

44th

ANNUAL REPORT

2025

CONTENTS	
Company Information	01
Vision & Mission Statement	02
Notice of Annual General Meeting	03-07
Review Report of the Chairperson	08
Director's Report to the Shareholders	09-13
Pattern of Shareholding	14-15
Key Operating and Financial Data	16
Auditor's Report to the Members	17-20
Statement of Compliance with Best Practice of Corporate Governance	21-22
Balance Sheet	23
Profit and Loss Accounts	24
Statement of Comprehensive Income	25
Statement of Changes in Equity	26
Cash Flow Statement	27
Notes to the Accounts	28-47

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

Sheikh Ikram Rabbani

Legal Advisor

Malik Qamar Afzal

Share Registrar

Corplinks (Pvt) Ltd., Lahore

Auditors

Azhar Zafar & Co.

Chartered Accountants

Office # 8, 1st Floor, SAF Centre, 8-Fane Road, 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 profitability**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 44th Annual General Meeting of the members of Suhail Jute Mills Limited, ("the Company") is to be held on 28th October 2025 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 on 27th November 2024.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Director's and Auditor's Reports thereon and Chairperson's Review
3. To appoint Auditors of the Company for the year ending June 30, 2026 and fix their remuneration.

SPECIAL BUSINESS.**PROPOSED SPECIAL RESOLUTION FOR CHANGE OF REGISTERED OFFICE**

To consider and approve the following as a Special Resolution:

Resolved that: **'The Registered Office of the Company be, and hereby is, shifted to the site of the Company's manufacturing facility at Nowshera, Khyber-Pakhtunkhwa.**

STATEMENT OF MATERIAL FACTS

1. The Company has been non-operational since 2010
2. The maintenance of a separately situated Registered Office no longer serves any meaningful business purpose.
3. The costs of maintaining the Registered Office are onerous.
4. The site of the manufacturing facility in Nowshera, Khyber-Pakhtunkhwa, has ample office and storage space, power and communication facilities and security arrangements to house the Registered Office, at no significant additional cost.
5. Given the severe financial constraints, it is in the shareholders' interest to mitigate, as much as possible, the financial burden AND it is recommended that the proposed Special Resolution be passed

RE-ELECTION OF DIRECTORS

To elect seven Directors, as fixed by the Board, for a term of three years, in accordance with Section 159 of the Companies Act, 2017.

The following are the names of the retiring Directors, who are eligible for re-election

S/#	Name	S/#	Name
1	MR.SOHAIL FAROOQ SHAIKH	5	MR. SALEEM ASGHAR MIAN
2	MRS. NEELUM SOHAIL SHAIKH	6	MR.SYED IBRAHIM AHMAD
3	MRS SADIA MOHSIN SHAIKH	7	MR SHAHMEER SHAIKH
4	MR FARRUKH HAROON RASHID		

As resolved by the Board in its meeting held on 15th August 2025 the number of Directors to be elected shall be SEVEN.

C. ANY OTHER BUSINESS

To transact any other business with the permission of the Chair.

NOTES

1. The share transfer books of the Company will remain closed from October 21, 2025 to October 28, 2025 (both days inclusive) and no transfer will be accepted during this period. Transfers received, complete in all respect by the Shares Registrar, M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on October 20, 2025 will be considered in time for the purpose of attending and voting at the meeting.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.
3. Members, who have deposited their shares into Central Depository Company of Pakistan will further have to follow the under mentioned guidelines.

A. Attending of Meeting in Person:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in groupaccount and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showinghis/her original Computerized National Identity Card (CNIC)/ original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nomineeshall be produced at the time of meeting.

B. Appointment of Proxies:

i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in groupaccount and their registration details are uploaded as per the regulations, shall submit the proxy form as per the aboverequirement.

ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iii) The proxy shall produce his/her original CNIC/original passport at the time of the meeting.

iv) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall besubmitted along with proxy form to the Company.

4. Filing of Consent for Election of Directors

A member desirous to contest the election of director shall file the following with the Company Secretary atits registered office, not later than fourteen (14) days before the date of the Meeting:

i. Notice of his/her intention to offer himself/herself for election as a Director under Section 159(3) of the Act, selecting any one category stated below in which he / she intends to contest, in accordance with the Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "CCG Regulations"), introduced through S.R.O. 906(1)/2023 dated July 07, 2023:

- a) Independent Director
- b) Female Director
- c) Other Director

ii. Consent to act as Director on signed appendix to Form 9 of Companies Regulations, 2024 under Section 167 of the Act, along with copy of valid CNIC / Passport, taxpayer registration certificate.

iii. A declaration in respect of being:

a) Compliant with all the applicable laws and regulations including without limiting the requirements of the CCG Regulations and eligibility criteria as set out in Section 155 & Section 156 of the Act, to act as director of the listed company.

b) That he / she is not ineligible to become Director of a listed company under Section 153 & 177 of the Act or any other applicable law.

c) That he/she is not serving as director, including as an alternate director, in more than seven (7) listed companies simultaneously.

d) That he/she is aware of the duties of the directors under the Act, the Memorandum and Articles of Association of the Company and Listing Regulations of the Pakistan Stock Exchange.

iv. A detailed profile along with official address (for placement on the Company's website) as required under SECP's SRO 1196 (1)/ 2019 dated October 03, 2019.

v. The candidates are requested to read the relevant provisions / requirements relating to the Election of Directors, as stipulated in the Act, CCG Regulations, the Companies Regulations, 2024, the applicable laws and regulations and ensure the compliance with the same in letter and spirit.

The list of contesting Directors will be circulated not later than seven (7) days before the date of the Meeting, in terms of Section 159(4). Further, website of the Company will also be updated with the relevant information.

5. Participation in the Annual General Meeting

SECP, through its guidelines, has directed the listed companies to also arrange the provision of video link facility. Accordingly, in the best interest of our valued shareholders and to ensure maximum participation, the Company has also arranged video link facility for attending this AGM. The shareholders interested in attending AGM through video link are requested to register their following particulars by sending message at whatsapp no. 03165584455.

Folio / CDC Account No.	Company Name	No. of shares held	Name	CNIC	Cell No.	Email Address
	SUHAIL JUTE MILLS LIMITED					

The video link and login credentials will be shared with the shareholders whose emails, containing all therequested particulars, are received at the above Whatsapp number by or before the close of business hours (5:00 P.M.) on 16th October 2025.

6. Video Conference Facility

Without prejudice to the requirements and the arrangements as described above, keeping in viewthe requirements of Section 132 of the Companies Act, 2017 read with SECP Circular 10 of 2014, if theCompany receives consent from members holding in aggregate 10% or more shareholding residing at ageographical location, to participate in the Annual General Meeting through videoconference at least seven days prior to the date of AGM, the Company will arrange a video conferencefacility in that city subject to availability of such facility in that city. The Company will intimate membersregarding the video conference facility venue at least 5 days before the date of the AGM along with thecomplete information needed to access the facility.

If you would like to avail video conferencing facility, as per above, please fill the following and submit toregistered office of the Company at least 07 days before AGM.

I/ We, _____ of _____ being a member of SUHAIL JUTE MILLS LIMITED, holder of _____ Ordinary Share(s) as per Register Folio No / CDC Account No. _____ hereby optfor video conference facility at _____.

7. Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amendedthrough Notification vide SRO 2192(1)/2022 dated December 05, 2022 issued by the SECP. The SECP hasdirected all the listed companies to provide the right to vote through electronic voting facility and voting by postto the members on all businesses classified as special business and in case of election of directors, **if thenumber of persons who offer themselves to be elected is more than the number of directors fixed under subsection (1) of section 159 of the Act.** Accordingly, members of SUHAIL JUTE MILLS LIMITED will be allowed to exercise their right to vote through e-voting facility or voting by post for the election of directors in its forthcoming Annual General Meeting to be held on 28th October 2025 at 15:30 P.M., in accordance with therequirements and subject to the conditions contained in the aforesaid Regulations further details will be sharedin due course.

By Order of the Board of Directors
Company Secretary

Rawalpindi Dated: 06th October 2025.

NOTES

1. The Register of members will remain closed from 21st October 2025 to 28th October 2025. (both dates inclusive). The Members whose names appear on the Register of Members as on 20th October 2025 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 if 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 2025**

I am pleased to present my Review Report for the year ended 30 June 2025

The Company continues to be in a non-operational state. As such, there are no day to day commercial activities. Despite the limited scope of activity, the Board has 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.

Central to this effort is the company's plan to dispose of identified surplus assets in order to generate funds to pay off pressing liabilities in an orderly fashion and to raise working capital to re start commercial operations.

During the year, the Directors, continued to actively pursue the task of seeking interest from potential investors to acquire some or all of the surplus assets.. The Directors have been closely involved in all aspects of the origination of expressions of interest and negotiation with parties who had expressed interest in acquiring the assets being disposed of. The mandate was expanded to permit them to explore the possibility of entering into joint venture arrangements with interested parties. The Board has been kept apprised of the ongoing developments in a timely fashion.

At the date of this review however, no sale transaction or joint venture arrangement has come to fruition. The unprecedented financial and economic crisis, coupled with the political uncertainties and the adverse security situation continues to have an extremely detrimental effect on investor sentiment.

I look forward to an improvement in the Company's overall state of affairs, once funds have been generated from the disposal of surplus assets and the company is able to recommence commercial production.

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, 06th October 2025

**DIRECTORS REPORT TO THE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2025**

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	5
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	5

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. 55.134 Million (RS.12.72 per share) during the year as compared to a loss of RS.65.046 (RS.15.01 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 to 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 2025 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. Neelum Sohail 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 - 4
 - b) HR and Remuneration Committee - 1
 - 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 the following 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.
3	19	The Board has not prepared risk management policies as required under regulation 10(2) of the Regulations.	As the Company has been non-operational for an extended period of time and formulating policies on paper are superseded by the existential threat it constantly faces; the Board and sponsors are faced with this risk on a daily basis and deal with it as best they can
4	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.
5	19	The Board of the Company has not ensured a formal and effective mechanism in place for 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
6	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. However, only Directors' attendance is recorded.
7	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.	It is submitted that 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.
8	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.	There is a fixed meeting fee for directors attending a Board meeting. No other remuneration is payable for attending meetings or serving on committees. This long-standing procedure has been consistently applied and is Fully transparent in that the amount of the meeting fee is known to all directors.

9	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.
10	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.	As stated earlier, 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	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 are 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.
12	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.

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

Chief Executive Officer /
Director

APPROVED BY BOARD ON OCTOBER 06, 2025

PATTERN OF SHAREHOLDING

Pattern of holding of the shares held by the shareholders as at 30-06-2025

No. of Shareholders	From	To	Total Shares Held
1,089	1	100	35,781
206	101	500	58,947
54	501	1,000	41,538
55	1,001	5,000	129,207
17	5,001	10,000	107,094
1	10,001	15,000	10,400
4	15,001	20,000	71,681
1	20,001	25,000	20,900
1	35,001	40,000	39,500
1	55,001	60,000	55,328
1	65,001	70,000	65,308
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
1,437			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.	16,807	0.3879%
Insurance Companies	206	0.0048%
Modarabas and Mutual Fund	766	0.0177%
Shareholders holding 10% or more	2,248,937	51.9047%
General Public		
a. Local	1,344,821	31.0380%
b. Foreign	0	0.0000%
Others (to be specified)		
1- Joint Stock Companies	5,306	0.1225%
2- Others	1,000	0.0231%

**Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2025**

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:	17,779	0.4103
---	--------	--------

Shareholders holding five percent or more voting interest 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	2025	2024	2023	2022	2021	2020	2019
Net sales	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-
Operating expenses	55,134,581	65,045,746	68,183,201	54,681,597	50,973,991	45,427,732	42,019,311
Other income.		-	-	-	10,000	-	1,175,617
Earning per share - Rupees	(12.72)	(15.01)	(15.74)	(12.62)	(11.77)	(10.48)	(9.43)
FINANCIAL POSITION							
Equity	799,912,451	809,575,336	702,594,788	770,004,115	823,780,803	728,631,381	773,918,442
Reserve on Revaluation of fixed assets			-	-	-	-	-
Loan from director	374,856,097	342,222,142	302,996,319	264,100,270	236,149,305	209,270,558	185,418,953
Deferred liabilities	7,711,092	8,024,248	7,792,702	7,435,102	7,415,743	7,178,018	6,323,910
Current liabilities.	515,830,942	498,926,436	485,918,699	463,787,403	445,172,769	428,777,156	414,759,139
	1,698,310,582	1,658,748,162	1,499,302,508	1,505,326,890	1,512,518,620	1,373,857,113	1,380,420,444
Fixed capital expenditure	1,693,034,353	1,653,815,350	1,489,793,667	1,496,340,650	1,503,127,603	1,363,630,743	1,367,774,830
Current assets.	5,276,229	4,932,812	9,508,841	8,986,240	9,391,017	10,226,370	12,645,614
	1,698,310,582	1,658,748,162	1,499,302,508	1,505,326,890	1,512,518,620	1,373,857,113	1,380,420,444

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUHAIL JUTE MILLS 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, 2025, 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 summary of significant accounting policies 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, the 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, 2025 and of the profit and other comprehensive loss, 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 Auditors' 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 (the Code) 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. 1102.97 million, whereas its current liabilities exceed its current assets by Rs.885.41 million; its loss for the year amounts to Rs. 55.13 million and net cash used in operations amounts to Rs. 32.79 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 will be 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 a decree against the Company for recovery of these balances. The execution petition of both the above money decrees were initiated in the Lahore High Court, Rawalpindi Bench, Rawalpindi, vide execution petition No.01/17. The execution petition is still pending adjudication, 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 kanals (Note 15.3: 102 kanals & 18 marlas; and Note 15.4: 744 kanals & 2 marlas) have not been transferred in the name of the Company. The management intends to initiate the process to transfer the title of the land, in its name, in due course.

Our opinion is not qualified in respect of these matters.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements for the current period. This matter was 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 this matter.

Following is the key audit matter:

S. No	Key audit matter	How the matter was addressed in our audit
1.	Revaluation of Property Plant and Equipment	
	<p>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. 43.840 million. Revaluation surplus has increased to 1,663.194 million as of June 30, 2025.</p> <p>We identified this as key audit matter as revaluation requires significant judgments and estimates and can significantly impact the financial statements.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none">• 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 on 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 is responsible for overseeing the Company's financial reporting process.

AUDITORS' 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 auditors' 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 material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 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 auditors' 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, statement of comprehensive income, 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 auditors' report is Talat Mehboob.

LAHORE
OCTOBER 06, 2025,

UDIN: AR202510492BoTA389cS

AZHAR ZAFAR & CO.

CHARTERED ACCOUNTANT

**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, 2025**, 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 noncompliance with the requirements of the Regulations. A review is limited primarily to inquiries about 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 with 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, 2025.

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	19	The Board has not prepared risk management policies as required under regulation 10(2) of the Regulations.
4	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.
5	19	The Board of the Company has not ensured a formal and effective mechanism in place for 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.

6	19	The CFO and the Company Secretary were not present at all board meetings as required under regulation 13 of the Regulations.
7	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.
8	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.
9	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.
10	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.
11	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
12	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
OCTOBER 06, 2025,

UDIN: CR202510492dAqvg8QhK

AZHAR ZAFAR & CO.

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION AS AT 30.06.2025

	Notes	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up capital	5	43,328,190	43,328,190
Revenue reserves	6	-1,102,972,187	(1,053,524,797)
Revaluation surplus	7	1,663,194,363	1,623,409,858
Merger reserve		196,362,085	196,362,085
		799,912,451	809,575,336
LIABILITIES			
NON CURRENT LIABILITIES			
Staff retirement benefits	8	7,711,092	8,024,248
CURRENT LIABILITIES			
Trade and other payables	9	255,437,818	241,150,483
Accrued markup	12	75,027,239	72,410,067
Unclaimed dividend		384,359	384,359
Loan from directors	10	374,856,097	342,222,142
Short term borrowings	11	184,981,527	184,981,527
Provision for taxation	13		
		890,687,039	841,148,578
		1,698,310,582	1,658,748,162
ASSETS			
NON CURRENT ASSETS			
Property plant and equipment	15	1,692,614,353	1,653,395,350
Long term security deposits		420,000	420,000
		1,693,034,353	1,653,815,350
CURRENT ASSETS			
Cash and bank balances	23	1,446,220	1,612,128
Advances, prepayments and other receivables	21	2,843,538	2,782,189
Advance income tax	22	986,471	538,495
		5,276,229	4,932,812
		1,698,310,582	1,658,748,162
CONTINGENCIES AND COMMITMENTS			

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

Rawalpindi

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30.06.2025

	2025 Rupees	2024 Rupees
SALES	-	-
COST OF SALES	-	-
GROSS LOSS	-	-
ADMINISTRATIVE EXPENSES	(52,496,831)	(56,548,528)
OTHER OPERATING EXPENSES	-	(5,864,828)
FINANCE COST	(2,637,750)	(2,632,390)
LOSS BEFORE TAXATION	(55,134,581)	(65,045,746)
TAXATION	-	-
LOSS AFTER TAXATION	(55,134,581)	(65,045,746)
(LOSS) PER SHARE	(12.72)	(15.01)

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

Rawalpindi

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30.06.2025**

	2025 Rupees	2024 Rupees
LOSS FOR THE PERIOD AFTER TAXATION	(55,134,581)	(65,045,746)
OTHER COMPREHENSIVE INCOME		
Actuarial gain on re- measurement of staff benefits	1,630,860	1,156,738
Surplus on revaluation of property plant and equipment	43,840,837	170,869,556
TOTAL COMPREHENSIVE LOSS / INCOME FOR THE PERIOD	(9,662,884)	106,980,548

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

CHIEF EXECUTIVE**CHIEF FINANCIAL OFFICER****DIRECTOR**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30.06.2025

Particulars	Issued subscribed and paid up Share capital Rupees	Revneue Reserves			Surplus on revaluation of fixed assets Rupees	Merger reserve Rupees	Total Rupees
		Dividend equilisation reserve Rupees	Accumulated Loss Rupees	Total Rupees			
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
Total comprehensive loss for the year	-	-	(65,045,746)	(65,045,746)	-	-	(65,045,746)
Actuarial gain on remeasurement of staff retirement benefits			1,156,738	1,156,738			1,156,738
Reserve adjustment		(7,490,000)	7,490,000				
Revaluation surplus	-	-	-	-	170,869,556		170,869,556
Effect of incremental depreciation	-		5,646,411	5,646,411	(5,646,411)	-	-
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
Total comprehensive loss for the period	-	-	(55,134,581)	(55,134,581)	-	-	(55,134,581)
Reserve adjustment			-	-			-
retirement benefits			1,630,860	1,630,860			1,630,860
Revaluation surplus					43,840,837		43,840,837
Effect of incremental depreciation	-	-	4,056,331	4,056,331	(4,056,331)	-	-
Balance as at June 30, 2025	43,328,190	-	(1,102,972,187)	(1,102,972,187)	1,663,194,363	196,362,085	799,912,451

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30.06.2025**

	2025 Rupees	2024 Rupees
Cash flows from operating activities		
Loss before taxation	(55,134,581)	(65,045,746)
Adjustments for non cash items		
Financial charges	2,637,750	2,632,390
Provision for slow moving stores and spares	-	1,433,071
Provision for slow moving stocks	-	618,292
Long term deposits written off	-	344,422
Impairment loss against long term investment	-	190,000
Advance income tax written off	-	3,212,594
Staff retirement benefits	1,317,704	1,388,284
Depreciation	4,621,835	6,313,451
	(46,557,292)	(48,913,242)
Working capital changes (Increase) / decrease in current assets		
Advances, deposits, prepayments and other receivables	(61,349)	128,318
Increase/(decrease) in current liabilities		
Trade and other payables	14,287,335	10,390,567
	14,225,986	10,518,885
Cash used in operations	(32,331,306)	(38,394,357)
Taxes paid	(447,976)	(538,495)
Financial charges paid	(20,580)	(15,220)
Net cash used in operating activities	(32,799,862)	(38,948,072)
Cash flow from investing activities		
	-	-
Net cash flow from investing activities	-	-
Cash flow from financing activities		
Loan from director	33,369,667	50,954,457
Loan repaid to director	(735,712)	(11,728,634)
Net cash used in financing activities	32,633,955	39,225,823
Net decrease in cash and cash equivalents	(165,907)	277,751
Cash and cash equivalents at the beginning of the year	1,612,128	1,334,377
Cash and cash equivalents at the end of the year	1,446,220	1,612,128

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

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. 1102.97 million; whereas its current liabilities exceed its current assets by Rs. 885.41 million; its loss for the year amounts to Rs. 55.13 million and net cash used in operations amounts to Rs. 32.79 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	January 01, 2023
IFRS 09	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 01, 2024
IAS 07	Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 01, 2024
IFRS 07	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 01, 2024
IFRS 07	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 01, 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 01	First Time Adoption of IFRS
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-Related Disclosures

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 Information

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 - Classification

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.

3.8.1 - 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.

3.8.2 - 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.

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 rightof- 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

5 Issued, subscribed and paid up share capital

2025 Number	2024 Number		2025 Rupees	2024 Rupees
3,245,000	3,245,000	ordinary shares of Rs. 10 each issued for cash	32,450,000	32,450,000
-	-	ordinary shares of Rs. 10 each issued for consideration other than cash	-	-
<u>3,245,000</u>	<u>3,245,000</u>		<u>32,450,000</u>	<u>32,450,000</u>
1,087,819	1,087,819	ordinary shares of Rs. 10 each issued against merger	10,878,190	10,878,190
<u>4,332,819</u>	<u>4,332,819</u>		<u>43,328,190</u>	<u>43,328,190</u>

5.1 Shares held by associated undertakings

2025	2024						
500	500	M Farooq (Pvt) Ltd	0.01%	5,000	0.01%	5,000	
20,000	20,000	Surriya Farooq Charitable Foundation	0.46%	200,000	0.46%	200,000	
<u>2,591,505</u>	<u>2,591,505</u>	Directors	59.81%	25,915,050	59.81%	25,915,050	
<u>2,612,005</u>	<u>2,612,005</u>						

5.2 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 of the shareholding.

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

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

6 Revenue Reserves

Note

Divident equalization reserve
Accumulated loss

6.1

-	-
<u>(1,102,972,187)</u>	<u>(1,073,781,195)</u>
<u>(1,102,972,187)</u>	<u>(1,073,781,195)</u>

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 last year, the Company has transferred this reserve to accumulated loss.

7 Surplus on Revaluation of Property, Plant & Equipment

	2025 Rupees	2024 Rupees
Freehold Land		
- Opening Balance	1,498,297,149	1,279,797,149
- Revaluation During The Year	47,683,803	218,500,000
	<u>1,545,980,952</u>	<u>1,498,297,149</u>
Building on Freehold Land		
- Opening Balance	55,171,875	82,234,713
- Revaluation During The Year	(2,475,000)	(24,595,797)
	<u>52,696,875</u>	<u>57,638,916</u>
Plant and Machinery		
- Opening Balance	69,940,834	96,154,851
- Revaluation During The Year	(1,367,966)	(23,034,647)
	<u>68,572,868</u>	<u>73,120,204</u>
	<u>1,667,250,695</u>	<u>1,629,056,269</u>
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning	<u>(4,056,331)</u>	<u>(5,646,411)</u>
	<u>1,663,194,364</u>	<u>1,623,409,858</u>

7.1 Latest revaluation of property, plant and equipment was carried out by an independent valuer, M/s BFA (Private) Limited as at June 28, 2025 that is considered to be the same as of the reporting date. The following basis were used for revaluation of property, plant and equipment:

Freehold 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.

8 Staff Retirement Benefits

	Note	2025 Rupees	2024 Rupees
The amounts recognized in the balance sheet are determined as follows:			
Present value of defined benefit obligation	8.1	6,488,251	6,801,407
Payable against retirement benefits		1,222,841	1,222,841
Liability as at June 30		<u>7,711,092</u>	<u>8,024,248</u>

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, 2025. Following key information was included in that actuarial report:

8.1.1 - Movement in liability for staff gratuity

Liability as at July 01	6,801,407	6,569,861
Current service cost	314,496	320,682
Interest cost	1,003,208	1,067,602
	1,317,704	1,388,284
Remeasurements recorded in other comprehensive income	(1,630,860)	(1,156,738)
Benefits Paid During The Year	-	-
Liability as at June 30	<u>6,488,251</u>	<u>6,801,407</u>

8.1.2 - Actuarial assumptions

Valuation discount rate	11.75%	14.75%
Salary increase rate short term (1 year)	6.75%	14.75%
Salary increase rate long term	10.75%	14.75%
Withdrawal rates	High	High
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
Duration	3.07 Years	3.48 Years
Normal retirement age	60 Years	60 Years
Effective salary increase date	July 1, 2025	July 1, 2024

8.1.3 - Estimated expenses to be Charged for the year

	2025	2024
Current Service Cost	314,496	320,682
Current Interest Cost	1,003,208	1,067,602
	<u>1,317,704</u>	<u>1,388,284</u>

8.1.4 - Charge for the year has been allocated to administrative expenses (Note - 23)

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:

	2025	2024
Discount rate increased by 1%	6,299,659	6,577,914
Discount rate decreased by 1%	6,697,734	7,051,066
Salary rate increased by 1%	6,730,160	7,079,433
Salary rate decreased by 1%	6,265,768	6,547,338
Withdrawal rates increase by 10%	6,488,576	6,801,407
Withdrawal rates decrease by 10%	6,487,925	6,801,407
1 year mortality age set-forward	6,488,965	6,801,407
1 year mortality age set-back	6,487,534	6,801,407

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

	2025	2024
Undiscounted payments		
Year - 1	4,603,046	4,601,091
Year - 2	26,643	208,692
Year - 3	30,731	32,404
Year - 4	535,399	38,743
Year - 5	31,869	696,230
Year - 6 to 10	1,980,513	2,145,507
Year - 11 or above	4,452,460	9,792,253

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

	2025	2024	2023	2022	2021
	Rupees				
Present value of defined benefit obligation	6,488,251	6,801,407	6,569,861	6,212,261	6,192,902
Fair value of plan asset	-	-	-	-	-
Net liability	6,488,251	6,801,407	6,569,861	6,212,261	6,192,902

9 Trade and other payables

	Note	2025 Rupees	2024 Rupees
Trade creditors		22,269,220	13,140,758
Accrued expenses		3,335,173	12,881,195
Directors remuneration payable	9.1	119,766,965	105,056,765
Security deposits		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		984,642	989,912
Others		2,685,855	2,685,890
Employees retirement benefits	9.4	29,560,114	29,560,114
		<u>255,437,818</u>	<u>241,150,483</u>

9.1 This represent the remuneration payable to the Chief Executive 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.

9.2 Workers' profit participation fund

Balance as at July 01	76,564,746	76,564,746
Interest for the year		
Balance as at	<u>76,564,746</u>	<u>76,564,746</u>

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 retirement benefits

Gratuity payable	9.4	28,309,686	28,309,686
Provident fund payable	9.5	1,250,428	1,250,428
		<u>29,560,114</u>	<u>29,560,114</u>

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

9.5 This represents balance of the amount payable to employees that has arisen as a result of the discontinuation of the Provident fund of the Company.

10 Loan from Director

	Note	2025 Rupees	2024 Rupees
Opening balance		342,222,142	302,996,319
Loan received during the year		33,369,667	50,954,457
Loan repaid during the year		(735,712)	(11,728,634)
Closing balance		<u>374,856,097</u>	<u>342,222,142</u>

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

11 Short Term Borrowings

	Note	2025 Rupees	2024 Rupees
From Banking Companies - Secured			
Faysal Bank Limited	11.1	128,809,827	128,809,827
Al-Baraka Islamic Bank Limited	11.4	30,000,000	30,000,000
		<u>158,809,827</u>	<u>158,809,827</u>
From Director - unsecured			
Bridge finance facility	11.5	26,171,700	26,171,700
		<u>184,981,527</u>	<u>184,981,527</u>

11.1 Faysal Bank

Running finance facility	11.2	127,885,528	127,885,527
Cash finance facility	11.3	924,300	924,300
		<u>128,809,828</u>	<u>128,809,827</u>

Faysal Bank

- 11.2** This represent the running finance facility obtained to meet the working capital requirements of the Company. The total limit amounted to Rs. 128.55 million (2024 Rs.128.55 million) and carried markup at 3 months KIBOR plus 2.91 % (2024: 3 months KIBOR plus 2.91 %) per annum. The facility expired in previous years and was secured against first exclusive hypothecation chargeof Rs.100 million on all present and future current assets of the Company and pari passu chargeof Rs. 280 million on fixed assets of the Company included land, building and plant and machinery. The Court on petition filed by the Bank ordered a decree in favour of the Bank. The markup has been suspended on this facility after the court decree.

- 11.3** This represent the running finance facility obtained to finance the import of raw materials. The total limit amounted to Rs.20 million (2024: Rs. 20 million) and carried markup at 3 months KIBOR plus 2.91 % (2024: 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.

Al-Baraka Islamic Bank

- 11.4** This represents the running finance facility obtained to meet the working capital requirement of the Company. The total limit amounted to Rs.30 million (2024 Rs. 30 million) and carried markup at 6 mmonths KIBOR plus 2.5 % per annum (if paid within 180 days) and 3 months KIBOR plus 3 % per annum (if paid within 90 days) (2024: 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 parri 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 mark up has been suspended on this facility after the court decree.

- 11.5** 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% (2024: 10%) per anum.

12 Accrued Markup

	Note	2025 Rupees	2024 Rupees
Short term borrowings from banking companies		54,086,276	51,469,106
Short term borrowings from director		20,940,963	20,940,961
		<u>75,027,239</u>	<u>72,410,067</u>

13 Provision for Taxation

- 13.1** No provision for current taxation has been made due to the reason that the Company has no taxable income. Turnover tax under section 113 of Income Tax Ordinance, 2001 does not apply as the Company has no turnover during the year.
- 13.2** Deferred tax asset 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 continous losses and discontinued operations of the Company. The Company also does not forsee profitability from operations in the near future.

14 Contingencies and Commitments**Contingencies**

- 14.1** The Company has secured running finance from Faysal Bank and Al Baraka Bank as disclosed in note 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. 1.0 million markup in favour 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 favour of Faysal Bank on May 03, 2017. The execution petition of both the above money decrees were initiated in the Lahore High Court, Rawalpindi Bench, Rawalpindi, vide execution petition No.01/17. The execution petition is still pending adjudication and is fixed before Judge Justice Jawad Hassan as per legal advisor.
- 14.2** The Sarhad Development Authority has filed an appeal in Peshawar High Court against the decision made in the civil suit (No: 180/1) on May 26, 2011 in favour 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 please related to this issue dismissed in the above decision. The matter is pending before District Judge, Peshawar.
- 14.3** Income tax demand of Rs. 4.47 million for the tax year 2023 was raised against the company under section 161(1A) of the Income tax ordinance, 2001 which has been contested before the tax authorities. The management and the tax advisor of the Company expect that the case will be resolved in favor of the Company without creating any liability.
- 14.4** The Company is in litigation with sales tax authorities circle 1 , Rawalpindi for refund of sales tax amounting to Rs.2.452 million (2024 Rs. 2.452 million). The case is pending with the Honorable Lahore High Court , Lahore.
- 14.5** In Sabahud-Din and 49 others case the adjudged amount of Rs. 13.41 million is claimed out of deductions from wages and non payments of dues from the company. The execution petition is pending before authority under the Payment of Wages Act through Deputy Commissioner, Nowshera.
- 14.6** In Muhammad Arif vs company case the plaintiff has filed a writ petition regarding correction of service record before the Session Judge, Peshawar. The case is pending as on reporting date.

14.7 Guarantees

No gurantees was given by any banking companies on behalf of the Company during the financial year.

14.8 Commitments

There are no outstanding commitments as at the reporting date.

15 Property, plant and equipment

(Amount in Rupees)											
Particulars	Cost/revalued amount				Depreciation				W. D. V.	Revaluation Surplus / (Loss)	Revaluation Amount
	As on 30-Jun-24		As on 30.06.2025	Rate %	As on 30-Jun-24	Charge/ (deletion)		As on 30.06.2025	as on 30.06.2025	As On 30.06.2025	As On 30.06.2025
Owned assets											
Free hold land	1,510,816,197		1,510,816,197		-	-	-	-	1,510,816,197	47,683,803	1,558,500,000
Building on freehold land	62,500,000		62,500,000	3%		1,875,000		1,875,000	60,625,000	(2,475,000)	58,150,000
Plant & machinery	79,000,000		79,000,000	3-15%		2,632,034		2,632,034	76,367,966	(1,367,966)	75,000,000
Furniture & fixtures	4,521,885	-	4,521,885	10%	4,252,463	26,942	-	4,279,405	242,480		242,480
Office equipment	12,189,978		12,189,979	10%	11,449,101	74,088		11,523,189	666,790		666,790
Motor vehicles	4,386,865		4,386,865	20%	4,318,011	13,771		4,331,782	55,083		55,083
Library books	60,723	-	60,722	30%	60,723	(0)	-	60,723	-		-
Sub Total	1,673,475,648	-	1,673,475,648		20,080,298	4,621,835	-	24,702,133	1,648,773,516	43,840,837	1,692,614,353
Total 30.06.2025	1,673,475,648	-	1,673,475,648		20,080,298	4,621,835	-	24,702,133	1,648,773,516	43,840,837	1,692,614,353

	Book Value As On June 30, 2025	Book Value As On June 30, 2024
Freehold Land	12,519,048	12,519,048
Building on freehold land	7,108,281	7,328,125
Plant and Machinery	8,758,573	9,059,166
	28,385,903	28,906,338

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

Location	Usage of Immovable Property	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 Rupees	Building Rupees	Plant and Machinery Rupees
For The Year Ending June 30, 2025	1,560,816,197	58,150,000	75,000,000
For The Year Ending June 30, 2024	1,510,816,197	62,500,000	79,000,000

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 Rupees	Forced Sale Factor Percentage	Forced Sales Value Rupees
Freehold Land	1,558,500,000	20%	311,700,000
Buildings	58,150,000	20%	11,630,000
Plant and Machinery	75,000,000	20%	15,000,000

16 Long Term Investments

At FVTPL - Unquoted	Note	2025 Rupees	2024 Rupees
Farooq Energy Company (Private) Limited 190 shares (2023: 190) of Rs 1,000 each		-	190,000
Less: Impairment loss		-	(190,000)
		-	-

17 Long Term Security Deposits

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

18 Deferred Taxation

	Note	2025 Rupees	2024 Rupees
Deferred taxation assets comprise temporary differences relating to:			
Accelerated tax depreciation & amortization		34,296,781	39,770,182
Surplus on revaluation of property, plant and equipment		(33,991,890)	(36,282,686)
Employee retirement benefits		2,236,217	2,327,032
Unabsorbed depreciation and amortization		19,509,036	20,717,320
Business losses		85,502,278	82,863,919
Provisions		2,586,896	3,872,105
Deferred tax asset		110,139,318	113,267,873
Unrecognized deferred tax asset		(110,139,318)	(113,267,873)
		-	-

Serial Number	Business Losses	Tax Year In Which Loss Will Expire
1	40,952,975	2026
2	42,930,339	2027
3	47,894,644	2028
4	61,636,818	2029
5	51,479,183	2030
6	49,941,484	2031

	Note	2025 Rupees	2024 Rupees
19 Stores & Spares			
Stores		6,899,209	6,899,209
Spares		2,020,101	2,021,120
		<u>8,919,310</u>	<u>8,920,330</u>
Less: Provision for slow moving items		<u>(8,919,310)</u>	<u>(8,920,330)</u>
		-	-

19.1 Provision for slow moving items

Opening balance	8,920,330	7,487,258
Provision for the year	-	1,433,071
	<u>8,920,330</u>	<u>8,920,330</u>
Less : written off during the year	-	-
	<u>8,920,330</u>	<u>8,920,330</u>

	Note	2025 Rupees	2024 Rupees
20 Stock in Trade			
Raw materials		824,389	618,292
Less: Provision for slow moving items	20.1	<u>(824,389)</u>	<u>(618,292)</u>
		-	-
20.1 Provision for slow moving items			
Opening balance		824,389	-
Provision for the year		-	618,292
		<u>824,389</u>	<u>618,292</u>
Less : written off during the year		-	-
		<u>824,389</u>	<u>618,292</u>

21 Advances, Deposits, Prepayments, & Other Receivables

	Note	2025 Rupees	2024 Rupees
Advances - considered good:			
- Employees		-	47,370
- Expenses		13,201	10,289
Deposits		420,000	-
Prepayments		270,081	232,189
Sarhad Development Authority		2,550,000	2,550,000
Income Tax		986,471	-
Other receivables - considered good		10,256	8,790
Provision for doubtful advances and receivables		-	(66,449)
		<u>4,250,009</u>	<u>2,782,189</u>

22 Advance Income Tax

Opening Balance	538,495	3,212,594
Add: Payments/ajustments	447,976	538,495
	<u>986,471</u>	<u>3,751,089</u>
Less: Excess Balance Written Off	-	(3,212,594)
	<u>986,471</u>	<u>538,495</u>

23 Cash & Bank Balances

Cash in hand	78,870	6,020
Cash at banks:		
- in current accounts	<u>1,367,350</u>	<u>1,606,108</u>
	<u>1,367,350</u>	<u>1,606,108</u>
	<u>1,446,220</u>	<u>1,612,128</u>

24 Administrative Expenses

	Note	2025 Rupees	2024 Rupees
Salaries, wages and benefits	24.1	11,193,654	10,888,441
Directors' Remuneration		17,435,987	16,318,399
Directors' meeting fee		12,500	10,500
Travelling		615,070	711,620
Motor vehicle running expenses		1,900,814	2,017,162
Entertainment		692,491	610,819
Printing and stationery		416,507	323,460
Communication		517,158	510,987
News paper and periodicals		36,665	54,855
Rent, rates and taxes		1,812,118	1,809,523
Utilities		10,007,354	13,513,504
Fees and subscription		381,364	323,540
Professional charges		1,182,540	1,575,550
Auditor's remuneration		277,000	302,500
Depreciation		4,621,835	6,313,451
Advances written back		(19,449)	-
Repairs and maintenance		1,016,942	875,676
Insurance		235,566	226,639
Miscellaneous		160,715	162,921
		<u>52,496,831</u>	<u>56,549,547</u>

24.1 This includes provision for employees retirement benefits amounting to Rs. 1.32 million (2024: Rs. 1.39 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

	Note	2025 Rupees	2024 Rupees
Audit fee		225,000	200,000
Fee for half yearly review of financial statements		<u>52,000</u>	<u>52,500</u>
		<u>277,000</u>	<u>252,500</u>

25 Other Operating Expenses

	Note	2025 Rupees	2024 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
		<u>-</u>	<u>5,864,828</u>

26	Finance Cost	2025 Rupees	2024 Rupees
	Interest on Workers' profit participation fund	-	
	Mark up on bridge finance	2,617,170	2,617,170
	Bank charges	20,580	15,220
		<u>2,637,750</u>	<u>2,632,390</u>

27	Loss Per Share - Basic & Diluted	2025 Rupees	2,024 Rupees
	Loss attributable to ordinary shareholders	Rupees (55,134,581)	(65,045,746)
	Weighted average number of shares in issue during the year.	Numbers 4,332,819	4,332,819
	Basic earnings per share	Rupees <u>(12.72)</u>	<u>(15.01)</u>

- 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 (2024: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

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

27.1.1 - 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

27.1.2 - Price Risks

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.

27.1.3 - 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:

	2025 Rupees	2024 Rupees
Long Term Investment	-	-
Long Term Deposit	420,000	420,000
Deposits and other Receivables	2,560,256	2,558,790
Bank Balance	1,367,350	1,606,108
	<u>4,347,606.07</u>	<u>4,584,898.00</u>

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			2025	2024
	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	1,944	280,117
Dubai Islamic Bank Pakistan Limited	A1+	AA+	PACRA	1,253,971	1,253,971
				<u>1,327,935</u>	<u>1,606,108</u>

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, 2025:

	Carrying Amount	Contractual Cash Flows	Within 12 Months	Within 2 to 5 Years	More Than 5 Years
<u>Financial Liabilities</u>					
			Rupees		
Trade and other payables	177,618,927	177,618,927	177,618,927	-	-
Loan from director	374,856,097	374,856,097	374,856,097	-	-
Short term borrowings	184,981,527	184,981,527	184,981,527	-	-
Accrued finance cost	75,027,239	75,027,239	75,027,239	-	-
Unclaimed dividend	384,359	384,359	384,359	-	-
	<u>812,868,148</u>	<u>812,868,148</u>	<u>812,868,148</u>	<u>-</u>	<u>-</u>

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

	Carrying Amount	Contractual Cash Flows	Within 12 Months	Within 2 - 5 Years	More Than 5 Years
<u>Financial Liabilities</u>					
			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	-	-
	<u>763,324,417</u>	<u>763,324,417</u>	<u>763,324,417</u>	<u>-</u>	<u>-</u>

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

	2025 Rupees	2024 Rupees
Financial assets at amortized cost		
Long Term Investment	-	-
Long Term Deposit	420,000	420,000
Deposits and other Receivables	2,560,256	2,558,790
Bank Balance	1,446,220	1,612,128
	4,426,476	4,590,918
Financial Liabilities at amortized cost		
Trade and other payables	177,618,927	163,326,322
Loan from director	374,856,097	342,222,142
Short term borrowings	184,981,527	184,981,527
Accrued finance cost	75,027,239	72,410,067
Unclaimed dividend	384,359	384,359
	812,868,148	763,324,417

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.

	Note	2025 Rupees	2024 Rupees
As at the reporting date, the gearing ratio of the Company was as under:			
Total Borrowings	10 & 11	559,837,624	527,203,669
Cash and bank balances		(1,446,220)	(1,612,128)
Net Debt		558,391,404	525,591,541
Equity		799,912,451	809,575,336
Total capital employed		1,358,303,855	1,335,166,877
Gearing Ratio		41.11%	39.37%

30 Directors Remuneration

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the managing director, directors and executives of the Company are given below.

	Chief Executive Officer		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Fee		-	12,500	10,500	-	-	12,500	10,500
Remuneration	10,246,200	9,315,000		-			10,246,200	9,315,000
Rented accommodation	46,552	4,118,400		-			46,552	4,118,400
Travelling and Conveyance	4,464,000	65,200		-			4,464,000	65,200
Communication	2,604,035	32,999		-			2,604,035	32,999
Utilities	75,200	2,786,800		-			75,200	2,786,800
	17,435,987	16,318,399	12,500	10,500	-	-	17,448,487	16,328,899
	7	7	1	1	-	-	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.

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

	As At June 30, 2024	Non Cash Changes	Cash Flows - Net	As At June 30, 2025
Loan From Director	342,222,142	-	32,633,955	374,856,097
Short term borrowings	184,981,527	-	-	184,981,527
Unclaimed dividend	384,359	-	-	384,359
Total liabilities from financing activities	527,588,028	-	32,633,955	560,221,982
	As At June 30, 2023	Non Cash Changes	Cash Flows - Net	As At June 30, 2024
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

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:

Transaction during the Year:

Related Party	Relationship	Nature of Transaction	2025 Rupees	2024 Rupees
Sohail Farooq Sheikh	Managing Director	Loan Received	33,369,667	50,954,457
		Loan Repaid	735,712	11,728,634
		Interest Accrued on Short Term Borrowings	2,617,170	2,617,170
		Remuneration Accrued During The Year	17,435,987	16,318,399
	Director	Meeting	10,500	10,500
Balance Outstanding As on June 30,				
Sohail Farooq Sheikh	Managing Director	Loan From Director	374,856,097	342,222,142
		Short Term Borrowings -	26,171,700	26,171,700
		Remuneration Payable	119,766,965	105,056,765
		Godown Rent Payable	-	-

33 Plant Capacity and Actual Production

	2025 Kgs	2024 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.		

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.

35 Number of Employees

	2025	2024
Total number of employees at the end of the year	50	49
Average number of employees during the year	50	50

36 Shariah Screening Disclosures

	2025 Rupees	2024 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	-	-

37 Date of authorization for issue

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on 06.10.2025.

38 General

Figures have been rounded off to the nearest Pak rupee.

CHIEF EXECUTIVE

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
Tuesday 28th October 2025, and at any adjournment thereof.

As witness my/our hand this _____ day of _____, 2025.

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.