43^{rd}
ANNUAL REPORT
2024

Company Information

Chairperson
Mrs. Neelum Sohail Shaikh

Board of Directors /
Chief Executive
Sohail Farooq Shaikh

Directors
Farrukh Haroon Rashid
Mrs. Neelum Sohail Shaikh
Mrs. Sadia Mohsin Shaikh
Mr. Shahmeer Shaikh
Mr. Saleem Asghar Mian
Mr. Syed Ibrahim Ahmad

Audit Committee
Chairman - Mr. Syed Ibrahim Ahmed
Member - Mrs. Neelum Sohail Shaikh
Member - Mrs.Sadia Mohsin Shaikh

HR and Remuneration Committee
Chairman – Mr. Syed Ibrahim Ahmed
Member – Mr. Sohail Farooq Shaikh
Member - Mrs.Sadia Mohsin Shaikh

Company Secretary
Farzand Ali Khan Bangash

Chief Finance Officer
Mohammad Amjad Iqbal

Legal Advisor
Malik Qamar Afzal

Share Registrar
Corplinks (Pvt) Ltd., Lahore

Auditors
Crowe Hussain Chaudhury & Co
Chartered Accountants, Lahore

Registered Office
14-B, Civil Lines, Rawalpindi

Factory
Kabul River Railway Station
Mardan Road, Khyber Pakhtunkhwa

Vision

To excel in delivering highest standards quality Jute products to customers as per their customized needs.

Mission Statement

To transform Company into a modern and dynamic Jute Industry and to provide quality products to consumers and explore new markets to promote / extend sale of the Company's products through good governance and foster a sound and dynamic team, so as to achieve optimum profitablity

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 43rd Annual General Meeting of the members of Suhail Jute Mills Limited, ("the Company") is to be held on November 27th 2024 at the Registered Office of the Company, 14-B Civil Lines Rawalpindi at 15:30 PM.

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting held 28th October 2023.

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Director's and Auditor's Reports thereon.

3. To appoint Auditors of the Company for the year ending June 30, 2025 and fix their remuneration.

4. To discuss any other matter with the permission of the Chair.

By Order of the Board of Directors
Company Secretary

Rawalpindi Dated: November 05, 2024

1. The Register of members will remain closed from November 20th 2024 to November 27th 2024 (both dates inclusive). The Members whose names appear on the Register of Members as on November 19th 2024 shall be entitled to attend and vote at the AGM.

2. A member entitled to attend speak and vote at the meeting shall also be entitled to appoint his / her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights with respect to attending, speaking and voting. The Instrument of Proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarized certified copy of that Power of Attorney or authority, in order to be effective, must be received by the Company at least 48

hours before the meeting. A proxy need not be a member of the Company. The Form of Proxy is enclosed with this notice. Members may request participation through Video link in terms of SECP Circular No.10. of 2014, read with section 134(1)(b) of the Companies Act 2017.

3. Any company or other body corporate which is a member of the Company may, by resolution of its Directors, or proxy signed by authorized officers, authorize any of its officials or any other person to act as its representatives at the meeting and the person so authorized shall be entitled to exercise the same powers as it he/she were an individual member of the Company.

4. Individual members who have lodged their shares at the Central Depository Company (CDC), desiring to attend the meeting are requested to bring their original Computerized National Identity Cards (CNICs) along with the Investor Account or Participant ID and House Account/Sub-Account numbers, for identification purposes, whereas, in case of corporate member, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee may preferably be provided to the Company well in advance or otherwise produced at the time of meeting.

5. Members are requested to notify any change of their registered address, if any, immediately, but before the first day of book closure, to the Company Secretary.

6. Pursuant to Section 242 of the Companies Act, 2017 (the Act) read with relevant provisions of the Companies (Distribution of Dividends) Regulations, 2017 (the Regulations), all listed companies have been mandated to pay dividend directly into the bank accounts of entitled shareholders, as designated by them. Please provide bank account details at the earliest.

7. Members may access Financial Statements and other information from the company's Website (www.sjmlimited.com) and post comments and questions on email suhailjutemill@hotmail.com.

REVIEW REPORT OF THE CHAIRPERSON
FOR THE YEAR ENDED 30 JUNE 2024

I am pleased to present my Review Report for the year ended 30 June 2024

As stakeholders are aware, the Company continues to be in a non-operational state and there are no day to day commercial activities. Despite this limited scope of activity, the Board played an effective role in contributing to achieving the objectives of the Company. Directors' attendance and participation has been satisfactory and the Board has remained focused in the company's efforts to return to the path of commercial production and operations.

During this period, he Board's primary focus has been to pursue the plan to dispose of identified surplus assets in order to generate funds to pay off pressing liabilities in an orderly fashion, so as to raise working capital and re start commercial operations.

During the year, the committee of Directors, constituted by the Board to dispose of the identified surplus assets, continued to pursue the task allotted to them. The Committee of Directors remain closely involved in all aspects of the origination of expressions of interest and negotiation with potential investors and has kept the Board closely apprised of the ongoing developments.

At the date of this review however, no sale transaction has come to fruition, because the continuing political uncertainties continue to have an extremely detrimental effect on investor sentiment.

I look forward to an improvement in the overall state of affairs and once funds have been generated from the disposal of surplus assets the company can be on the path to recommence commercial activity.

I wish to thank the Directors for their contribution and cooperation in ensuring the smooth and effective functioning of the Board.

NEELUM SOHAIL SHAIKH
CHAIRPERSON

RAWALPINDI, 05th November 2024

SUHAIL JUTE MILLS LIMITED

DIRECTORS REPORT TO THE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2024

We are pleased to present to the shareholders the Directors Report for the period.
The following persons served on the Board of the Company during the financial year

NAMES OF DIRECTORS-

S. NO	Name	Current status	Total Meetings	Attended Meetings
1	SOHAIL FAROOQ SHAIKH	CEO	5	5
2	NEELUM SOHAIL SHAIKH	CHAIRPERSON	5	5
3	SADIA MOHSIN	DIRECTOR	5	4
4	FARRUKH HAROON RASHID	DIRECTOR	5	2
5	SHAHMEER SHAIKH	DIRECTOR	5	4
6	SALEEM ASGHAR MIAN	INDEPENDENT DIRECTOR	5	4
7	SYED IBRAHIM AHMAD	INDEPENDENT DIRECTOR	5	3

PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF THE COMPANY

The Company was unable to re-commence its commercial production due to the unavailability of working capital finance. **As a result the Company is not considered a 'going concern' and has presented its financial statements on a 'realizable basis'.**

Subsequent to the completion of its merger with its former associated company, the Company had identified surplus assets that were to be disposed-off to repay Banks and other creditors and provide working capital finances to re-commence operations, as was envisaged in the Merger Plan approved by the Court in sanctioning the Merger.

During the year under review the proposed sale of land could not be materialised Efforts are continuing in this respect. The economic and political uncertainties faced by the country during the period has negatively impacted the prospects for an early disposal of assets. It is hoped that a restoration of political and economic stability can be achieved soon, following which the prospects of materialising the planned disposal of assets can bear fruition.

The Company continued to incur administrative expenditure essential to safeguard its infrastructure, service its corporate and statutory obligations and to keep its existing plant and machinery in order. The entire amount of the funding required for this purpose was fully met by funds provided by the principal shareholder, from personal resources. Inflationary pressures and high mark-up rates have continued to burden administrative expenses and finance costs during the year, contributing to the loss incurred

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company has been non-operational for an extended period it is subject to uncertainties and risks. The inordinate and unplanned delay in the completion of the merger had exacerbated the risk. During the year under review, the risks faced by the Company have been compounded by the severe economic and political crises that the country continues to face, although there has been some improvement. In the Company's instance, these risks are significantly mitigated by the availability of surplus assets that, when realized, are expected to be sufficient to meet its obligations and re -commence operations.

The main risk faced by the company, is that the principal shareholder becomes unable to sustain the funding that is required to keep the Company in existence with no other source of funding available. Management, continues to proactively pursue the implementation of the merger plan as a means of overcoming these risks,and has taken steps to implement the plan primarily by identifying surplus assets that may be utilised to generate funds.

CHANGES IN THE NATURE OF THE BUSINESS OR ITS SUBSIDIARIES

Apart from the developments disclosed above no changes have taken place.
The Company has no subsidiaries.

COMMENTS IN AUDITORS REPORT.

There are no adverse qualifications in the Auditors' Report. The accounts are presented on a 'realizable basis' and there is no presumption that the company remains a 'going concern'.

PATTERN OF SHAREHOLDINGS

Attached in the specified Form-20

DOMICILE

The Company is a Pakistan domicile company and has no holding company.

EARNINGS (LOSS) PER SHARE

The Company incurred a loss of RS. 65.046 Million (RS-15.01 per share) during the year as compared to a loss of RS.68.183 (RS.15.74 per share) in the last financial year.

REASONS FOR LOSS AND PROSPECTS OF PROFIT

The losses have arisen because the Company has not been able re commence commercial production since its cessation of manufacturing operations in 2010. The operations were discontinued because of the extensive damage to the manufacturing facility by unprecedented floods and the subsequent non availability of working capital. The Company is hopeful that funds generated by the disposal of surplus assets will enable it to recommence commercial production, as envisaged in the Court approved Merger Plan. However, it is not possible to precisely quantify or, specify the time horizon for this, as it is entirely dependent on the outcome of the ongoing efforts to dispose off surplus assets. The situation is further exacerbated by the severe economic and political uncertainties the country is facing.

DEFAULTS IN DEBTS AND REASONS FOR DEFAULT

As detailed in the Financial Accounts, the Company is in default of its obligations to Financial institutions against which Decrees have been ordered and execution proceedings are being conducted in accordance with the law by the Courts of jurisdiction.

The Company defaulted on its obligations directly because of the damage to its assets and destruction of all its stocks by the Flood events of 2010. The stocks carried as collateral security for the working capital finance were destroyed by the flood waters leaving the company with the underlying debt outstanding. However, the lenders are adequately secured by mortgaged Assets, by an arrangement that was put in place after the collateral stocks were lost due to the floods. The assets mortgaged against the said obligations are separate from those that have been identified as surplus assets and which remain available for disposal.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company's internal financial controls are considered adequate in the circumstances. Due to its non-operational state and in the absence of any revenue source, all expenditure is being met by the principal shareholder from personal resources. This in itself presupposes close scrutiny of all outgoings as to justifiable need and cost.

The Company has accounting systems that provide complete and accurate financial information on a timely basis, that serve to safeguard its assets, detect and prevent fraud and errors. Moreover, due to the prescribed statutory frameworks such as the IFRS, Directors refer to, approve and authenticate financial statements based on the principles and guidance provided by such frameworks.

MATERIAL POST CLOSING CHANGES

Nomaterial changes or commitments have occurred between the close of the financial year on 30 June 2024 and the date of this report

MAIN TRENDS AND FACTORS LIKELY TO EFFECT THE COMPANY

The main trends and factors likely to effect the development, performance and position of the business of the Company do not apply in our case as it is in a non-operational state. However, the factors that will affect the future outcome of the implementation of the asset disposal process under the Merger plan is dependent on the economic conditions that will dictate the market demand for assets and the ability of buyers to conduct transactions suited to the Company's needs.

ENVIRONMENTAL IMPACT

As there is currently no manufacturing activity by the company there is no exceptional, measureable impact on the environment.

CORPORATE SOCIAL RESPONSIBILITY

As the Company has not generated any revenue it has no funds available to deploy towards specific corporate social responsibility projects or programs. However it continues to fulfil its obligations to its employees and their families.

DIRECTORS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROL

In so far as Directors' responsibility for adequacy of internal financial control is concerned, as is reported, they approve and authenticate the financial information that is produced by the Company's accounting system in a timely, complete and accurate fashion, based on the framework stipulated by International Financial Reporting Standards (IFRS).

They are also responsible for the company's adherence to policies and procedures that guard against fraud and errors as well as for the safeguarding of assets.

STATEMENT OF COMPLIANCE -CORPORATE GOVERNANCE

1. The total number of directors are 7 (Seven), Comprising::
   a. Male: - 5 (Five)
   b. Female - 2 (Two)
2. The composition of the Board is as follows:

   a) Independent Directors 2 (two)
   b) Other Non-executive Directors 4 (four)
   c) Executive Directors 1 (one)

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. 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.
5. 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 or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7.The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose,. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations in that, a specific meeting fee is paid to directors attending Board meetings with no other remuneration is payable.
9. The Company has not been able to arrange Directors' Training program during the year due to its financial constraints
10. The board has in the normal course approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of. employment and complied with relevant requirements of the Regulations.
11. The CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

a) Audit Committee (Name of members and Chairman)

Chairman	-	Mr Syed Ibrahim Ahmad
Member	:	Mrs.NeelumSohail Shaikh
Member	:	Mrs.Sadia Mohsin Shaikh

b) HR and Remuneration Committee (Name of members and Chairman) -

Chairman	-	Mr Syed Ibrahim Ahmad
Member	:	Mr. Sohail Farooq Shaikh
Member	:	Mrs.Sadia Mohsin Shaikh

c) Nomination Committee (if applicable) Not Applicable
d) Risk Management Committee (if applicable) Not Applicable

13. The frequency of meetings (quarterly/half yearly/ yearly) of the committee, were as per following:

a) Audit Committee 5
b) HR and Remuneration Committee - NIL
c) Nomination Committee (if applicable) NA
d) Risk Management Committee (if applicable).NA

14. The Company has an effective internal audit function.The Company's internal auditor has a B.Com degree and 14 years of experience and is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of 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 the ICAP

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard

17. In respect of compliance with the Code of Corporate Governance, we wish to submit that the state of the Company's affairs and its precarious financial position should be fully taken into consideration in assessing the extent of compliance, for instance:

i. the Company has not been engaged in any normal commercial activity since 2010;
ii. its only source of funding is from loans from the principal shareholder;
iii. It can only afford a skeleton staff;
iv. There are no customers, production, sales or purchases.

18. In respect of matters referred by the Auditors in the CCG Review Report, we wish to submit thefollowing para-wise explanations:

Sr. No	Paragraph Reference	Description	RESPONSE
1	2 & 18	All the independent directors are not registered in the databank of independent directors maintained by the Pakistan Institute of Corporate Governance (PICG) at the time of issuance of this compliance statement.	At time of the initial appointment he Company has relied on the exemption from this requirement afforded by Section 166(6) a, of The Companies Act, 2017, which deemed to have relaxed the Requirement of selection from the panel of PICG.
2	18	Secretary of the Audit Committee is neither the Company Secretary nor Head of Internal Audit.	In the absence of a formally appointed secretary Of the Audit Committee, the Head of Internal Audit Performs this function, in any case. We shall formalize the appointment of a secretary if so required.
3	18	The Audit Committee has not met the Head of Internal Audit and other members of the Internal audit function without the Chief Financial Officer (CFO) and the External Auditors being present.	Given the limited Scope and extent of operations, No formal record is available of the times there has been interactions without the CFO and External Auditors being present. We shall note and report all Such interactions formally, if so required.
4	19	The Board has not prepared risk management policies as required under regulation 10(2) of the Regulations.	The Company has been non- operational since 2010. As such, there are no formal risk Management policies. The Board continually monitors risks and devotes its time, effort and resources to safeguarding assets and resources of the Company through an effective system of monitoring and internal controls
5	5 & 19	The Board of the Company has not prepared overall corporate strategy for the Company as required under regulation 10(3)(i) of the Regulations.	The Company has not conducted commercial operations since 2010 and is instead pursuing a corporate strategy aimed at raising resources through the disposal of assets, so as to re start commercial activities. Specifically, a plan to sub divide and sell plots of Land for industrial use has been formulated**. This constitutes the overall corporate strategy** in the absence of any normal commercial activity.
6	19	The Board of the Company has not ensured a formal and effective mechanism in place for an annual evaluation of the Board's own performance, members of the Board and of its committees as required under regulation 10(3)(v) of the Regulations.	Given the state of the Company's affairs and the nature of the issues it faces, the Board continually monitors its own and the performance of its committees. As this is not mandatory, a formal mechanism is not in place.
7	19	The CFO and the Company Secretary were not present at all board meetings as required under regulation 13 of the Regulations.	Both the CFO and Company Secretary are present at all Board meetings. Only Directors' attendance is recorded.
8	19	The Company did not place the related party transactions before the audit committee. The related party transactions were approved by the Board without prior review of audit committee as required under regulation 15 of the regulations.	This is a misreading of regulation 15. The Audit Committee is not superior to the Board. All Related Party transactions are directly placed before the Board for consideration and authorization.
9	8 & 19	The Board has not in place a formal policy	There is a fixed meeting fee for directors

		and transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the Board and its committees as required under regulation 16 of the Regulations.	attending a Board meeting. No other remuneration is payable for attending meetings or serving on committees. This procedure has been consistently applied and is Fully transparent in that the amount of the meeting fee is known to all directors.
10	19	Appropriate arrangements have not been made to carry out orientation of directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed Company for and on behalf of shareholders as required under regulation 18 of the Regulations.	The majority of Directors have decades-long service on the Board and are fully acquainted with the laws Regulations, duties and responsibilities. Financial Constraints and the limited extent of operations Precludes the Company from making arrangements to carry out orientation programs or courses.
11	9 & 19	All the directors on the Boards have not acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it as required under regulation 19 of the Regulations.	The explanation provided under serial number 10 Also applies in this case.
12	14 & 19	The HR & R committee has not met at least once in a financial year as required under regulation 28 (3) of the Regulations.	The Company has not engaged in commercial activity since 2010 and operates with a skeleton staff, with no regular or fresh hiring. As such, it was concluded that there were no tasks that required the calling of a meeting of the HR Committee during the period.
13	13 & 19	The terms of reference of committee have not been determined by the Board for Human Resource and Remuneration Committee as required under regulation 28 (5) of the Regulations.	The said committees have been in place since the Promulgation of the Regulations and is operating Under Terms of reference determined by the Board Initially. Due to the limited scope of operations, the Company is not involved in fresh hiring. Most employees have been on the rolls for an extended period of time.
14	19	The Head of Internal Audit performance appraisal has not been done jointly by the Chairman of the audit committee and the Chief Executive Officer as required under regulation 31 (2) of the Regulations.	Given the Company's limited scope of operations and the long tenure of the Head of Internal Audit no formalized appraisal process has been considered necessary. However, the Company shall institute the process in the immediate future, if required

We confirm, that all other requirements of the Regulations have been complied with.

APPROVED BY BOARD ON NOVEMBER 05, 2024

PATTERN OF SHAREHOLDING

Pattern of holding of the shares held by the shareholders as at 30-06-2024

No. of Shareholders	From	To	Total Shares Held
1,037	1	100	34,175
188	101	500	56,108
46	501	1,000	35,819
55	1,001	5,000	128,870
18	5,001	10,000	113,237
2	10,001	15,000	22,500
3	15,001	20,000	56,119
1	20,001	25,000	20,900
1	35,001	40,000	39,500
1	55,001	60,000	55,328
1	70,001	75,000	73,128
1	155,001	160,000	155,298
4	320,001	325,000	1,292,900
1	890,001	895,000	894,437
1	1,350,001	1,355,000	1,354,500
1,360			**4,332,819**

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	2,922,034	67.4396%
Associated Companies, undertakings and related parties. (Parent Company)	20,500	0.4731%
NIT and ICP	21,379	0.4934%
Banks Development Financial Institutions, Non Banking Financial Institutions.	16,845	0.3888%
Insurance Companies	3,062	0.0707%
Modarabas and Mutual Fund	766	0.0177%
Shareholders holding 10% or more	2,248,937	51.9047%
General Public		
a. Local	1,341,934	30.9714%
b. Foreign	0	0.0000%
Others (to be specified)		
1- Joint Stock Companies	5,299	0.1223%
2- Others	1,000	0.0231%

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	SURIYYA FAROOQ CHARITABLE FOUNDATION	20,000	0.4616
2	ISMAIL FAROOQ INDUSTTEIS (PVT.) LIMITED	500	0.0115
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MIAN SOHAIL FAROOQ SHAIKH	2,248,937	51.9047
2	MRS. SADIA MOHSIN	328,439	7.5803
3	MRS. NEELUM SOHAIL	5,869	0.1355
4	MIAN FARRUKH HAROON RASHID	519	0.0120
5	MR. SHAHMEER SHAIKH	6,741	0.1556
6	SYED IBRAHIM AHMAD	500	0.0115
7	MR. SALEEM ASGHAR MIAN	500	0.0115
8	MRS. MEHREEN HAROON RASHID	330,529	7.6285
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		20,673	0.4771

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	MIAN SOHAIL FAROOQ SHAIKH	2,248,937	51.9047
2	MRS. SHARMEEN AZAM	330,729	7.6331
3	MRS. AMBREEN ZAHID BASHIR	330,557	7.6291
4	MRS. MEHREEN HAROON RASHID	330,529	7.6285
5	MRS. SADIA MOHSIN	328,439	7.5803

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
	NIL	NIL	NIL

KEY OPERATING FINANCIAL DATA.

A statement of key operating and financial data of the Company for the last seven years is summarised to the annual report.

PARTICULARS	2024	2023	2022	2021	2020	2019	2018
Net sales	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-
Operating expenses	65,045,746	68,183,201	54,681,597	50,973,991	45,427,732	42,019,311	39,663,624
Other income.	-	-	-	10,000	-	1,175,617	351,516
Earning per share - Rupees	(15.01)	(15.74)	(12.62)	(11.77)	(10.48)	(9.43)	(9.07)
FINANCIAL POSITION							
Equity	809,575,336	702,594,788	770,004,115	823,780,803	728,631,381	773,918,442	(527,578,640)
Reserve on Revaluation of fixed assets		-	-	-	-	-	1,342,300,767
Loan from director	342,222,142	302,996,319	264,100,270	236,149,305	209,270,558	185,418,953	192,657,842
Deferred liabilities	8,024,248	7,792,702	7,435,102	7,415,743	7,178,018	6,323,910	5,720,034
Current liabilities.	498,926,436	485,918,699	463,787,403	445,172,769	428,777,156	414,759,139	371,399,593
	1,658,748,162	**1,499,302,508**	**1,505,326,890**	**1,512,518,620**	**1,373,857,113**	**1,380,420,444**	**1,384,499,596**
Fixed capital expenditure	1,653,815,350	1,489,793,667	1,496,340,650	1,503,127,603	1,363,630,743	1,367,774,830	1,372,317,468
Current assets.	4,932,812	9,508,841	8,986,240	9,391,017	10,226,370	12,645,614	12,182,128
	1,658,748,162	**1,499,302,508**	**1,505,326,890**	**1,512,518,620**	**1,373,857,113**	**1,380,420,444**	**1,384,499,596**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUHAILJUTEMILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SUHAIL JUTE MILLS LIMITED (the Company),** which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2024 and of the loss, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. Basis of Preparation of Financial Statements

We refer to Note 2.2 to the financial statements, The Company has ceased its operations since June 2011. There are no business activities going on since that date. As of the reporting date, the accumulated loss of the Company amounts to Rs. 1,053.525 million; whereas its current liabilities exceed its current assets by Rs. 836.216 million; its loss for the year amounts to Rs. 65.04 million and net cash used in operations amounts to Rs. 38.948 million. The lending institutions have already filed applications for recovery of loans and currently the only source of funding is support from the Managing Director of the Company. As the "Going Concern" assumption of the Company has impaired, the management has prepared these financial statements on the basis other than the going concern. All the assets have been recorded on their best estimated realizable value and all liabilities have been recorded at their probable estimated settlement values whereas the future value of these assets / liabilities may vary at the time when these assets are actually encashed / liabilities settled.

2. Short Term Borrowings from Banks

We draw attention to Note 11 and Note 14.1 to the financial statements. Faysal Bank Limited and Albaraka Bank Pakistan Limited have filed for the recovery of their loan and related mark-up amounting to Rs. 180.3 million in aggregate. The Banking Court Rawalpindi has already issued the decree against the Company for recovery of these balances. The Company has yet not paid these liabilities as the decree was transferred to Peshawar High Court for execution and the case is still sub-judice.

3. Ownership of Land

We draw attention to Notes 15.3 and Note 15.4 to the financial statements which state that ownership title of pieces of land measuring 847 kanal (Note 15.3: 102 kanal & 18 marlas; and Note 15.4: 744 kanal & 2 marlas) have yet not been transferred in the name of the Company.The management intends to initiate the process of transfer of title of the land, in its name, in due course.

Our opinion is not qualified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key Audit Matters	How the matter was addressed in our audit
1. Revaluation of Property Plant and Equipment	
Refer to note 7 to the financial statements. The Company has carried out revaluation of property, plant and equipment during the year that resulted in surplus of Rs. 170.869 million. Revaluation surplus has increased to 1,623.409 million as at June 30, 2024. We identified this as key audit matter as revaluation requires significant judgments and estimates and can significantly impact the financial statements.	Our key audit procedures included: • Checked that the independent valuer was in the panel of approved valuers of Pakistan Bank Association (PBA). • Evaluated the nature and scope of the valuer's work. • Assessed relevance and reasonableness of significant assumptions and methods used by the valuer as per his valuation report. • Reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the requirements of applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our
- auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Going concern assumption is not used in the preparation of the annexed financial statements of the Company (refer to emphasis of matters paragraph of this report).
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: November 05, 2024
UDIN: AR202410051WUNjhaPSO

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Suhail Jute Mills Limited ("the Company") for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 of Directors' 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.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No	Paragraph Reference	Description
1	2 & 18	All the independent directors are not registered in the databank of independent directors maintained by the Pakistan Institute of Corporate Governance (PICG) at the time of issuance of this compliance statement.
2	18	Secretary of the Audit Committee is neither the Company Secretary nor Head of Internal Audit.
3	18	The Audit Committee has not met the Head of Internal Audit and other members of the Internal audit function without the Chief Financial Officer (CFO) and the External Auditors being present.
4	19	The Board has not prepared risk management policies as required under regulation 10(2) of the Regulations.

5	5 &19	The Board of the Company has not prepared overall corporate strategy for the Company as required under regulation 10(3)(i) of the Regulations.
6	19	The Board of the Company has not ensured a formal and effective mechanism in place for an annual evaluation of the Board's own performance, members of the Board and of its committees as required under regulation 10(3)(v) of the Regulations.
7	19	The CFO and the Company Secretary were not present at all board meetings as required under regulation 13 of the Regulations.
8	19	The Company did not place the related party transactions before the audit committee. The related party transactions were approved by the Board without prior review of audit committee as required under regulation 15 of the regulations.
9	8 &19	The Board has not in place a formal policy and transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the Board and its committees as required under regulation 16 of the Regulations.
10	19	Appropriate arrangements have not been made to carry out orientation of directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed Company for and on behalf of shareholders as required under regulation 18 of the Regulations.
11	9 &19	All the directors on the Boards have not acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it as required under regulation 19 of the Regulations.
12	14 &19	The HR & R committee has not met at least once in a financial year as required under regulation 28 (3) of the Regulations.
13	13 &19	The terms of reference of committee have not been determined by the Board for Human Resource and Remuneration Committee as required under regulation 28 (5) of the Regulations.
14	19	The Head of Internal Audit performance appraisal has not been done jointly by the Chairman of the audit committee and the Chief Executive Officer as required under regulation 31 (2) of the Regulations.

Lahore
Dated: November 05, 2024
UDIN: CR2024100514fjiTFuBk

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 5,000,000 (2023: 5,000,000) ordinary shares of Rs. 10 each		50,000,000	50,000,000
Issued, subscribed and paid up capital	5	43,328,190	43,328,190
Revenue reserves	6	(1,053,524,797)	(995,282,200)
Surplus on revaluation of property, plant and equipment	7	1,623,409,858	1,458,186,713
Merger reserve		196,362,085	196,362,085
Shareholders' Equity		809,575,336	702,594,788
Non-Current Liabilities			
Staff retirement benefits	8	8,024,248	7,792,702
Current Liabilities			
Trade and other payables	9	241,150,483	230,759,916
Loan from director	10	342,222,142	302,996,319
Short term borrowings	11	184,981,527	184,981,527
Accrued finance cost	12	72,410,067	69,792,897
Unclaimed dividend		384,359	384,359
Provision for taxation	13	-	-
		841,148,578	788,915,018
Contingencies and Commitments	14	-	-
Total Equity and Liabilities		1,658,748,162	1,499,302,508
Non-Current Assets			
Property, plant and equipment	15	1,653,395,350	1,488,839,245
Long term investment	16	-	190,000
Long term security deposits	17	420,000	764,422
Deferred taxation	18	-	-
		1,653,815,350	1,489,793,667
Current Assets			
Stores and spare parts	19	-	1,433,071
Stock in trade	20	-	618,292
Advances, deposits, prepayments and other receivables	21	2,782,189	2,910,507
Advance income tax	22	538,495	3,212,594
Cash and bank balances	23	1,612,128	1,334,377
		4,932,812	9,508,841
		1,658,748,162	1,499,302,508

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Sales		-	-
Cost of sales		-	-
Gross Profit		-	-
Administrative expenses	24	(56,548,528)	(54,032,958)
Operating Loss		(56,548,528)	(54,032,958)
Other operating expenses	25	(5,864,828)	-
Finance cost	26	(2,632,390)	(14,150,243)
Loss before Levy and Taxation		(65,045,746)	(68,183,201)
Levy / final taxation		-	-
Loss before Taxation		(65,045,746)	(68,183,201)
Taxation		-	-
Net Loss for the Year		(65,045,746)	(68,183,201)
Loss per Share - Basic and Diluted	27	(15.01)	(15.74)

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	Rupees
Net Loss for the Year	(65,045,746)	(68,183,201)
Other Comprehensive Income		
Items that will not be re-classified subsequently to profit or loss		
Re-measurement gain on staff retirement benefits	1,156,738	773,874
Surplus on revaluation of property, plant and equipment	170,869,556	-
Items that may be re-classified subsequently to profit or loss	-	-
Other comprehensive income for the year	172,026,294	773,874
Total Comprehensive Income / (Loss) for the Year	106,980,548	(67,409,327)

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Revenue reserves					Surplus on Revaluation of Property, Plant and Equipment	Merger Reserve	Total
		General Reserve	Dividend Equalization Reserve	Fair Value Reserve	Accumulated Loss	Total			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2022	43,328,190	3,380,000	7,490,000	1,251,610	(945,839,980)	(933,718,370)	1,464,032,210	196,362,085	770,004,115
Net loss for the year	-	-	-	-	(68,183,201)	(68,183,201)	-	-	(68,183,201)
Other comprehensive income for the year	-	-	-	-	773,874	773,874	-	-	773,874
Total comprehensive loss for the year	-	-	-	-	(67,409,327)	(67,409,327)	-	-	(67,409,327)
Incremental depreciation charged on revalued property, plant and equipment during the year transferred to retained earnings	-	-	-	-	5,845,497	5,845,497	(5,845,497)	-	-
Reserve adjustment	-	(3,380,000)	-	(1,251,610)	4,631,610	-	-	-	-
Balance as at June 30, 2023	43,328,190	-	7,490,000	-	(1,002,772,200)	(995,282,200)	1,458,186,713	196,362,085	702,594,788
Net loss for the year	-	-	-	-	(65,045,746)	(65,045,746)	-	-	(65,045,746)
Other comprehensive income for the year	-	-	-	-	1,156,738	1,156,738	170,869,556	-	172,026,294
Total comprehensive income for the year	-	-	-	-	(63,889,008)	(63,889,008)	170,869,556	-	106,980,548
Incremental depreciation charged on revalued property, plant and equipment during the year transferred to retained earnings	-	-	-	-	5,646,411	5,646,411	(5,646,411)	-	-
Reserve adjustment	-	-	(7,490,000)	-	7,490,000	-	-	-	-
Balance as at June 30, 2024	43,328,190	-	-	-	(1,053,524,797)	(1,053,524,797)	1,623,409,858	196,362,085	809,575,336

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Profit before levy and taxation		(65,045,746)	(68,183,201)
Adjustments for:			
- Financial charges	26	2,632,390	2,619,682
- Provision for workers' (profit) participation fund	26	-	11,530,561
- Depreciation	15	6,313,451	6,546,983
- Provision for slow moving stores and spares	25	1,433,071	-
- Provision for slow moving stocks	25	618,292	-
- Long term deposits written off	25	344,422	-
- Impairment loss against long term investment	25	190,000	-
- Advance income tax written off	25	3,212,594	-
- Staff retirement benefits	8	1,388,284	1,131,474
		16,132,504	21,828,700
Operating Loss before Working Capital Changes		(48,913,242)	(46,354,501)
(Increase) / decrease in current assets			
- Advances, deposits, prepayments and other receivables		128,318	(84,684)
Increase in current liabilities			
- Trade and other payables		10,390,567	7,983,565
		10,518,885	7,898,881
Cash Used in Operations		(38,394,357)	(38,455,620)
Income tax paid		(538,495)	(456,173)
Financial charges paid		(15,220)	(2,512)
		(553,716)	(458,685)
Net Cash Used in Operating Activities		(38,948,072)	(38,914,305)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan obtained from directors		50,954,457	-
Loan repaid to directors		(11,728,634)	38,896,049
Net Cash Generated from Financing Activities		39,225,823	38,896,049
Net Increase / (Decrease) in Cash and Cash Equivalents		277,751	(18,256)
Cash and cash equivalents at the beginning of the year		1,334,377	1,352,633
Cash and Cash Equivalents at the End of the Year		1,612,128	1,334,377

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1
The Company and its Operations

Suhail Jute Mills Limited ("the Company") was incorporated in Pakistan in 1981 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017). The Company's shares are listed on Pakistan Stock Exchange. The Company is domiciled in Pakistan and is principally engaged in the business of manufacturing and sale of jute products.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

Business unit	Geographical location
Head office / Registered office	14-B, Civil Lines, Rawalpindi
Manufacturing facility	Kabul River Railway Station, Mardan Road, Nowshera, Khyber Pakhtunkhwa
Manufacturing facility	GT Road, Nowshera, Khyber Pakhtunkhwa

Note 2
Basis Of Preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board IASB as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively, by applying the guideline issued by the Institute of Chartered Accountants of Pakistan for the preparation of financial statements by the entities that are not the going concern.

The Company has ceased its operations since June 2011. There are no business activities going on since that date. As of the reporting date, the accumulated loss of the Company amounts to Rs. 1053.52 million; whereas its current liabilities exceed its current assets by Rs. 836.21 million; its loss for the year amounts to Rs. 65.04 million and net cash used in operations amounts to Rs. 38.95 million. The lending institutions have already filed applications for recovery of loans and currently the only source of funding is support from the Managing Director of the Company. As the "Going Concern" assumption of the Company has impaired, the management has prepared these financial statements on the basis other than the going concern. All the assets have been recorded on their best estimated realizable value and all liabilities have been recorded at their probable estimated settlement values whereas the future value of these assets / liabilities may vary at the time when these assets are actually encashed / liabilities settled.

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. Figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Use of Estimates and Judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Useful lives, residual values, depreciation method and fair value of property, plant and equipment – Note 3.1 & 15

- Provision for impairment of inventories - Note 3.4 & 20

- Expected credit loss allowance – Note 3.5 & 21

- Defined benefit obligation – Note 3.6 & 8

- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and credits) - Note 3.8, 13 & 18.

- Estimation of provisions - Note 4.3

- Estimation of contingent liabilities - Note 4.4 & 14

- Impairment loss of non-financial assets other than inventories – Note 4.5 & 15

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's financial statements other than certain additional disclosures.

		Effective Date - Annual Periods Beginning on or After
IAS 01	Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting Policies	January 01, 2023
IAS 08	Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
IAS 12	Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
IAS 12	Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
IFRS 17	Initial Application of 'IFRS 17 Insurance Contracts and IFRS 9 - Comparative Information'	January 01, 2023

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

		Effective Date - Annual Periods Beginning on or After
IAS 01	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2024
IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 1, 2024
IFRS 7	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 1, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 1, 2024

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at January 31, 2024:

IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures'
IFRS 1	First Time Adoption of IFRS
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-Related Disclosures

The Company is in the process of assessing of the impact of these amendments on finanicals statements.

Note 3
Material Accounting Policy Information

Material accounting policy information adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the periods presented, unless stated otherwise.

3.1 Property, plant and equipment

Items of property, plant and equipment other than land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and identified impairment losses, if any. Buildings on freehold land and plant and machinery are stated at revalued amount being the fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any. whereas land is stated at revalued amount less impairment loss, if any. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss. Surplus on revaluation of land, building on freehold land and plant and machinery and power house is recognized in equity. On disposal of particular revalued asset the related revaluation surplus is transferred to unappropriated profits.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also includes cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land, has been provided for using the reducing balance method at the rates specified in Note 15 and is charged to profit or loss. Depreciation on additions is charged from the month in which the asset is available for use up to the month in which the asset is disposed off. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in profit or loss.

3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost may also include applicable borrowing costs. These are transferred to specific assets as and when these are available for use. All other repairs and maintenance are charged to profit or loss during the period in which these are incurred.

3.3 Stores and spares

These are valued at lower of moving average cost and net realizable value while items considered obsolete if any are carried at nil value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management estimate.

3.4 Stock in trade

These are stated at lower of cost and estimated net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition, the valuation has been determined as follows:

Raw materials	Weighted average cost
Work-in-process and finished goods	Cost of direct materials, labour and appropriate manufacturing overheads

Stock in transit is valued at a cost, comprising invoice value plus other charges invoiced thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale (selling expenses). If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Financial assets - Classification and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

3.5.1.1 Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

3.5.1.2 Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at transaction price. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

3.5.1.3 Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

3.5.1.4 Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in the statement of profit or loss.

3.5.1.5 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.5.2 Financial liabilities

3.5.2.1 Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc. The Company does not reclassify any of its financial liabilities.

3.5.2.2 Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortization is included as finance costs profit or loss. Difference between carrying amount and consideration paid is recognized in the profit or loss, when the liabilities are derecognized.

3.5.3 **Offsetting**

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.6 **Staff retirement benefits**

The Company operates an unfunded gratuity scheme for all employees according to the terms of employment subject to a minimum qualifying period of service. Employees are eligible for benefits under the gratuity scheme after completion of one year of continuous service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits irrespective of the qualifying period. The amount recognized in the statement of financial position represents the present value of defined benefit obligation adjusted for unrecognized actuarial gains and losses.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to other comprehensive income in the period in which they arise.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out at each reporting date.

3.7 **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.8 **Taxation**

Income tax expense for the year comprises current and deferred tax and is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFRIC 21. Further, the Company shall also charged tax expense under levy when tax is calculated under final tax regime.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences unused tax losses and tax credits can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

3.9 Revenue recognition

Revenue is recognized by applying the following steps:

i) Identifying contract with a customer
ii) Identifying performance obligation in the contract
iii) Determining transaction price of the contract
iv) Allocating transaction price to each of the separate performance obligations in the contract
v) Recognizing the revenue when (or as) the Company satisfies a performance obligation

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatched from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.10 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

3.11 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

Note 4

Other Accounting Policies

Other accounting policies adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the periods presented, unless stated otherwise.

4.1 Leases

For contracts entered into, or modified, on or after January 1, 2019, the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

4.1.1 Company as a lessee

4.1.1.1 Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

4.1.1.2 Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

4.1.1.3 Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between finance charges and reduction of lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

Lease liability payable in foreign currency is translated to local currency of the Company i.e. Pak Rupees at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Depreciation is charged to profit or loss at the same rates as used for owned asset.

4.2 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprises cash in hand and cash at banks in current and savings accounts.

4.3 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

4.4 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liabilities is also disclosed when the present obligation arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.5 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset is treated as a revaluation increase.

4.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

4.7 Dividend distribution

Dividend distribution to Company's shareholders is recognized as a liability in the period in which the dividends are approved by the Company's shareholders.

Note 5
Issued, Subscribed and Paid-Up Capital

2024	2023			2024	2023
Number of shares			Note	Rupees	Rupees
3,245,000	3,245,000	Ordinary shares of Rs. 10 each fully paid in cash	5.1	32,450,000	32,450,000
1,087,819	1,087,819	Ordinary shares of Rs. 10 each issued against merger	5.2	10,878,190	10,878,190
4,332,819	4,332,819			43,328,190	43,328,190

5.1 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

5.2 During the year ended June 30, 2018, the Company issued 1,087,819 ordinary shares, for consideration other than cash, i.e. against merger of (Colony) Sarhad Textile Mills Limited with and into Suhail Jute Mills Limited to the then shareholders and creditors of (Colony) Sarhad Textiles Mills Limited at Rs. 10 per share.

5.3 **Shares held by related parties are as follows:**

	2024	2023	2024	2023
	(Percentage)		(Number of Shares)	
M Farooq (Private) Limited	0.01%	0.01%	500	500
Surriya Farooq Charitable Foundation	0.46%	0.46%	20,000	20,000
Directors	59.81%	59.81%	2,591,505	2,591,505
			2,612,005	2,612,005

5.4 No shares have been further issued or cancelled during the year.

Note 6
Revenue Reserves

	Note	2024 Rupees	2023 Rupees
Dividend equalization reserve	6.1	-	7,490,000
Accumulated loss		(1,053,524,797)	(1,002,772,200)
		(1,053,524,797)	(995,282,200)

6.1 This represented the reserve for the purpose of cash and stock dividend at 20 percent of the issued share capital proposed in 1992, but not approved by the shareholders. During the year, the Company has transferred this reserve to accumulated loss

Note 7
Surplus on Revaluation of Property, Plant and Equipment

	2024 Rupees	2023 Rupees
Freehold land		
- Opening Balance	1,279,797,149	1,279,797,149
- Revaluation during the Year	218,500,000	-
	1,498,297,149	1,279,797,149
Building on freehold land		
- Opening Balance	82,234,713	84,776,343
- Revaluation during the Year	(24,595,797)	-
	57,638,916	84,776,343
Plant and machinery		
- Opening Balance	96,154,851	99,458,718
- Revaluation during the Year	(23,034,647)	-
	73,120,204	99,458,718
	1,629,056,269	1,464,032,210
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning	(5,646,411)	(5,845,497)
	1,623,409,858	1,458,186,713

7.1 Latest revaluation of property, plant and equipment was carried out by an independent valuer, M/s BFA (Private) Limited as at June 26, 2024 that is considered to be the same as of the reporting date. The following basis were used for revaluation of property, plant and equipment:

Land	Market Value
Buildings	Market Value / Depreciated Value
Plant and machinery	Market Value / Depreciated Value

7.2 The surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of the Companies Act, 2017.

Note 8
Staff Retirement Benefits

	Note	2024 Rupees	2023 Rupees
Present value of defined benefit obligation	8.1	6,801,407	6,569,861
Payable against retirement benefits		1,222,841	1,222,841
		8,024,248	7,792,702

8.1 Staff gratuity - unfunded

The Company operates an unfunded gratuity scheme covering its permanent employees subject to completion of minimum prescribed period of service. Actuarial valuation of the scheme is carried out annually by an independent actuary. Latest actuarial valuation was carried out as at June 30, 2024. Following key information was included in that actuarial report:

8.1.1 Movement in liability for staff gratuity

	2024	2023
Opening balance	6,569,861	6,212,261
Charge for the year		
- Current service cost	320,682	308,349
- Interest cost	1,067,602	823,125
	1,388,284	1,131,474
Remeasurements recorded in other comprehensive income	(1,156,738)	(773,874)
Benefits paid during the year	-	-
Closing balance	6,801,407	6,569,861

8.1.2 Actuarial assumptions

	2024	2023
Valuation discount rate	14.75%	16.25%
Salary increase rate short term (1 year)	14.75%	16.25%
Salary increase rate long term	14.75%	16.25%
Withdrawal rates	High	High
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
Duration	3.48 year	3.76 year
Normal retirement age	60 years	60 years
Effective salary increase date	01.Jul.24	01.Jul.23

8.1.3 Estimated expenses to be Charged for the year 2024-2025

	2025 Rupees
Current service cost	314,496
Interest cost	650,565
	965,061

8.1.4 Charge for the year has been allocated to administrative expenses (Note 24)

8.1.5 The Company does not have any plan assets against the retirement benefits payable.

8.1.6 Year end sensitivity analysis on defined benefit obligation

Period end sensitivity analysis on present value of defined benefit obligation:

	2024 Rupees	2023 Rupees
Discount rate increased by 1%	6,577,914	6,336,663
Discount rate decreased by 1%	7,051,066	6,831,247
Salary rate increased by 1%	7,079,433	6,858,195
Salary rate decreased by 1%	6,547,338	6,307,747
Withdrawal rates increase/decrease by 10% / 1 year mortality age set-back / set-forward	6,801,407	6,569,861

The Company faces the following risks on account of staff gratuity scheme:

- Final Salary Risk – the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary, which will closely reflect inflation and other macroeconomic factors, the benefit amount increases as salary increases.

- Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

8.1.7 Expected Maturity profile

Undiscounted payments

Year 1	4,601,091	4,037,068
Year 2	208,692	540,838
Year 3	32,404	233,599
Year 4	38,743	37,218
Year 5	696,230	45,102
Year 6 to Year 10	2,145,507	2,309,627
Year 11 and above	9,792,253	14,485,419

8.1.8 The comparative statement of present value of defined benefit obligations is as under:

	2024	**2023**	**2022**	**2021**	**2020**
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligation	6,801,407	6,569,861	6,212,261	6,192,902	5,875,177
Fair value of plan asset	-	-	-	-	-
Net liability	6,801,407	6,569,861	6,212,261	6,192,902	5,875,177

Note 9
Trade and Other Payables

	Note	**2024** Rupees	**2023** Rupees
Trade creditors		13,140,758	13,140,758
Director's remuneration payable	9.1	105,056,765	93,275,355
Accrued expenses		12,881,195	14,294,343
Security deposits - utilisable		1,600	1,600
Workers' (profit) participation fund	9.2	76,564,746	76,564,746
Workers welfare fund		269,503	269,503
Other taxes payable		989,912	967,642
Others		2,685,890	2,685,855
Payable to employees against retirement benefits	9.3	29,560,114	29,560,114
		241,150,483	230,759,916

9.1 This represents the remuneration payable to the managing director of the Company. The remuneration was approved in the annual general meeting held in 2001. As per the terms and conditions, the remuneration is subject to 10% increment every year.

	Note	**2024** Rupees	**2023** Rupees
9.2 Workers' (profit) participation fund			
Opening balance		76,564,746	65,034,185
Interest on workers' (profit) participation fund		-	11,530,561
		76,564,746	76,564,746
Payments made during the year		-	-
Closing balance		76,564,746	76,564,746

No interest has been accrued on workers' (profit) participation fund during the year, as the Company has recorded excessive interest on the outstanding amount in the previous years.

9.3 Payable to employees against retirement benefits

Gratuity payable	9.3.1	28,309,686	28,309,686
Provident fund payable	9.3.2	1,250,428	1,250,428
		29,560,114	29,560,114

9.3.1 This represents balance of gratuity payable to employees who left after the floods in July, 2010 and have not approached the Company for final settlement.

9.3.2 This represents balance of the amount payable to employees that has arisen as result of the discontinuation of the provident fund of the Company.

Note 10
Loan from Director

	2024	2023
	Rupees	Rupees
Opening balance	302,996,319	264,100,270
Loan received during the year	50,954,457	38,896,049
Loan repaid during the year	(11,728,634)	-
Closing balance	342,222,142	302,996,319

10.1 This represents an interest-free, unsecured loan obtained from the director, Mr. Sohail Farooq Shaikh, payable on demand. The purpose of the loan is to finance the Company's day-to-day operations, as the Company has no source of income currently.

Note 11
Short Term Borrowings

		2024	2023
	Note	Rupees	Rupees
From banking companies - secured			
Faysal Bank Limited	11.1	128,809,827	128,809,827
Al Baraka Bank Pakistan Limited	11.2	30,000,000	30,000,000
From Director - unsecured			
Bridge finance facility	11.3	26,171,700	26,171,700
		184,981,527	184,981,527

11.1 Faysal Bank Limited

Running finance facility	11.1.1	127,885,527	127,885,527
Finance against imported merchandise	11.1.2	924,300	924,300
		128,809,827	128,809,827

11.1.1 This represents the running finance facility obtained to meet the working capital requirements of the Company. The total limit amounted to Rs. 128.55 million (2023: Rs. 128.55 million) and carried markup at 3 months KIBOR plus 2.91% (2023: 3 months KIBOR plus 2.91%) per anum. The facility expired in previous years and was secured against first exclusive hypothecation charge of Rs. 100 million on all present and future current assets of the Company and pari passu charge of Rs. 280 million on fixed assets of the Company including land, building and plant and machinery. The Court on petition filed by the Bank ordered a decree in favor of the Bank (details in Note 14.1). The markup has been suspended on this facility after the court decree.

11.1.2 This represents the running finance facility obtained to finance the import of raw materials. The total limit amounted to Rs. 20 million (2023: Rs. 20 million) and carried mark up at 3 months KIBOR plus 2.91% (2023: 3 months KIBOR plus 2.91%) per annum. The facility expired in previous years and was secured against pledge of imported goods in factory godown amounting to Rs. 1.03 million with built in margin under custody of the Bank's appointed Maccadum and lien over shipping documents. The Court on petition filed by the Bank ordered a decree in favor of the Bank (details in Note 14.1). The markup has been suspended on this facility after the court decree.

11.2 This represents the running finance facility obtained to meet the working capital requirements of the Company. The total limit amounted to Rs. 30 million (2023: Rs. 30 million) and carried mark up at 6 months KIBOR plus 2.5 % per annum (if paid within 180 days) and 3 months KIBOR plus 3 % per annum (if paid within 90 days) (2023: 6 months KIBOR plus 2.5 % per annum (if paid within 180 days) and 3 months KIBOR plus 3 % per annum (if paid within 90 days). This facility expired in previous years and was secured against first pari passu charge over entire present and future fixed assets of the Company including free-hold land and building on free-hold land. The Court on petition filed by the Bank ordered a decree in favor of the Bank (details in Note 14.1). The markup has been suspended on this facility after the court decree.

11.3 This represents the bridge finance facility obtained to meet the working capital requirements of the Company. It is repayable on demand and carries mark up at 10% (2023: 10%) per anum.

Note 12
Accrued Mark-up

	2024	2023
	Rupees	Rupees
Short term borrowings from banking companies	51,469,106	51,469,106
Short term borrowings from director	20,940,961	18,323,791
	72,410,067	69,792,897

Note 13
Provision for Taxation

No provision for taxation has been made in these financial statements as the Company does not have any taxable income. Further, turnover tax under section 113 of the Income Tax Ordinance, 2001 does not apply as the Company has no turnover during the year.

Deferred tax asset (refer to note 18) has not been recognised on excessive tax losses including business loss and tax depreciation, as deferred tax cannot be utilised in near future due to continuous losses and discontinued operations of the Company. The Company also does not foresee profitability from operations in the near future.

Note 14
Contingencies and Commitments

Contingencies

14.1 The Company had secured running finance from Faysal Bank Limited and Al Baraka Bank Pakistan Limited as disclosed in note 11 to the financial statements. These Banks have filed suits for recovery of all outstanding over due principal and markup amount. Banking Court Rawalpindi issued decree for recovery of Rs. 30 million principal and Rs. 1 million markup in favor of Al Baraka Bank Pakistan Limited on February 20, 2015, while the court decreed for recovery of Rs. 128.8 million principal and Rs. 20.5 million markup in favor of Faysal Bank on May 3, 2017. The decrees were transferred to Peshawar High Court for execution. The most recent hearing of petition was on September 10, 2022 and the case is still sub - judiced.

14.2 The Sarhad Development Authority has filed an appeal before Peshawar High Court against the decision made in the civil suit (No: 180/1) on May 26, 2011 in favor of Suhail Jute Mills Limited for the recovery of an amount of Rs. 2.5 million against surrender of land measuring six acres situated at Gadoon Industrial Estate, Khyber Pakhtunkhwa. The Sarhad Development Authority had acknowledged the surrender of land and made a payment of Rs. 1.67 million after deducting charges of Rs. 0.89 million, which was returned by the Company with the plea that total amount should be refunded. The Company has also filed an appeal before the District Judge, Peshawar against other pleas related to this issue dismissed in the above decision. The matter is pending before District Judge, Peshawar.

14.3 Income tax demand of Rs. 8.7 million for the tax year 2010 was raised against the Company under section 161 / 205 of the Income Tax Ordinance, 2001 which has been remanded back by the Commissioner Inland Revenue (Appeals) to the Deputy Commissioner Inland Revenue for redetermination of the liability, if any. The proceedings before Deputy Commissioner Inland Revenue have not yet been finalized. The management and the tax advisor of the Company expect the favorable outcome of the case in favor of the Company.

14.4 The Company is in litigation with sales tax authorities circle 1, Rawalpindi for refund of sales tax amounting to Rs. 2.45 million (2023: Rs. 2.45 million). The case is still pending with the Honorable Lahore High Court, Lahore.

Guarantees

	2024	2023
	Rupees	Rupees
- Given by banking companies on behalf of the Company	-	463,100

Commitments

- There are no outstanding commitments as at the reporting date

Note 15
Property, Plant and Equipment

Particulars	Owned assets							
	Freehold Land	Buildings on Freehold Land	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Vehicles	Library Books	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost/Revalued amount								
Balance as at July 01, 2022	1,292,316,197	95,500,000	113,000,000	4,521,885	12,189,978	4,386,865	60,723	1,521,975,648
Additions / disposal	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	1,292,316,197	95,500,000	113,000,000	4,521,885	12,189,978	4,386,865	60,723	1,521,975,648
Additions / disposal	-	-	-	-	-	-	-	-
Revaluation surplus	218,500,000	(24,595,797)	(23,034,647)	-	-	-	-	170,869,556
Revaluation adjustment	-	(8,404,203)	(10,965,353)	-	-	-	-	(19,369,556)
Balance as at June 30, 2024	1,510,816,197	62,500,000	79,000,000	4,521,885	12,189,978	4,386,865	60,723	1,673,475,648
Accumulated depreciation								
Balance as at July 01, 2022	-	2,933,525	3,851,338	4,189,265	11,275,315	4,279,281	60,696	26,589,420
Depreciation charged during the year	-	2,776,994	3,623,736	33,262	91,466	21,517	8	6,546,983
Balance at June 30, 2023	-	5,710,519	7,475,074	4,222,527	11,366,781	4,300,798	60,704	33,136,403
Depreciation charged during the year	-	2,693,684	3,490,279	29,936	82,320	17,213	19	6,313,451
Revaluation adjustment	-	(8,404,203)	(10,965,353)	-	-	-	-	(19,369,556)
Balance at June 30, 2024	-	-	-	4,252,463	11,449,101	4,318,011	60,723	20,080,298
Carrying amount								
As at June 30, 2023	1,292,316,197	89,789,481	105,524,926	299,358	823,197	86,067	19	1,488,839,245
As at June 30, 2024	1,510,816,197	62,500,000	79,000,000	269,422	740,877	68,854	-	1,653,395,350
Rate of depreciation - %	-	3%	3% - 15%	10%	10%	20%	30%	

15.1 Had there been no revaluation, book values of revalued assets would have been as follows:

	Book Value As on June 30, 2024	Book Value As on June 30, 2023
	Rupees	Rupees
Freehold land	12,519,048	12,519,048
Building on freehold land	7,328,125	7,554,768
Plant and machinery	9,059,166	9,370,075
	28,906,338	29,443,891

15.2 Particulars of immoveable property (i.e. land and building) in the name of the Company are as follows :

Location / Address	Usage of Immovable Property	Total Area
Kabul River Railway Station, Mardan Road, Nowshera, Khyber Pakhtunkhwa	Manufacturing facility	872 Kanals and 3 Marlas (Note 15.3)
GT Road, Nowshera, Khyber Pakhtunkhwa	Manufacturing facility	744 Kanals and 2 Marlas (Note 15.4)

15.3 Pursuant to the Honorable Lahore High Court order C.O No. 37 dated February 02, 1983, the assets of Nowshera Textile Mills Limited, then a wholly owned subsidiary of (Colony) Sarhad Textile Mills Limited, including land measuring 872 kanals and 3 marlas, were transferred to Suhail Jute Mills Limited against the consideration comprising cash and issuance of shares of Suhail Jute Mills Limited. Consequent to that the Revenue Department North-West Frontier Province transferred 800 Kanals of land in the name of Suhail Jute Mills Limited; however, as of the reporting date, the title of 769 kanals and 5 marlas has been transferred in the name of the Company. The management intends to initiate the process of transfer of title of the remaining land, measuring 102 kanals and 18 marlas, in its name in due course.

15.4 Pursuant to the Honorable Lahore High Court order C.O No. 02 dated July 04, 2016, (Colony) Sarhad Textile Mills Limited merged with and into Suhail Jute Mills Limited, and the assets of (Colony) Sarhad Textile Mills Limited, including land measuring 744 kanals and 2 marlas, were transferred to Suhail Jute Mills Limited. However, as of the reporting date, the title of the land has not been transferred into the Company's name. The management intends to initiate the process of transfer of title of the land, in its name in due course.

15.5 Depreciation charge for the year has been allocated to administrative expenses as there have been no operations of the Company during the year.

15.6 **Fair value hierarchy**

The Company measured its land; buildings on freehold land and plant and machinery under level 2 of fair value hierarchy. Details of such revalued assets as at the reporting date are as follows:

Level 2	Land	Building	Plant and machinery
	Rupees	Rupees	Rupees
For the year ending June 30, 2024	1,510,816,197	62,500,000	79,000,000
For the year ending June 30, 2023	1,292,316,197	95,500,000	113,000,000

Assumptions used in fair value calculation have been given in note 7 of these financial statements. No other assets are measured under level 1 and level 3 of the fair value hierarchy. There have been no transfers in between the fair value levels during the year

15.7 The property, plant and equipment of the Company are subject to first and joint pari passu charge as security for certain financing by banks (Note 11).

15.8 Forced sales value of revalued assets, as determined by the management, were as follows:

	Market Value	Forced Sale Factor	Forced Sales Value
	Rupees	Percentage	Rupees
Freehold land	1,510,816,197	20%	1,208,652,958
Building on freehold land	62,500,000	20%	50,000,000
Plant and machinery	79,000,000	20%	63,200,000

Note 16
Long Term Investments

	2024	2023
	Rupees	Rupees
At FVTPL - Unquoted		
Farooq Energy Company (Private) Limited		
190 shares (2023: 190) of Rs 1,000 each	190,000	190,000
Less: Impairment loss	(190,000)	-
	-	190,000

Note 17
Long Term Security Deposits

	2024	2023
	Rupees	Rupees
Utilities and others	764,422	764,422
Deposits written off	(344,422)	-
	420,000	764,422

Note 18

Deferred Taxation

	2024 Rupees	2023 Rupees
Deferred taxation assets comprise temporary differences relating to:		
Accelerated tax depreciation & amortization	39,770,182	46,100,478
Surplus on revaluation of property, plant and equipment	(36,282,686)	(51,732,974)
Employee retirement benefits	2,327,032	2,259,884
Unabsorbed depreciation and amortization	20,717,320	14,193,583
Business losses	82,863,919	93,529,050
Provisions	3,872,105	2,171,305
Deferred tax asset	113,267,873	106,521,326
Unrecognized deferred tax asset	(113,267,873)	(106,521,326)
	-	-

Business tax losses against which deferred tax asset has not been recognized, will expire as follows:

Serial No	Business losses Rupees	Tax year in which loss will expire
1	40,843,694	2025
2	40,952,975	2026
3	42,930,339	2027
4	47,894,644	2028
5	61,636,818	2029
6	51,479,183	2030
	285,737,653	

Note 19

Stores and Spare Parts

	Note	2024 Rupees	2023 Rupees
Stores		6,899,209	6,899,209
Spare parts		2,021,120	2,021,120
		8,920,330	8,920,330
Less: Provision for slow moving items	19.1	(8,920,330)	(7,487,258)
		-	1,433,071

19.1 Provision for slow moving items

	2024	2023
Opening balance	7,487,258	7,487,258
Provision for the year	1,433,071	-
	8,920,330	7,487,258
Less : written off during the year	-	-
	8,920,330	7,487,258

Note 20

Stocks in Trade

	Note	2024 Rupees	2023 Rupees
Raw materials		618,292	618,292
Less: Provision for slow moving stock	20.1	(618,292)	-
		-	618,292

20.1 Provision for slow moving stock

	2024	2023
Opening balance	-	-
Provision for the year	618,292	-
	618,292	-
Less : written off during the year	-	-
	618,292	-

Note 21

Advances, Deposits, Prepayments and Other Receivables

	2024 Rupees	2023 Rupees
Advances to employees (Unsecured - considered doubtful)	57,659	123,864
Prepayments	232,189	229,036
Deposit to Sarhad Development Authority	2,550,000	2,550,000
Other receivables (Unsecured - considered doubtful)	8,790	7,607
	2,848,638	2,910,507
Less: provision for doubtful advances and other receivables	(66,449)	-
	2,782,189	2,910,507

Note 22

Advance Income Tax

	2024 Rupees	2023 Rupees
Opening balance	3,212,594	2,756,421
Add: Payments / adjustments	538,495	456,173
	3,751,089	3,212,594
Less: Excess balance written off	(3,212,594)	-
	538,495	3,212,594

Note 23

Cash and Bank Balances

	2024 Rupees	2023 Rupees
Cash in hand	6,020	2,786
Cash at banks:		
- Current accounts - conventional banks	352,138	77,621
- Current accounts - shariah compliant banks	1,253,970	1,253,970
	1,612,128	1,334,377

Note 24

Administrative Expenses

	Note	2024 Rupees	2023 Rupees
Salaries, wages and other benefits	24.1	10,888,441	10,171,856
Directors' remuneration		16,318,399	13,924,390
Utilities and related expenses		13,513,504	14,986,759
Travelling expenses		711,620	596,725
Motor vehicle running expenses		2,017,162	1,759,800
Printing, stationery and related expenses		323,460	435,638
Communication		510,987	541,224
Newspaper and periodicals		54,855	47,833
Rent, rates and taxes	24.2	1,809,523	1,674,946
Fees and subscription		323,540	215,780
Professional charges		1,575,550	798,465
Auditor's remuneration	24.3	302,500	258,000
Depreciation	15	6,313,451	6,546,983
Repairs, maintenance and related expenses		874,657	1,017,000
Insurance		226,639	210,987
Entertainment		610,819	606,053
Directors' meeting fee		10,500	10,000
Miscellaneous		162,921	230,519
		56,548,528	54,032,958

24.1 This includes provision for employees retirement benefits amounting to Rs. 1.39 million (2023: Rs. 1.13 million).

24.2 This includes rent expenses related to leases with terms of 12 months or less and leases of low-value assets.

24.3 Auditor's Remuneration

	2024	2023
Statutory audit	200,000	200,000
Half yearly review fee	52,500	58,000
Certification fee	50,000	-
	302,500	258,000

Note 25
Other Operating Expenses

	2024 Rupees	2023 Rupees
Provision for slow moving stores and spare parts	1,433,071	-
Provision for slow moving stock	618,292	-
Long term deposits written off	344,422	-
Provision for doubtful advances and other receivables	66,449	-
Impairment loss against long term investment	190,000	-
Advance income tax written off	3,212,594	-
	5,864,828	-

Note 26
Finance Cost

	2024 Rupees	2023 Rupees
Mark-up on bridge finance facility	2,617,170	2,617,170
Interest on workers' profit participation fund	-	11,530,561
Bank charges	15,220	2,512
	2,632,390	14,150,243

Note 27
Loss per Share

		2024 Rupees	2023 Rupees
Loss attributable to ordinary shareholders	Rupees	(65,045,746)	(68,183,201)
Weighted average number of ordinary shares outstanding during the year	Numbers	4,332,819	4,332,819
Loss per share	Rupees	(15.01)	(15.74)

27.1 There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date (2023: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

Note 28
Financial Risk Management

28.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any currency risk

(ii) Price risk

Price risk represents the 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 individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is not exposed to any price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At June 30, 2024 the Company does not have any financial instruments whose value may fluctuate because of the changes in the market interest rates.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

	2024	2023
	Rupees	Rupees
Long term investment	-	190,000
Long term deposits	420,000	764,422
Deposits and other receivables	2,558,790	2,557,607
Bank balances	1,606,108	1,331,591
	4,584,898	4,843,620

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Credit ratings			2024	2023
	Short term	Long term	Agency	Rupees	Rupees
Al-Baraka Bank (Pakistan) Limited	A1	A+	JCR-VIS	72,020	72,020
MCB Bank Limited	A1+	AAA	PACRA	280,117	5,601
Dubai Islamic Bank Pakistan Limited	A1+	AA+	PACRA	1,253,971	1,253,971
				1,606,108	1,331,591

Due to the strong financial standing of the counter parties, the management does not expect any non-performance and does not foresee any credit risk.

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

Contractual maturities of financial liabilities as at June 30, 2024:

	2024				
	Carrying amount	Contractual cash flows	Within 12 months	Within 2 to 5 years	More than five years
Financial liabilities	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	163,326,322	163,326,322	163,326,322	-	-
Loan from director	342,222,142	342,222,142	342,222,142	-	-
Short term borrowings	184,981,527	184,981,527	184,981,527	-	-
Accrued finance cost	72,410,067	72,410,067	72,410,067	-	-
Unclaimed dividend	384,359	384,359	384,359	-	-
	763,324,417	763,324,417	763,324,417	-	-

	2023				
	Carrying amount	Contractual cash flows	Within 12 months	Within 2 to 5 years	More than five years
Financial liabilities	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	152,958,025	152,958,025	152,958,025	-	-
Loan from director	302,996,319	302,996,319	302,996,319	-	-
Short term borrowings	184,981,527	184,981,527	184,981,527	-	-
Accrued finance cost	69,792,897	69,792,897	69,792,897	-	-
Unclaimed dividend	384,359	384,359	384,359	-	-
	711,113,127	711,113,128	711,113,128	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at their fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

The Company is not exposed to this risk as the Company does not have any such financial instrument.

28.2 Financial instruments by categories

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

Measurement of financial instruments

	2024	2023
Financial assets at amortized cost	Rupees	Rupees
Long term investment	-	190,000
Long term deposits	420,000	764,422
Deposits and other receivables	2,558,790	2,557,607
Cash and bank balances	1,612,128	1,334,377
	4,590,918	4,846,406
Financial liabilities at amortized cost		
Trade and other payables	163,326,322	152,958,025
Loan from directors	342,222,142	302,996,319
Short term borrowings	184,981,527	184,981,527
Accrued mark-up	72,410,067	69,792,897
Unclaimed dividend	384,359	384,359
	763,324,417	711,113,127

Note 29
Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to enhance shareholders' wealth and meets stakeholders' expectations.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

		2024	2023
As at the reporting date, the gearing ratio of the Company was as under:	Note	Rupees	Rupees
Total borrowings	10 & 11	527,203,669	487,977,846
Cash and bank balances		(1,612,128)	(1,334,377)
Net Debt		525,591,541	486,643,469
Equity		809,575,336	702,594,788
Total capital employed		1,335,166,877	1,189,238,257
Gearing Ratio		39.37%	40.92%

Note 30

Remuneration of Chief Executive Officer, Directors and Executives

	Managing Director / Chief Executive Officer		**Directors**		**Executives**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Fee	-	-	10,500	10,000	-	-	10,500	10,000
Managerial remuneration	9,315,000	8,468,400		-	-	-	9,315,000	8,468,400
Rented accommodation	4,118,400	3,804,000	-	-	-	-	4,118,400	3,804,000
Travelling and conveyance	65,200	83,690	-	-	-	-	65,200	83,690
Communication	32,999	29,216	-	-	-	-	32,999	29,216
Utilities	2,786,800	1,539,084	-	-	-	-	2,786,800	1,539,084
	16,318,399	13,924,390	10,500	10,000	-	-	16,328,899	13,934,390
Number of persons	1	1	6	6	-	-	7	7

30.1 An Executive is defined as an employee, other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. There are no employees classified as executives during the year.

30.2 The Managing Director has been provided with a Company maintained car, utilities and telephone at his residence.

Note 31
Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities

	As at June 30, 2023	Non-cash changes	Cash flows - net	As at June 30, 2024
	Rupees		Rupees	Rupees
Loan from director	302,996,319	-	39,225,823	342,222,142
Short term borrowings	184,981,527	-	-	184,981,527
Unclaimed dividend	384,359	-	-	384,359
Total liabilities from financing activities	488,362,205	-	39,225,823	527,588,028

	As at June 30, 2022	Non-cash changes	Cash flows - net	As at June 30, 2023
	Rupees		Rupees	Rupees
Loan from director	264,100,270	-	38,896,049	302,996,319
Short term borrowings	184,981,527	-	-	184,981,527
Unclaimed dividend	384,359	-	-	384,359
Total liabilities from financing activities	449,466,156	-	38,896,049	488,362,205

Note 32
Related Party Transactions

Related parties comprise associated company, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	**Relationship**	**Nature of transaction**	2024 Rupees	2023 Rupees
Sohail Farooq Sheikh	Managing Director	Loan received	50,954,457	38,896,049
		Loan repaid	11,728,634	-
		Interest accrued on short term borrowings	2,617,170	2,617,170
		Remuneration accrued during the year	16,318,399	13,924,390
	Directors	Meeting fee	10,500	10,000

Balance Outstanding as at June 30,

			2024 Rupees	2023 Rupees
Sohail Farooq Sheikh	Managing	Loan from director	342,222,142	302,996,319
		Short term borrowings - bridge finance facility	26,171,700	26,171,700
		Remuneration payable	105,056,765	93,275,355
		Godown rent payable	-	2,981,800

Note 33
Plant Capacity and Actual Production

	2024	2023
	Kgs	Kgs
Normal capacity on 360 days basis	6,000,000	6,000,000

The production facilities were not operational during the year so no production was achieved during the year.

Note 34
Operating Segments

34.1 The Company constitutes of a single reportable segment, the principal classes of products are Jute Twine, Gunny Bags, Hessian Cloth and Rice bags.

34.2 **Information about major customers**

The Company has not made sales to any customers during the year.

34.3 Assets of the Company are located in Pakistan.

Note 35
Number Of Employees

	2024	**2023**
	Number	Number
Total number of employees as at the year end	49	51
Average number of employees during the year	50	57

Note 36
Shariah Screening Disclosures

	2024	**2023**
	Rupees	Rupees
Loans / advances obtained as per Islamic mode	-	-
Shariah compliant bank deposits / bank balances	1,253,971	1,253,971
Profit earned from shariah compliant bank deposits / bank balances	-	-
Revenue earned from a shariah compliant business segment	-	-
Gain / loss or dividend earned from shariah compliant investments	-	-
Gain earned from Shariah compliant investments	-	-
Break-up of late payments or liquidated damages	-	-
Exchange gains earned using conventional derivative financial instruments	-	-
Exchange gain / (loss) earned from actual currency	-	-
Mark up paid on Islamic mode of financing	-	-
Profits earned on any conventional loan or advance	-	-
Interest paid on any conventional loan or advance	-	-

Note 37
Date of Authorization for Issue

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on 05.11.2024.

Note 38
Corresponding Figures

Corresponding figures are rearranged / reclassified for better presentation and comparison. Following re-arrangements / reclassifications have been made in these financial statements that do not have any impact on the statement of financial position and profitability of the Company.

Nature	**From**	**To**	**2023**
			Rupees
Trade and other payables	Trade creditors	Accrued expenses	867,832
Trade and other payables	Accrued expenses	Director's remuneration payable	93,275,355
Deferred taxation	Non current liabilities	Non current assets	-

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

ANNUAL GENERAL MEETING OF SUHAIL JUTE MILLS LIMITED
FORM OF PROXY

I/We________________________of ___________________________being a member of Suhail Jute Mills Limited and holder of _________________Ordinary shares as per Share Register Folio Number: ______________ hereby appoint _________________________ , CNIC Number______________________, of _________________________as my Proxy to attend, speak and Vote at the Annual General Meeting of the Company to be held on Wednesday 27th November 2024, and at any adjournment thereof.

As witness my/our hand this __________________day of ___________________, 2024.

Witnesses:

1. Signature____________________ 2. Signature ________________________

Name ______________________ Name _________________________

Address_____________________ Address_________________________

____________________________ ________________________________

CNIC/Passport No________________ CNIC/Passport No.________________

CDC Account No. (If Applicable)

Revenue Stamp of PKR 5/-

To be signed by the above named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy need not to be a member of the Company.

2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.

4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.

5. In case of corporate entity, the Board of Directors’ Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.