## BALANCESHEET <br> AS AT MARCH 31, 2006 (UN-AUDITED)

| EQUITY AND LIABILITIES | Note | $\begin{gathered} \text { MARCH } 31 \\ 2006 \\ \text { RUPEES } \end{gathered}$ | $\begin{gathered} \text { JUNE } \\ 2005 \\ \text { RUPEES } \end{gathered}$ |
| :---: | :---: | :---: | :---: |
| SHARE CAPITAL <br> Authorized |  |  |  |
| 20,000,000 ordinary shares of Rs.10/ - each |  | 200,000,000 | 200,000,000 |
| Issued, subscribed and paid up 12,601,160 ordinary shares of Rs. 10/ - each, fully paid in cash Accumulated loss |  | $\begin{array}{r} 126,011,600 \\ (235,607,397) \\ (109,595,797) \end{array}$ | $\begin{gathered} 126,011,600 \\ (252,715,132) \\ (126,703,532) \end{gathered}$ |
| SURPLUS ON REVALUATION OF FIXED ASSE | 4 | 73,463,711 | 77,111,186 |
| NON CURRENT LIABILITIES <br> Long term loans |  | 216,220,750 | 206,670,750 |
| DEFERRED LIABILITIES <br> Custom levies <br> Taxation <br> Staff retirement gratuity |  | $\begin{array}{r} \text { 5,591,401 } \\ 33,856,452 \\ 6,756,441 \\ 46,204,294 \end{array}$ | $\begin{array}{r} \text { 5,591,401 } \\ 32,422,602 \\ 6,477,205 \\ 44,491,208 \end{array}$ |
| CURRENT LIABILITIES <br> Trade and other payables Mark up/ interest on long term loans Provision for taxation |  | 55,960,839 <br> 16,585,933 <br> 2,451,883 <br> 74,998,655 | 50,991,478 14,770,614 2,451,883 68,213,975 |
| CONTINGENCIESAND COMMITMENTS | 5 | 301,291,613 | 269,783,587 |
| A S S ETTS <br> Property, plant and equipment Capital work in progress Long term investments Long term deposits |  | $\begin{array}{r} 195,885,113 \\ 876,679 \\ 50,118 \\ 7,117,125 \end{array}$ | $\begin{array}{r} 205,549,469 \\ 308,175 \\ 50,118 \\ 943,672 \end{array}$ |
| CURRENT ASSETS <br> Stores and spares <br> Stock in trade <br> Trade debts <br> Loans and advances <br> Prepayments <br> Other receivables <br> Cash and bank balances |  | $5,003,937$ $59,983,622$ $9,399,395$ $12,801,468$ 872,661 $8,384,164$ 917,331 $97,362,578$ | $4,079,401$ $29,907,970$ $1,732,781$ $16,275,658$ 159,289 $1,338,024$ $9,439,030$ $62,932,153$ |
|  |  | 301,291,613 | 269,783,587 |

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

# J A TEXTILE MILLS LTD <br> CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2006 

| a) CASH FLOW FROM OPERATING ACTIVITIES | $\begin{gathered} \text { MARCH 31, } \\ 2006 \\ \text { RUPEES } \end{gathered}$ | $\begin{gathered} \text { MARCH 31, } \\ 2005 \\ \text { RUPEES } \end{gathered}$ |
| :---: | :---: | :---: |
| Profit/ (loss) for the period before taxation | 16,206,692 | $(21,015,709)$ |
| D epreciation | 14,832,759 | 6,851,344 |
| $G$ ain on restatement of long term investment | - | (901) |
| Profit on deposit | - | $(6,180)$ |
| D ividend income | $(1,596)$ | - |
| Provision for gratuity | 1,146,278 | 1,770,032 |
| Financial charges | 2,184,610 | 2,140,646 |
|  | 34,368,743 | $(10,260,768)$ |
| CHANGES IN WORKING CAPITAL (Increase)/ decrease in current assets |  |  |
| Stores and spares | $(924,536)$ | 171,616 |
| Stock in trade | $(30,075,652)$ | $(13,809,989)$ |
| Trade debts | $(7,666,614)$ | $(6,504,001)$ |
| Loans and advances | 3,474,190 | 10,185,395 |
| Prepayments | $(713,372)$ | 75,152 |
| O ther receivables | $(7,046,140)$ | 5,391,544 |
| (D ecrease)/ Increase in current liabilities |  |  |
| Creditors, accrued and other liabilities | 3,656,779 | 28,654,965 |
|  | $(39,295,345)$ | 24,164,682 |
| Cash (used in)/ generated from operations | $(4,926,602)$ | 13,903,914 |
| Financial charges paid | $(369,291)$ | 325,327 |
| G ratuity paid | $(867,042)$ | $(1,115,065)$ |
| D ividend paid | - | $(10,743)$ |
| N et cash flows from/ (used in) operating activities | $(6,162,935)$ | 13,103,433 |
| b) CASH FLOW FROM INVESTING ACTIVITIES |  |  |
| Fixed capital expenditure | $(5,736,907)$ | $(18,066,014)$ |
| D ividend | 1,596 | - |
| Profit on deposit | - | 6,180 |
| Long term deposits | $(6,173,453)$ | - |
| N et cash used in investing activities | $(11,908,764)$ | $(18,059,834)$ |
| c) CASH FLOW FROM FINANCING ACTIVITIES |  |  |
| Long term loans obtained | 9,550,000 | - |
| Repayment of long term loans | - | $(220,782)$ |
| N et cash from/ ( used in) financing activities | 9,550,000 | $(220,782)$ |
| N et increase/ (decrease) in cash and bank balances (a+b+c) | $(8,521,699)$ | $(5,177,183)$ |
| Cash and bank balances at the beginning of the period | 9,439,030 | 7,589,913 |
| Cash and bank balances at the end of the period | 917,331 | 2,412,730 |

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

# J A TEXTILE MILLS LTD <br> STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2006 

|  | Share Capital | Accumulated Loss | Total |
| :---: | :---: | :---: | :---: |
|  | RUPEES | RUPEES | RUPEES |
| Balance as at June 30, 2004 | 126,011,600 | $(222,022,623)$ | (96,011,023) |
| Loss for the period (July 04-March 05) | - | $(33,899,551)$ | $(33,899,551)$ |
| Incremental depreciation on revalued assets for the period-net of deferred tax | - | 1,955,375 | 1,955,375 |
| Balance as at March 31, 2005 | 126,011,600 | $(253,966,799)$ | $(127,955,199)$ |
| Profit for the quarter ended June 30, 2005 |  | 656,070 | 656,070 |
| Incremental depreciation on revalued assets for the period-net of deferred tax | - | 595,597 | 595,597 |
| Balance as at June 30, 2005 | 126,011,600 | $(252,715,132)$ | $(126,703,532)$ |
| Incremental depreciation on revalued assets for the period-net of deferred tax | - | 3,647,475 | 3,647,475 |
| Profit for the period (July 05-March 06) | - | 13,460,260 | 13,460,260 |
| Balance as at March 31, 2006 | 126,011,600 | $(235,607,397)$ | $(109,595,797)$ |

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

J A TEXTILE MILLS LTD
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31,2006
1 The Company is limited by shares incorporated in Pakistan under the Companies Ordinance, 1984 and listed on Stock Exchanges in Pakistan. The principal business of the Company is manufacture and sale of yarn. The mills is located at Tehsil Jaranwala, District Faisalabad, in the Province of Punjab.

2 The Company has accumulated losses of Rs. 235.607 million as at March 31, 2006 as against issued, subscribed and paid up capital of the Rs. 126.012 million. The management has increased the production capacity of the unit to improve the production efficiencies for consequent improvement in the profitability of the future years. In view of future expected improvements in financial results and continuing financial support from directors and associates, these accounts have been prepared on a going concern basis.

3 These financial statements have been prepared under "historical cost convention" except that certain fixed assets have been included at revalued amount. These financial statements are prepared in compliance with the International Accounting Standard (IAS) 34, Interim Financial Reporting and section 245 of the Companies Ordinance, 1984.


5 CONTINGENCIESAND COMMITMENTS
CONTINGENCIES
There is no change in contingent liabilities since the last annual balance sheet date. COMMITMENTS
Outstanding letter of credit
Stores and spares
250,000

|  |  | $\begin{gathered} \text { Quarter } \\ \text { Jan06-Mar06 } \end{gathered}$ | For the period Jul05-Mar06 | $\begin{gathered} \text { Quarter } \\ \text { Jan05-Mar05 } \end{gathered}$ | For the period Jul04-Mar05 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 6 | SALES | RUPEES | RUPEES | RUPEES | RUPEES |
|  | Gross sales | 106,601,883 | 345,796,942 | 79,663,710 | 200,711,578 |
|  | Sales tax | - | . | $(5,088,216)$ | $(15,996,213)$ |
|  |  | 106,601,883 | 345,796,942 | 74,575,494 | 184,715,365 |
| COST OF GOODS SOLD |  |  |  |  |  |
|  | Cost of goods manufactured (7.1) | 101,758,976 | 310,141,191 | 70,312,898 | 190,719,322 |
|  | Finished goods |  |  |  |  |
|  | Opening stock | 11,585,943 | 11,263,872 | 5,632,857 | 9,869,028 |
|  | Closing stock | $(8,856,514)$ | $(8,856,514)$ | $(6,984,995)$ | $(6,984,995)$ |
|  |  | 2,729,429 | 2,407,358 | $(1,352,138)$ | 2,884,033 |
|  |  | 104,488,405 | 312,548,549 | 68,960,760 | 193,603,355 |



9 DATE OF AUTHORIZATION FOR ISSUE
These financial statements were authorized for issue on 28/ $04 / 06$ by the Board of Directors of the Company.
10 FIGURES

- have been rounded off to the nearest Rupee.
- of prior period have been re-arranged and regrouped wherever necessary for the purpose of comparison.

Chief executive

# J A TEXTILE MILLS LTD PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2006 

|  | Note | $\begin{gathered} \text { Quarter } \\ \text { Jan06-Mar06 } \\ \text { RUPEES } \end{gathered}$ | For the period Jul05-Mar06 RUPEES | $\begin{gathered} \text { Quarter } \\ \text { Jan05-Mar05 } \\ \text { RUPEES } \end{gathered}$ | For the period Jul04-Mar05 RUPEES |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Sales | 6 | 106,601,883 | 345,796,942 | 74,575,494 | 184,715,365 |
| Cost of goods sold | 7 | 104,488,405 | 312,548,549 | 68,960,760 | 193,603,355 |
| Gross profit/ (loss) |  | 2,113,478 | 33,248,393 | 5,614,734 | $(8,887,990)$ |
| Operating expenses |  |  |  |  |  |
| Selling |  | 3,522,728 | 9,023,519 | 1,702,024 | 4,694,333 |
| Administrative |  | 1,253,983 | 4,982,184 | 1,751,096 | 5,298,920 |
|  |  | 4,776,711 | 14,005,703 | 3,453,120 | 9,993,253 |
| Operating profit/ (loss) |  | $(2,663,233)$ | 19,242,690 | 2,161,614 | $(18,881,243)$ |
| Financial |  | 731,738 | 2,184,610 | 788,414 | 2,140,646 |
| WPPF |  | $(169,669)$ | 852,984 | - | - |
|  |  | 562,069 | 3,037,594 | 788,414 | 2,140,646 |
|  |  | $(3,225,302)$ | 16,205,096 | 1,373,200 | $(21,021,889)$ |
| Other income |  | 1,596 | 1,596 | 6,180 | 6,180 |
| Profit/ (Loss) for the period before taxation |  | $(3,223,706)$ | 16,206,692 | 1,379,380 | $(21,015,709)$ |
| Taxation |  |  |  |  |  |
| Current |  | $(6,647,402)$ | 1,312,582 | $(372,135)$ | 1,402,404 |
| D eferred |  | . | 1,433,850 | $(14,356,716)$ | $(14,286,246)$ |
|  |  | $(6,647,402)$ | 2,746,432 | $(14,728,851)$ | $(12,883,842)$ |
| Profit/ (Loss) for the period after taxation |  | 3,423,696 | 13,460,260 | $(13,349,471)$ | $(33,899,551)$ |
| Accumulated loss brought forward |  | $(239,873,041)$ | $(252,715,132)$ | $(241,472,011)$ | $(222,022,623)$ |
| Incremental depreciation on revalued assets during the period |  | 841,948 | 3,647,475 | 854,683 | 1,955,375 |
| Accumulated loss carried forward |  | $(235,607,397)$ | $(235,607,397)$ | $(253,966,799)$ | $(253,966,799)$ |
| Earning per share - Basic |  | 0.27 | 1.07 | (1.06) | (2.69) |

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

