



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	<b>Rupees</b>			
<b>Net profit/(loss) after taxation</b>	<b>24,813,972</b>	<b>(20,382,463)</b>	<b>14,816,914</b>	<b>(19,128,281)</b>
<b>Other comprehensive income for the period</b>				
Incremental depreciation on surplus on revaluation of property, plant and equipment	<b>14,149,489</b>	<b>10,966,297</b>	<b>3,419,923</b>	<b>5,128,155</b>
Tax effect on incremental depreciation	<b>(4,558,408)</b>	<b>(3,838,204)</b>	<b>(803,060)</b>	<b>(1,794,854)</b>
<b>Other comprehensive income for the period - net of tax</b>	<b>9,591,081</b>	<b>7,128,093</b>	<b>2,616,863</b>	<b>3,333,301</b>
<b>Total comprehensive income for the period - net of tax</b>	<b>34,405,053</b>	<b>(13,254,370)</b>	<b>17,433,777</b>	<b>(15,794,980)</b>

The annexed notes 1 to 12 form an integral part of the financial information.



**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	Half year ended	
	December 31, 2009	December 31, 2008
	----- Rupees -----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	34,317,639	(17,951,158)
<b>Adjustments for non cash and other items</b>		
Depreciation	13,941,526	16,625,143
Accrued mark up written back	(22,031,875)	-
Profit on deposits	(155,228)	-
Loss on sale of property, plant and equipment	22,082	-
Finance cost	125,384	-
Workers' profit participation fund	1,806,192	-
Operating cash flows before working capital changes	28,025,720	(1,326,015)
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	74,429	(12,394)
Stock in trade	(19,704,692)	(12,416,591)
Trade debts	(7,494,257)	(10,093,010)
Advances, prepayments and other receivables	(7,937,681)	(284,101)
<b>(Decrease)/increase in current liabilities</b>		
Trade and other payables	14,978,630	20,511,148
	(20,083,571)	(2,294,948)
<b>Cash generated from/(used in) operations</b>	7,942,149	(3,620,963)
Finance cost paid	(125,384)	-
Taxes paid	(815,924)	(78,682)
Staff retirement gratuity paid	(704,294)	(1,312,534)
<b>Net cash generated from/(used in) operating activities</b>	6,296,547	(7,307,127)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(3,406,762)	(226,850)
Proceeds from sale of property, plant and equipment	550,200	-
Profit on deposits	155,228	-
Long term deposits	(44,928)	(66,354)
<b>Net cash used in investing activities</b>	(2,746,262)	(293,204)
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(732,578)	(958,562)
<b>Net cash used in financing activities</b>	(732,578)	(958,562)
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	2,817,707	(8,558,893)
<b>Cash and cash equivalents at the beginning of the period</b>	9,661,479	14,891,214
<b>Cash and cash equivalents at the end of the period</b>	12,479,186	6,332,321

The annexed notes 1 to 12 form an integral part of the financial information.

CHIEF EXECUTIVE

DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	<u>Share capital</u>	<u>Accumulated loss</u>	<u>Total</u>
	<u>Rupees</u>		
<b>Balance as at July 01, 2008</b>	126,011,600	(246,005,217)	(119,993,617)
<b>Total comprehensive loss for the period</b>			
Loss for the period	-	(20,382,463)	(20,382,463)
<b>Other comprehensive income</b>			
Incremental depreciation on revalued property, plant and equipment for the period	-	10,966,297	10,966,297
Tax effect on incremental depreciation	-	(3,838,204)	(3,838,204)
	-	7,128,093	7,128,093
<b>Balance as at December 31, 2008</b>	<u>126,011,600</u>	<u>(259,259,587)</u>	<u>(133,247,987)</u>
<b>Balance as at July 01, 2009</b>	<b>126,011,600</b>	<b>(278,772,986)</b>	<b>(152,761,386)</b>
<b>Total comprehensive income for the period</b>			
Profit for the period	-	<b>24,813,972</b>	<b>24,813,972</b>
<b>Other comprehensive income</b>			
Incremental depreciation on revalued property, plant and equipment for the period	-	<b>14,149,489</b>	<b>14,149,489</b>
Tax effect on incremental depreciation	-	<b>(4,558,408)</b>	<b>(4,558,408)</b>
	-	<b>9,591,081</b>	<b>9,591,081</b>
<b>Balance as at December 31, 2009</b>	<u><b>126,011,600</b></u>	<u><b>(244,367,933)</b></u>	<u><b>(118,356,333)</b></u>

The annexed notes 1 to 12 form an integral part of the financial information.



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Note	Rupees			
Sales-net	<b>288,239,808</b>	269,869,402	<b>155,319,966</b>	112,037,250
Cost of sales	<b>7</b> 268,481,429	282,669,879	<b>148,943,017</b>	126,382,183
Gross profit/(loss)	<b>19,758,379</b>	(12,800,477)	<b>6,376,949</b>	(14,344,933)
Operating expenses				
Distribution cost	<b>1,450,198</b>	1,069,335	<b>911,465</b>	458,860
Administrative expenses	<b>4,223,987</b>	4,053,905	<b>1,955,650</b>	1,881,757
Other operating expenses	<b>1,828,274</b>	-	<b>1,813,568</b>	-
Finance cost	<b>125,384</b>	30,026	<b>98,723</b>	11,426
	<b>7,627,843</b>	5,153,266	<b>4,779,406</b>	2,352,043
	<b>12,130,536</b>	(17,953,743)	<b>1,597,543</b>	(16,696,976)
Other operating income	<b>22,187,103</b>	2,585	<b>22,091,688</b>	-
Profit/(loss) before taxation	<b>34,317,639</b>	(17,951,158)	<b>23,689,231</b>	(16,696,976)
Taxation				
Current	<b>1,441,199</b>	78,682	<b>809,849</b>	78,682
Deferred	<b>8,062,468</b>	2,352,623	<b>8,062,468</b>	2,352,623
	<b>9,503,667</b>	2,431,305	<b>8,872,317</b>	2,431,305
Net profit/(loss) after taxation	<b>24,813,972</b>	(20,382,463)	<b>14,816,914</b>	(19,128,281)
Earnings per share - Basic	<b>1.97</b>	(1.62)	<b>1.18</b>	(1.52)

The annexed notes 1 to 12 form an integral part of the financial information.



## CONDENSED INTERIM BALANCE SHEET

### AS AT DECEMBER 31, 2009

	Note	Unaudited December 31, 2009	Audited June 30, 2009
EQUITY AND LIABILITIES		Rupees	
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 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		<u>(244,367,933)</u>	<u>(278,772,986)</u>
		<u>(118,356,333)</u>	<u>(152,761,386)</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	4	218,822,540	228,413,621
<b>NON CURRENT LIABILITIES</b>			
Long term financing		191,579,177	192,311,755
Deferred liabilities		48,675,360	41,317,186
		<u>240,254,537</u>	<u>233,628,941</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		38,734,808	21,949,986
Accrued mark up		-	22,031,875
Provision for taxation		361,899	-
		<u>39,096,707</u>	<u>43,981,861</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
		<u>379,817,451</u>	<u>353,263,037</u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	294,298,362	305,405,408
Long term deposits		17,011,944	16,967,016
		<u>311,310,306</u>	<u>322,372,424</u>
<b>CURRENT ASSETS</b>			
Stores and spares		3,344,821	3,419,250
Stock in trade		33,320,392	13,615,700
Trade debts		7,494,257	-
Advances, prepayments and other receivables		11,868,489	4,194,184
Cash and bank balances		12,479,186	9,661,479
		<u>68,507,145</u>	<u>30,890,613</u>
		<u>379,817,451</u>	<u>353,263,037</u>

The annexed notes 1 to 12 form an integral part of the financial information.

CHIEF EXECUTIVE

DIRECTOR



# **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

## **1 THE COMPANY AND ITS OPERATIONS**

J. A. Textile Mills Limited (the Company) is limited by shares incorporated in Pakistan under the Companies Ordinance, 1984 and listed on Karachi and Lahore Stock Exchanges in Pakistan. The registered office of the Company is located at 16-C, Peoples Colony, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

## **2 BASIS OF PREPARATION**

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information is unaudited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of 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, 2009. Comparative figures of the balance sheet are extracted from annual audited financial statements for the year ended June 30, 2009, whereas comparative profit and loss account, cash flow statement and statement of changes in equity are stated from unaudited condensed financial information for the half year ended December 31, 2008.

## **3 ACCOUNTING POLICIES**

Except as described below, the accounting policies, related judgements, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements for the preceding year ended June 30, 2009.

### **3.1 Presentation of Financial Statements**

The Company applies revised IAS 1 "Presentation of Financial Statements", which became effective from January 01, 2009. The Company has accordingly presented all the changes in owners equity in the statement of changes in equity, whereas all non-owners changes in equity are presented in the statement of comprehensive income. This presentation has been applied for the annual period beginning on July 01, 2009.

Comparative information has been presented in conformity with the revised standard. The change in accounting policy impacts presentation only without any impact on earnings per share.



	Unaudited December 31, 2009	Audited June 30, 2009
Rupees		
<b>4 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
Opening balance	228,413,621	232,426,867
Incremental depreciation on revalued property, plant and equipment transferred to accumulated loss	14,149,489	9,520,756
Related effect of deferred tax liability	(4,558,408)	(5,507,510)
	9,591,081	4,013,246
	<u>218,822,540</u>	<u>228,413,621</u>

First revaluation of property, plant and equipment was carried out on September 30, 1998 and second on June 30, 2007 by independent valuers, M/S Nizamy associates on the basis of depreciated replacement values.

**5 CONTINGENCIES AND COMMITMENTS**

**Contingencies**

- 5.1** The Faysal Bank Limited has filed an appeal before the Lahore High Court, Lahore, against the decision in favour of Company by the Appellate Authorities. The mark up claim of Rs. 41.566 million (2008:41.566 million) has not been acknowledged by the Company on the ground that the Appellate Authorities have already been given their verdict in favour of the Company, although the Bank concerned has filed an appeal before the Lahore High Court, Lahore, against such decision. The management and legal advisor of the Company are affirmed that the case will be decided in its favour.
- 5.2** An employee has filed a case against the Company in Labour Court for the claim of reinstatement of his services. The market committee has filed a case against the Company in Civil Court for toll charges. The financial impact of these cases are immaterial. The legal advisor has confirmed that there are strong grounds on the basis of which the cases will be decided in favour of the Company.
- 5.3** The Company has filed a suit against MCB Bank Limited for charging compound mark up on long term financing from the bank. During the period, the Company has written back mark up amounting to Rs. 22.032 million on the basis that in the opinion of legal advisor, the case of Company is based on strong legal grounds. The ultimate outcome of this matter cannot presently be determined with any degree of certainty.

	Unaudited December 31, 2009	Audited June 30, 2009
Rupees		
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening book value	305,405,408	332,190,369
Add: Cost of additions during the period / year (Note 6.1)	3,406,762	544,550
	308,812,170	332,734,919
Book value of deletions during the period / year	(572,282)	-
	308,239,888	332,734,919
Depreciation charged for the period / year	(13,941,526)	(27,329,511)
	<u>294,298,362</u>	<u>305,405,408</u>
<b>6.1 ADDITIONS DURING THE PERIOD / YEAR - AT COST</b>		
Plant and machinery	3,383,062	-
Office equipments	22,200	326,450
Electric installations	-	218,100
Furniture and fixtures	1,500	-
	<u>3,406,762</u>	<u>544,550</u>



Unaudited	Audited
December 31, 2009	June 30, 2009
Rupees	

**6.2 DELETIONS DURING THE PERIOD / YEAR - AT COST**

Vehicles	2,294,200	-
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Half year ended		Quarter ended	
December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Rupees			

**7 COST OF SALES**

Raw material consumed (Note 7.1)	194,208,138	215,064,653	109,653,145	74,932,309
Stores and spares consumed	2,789,517	3,341,300	1,621,098	1,422,418
Packing material consumed	3,028,125	3,632,975	1,579,570	1,518,200
Salaries and wages	21,396,215	18,965,550	12,637,020	8,684,508
Retirement benefits	647,075	663,572	356,759	333,943
Fuel and power	39,691,660	35,252,999	30,613,714	16,563,019
Repairs and maintenance	170,178	270,792	83,538	99,535
Postage and telecommunication	30,764	49,793	18,459	29,620
Vehicles running and maintenance	214,401	230,038	133,295	142,154
Insurance	780,000	793,426	390,000	457,924
Depreciation	13,602,340	16,178,713	9,328,225	7,460,518
Others	364,591	817,827	168,178	247,930
	<u>276,923,004</u>	<u>295,261,638</u>	<u>166,583,001</u>	<u>111,892,078</u>
Work in process				
Opening balance	-	3,467,699	3,464,028	3,845,584
Closing balance	(4,153,589)	(3,530,258)	(4,153,589)	(3,530,258)
	<u>(4,153,589)</u>	<u>(62,559)</u>	<u>(689,561)</u>	<u>315,326</u>
Cost of goods manufactured	<u>272,769,415</u>	<u>295,199,079</u>	<u>165,893,440</u>	<u>112,207,404</u>
Finished goods				
Opening balance	13,615,700	22,470,006	953,263	49,173,985
Closing balance	(17,903,686)	(34,999,206)	(17,903,686)	(34,999,206)
	<u>(4,287,986)</u>	<u>(12,529,200)</u>	<u>(16,950,423)</u>	<u>14,174,779</u>
	<u>268,481,429</u>	<u>282,669,879</u>	<u>148,943,017</u>	<u>126,382,183</u>

**7.1 RAW MATERIAL CONSUMED**

Opening balance	-	494,952	24,121,426	3,581,242
Purchases	205,471,255	214,889,485	96,794,836	71,670,851
	<u>205,471,255</u>	<u>215,384,437</u>	<u>120,916,262</u>	<u>75,252,093</u>
Closing balance	(11,263,117)	(319,784)	(11,263,117)	(319,784)
	<u>194,208,138</u>	<u>215,064,653</u>	<u>109,653,145</u>	<u>74,932,309</u>





**8 OTHER OPERATING INCOME**

It includes accrued mark up written back amounting to Rs. 22.032 million (2008: Nil) - refer note 5.3.

**9 RELATED PARTY TRANSECTIONS**

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Significant transactions with related parties are as under:

Relationship	Nature of transection	Half year ended	
		December 31, 2009	December 31, 2008
		Rupees	
Key management personnel			
Executive directors	Remuneration and other benefits	<u>482,799</u>	<u>436,356</u>
	Number of persons	<u>4</u>	<u>4</u>

10 The provision for taxation and workers' profit participation fund made in this condensed interim financial information is subject to adjustment in annual financial statements.

**11 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on February 25, 2010 by the Board of Directors of the Company.

**12 GENERAL**

Figures have been rounded off to the nearest Rupee.