

**BALANCE SHEET**  
**AS AT MARCH 31, 2005 (UN-AUDITED)**

<b>EQUITY AND LIABILITIES</b>	Note	MARCH 31 2005 RUPEES	SEP 30 2004 RUPEES
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
20,000,000 ordinary shares of Rs.10/- each		<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, subscribed and paid up</b>			
12,601,160 ordinary shares of Rs. 10/- each, fully paid in cash		126,011,600	126,011,600
Accumulated loss		(253,966,799)	(239,214,157)
		(127,955,199)	(113,202,557)
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	7	77,706,783	79,138,865
<b>NON CURRENT LIABILITIES</b>			
Long term loans		144,160,260	144,160,260
<b>DEFERRED LIABILITIES</b>			
Custom levies		5,591,401	5,591,401
Taxation		33,685,481	20,232,642
Staff retirement gratuity		6,876,482	6,017,653
		46,153,364	31,841,696
<b>CURRENT LIABILITIES</b>			
Trade and other payables		120,443,550	84,386,681
Mark up/interest on long term loans		14,167,717	12,961,921
Provision for taxation		3,125,741	2,451,883
		137,737,008	99,800,485
<b>CONTINGENCIES AND COMMITMENTS</b>	8	-	-
		<u>277,802,216</u>	<u>241,738,749</u>
<b>A S S E T S</b>			
Property, plant and equipment	9	187,586,932	191,261,033
Capital work in progress		18,568,460	16,158,542
Long term investments		28,434	28,434
Long term deposits		663,672	663,672
<b>CURRENT ASSETS</b>			
Stores and spares		1,737,711	2,126,284
Stock in trade		38,539,162	16,580,716
Trade debts		12,337,760	2,777,702
Loans and advances		10,436,381	9,277,997
Prepayments		774,555	114,375
Other receivables		4,716,419	313,984
Cash and bank balances		2,412,730	2,436,010
		70,954,718	33,627,068
		<u>277,802,216</u>	<u>241,738,749</u>

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

CHIEF EXECUTIVE

DIRECTOR

**J A TEXTILE MILLS LTD**  
**CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED MARCH 31, 2005**

	<b>MARCH 31,</b>	<b>MARCH 31,</b>
	<b>2005</b>	<b>2004</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>a) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the period before taxation	(2,058,027)	(22,872,674)
Depreciation	4,951,601	4,498,469
Gain on restatement of long term investment	-	(3,347)
Gain on disposal of fixed assets	-	(4,705)
Provision for gratuity	1,059,466	1,059,466
Financial charges	1,427,717	1,425,720
Operating profit/(loss) before working capital changes	<u>5,380,757</u>	<u>(15,897,071)</u>
<b>CHANGES IN WORKING CAPITAL</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	388,573	47,288
Stock in trade	(21,958,446)	(5,685,335)
Trade debts	(9,560,058)	7,663,453
Loans and advances	(1,158,384)	(1,045,480)
Prepayments	(660,180)	(412,550)
Other receivables	(4,402,435)	(7,643,331)
<b>(Decrease)/Increase in current liabilities</b>		
Trade and other payables	<u>36,056,869</u>	<u>(999,106)</u>
	<u>(1,294,061)</u>	<u>(8,075,061)</u>
<b>Cash flow from/ (used in) operations</b>	4,086,696	(23,972,132)
Financial charges paid	(221,921)	(213,299)
Gratuity paid	(200,637)	(458,418)
<b>Net cash flow from/(used in) operating activities</b>	<u>3,664,138</u>	<u>(24,643,849)</u>
<b>b) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(1,277,500)	(2,068,945)
Addition in capital work in progress	(2,409,918)	-
Proceeds from disposal of fixed assets	-	232,250
<b>Net cash (used in) investing activities</b>	<u>(3,687,418)</u>	<u>(1,836,695)</u>
<b>c) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans obtained	-	30,027,000
Repayment of long term loans	-	(974,115)
Payment of dividend	-	(10,638)
<b>Net cash flow from financing activities</b>	<u>-</u>	<u>29,042,247</u>
<b>Net (decrease)/ increases in cash and bank balances (a+b+c)</b>	(23,280)	2,561,703
<b>Cash and cash equivalents at the beginning of the period</b>	<u>2,436,010</u>	<u>4,225,342</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>2,412,730</u>	<u>6,787,045</u>

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**J A TEXTILE MILLS LTD**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED MARCH 31, 2005**

	Share Capital	Accumulated Loss	Total
	RUPEES	RUPEES	RUPEES
Balance as at September 30, 2003	126,011,600	(205,004,090)	(78,992,490)
Loss for the half year ended March 31, 2004	-	(19,379,807)	(19,379,807)
Incremental depreciation on revalued assets for the period-net of deferred tax	-	1,262,474	1,262,474
Balance as at March 31, 2004	126,011,600	(223,121,423)	(97,109,823)
Incremental depreciation on revalued assets for the period-net of deferred tax	-	1,504,612	1,504,612
Loss for the half year ended September 30, 2004	-	(17,597,346)	(17,597,346)
Balance as at September 30, 2004	126,011,600	(239,214,157)	(113,202,557)
Incremental depreciation on revalued assets for the period-net of deferred tax	-	1,432,082	1,432,082
Loss for the half year ended March 31, 2005	-	(16,184,724)	(16,184,724)
Balance as at March 31, 2005	126,011,600	(253,966,799)	(127,955,199)

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**J A TEXTILE MILLS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE 2ND QUARTER AND HALF YEAR ENDED MARCH 31, 2005**

- 1 The Company is limited by shares incorporated in Pakistan under the Companies Ordinance, 1984 and listed on Stock Exchanges in Pakistan. The principal business of the Company is manufacture and sale of yarn. The mills is located at Tehsil Jaranwala, District Faisalabad, in the Province of Punjab.
- 2 The Company has accumulated losses of Rs. 253,966million as at March 31, 2005 against issued, subscribed and paid up capital of the Rs. 126,012million. Its current liabilities exceeded its current assets by Rs. 66,78 million. The management has planned to increase the production capacity of the unit to improve the production efficiencies and reduce the cost for consequent improvement in the profitability of the future years. 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 financial statements have been prepared under "historical cost convention" except that certain fixed assets have been included at valuation. These financial statements are 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 the preparation of half yearly financial statements are the same as those of the published annual financial statements for the year ended September 30, 2004.
- 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 (xii) of the Code of Corporate Governance and they have issued their review report there on.
- 6 There is no unusual item included in these financial statements which is affecting assets, liabilities, equity loss or cash flows of the Company.

	<b>MARCH 31,</b>	<b>SEP 30,</b>
	<b>2005</b>	<b>2004</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>7 SURPLUS ON REVALUATION OF FIXED ASSETS</b>		
Opening balance	79,138,865	81,905,051
Incremental depreciation arising out of revaluation of fixed assets for the period transferred to accumulated loss-net of deferred tax	<u>(1,432,082)</u>	<u>(2,767,086)</u>
	<u>77,706,783</u>	<u>79,138,865</u>

**8 CONTINGENCIES AND COMMITMENTS**  
**CONTINGENCIES**  
 There is no change in contingent liabilities since the last annual balance sheet date.

<b>COMMITMENT</b>		
Outstanding letter of credit for spare parts	<u>2,191,000</u>	<u>903,000</u>

<b>9 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening book value	191,261,033	198,410,314
Addition during the period (note 9.1)	1,277,500	2,858,199
Deletion during the period	-	(1,386,769)
Depreciation for the period	<u>(4,951,601)</u>	<u>(8,620,711)</u>
Closing written down value	<u>187,586,932</u>	<u>191,261,033</u>

**9.1 Additions**

Factory equipment	-	238,282
Building on freehold land		
Factory	-	45,659
Building	-	160,623
Plant and machinery	-	1,850,642
Electric appliances	55,000	1,250
Office equipments	15,000	561,743
Vehicles	<u>1,208,900</u>	<u>-</u>
	<u>1,277,500</u>	<u>2,858,199</u>

	Quarter	Half year	Quarter	Half year
	Jan05 - Mar05	Oct04 - Mar05	Jan04 - Mar04	Oct03 - Mar04
	<b>RUPEES</b>	<b>RUPEES</b>	<b>RUPEES</b>	<b>RUPEES</b>
<b>10 SALES</b>				
Gross sales	<u>79,863,710</u>	<u>148,559,981</u>	46,225,738	130,684,812
Sales tax	<u>(5,088,216)</u>	<u>(13,788,350)</u>	(6,029,444)	(17,045,845)
	<u>74,775,494</u>	<u>134,771,631</u>	40,196,294	113,638,967

<b>11 COST OF GOODS SOLD</b>				
Cost of goods manufactured (11.1)	<u>70,312,898</u>	<u>127,792,276</u>	47,974,587	129,009,283
Finished goods				
Opening stock	<u>5,632,857</u>	<u>7,170,757</u>	2,056,100	7,188,013
Closing stock	<u>(6,984,995)</u>	<u>(6,984,995)</u>	(1,746,403)	(1,746,403)
	<u>(1,352,138)</u>	<u>185,762</u>	309,702	5,441,610
	<u>68,960,760</u>	<u>127,978,038</u>	48,284,289	134,450,893

**11.1 COST OF GOODS MANUFACTURED**

Raw material consumed (11.1.1)	46,896,097	85,680,163	32,045,045	91,623,988
Stores and spares	1,680,459	2,962,682	1,191,715	2,410,779
Packing material	1,338,321	2,092,257	600,237	1,366,054
Salaries and wages	5,716,961	10,876,978	4,450,883	9,589,625
Retirement benefits	415,911	715,911	415,881	715,881
Fuel and power	9,577,643	18,507,042	7,640,961	18,504,158
Repairs and maintenance	352,256	406,790	75,256	140,756
Postage and telecommunication	30,735	56,399	14,831	57,514
Vehicle running and maintenance	43,845	87,835	37,306	95,004
Insurance	509,132	782,504	307,800	613,800
Depreciation	2,823,407	4,785,842	960,120	4,312,408
Other	<u>66,422</u>	<u>148,664</u>	59,193	135,582
	<u>69,451,189</u>	<u>127,103,167</u>	47,799,228	129,565,549
Work in process				
Opening stock	<u>2,857,940</u>	<u>2,685,340</u>	2,935,310	2,203,680
Closing stock	<u>(1,996,233)</u>	<u>(1,996,233)</u>	(2,759,953)	(2,759,953)
	<u>861,707</u>	<u>689,107</u>	175,357	(556,273)
	<u>70,312,898</u>	<u>127,792,276</u>	47,974,587	129,009,283

**11.1.1 RAW MATERIAL CONSUMED**

Opening stock	24,531,721	6,724,613	37,872,968	9,021,393
Purchases	<u>51,922,306</u>	<u>108,513,480</u>	13,764,149	102,194,667
	<u>76,454,027</u>	<u>115,238,093</u>	51,637,117	111,216,060
Closing stock	<u>(29,557,930)</u>	<u>(29,557,930)</u>	(19,592,072)	(19,592,072)
	<u>46,896,097</u>	<u>85,680,163</u>	32,045,045	91,623,988

	<b>MARCH 31,</b>	<b>MARCH 31,</b>
	<b>2005</b>	<b>2004</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>12 AGGREGATE TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS</b>		
Energy purchases	<u>23,401,222</u>	<u>21,595,355</u>

**13 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 30/05/05 by the Board of Directors of the Company.

**14 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.

**J A TEXTILE MILLS LTD**  
**PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE 2ND QUARTER AND HALF YEAR ENDED MARCH 31, 2005**

		Quarter Jan-Mar 2005 RUPEES	Half year Oct-2004 to Mar-2005 RUPEES	Quarter Jan-Mar 2004 RUPEES	Half year Oct-2003 to Mar-2004 RUPEES
	Note				
Sales	10	74,575,494	134,771,631	40,196,294	113,638,967
Cost of goods sold	11	68,960,760	127,978,038	48,284,289	134,450,893
Gross profit/(loss)		5,614,734	6,793,593	(8,087,995)	(20,811,926)
Operating expenses					
Selling		1,702,024	4,365,934	806,586	1,424,499
Administration		1,751,249	3,064,149	1,459,462	2,943,914
		3,453,273	7,430,083	2,266,048	4,368,413
Operating profit / (loss)		2,161,461	(636,490)	(10,354,043)	(25,180,339)
Financial charges		788,414	1,427,717	671,606	1,425,720
		1,373,047	(2,064,207)	(11,025,649)	(26,606,059)
Other income		6,180	6,180	19,132	3,733,385
Profit/(Loss) for the period before taxation		1,379,227	(2,058,027)	(11,006,517)	(22,872,674)
Taxation					
Current		(372,135)	(673,858)	(203,121)	(571,052)
Deferred		(14,356,716)	(13,452,839)	4,063,919	4,063,919
		(14,728,851)	(14,126,697)	3,860,798	3,492,867
Loss for the period after taxation		(13,349,624)	(16,184,724)	(7,145,719)	(19,379,807)
Accumulated loss brought forward		(241,472,011)	(239,214,157)	(216,114,866)	(205,004,090)
Incremental depreciation on revalued assets during the period		854,836	1,432,082	139,162	1,262,474
Accumulated loss carried forward		(253,966,799)	(253,966,799)	(223,121,423)	(223,121,423)
Loss per share - Basic		(1.06)	(1.28)	(0.57)	(1.54)

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

**CHIEF EXECUTIVE**

**DIRECTOR**