

**QUARTERLY
ACCOUNTS
SEPTEMBER
2007**



Janana De Malucho Textile
Mills Limited

JANANA DE MALUCHO TEXTILE MILLS LIMITED

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK Chairman LT. GEN. (RETD.) ALI KULI KHAN KHATTAK Chief Executive MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA MRS. ZEB GOHAR AYUB MRS. SHAHNAZ SAJJAD AHMAD DR. SHAHEEN KULI KHAN
AUDIT COMMITTEE	MR. RAZA KULI KHAN KHATTAK Chairman MR. AHMAD KULI KHAN KHATTAK Member MR. MUSHTAQ AHMAD KHAN, FCA Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS General Manager Finance, Commercial & Corporate Affairs
INTERNAL AUDITOR	MR. SYED RAHEEL GILLANI
AUDITORS	M/S HAMEED CHAUDHRI & CO. CHARTERED ACCOUNTANTS
BANKERS	NATIONAL BANK OF PAKISTAN BANK ALFALAH 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

JANANA DE MALUCHO TEXTILE MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007

The Board of Directors (the board) is pleased to present the un-audited financial statements of the company for the 1st quarter ended September 30, 2007.

The company's financial performance remained quite satisfactory during the quarter ended 30 September, 2007.

	2007	2006
	(Rupees in million)	
Sales Net	311.871	272.044
Cost of Sales	269.723	231.925
Gross Profit	42.148	40.119
Operating Profit	32.294	31.587
Profit before taxation	9.615	7.903
Profit after taxation	8.055	6.540
Earning per share	Rs.2.55	Rs. 2.27

OPERATING PERFORMANCE:

We have to report that during the current quarter ended on 30th September 2007 sale revenue has increased from 272.044 million (30-09-2007) to Rs.311.871 million due to increase in production inspite of the fact that the sale prices have declined during the 1st quarter ended 30th September 2007 vis-à-vis 30th September 2006. The gross profit margin was 13.517% (2006 - 14.75%).

The company has earned net profit of Rs. 8.055 million (6.540 million - 2006) and earning per share during the quarter under report was Rs.2.55 (2006 - Rs.2.0).

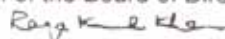
FUTURE OUTLOOK:

For the last two years our textile manufacturing industry specially the spinning sector has been in deep crises due to unprecedented increase in cost of production. The gas price has increased by 38% during the last two years. Electricity cost has gone-up by 10% recently with intermittent excessive load shedding. Transport cost has increased by 100% and the banks have raised the mark-up rates to 14% an increase of 300%.

Unpredictable quality and size of cotton crop during the current season has pushed the cotton prices to unprecedented level of Rs.3,200/- per maund vis-à-vis declining export rates of textile products including yarn. The Pakistan spinning industry as a whole will remain under severe pressure in the future time to come. However the management of your company will put in every effort to improve the financial results during the next quarter ended 31st December 2007.

Your Directors wish to record their appreciation for the efforts made by the workers, staff and senior executives for achieving the improved results as compared to last quarter in the present difficult circumstances.

For & on behalf of the Board of Directors


(Raza Kuli Khan Khattak)
Chairman

Dated: 29th October 2007

JANANA DE MALUCHO TEXTILE MILLS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER, 2007

	30 September 2007	30 June 2007		30 September 2007	30 June 2007
	(Rupees in thousand)			(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			PROPERTY, PLANT AND EQUIPMENT		
Authorised capital	200,000	200,000	Operating assets	1,534,629	1,547,998
Issued, subscribed and paid-up capital	31,655	31,655	Capital work-in-progress	18,766	18,766
Reserves	128,215	128,215	Stores held for capital expenditure	1,741	1,741
Unappropriated profit	34,781	24,211		1,555,136	1,568,505
	<u>194,651</u>	<u>184,081</u>			
DEPOSIT FOR SHARES	22,818	22,818	INVESTMENTS IN ASSOCIATES	28,962	28,962
SURPLUS ON REVALUATION OF FIXED ASSETS	680,205	682,720	LONG TERM LOANS	477	479
NON CURRENT LIABILITIES			LONG TERM SECURITY DEPOSITS	1,004	1,004
Demand finances	355,587	359,766	CURRENT ASSETS		
Liabilities against assets subject to finance lease	546	1,134	Stores, spares and loose tools	16,812	14,867
Staff retirement benefits-gratuity	11,788	11,614	Stock-in-trade	236,206	379,028
Deferred taxation	141,016	141,016	Trade debtors - unsecured considered good	28,125	23,003
	<u>508,937</u>	<u>513,530</u>	Advances to Employees	2,180	1,972
CURRENT LIABILITIES AND PROVISIONS			Advance payments	8,450	7,997
Current portion of:			Advances, Deposits and prepayments	6,343	131
- demand finances	16,713	16,713	Sales tax refundable	4,979	4,315
- liabilities against assets subject to finance lease	2,238	2,238	Due from Associates	29,048	18,637
Short term finances	398,147	502,740	Other receivables	1,663	994
Trade and other payables	79,579	68,874	Income tax refundable advance tax and tax deducted at source	8,317	7,157
Accrued mark-up	23,082	61,462	Cash and bank balances	6,871	4,768
Taxation	5,936	5,376		<u>348,994</u>	<u>462,869</u>
Preference shares redemption account	1,267	1,267			
	<u>527,962</u>	<u>658,670</u>			
CONTINGENCIES AND COMMITMENTS					
	<u>1,934,573</u>	<u>2,061,819</u>		<u>1,934,573</u>	<u>2,061,819</u>

The annexed notes form an integral part of these financial statements

Raza Kuli Khan
Raza Kuli Khan Khattak
 Chairman

Mushtaq Ahmad Khan
Mushtaq Ahmad Khan, FCA
 Director

JANANA DE MALUCHO TEXTILE MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2007

	30 September 2007	30 September 2006
	(Rupees in thousand)	
SALES - Net	311,871	272,044
COST OF SALES	269,723	231,925
GROSS PROFIT	42,148	40,119
ADMINISTRATIVE AND DISTRIBUTION EXPENSES	9,847	8,525
OTHER OPERATING EXPENSES	7	7
	9,854	8,532
OPERATING PROFIT	32,294	31,587
OTHER INCOME	743	588
	33,037	32,175
FINANCE COST	23,422	24,272
PROFIT BEFORE TAXATION	9,615	7,903
TAXATION		
- current year	1,560	1,363
PROFIT AFTER TAXATION	8,055	6,540
	----- Rupees -----	
EARNING PER SHARE	2.55	2.07 Restated

- The annexed notes form an integral part of these financial statements.
- Appropriations have been reflected in the statement of changes in equity.

Raza Kuli Khan
Raza Kuli Khan Khattak
 Chairman

Mushtaq Ahmad Khan
Mushtaq Ahmad Khan, FCA
 Director

JANANA DE MALUCHO TEXTILE MILLS LIMITED
CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2007

	First Quarter Ended 30/09/2007	First Quarter Ended 30/09/2006
	Rupees in thousands	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the Period - before taxation	9,615	6,540
Adjustments for:		
Depreciation	13,741	17,289
Staff Retirement Benefits - Gratuity (Net)	174	(203)
Financial charges	23,422	23,793
CASH FLOW FROM OPERATING ACTIVITIES	46,952	47,419
- Before working capital changes		
(Increase)/Decrease in current assets:		
Stores, spares and loose tools	(1,945)	(2,331)
Stock in trade	142,822	52,955
Trade debtors	(5,122)	(11,779)
Advances	(161)	(802)
Advance Payments	(453)	876
Trade Deposits and short term prepayments	(6,212)	(7,793)
Sales Tax refundable	(664)	362
Due from Associated companies	(1,411)	4,036
Other receivable	(669)	971
Increase/(Decrease) in other payables	10,710	(4,903)
	136,895	31,592
CASH FLOW FROM OPERATING ACTIVITIES		
- Before taxation	183,847	79,011
Taxes paid	(1,160)	(167)
CASH FLOW FROM OPERATING ACTIVITIES -after taxation	182,687	78,844
Long term loans and security deposits - net	(46)	8
NET CASH FLOW FROM OPERATING ACTIVITIES	182,641	79,852
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(371)	(2,600)
Deposit for shares	(9,000)	
Preference shares redeemed	0	
Long term deposits	0	
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	(9,371)	(2,600)
CASH FLOW FROM FINANCING ACTIVITIES		
Demand Finance - net	(4,179)	(28,300)
Lease Finance - net	(588)	(41)
Short term finances - net	(104,593)	(26,500)
Dividends paid	(5)	(99)
Financial Cost paid	(61,802)	(20,230)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(171,167)	(75,686)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,103	1,349
CASH AND CASH EQUIVALENTS		
- At the beginning of the period	4,768	9,777
CASH AND CASH EQUIVALENTS		
- At the end of the period	6,871	11,130

The annexed notes form an integral part of these financial statements

Raza Kuli Khan
Raza Kuli Khan Khattak
 Chairman

Mushtaq Ahmad Khan
Mushtaq Ahmad Khan,
 Director

JANANA DE MALUCHO TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2007

	Reserves					(Accumulated loss) / unappropriated profit	Total
	Share capital	Capital redemption reserve	Tax holiday reserve	General reserve	Subtotal		
-----Rupees in thousands-----							
Balance as at June 2006	28,777	6,694	350	124,049	159,870	14,192	174,062
Profit for the year ended 30 June 2007	0	0	0	0	0	1,688	1,688
Nominal value of ordinary bonus shares issue	2,878	0	0	(2,878)	0	0	0
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	7,257	7,257
- realised on disposal of operating fixed assets - net of deferred taxation	0	0	0	0	0	203	203
Effect of items directly credited in equity by the associates	0	0	0	0	0	871	871
Balance as at 30 June 2007	31,655	6,694	350	121,171	159,870	24,211	184,081
Profit for the quarter ended 30 September 2007	0	0	0	0	0	8,055	8,055
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	0	0	0	0	0	2,515	2,515
Balance as at 30 September 2007	31,655	6,694	350	121,171	159,870	34,781	194,651

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

Raza Kuli Khan
Raza Kuli Khan Khattak
 Chairman

Mushtaq Ahmad Khan
Mushtaq Ahmad Khan, FCA
 Director

JANANA DE MALUCHO TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2007

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan in 1960 as a Public Company and its shares are quoted on Karachi Stock Exchange (Guarantee) Ltd. It is principally engaged in manufacture and sale of yarn.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards (IAS-34) Interim Financial Reporting as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by the Securities & Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Accounting Policies

The accounting policies adopted for the preparation of these accounts are the same as were applied in the financial statements of the company for the year ended 30 June 2007.

In pursuance of the provisions of Section 245 of the Companies Ordinance, 1984 and Companies (Amendment) Ordinance 2002 and circular No 19 dated April 14, 2004 of the Securities and Exchange Commission of Pakistan we are pleased to notify that quarterly accounts for the first quarter ended 30 September 2007 has been transmitted to all the shareholders through our website www.bibojee.com.

2.3 Contingencies and commitments

There is no material change in status of litigations filed/demands raised against the Company from the status previously reported in annual accounts of the company for the period ended 30 June 2007.

3 OPERATING FIXED ASSETS - Tangible

	Un-audited 30/9/2007 Rs. in 000	Audited 30/6/2007 Rs. in 000
Opening book value	1,547,998	1,450,482
Addition during the period		
Land	0	242,355
Factory building	0	63,602
Non-Factory building	0	1,164
Residential Officers	0	2,736
Residential Workers	0	666
Plant and machinery	0	154,387
Generators	0	11,026
Workshop equipment	0	1,024
Furniture & Fixture	372	1,053
Office and other equipment	0	222
Vehicles	0	963
Vehicles-leased	0	0
	372	479,198
	1,548,370	1,929,680
Disposal	0	3,323
Depreciation charged for the period	13,741	378,359
	13,741	381,682
Closing book value	1,534,629	1,547,998

4 CAPITAL WORK IN PROGRESS

	Un-audited 30/9/2007 Rs. in 000	Audited 30/6/2007 Rs. in 000
Advance Payments for construction of cotton godowns	18,500	18,500
Advance Payments for Stores purchases	266	266
	18,766	18,766
	18,766	18,766

5 TRANSACTION WITH ASSOCIATED COMPANIES

Aggregate transactions during the period with the Associate Companies were as follows:

Deposit for Shares	0	22,818
Sale of goods and services	376	4,538
Purchase of goods and services	7,502	12,586
Purchase of fixed assets	0	29
Sale 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	33	132
Mark-up		
Earned	458	2,090
Expensed	668	1,005
Management Charges		
Paid	398	1,684
Received	1,406	6,203

Sale, purchases and other transactions with associated companies are made at arm's length prices determined in accordance with comparable uncontrolled price method except for the allocation of expenses relating to combined offices shared with associated companies, which are on the actual basis

6 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 29, October 2007 by the Board of Directors of the Company.

7 FIGURES

- in the accounts are rounded-off to the nearest thousand rupees
- of the previous period are re-stated and re-arranged wherever necessary for the purpose of comparison

Raza Kuli Khan
Raza Kuli Khan Khattak
Chairman

Mushtaq Ahmad Khan
Mushtaq Ahmad Khan, FCA
Director