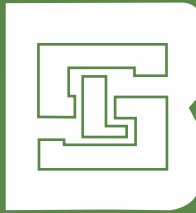


Nine Months
Report
Period Ended
March 31,
2023

BIBOJEE GROUP



**JANANA DE MALUCHO TEXTILE
MILLS LIMITED**

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COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. AHMAD KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MRS. SHAHNAZ SAJJAD AHMAD MR. GOHAR AYUB KHAN DR. SHAHIN KULI 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 KHATTAK MRS. SHAHNAZ SAJJAD AHMAD	Chairman Chief Executive / Member Member
CHIEF FINANCIAL OFFICER	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
COMPANY SECRETARY	MR. ABID RAZA, M.(Accounting & Finance), APFA	
HEAD OF INTERNAL AUDIT	MR. BILAWAL IRSHAD, CIA(Pak)	
AUDITORS	SHINEWING HAMEED CHAUDHRI & CO., Chartered Accountant	
BANKERS	NATIONAL BANK OF PAKISTAN THE BANK OF KHYBER PAK OMAN INVESTMENT COMPANY LTD. BANK ALFALAH LIMITED MEEZAN BANK LIMITED HABIB METROPOLITAN BANK LTD.	
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 5-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 - 862163 E-MAIL: janana@brain.net.pk, janana.textile@gmail.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 Janana De Malucho Textile Mills Ltd. (the Company) for the 3rd quarter & nine months period ended 31st March 2023.

FINANCIAL HIGHLIGHTS

During the nine months period ended 31st March, 2023, the net sales of the Company are Rs. 4,807.719 million in comparison with net sales of the previous period which amounted to Rs. 5,368.673 million. The turnover of the Company has decreased by Rs.560.954 million as compared to the previous period. Main reason of decline in turnover is decrease in sale quantity due to unfavorable market conditions and increase in sales tax rate to 18%. Further, the Company, in the period under review, has incurred a loss before tax amounting to Rs.65.052 million and loss after tax of Rs.77.284 million in comparison with profit before tax amounting to Rs.420.899 million and profit after tax amounting to Rs.287.391 million respectively, in the previous comparative period. The Company, in the period under review, has incurred a loss per share of Rs.11.17/- in comparison with earnings per share of Rs.55.80/-, in the previous comparative period. Main reasons of loss are the increase in raw material cost due to unprecedented devaluation of Pak Rupee viz a viz US Dollar, increase in power & fuel cost, increase in interest rates and impairment on investment in an associated company amounting Rs.28.101 million, and restrictions by the State Bank of Pakistan (SBP) on import of Cotton.

GENERAL MARKET CONDITIONS AND FUTURE OUTLOOK

In the words of IMF managing director, "the year 2023 is expected to be another challenging year". The economy of Pakistan is continuing to face pressures on account of rising inflation, an elevated fiscal deficit and uncertainty over external financing. The GDP growth for the FY 23 has been projected at 0.8% by the Economic Adviser's Wing (EAW) of the Ministry of Finance. Inflation is climbing and has jumped to 35.4% in March of 2023 from 31.5% in February, 2023, while the rupee-dollar parity has nose-dived and has broken all records in the history of Pakistan.

The EAW, in their monthly update have reported that escalation of geopolitical tensions, in particular the Ukraine crisis, and extremely volatile domestic political conditions have hampered the positive outlook for Pakistan's economy and may also aggravate the macroeconomic imbalances.

The textile industry is responsible for more than 60% of Pakistan's exports, but exports have declined by 29% year-on-year as of February 2023, totalling \$487 million. From July 2022 to February 2023, total textile exports decreased 11% to \$1.35 billion compared to the previous financial year. The shortage of raw materials, depreciation of the rupee against the dollar and energy crisis has badly affected exports of textile items from Pakistan during the last few months. The analysts fear that textiles exports could further decline in the coming months if reliable and affordable energy supplies were not ensured. Surplus foreign exchange was earned through exports, but due to the ongoing decline in exports for the past few months, foreign exchange reserves have fallen to the lowest level in history.

The industry has also been hit by increased energy charges and shutdown of gas supply, which have caused units to close down as it is not possible to run the mills on high electricity rates of WAPDA i.e. Rs.45 per unit.

On the other hand, the SBP has further raised its key interest rate to a record 21%, whereas commercial banks have raised markup rates to around 24% to 25%. It looks as if the government and the State Bank have only one tool to get control over inflation and that is increasing interest rates, and no other administrative measure has been taken to tackle inflation. But this continuous increase in interest rates has completely sapped the financial resources of companies and has eaten up all their earnings.

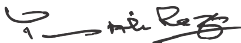
The government's anti-business and anti-export policies and behavior is reflected in the unavailability of gas, lack of uninterrupted supply of electricity, restrictions on opening of LCs, and excessive delays in refunds to exporters; making it harder for businesses to survive. In summary, the textile industry in Pakistan is facing significant challenges and the government needs to take urgent action to support the industry, otherwise the remaining running mills are going to close down soon.

Despite the above-mentioned challenges, the Company is determined to endeavor towards minimizing the negative impacts and strive to explore opportunities to serve its stakeholders by providing them sustainable growth.


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 same dedication and cooperation from them in the future as well.

On behalf of the Board of Directors



Col. (Retd.) Syed Yunus Ali Raza
Director



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

Dated: April 30, 2023

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، 31 مارچ 2023 نو ماہ کی ختم ہونے والی مدت پر کمپنی کی مالیاتی رپورٹ پیش کرنے میں خوش محسوس کرتے ہیں۔
کارکردگی کا جائزہ۔

31 مارچ 2023 نو ماہ کی ختم ہونے والی مدت پر کمپنی کی فروخت 4,807.719 ملین روپے ہے جبکہ اسکے مقابلے میں گزشتہ تقابلی مدت میں فروخت 5,368.673 ملین روپے تھی۔ کمپنی کے کاروبار میں گزشتہ مدت کے مقابلے میں 560.954 ملین روپے کی کمی واقع ہوئی ہے۔ فروخت میں کمی کی بڑی وجہ مارکیٹ کے نامساعد حالات کی وجہ سے سلاخ کی مقدار میں کمی اور سلاخنگس کی شرح میں 18 فیصد تنک اضافہ ہے۔ مزید، کمپنی کا زیر جائزہ مدت میں، گیس سے پیلے کا نقصان 65.052 ملین روپے اور گیس کے بعد کا خسارہ 77.284 ملین روپے رہا جبکہ اس کے مقابلے میں گزشتہ تقابلی مدت میں ہائڈروجن گیس سے پیلے کا منافع 420.899 ملین روپے اور گیس کے بعد کا منافع 287.391 ملین روپے تھا۔ کمپنی نے زیر جائزہ مدت میں -11.171 روپے فی حصص کا نقصان اٹھایا ہے جبکہ گزشتہ تقابلی مدت میں -55.80 روپے فی حصص کی آمدنی ہوئی تھی۔ نقصان کی اہم وجوہات میں خام مال کی لاگت میں اضافہ ہے جس کی وجہ پاکستانی روپے کی قدر میں بے مثال کمی ہے یعنی امریکی ڈالر، بجلی اور ایندھن کی لاگت میں اضافہ، شرح سود میں اضافہ اور مستحقہ پینٹی میں 28.101 ملین روپے کی سرمایہ کاری میں کمی، اور اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے لیکاس کی درآمد پر پابندی بھی شامل ہے۔

عمومی مارکیٹ کی حالت اور مستقبل کا نقطہ نظر

آئی ایم ایف کے پیپٹک ڈائریکٹر کے الفاظ میں، "سال 2023 ایک اور چیلنجنگ سال ہونے کی امید ہے۔" پاکستان کی معیشت بڑھتی ہوئی مہنگائی، بلند مالیاتی خسارے اور ویدو پیری فنانسنگ پر غیر یقینی صورتحال کی وجہ سے مسلسل بڑا دباؤ کا شکار ہے۔ وزارت خزانہ کے اٹاکل ایڈوائزری ورگ (EAW) نے مالی سال 2023 کے لیے بی ڈی پی کی شرح نمو کا تخمینہ 0.8% بتایا ہے۔ مہنگائی عروج پر ہے اور فروری 2023 میں 31.5 فیصد سے بڑھ کر مارچ 2023 میں 35.4 فیصد تک پہنچ گئی ہے، جبکہ روپے اور ڈالر کی مساوات نے پاکستان کی تاریخ کی ساری تاریخوں پر تیز ترین گراؤ کو توڑ دیا ہے۔
EAW نے اپنی ماہانہ رپورٹ میں بتایا ہے کہ جغرافیائی سیاسی کشیدگی میں اضافہ، خاص طور پر یوکرین کا بحران، اور انتہائی غیر مستحکم سیاسی حالات نے پاکستان کی معیشت کے لیے مثبت نقطہ نظر کو متاثر کیا ہے اور اس سے پاکستان کی میکر و معیشت عدم توازن میں مزید اضافہ ہو سکتا ہے۔


ٹیکسٹائل انڈسٹری پاکستان 60 فیصد سے زائد برآمدات کے لیے ذمہ دار ہے، لیکن فروری 2023 تک برآمدات میں سال بہ سال 29 فیصد کمی واقع ہوئی ہے، جو کل 487 ملین ڈالر ہے۔ جولائی 2022 سے فروری 2023 تک ٹیکسٹائل کی کل برآمدات گزشتہ مالی سال کے مقابلے میں 11 فیصد کم ہو کر 1.35 بلین ڈالر ہو گئیں۔ خام مال کی کمی، ڈالر کے مقابلے روپے کی قدر میں کمی اور توانائی کے بحران نے گزشتہ چند ماہ کے دوران پاکستان سے ٹیکسٹائل ایشیا کی برآمدات کو بری طرح متاثر کیا ہے۔ تجزیہ کاروں کا خدشہ ہے کہ اگر قابل اعتماد اور مستحکم توانائی کی فراہمی کو یقینی نہ بنایا گیا تو آنے والے مہینوں میں ٹیکسٹائل کی برآمدات مزید کمی ہو سکتی ہیں۔ برآمدات کے ذریعے فاضل زر مبادلہ کمایا جاتا تھا لیکن گزشتہ چند ماہ سے برآمدات میں جاری کمی کے باعث زر مبادلہ کے ذخائر تاریخ کی کم ترین سطح پر آگئے ہیں۔
ٹیکسٹائل انڈسٹری اتریشی چارجز میں اضافے اور گیس کی سپلائی بند ہونے کی وجہ سے بھی متاثر ہوئی ہے جس کی وجہ سے کئی پینس بند ہو گئے ہیں کیونکہ پڑا کی بجلی کے زیادہ نرخ یعنی 45 روپے فی یونٹ پر ٹولوں کو چلانا ناممکن نہیں ہے۔

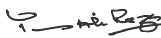
دوسری جانب، اسٹیٹ بینک نے اپنی پالیسی کی شرح سود کو یکایک 21% تک بڑھا دیا ہے، جب کہ کرنشل بینکوں نے مارک اپ کی شرح کو تقریباً 24% سے 25% تک بڑھا دیا ہے۔ ایسا لگتا ہے کہ حکومت اور اسٹیٹ بینک کے پاس مہنگائی پر قابو پانے کا ایسا ہی ذریعہ ہے اور وہ ہے شرح سود میں اضافہ اور مہنگائی سے نمٹنے کے لیے کوئی دوسرا انتظامی اقدام نہیں کیا گیا۔ لیکن شرح سود میں اس مسلسل اضافے نے کمپنیوں کے مالی وسائل کو عملی طور پر ختم کر دیا ہے اور ان کی تمام کمائیوں کو کھانا لیا ہے۔
حکومت کی کاروبار دشمن اور برآمد مخالف پالیسیوں اور روپے کی عکاسی گیس کی عدم دستیابی، بجلی کی باقسط فراہمی کی کمی، ایل سی کھولنے پر پابندیاں، اور برآمد کنندگان کو ریفرنڈ کی واپسی میں ضرورت سے زیادہ تاخیر ہے۔ جو کاروباروں کے لیے زخمی دہنا مشکل بنا رہا ہے۔ خلاصہ یہ کہ پاکستان میں ٹیکسٹائل کی صنعت کو اہم چیلنجز کا سامنا ہے اور حکومت کو اس صنعت کو سپورٹ کرنے کے لیے فوری اقدامات کرنے کی ضرورت ہے، ورنہ باقی چل رہی ہیں جلد ہی بند ہونے والی ہیں۔
مذکورہ بالا چیلنجوں کے باوجود، کمپنی مثبتی اثرات کو کم کرنے کی کوشش کرنے کے لیے عزم ہے اور اپنے اسٹیبل ہولڈرز کو پائیدار ترقی فراہم کرنے کے ان کی خدمت کے مواقع تلاش کرنے کی کوشش کرتی ہے۔

استقرار

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۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے


لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان تنگ
چیف ایگزیکٹو آفیسر

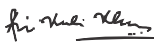

کرشل (ریٹائرڈ) سید یونس علی رضا
ڈائریکٹر


تاریخ: 130 اپریل 2023

Condensed Interim Statement of Financial Position As at March 31, 2023 (Un-Audited)

		Mar. 31, 2023 Un-audited --Rupees in thousand--	June 30, 2022 Audited
Assets			
Non-current assets			
Property, plant and equipment	5	7,630,658	7,674,209
Intangible assets		1,105	0
Investments in an Associated Company	6	45,548	68,691
Loans to employees		1,051	873
Security deposits		14,346	14,346
		7,692,708	7,758,119
Current assets			
Stores, spares and loose tools		104,760	118,411
Stock-in-trade		1,604,706	1,822,914
Trade debts - unsecured, considered good		69,364	9,607
Advances to employees		2,552	2,219
Advance payments		33,405	23,013
Trade deposits and prepayments	7	86,497	75,876
Other receivables		4,452	3,513
Income tax refundable, advance tax and tax deducted at source		178,809	208,884
Cash and bank balances		32,296	17,169
		2,116,841	2,281,606
Total assets		9,809,549	10,039,725
Equity and liabilities			
Equity			
Authorised capital	8	1,000,000	450,000
Issued, subscribed and paid-up capital		69,158	69,158
Treasury shares		(3,410)	(3,410)
Capital reserves			
- capital redemption		6,694	6,694
- tax holiday		350	350
- share premium		11,409	11,409
- merger reserve		5,350	5,350
- revaluation surplus on property, plant and equipment		5,062,436	5,124,591
Revenue reserves			
- general reserve		371,530	371,530
- unappropriated profit		1,020,868	1,035,997
Shareholders' equity		6,544,385	6,621,669
Liabilities			
Non-current liabilities			
Long term finances	9	185,748	263,616
Staff retirement benefits - gratuity		110,494	104,794
Deferred taxation		579,324	623,960
		875,566	992,370
Current liabilities			
Trade and other payables	10	641,946	865,347
Unclaimed dividends		2,715	2,715
Accrued mark-up		64,745	52,215
Short term finances		1,426,299	1,346,760
Current portion of non-current liabilities	11	192,606	60,285
Taxation	12	60,096	97,173
Preference shares redemption account		1,191	1,191
		2,389,598	2,425,686
Total liabilities		3,265,164	3,418,056
Contingencies and commitments	13		
Total equity and liabilities		9,809,549	10,039,725

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


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

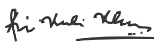

Col. (Retd) Syed Yunus Ali Raza
Director

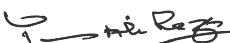

Amin-ur-Rasheed
Chief Financial Officer

**Condensed Interim Statement of Profit or Loss & Other
Comprehensive Income (Un-audited)
For the Quarter And Nine Months Period Ended March 31, 2023**

	Quarter ended		Nine months period ended	
	Jan.-Mar., 2023	Jan.-Mar., 2022	Mar. 31, 2023	Mar. 31, 2022
	----- Rupees in thousand -----			
Sales - net	1,436,632	1,817,986	4,807,719	5,368,673
Cost of sales	1,423,694	1,616,364	4,536,256	4,747,583
Gross profit	12,938	201,622	271,463	621,090
Distribution cost	13,988	16,329	43,993	41,993
Administrative expenses	33,150	31,792	86,668	74,497
Other expenses	0	0	4,845	43
Other income	(2,730)	0	(38,492)	(590)
	44,408	48,121	97,014	115,943
(Loss) / profit from operations	(31,470)	153,501	174,449	505,147
Finance cost	78,044	42,050	216,357	86,329
	(109,514)	111,451	(41,908)	418,818
Share of profit / (loss) of an Associated Company (2021: Associated Companies) - net	0	0	4,957	(2,612)
(Loss) / reversal of impairment on investments in an Associated Company	0	0	(28,101)	4,693
	0	0	(23,144)	2,081
(Loss) / profit before taxation	(109,514)	111,451	(65,052)	420,899
Taxation				
- current	17,957	8,750	60,096	103,417
- prior year	0	0	(3,227)	13,571
- deferred	(51,866)	22,118	(44,637)	16,520
	(33,909)	30,868	12,232	133,508
(Loss) / profit after taxation	(75,605)	80,583	(77,284)	287,391
Other comprehensive income	0	0	0	0
Total comprehensive (loss) / income for the period	(75,605)	80,583	(77,284)	287,391
	----- Rupees -----			
(Loss) / earnings per share	(10.93)	13.66	(11.17)	55.80

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


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


Col. (Retd) Syed Yunus Ali Raza
Director


Amin-ur-Rasheed
Chief Financial Officer


**Condensed Interim Statement of Changes in Equity (Un-audited)
For the Nine Months Period Ended March 31, 2023**

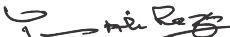
Share capital	Treas-ury Shares	Reserves							Total
		Capital					Revenue		
		Capital redemption	Tax holiday	Share premium	Revaluation surplus on property, plant and equipment	Merger Reserve	General	Unappropriated profit	

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

Balance as at July 01, 2022 (audited)	69,158	(3,410)	6,694	350	11,409	5,124,591	5,350	371,530	1,035,997	6,621,669
Total comprehensive loss for the nine months period ended March 31, 2023	0	0	0	0	0	0	0	0	(77,284)	(77,284)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0		0	0	0	(28,199)	0	0	28,199	0
Share of revaluation surplus on property, plant and equipment of Associated Companies	0		0	0	0	(33,956)	0	0	33,956	0
Balance as at March 31, 2023 (un-audited)	69,158	(3,410)	6,694	350	11,409	5,062,436	5,350	371,530	1,020,868	6,544,385
Balance as at July 01, 2021 (audited)	47,848	0	6,694	350	11,409	2,353,716	0	371,530	718,568	3,510,115
Shares issued pursuant to the merger Scheme	21,310	0	0	0	0	0	0	0	0	21,310
Shares held as treasury shares pursuant to the merger Scheme	0	(3,410)	0	0	0	0	0	0	0	(3,410)
Gain under the merger Scheme	0	0	0	0	0	256,322	0	0	0	256,322
Transfer from revaluation surplus as a result of the merger	0	0	0	0	0	(141,183)	0	0	141,183	0
Total comprehensive income for the nine months period ended March 31, 2022	0		0	0	0	0	0	0	287,391	287,391
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0		0	0	0	(14,291)	0	0	14,291	0
Share of revaluation surplus on property, plant and equipment of Associated Companies	0		0	0	0	(1,452)	0	0	0	(1,452)
Effect of items directly credited in equity by Associated Companies	0		0	0	0	0	0	0	(629)	(629)
Balance as at March 31, 2022 (un-audited)	69,158	(3,410)	6,694	350	11,409	2,196,790	256,322	371,530	1,160,804	4,069,647

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


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

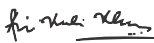

Col. (Retd) Syed Yunus Ali Raza
Director

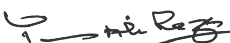

Amin-ur-Rasheed
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)
For the Quarter and Nine Months Period Ended March 31, 2023

	Nine months period ended	
	Mar. 31, 2023	Mar. 31, 2022
	(Rupees in thousand)	
Cash flows from operating activities		
(Loss) / profit for the period - before taxation and share of profit / (loss) on investments in an Associated Company (2021: Associated Companies)	(41,908)	418,818
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	124,053	69,947
Amortisation on intangible assets	195	0
Depreciation on right of use assets	426	1,629
Gain on sale of plant & machinery and vehicles	(3,021)	(552)
Staff retirement benefits - gratuity (net)	5,700	9,203
Receivable balances written-off	4,845	0
Payable balances written-back	(34,448)	0
Finance cost	216,357	82,293
Profit before working capital changes	272,199	581,338
Effect on cash flows due to working capital changes		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	13,651	(64,478)
Stock-in-trade	218,208	(602,297)
Trade debts	(64,602)	(1,512)
Loans and advances to employees	(511)	(4,050)
Advance payments	(10,392)	(19,006)
Trade deposits and prepayments	(10,621)	(65,785)
Due from Associated Companies	0	(1,282)
Other receivables	(939)	1,209
Sales tax	0	(49,967)
(Decrease) / increase in trade and other payables	(189,162)	330,710
	(44,368)	(476,458)
Cash generated from operations	227,831	104,880
Taxes paid	(63,871)	(104,923)
Net cash generated from / (used in) operating activities	163,960	(43)
Cash flows from investing activities		
Fixed capital expenditure	(81,875)	(235,478)
Sale proceeds of plant & machinery and vehicles	3,968	600
Net cash used in investing activities	(77,907)	(234,878)
Cash flows from financing activities		
Lease liabilities	(1,091)	(2,466)
Long term finances - net	54,453	(10,244)
Short term finances - net	79,539	282,198
Finance cost paid	(203,827)	(53,554)
Net cash (used in) / generated from financing activities	(70,926)	215,934
Net increase / (decrease) in cash and cash equivalents	15,127	(18,987)
Cash and cash equivalents - at beginning of the period	17,169	33,025
Cash and cash equivalents - at end of the period	32,296	14,038

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


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


Col. (Retd) Syed Yunus Ali Raza
Director


Amin-ur-Rasheed
Chief Financial Officer

**Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2023**

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.

As fully detailed in note 1.2 to the audited financial statements of the Company for the year ended June 30, 2022, Babri Cotton Mills Ltd. (BCM) was merged / amalgamated into the Company with effect from February 04, 2022.

2. Basis of preparation

2.1 Statement of compliance

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

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

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

2.2 These condensed interim financial statements do not include all of the information required for 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, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017.

2.4 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 and property, plant and equipment at revalued amounts assessed by an independent valuer.

2.5 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 adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited financial statements of the Company as at and for the year ended June 30, 2022.

3.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates and judgements

4.1 The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2022.

		Un-audited Mar. 31, 2023	Audited June 30, 2022
5. Property, plant and equipment	Note	(Rupees in thousand)	
Operating fixed assets - tangible	5.1	7,574,633	7,625,994
Capital work-in-progress		56,025	43,107
Right of use assets	5.2	0	5,108
		<u>7,630,658</u>	<u>7,674,209</u>
5.1 Operating fixed assets - tangible			
Book value as at June 30, 2022		7,625,994	
Additions made during the period:			
- plant & machinery		19,756	
- vehicles		49,201	
- transfer from right of use assets		4,682	
		73,639	
Book value of plant & machinery and vehicles sold		(947)	
Depreciation charge for the period		(124,053)	
Book value as at March 31, 2023		<u>7,574,633</u>	

		Un-audited Mar. 31, 2023	
		(Rupees in thousand)	
5.2	Right of use assets		
	Book value as at June 30, 2022	5,108	
	Depreciation charge for the period	(426)	
	Transferred to property, plant and equipment during the period	(4,682)	
	Book value as at March 31, 2023	0	
6.	Investments in an Associated Company - Quoted		
	Market value of the Company's investments in Bannu Woollen Mills Ltd. (BWM) as at March 31, 2023 was Rs.15.510 million (June 30, 2022: Rs.21.949 million).		
		Un-audited Mar. 31, 2023	Audited June 30, 2022
7.	Trade deposits and prepayments	(Rupees in thousand)	
	Letters of credit	706	468
	Prepayments	10,791	408
	Security deposit	75,000	75,000
		86,497	75,876
7.1.	This represents amount deposited with National Bank of Pakistan (NBP) against guarantee amounting Rs.75 million provided by NBP on account of Babri Cotton Mills Ltd. (BCM-now merged with the Company) to Sui Northern Gas Pipelines Ltd. (SNGPL). The guarantee is valid upto December 31, 2023.		
8.	Authorised share capital		
	The authorised share capital of the Company, during the period, has been increased from Rs.450 million divided into 35,500,000 ordinary shares of Rs.10 each and 700,000 7.5% cumulative redeemable preference shares of Rs.10 each and 8,800,000 10% cumulative redeemable preference shares of Rs.10 each to Rs.one billion divided into 90,500,000 ordinary shares of Rs.10 each and 9,500,000 cumulative redeemable preference shares of Rs.10 each.		
9.	Long term finances - secured		
	First Habib Modaraba (FHM)		
	- diminishing musharaka (DM I)	3,038	3,756
	The Bank of Khyber (BoK)		
	- demand finance - I	42,792	72,417
	- demand finance - II	7,235	12,244
	Pak Oman Investment Company Ltd. (POIC)		
	- term finance - I	200,000	200,000
	- term finance - II	100,000	0
	Sindh Modaraba (SM)		
	- diminishing musharaka (DM II)	25,289	34,393
		378,354	322,810
	Less: current portion grouped under current liabilities	192,606	59,194
		185,748	263,616

	Note	Un-audited Mar. 31, 2023 (Rupees in thousand)	Audited June 30, 2022
10. Trade and other payables			
Creditors		139,223	180,543
Bills payable against imported - stores and spares		0	9,008
- raw materials		43,870	139,439
Advances from customers - contract liabilities		124,962	95,954
Advance payments		184	184
Accrued expenses		234,897	360,417
Tax deducted at source		11,626	11,314
Sales tax payable		41,189	2,974
Gratuity payable to employees		1,980	2,205
Due to Waqf-e-Kuli Khan (WKK)	10.1	28,274	28,616
Workers' (profit) participation fund (WPPF)	10.1	0	14,268
Workers' welfare fund (WWF)	10.1	0	5,256
Security deposits repayable on demand - interest free		283	283
Others		15,458	14,886
		641,946	865,347

10.1 No provision in respect of WKK, WPPF and WWF has been made in these condensed interim financial statements as the management intends to incorporate these provisions in the financial statements for the year ending June 30, 2023.

11. Current portion of non-current liabilities

Lease liabilities		0	1,091
Long term finances	9	192,606	59,194
		192,606	60,285

12. Taxation - net

12.1 Income tax assessments of the Company have been completed up to the tax year 2022 i.e. accounting year ended June 30, 2022.

12.2 There has been no significant change in the status of taxation matters during the current period as detailed in note 26 to the audited financial statements of the Company for the year ended June 30, 2022.

12.3 Income tax expense is recognised in each interim period based on best estimate. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate changes.

13. Contingencies and commitments

There has been no significant change in the status of the contingencies as detailed in note 17 of the interim financial statements for the period ended December 31, 2022.

14. Transactions with Related Parties

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

Name	Nature of transaction	Nine months period ended March, 31	
		2023	2022
		(Rupees in thousand)	
Associated Companies			
Babri Cotton Mills Ltd.	Utilities / expenses:		
	- paid	0	268,361
	Lease rental paid	0	700
Bannu Woollen Mills Ltd.	Advance made for purchase of freehold land	0	167,803
	Expenses recovered	180	180
	Salaries and benefits recovered	1,731	1,805
	Sale of raw cotton	0	3,114
The Universal Insurance Company Ltd.	Sale of yarn	4,128	5,885
	Salaries & benefits recovered	1,731	1,805
	Expenses recovered	180	180
Gammon Pakistan Ltd.	Salaries & benefits paid	1,213	0
	Rent paid	242	220
Ghandhara Nissan Ltd.	Salaries & benefits recovered	1,731	1,805
	Expenses recovered	180	180
	Purchase of vehicles	37,074	0
Ghandhara Industries Ltd.	Salaries & benefits recovered	1,731	1,805
	Expenses recovered	180	180
	Purchase of vehicle	11,086	0
Other related parties			
Employees' Provident Fund	Contribution paid to Provident Fund	26,248	12,842
Key Management Personnel	Salaries & benefits	153,181	91,459
Lease / rent of residential premises owned by a related party		608	0
Period-end balance was as follows:			
Prepaid rent to a related party (grouped under prepayments and other receivables)		1,822	0

15. Financial risk management

15.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2022.

15.2 Fair value estimation

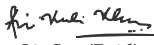
During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

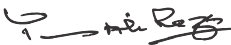
16. Corresponding figures

The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended June 30, 2022, 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, 2022.

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 30, 2023.


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


Col. (Retd) Syed Yunus Ali Raza
Director


Amin-ur-Rasheed
Chief Financial Officer

