Annual Report 2012

J. A. Textile Mills Limited

بسم الله الرحمن الرحيم

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J. A. Textile Mills Limited
Annual Report 2012

COMPANY INFORMATION

Board of Directors

Chief Executive:	Mr. Imran Zahid
Directors:	Ms. Quratul-ain Zahid
	Mr. Zia-ullah Khan Dilawar
	Mr. Muhammad Anwar-ul-Haq
	Mr. Muhammad Ikhlaq
	Mr. Sohail Farooq
	Malik Shamsher Khan

Audit Committee:

Chairman:	Mr. Zia-ullah Khan Dilawar
Member:	Mr. Muhammad Ikhlaq
Member:	Mr. Muhammad Anwar-ul-Haq

Human Resources & Remuneration (HR&R) Committee:

Chairman:	Mr. Muhammad Ikhlaq
Member:	Mr. Imran Zahid
Member:	Mr. Zia-ullah Khan Dilawar
Company Secretary:	Mr. Khalid Jabbar
Chief Financial Officer:	Mr. Ajmal Shabab
Head of Internal Audit:	Mr. Aftab Younis
Auditors:	Hyder Bhimji & Company, Chartered Accountants
Banks:	Al Baraka Islamic Bank B.S.C. (E.C.)
	JS Bank 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. Plot No. 2-C, Mezzanine Floor, Badar Commercial Area, Street No. 9, Phase-V(Ext.), D. H. A., Karachi.
Mills:	29-KM, Sheikhupura Road, Faisalabad.
Web Site:	www.jatml.com

VISION

TO TURN AROUND THE COMPANY INTO A PROFITABLE UNDERTAKING THROUGHOUT ITS LIFE AND TO BE A MARKET LEADER BY BEING THE BEST.

MISSION

TO BE A FOREMOST COMPANY RECEPTIVE TO THE NEEDS OF ITS CUSTOMERS BY PROVIDING FINE QUALITY PRODUCTS TO THEIR ENTIRE SATISFACTION. TO CONTRIBUTE FULLY IN SUPPORTING OUR COUNTRY'S ECONOMY BY EARNING VALUABLE FOREIGN EXCHANGE, EXPANSION OF INDUSTRY AND PROVISION OF JOBS.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the members of J. A. Textile Mills Limited will be held at registered office of the company JK House, 32-W, Susan Road, Madina Town, Faisalabad at 9:00 AM on 31.10.2012 to transact the following business :-

1. **To confirm the minutes of the Annual General Meeting held on 31.10.2011.**
2. **To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2012 together with the Directors' and Auditor's reports thereon.**
3. **To appoint auditors for the year ending June 30, 2013 and fix their remuneration, retiring auditors M/S Hyder Bhimji & Co. chartered accountants being eligible offered themselves for reappointment.**
4. **To transact any other business with the permission of the chair.**

FOR AND ON BEHALF OF THE BOARD

FAISALABAD: 08.10.2012 **Company Secretary**

NOTES:

1. **The share transfer books of the company will remain closed from 26.10.2012 to 01.11.2012 (both days inclusive).**
2. **A member entitled to attend and vote at the general meeting is entitled to appoint another member as proxy. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for the meeting.**
3. **CDC shareholders are requested to bring with them their National Identification Cards alongwith participants ID and their account number at the time of Annual General Meeting in order to facilitate identification. In case of a corporate entity, a certified copy of the resolution passed by the Board of Directors/valid power of attorney with the specimen signatures of the nominee be produced at the time of meeting.**
4. **Members are requested to immediately notify the change in their addresses, if any.**

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Board of Directors is pleased to present 25th Annual Report for the year ended June 30, 2012

Industry review

Major indicators of the economy continued to deteriorate as it faced formidable circumstances including rising energy crisis and geo-political situation of the country. From the energy point of view the crisis still remained unresolved and gas curtailment to the industry effected the production, efficiency and profitability badly.

Operational review

Under depressed business conditions your company still manages to perform better than previous year and results have been improved to certain extent. Sales revenue decreased by 17.73% due to decrease in exports. Gross profit increased by 46.45% during the year as compared to previous year.
Unfortunately due to unfavorable business conditions like shortage of raw material and energy crisis the management had to shutdown establishment and suspend operations temporarily to avoid heavy losses in first quarter of year under review.

Summarized financial results

	2012		2011	
	Millions Rs	% of Sales	Millions Rs	% of Sales
Gross Profit margin	22.280	3.78	15.213	2.12
Operating Profit/(loss) before tax	11.720	1.99	(0.245)	(0.03)

Future Outlook

During the year your company has opened a Letter of credit of Rupees 27 million for acquiring new machinery for modernization of half of the ring department which will not only be enhance efficiency of the plant but also fetch better price due to improvement in quality of yarn. The said machinery has been arrived in mills and installation process started. Your management has also planning to modernize remaining half of the Ring department in coming months. Therefore we are quite optimistic about the bright future of your company.

Compliance system

Your company has established implemented and maintained systems in compliance with the requirements of international standards and achieved third party certifications for the following product/ management systems standards;

- ISO 9001:2008 Quality Management Systems

Earning per share and dividend

Based on the loss after tax for the year ended June 30, 2012, the earnings per share is Rupee 1.86 in negative.
Considering current financial results and accumulated losses brought forward, no dividend is recommended for the year ended June 30, 2012.

Contingencies and commitments

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, except matter disclosed in note 17.3 to the financial statements.

Outstanding statutory payment

An amount of Rs. 5,591,401 has been shown in the balance sheet as custom levies payable. This consists of import duty and import surcharge on the import of ring spinning frames. SRO 1076(I)/95 provides that 30% of total import duty and surcharge was leviable which the Company has already paid. However this long outstanding issue is still pending with the custom authorities.

Financial and Corporate Reporting Framework

The Directors are pleased to state that your company is compliant with the provisions of the practices of Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP).
In order to protect and enhance the long term value of shareholders the Board is responsible for the overall corporate governance of the company including approving strategic policies and decisions, capital expenditures, appointing, removing, and creating succession policies.

Following are the statements of Corporate and financial Reporting Framework:

a) Financial statements prepared by the management of the Company represent fairly and accurately the company's state of affairs, results of its operation, cash flows and changes in equity.

b) Proper books of accounts have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.

e) The system of internal control is sound in design, has been effectively implemented and being monitored continuously. On going review will continue in future for further improvement in controls.

f) There are no significant doubts upon the company's ability to continue as a going concern.

g) There has been no material departure from best practices of corporate governance.

h) Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.

i) The value of investments in respect of Employees Provident Fund was Rs. 7.308 millions for the year ended June 30, 2011.(2010: Rs. 6.528 millions)

j) During the year under review, four meetings of the Board were held

Name of directors	Meetings attended
Mr. Imran Zahid (CEO)	4
Ms. Quratul Ain Zahid	4
Mr. Zia Ullah Khan Dilawar	4
Mr. Sohail Farooq	4
Malik Shamsher Khan	3
Mr. Muhammad Anwar ul Haq	4
Mr. Muhammad Ikhlaq	4

k) Statement of compliance with the Best Practices of Corporate Governance is annexed.

Post balance sheet events

There was no significant post balance sheet event which warrants mention in the Directors' Report.

Key financial highlights

Financial data of the last six (06) year is attached.

Shareholding

The pattern of shareholding as at June 30, 2012 is annexed.

Auditors' report- emphasis paragraphs

The Directors would like to draw your attention to the last paragraph of the Auditors' report relating to note 1.2 and 17.2 to the financial statements. As per directors' view the going concern assumption used by the management in preparing the annexed financial statements is appropriate.

Audit committee

The committee comprises of 3 members including Chairman. All members of the committee are non-executive directors. The committee meets every quarter for review of audit reports and interim/ annual financial results prior to the approval of the Board.

Auditors

Present auditors, M/s Hyder Bhimji and Company, Chartered Accountants, retire and offer themselves for re-appointment. The Audit Committee has recommended the re-appointment of retiring auditors for the year 2013 on same terms and conditions.

Acknowledgement

We would like to express our appreciation for the dedication and hard work put in by the entire team at J. A. Textile Mills Limited and all its partners within the country and all across the world.

For and on behalf of the Board.

IMRAN ZAHID
CHIEF EXECUTIVE
OCTOBER 08, 2012

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2012.

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the code in the following manners:-

1. The company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present Board includes:-

Category	Names
Independent Directors	---
Executive Directors	Mr. Imran Zahid and Ms. Quratul-ain Zahid
Non-Executive Directors	Mr. Zia-ullah Khan Dilawar, Mr. Muhammad Anwar-ul-Haq, Mr. Muhammad Ikhlaq, Mr. Sohail Farooq and Malik Shamsher Khan

The condition of clause 1(b) of the CCG in relation to independent director will be applicable after election of next Board of Directors of the Company in November 2012.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved and amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In accordance with the criteria specified on clause (xi) of CCG, some of the Directors of the Company are exempted from the requirement of directors' training program and the rest of the Directors to be trained within specified time.
10. The directors' report for this year has been prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.

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11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The company has complied with all the corporate and financial reporting requirements of the CCG.
14. The Board has formed an audit committee. It comprises of three members, all are non executive directors.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The Board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
17. The Board has set-up an effective internal audit function. The audit staff are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to directors, employees and stock exchanges.
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
22. We confirm that all other material principles enshrined in the CCG have been complied with.

IMRAN ZAHID
CHIEF EXECUTIVE
OCTOBER 08, 2012

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

PARTICULARS	2011	2010	2009	2008	2007	2006
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
FINANCIAL POSITION						
Paid up capital	**126.011**	126.011	126.011	126.011	126.011	126.011
Fixed assets (cost)	**403.994**	386.603	388.471	387.927	387.739	314.355
Accumulated depreciation	**128.618**	106.589	83.066	55.736	19.051	124.212
Current assets	**50.668**	63.223	30.891	77.511	83.900	62.587
Current liabilities	**43.507**	65.877	43.982	51.841	55.067	40.007
INCOME						
Sales	**716.221**	571.674	480.345	572.154	496.947	467.845
Other income	**0.837**	0.984	0.009	0.031	4.586	0.279
Pre-tax profit/(loss)	**0.082**	2.298	(40.925)	(33.719)	12.218	10.024
Taxation charge/(credit)	**6.326**	8.517	(4.144)	(6.326)	21.789	2.355
STATISTICS AND RATIOS						
Pre-tax profit/(loss) to sales %	**0.012**	0.402	(8.520)	(5.893)	2.459	2.143
Pre-tax profit/(loss) to capital %	**0.131**	3.310	(26.790)	(26.759)	9.696	7.955
Current Ratio	**1 : 1.16**	1 : 0.96	1 : 0.70	1 : 1.50	1 : 1.50	1 : 1.60
Paid up value per share (Rs.)	**10.00**	10.00	10.00	10.00	10.00	10.00
Earning after tax per share (Rs.)	**(0.59)**	(0.49)	(2.92)	(2.17)	(0.76)	0.61
Cash dividend %	**0**	0	0	0	0	0
Break-up value per share (Rs.)	**5.01**	5.51	6.00	8.92	11.35	(3.33)

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices ("the Statement") contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **J. A. Textile Mills Limited** ("the Company") to comply with the Listing Regulation No.35 of the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (xiii a) of Listing Regulations 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2012.

DATE: OCTOBER 08, 2012
FAISALABAD

HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner: Shabir Ahmed

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **J. A. TEXTILE MILLS LIMITED** ("the Company") as at June 30, 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the over all presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with the accounting policies consistently applied.

(ii) The expenditure incurred during the year was for the purpose of the Company's business; and

(iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2012 and of the loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to;

(a) Note 1.2 to the financial statements, which disclosed the appropriateness of going concern assumption used by the Company in the preparation of financial statements, in spite of the fact that the Company's accumulated loss stands at Rs. 287.141 million with a negative equity at Rs 161.129 million and negative current ratio at the terminal date. This factor indicates the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

(b) Note 17.2 to the financial statements, which indicate that the Company has filed a suit against MCB Bank Limited for charging compound mark up on long term financing and that the balance as appearing in these financial statements has also not been confirmed by the Bank. Although, the management of the company is affirmative that the case will be decided in company's favour, the ultimate outcome of the matter cannot presently be determined with any degree of certainty.

DATE: OCTOBER 08, 2012
FAISALABAD

HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner: Shabir Ahmed

BALANCE SHEET

AS AT JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	427,359,028	276,376,010
Long term deposits	6	17,197,833	17,021,926
		444,556,861	292,397,936
CURRENT ASSETS			
Stores and spares	7	7,153,391	7,801,059
Stock in trade	8	32,505,174	55,811
Trade debts	9	8,227,189	-
Advances, prepayment and other receivables	10	6,320,813	7,131,264
Short term investment	11	269,805	27,337,641
Cash and bank balances	12	18,025,906	8,342,236
		72,502,278	50,668,031
TOTAL ASSETS		517,059,139	343,065,967
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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 up in cash		126,011,600	126,011,600
Accumulated loss		(287,141,507)	(268,728,057)
		(161,129,907)	(142,716,457)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	13	336,022,066	205,907,317
NON CURRENT LIABILITIES			
Long term financing	14	192,309,918	193,171,056
Deferred liabilities	15	71,952,845	43,196,113
		264,262,763	236,367,169
CURRENT LIABILITIES			
Trade and other payables	16	55,442,463	21,069,071
Accrued mark up/interest		22,031,875	22,031,875
Provision for taxation		429,879	406,992
		77,904,217	43,507,938
CONTINGENCIES AND COMMITMENTS	17	-	-
TOTAL EQUITY AND LIABILITIES		517,059,139	343,065,967

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
Sales - net	18	589,263,886	716,221,574
Cost of sales	19	566,983,774	701,008,341
Gross profit		22,280,112	15,213,233
Operating expenses			
Distribution costs	20	598,762	4,560,999
Administrative expenses	21	11,147,305	10,306,352
Other expenses	22	1,026,304	350,638
Finance costs	23	150,469	749,944
		12,922,840	15,967,933
		9,357,272	(754,700)
Other operating income	24	2,362,320	510,005
Profit / (loss) before taxation		11,719,592	(244,695)
Taxation	25	35,183,911	6,326,010
Loss for the year		(23,464,319)	(6,570,705)
Loss per share - Basic	26	(1.86)	(0.52)

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2012

	2012 Rupees	2011 Rupees
Loss for the year after taxation	(23,464,319)	(6,570,705)
Other comprehensive income for the year		
Unrealized income on change in fair value of investment	26,500	327,641
Total comprehensive loss for the year	(23,437,819)	(6,243,064)

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		11,719,592	(244,695)
Adjustments for non cash and other items:			
Depreciation		12,085,253	22,029,864
Profit on deposit accounts		(1,303,983)	(409,188)
Profit on short term investment		(573,783)	(96,575)
Workers' welfare fund		250,832	293,149
Workers' profit participation fund		630,022	21,679
Finance costs		150,469	749,944
Operating cash flows before working capital changes		22,958,402	22,344,178
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		647,668	(340,599)
Stock in trade		(32,449,363)	17,474,262
Trade debts		(8,227,189)	5,636,680
Advances, prepayment and other receivables		810,471	3,871,896
Increase/(decrease) in current liabilities			
Trade and other payables		33,772,625	(22,427,385)
		(5,445,788)	4,214,654
Cash generated from operations		17,512,614	26,559,032
Finance costs paid		(150,469)	(742,368)
Workers' welfare fund paid		(250,832)	(293,149)
Workers' profit participation fund paid		(29,255)	(145,130)
Taxes paid		(5,835,533)	(7,526,887)
Staff retirement gratuity paid		(568,759)	(1,050,380)
Net cash generated from operating activities		10,677,766	16,801,118
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(28,929,153)	(6,728,468)
Profit on deposit accounts		1,303,983	409,188
Profit on short term investment		600,283	424,216
Short term investment		27,067,836	(27,337,641)
Long term deposits		(175,907)	(9,982)
Net cash used in investing activities		(132,958)	(33,242,687)
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		-	3,190,942
Repayment of long term financing		(861,138)	-
Net cash (used in)/generated from financing activities		(861,138)	3,190,942
Net increase/(decrease) in cash and cash equivalents	(a+b+c)	9,683,670	(13,250,627)
Cash and cash equivalents at the beginning of the year		8,342,236	21,592,863
Cash and cash equivalents at the end of the year	12	18,025,906	8,342,236

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2012

	Share capital	Accumulated loss	Total
	[R U P E E S]		
Balance as at July 01, 2010	126,011,600	(272,807,183)	(146,795,583)
Incremental depreciation on revalued property, plant and equipment for the year	-	15,051,640	15,051,640
Tax effect on incremental depreciation	-	(4,729,450)	(4,729,450)
Total comprehensive loss for the year	-	(6,243,064)	(6,243,064)
Balance as at June 30, 2011	126,011,600	(268,728,057)	(142,716,457)
Incremental depreciation on revalued property, plant and equipment for the year	-	7,335,810	7,335,810
Tax effect on incremental depreciation	-	(2,311,441)	(2,311,441)
Total comprehensive loss for the year	-	(23,437,819)	(23,437,819)
Balance as at June 30, 2012	126,011,600	(287,141,507)	(161,129,907)

The annexed notes 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. THE COMPANY AND ITS OPERATIONS

1.1 J.A. Textile Mills Limited (the Company) was incorporated in Pakistan on 25 May, 1987 under the Companies Ordinance, 1984. The shares of the company are listed on the Karachi and Lahore Stock Exchanges in Pakistan. The Mill is situated at Tehsil Jaranwala, District Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

1.2 The Company has accumulated loss of Rs. 287.141/-million (2011: Rs. 268.728 million) and negative equity of Rs. 161.129/-million (2011: Rs.142.716 million) as against issued, subscribed and paid up capital of Rs. 126.012 million and its current assets decrease its current liabilities by Rs. 5.401 million as at June 30, 2012 as compared to positive balance of Rs.7.160 million as at June 30, 2011. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Due to the above factors, the Company may be unable to discharge its liabilities and realize its assets in the normal course of business. Inspite of the huge accumulated losses, the management is optimistic that future industry situation will improve and in view of future expected improvements in financial results, due to modernization / improvement of machinery overall economic situation of the country and assurance by the directors to provide financial assistance if needed, these accounts have been prepared on going concern basis.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Standards and interpretation that became effective but not relevant to the Company

New standards, amendment and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the year are considered not to be relevant or have any significant effect on the company's operations.

During the year, the following amendments, interpretations and improvements to the accounting standards became effective:

IFRS 7	Financial Instruments: Disclosures - (Amendment)
IAS 24	Related Party Disclosures (Revised)
IFRIC 14	Prepayments of a Minimum Funding Requirement (Amendment)

International Accounting Standards Board (IASB) also issued amendments to various standards primarily with a view to remove inconsistencies and clarifying wordings. These improvements are listed below:

IFRS 7	Financial Instruments: Disclosures - Clarification of disclosures
IAS 1	Presentation of Financial Statements - Clarification of Statement of Changes in Equity
IAS 34	Interim Financial Reporting - Significant events and transactions
IFRIC 13	Customer Loyalty Programmes - Fair value of award credits

The adoption of above standards, amendments/ improvements and interpretation did not have any material effect on the financial statements.

2.3 Standards and Interpretations issued but not yet effective

The following standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after July 1, 2012 or later periods:

		Effective date
IFRS 7	Amendments enhancing disclosures about offsetting of financial assets and liabilities	January 01,2013
IAS 1	Presentation of financial statements-amendment to revise the way other comprehensive income is presented	July 01, 2012
IAS 12	Income tax (amendment)- Deferred taxes: Recovery of underlying assets	January 01, 2012
IAS-19	Employee Benefits - Amended standard resulting from the post- employment benefits and termination benefit project	January 01, 2013
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments)	January 01,2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 01,2013

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material affect on the Company's financial statements in the period of the initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan(SECP) for the purpose of applicability in Pakistan.

		IASB Effective date Accounting Periods beginning on or After
IFRS 9	Financial Instruments	January 01, 2015
IFRS 10	Consolidated Financial Statements	January 01, 2013
IFRS 11	Joint Arrangements	January 01, 2013
IFRS 12	Disclosure of Interest in Other Entities	January 01, 2013
IFRS 13	Fair Value Measurement	January 01, 2013

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for staff retirement benefits stated on termination basis and property, plant and equipment carried at revalued amounts. The company's significant accounting policies are stated in note 4. In these financial statements, except for cash flow statement, all the transactions have been accounted for on accrual basis.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions effect only that period, or in the period of revision and future periods if revisions effect both current and future periods.

Significant areas requiring the use of the management estimates in these financial statements relate to the useful life of the depreciable assets, provision for doubtful debts on account receivables and staff retirement benefits. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Staff retirement benefits

The Company changed its policy for staff retirement benefits as on 31st March, 2008 from staff retirement gratuity to provident fund and staff retirement gratuity up to that date is stated on termination basis.

Currently Company operates an approved funded contributory Provident Fund Scheme for all its employees eligible for benefits. Equal monthly contributions are made, both by the Company, and the employees, to the fund at the rate of 8.33% of the basic salary. The Company's contribution to the fund is charged to profit and loss account for the year.

4.2 Taxation

Current Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax rebates and tax credits, if any, available under the law.

Deferred Taxation

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

4.3 Property, plant and equipment

Operating assets

Operating fixed assets except land and capital work in progress are stated at cost / revalued amount less accumulated depreciation and impairment, if any. Cost in relation to fixed assets signifies historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Free hold land is stated at revalued amount and capital work in progress is stated at historical cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of the property, plant and equipment is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the reducing balance method so as to write off the historical cost of the assets over their expected useful life at the rates mentioned in property, plant and equipment note.

Depreciation on additions during the year is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

Gains and losses on disposal of property, plant and equipment are included in current income.

Capital work in progress is shown at cost less any identified impairment and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

During the year the Company has changed its method of charging depreciation on plant and machinery from unit of production method to reducing balance method and also has changed the rate of depreciation on building on freehold land from 10 % to 5%. (Refer note 5.4).

4.4 Surplus on revaluation of property, plant and equipment

Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. However, incremental depreciation charged on surplus on revaluation of property, plant and equipment (net of deferred taxation) is transferred to accumulated loss through statement of changes in equity.

4.5 Trade and other payables

Liabilities in respect of trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received whether or not billed to the Company.

4.6 Provisions

A provision is recognized when the Company has a present, legal or constructive obligation as a result of a past event when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.7 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence/ non- occurrence of the uncertain future event(s).

4.8 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value less impairment, if any.

4.9 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw material	- At factory	Weighted average cost
	- In Transit	Invoice value plus direct charges in respect thereof.
Work in process and finished goods		Prime cost including a proportion of production overheads
Wastes		At net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

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4.10 Trade and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

4.11 Short term investment

These are initially measured at cost which is the fair value of the consideration given and subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available - for -sale reserve until (i) the investment is derecognized, at which time the cumulative gain or loss is recognized in the profit and loss account, or (ii) determined to be impaired /change in the fair value of securities, at which time the cumulative loss is recognized in the profit and loss account and removed from the available -for-sale financial assets.

4.12 Foreign currency translation

Transactions denominated in foreign currencies are initially translated to Pakistan rupees at the exchange rate prevailing on the dates of transactions, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies at year end are subsequently translated into Pakistan Rupees at the exchange rates ruling on that date. All non-monetary assets and liabilities are translated into Pak Rupees by using exchange rates that existed when the values were determined or on the date when fair values are determined. Exchange differences on the foreign currency translations are included in the profit and loss account.

4.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash and cheques in hand and at banks and include short term highly liquid investments. The cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

4.14 Related party transactions and transfer pricing

All transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.

4.15 Revenue recognition

Revenue is recongnised to the extent it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable and is recognised on the following basis;

Revenue from sales of goods is recognized when the significant risks and rewards of the ownership of the goods have been passed to the customer usually when goods are delivered/ dispatched and title has passed.

Profit on bank deposits is recognized on the time-apportioned basis on the principal amount outstanding using the effective rate of return applicable.

Profit on short term investment is recognised on the time-apportioned basis.

4.16 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acqusition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets. All other borrowing costs are charged to current year income.

4.17 Dividend and other appropriations

Dividend is recognized as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

4.18 Financial instruments

Financial instruments carried on the balance sheet include deposits, trade debts, advances, other receivables, cash and bank balances, short term borrowings, long term financing, accrued mark-up and trade and other payables. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acqusition, except for "Financial instrument at fair value through profit or loss" which is measured initially at fair value.

Financial assets are de-recognized when the Company looses control of the contractual rights that comprise the financial asset. The Company looses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the following individual policy statements associated with each items and in the accounting policy of investments.

a) Trade and other Receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

b) Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost; any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest rate method.

c) Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

4.19 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidences that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company considers evidence of impairment for receivables and other financial assets at specific asset levels. Losses are recognized as an expense in the profit and loss account. When a subsequent event causes the amount of impairment loss to decrease, this reduction is reversed through the profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized as an expense in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessment of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.20 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2012 Rupees	2011 Rupees
Operating fixed assets	5.1	399,305,694	275,376,010
Capital work in progress	5.5	28,053,334	-
		427,359,028	275,376,010

5.1 OPERATING FIXED ASSETS

2012

DESCRIPTION	COST / REVALUATION As at July 1, 2011	Addition/ (deletion)	Surplus on Revaluation	As at June 30, 2012	DEPRECIATION As at July 1, 2011	For the year	As at June 30, 2012	W.D.V As at June 30, 2012	Rate %
Freehold land	63,040,000	-	15,760,000	70,000,000	-	-	-	70,000,000	-
Building on freehold land									
- factory	99,954,726	-	52,612,689	152,567,415	34,342,819	3,280,596	37,623,415	114,944,000	5
- residential	20,034,800	-	8,612,709	28,647,509	6,889,968	657,241	7,547,209	21,100,300	5
Plant and machinery	175,936,404	497,919	28,200,997	204,635,320	64,415,106	5,690,214	69,995,320	134,640,000	5
Power Generators	15,466,978	360,000	13,826,932	29,653,910	1,193,569	1,460,341	2,653,910	27,000,000	10
Electric installations	12,569,808	-	4,051,790	16,621,598	10,071,797	249,801	10,321,598	6,300,000	10
Factory equipments	2,711,074	-	12,074,001	14,786,075	2,126,631	68,444	2,186,075	12,600,000	10
Electric appliances	940,688	-	-	940,688	702,468	23,822	726,290	214,398	10
Office equipments	2,771,455	17,900	-	2,789,355	1,633,914	115,095	1,749,009	1,040,346	10
Furniture and fixtures	290,516		-	290,516	234,801	6,572	240,373	50,143	10
Vehicles	10,278,507	-	-	10,278,507	7,007,873	654,127	7,662,000	2,616,507	20
Total 2012	403,994,956	875,819	135,138,118	540,009,893	128,618,946	12,085,253	140,704,199	399,305,694	

2011

DESCRIPTION	COST / REVALUATION As at July 1, 2010	Addition/ (deletion)	Surplus on Revaluation	As at June 30, 2011	DEPRECIATION As at July 1, 2010	For the year	As at June 30, 2011	W.D.V As at June 30, 2011	Rate %
Freehold land	63,040,000	-	-	63,040,000	-	-	-	63,040,000	-
Building on freehold land									
- factory	99,954,726	-	-	99,954,726	27,052,607	7,290,212	34,342,819	65,611,907	10
- residential	20,034,800	-	-	20,034,800	5,429,431	1,460,537	6,889,968	13,144,832	10
Plant and machinery	175,936,404			175,936,404	53,381,521	11,033,585	64,415,106	111,521,298	UPM
Power Generators	-	15,466,978	-	15,466,978	-	1,193,569	1,193,569	14,273,409	10
Factory equipments	2,711,074	-	-	2,711,074	2,061,693	64,938	2,126,631	584,443	10
Electric appliances	940,688	-	-	940,688	675,999	26,469	702,468	238,220	10
Office equipments	2,600,555	170,900	-	2,771,455	1,518,970	114,944	1,633,914	1,137,541	10
Electric installations	12,569,808	-	-	12,569,808	9,794,240	277,557	10,071,797	2,498,011	10
Furniture and fixtures	290,516		-	290,516	228,610	6,191	234,801	55,715	10
Vehicles	8,524,470	1,754,037	-	10,278,507	6,446,011	561,862	7,007,873	3,270,634	20
Total 2011	386,603,041	17,391,915		403,994,956	106,589,082	22,029,864	128,618,946	275,376,010	

	2012 Rupees	2011 Rupees
5.2 Depreciation has been allocated as under;		
Cost of sales	11,310,459	21,346,867
Administrative expenses	774,794	682,997
	12,085,253	22,029,864

5.3 Had there been no revaluation, the related figures of freehold land, building on freehold land, plant and machinery, factory equipments, electric installations and power generators as at June 30 would have been as follows:

	2012		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	27,778,877	4,740,247
- Residential	5,664,294	4,906,449	757,845
Plant and machinery	232,617,607	185,315,577	47,302,030
Factory equipments	2,711,074	2,185,075	525,999
Electric installations	12,569,808	10,321,598	2,248,210
Power Generators	15,826,978	2,653,910	13,173,068
	305,757,760	233,161,486	72,596,274

	2011		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	27,529,390	4,989,734
- Residential	5,664,294	4,866,562	797,732
Plant and machinery	232,119,688	182,847,835	49,271,853
	274,151,981	215,243,787	58,908,194

5.4 During the year the Company has changed its method of charging depreciation on plant and machinery from unit of production method to reducing balance method and also has changed the rate of depreciation on building on freehold land from 10 % to 5%. Had there been no change, the profit before taxation for the year would have been decreased by Rs. 8,737,992/-

	2012 Rupees	2011 Rupees
5.5 Capital work in progress		
Plant and machinery	28,053,334	-

	Note	2012 Rupees	2011 Rupees
6. LONG TERM DEPOSITS			
Security deposits		17,197,833	17,021,926
7. STORES AND SPARES			
Stores		3,727,047	3,259,760
Spares		3,426,344	4,541,299
		7,153,391	7,801,059
8. STOCK IN TRADE			
Raw material		19,675,409	-
Work in process		4,721,559	-
Finished goods		8,108,206	55,811
		32,505,174	55,811
9. TRADE DEBTS			
Considered good			
Foreign - secured against LC		4,896,280	-
Local - unsecured		3,330,909	-
		8,227,189	-
10. ADVANCES, PREPAYMENT AND OTHER RECEIVABLES			
Considered good			
Advances to suppliers		1,545,069	3,216,082
Advances to employees		70,121	568,174
Prepaid insurance		105,560	113,328
Sales tax receivable		3,735,289	2,368,926
Others		864,774	864,774
		6,320,813	7,131,284
11. SHORT TERM INVESTMENT			
Available-for-sale			
NAFA Government Securities Liquid Fund	11.1	269,805	27,337,641

11.1 These have been valued by using published net asset value (NAV) As at 30 June 2012, the number of units held by the Company are 26,840.0988 units (2011: 2,638,921.2467 units).

	2012 Rupees	2011 Rupees
12. CASH AND BANK BALANCES		
Cash in hand	188,801	5,330
Cash at bank		
In current accounts - including US$ 970 (2011: US$: 970)	230,417	467,621
In deposit accounts	17,606,688	7,869,285
	17,837,105	8,336,906
	18,025,906	8,342,236

	2012 Rupees	2011 Rupees
13. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Balance as on July 01,	205,907,317	216,229,507
Surplus on revaluation created during the year	135,139,118	-
	341,046,435	216,229,507
Incremental depreciation on revalued property, plant and equipment		
for the year transferred to accumulated loss	(7,335,810)	(15,051,640)
Related effect of deferred tax liability	2,311,441	4,729,450
	(5,024,369)	(10,322,190)
Balance as on June 30,	336,022,066	205,907,317

This represents surplus on revaluation of freehold land, building on freehold land, plant and machinery, factory equipments, electric installations and power generators. Revaluation of freehold land on market value, building on freehold land and plant and machinery on depreciated replacement values was carried out by M/S Yousaf Adil Saleem & Co. Chartered Accountants as on September 30, 1998 and by M/S Nizamy Associates as on June 30, 2007 and June 30, 2012.

	Note	2012 Rupees	2011 Rupees
14. LONG TERM FINANCING			
From banking companies - secured			
IBRD foreign currency	14.1	164,509	164,509
Demand finance	14.2	14,946,241	14,946,241
		15,110,750	15,110,750
From related parties - unsecured			
Chief executive, Directors and Members	14.3	177,199,168	178,060,306
		192,309,918	193,171,056

14.1 It is secured against first charge by way of equitable mortgage on fixed assets of the Company, hypothecation of plant and machinery and equipment and floating charge on book debts. It is further secured by a demand promissory note and personal guarantees of the directors of the Company. It is subject to markup @ 14% per annum (provision of markup not accounted for as described in note 17.2). In case of default in payment of any installment of principal and/or markup on due date, additional markup @ 5% per annum will be payable on the amount of default.

However the company has filed a suit against charging the compound mark up by MCB Bank Limited. The bank has also filed a counter suit against the Company. In the opinion of the management, the suits are not likely to be finally decided in the next twelve months from the balance sheet date, hence shown as non current liability.

14.2 These represent credit facilities created against deferral of installments of IBRD foreign currency loan and are covered against securities provided to secure the loan in note 14.1. These are subject to mark up ranging from 14% to 17% per annum (markup provision not accounted for as described in note 17.2).

14.3 These are interest free. Terms of repayment have not been decided so far, however it is confirmed by lenders that they will not demand repayment within twelve months from balance sheet date.

	Note	2012 Rupees	2011 Rupees
15. DEFERRED LIABILITIES			
Deferred taxation	15.1	66,361,444	37,035,953
Staff retirement gratuity	15.2	-	568,759
Deferred custom levies	15.3	5,591,401	5,591,401
		71,952,845	43,196,113

15.1 DEFERRED TAXATION

	Note	2012 Rupees	2011 Rupees
15.1.1 Balance as on July 01,		37,035,953	38,410,936
Provided/(adjusted) during the year		29,325,491	(1,374,983)
Balance as on June 30,	15.1.2	66,361,444	37,035,953
15.1.2 This comprise of following:			
Deferred tax liability:			
Taxable temporary differences relating to operating assets		79,115,577	56,406,744
Deferred tax assets:			
Deductible temporary differences on:			
Tax losses		(12,754,133)	(19,192,078)
Staff retirement benefits		-	(178,713)
		(12,754,133)	(19,370,791)
		66,361,444	37,035,953

15.2 STAFF RETIREMENT GRATUITY

	2012 Rupees	2011 Rupees
Balance as on July 01,	568,759	1,619,139
Paid during the year	(568,759)	(1,050,380)
Balance as on June 30,	-	568,759

	2012 Rupees	2011 Rupees
15.3 DEFERRED CUSTOM LEVIES	5,591,401	5,591,401

It represents 70% of the import duty and surcharge on ring spinning frames levied by the custom authorities. Whereas SRO 1076(I)/95 provides that 30% of total import duty and surcharge was levieable which the Company has already paid. However, this long outstanding issue is pending with the custom authorities and is not expected to be settled in near future.

	Note	2012 Rupees	2011 Rupees
16. TRADE AND OTHER PAYABLES			
Trade creditors		32,101,293	13,730,519
Accrued expenses		16,161,798	6,577,529
Advances from customers		5,361,819	-
Withholding tax payable		89,105	194,486
Unclaimed dividend		443,720	443,720
Provident fund		654,706	93,562
Workers' profit participation fund	16.1	630,022	29,255
		55,442,463	21,069,071

16.1 Workers' profit participation fund

	2012 Rupees	2011 Rupees
Balance as at July 01,	29,255	145,130
Interest on funds utilized in the Company's business	-	7,576
	29,255	152,706
Allocation for the year	630,022	21,679
	659,277	174,385
Less : Payments during the year	(29,255)	(145,130)
	630,022	29,255

17. CONTINGENCIES AND COMMITMENTS

Contingencies

17.1 The Faysal Bank Limited has filed an appeal before the Lahore High Court, Lahore, against the decision in favour of Company by the Appellate Authorities. The mark up claim of Rs. 29.955 million (2011: Rs. 29.955 million) has not been acknowledged by the Company on the ground that the Appellate Authorities have already been given their verdict in favour of the Company, although the concerned bank has filed an appeal before the Lahore High Court against such decision. Subsequently on 6 July 2010, the Honourable Lahore High Court has remitted back the case to Banking Court-II, Faisalabad for necessary calculations. However, the Company has filed an appeal before the Honourable Supreme Court of Pakistan against the decision of the Honourable Lahore High Court. The management of the company is affirmed that the case will be decided in its favour. Due to litigation, the bank has not confirmed current accounts balances of Rs. 20,889/-appearing in these financial statements.

17.2 The Company has filed a suit of rendition of accounts against charging excessive rate of mark up by MCB Bank Limited instead of agreed in all financing facilities availed in 1996. The bank has also filed a counter suit against the Company for recovery of outstanding liabilities. In the opinion of the management and legal advisor the case of the Company is based on strong legal grounds as the superior courts have already decided certain cases against charging of compound markup / profit and the case of the Company is also based on similar question of law. Due to litigation, the bank has not confirmed the balances appearing in these financial statements. However the management of the Company has decided that further mark up on long term financing from MCB Bank Limited will not be charged from July 01, 2008 to June 30, 2012 on the basis that as per management's assertion, the provision of Rs. 22.032 million already existed in the books of account is much excess than the amount that may be payable on the occurrence of the uncertain future event(s); as the case of the Company is based on strong legal grounds.

17.3 Two employees have filed suits against the company in Labour Court for the claim of outstanding dues against their services. The financial impact of the cases is immaterial. The legal advisor has confirmed that the Company is at sound footing and prima facie all the cases are expected to be decided in the favour of M/S J.A Textile Mills Limited.

17.4 The Company has filed an appeal before Punjab Labour Appellate Tribunal against the decision of Labour Court No.4, Faisalabad. The case is filed by the employee for the claim of reinstatement of his services and dues. In compliance with the order of Punjab Labour Appellate Tribunal. Rs.119,774/- as 50% of employee's dues have been deposited with Punjab Labour Appellate Tribunal. The financial impact of the case is immaterial. The legal advisor has confirmed that the Company is at sound footing and prima facie all the cases are expected to be decided in the favour of M/S J.A Textile Mills Limited.

18. SALES - NET

	Note	2012 Rupees	2011 Rupees
Yarn sales			
Export	18.1	19,176,077	137,521,325
Local		542,293,020	526,767,829
Waste sales - local		28,326,736	54,567,227
		589,795,833	718,856,381
Less: Commission		(531,947)	(2,634,807)
		589,263,886	716,221,574

18.1 It includes exchange gain/(loss) Rs.7,285/- (2011: Rs.70,554/-)

	Note	2012 Rupees	2011 Rupees
19. COST OF SALES			
Raw material consumed	19.1	433,961,538	539,948,019
Stores and spares consumed		12,662,918	10,960,493
Packing material consumed		5,817,115	7,085,799
Salaries, wages and benefits		47,320,645	40,847,400
Provident fund		1,306,843	1,466,496
Fuel and power		64,030,375	59,709,544
Repairs and maintenance		561,662	894,763
Postage and telecommunication		67,751	63,966
Vehicles running and maintenance		604,721	477,655
Insurance		1,680,748	1,883,516
Depreciation	5.2	11,310,459	21,346,867
Others		432,953	681,531
		579,757,728	685,266,049
Work in process			
Balance as on July 01,		-	-
Balance as on June 30,		(4,721,559)	-
		(4,721,559)	-
Finished goods			
Balance as on July 01,		55,811	15,798,103
Balance as on June 30,		(8,108,206)	(55,811)
		(8,052,395)	15,742,292
		566,983,774	701,008,341
19.1 RAW MATERIAL CONSUMED			
Balance as on July 01,		-	1,731,970
Purchases		453,636,947	538,216,049
		453,636,947	539,948,019
Balance as on June 30,		(19,675,409)	-
		433,961,538	539,948,019
20. DISTRIBUTION COSTS			
Ocean freight		130,073	2,632,257
Shipping expenses		149,750	533,464
Local freight		233,200	1,285,577
Postage and telephone		71,781	7,994
Others		13,958	101,707
		598,762	4,560,999
21. ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		4,850,354	5,077,879
Provident fund		212,210	229,138
Postage and telecommunication		473,501	544,255
Electricity, gas and water		887,988	325,945
Printing and stationery		277,539	301,602
Traveling and conveyance		823,169	371,469
Fee and subscriptions		726,346	641,786
Legal and professional		966,946	1,117,879
Repairs and maintenance		36,839	63,289
Auditors' remuneration	21.1	320,000	252,550
Insurance		335,671	215,244
Depreciation	5.2	774,794	682,997
Others		461,948	462,319
		11,147,305	10,306,352

	Note	2012 Rupees	2011 Rupees
21.1 AUDITORS' REMUNERATION			
Statutory audit		250,000	250,000
Half yearly review		50,000	-
Out of pocket expenses		20,000	2,550
		320,000	252,550
22. OTHER EXPENSES			
Workers' welfare fund		250,832	293,149
Workers' profit participation fund		630,022	21,679
Balance written off		145,450	35,810
		1,026,304	350,638
23. FINANCE COSTS			
Interest on workers' profit participation fund		-	7,576
Bank charges and commission		150,469	742,368
		150,469	749,944
24. OTHER OPERATING INCOME			
Income from financial assets			
Profit on deposit accounts		1,303,983	409,188
Profit on short term investment		573,783	96,575
Exchange gain on foreign currency translation		8,294	485
Income from non-financial assets			
Balances written back		476,260	3,757
		2,362,320	510,005
25. TAXATION			
Current	25.1	5,872,619	7,650,861
Deferred		29,325,491	(1,374,983)
Prior year		(14,199)	50,132
		35,183,911	6,326,010

25.1 In view of the available tax losses, provision for current taxation is based on turnover under Section 113 of the Income Tax Ordinance, 2001 for sales under normal law and under section 154 read with section 169 for sales under final tax regime. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not required in view of turnover and final taxation.

25.2 Reconciliation of tax expense and accounting profit has not been presented in these financial statements due to the reason discussed in note 25.1 above.

26. EARNINGS PER SHARE-BASIC	2012	2011
Loss for the year (Rupees)	(23,464,319)	(6,570,705)
Weighted average number of ordinary shares outstanding during the year	12,601,160	12,601,160
Loss per share-basic (Rupees)	(1.86)	(0.52)

There is no dilutive effect on the basic earnings per share of the Company.

27. REMUNERATION TO DIRECTORS

No remuneration is paid to the Chief Executive Officer, however Chief Executive Officer and Executive Directors are entitled to free use of Company maintained cars. The monetary value of these benefits is approximately Rs. 95,237/- (2011: Rs. 74,195/-).

No employee of the company falls within the definition of executive as defined in the 4th schedule to the Companies Ordinance, 1984.

28. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to financial statements. Remuneration of Chief Executive Officer, Directors and Executives is disclosed in Note 27. There is no other significant transactions with related parties.

	2012 Rupees	2011 Rupees
Company's contribution to provident fund	1,519,053	1,695,634
Repayments to CEO/directors/members	1,761,138	-
Loan from CEO/directors/members	900,000	3,190,942

29. PLANT CAPACITY AND PRODUCTION	2012	2011
Number of spindles installed	21,528	21,528
Number of spindles worked	20,750	21,528
Number of shifts worked per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	6,916,560	6,916,560
Actual production of yarn after conversion into 20/s count (Kgs)	3,831,008	3,722,021

Reasons for shortfall

The short fall in actual production during the year when compared with capacity is mainly on account of:

- Temporary closure of business for maintenance and unfavourable market conditions and economic slow down in the country;
- The actual production is planned to meet the market demand and orders in hand; and
- Shortage of electricity.

30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

30.1 Financial assets and liabilities by category and their respective maturities

Financial assets and liabilities of the company are as follows -

	June 30, 2012						
	Interest/mark-up bearing			Non interest/mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
				RUPEES			
Financial assets							
Available-for-sale							
- Investment (NAFA Government Securities)				269,805	-	269,805	**269,805**
Long term deposits	-	-	-	-	17,197,833	17,197,833	**17,197,833**
Trade debts	-	-	-	8,227,189	-	8,227,189	**8,227,189**
Advances, prepayment and other receivables	-	-	-	970,334	-	970,334	**970,334**
Cash and bank balances	17,606,688	-	17,606,688	419,218	-	419,218	**18,025,906**
	17,606,688	-	17,606,688	9,886,546	17,197,833	27,084,379	**44,691,067**
Financial liabilities							
At amortized cost							
Long term financing	-	15,110,750	15,110,750	-	177,199,168	177,199,168	**192,309,918**
Trade and other payables	-	-	-	49,361,517	-	49,361,517	**49,361,517**
Accrued mark up/interest on long term financing	-	-	-	22,031,875	-	22,031,875	**22,031,875**
	-	15,110,750	15,110,750	71,393,392	177,199,168	248,592,560	**263,703,310**
Excess of financial liabilities over financial assets	**17,606,688**	**(15,110,750)**	**2,495,938**	**(61,506,846)**	**(160,001,335)**	**(221,508,181)**	**(219,012,243)**

	June 30, 2011						
	Interest/mark-up bearing			Non interest/mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
				RUPEES			
Financial assets							
Available-for-sale							
- Investment (NAFA Government Securities)	-	-	-	27,337,641	-	27,337,641	27,337,641
Loans and receivables							
Long term deposits	-	-	-	-	17,021,926	17,021,926	17,021,926
Trade debts	-	-	-	-	-	-	-
Advances, prepayment and other receivables	-	-	-	864,774	-	864,774	864,774
Cash and bank balances	7,869,285	-	7,869,285	472,951	-	472,951	8,342,236
	7,869,285	-	7,869,285	28,675,366	17,021,926	45,697,292	53,566,577
Financial liabilities							
At amortized cost							
Long term financing	-	15,110,750	15,110,750	-	178,060,306	178,060,306	193,171,056
Trade and other payables	-	-	-	20,845,330	-	20,845,330	20,845,330
Accrued mark up/interest on long term financing	-	-	-	22,031,875	-	22,031,875	22,031,875
	-	15,110,750	15,110,750	42,877,205	178,060,306	220,937,511	236,048,261
Excess of financial liabilities over financial assets	**7,869,285**	**(15,110,750)**	**(7,241,465)**	**(14,201,839)**	**(161,038,380)**	**(175,240,219)**	**(182,481,684)**

The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair value.

30.2 FINANCIAL RISK MANAGEMENT

30.2.1 Financial risk factors

The Company has exposed a variety of financial risks for its use of financial instruments: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Board of Director has overall responsibility for the establishment and oversight of Company's risk management framework. the Board is also responsible for developing and monitoring the Company's risk management policies.

a) Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instruments will fail to discharge its contractual obligations and cause the other party to incur a financial loss. The Company is exposed to credit risk on deposits, trade debts, short term investment, profit accrued on bank deposits and bank balances. Out of the total financial assets of Rs. 44,691,067/-(2011: Rs. 53,566,577), the financial assets which are subject to credit risk amounted to Rs. 44,396,706/- (2011: Rs. 53,561,247/-) The carrying value of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as under

	2012 Rupees	2011 Rupees
Long term deposits	17,197,833	17,021,926
Trade debts	8,227,189	-
Other receivables	864,774	864,774
Short term investment	269,805	27,337,641
Bank balances	17,837,105	8,336,906
	44,396,706	53,561,247

Credit quality of financial assets

The credit quality of the company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit rating determined based on their historical information for any defaults in meeting obligations.

	Rating			2012	2011
	Short term	Long term	Agency	Rupees	Rupees
Bank balances					
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	629,527	596,040
Bank Al-Habib Limited	A1+	AA+	PACRA	3,781	3,761
Faysal Bank Limited	A1+	AA	PACRA	20,889	20,889
JS Bank Limited	A1	A+	PACRA	4,796,605	7,010,160
Meezan Bank Limited	A-1+	AA-	JCR-VIS	-	13,782
National Bank of Pakistan	A-1+	AAA	JCR-VIS	77,181	71,617
Soneri Bank Limited	A1+	AA-	PACRA	-	11,861
Silkbank Limited	A-2	A-	JCR-VIS	-	960
United Bank Limited	A-1+	AA+	JCR-VIS	9,578,595	608,936
Dubai Islamic Bank (Pakistan) Limited	A-1	A	JCR-VIS	2,730,567	-
				17,837,105	8,336,906
		Rating			
Short term investments					
NAFA Government Securities Liquid Fund		AAA		269,805	27,337,641
Counterparties without external credit rating					
Other receivables				864,774	864,774

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents.

Financial assets and financial liabilities maturing within twelve months are prescribed in note 30.1.

c) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables or payables that exist due to transactions in foreign currencies.

Financial assets include Rs. 4,987,800/- (2011: Rs. 83,228/-) which are subject to currency risk.

At June 30, 2012 had the currency been weakened / strengthened by 5% against the foreign currency with all other variables held constant, profit for the year and equity would have been Rs. 229,439/- (2011: Rs.3,828/-) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign currency denominated trade debts and foreign currency bank accounts.

(ii) Interest rate risk

Interest rate risk represents the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long term interest bearing financial assets. The Company's interest rate risk arises from long term financing. Borrowings obtained at variable rates exposes the Company to cash flow interest rate risk. Borrowings obtained at fixed rate exposes the company to fair value interest rate risk.

	2012 Rupees	2011 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	**15,110,750**	15,110,750
Floating rate instruments		
Financial assets		
Bank balance-deposit accounts	**17,606,688**	7,869,285

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, loss after taxation for the year would have been Rs 114,444/- (2011: Rs 51,150/-) higher / lower. The analysis is prepared assuming the amounts of bank balances outstanding at the balance sheet date were outstanding for the whole year.

(iii) Price risk

Price risk represents risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market.

The company does not believe to have been materially exposed to price risk as its investment is in NAFA Government Securities Liquid Fund.

30.2.2 **Capital risk management**

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

The Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing obtained by the Company. Total capital employed includes 'total equity' plus "borrowings". The Company's strategy, which was unchanged from the last year, was to maintain a gearing ratio of 40% debt and 60% equity.

	2012 Rupees	2011 Rupees
Borrowings	192,309,918	193,171,056
Total equity	367,202,077	256,361,916
Total capital employed	559,511,995	449,532,972
Gearing ratio	34.37	42.97

30.3 **Fair value of financial assets and liabilities**

The carrying value of financial assets and liabilities approximate their fair value.

31. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the comparison. Major reclassification made in the corresponding figures for better presentation are as under:

	Rs	Reclassification From	Reclassification To
Loan and advances	3,784,256	Loan and advances	Advances, prepayment and other receivables
Deposits and prepayments	113,328	Deposits and prepayments	
Other receivables	3,233,700	Other receivables	
Increase in fair value of financial assets - investment	327,641	Other Operating Income	Other comprehensive income for the year

32. DATE OF AUTHORISATION FOR ISSUE

32.1 The financial statements were authorized for issue on **OCTOBER 08, 2012** by the Board of Directors of the Company.

32.2 Figures in these financial statements have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE DIRECTOR

FORM - 34

PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2012

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
156	1	100	14,104
1,470	101	500	705,679
56	501	1,000	55,100
69	1,001	5,000	167,962
15	5,001	10,000	120,882
2	10,001	15,000	21,500
4	15,001	20,000	76,044
2	250,001	255,000	503,400
1	45,001	50,000	46,700
1	580,001	585,000	584,300
1	625,001	630,000	630,000
1	60,001	65,000	64,480
1	70,001	75,000	73,800
1	135,001	140,000	136,935
1	575,001	580,000	575,053
1	675,001	680,000	677,361
1	1,160,001	1,165,000	1,164,850
1	6,990,001	6,995,000	6,993,010
1,784			12,601,160

NOTE: The slabs not applicable have not been shown.
(*) The shareholder holds 10% or more shares

Categories of Shareholders		Number	Shares Held	Holding Percentage
Individuals.		1,765	3,700,930	29.37
N. I. T.		1	759,285	6.03
I. C. P.		1	5,700	0.05
Mr. Imran Zahid	(CEO/Director)	1	630,000	5.00
Ms. Quratul Ain Zahid	(Director)	1	326,500	2.59
Mr. Zia Ullah Khan Dilawar	(Director)	1	2,500	0.02
Mr. Muhammad Anwar ul Haq	(Director)	1	2,500	0.02
Mr. Muhammad Ikhlaq	(Director)	1	2,500	0.02
Mr. Sohail Farooq	(Director)	1	2,500	0.02
Malik Shamsher Khan	(Director)	1	2,500	0.02
(*) Mr. Zahid Anwar		1	6,993,010	55.49
Saudi Pak Ind & Inv (pvt) Ltd		1	200	0.00
Adamjee Insurance Co Ltd		1	1,000	0.01
Altowfeek Investment Bank Ltd		1	20,000	0.16
J. K. Experts (pvt) Ltd		1	100	0.00
Islamic Investment Bank Ltd		1	10,000	0.08
The Bank of Punjab		1	136,935	1.09
Moosani Securities (pvt) Ltd.		1	4,000	0.03
Pasha Securities (pvt) Ltd.		1	1,000	0.01
National Development Finance Corp.		1	1,000	0.01
		1,784	12,601,160	100.00

STATEMENT SHOWING SHARES BOUGHT AND SOLD BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSE AND MINOR CHILDREN FROM 01-07-2011 TO 30-06-2012.

Name	Designation	Shares Bought	Shares Sold
NILL	NILL	NILL	NILL

ANNUAL GENERAL MEETING

FORM OF PROXY

IMPORTANT

This Form of Proxy, in order to be effective, must be deposited duly completed at the Company's Registered Office JK House, 32-W, Susan Road, Madina Town, Faisalabad, not less than 48 hours before the time of holding the meeting.

A proxy must be a member of the Company. Signature should agree with the specimen registered with the company.

Please quote Registered Folio Number

I/We ______________________________

of ______________________________

being a member of the J. A. Textile Mills Limited ____________________ and holder

of ____________________ ordinary shares, hereby appoint

____________________ of ____________________

who is also a member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office of the Company, JK House, 32-W, Susan Road, Madina Town, Faisalabad, on 31.10.2012 at 9:00 a.m. or at any adjournment thereof.

As witness my/our hand this ____________ day of ____________ 2012

Signed by the said ____________________ in the presence of

____

Date: ____________ (Member's Signature)

Place ____________ (Witness's Signature)

Affix Rs. 5/- revenue stamp which must be cancelled either by signature over it or by some other means