

	Share Capital		Reserve		Accumulated Profit/(Loss)	Total	Revaluation Surplus	Grand Total
	RUPEES	RUPEES	Capital	Revenue				
Balance as at July 01, 2004	334,420,410	89,071,070	-	23,000,000	(721,286,576)	(274,795,096)	477,966,504	203,171,408
Net loss for the period	-	-	-	-	(30,966,531)	(30,966,531)	-	(30,966,531)
Incremental depreciation on revalued fixed assets for the period	-	-	-	-	12,555,544	12,555,544	(12,555,544)	-
Balance as at September 30, 2004	334,420,410	89,071,070	-	23,000,000	(739,697,563)	(293,206,083)	465,410,960	172,204,877
Net loss for the period	-	-	-	-	(58,868,965)	(58,868,965)	-	(58,868,965)
Incremental depreciation on revalued fixed assets for the period	-	-	-	-	11,309,095	11,309,095	(11,309,095)	-
Balance as at December 31, 2004	334,420,410	89,071,070	-	23,000,000	(787,257,433)	(340,765,953)	454,101,865	113,335,912
Balance as at January 01, 2005	334,420,410	89,071,070	-	23,000,000	(787,257,433)	(340,765,953)	454,101,865	113,335,912
Net loss for the period	-	-	-	-	(113,511,123)	(113,511,123)	(148,327,027)	(148,327,027)
Deferred tax on revaluation surplus	-	-	-	-	-	-	-	-
Incremental depreciation on revalued fixed assets for the period	-	-	-	-	22,618,190	22,618,190	(22,618,190)	-
Balance as at June 30, 2005	334,420,410	89,071,070	-	23,000,000	(878,150,366)	(431,658,886)	282,156,648	(149,502,238)
Net loss for the period	-	-	-	-	(99,003,353)	(99,003,353)	-	(99,003,353)
Incremental depreciation on revalued fixed assets for the period	-	-	-	-	20,934,637	20,934,637	(20,934,637)	-
Balance as at December 31, 2005	334,420,410	89,071,070	-	23,000,000	(956,219,082)	(509,727,602)	261,222,011	248,505,591

The annexed notes form an integral part of these accounts.

JAHANGIR ELAHI
Chief Executive

TANVIR ELAHI
Director

JAHANGIR ELAHI
Chief Executive

TANVIR ELAHI
Director

1. STATUS AND ACTIVITY

Taj Textile Mills Limited is a public limited company and its shares are quoted at all Stock Exchanges in Pakistan. The principal activity of the Company is manufacturing and sale of yarn and grey fabric.

2. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of Half Yearly Accounts are the same as those applied in the preparation of the preceding published annual accounts of the Company.

3. RESERVES

Capital reserves
Revenue reserves
Accumulated loss

	31-12-2005 RUPEES	30-06-2005 RUPEES
Capital reserves	89,071,070	89,071,070
Revenue reserves	23,000,000	23,000,000
Accumulated loss	(956,219,082)	(878,150,366)
	<u>(933,219,082)</u>	<u>(855,150,366)</u>
	<u>(844,148,012)</u>	<u>(766,079,296)</u>

4. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

During the six months, the company purchased electricity from associated undertaking, in the aggregate sum of Rs. 58.370 million (2004: Rs. 51.093 million).

5. CONTINGENCIES AND COMMITMENTS

Contingencies

Muslim Commercial Bank Ltd. has filed suit in Lahore High Court, Lahore, National Bank of Pakistan and Allied Bank Limited have filed execution petitions in Lahore High Court, Lahore. Bankers Equity Ltd. (Under liquidation) and Escort Investment Bank Ltd. Have filed suits before Banking Court and ABN Amro Bank has filed execution petition before banking court for recovery of their debts. These are the pending adjudications of the Company as at December 31, 2005.

Commitments

The Company has issued post dated cheques amounting to Rs. 4.339 million (2004: Rs. 7.208 million) in favour of leasing companies.

6. TAXATION

Provision for taxation amounting to Rs. 3.136 million for the period have been accounted for.

7. DATE OF AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on February 27, 2006 by the Board of Directors of the Company.

8. FIGURES

Figures have been rounded off to nearest of rupee.

If undelivered please return to:
TAJ TEXTILE MILLS LTD.
31-C/1 Ghalib Road,
Gulberg-III, Lahore -54660
Tel: (042) 5710216-20

BOOK POST

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ELAHI GROUP

**HALF YEARLY ACCOUNTS
DECEMBER 31, 2005 (UN-AUDITED)
TAJ TEXTILE MILLS LIMITED**