

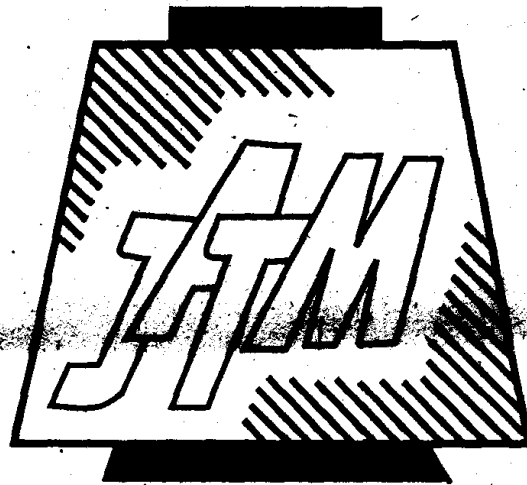
**3<sup>rd</sup> Quarter &  
Nine Months Accounts  
Period Ended**

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**March 31<sup>st</sup>,  
2012**

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**Un-Audited**



**J. A. Textile Mills Limited**



## COMPANY INFORMATION

### BOARD OF DIRECTORS

CHIEF EXECUTIVE:

DIRECTORS:

MR. IMRAN ZAHID

MRS. QURATUL-AIN REHAN

MR. ZIA-ULLAH KHAN DILAWAR

MR. MUHAMMAD ANWAR -UL-HAQ

MR. MUHAMMAD IKHLAQ

MR. SOHAIL FAROOQ

MALIK SHAMSHER KHAN

### AUDIT COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. IMRAN ZAHID

MR. ZIA-ULLAH KHAN DILAWAR

MR. MUHAMMAD IKHLAQ

### COMPANY SECRETARY:

MR. KHALID JABBAR

### CHIEF FINANCIAL OFFICER:

MR. AJMAL SHABAB

### AUDITORS:

HYDER BHIMJI & COMPANY  
CHARTERED ACCOUNTANTS

### BANKS:

AL BARAKA ISLAMIC BANK B.S.C. (E.C.)  
JSBANK LIMITED  
NATIONAL BANK OF PAKISTAN  
UNITED BANK LIMITED

### LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

### REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,  
MADINA TOWN , FAISALABAD

### SHARE REGISTRAR OFFICE:

NATIONAL BIZ MANAGEMENT (PVT) LTD.  
2-C, MEZZANINE FLOOR, BADAR  
COMMERCIAL AREA, STREET NO. 9,  
PHASE-V(Ext.), D. H. A., KARACHI

### MILLS:

29-KM, SHEIKHUPURA RAOD, FAISALABAD

### WEB SITE:

[www.jatml.com](http://www.jatml.com)



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Board of Directors is pleased to present un-audited accounts for the third quarter and nine months period ended March 31, 2012.

The operations have resulted in a loss before taxation of Rs. 2.755 million as compared to profit of Rs.4.739 million in corresponding period of last year.

Sales decreased by 48.75% (from 700.609 million in corresponding period to 359.087 million in the period under review) due to shutdown of operation activities in first quarter of the period under review .

There is no material change in position of on going litigation and other matters related to court as reported in the Directors' report to the shareholders for the year ended June 30, 2011.

Earning per share (basic) for the quarter under review is Rs. 0.48 negative in comparison to Rs. 0.27 negative in the corresponding period of last year.

The management of the company has decided to invest approximately Rs.50 million for acquisition of new machinery in ring department in the coming years, out of which Letter of Credit of Rs. 25 million has been opened, whereby the machinery is expected to arrive at site in June 2012 and commence commercial production by the end of this year. This will increase the production efficiency to great extent leading more refined and prompt production and also impart value addition to products.

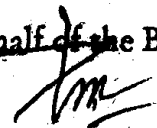
Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

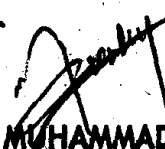
Yours directors place on record their appreciations of the diligence and devotion of duty of the Officers, and Members of Staff and Workers of all categories.

Statement under section 241(2) of the Companies Ordinance, 1984:

This report has been signed by two Directors instead of Chief Executive as the Chief Executive is not for the time being in Pakistan.

For and on behalf of the Board

  
**ZIA ULLAH KHAN DILAWAR**  
Director

  
**MUHAMMAD IKHLAQ**  
Director

Faisalabad: April 26, 2012



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31, 2012 (Un-Audited) Rupees	June 30, 2011 (Audited) Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
20,000,000 ordinary shares of Rs.10/- each		200,000,000	200,000,000
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		(267,708,312)	(268,728,057)
		(141,696,712)	(142,716,457)
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	5	198,872,405	205,907,317
<b>NON CURRENT LIABILITIES</b>			
Long term financing		191,400,284	193,171,056
Deferred liabilities	6	42,388,132	43,196,113
		233,788,416	236,367,169
<b>CURRENT LIABILITIES</b>			
Trade and other payables		63,824,556	21,069,071
Accrued mark up/interest		22,031,875	22,031,875
Provision for taxation		91,984	406,992
		85,748,395	43,507,938
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-	-
		376,713,504	343,065,967
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	260,848,557	275,376,010
Long term deposits		17,171,926	17,021,926
		278,020,483	292,397,936
<b>CURRENT ASSETS</b>			
Stores and spares		7,120,922	7,801,059
Stock in trade		40,848,299	55,811
Trade debts		14,378,670	-
Advances, prepayments and other receivables		31,875,602	7,131,284
Short term investment		283,262	27,337,641
Cash and bank balances		4,205,264	8,342,236
		98,692,019	50,668,031
		376,713,504	343,065,967

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements.  
Statement under section 241(2) of the Companies Ordinance, 1984:

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DIRECTOR

DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2012**

	Note	For The Quarter Ended		For The Nine Months Ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		Rupees	Rupees	Rupees	Rupees
Sales- net	*	218,553,429	276,928,144	359,087,313	700,608,987
Cost of sales	8	209,359,379	271,731,446	355,666,376	682,978,976
Gross profit		9,194,050	5,196,698	3,420,937	17,630,011
Operating expenses					
Distribution cost		287,810	1,922,633	339,741	4,130,091
Administrative expenses		2,244,493	2,452,775	7,348,576	7,816,989
Finance cost		11,983	378,504	26,113	674,064
Other operating expenses		163,190	81,610	163,190	621,420
		2,707,476	4,835,522	7,877,620	13,242,564
Operating profit/(loss)		6,486,574	361,176	(4,456,683)	4,387,447
Other operating income		392,935	146,710	1,701,735	351,154
Profit/(loss) for the period before taxation		6,879,509	507,886	(2,754,948)	4,738,601
Taxation					
Current		1,998,780	2,941,335	3,450,280	7,143,674
Deferred		1,720,243	(779,405)	(190,061)	946,161
		3,717,023	2,161,930	3,260,219	8,089,835
Net profit/(loss) after taxation		3,162,486	(1,654,044)	(6,015,167)	(3,351,234)
Earnings per share - Basic		0.25	(0.13)	(0.48)	(0.27)

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements.  
Statement under section 241(2) of the Companies Ordinance, 1984:

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DIRECTOR

  
DIRECTOR



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2012

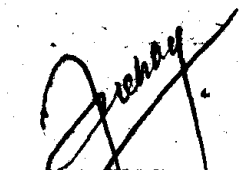
	For The Quarter Ended		For The Nine Months Ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rupees	Rupees	Rupees	Rupees
Net profit/(loss) after taxation	3,162,486	(1,654,044)	(6,015,167)	(3,351,234)
Other comprehensive income for the period				
<b>Total comprehensive income/(loss) for the period</b>	<b>3,162,486</b>	<b>(1,654,044)</b>	<b>(6,015,167)</b>	<b>(3,351,234)</b>

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements.

Statement under section 241(2) of the Companies Ordinance, 1984:

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DIRECTOR

  
DIRECTOR



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2012**

	March 31, 2012	March 31, 2011
	Rupees	Rupees
<b>a) CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/profit for the period before taxation	(2,754,948)	4,738,601
Depreciation	14,899,453	18,809,174
Profit on deposits	(1,107,995)	(351,154)
Profit on short term investment	(593,740)	-
Workers' profit participation fund	-	268,001
Workers' welfare fund	163,190	353,419
Finance cost	26,113	674,064
	<u>10,632,073</u>	<u>24,492,105</u>
<b>CHANGES IN WORKING CAPITAL</b>		
(Increase)/decrease in current assets		
Stores and spares	680,137	(2,049,188)
Stock in trade	(40,792,488)	11,091,227
Trade debts	(14,378,670)	(14,919,020)
Advances, prepayments and other receivables	(24,744,318)	(1,343,492)
Short term investment	27,074,379	-
Increase in current liabilities		
Trade and other payables	42,392,295	2,299,822
	<u>(9,768,665)</u>	<u>(4,920,651)</u>
Cash generated from operations	863,408	19,571,454
Finance cost paid	(26,113)	(674,064)
Taxes paid	(3,813,469)	(7,376,560)
Gratuity paid	(568,759)	(1,020,369)
Net cash(used in)/generated from operating activities	<u>(3,544,933)</u>	<u>10,500,461</u>
<b>b) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure of property, plant and equipment	(373,000)	(4,834,662)
Profit on deposits	1,107,995	351,154
Profit on short term investment	593,740	-
Long term deposits	(150,002)	-
Net cash generated from/(used in) investing activities	<u>1,178,733</u>	<u>(4,483,508)</u>
<b>c) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans (paid)/obtained	(1,770,772)	1,309,019
Net cash (used in)/generated from financing activities	<u>(1,770,772)</u>	<u>1,309,019</u>
Net (decrease)/increase in cash and bank balances (a+b+c)	(4,136,972)	7,325,972
Cash and bank balances at the beginning of the period	8,342,236	21,592,863
Cash and bank balances at the end of the period	<u>4,205,264</u>	<u>28,918,835</u>

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements.

Statement under section 241(2) of the Companies Ordinance, 1984:

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DIRECTOR

  
DIRECTOR




**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2012**

	Share Capital	Accumulated loss	Total
	Rupees	Rupees	Rupees
Balance as at July 01, 2010	126,011,600	(272,807,183)	(146,795,583)
Total comprehensive income for the period			
Loss for the period	-	(3,351,234)	(3,351,234)
Other comprehensive income			
Incremental depreciation on revalued property, plant and equipment for the period	-	12,777,924	12,777,924
Tax effect on incremental depreciation	-	(4,061,719)	(4,061,719)
		8,716,205	8,716,205
Balance as at March 31, 2011	126,011,600	(267,442,212)	(141,430,612)
Balance as at July 01, 2011	126,011,600	(268,728,057)	(142,716,457)
Total comprehensive loss for the period			
Loss for the period	-	(6,015,167)	(6,015,167)
Other comprehensive income			
Incremental depreciation on revalued property, plant and equipment for the period	-	10,290,450	10,290,450
Tax effect on incremental depreciation	-	(3,255,538)	(3,255,538)
		7,034,912	7,034,912
Balance as at March 31, 2012	126,011,600	(267,708,312)	(141,696,712)

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements.  
Statement under section 241(2) of the Companies Ordinance, 1984:

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DIRECTOR

  
DIRECTOR





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2012

- 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 manufacture and sale of yarn. The registered office of the company is situated at 32-W, Susan Road, Madina Town, Faisalabad.
- 2 The Company has accumulated losses of Rs. 267.708 million as at March 31, 2012 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 a going concern basis.
- 3 These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. These condensed interim financial statements do not include all of the information and disclosures required for 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, 2011. Comparative figures of the balance sheet are extracted from annual audited financial statements for the year ended June 30, 2011, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed financial statements for the nine months period ended March 31, 2011.
- 4 The accounting policies and methods of computation followed in the preparation of condensed interim financial statements are the same as applied in the preparation of the annual published financial statements for the year ended June 30, 2011.

Nine Months Ended March 31, 2012	Year Ended June 30, 2011
(Un-Audited)	(Audited)
Rupees	Rupees

### 5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance	205,907,317	218,229,507
Incremental depreciation on revalued property, plant and equipment for the period transferred to accumulated loss	(10,290,450)	(15,051,640)
Related effect of deferred tax liability	3,255,538	4,729,450
	(7,034,912)	(10,322,190)
	198,872,405	205,907,317

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

### 6 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements as on June 30, 2011.

### 7 PROPERTY, PLANT AND EQUIPMENT

Opening book value	275,376,010	280,013,959
Additions during the period / year (7.1)	373,000	17,391,915
	275,749,010	297,405,874
Depreciation charged for the period / year	(14,899,453)	(22,029,864)
	260,849,557	275,376,010

#### 7.1 ADDITIONS DURING THE PERIOD / YEAR - AT COST

Power Generators	360,000	15,466,978
Office equipments	13,000	170,900
Vehicles	-	1,754,037
	373,000	17,391,915

## 8 COST OF SALES

	For The Quarter Ended		For The Nine Months Ended	
	March 31, 2012 (Un-Audited) Rupees	March 31, 2011 (Un-Audited) Rupees	March 31, 2012 (Un-Audited) Rupees	March 31, 2011 (Un-Audited) Rupees
Raw material consumed (8.1)	149,698,790	185,995,279	268,271,497	538,323,255
Stores and spares	4,690,493	3,963,753	7,784,444	10,107,189
Packing material	2,551,391	1,710,820	3,742,288	4,742,120
Salaries and wages	15,259,821	13,417,310	32,214,298	39,759,792
Retirement benefits	397,884	544,505	865,811	1,375,446
Fuel and power	25,957,686	19,842,712	42,425,413	57,745,034
Repairs and maintenance	112,840	455,736	230,673	856,323
Postage and telecommunication	11,727	20,685	41,830	47,358
Vehicle running and maintenance	109,379	129,041	430,986	370,434
Insurance	420,522	505,973	1,257,440	1,428,698
Depreciation	6,446,811	5,763,043	14,318,388	18,304,879
Other	81,533	146,092	250,908	559,191
	204,838,857	232,494,949	371,833,676	673,619,719
Work in process				
Opening stock	5,841,351	7,814,545	-	-
Closing stock	(5,768,814)	-	(5,768,814)	-
	(127,463)	7,814,545	(5,768,814)	-
Finished goods				
Opening stock	15,102,282	37,860,798	55,811	15,798,103
Closing stock	(10,454,297)	(6,438,846)	(10,454,297)	(6,438,846)
	4,647,985	31,421,952	(10,398,486)	9,359,257
	209,359,379	271,731,446	355,666,376	682,978,976
<b>8.1 RAW MATERIAL CONSUMED</b>				
Opening stock	9,794,809	20,055,276	-	1,731,970
Purchases	164,529,169	165,940,003	292,896,685	538,591,285
	174,323,978	185,995,279	292,896,685	538,323,255
Closing stock	(24,625,188)	-	(24,625,188)	-
	149,698,790	185,995,279	268,271,497	538,323,255

9 The provision for taxation made in this condensed interim financial statements is subject to adjustment in annual financial statements.

## 10 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 26, 2012 by the Board of Directors of the Company.

## 11 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.

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DIRECTOR

DIRECTOR