

QUARTERLY REPORT

**SEPTEMBER 30,
2013**

(UN-AUDITED)



J. A. Textile Mills Limited



COMPANY INFORMATION

Board of Directors

Chief Executive:	Mr. Imran Zahid
Directors:	Mr. Zahid Anwar
	Mrs. Rukhsana Begum
	Ms. Quratul-Ain Zahid
	Mr. Muhammad Anwar-ul-Haq
	Mr. Muhammad Yousaf
	Mr. Muhammad Ali

Audit Committee:

Chairman:	Mr. Muhammad Anwar-ul-Haq
Member:	Mr. Muhammad Yousaf
Member:	Mr. Muhammad Ali

Human Resources & Remuneration (HR&R) Committee:

Chairman:	Mr. Muhammad Yousaf
Member:	Mr. Imran Zahid
Member:	Mr. Muhammad Ali

Company Secretary: Mr. Ajmal Shabab

Chief Financial Officer: Mr. Aftab Younis

Head of Internal Audit: Mr. Muhammad Umer Farooq

Auditors: Hyder Bhimji & Company, Chartered Accountants

Banks: Al Baraka Islamic Bank B.S.C. (E.C.)
Dubia Islamic Bank Pakistan Limited
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.) Limited
Plot No. 2-C, Mezzanine Floor, Badar Commercial Area, Street
No. 9, Phase-V(Ext.), D. H. A., Karachi.

Mills: 29-KM, Sheikhpura Road, Faisalabad.

Web Site: www.jatml.com



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Board of Directors is pleased to present un-audited accounts for the 1st quarter ended September 30, 2013.

The operations have resulted in a profit before taxation of Rs. 3.324 million as compared to profit of Rs. 10.883 million in corresponding period of last year.

During the financial year ended June 30, 2013, your company has opened a Letter of credit of Rupees 15.988 million for acquiring the remaining 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 near to complete. Therefore we are quite optimistic about the bright future of your company.

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, 2013.

Earnings per share - basic for the quarter under review is Rs. 0.09 positive in comparison to Rs. 0.51 negative in the corresponding period of last year.

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

**FAISALABAD
OCTOBER 28, 2013**

**IMRAN ZAHID
CHIEF EXECUTIVE**



**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2013**

ASSETS	Note	Unaudited	Audited
		September 30, 2013	June 30, 2013
		----- Rupees -----	
NON CURRENT ASSETS			
Property, plant and equipment	4	429,187,573	414,991,616
Capital work in progress		-	1,084,650
Long term deposits		<u>17,171,926</u>	<u>17,171,926</u>
		<u>446,359,499</u>	<u>433,248,192</u>
CURRENT ASSETS			
Stores and spares		7,481,718	8,065,296
Stock in trade		52,554,211	87,237,176
Trade debts		6,883,574	7,962,413
Advances, prepayments and other receivables		8,523,980	3,115,879
Short term investment		298,440	293,133
Tax refunds due from Government		7,857,550	7,747,271
Cash and bank balances		<u>54,983,994</u>	<u>24,390,863</u>
		138,583,467	138,812,031
		<u>584,942,966</u>	<u>572,060,223</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized 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>(167,353,011)</u>	<u>(170,731,401)</u>
		<u>(41,341,411)</u>	<u>(44,719,801)</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	5	232,945,688	235,178,750
NON CURRENT LIABILITIES			
Long term financing		183,065,539	186,179,049
Deferred liabilities		101,066,605	101,012,763
		284,132,144	287,191,812
CURRENT LIABILITIES			
Trade and other payables		87,174,670	72,377,587
Accrued mark up/ interest		22,031,875	22,031,875
		109,206,545	94,409,462
CONTINGENCIES AND COMMITMENTS	6	-	-
		<u>584,942,966</u>	<u>572,060,223</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2013 (Un-Audited)**

	Note	Quarter ended	
		September 30, 2013	September 30, 2012
		----- Rupees -----	
Sales-net		204,389,302	209,554,987
Cost of sales	7	198,229,000	196,353,331
Gross profit		6,160,302	13,201,656
Operating expenses			
Distribution costs		6,967	109,773
Administrative expenses		2,840,162	2,542,299
Other operating expenses		174,953	-
Finance costs		23,695	49,763
		3,045,777	2,701,835
		3,114,525	10,499,821
Other operating income		209,584	383,321
Profit before taxation		3,324,109	10,883,142
Taxation		2,178,781	17,347,093
Profit/(loss) for the period		1,145,328	(6,463,951)
Earnings/(loss) per share - Basic		0.09	(0.51)

The annexed notes 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2013 (Un-Audited)**

	Quarter ended	
	September 30, 2013	September 30, 2012
	----- Rupees -----	
Profit/(loss) for the period	1,145,328	(6,463,951)
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period	<u>1,145,328</u>	<u>(6,463,951)</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE**DIRECTOR**



**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2013 (Un-Audited)**

	Quarter ended	
	September 30, 2013	September 30, 2012
	----- Rupees -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,324,109	10,883,142
Adjustments for non cash and other items:		
Depreciation	4,961,918	4,694,575
Profit on deposits	(204,277)	(376,579)
Gain on short term investment	(5,307)	(6,742)
Finance costs	23,695	49,763
Workers' profit participation fund	174,953	-
Provision for taxation	-	118,661
Operating cash flows before working capital changes	<u>8,275,091</u>	<u>15,362,820</u>
Changes in working capital		
Decrease/(increase) in current assets		
Stores and spares	583,578	(2,328,851)
Stock in trade	34,682,965	(5,935,156)
Trade debts	1,078,839	5,701,830
Advances, prepayments and other receivables	(5,408,101)	(5,059,532)
Increase in current liabilities		
Trade and other payables	14,622,130	10,607,236
	<u>45,559,411</u>	<u>2,985,527</u>
Cash generated from operations	<u>53,834,502</u>	<u>18,348,347</u>
Finance cost paid	(23,695)	(49,763)
Taxes paid	(2,235,218)	(903,756)
Net cash generated from operating activities	<u>51,575,589</u>	<u>17,394,828</u>
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(18,073,225)	111,084
Profit on deposits	204,277	376,579
Short term investment	(5,307)	(6,742)
Gain on short term investment	5,307	6,742
Net cash (used in)/ generated from investing activities	<u>(17,868,948)</u>	<u>487,663</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(3,113,510)	(361,615)
Net cash used in financing activities	<u>(3,113,510)</u>	<u>(361,615)</u>
Net increase in cash and cash equivalents (a+b+c)	<u>30,593,131</u>	<u>17,520,876</u>
Cash and cash equivalents at the beginning of the period	<u>24,390,863</u>	<u>18,025,906</u>
Cash and cash equivalents at the end of the period	<u>54,983,994</u>	<u>35,546,782</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2013 (Un-Audited)**

	Share capital	Accumulated loss	Total
	----- Rupees -----		
Balance as at July 01, 2012	126,011,600	(287,141,507)	(161,129,907)
Incremental depreciation on revalued property, plant and equipment for the period	-	3,637,796	3,637,796
Tax effect on incremental depreciation	-	(1,146,233)	(1,146,233)
Total comprehensive loss for the period	-	(6,463,951)	(6,463,951)
Balance as at September 30, 2012	126,011,600	(291,113,895)	(165,102,295)
Balance as at July 01, 2013	126,011,600	(170,731,401)	(44,719,801)
Incremental depreciation on revalued property, plant and equipment for the period	-	3,259,832	3,259,832
Tax effect on incremental depreciation	-	(1,026,770)	(1,026,770)
Total comprehensive income for the period	-	1,145,328	1,145,328
Balance as at September 30, 2013	126,011,600	(167,353,011)	(41,341,411)

The annexed notes 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE**DIRECTOR**



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013 (Un-Audited)**

1. The company and its operations

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.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2013. Comparative figures of the balance sheet are extracted from annual audited financial statements for the year ended June 30, 2013, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed financial statements for the quarter ended September 30, 2012.

3. Accounting policies

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the preceding year ended June 30, 2013.

4. Property, plant and equipment

	<u>Unaudited</u> September 30, 2013	<u>Audited</u> June 30, 2013
	----- Rupees -----	
Opening book value	414,991,616	399,305,694
Cost of additions during the period / year (Note 4.1)	19,157,875	36,034,224
Deletion during the period / year (Note 4.2)	-	(198,381)
	<u>434,149,491</u>	<u>435,141,537</u>
Depreciation charged for the period / year	<u>(4,961,918)</u>	<u>(20,149,921)</u>
	<u>429,187,573</u>	<u>414,991,616</u>

4.1 Additions during the period / year

Building on freehold land - residential	-	483,380
Plant and machinery	18,911,875	33,300,933
Power generator	235,000	343,536
Office equipments	11,000	18,000
Vehicles	-	1,888,375
	<u>19,157,875</u>	<u>36,034,224</u>

4.2 Deletion during the period / year

Vehicles	-	198,381
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	<u>Unaudited</u> <u>September 30,</u> <u>2013</u>	<u>Audited</u> <u>June 30,</u> <u>2013</u>
	----- Rupees -----	
5. Surplus on revaluation of property, plant and equipment		
Balance as on July 01,	235,178,750	244,693,379
Revaluation surplus created during the period / year	-	-
	<u>235,178,750</u>	<u>244,693,379</u>
Incremental depreciation on revalued property, plant and equipment transferred to accumulated loss	<u>3,259,832</u>	<u>13,889,482</u>
Related effect of deferred tax liability	<u>(1,026,770)</u>	<u>(4,374,853)</u>
	<u>2,233,062</u>	<u>9,514,629</u>
Balance as on September 30, / June 30,	<u><u>232,945,688</u></u>	<u><u>235,178,750</u></u>

This represents surplus on revaluation of freehold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipments. Revaluation of freehold land on market value, building on freehold land, plant and machinery, power generators, electric installations and factory equipments 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.

6. Contingencies and commitments

There has been no significant change in the contingencies and commitments since the last audited financial statements as on June, 30, 2013.

	<u>Quarter ended</u>	
	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u>
	----- Rupees -----	
7. Cost of sales		
Raw material consumed (Note 7.1)	141,044,458	149,441,919
Stores and spares consumed	4,694,483	4,168,467
Packing material consumed	2,482,009	1,930,464
Salaries and wages	20,892,662	16,397,353
Retirement benefits	580,381	481,425
Fuel and power	32,908,936	22,438,716
Repairs and maintenance	64,693	188,390
Postage and telecommunication	8,842	11,976
Vehicles running and maintenance	188,023	166,243
Insurance	513,831	482,409
Depreciation	4,753,560	4,536,414
Others	621,516	707,219
	<u>208,753,394</u>	<u>200,950,995</u>
Work in process		
Opening balance	<u>7,472,432</u>	<u>4,721,559</u>
Closing balance	<u>(7,077,780)</u>	<u>(4,855,606)</u>
	<u>394,652</u>	<u>(134,047)</u>
Cost of goods manufactured	<u>209,148,046</u>	<u>200,816,948</u>
Finished goods		
Opening balance	<u>22,479,270</u>	<u>8,108,206</u>
Closing balance	<u>(33,398,316)</u>	<u>(12,571,823)</u>
	<u>(10,919,046)</u>	<u>(4,463,617)</u>
	<u><u>198,229,000</u></u>	<u><u>196,353,331</u></u>

	Quarter ended	
	September 30, 2013	September 30, 2012
	----- Rupees -----	
7.1 Raw material consumed		
Opening balance	57,285,474	19,675,409
Purchases	95,837,099	150,779,411
	<u>153,122,573</u>	<u>170,454,820</u>
Closing balance	(12,078,115)	(21,012,901)
	<u><u>141,044,458</u></u>	<u><u>149,441,919</u></u>

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

9. Authorized for issue

These condensed interim financial statements were authorized for issue on **OCTOBER 28, 2013** by the Board of Directors of the Company.

10. General

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR