

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2008

		Un-Audited Dec 31, 2008	Audited June 30, 2008
EQUITY AND LIABILITIES	Note	[R U P E E S]	
SHARE CAPITAL AND RESERVES			
Authorised 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>(259,259,587)</u>	<u>(246,005,217)</u>
		(133,247,987)	(119,993,617)
SURPLUS ON REVALUATION OF FIXED ASSETS	7	225,298,774	232,426,867
NON CURRENT LIABILITIES			
Long term financing		212,458,915	213,417,477
Deferred liabilities		49,890,346	48,909,482
		262,349,261	262,326,959
CURRENT LIABILITIES			
Trade and other payables		50,320,749	29,809,601
Accrued mark up		22,031,875	22,031,875
		72,352,624	51,841,476
CONTINGENCIES AND COMMITMENTS	8		
		<u>426,752,672</u>	<u>426,601,685</u>
A S S E T S			
NON CURRENT ASSETS			
Property, plant and equipment	9	315,792,076	332,190,369
Long term deposits		<u>16,967,016</u>	<u>16,900,662</u>
		332,759,092	349,091,031
CURRENT ASSETS			
Stores and spares		3,036,838	3,024,444
Stock in trade		38,849,248	26,432,657
Trade debts		10,189,410	96,400
Loans and advances		27,828,757	28,056,051
Prepayments		845,844	122,609
Other receivables		4,616,214	4,887,279
Cash and bank balances		8,627,269	14,891,214
		93,993,580	77,510,654
		<u>426,752,672</u>	<u>426,601,685</u>

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

CHIEF EXECUTIVE

DIRECTOR

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	December 31, 2008	December 31, 2007
	[R U P E E S]	
a) CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(17,951,158)	(18,240,617)
Add: non-cash and other items		
Depreciation	16,625,143	18,619,989
Profit on deposits	-	(491)
Loss on sale of property, plant and equipment	-	476,601
Provision for gratuity	-	1,106,057
Finance costs	-	1,363,793
Operating (loss)/profit before working capital changes	(1,326,015)	3,325,332
CHANGES IN WORKING CAPITAL		
(Increase)/decrease in current assets		
Stores and spares	(12,394)	1,131,630
Stock in trade	(12,416,591)	(19,348,806)
Trade debts	(10,093,010)	(4,197,891)
Loans and advances	168,069	(950,135)
Prepayments	(723,235)	(704,982)
Other receivables	271,065	1,449,922
(Decrease)/Increase in current liabilities		
Trade and other payables	20,511,148	10,346,170
	(2,294,948)	(12,274,092)
Cash used in operations	(3,620,963)	(8,948,760)
Finance cost paid	-	(144,751)
Taxes paid	(78,682)	(790,155)
Payment of gratuity	(1,312,534)	(1,264,177)
Net cash used in operating activities	(5,012,179)	(11,147,843)
b) CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(226,850)	(1,140,551)
Sales proceeds of property, plant and equipment	-	480,000
Profit on deposits	-	491
Long term security deposit	(66,354)	-
Net cash used in investing activities	(293,204)	(660,060)
c) CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances repaid	(958,562)	(2,780,502)
Net cash used in financing activities	(958,562)	(2,780,502)
Net decrease in cash and bank balances	(6,263,945)	(14,588,405)
Cash and bank balances at the beginning of the period	14,891,214	20,874,389
Cash and bank balances at the end of the period	8,627,269	6,285,984
The annexed notes form an integral part of the financial information.		

CHIEF EXECUTIVE

DIRECTOR

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	<u>Share Capital</u>	<u>Accumulated Loss</u>	<u>Total</u>
	[R	U P E E	S]
Balance as at June 30, 2007	126,011,600	(243,355,803)	(117,344,203)
Incremental depreciation on revalued property, plant and equipment for the year	-	12,462,883	12,462,883
Tax effect on incremental depreciation	-	(4,362,009)	(4,362,009)
Loss for the half year	-	(39,158,528)	(39,158,528)
Balance as at December 31, 2007	<u>126,011,600</u>	<u>(274,413,457)</u>	<u>(148,401,857)</u>
Incremental depreciation on revalued property, plant and equipment for the year	-	12,280,961	12,280,961
Tax effect on incremental depreciation	-	4,362,010	4,362,010
Profit for the half year	-	11,765,269	11,765,269
Balance as at June 30, 2008	<u>126,011,600</u>	<u>(246,005,217)</u>	<u>(119,993,617)</u>
Incremental depreciation on revalued property, plant and equipment for the year	-	10,966,297	10,966,297
Tax effect on incremental depreciation	-	(3,838,204)	(3,838,204)
Loss for the half year	-	(20,382,463)	(20,382,463)
Balance as at December 31, 2008	<u><u>126,011,600</u></u>	<u><u>(259,259,587)</u></u>	<u><u>(133,247,987)</u></u>

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

CHIEF EXECUTIVE

DIRECTOR

J. A. TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

- 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 manufacturing and sale of yarn. The registered office of the company is situated 16-C, Peoples Colony, Faisalabad.
- 2 The company has accumulated losses of Rs. 259.26 million as at December 31, 2008 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, the directors has no intention to wind up the company, therefore these financial statements have been prepared on going concern basis.
- 3 The condensed interim financial information has been prepared under the " historical cost convention " except that certain fixed assets and retirement benefits have been stated at revalued amounts and present values respectively. These condensed interim financial statements have been 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 preparation of condensed interim financial information are the same as applied in the preparation of the published annual financial statements for the year ended June 30, 2008.
- 5 This financial information is un-audited. However, its limited scope review has been performed by the external auditors of the Company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.
- 6 There is no unusual item included in the financial information which is affecting assets, liabilities, equity, loss or cash flows of the Company.

December 31, June 30,
2008 2008
[R U P E E S]

7 SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance	232,426,867	260,395,088
Revaluation surplus created during the period/year	-	-
Incremental depreciation on revalued fixed assets		
transferred to accumulated loss	10,966,297	16,083,499
Surplus realized on disposal of fixed assets	-	3,224,376
	10,966,297	19,307,875
	221,460,570	241,087,213
Related effect of deferred tax liability	3,838,204	8,660,346
	225,298,774	232,426,867

8 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in contingent liabilities since the last annual balance sheet date

Commitments

The company has no capital or other commitments at the terminal date (June 2008: Nil)

December 31,
2 0 0 8
[R U P E E S]

June 30,
2 0 0 8
[R U P E E S]

9 PROPERTY, PLANT AND EQUIPMENT

Addition to these assets during the period are as under :

Building	-	1,040,676
Plant and machinery	-	3,514,342
Electric appliances	-	23,000
Office equipments	226,850	99,875
Electric installations	-	1,040,000
Vehicles	-	645,770
	226,850	6,363,663

Half year	Half year	Quarter	Quarter
Jul 08 to Dec 08	Jul 07 to Dec 07	Oct 08 to Dec 08	Oct 07 to Dec 07
[R U P E E S]	[R U P E E S]	[R U P E E S]	[R U P E E S]

10 COST OF SALES

Cost of goods manufactured (Note 10.1)	295,199,079	286,878,613	112,207,404	152,777,511
Finished goods				
Opening stock	22,470,006	2,735,751	49,173,985	13,720,581
Closing stock	(34,999,206)	(21,776,110)	(34,999,206)	(21,776,110)
	(12,529,200)	(19,040,359)	14,174,779	(8,055,529)
	282,669,879	267,838,254	126,382,183	144,721,982

10.1 COST OF GOODS MANUFACTURED

Raw material consumed	215,064,653	210,208,733	74,932,309	108,090,190
Stores and spares	3,341,300	3,095,499	1,422,418	2,185,033
Packing material	3,632,975	3,908,689	1,518,200	1,782,457
Salaries and wages	18,965,550	19,042,133	8,684,508	10,631,433
Retirement benefits	663,572	908,371	333,943	594,414
Fuel and power	35,252,999	30,673,604	16,563,019	15,225,835
Repairs and maintenance	270,792	167,463	99,535	43,938
Postage and telecommunication	49,793	39,634	29,620	24,710
Vehicles running and maintenance	230,038	149,699	142,154	83,822
Insurance	793,426	671,004	457,924	335,502
Depreciation	16,178,713	18,151,599	7,460,518	13,601,599
Others	817,827	399,149	247,930	245,692
	295,261,638	287,415,577	111,892,078	152,844,625
Work in process				
Opening stock	3,467,699	2,174,037	3,845,584	2,643,887
Closing stock	(3,530,258)	(2,711,001)	(3,530,258)	(2,711,001)
	(62,559)	(536,964)	315,326	(67,114)
	295,199,079	286,878,613	112,207,404	152,777,511

Half year	Half year
Jul 08 to Dec 08	Jul 07 to Dec 07

11 PLANT CAPACITY AND ACTUAL PRODUCTION

Installed capacity after conversion into 20/s count (kgs)	<u>3,399,884</u>	<u>3,232,067</u>
Actual production in yarn after conversion into 20/s count (kgs)	<u>2,890,711</u>	<u>3,233,704</u>

Installed annual capacity is 6,616,827 kgs based on 20/s count.

12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 23, 2009 by the Board of Directors of the company.

13 FIGURES

- in the financial information has been rounded off to the nearest rupee.
- all figures except for June 30, 2008 figures appearing in this financial information are un-audited. There has been no material rearrangement or regrouping of figures of the corresponding period given in the financial information for the purpose of comparison.

CHIEF EXECUTIVE

DIRECTOR

J. A. TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Half year Jul 08 to Dec 08	Half year Jul 07 to Dec 07	Quarter Oct 08 to Dec 08	Quarter Oct 07 to Dec 07
Note	RUPEES	RUPEES	RUPEES	RUPEES
Sales-Net	269,869,402	257,129,795	112,037,250	134,360,083
Cost of sales	282,669,879	267,838,254	126,382,183	144,721,982
Gross loss	<u>(12,800,477)</u>	<u>(10,708,459)</u>	<u>(14,344,933)</u>	<u>(10,361,899)</u>
Operating expenses				
Distribution costs	1,069,335	2,030,053	458,860	561,062
Administrative expenses	4,053,905	3,662,202	1,881,757	1,963,895
Finance costs	30,026	1,363,793	11,426	716,205
Other costs	-	476,601	-	476,601
	<u>5,153,266</u>	<u>7,532,649</u>	<u>2,352,043</u>	<u>3,717,763</u>
Operating loss	<u>(17,953,743)</u>	<u>(18,241,108)</u>	<u>(16,696,976)</u>	<u>(14,079,662)</u>
Other income	2,585	491	-	-
Loss before taxation	<u>(17,951,158)</u>	<u>(18,240,617)</u>	<u>(16,696,976)</u>	<u>(14,079,662)</u>
Taxation				
Current	78,682	1,285,649	78,682	671,800
Deferred	2,352,623	19,632,262	2,352,623	19,632,262
	<u>2,431,305</u>	<u>20,917,911</u>	<u>2,431,305</u>	<u>20,304,062</u>
Net loss after taxation	<u>(20,382,463)</u>	<u>(39,158,528)</u>	<u>(19,128,281)</u>	<u>(34,383,724)</u>
Loss per share - Basic and diluted	<u>(1.62)</u>	<u>(3.11)</u>	<u>(1.52)</u>	<u>(2.73)</u>

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

CHIEF EXECUTIVE

DIRECTOR

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of J. A Textile Mills Limited as at December 31, 2008, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2008 and 2007 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2008.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2008 is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan.

Without qualifying our report, we draw attention to note 2 to the financial statements, which describes the unfavorable financial condition of the company, the related financial support from the directors and the associates to address the going concern problem.

Faisalabad:
23 FEB 2009

Hyder Bhimji & Co.
Chartered Accountants