

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2007

		Un-Audited Dec 31, 2007	Audited June 30, 2007
EQUITY AND LIABILITIES	Note	[R U P E E S]	
SHARE CAPITAL AND RESERVES			
Authorised capital		200,000,000	200,000,000
20,000,000 ordinary shares of Rs.10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital			
12,601,160 ordinary shares of Rs. 10/- each, fully paid in cash		126,011,600	126,011,600
Accumulated loss		(274,413,457)	(243,355,803)
		<u>(148,401,857)</u>	<u>(117,344,203)</u>
SURPLUS ON REVALUATION OF FIXED ASSETS	7	249,333,378	260,395,088
NON CURRENT LIABILITIES			
Long term financing		210,763,883	213,544,385
Deferred liabilities	8	78,340,752	58,866,610
		<u>289,104,635</u>	<u>272,410,995</u>
CURRENT LIABILITIES			
Trade and other payables		43,975,033	35,459,694
Mark up/interest on long term financing		20,826,084	19,607,042
Provision for taxation		1,285,649	-
		<u>66,086,766</u>	<u>55,066,736</u>
CONTINGENCIES AND COMMITMENTS	9		
		<u>456,122,922</u>	<u>470,528,616</u>
A S S E T S			
NON CURRENT ASSETS			
Property, plant and equipment	10	347,290,516	368,687,391
Capital work-in-progress		-	1,040,676
Long term deposits		<u>16,900,662</u>	<u>16,900,662</u>
		<u>364,191,178</u>	<u>386,628,729</u>
CURRENT ASSETS			
Stores and spares		4,129,091	5,260,721
Stock in trade		34,533,677	15,184,871
Trade debts - Secured and considered good		11,078,065	6,880,174
Loans and advances		30,181,553	29,231,418
Prepayments		811,953	106,971
Other receivables		4,911,421	6,361,343
Cash and bank balances		6,285,984	20,874,389
		<u>91,931,744</u>	<u>83,899,887</u>
		<u>456,122,922</u>	<u>470,528,616</u>

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

CHIEF EXECUTIVE

DIRECTOR

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	December 31, 2007	December 31, 2006
	[R U P E E S]	
a) CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(18,240,617)	12,450,859
Depreciation	18,619,989	10,469,718
Surplus on remeasurement of investment	-	13,532
Dividend	-	(1,610)
Workers' profit participation fund	-	655,308
Profit on deposits	(491)	(405)
Loss on sale of plant and machinery	476,601	
Provision for gratuity	1,106,057	900,000
Finance costs	1,363,793	1,587,276
Operating profit before working capital changes	3,325,332	26,074,678
CHANGES IN WORKING CAPITAL		
(Increase)/decrease in current assets		
Stores and spares	1,131,630	(1,003,713)
Stock in trade	(19,348,806)	(17,173,169)
Trade debts	(4,197,891)	165,260
Short term investment	-	141,532
Loans and advances	(950,135)	(10,879,036)
Prepayments	(704,982)	(759,405)
Other receivables	1,449,922	3,333,685
(Decrease)/Increase in current liabilities		
Trade and other payables	10,346,170	21,250,786
	(12,274,092)	(4,924,060)
Cash (used in)/ generated from operations	(8,948,760)	21,150,618
Finance cost paid	(144,751)	(333,937)
Taxes paid	(790,155)	(1,109,605)
Payment of gratuity	(1,264,177)	(1,671,243)
Net cash (used in)/ generated from operating activities	(11,147,843)	18,035,833
b) CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,140,551)	(154,960)
Sales proceeds of fixed asset	480,000	
Dividend received	-	1,610
Profit on deposits	491	405
Long term security deposit	-	(13,933,000)
Net cash used in investing activities	(660,060)	(14,085,945)
c) CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances repaid	(2,780,502)	-
Net cash used in financing activities	(2,780,502)	-
Net (decrease)/increase in cash and bank balances	(14,588,405)	3,949,888
Cash and bank balances at the beginning of the period	20,874,389	1,395,766
Cash and bank balances at the end of the period	6,285,984	5,345,654

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

CHIEF EXECUTIVE

DIRECTOR

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	<u>Share Capital</u>	<u>Accumulated Loss</u>	<u>Total</u>
	[R	U P E E	S]
Balance as at June 30, 2006	126,011,600	(239,668,502)	(113,656,902)
Incremental depreciation on revalued assets for the year	-	2,771,634	2,771,634
Profit for the period	-	11,086,043	11,086,043
Balance as at December 31, 2006	<u>126,011,600</u>	<u>(225,810,825)</u>	<u>(99,799,225)</u>
Incremental depreciation on revalued assets for the period	-	3,111,684	3,111,684
Loss for the period	-	(20,656,662)	(20,656,662)
Balance as at June 30, 2007	<u>126,011,600</u>	<u>(243,355,803)</u>	<u>(117,344,203)</u>
Incremental depreciation on revalued assets for the period	-	8,100,874	8,100,874
Loss for the period	-	(39,158,528)	(39,158,528)
Balance as at December 31, 2007	<u><u>126,011,600</u></u>	<u><u>(274,413,457)</u></u>	<u><u>(148,401,857)</u></u>

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

DIRECTOR

J. A. TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

- 1 J.A Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on Karachi and Lahore Stock Exchanges. The principal business of the Company is manufacturing and sale of yarn. The registered office of the company is situated 16-C, Peoples Colony, Faisalabad.
- 2 The company has accumulated losses of Rs. 274.413 million as at December 31, 2007 as against issued, subscribed and paid up capital of Rs. 126.012 million. In view of future expected improvements in financial results and continuing financial support from directors and associates, these accounts have been prepared on going concern basis.
- 3 These condensed interim financial statements have been prepared under the " historical cost convention " except that certain fixed assets and retirement benefits have been stated at revalued amounts and present values respectively. These condensed interim financial statements have been prepared in compliance with the International Accounting Standard IAS-34, "Interim Financial Reporting" and section 245 of the Companies Ordinance, 1984.
- 4 The accounting policies and methods of computation followed in preparation of condensed interim financial statements are the same as applied in the preparation of the annual published annual financial statements for the year ended June 30, 2007.
- 5 These financial statements are **un-audited**. However, a limited scope review of these interim financial statements has been performed by the external auditors of the Company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.
- 6 There is no unusual item included in these financial statements which is affecting assets, liabilities, equity, loss or cash flows of the Company.

	December 31, 2007	June 30, 2007
	[R U P E E S]	
7 SURPLUS ON REVALUATION OF FIXED ASSETS		
Opening balance	260,395,088	71,733,712
Revaluation surplus (adjusted)/created	(2,960,836)	194,544,694
Incremental depreciation on revalued fixed assets transferred to accumulated loss - net of deferred tax	(8,100,874)	(5,883,318)
	<u>249,333,378</u>	<u>260,395,088</u>

First revaluation of land, building on freehold land and plant and machinery was carried out as on September 30, 1998 by an independent valuer on the basis of depreciated replacement values.

Second revaluation of land, building on freehold land and plant and machinery was carried out as on June 30, 2007 by an independent valuers, M/S Nizamy Associates, on the basis of depreciated replacement values.

8 DEFERRED LIABILITIES

Custom levies	5,591,401	5,591,401
Taxation	66,865,951	47,233,689
Staff retirement benefits	5,883,400	6,041,520
	<u>78,340,752</u>	<u>58,866,610</u>

9 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in contingent liabilities since the last annual balance sheet date

Commitments

The company has no capital or other commitments at the terminal date (June 2007: Nil)

December 31,
2 0 0 7
[R U P E E S]

June 30,
2 0 0 7

10 PROPERTY, PLANT AND EQUIPMENT

Opening book value		368,687,391	190,142,870
Addition during the period/year	10.1	1,140,551	6,901,384
Deletion during the period/year		(4,200,000)	(7,188,571)
Depreciation for the period/year		(18,619,989)	(21,324,042)
Adjustment of depreciation for the period/year		282,563	5,611,056
Revaluaton surplus created during the period/year		-	194,544,694
Closing written down value		347,290,516	368,687,391

10.1 ADDITION DURING THE PERIOD

Building		1,040,676	5,775,306
Electric Appliances		-	68,700
Office equipments		99,875	148,610
Vehicles		-	908,768
		1,140,551	6,901,384

Quarter	Half year	Quarter	Half year
Oct 07 to Dec 07	Jul 07 to Dec 07	Oct 06 to Dec 06	Jul 06 to Dec 06
RUPEES	RUPEES	RUPEES	RUPEES

11 COST OF SALES

Cost of goods manufactured	(Note 11.1)	152,777,511	286,878,613	111,312,106	221,735,061
Finished goods					
Opening stock		13,720,581	2,735,751	5,095,806	8,366,730
Closing stock		(21,776,110)	(21,776,110)	(14,678,339)	(14,678,339)
		(8,055,529)	(19,040,359)	(9,582,533)	(6,311,609)
		144,721,982	267,838,254	101,729,573	215,423,452

11.1 COST OF GOODS MANUFACTURED

Raw material consumed	11.1.1	108,090,190	210,208,733	82,056,732	162,951,799
Stores and spares		2,185,033	3,095,499	1,570,276	3,174,635
Packing material		1,782,457	3,908,689	934,177	2,138,801
Salaries and wages		10,631,433	19,042,133	10,283,842	18,503,871
Retirement benefits		594,414	908,371	502,140	802,140
Fuel and power		15,225,835	30,673,604	10,005,215	22,427,742
Repairs and maintenance		43,938	167,463	197,958	354,726
Postage and telecommunication		24,710	39,634	25,747	37,963
Vehicles running and maintenance		83,822	149,699	48,665	105,073
Insurance		335,502	671,004	335,502	671,004
Depreciation		13,601,599	18,151,599	5,057,299	10,005,290
Others		245,692	399,149	185,297	406,191
		152,844,625	287,415,577	111,202,850	221,579,235
Work in process					
Opening stock		2,643,887	2,174,037	2,711,920	2,758,490
Closing stock		(2,711,001)	(2,711,001)	(2,602,664)	(2,602,664)
		(67,114)	(536,964)	109,256	155,826
		152,777,511	286,878,613	111,312,106	221,735,061

	Quarter Oct 07 to Dec 07 RUPEES	Half year Jul 07 to Dec 07 RUPEES	Quarter Oct 06 to Dec 06 RUPEES	Half year Jul 06 to Dec 06 RUPEES
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11.1.1 RAW MATERIAL CONSUMED

Opening stock	987,763	10,275,083	1,062,789	2,057,752
Purchases	117,148,993	209,980,216	94,069,081	173,969,185
	<u>118,136,756</u>	<u>220,255,299</u>	<u>95,131,870</u>	<u>176,026,937</u>
Closing stock	(10,046,566)	(10,046,566)	(13,075,138)	(13,075,138)
	<u>108,090,190</u>	<u>210,208,733</u>	<u>82,056,732</u>	<u>162,951,799</u>

12 AGGREGATE TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

December 31,
2 0 0 7
[R U P E E S]

Zeeshan Energy Limited

Energy purchases	-	<u>20,169,625</u>
Outstanding balance	<u>26,280,702</u>	<u>24,760,982</u>

The transaction with related parties and associated undertaking are entered into at arms' length.

13 PLANT CAPACITY AND ACTUAL PRODUCTION

Installed capacity after conversion into 20/s count (kgs)	<u>3,232,067</u>	<u>3,176,234</u>
Actual production in yarn after conversion into 20/s count (kgs)	<u>3,233,704</u>	<u>3,203,104</u>

Installed annual capacity is 6,464,134 (kgs) based on 20/s count.

14 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 28, 2008 by the Board of Directors of the company.

15 FIGURES

- have been rounded off to the nearest rupee.

- all figures except for June 30, 2007 figures appearing in these financial statements are un-audited. There has been no material rearrangement or regrouping of figures of the corresponding period given in these financial statements for the purpose of comparison.

CHIEF EXECUTIVE

DIRECTOR

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	Quarter Oct 07 to Dec 07	Half year Jul 07 to Dec 07	Quarter Oct 06 to Dec 06	Half year Jul 06 to Dec 06
Note	RUPEES	RUPEES	RUPEES	RUPEES
Sales	134,360,083	257,129,795	112,684,254	236,718,031
Cost of sales	144,721,982	267,838,254	101,729,573	215,423,452
Gross profit	<u>(10,361,899)</u>	<u>(10,708,459)</u>	10,954,681	21,294,579
Operating expenses				
Distribution cost	561,062	2,030,053	1,560,181	4,097,071
Administrative expenses	1,963,895	3,662,202	1,753,567	3,365,785
Finance costs	716,205	1,363,793	719,129	1,587,276
Other costs	476,601	476,601	361,430	655,308
	<u>3,717,763</u>	<u>7,532,649</u>	4,394,307	9,705,440
Operating profit	<u>(14,079,662)</u>	<u>(18,241,108)</u>	6,560,374	11,589,139
Other Income	-	491	306,794	861,720
(Loss)/profit before taxation	<u>(14,079,662)</u>	<u>(18,240,617)</u>	6,867,168	12,450,859
Taxation				
Current	671,800	1,285,649	569,668	1,189,836
Deferred	19,632,262	19,632,262	201,606	174,979
	<u>20,304,062</u>	<u>20,917,911</u>	771,274	1,364,815
Net (loss)/profit after taxation	<u>(34,383,724)</u>	<u>(39,158,528)</u>	6,095,893	11,086,043
Earning per share - Basic	<u>(2.73)</u>	<u>(3.11)</u>	0.48	0.88

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

CHIEF EXECUTIVE

DIRECTOR