

TAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2007 (Un-Audited)

		Un-audited Dec. 31 2007 RUPEES	Audited June 30 2007 RUPEES			Un-audited Dec. 31 2007 RUPEES	Audited June 30 2007 RUPEES
EQUITY AND LIABILITIES	NOTE			ASSETS	NOTE		
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
SHARE CAPITAL				OPERATING FIXED ASSETS			
Authorised				Property, plant & equipment - tangible		671,881,703	707,943,326
50,000,000 Ordinary shares				Intangible		137,651,224	142,317,368
of Rs. 10/- each		<u>500,000,000</u>	<u>500,000,000</u>			<u>809,532,927</u>	<u>850,260,694</u>
Issued, subscribed & paid up		334,420,410	334,420,410	LONG TERM INVESTMENTS		3,452,175	4,047,388
33,442,041 Ordinary shares							
of Rs. 10/- each							
RESERVES	3	(769,485,161)	(980,600,727)				
		<u>(435,064,751)</u>	<u>(646,180,317)</u>				
SURPLUS ON REVALUATION OF FIXED ASSETS		200,273,616	217,261,091	LONG TERM DEPOSITS & DEFERRED COST		1,820,836	1,820,836
NON CURRENT LIABILITIES							
Long term financing		458,217,122	766,645,173				
Deferred liabilities		11,074,418	11,074,418				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		261,972,784	263,052,316	Stores, spares and loose tools		8,362,668	8,493,398
Mark-up accrued on loans		219,379,740	215,957,516	Stock in Trade		139,364,440	167,458,546
Short term borrowings		249,751,693	206,152,337	Trade debts		261,596,435	261,329,352
Current portion of long term liabilities		456,814,451	457,626,618	Loans and advances		54,593,104	53,999,299
Provision for taxation		1,400,872	1,242,913	Advances, prepayments and other receivables		139,128,259	139,128,259
		<u>1,189,319,540</u>	<u>1,144,031,700</u>	Cash and bank balances		5,969,101	6,294,293
CONTINGENCIES & COMMITMENTS	5	-	-			<u>609,014,007</u>	<u>636,703,147</u>
		<u>1,423,819,945</u>	<u>1,492,832,065</u>			<u>1,423,819,945</u>	<u>1,492,832,065</u>

The annexed notes form an integral part of these accounts.

JAHANGIR ELAHI
Chief Executive

TANVIR ELAHI
Director

TAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	NOTE	Half year Ended		Quarter Ended	
		JUL-DEC	JUL-DEC	OCT-DEC	OCT-DEC
		2007	2006	2007	2006
		RUPEES	RUPEES	RUPEES	RUPEES
SALES		31,591,803	539,598,670	5,573,415	252,688,472
COST OF SALES		63,340,286	595,363,683	22,877,152	288,747,083
GROSS LOSS		(31,748,483)	(55,765,013)	(17,303,737)	(36,058,611)
OPERATING EXPENSES					
Distribution and selling		-	8,200,688	-	4,391,689
Administrative		3,096,277	14,660,756	1,098,089	7,509,229
		3,096,277	22,861,444	1,098,089	11,900,918
OPERATING LOSS		(34,844,760)	(78,626,457)	(18,401,826)	(47,959,529)
OTHER INCOME / (LOSS)	6	258,593,176	(615,465)	258,208,131	(593,505)
		223,748,416	(79,241,922)	239,806,305	(48,553,034)
OTHER CHARGES					
Financial		24,796,222	39,169,896	12,341,912	19,666,019
Amortization		4,666,144	4,666,144	2,333,072	2,333,072
		29,462,366	43,836,040	14,674,984	21,999,091
PROFIT / (LOSS) BEFORE TAXATION		194,286,050	(123,077,962)	225,131,321	(70,552,125)
TAXATION	7	(157,959)	(2,697,994)	(27,867)	(1,256,944)
PROFIT / (LOSS) AFTER TAXATION		194,128,091	(125,775,956)	225,103,454	(71,809,069)
EARNING PER SHARE - BASIC & DILUTED		5.80	(3.76)	6.73	(2.15)

The annexed notes form an integral part of these accounts.

JAHANGIR ELAHI
CHIEF EXECUTIVE

TANVIR ELAHI
DIRECTOR

TAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	For six months ended, Dec. 31, 2007 RUPEES	For six months ended, Dec. 31, 2006 RUPEES
A-CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	194,286,050	(123,077,962)
Adjustments for non cash / non operating items		
Depreciation	33,559,416	37,472,015
Gratuity provision for the period	-	1,449,750
Financial charges	24,796,222	39,169,896
Amortization of deferred cost and goodwill	4,666,144	4,666,144
Fair value gain on valuation of investments	595,213	791,672
Mark up and loan waived off	(257,785,517)	-
Profit on sale of fixed assets	(662,915)	(204,274)
	(194,831,437)	83,345,203
Operating (loss) before working capital changes	(545,387)	(39,732,759)
CHANGES IN WORKING CAPITAL		
(Increase) / decrease in current assets		
Stores, spares and loose tools	130,730	(4,609,548)
Stock in trade	28,094,106	5,122,285
Trade debts	(267,083)	25,235,668
Loans and advances	(593,805)	(3,764,262)
Advances, prepayments and other receivables	-	273,643
Increase / (decrease) in current liabilities		
Trade and other payables	(1,079,532)	9,416,830
	26,284,416	31,674,616
Cash generated from/ (used in) operations	25,739,029	(8,058,143)
Taxation	-	(1,732,449)
Financial charges paid	(9,532)	(8,566,561)
Gratuity paid	-	(2,766,555)
	(9,532)	(13,065,565)
Net cash generated from / (used in) operating activities	25,729,497	(21,123,708)
B-CASH FLOWS FROM INVESTING ACTIVITIES		
Operating fixed assets	3,165,122	(768,695)
Long term deposits	-	(500,000)
Net cash generated from / (used in) investing activities	3,165,122	(1,268,695)
C-CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans and short term borrowings	(28,407,644)	21,133,543
Liabilities against assets subject to finance lease	(812,167)	(1,492,021)
Net cash (used in) / generated from financing activities	(29,219,811)	19,641,522
Net decrease in cash and cash equivalents (A+B+C)	(325,192)	(2,750,881)
Cash and cash equivalents at the beginning of the period	6,294,293	10,293,728
Cash and cash equivalents at the end of the period	5,969,101	7,542,847

The annexed notes form an integral part of these accounts.

JAHANGIR ELAHI
Chief Executive

TANVIR ELAHI
Director

TAJ TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	Share Capital	Reserves		Unappropriated Profit/(Loss)	TOTAL	Revaluation Surplus
		Capital	Revenue			
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Balance as at July 01, 2006	334,420,410	89,071,070	23,000,000	(859,991,231)	(413,499,751)	254,941,618
Net loss for the period	-	-	-	(125,775,956)	(125,775,956)	-
Transfer of revaluation surplus (Incremental depreciation)	-	-	-	18,857,616	18,857,616	(18,857,616)
Balance as at December 31, 2006	334,420,410	89,071,070	23,000,000	(966,909,571)	(520,418,091)	236,084,002
Balance as at July 01, 2007	334,420,410	89,071,070	23,000,000	(1,092,671,797)	(646,180,317)	217,261,091
Net loss for the period				194,128,091	194,128,091	-
Transfer of revaluation surplus (Incremental depreciation)				16,987,475	16,987,475	(16,987,475)
Balance as at December 31, 2007	334,420,410	89,071,070	23,000,000	(881,556,231)	(435,064,751)	200,273,616

The annexed notes form an integral part of these accounts.

JAHANGIR ELAHI
Chief Executive

TANVIR ELAHI
Director

TAJ TEXTILE MILLS LIMITED
NOTES TO THE ACCOUNTS (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

1 THE COMPANY AND ITS OPERATIONS

1.1 Status and activities

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.

1.2 Going concern assumption

Although the company has earned a net profit of Rs. 194.128 million during the period but it has accumulated losses of Rs 881.556 million as at December 31, 2007. Its total liabilities exceed its total assets by Rs 234.791 million and its current liabilities exceed its current assets by Rs 580.305 millions as at the balance sheet date. This adverse financial position may raise doubts about company's ability to continue as a going concern.

However, these accounts are prepared on going concern assumptions in continuity of our on going efforts. The company has successfully negotiated with another lead bank, the outcome of this negotiation is evident from notable reduction in bank liabilities and accumulated losses as on balance sheet date. Similar efforts are in progress for further favourable negotiation with local as well as foreign banks. Further more, in conformity with similar textile units, the company has temporarily suspended its operation to avoid further losses to the company. At present management is waiting for stable raw material prices to start to regular operations of the company.

2 ACCOUNTING POLICIES

- 2.1 These accounts are un-audited and are being submitted to shareholders in accordance with the requirements of Section 245 of the Companies Ordinance 1984, and the international standard (IAS) 34 'Interim Financial Reporting'.
- 2.2 The accounting policies adopted for the preparation of these half yearly accounts are the same as the preparation of preceding annual published accounts of the Company for the period from July 01, 2006 to June 30, 2007.

3 RESERVES

	Un-audited Dec. 31 2007 RUPEES	Audited June 30 2007 RUPEES
Capital reserves	89,071,070	89,071,070
Revenue reserves		
General	23,000,000	23,000,000
Accumulated loss	(881,556,231)	(1,092,671,797)
	(858,556,231)	(1,069,671,797)
	<u>(769,485,161)</u>	<u>(980,600,727)</u>

4 TRANSACTION WITH ASSOCIATED UNDERTAKINGS

Transactions during the period

Nil (June 30, 2007: Rs. 1.99 million)

5 CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments as at December 31, 2007 are the same as per audited financial statements for the year ended June 30,2007.

	Un-audited For six months ended, Dec. 31, 2007 RUPEES	Un-audited For six months ended, Dec. 31, 2007 RUPEES
6 OTHER INCOME / (LOSS)		
(Loss) from financial assets	(595,213)	(791,672)
Income from other than financial assets	1,402,872	176,207
Mark up & Loan waived off (6.1)		
Mark-up	142,129,704	-
Principal	115,655,813	-
	<u>258,593,176</u>	<u>(615,465)</u>

6.1 It represents the amount payable to ABL and MCB waived off as a result of settlement agreement between banks and the company in pursuance of order passed by Honorable Lahore High Court, Lahore.

7 TAXATION

Provision for taxation is made under section 113 of Income Tax Ordinance 2001.

8 DATE OF AUTHORIZATION FOR ISSUE

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

9 GENERAL

Figures have been rounded off to nearest of rupee.

JAHANGIR ELAHI
Chief Executive

TANVIR ELAHI
Director