment testing of its investment in BCM as at June 30, 2021 as significant variations in estimates have been observed during the current period since June 30, 2020.

8. Stores, spares and loose tools

Stores and spares inventory valuing Rs.17.022 million (June 30, 2020: Rs.Nil) was in transit as at March 31, 2021.

9. Stock-in-trade

Raw materials inventory valuing Rs. 22.792 million (June 30, 2020: Rs.81.306 million) was in transit as at March 31, 2021.

	Mar. 31, 2021	July 01, 2020	July 01, 2019
	Un-audited	Audited	Audited
		(Restated)	(Restated)
	----- (Rupees in thousand) -----		
10. Deferred taxation - net			
This is composed of the following:			
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation allowances	184,451	184,090	187,276
- surplus on revaluation of property, plant and equipment	151,387	157,565	143,439
- lease liabilities	867	637	0
	336,705	342,292	330,715
Deductible temporary differences arising in respect of:			
- staff retirement benefits - gratuity	(20,816)	(22,441)	(21,871)
- unused tax losses	0	0	(10,978)
- minimum tax recoverable against normal tax charge in future years	(79,345)	(85,122)	(92,978)
	(100,161)	(107,563)	(125,827)
	236,544	234,729	204,888
11. Trade and other payables		Un-audited	Audited
		Mar. 31, 2021	June 30, 2020
		(Rupees in thousand)	
Creditors		55,589	31,643
Advances from customers - contract liabilities		12,024	13,215
Advance payments		184	184
Accrued expenses		182,758	265,912
Tax deducted at source		234	234
Gratuity payable to:			
- key management personnel		0	13,614
- other employees		2,225	5,031
Due to Waqf-e-Kuli Khan		2,047	2,383
Sales tax payable		34,840	0
Workers' welfare fund		0	1,890
Security deposits repayable on demand - interest free		113	112
Others		935	179
		290,949	334,397

12. Taxation - net

- 12.1** Income tax return of the Company for tax year 2020 (accounting period ended June 30, 2020) has been filed on December 31, 2020.
- 12.2** The provision for taxation for the current period represents minimum tax due under section 113 of the income tax ordinance, 2001 (The Ordinance).
- 12.3** The minimum tax demand under section 113 of the Ordinance relevant to tax years 2010, 2011 and 2012 has been deleted in the amended Finance Act, 2015 as per sub-clause (xx) of clause (11A) in part IV of the second schedule to the Ordinance. The writ petition filed before the Islamabad High Court, therefore, would have no effect on the demand. The Company, therefore, has withdrawn the writ petition on the point of clause added in the Ordinance as clause (xx) of clause (11A) in part IV of the second schedule to the Ordinance. The Company would not be liable for payment of any tax amount for the tax years 2010, 2011 and 2012.
- 12.4** There has been no significant change during the current period in the status of taxation matters as detailed in note 24 to the audited financial statements of the Company for the year ended June 30, 2020.

13. Contingencies and commitments

- 13.1** The Sales Tax Department (the Department), vide its judgment dated March 06, 2018, has created sales tax demands of Rs.5.978 million on account of discrepancies pointed out by CREST for which appeal has been decided by the Commissioner Inland Revenue [Appeals-CIR(A)] and remanded-back the issue to the Deputy Commissioner Inland Revenue. The Company, however, has filed an appeal with the Appellate Tribunal Inland Revenue, Lahore against the orders CIR (A), which is pending adjudication.
- 13.2** The Company's review petition, against the judgement of the Supreme Court of Pakistan (SCP) dated August 13, 2020 in the matter of Gas Infrastructure Development Cess (GIDC), for waiver of the full amount of GIDC Cess on the ground that the Company, being spinning unit and producing raw materials for weaving sector, has not passed on the GIDC burden to its customers has been dismissed by the SCP vide its judgment dated November 02, 2020; however, the SCP, in its said judgment, has mentioned that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. The Company's writ petition before the Peshawar High Court (PHC) on the same grounds has also been referred to Oil & Gas Regulatory Authority (OGRA) by PHC being the relevant authority for determining the fact whether the Company and other petitioners had passed the GIDC burden to their end customers or not. The matter is pending with OGRA for decision.

After the SCP's judgment dated August 13, 2020, the Company has received GIDC instalment bills from Sui Northern Gas Pipelines Ltd.(SNGPL). The said GIDC bills have been challenged before the PHC wherein PHC granted stay order and restrained SNGPL from taking any coercive action against the Company and other petitioners. The matter is still pending before the court of law for judgment. The lawyers representing the Company in the subject case are very hopeful for favourable judgment.

SNGPL, along with gas bill for the month of August, 2020, has raised GIDC demands aggregating Rs.380.957 million. The management, during the financial year ended June 30, 2017, has made GIDC provision amounting Rs.78.043 million relating to that year in its books of account based on the adverse judgment of the PHC dated May 31, 2017; balance GIDC provisions aggregating Rs.302.914 million have not been recognised in the books of accounts.

- 13.3** Guarantee amounting Rs.100 million (June 30, 2020: Rs.85 million) issued by National Bank of Pakistan on behalf of the Company in favour of Sui Northern Gas Pipelines Ltd. was outstanding as at March 31, 2021.

JDM TEXTILE MILLS LIMITED

	Un-audited Mar. 31, 2021	Audited June 30, 2020
13.4 Commitments against irrevocable letters of credit outstanding at the period / year-end were for:		
- stores and spares	14,449	1,197
- raw materials	491,523	0
	505,972	1,197

14. Lease agreement with Babri Cotton Mills Ltd.(BCM)

The Company board of directors, in their meeting held on September 24, 2020, on the offer of BCM decided to take the factory buildings and plant & machinery of BCM on lease. The lease rental is Rs.100,000/- per month and term of lease shall be October 01, 2020 to June 30, 2022. However, both the companies have the option to terminate the lease with one month prior notice. This is a stop gap / interim arrangement till the completion of merger of both the entities.

15. Transactions with Related Parties

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

Name	Nature of transaction	Nine months period ended Mar, 31	
		2021	2020
Associated Companies			
Babri Cotton Mills Ltd.	Residential rent received	532	1,596
	Utilities / expenses:		
	- paid	110,374	0
	- recovered	479	75
	Salaries and benefits:		
	- paid	1,202	0
	- recovered	2,281	2,393
	Purchase of raw cotton	51,894	32,777
	Purchase of stores and spares	8,998	0
	Sale of stores and spares	2,753	0
	Lease rental paid	600	0
	Advance made for purchase of freehold land	212,400	0
Bannu Woollen Mills Ltd.	Expenses recovered	92	75
	Salaries and benefits:		
	- paid	0	436
	- recovered	1,553	1,949
	Sale of raw cotton	0	463
	Sale of yarn	1,527	0
The Universal Insurance Company Ltd.	Salaries & benefits recovered	1,553	1,516
	Expenses recovered	85	75
Gammon Pakistan Ltd.	Rent paid	150	150
Ghandhara Nissan Ltd.	Salaries & benefits recovered	1,553	1,516
	Expenses recovered	85	75
Ghandhara Industries Ltd.	----- do -----	85	75
	Salaries & benefits recovered	1,553	1,516
	Purchase of vehicle	6,334	0
Other related parties			
Employees' Provident Fund	Contribution paid to Provident Fund	25,496	19,120
Key Management Personnel	Salaries & benefits	104,280	93,591

15.2 Period-end balance was as follows:


	Un-audited Mar. 31, 2021	Audited June 30, 2020
	(Rupees in thousand)	
Due from:		
Babri Cotton Mills Ltd.	0	4,851
Ghandhara Industries Ltd.	571	0
Ghandhara Nissan Ltd.	571	0
The Universal Insurance Company of Pakistan Ltd.	571	0
	1,713	4,851

16. Corresponding figures

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, except for restatement detailed in note 5, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

17. 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 22, 2021.


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


Shahnaz Sajjad Ahmad
Director


Amin-ur-Rasheed
Chief Financial Officer

If undelivered please return to
Share Department
JANANA DE MALUCHO TEXTILE MILLS LIMITED
Habibabad - KOHAT