

J.A Textile Mills Limited
Financial Statements
For The Year Ended June 30, 2023

2
CERTIFIED TRUE COPY

For J.A. Textile Mills Ltd

Company Secretary

COMPANY INFORMATION

Board of Directors

Chairman: Mr. Riaz Ahmad
Chief Executive: Mr. Imran Zahid
Directors: Mr. Zahid Anwar
Mr. Muhammad Anwar ul Haq
Ms. Kuratulain Zahid
Mr. Muhammad Ali
Mr. Riaz Ahmad
Mr. Liaqat Ali Qamar

Audit Committee:

Chairman: Mr. Riaz Ahmad
Member: Mr. Muhammad Ali
Member: Ms. Kuratulain Zahid

Human Resources & Remuneration (HR&R) Committee:

Chairman: Mr. Muhammad Ali
Member: Mr. Imran Zahid
Member: Mr. Liaqat Ali Qamar

Company Secretary: Mr. Ajmal Shabab

Chief Financial Officer: Mr. Muhammad Umer Farooq

Auditors: Arshad Rahim & Co., Chartered Accountants

Banks: Al Baraka Islamic Bank B.S.C. (E.C.)
JS Bank Limited
National Bank of Pakistan
United Bank Limited
Meezan Bank Limited

Legal Advisor: Mr. Zia-ul-Haq (Advocate)

Registered Office: JK House, 32-W, Susan Road, Madina Town, Faisalabad

Share Registrar Office: Hameed Majeed Associates (Private) Limited
1st Floor, H.M House, 7-Bank Square, Lahore.

Mills: 29-KM, Sheikhpura Road, Faisalabad

Web Site: www.jatml.com

CERTIFIED TRUE COPY
For J.A. Textile Mills Ltd
Company Secretary

J. A. TEXTILE MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the company will be held on Thursday the 26th October, 2023 at 09:00 AM at its registered office, JK House, 32-W, Susan Road, Madina Town, Faisalabad to transact the following business :-

1. To confirm the minutes of the Annual General Meeting held on 28.10.2022.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2023 together with the Directors' and Auditor's reports thereon.
3. To appoint auditors for the year ending June 30, 2024 and fix their remuneration. The Company received a notice to appoint M/s. Arshad Raheem & Co. Chartered Accountants for appointment as auditors of the company for the next year.
4. To transact any other business with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD

AJMAL SHABAB
(Company Secretary)

FAISALABAD: 05.10.2023

NOTES:

1. The share transfer books of the company will remain closed from 19.10.2023 to 26.10.2023 (both days inclusive). Transfer received at the office of Share Registrar of the company, M/s. Hameed Majeed Associates (Pvt) Ltd., H. M. House, 7-Bank Square, Lahore, by the close of business on 18th October 2023 will be treated in time.
2. A member entitled to attend and vote at the meeting may appoint another member of the company as a proxy to attend and vote instead of him/her. Proxy Form duly completed should reach the Registered Office of the Company at least 48 hours before the time of meeting.
3. Any individual beneficial owner of CDC entitled to attend and vote at this meeting must bring his/her CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representative of Corporate Member should bring the usual documents required for such purpose.
4. Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 779(I)/2011 dated August 18, 2011 has directed all listed companies to ensure that Dividend Warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members. Members who have not yet provided attested copies of their valid CNICs / NTN's (in case of corporate entities) are requested to send the same directly to the Share Registrar at aforementioned address.
5. In pursuance of the directions given by SECP vide SRO 787 (10/2014 dated September 8, 2014, those shareholders who desire to receive Notice & Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request from which is available at the Company's website i.e. www.jatml.com and send the said form duly filled in and signed along with copy of his/her CNIC / Passport to the Company's Share Registrar. Please note that giving email address for receiving of Notice & annual Financial Statement instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice and, in such case, Notice & Annual Financial Statement will be sent at your registered address, as per normal practice.
6. Pursuant to section 132(2) of the Companies Act, 2017, if company receives consent from shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit it to the registered office of the Company.

I/We.....of.....bein a member of J. A. TEXTILE MILLS LIMITED, holder of Ordinary Shares as per Register Folio No./GDC A/C No.....hereby opt for Video conference facility at.....

Signature of members

CERTIFIED TRUE COPY
For J.A. Textile Mills Ltd.

Company Secretary

Members of the Company are requested to immediately notify the change of address, if any, and ask for consolidation of their folio numbers.

DIRECTORS' REPORT

Your Board of Directors is pleased to present 36th annual report together with audited accounts of the Company for the year ended June 30, 2023.

Operating Indicators	June 30, 2023 Rupees in Millions	June 30, 2022 Rupees in Millions
Sales	33.685	1,945.51
Gross Profit/(Loss)	(61.937)	93.448
Provision for taxation	(2.417)	(29.789)
Profit/(Loss) after Taxation	(33.571)	45.958
Profit/(Loss) per share	(2.6642)	3.6472

The Company is conducting business in a challenging environment. During the year 2022 the management decided to temporarily shut down business operations due to decline in demand of yarn both local and globally alongwith downward trend in price of yarn and increase in material and fuel costs; but having optimistic approach, remained unable to foresee about this extensive slump of both the markets. However; during current year (2023-2024) for the time being business operations started partially but due to same condition of markets as stated above and to avoid financial loss; again forced us to shut down the manufacturing process till suitable market condition in future.

Compliance to good Governance and social requirements

Your company is committed to fulfill its responsibilities towards good governance, social and environmental responsibilities. To protect health and safety of employees and environment, company provides able conditions and means to ensure compliance.

Human Resource and industrial relations

Under a defined and documented criteria in line with national and international laws people are recruited and hired. This is demonstrated at all level beyond any racism, cast, sex or religion and respects human rights, ethics and standards.

Auditors' report- Going Concern Uncertainty

Regarding the auditor's reservation of going concern relating to note 1.2 of financial statements, the management of the company is making its strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the company. The management is quite optimistic that balancing and modernization of plant and machinery, improvement in future industry situation and better production efficiency will definitely improve the future financial results. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

We confirm that:

- Financial statements have been prepared in conformity with the requirement of the Companies Act 2017 and present fairly state of affairs, results of its operation, cash flows and changes in equity.
- Proper books of accounts have been maintained in the manner required under Companies act 2017.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The system of internal control is being implemented and monitored.
- There are no significant doubts about the company's ability to continue as a going concern.

- g) There has been no material departure from best practices of corporate governance, as detailed in listing regulations.
- h) The key operating and financial data of last six years is annexed to this report.
- i) Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- j) The Chairman's review dealing with the performance of the Company during the year ended June 30, 2023 forms part of this report.
- k) Value of investments of Employees Provident Fund was Rs. 14.22/- millions for the year ended June 30, 2023.
- l) Company has arranged in-house training program for its Directors.
- m) Statement of compliance with the Best Practices of Corporate Governance is annexed.
- n) Trading and holdings of company's shares by Directors & Executives or their spouses were notified in writing to the company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the company Secretary to the Board, SECP & PSX, within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.
- o) Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board, if any.
- p) The pattern of shareholding as at June 30, 2023 is annexed with this report.
- q) The company's credit exposure to credit risk and impairment relates to its trade debts. This risk is mitigated by the fact that majority of our customers have a strong financial standings and we have a long standing relations with all our customers. We do not expect non performance by these counter parties, hence credit risk is minimal.

- During the year under review, six meetings of the Board were held:-

Mr. Imran Zahid (CEO)	6
Mr. Zahid Anwar	6
Ms. Kuratulain Zahid	6
Mr. Muhammad Anwar-ul-Haq	6
Mr. Muhammad Ali	6
Mr. Riaz Ahmad	6
Mr. Liaqat Ali Qamar	6

- Considering the accumulated losses brought forward, no dividend is recommended for the year ended June30, 2023.
- The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

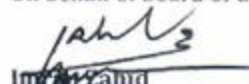
Mr. Riaz Ahmad (Chairman)	4
Mr. Muhammad Ali	4
Ms. Kuratulain Zahid	4


- The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

Mr. Muhammad Ali (Chairman)	1
Mr. Imran Zahid	1
Mr. Liaqat Ali Qamar	1

- Present auditors, M/s Arshad Raheem & Co. Chartered Accountants have retired and offer themselves for re-appointment. The Audit Committee has recommended the appointment of M/s Arshad Raheem & Co as auditors for the year 2024.

On behalf of board of directors.


 Imran Zahid
 Chief Executive
 October 05, 2023


 Riaz Ahmad
 Director

ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30.06.2023 کے مالی سال کے اختتام پر چھتیسویں سالانہ اجلاس کے انعقاد پر خوشی محسوس کرتے ہیں
مالیاتی نتائج

روپے (ملین میں)	اختتام مالی سال	اختتام مالی سال	آپریٹنگ تفصیلات
30.06.2022	30.06.2023	30.06.2023	فروخت
1,945.51	33.685	33.685	مجموعی آمدن / (خسارہ)
93.448	(61.937)	(61.937)	ٹیکس کیلئے پرویزن
(29.789)	(2.417)	(2.417)	بعد از ٹیکس (خسارہ) / آمدن
45.958	(33.571)	(33.571)	(خسارہ) / آمدن فی شیئر
3.6472	(2.6642)	(2.6642)	

کمپنی ایک مشکل ماحول میں کاروبار کر رہی ہے سال 2022 کے دوران انتظامیہ نے مقامی اور عالمی سطح پر دھماگے کی مانگ میں کمی کے ساتھ ساتھ دھماگے کی قیمت میں کمی کے رجحان و خام مال اور ایندھن کی قیمتوں میں اضافے کی وجہ سے کاروبار باری سرگرمیوں کو عارضی طور پر بند کرنے کا فیصلہ کیا۔ لیکن پرامید نقطہ نظر رکھتے ہوئے مقامی اور عالمی مارکیٹوں کی اس وسیع مندی کے بارے میں اندازہ لگانے سے قاصر رہے۔ البتہ موجودہ سال (2023-2024) کے دوران کاروباری آپریٹنگ جزوی طور پر شروع ہوئے لیکن اوپر بیان کردہ مارکیٹوں کی اس حالت کی وجہ سے اور مالی نقصان سے بچنے کیلئے ایک بار پھر ہمیں مستقبل میں مناسب مارکیٹ کی حالت تک مینوفیکچرنگ کے عمل کو بند کرنے پر مجبور کیا۔

اچھی حکمرانی اور سماجی تعلقوں کی تعمیل:

آپ کی کمپنی گڈ گورننس، سماجی اور ماحولیاتی ذمہ داریوں کی طرف اپنی ذمہ داریوں کو پورا کرنے کیلئے پرعزم ہے۔ ماحول کی حفاظت اور ملازمین کی صحت اور حفاظت کیلئے کمپنی قابل اطلاق حالات اور ذرائع فراہم کرتی ہے تاکہ تعمیل کو یقینی بنایا جاسکے۔

انسانی وسائل اور صنعتی تعلقات:

قومی اور بین الاقوامی قوانین کے مطابق ایک طے شدہ اور دستاویزی معیار کے تحت لوگوں کو بھرتی کیا جاتا ہے۔ یہ کسی بھی نسل پرستی، ذات، جنس یا مذہب سے بالاتر ہر سطح پر ظاہر ہوتا ہے اور انسانی حقوق، اخلاقیات اور معیار کا احترام کرتا ہے۔

آڈیٹرز کی رپورٹ۔ تشویش کی غیر یقینی صورت حال:

مالیاتی بیانات کے نوٹ 1.2 سے متعلق آڈیٹرز کے تحفظات کے بارے میں، کمپنی کی انتظامیہ کمپنی کے منافع کو بہتر بنانے کیلئے اپنی سخت کوششیں، زیادہ سے زیادہ پیداواری حکمت عملی اور موثر لاگت کنٹرول کر رہی ہے۔ انتظامیہ کافی پرامید ہے کہ پلانٹ اور مشینری کا توازن اور جدید کاری، مستقبل کی صنعت کی صورت حال میں بہتری اور بہتر پیداواری کارکردگی مستقبل کے مالیاتی نتائج کو یقینی طور پر بہتر بنائے گی۔ منجنت مثبت طور پر تمام چیلنجز کا مقابلہ کرنے کیلئے منظر ہے اور بہترین ممکنہ نتائج دینے کیلئے پرعزم ہے اور اپنے مقاصد اور اہداف کو پورا کرتی رہے گی۔ ان پہلوؤں کی بنیاد پر ڈائریکٹرز اور ساتھیوں کی جانب سے مسلسل مالی معاونت کی بنیاد پر، مالی بیانات تشویش کی بنیاد پر تیار کئے گئے ہیں۔

ہم تصدیق کرتے ہیں کہ

(ا) مالیاتی بیانات کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق تیار کئے گئے ہیں اور معاملات کی منصفانہ حالت، اس کے آپریشن کے نتائج، نظر بہاؤ اور ایکویٹی میں تبدیلیاں پیش کی گئی ہیں۔

(ب) کمپنیز ایکٹ 2017 تحت مطلوبہ بکس آف اکاؤنٹس تیار کی گئی ہیں۔

(پ) مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے۔ اور حساب کتاب کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

(ت) بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے اور اس سے کسی بھی روایتی کو مناسب طور پر ظاہر کیا گیا ہے اور وضاحت کی گئی ہے۔

(ث) اندرونی کنٹرول کا نظام نافذ اور مانیٹر کیا جا رہا ہے۔

(ج) کمپنی کی جاری توثیق کے طور پر جاری رکھنے کی صلاحیت کے بارے میں کوئی خاص شبہات نہیں ہیں۔

(چ) کارپوریٹ گورننس کی بہترین طریقوں سے کوئی مادی روایتی نہیں ہوئی۔ جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیل سے بتایا گیا ہے۔

(ح) پچھلے پچھے سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار اس رپورٹ سے منسلک ہے۔

(خ) بقایا فرائض اور ٹیکس، اگر کوئی ہے، مالی بیانات میں ظاہر کیا گیا ہے۔

(د) 30 جون 2023 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی سے متعلق چیئرمین کا جائزہ اس رپورٹ کا حصہ ہے۔

(ذ) 30 جون 2023 کو ختم ہونے والے سال میں ایپلائنگ پراویڈنٹ فنڈ کی سرمایہ کاری 14.22 ملین روپے تھی۔

(ز) کمپنی نے اپنے ڈائریکٹر کیلئے اندرون خانہ تربیتی پروگرام کا اہتمام کیا ہے۔

(ژ) کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل منسلک ہے۔

(ح) ڈائریکٹرز اور ایگزیکٹوز یا ان کے اہل خانہ کی طرف سے کمپنی کے حصص کی تجارت اور ہولڈنگز کو کمپنی سیکرٹری کو قیمت، حصص کی تعداد، شیئر

مٹھلیکٹ کی شکل اور لین دین کی نوعیت کے ساتھ تحریری طور پر مطلع کیا گیا تھا، جسے کمپنی سیکرٹری نے بورڈ، ایس ای سی پی اور پاکستان سٹاک ایکسچینج کو مقررہ

وقت کے اندر مطلع کیا تھا اس طرح کی تمام ہولڈنگز شیئر ہولڈنگ کے پیئرن میں ظاہر کی گئی ہے۔

(ط) مالی سال کے دوران متعلقہ فریقوں کے ساتھ کئے گئے لین دین کی آڈٹ کمیٹی نے توثیق کی ہے اور اگر کوئی ہے تو بورڈ نے اس کی منظوری دے دی ہے۔

(ڈ) 30 جون 2023 تک شیئر ہولڈنگ کا پیئرن اس رپورٹ کے ساتھ منسلک ہے۔

(ڈ) کمپنی کاروبار میں ادھار پر مال فروخت کرتی ہے اور اس کی وصولیوں کا خطرہ لاحق ہوتا ہے۔ کمپنی ان گاہکوں کے ساتھ کام کرتی ہے جن کی سہولتیں اچھی ہو اور وہ

بہت سالوں سے کمپنی کے ساتھ کاروبار کر رہے ہوں اس طرح کمپنی یہ خطرہ کم کر لیتی ہے۔

زیر جائزہ سال کے دوران چھ اجلاس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

نام ڈائریکٹر

تعداد حاضری

6 جناب عمران زاہد (سی ای او)

6 جناب زاہد انوار

6 مس قرۃ العین زاہد

6 جناب انوار الحق

6 جناب محمد علی

6 جناب ریاض احمد

6 جناب ایقت علی قمر

آنے والے نقصانات کو دیکھتے ہوئے اس سال 30 جون 2023 کو کسی قسم کے ڈیویڈنڈ کی منظوری نہیں دی گئی۔
زیر جائزہ سال کے دوران آڈٹ کمیٹی کے چارج اس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

نام ڈائریکٹر

تعداد حاضری

4

جناب ریاض احمد (چیئرمین)

4

جناب محمد علی

4

مس قرۃ العین زاہد

H/R کمیٹی نے سال کے دوران ایک اجلاس منعقد کیا ہر ایک ممبر کی حاضری حسب ذیل ہے

نام ممبر

تعداد حاضری

1

جناب محمد علی (چیئرمین)

1

جناب عمران زاہد


1

جناب لیاقت علی قرہ

آڈیٹرز

موجودہ آڈیٹرز میسرز ارشد رحیم اینڈ کو چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور میسرز ارشد رحیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی جانب سے دوبارہ تعیناتی کی پیش کش کی گئی ہے جس پر آڈٹ کمیٹی نے میسرز ارشد رحیم اینڈ کمپنی کو برائے سال 2024 تعیناتی کیلئے تجویز دی ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے


ریاض احمد
ڈائریکٹر


عمران زاہد
چیف ایگزیکٹو

تاریخ: 05 اکتوبر 2023

فیصل آباد

J.A TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

We are pleased to present the financial results of the company for the year ended June 30, 2023.

Despite of continuous increasing prices of fuel and raw materials creating negative impact on economy, the company has incurred Rs. 33.571 million loss during the fiscal year under consideration.

The business operations remained shut down during the year due to nonexistent demand for yarn both locally and globally alongwith downward trend in prices and increase in material, energy and fuel costs. However, during current year business operations started partially but due to worse market situation again cease the manufacturing process uptill suitable market condition in future.

We are confident that our existing business trend will continue adding to sustainable growth to achieve better results.

The board of directors playing their vital role in business operations of the company effectively.

The management remains committed to maintain focus on sustaining the financial performance of the company. We thank our shareholders, customers and staff for their support and trust in the company.

In the end, I would like to thank the board of directors for their valuable contribution and guidance throughout the company.

For and on behalf of the Board of Directors

FAISALABAD

OCTOBER 05,2023



RIAZ AHMAD

Chairman

جے اے ٹیکسٹائل ملز لمیٹڈ

چیرمین کا جائزہ

ہمیں 30 جون 2023 کو ختم ہونے والے سال کیلئے کمپنی کے مالیاتی نتائج پیش کرتے ہوئے خوشی ہو رہی ہے۔

ایندھن اور خام مال کی مسلسل بڑھتی ہوئی قیمتوں کے باوجود معیشت پر منفی اثرات مرتب کرنے کے باوجود، کمپنی کو زیر غور مالی سال کے دوران 33.571 ملین کا نقصان ہوا۔

مقامی اور عالمی سطح پر دھماکے کی عدم مانگ کے ساتھ ساتھ قیمتوں میں کمی کے رجحان اور مواد، توانائی اور ایندھن کی قیمتوں میں اضافے کی وجہ سے سال بھر کے دوران کاروباری سرگرمیاں بند رہیں۔ تاہم، رواں سال کے دوران کاروباری سرگرمیاں جزوی طور پر شروع ہوئیں لیکن مارکیٹ کی خراب صورت حال کی وجہ سے مستقبل میں مناسب مارکیٹ کی حالت تک مینوفیکچرنگ کا عمل دوبارہ بند ہو گیا۔

ہمیں یقین ہے کہ ہمارا موجودہ کاروباری رجحان بہتر نتائج حاصل کرنے کیلئے پایدار ترقی میں اضافہ کرتا رہے گا

بورڈ آف ڈائریکٹرز کمپنی کے کاروباری آپریشن میں اپنا اہم کردار موثر طریقے سے ادا کر رہا ہے

انتظامیہ کمپنی کی مالی کارکردگی کو برقرار رکھنے پر توجہ مرکوز رکھنے کیلئے پرعزم ہے۔ ہم اپنے حصص یافتگان، صارفین اور عملے کا کمپنی میں تعاون اور اعتماد کیلئے شکریہ ادا کرتے ہیں۔

آخر میں، میں بورڈ آف ڈائریکٹرز کا پوری کمپنی میں ان کی گرانتقدار شراکت اور رہنمائی کیلئے شکریہ ادا کرنا چاہوں گا۔

بورڈ کی طرف سے

05 اکتوبر 2023

فیصل آباد



ریاض احمد

چیرمین، بورڈ آف ڈائریکٹرز

**STATEMENT OF COMPLIANCE
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

J. A. TEXTILE MILLS LIMITED

FOR THE YEAR ENDED JUNE 30, 2023

The Company has complied with the requirements of the regulations in the following manner:

1. The total number of directors are 7 as per the following:
 - a. Male: 6 members
 - b. Female: 1 members
2. The composition of the board is as follows:

Category	Names
a) Independent Director	Mr. Riaz Ahmed Mr. Liaqat Ali Qamar
b) Other Non-executive Directors	Ms. Kuratulain Zahid Mr. Anwar ul Haq Mr. Muhammad Ali
c) Executive Directors	Mr. Imran Zahid Mr. Zahid Anwar
d) Female Directors	Ms. Kuratulain Zahid

Note:-

For a board comprising of seven members, one third equates to 2.33. Two independent directors have been appointed, however, the fraction of 0.33 in such one third is not rounded up as one since the fractions is below half (0.5);

3. The directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this Company.
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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
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 Chairman and, in his 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 the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The directors were apprised about the changes in the Code, applicable laws and their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of the shareholders. Four directors of the Company having 14 years of education and 15 years of experience are exempt from the requirement of directors' training program, under purview of regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, supplement to that, three directors also obtained Directors' Training Program certification from PICG during the fiscal year under consideration.
10. The Board has approved appointment of chief financial officer, 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. Chief financial officer and Chief executive officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

1. Mr. Riaz Ahmed (Chairman)
2. Mr. Muhammad Ali (Member)
3. Ms. Kuratulain Zahid (Member)

b) HR and Remuneration Committee

1. Mr. Muhammad Ali (Chairman)
2. Mr. Imran Zahid (Member)
3. Mr. Liaqat Ali Qamar (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

a) Audit Committee

The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Regulations.

b) HR and Remuneration Committee

The meeting of the HR and Remuneration Committee was held once during the year.

15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. 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.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.


Iqbal Zahid
(Chief Executive)


Riaz Ahmed
(Director)

Place: Faisalabad.
October 05, 2023

KEY OPERATING & FINANCIAL DATA
FOR LAST SIX YEARS

PARTICULARS	2022	2021	2020	2019	2018	2017
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
FINANCIAL POSITION						
Fixed assets (Cost/Revalued)	666.99	613.46	420.34	419.94	420.30	644.20
Accumulated depreciation	80.97	56.45	53.92	36.76	21.95	243.22
Current assets	287.969	243.526	134.692	186.524	117.507	73.519
Paid up capital	126.01	126.01	126.01	126.01	126.01	126.01
Current liabilities	282.39	249.17	190.48	264.69	219.24	213.67
INCOME						
Sales	1945.515	1522.471	932.149	1,098.22	1,141.79	602.28
Other income	5.913	5.811	17.442	2.789	25.814	23.333
Pre-tax profit/(loss)	75.748	106.462	20.693	14.881	39.678	12.280
Taxation charge/(credit)	29.790	16.400	13.145	14.923	8.731	9.707
STATISTICS AND RATIOS						
Pre-tax profit/(loss) to sales %	3.89	6.99	2.22	1.35	3.48	2.03
Pre-tax profit/(loss) to capital %	60.11	84.49	16.42	11.81	31.49	9.74
Current Ratio	01:1.02	01:0.98	01:0.70	01:1.42	01:01.5	01:00.2
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	3.6472	7.1471	0.5990	0.003	2.46	0.20
Break-up value per share (Rs.)	7.262	2.712	4.945	6.07	6.64	9.66

ARSHAD RAHEEM & CO
Chartered Accountants

YOUSAF ISLAM HOUSE
39-Link Farid Kot Road,
Near A.G Office, LAHORE.
Tel: (92-42) 37236169-37236170
Fax: (92-42) 37236168
E-mail:arshad.raheem@gmail.com

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


We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of J. A. Textile Mills Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations requires the Company to place before Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of approval of related party transaction by the Board of Directors upon recommendation of 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, 2023.


ARSHAD RAHEEM & CO
CHARTERED ACCOUNTANTS
LAHORE;

DATED: 05 OCT 2023
UDIN: CR202310218r4F1OLT0

ARSHAD RAHEEM & CO

Chartered Accountants

YOUSAF ISLAM HOUSE
39-Link Farid Kot Road,
Near A.G Office, LAHORE,
Tel: (92-42) 37236169-37236170
Fax: (92-42) 37236168
E-mail: arshad.raheem@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF J. A. TEXTILE MILLS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of J. A. TEXTILE MILLS LIMITED ("the Company"), which comprises the statement of financial position as at June 30, 2023, the statement of profit or loss, the statement of other 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 purpose 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, statement of profit or loss, the statement of other 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, 2023 and of the loss 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (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.

Material Uncertainty relating to Going Concern

We draw attention of the members to the contents of note 1.2 to the annexed financial statements, which disclose the appropriateness of going concern assumption used by the Company in the preparation of the financial statements, in spite of the accumulated losses stands at Rs. 57.239 million against the paid-up capital of Rs. 126.012 million as at June 30 2023 and as of that date, the company's current liability exceeds its current assets by Rs. 23.768 million. These factors indicate the existence of the material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its obligations in the normal course of business. Our opinion is not modified in respect of this matter.

ARSHAD RAHEEM & CO

Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our audit report.

Following are the Key Audit Matter(s):

S. No	Key Audit Matter(s)	How the Matter was addressed in audit
1.	CONTINGENCIES	
	<p>There are certain legal and regulatory matters which are beyond the control of the company. Consequently, the management makes judgements about the incident and quantum of such liabilities arising from litigation and regulatory claims which leads to the impacts for the future outcome of legal or regulatory processes.</p> <p>There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.</p> <p>Refer note – 4.13 and 20 to the financial statements.</p>	<ul style="list-style-type: none"> • We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal and regulatory matters. We determined that we could rely on these controls for the purposes of our audit. • In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases and written presentation from the management to ensure the completeness and accuracy of disclosures in financial statements. • Specifically, we challenged the timing of recognition for cases where there was potential exposure, but it was not clear that a provision should be recognized e.g., where obtaining reliable estimates are not considered possible. • As set out in the financial statements, the outcome of litigation and regulatory claim is dependent on the future outcome of continuing legal and regulatory processes and consequently the calculation of the provision is subject to inherent uncertainty.

ARSHAD RAHEEM & CO

Chartered Accountants

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 Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the 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.

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

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

ARSHAD RAHEEM & CO

Chartered Accountants

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

ARSHAD RAHEEM & CO
Chartered Accountants

Report on Other Legal and Regulatory Requirements:

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017).
- b) The statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns.
- c) Investments made and expenditure incurred and guarantees extended during the year were in accordance with 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 Arshad Raheem.


ARSHAD RAHEEM & CO.
CHARTERED ACCOUNTANTS
LAHORE;

05 OCT 2023

DATED: _____
UDIN: AR2023102167UahEIM65

J. A. TEXTILE MILLS LIMITED

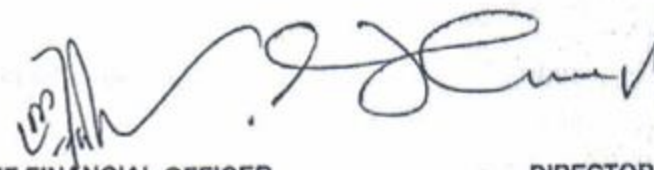
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	577,926,585	586,019,925
Long term deposits	6	32,145,750	32,145,750
CURRENT ASSETS			
Stores and spares	7	14,437,963	10,769,509
Stock in trade	8	13,162,644	40,408,496
Trade debts	9	-	31,063
Advances, prepayments and other receivables	10	506,762	6,592,323
Short term investment	11	366,162	358,688
Accrued income	12	2,114,655	1,044,677
Balance with statutory authorities	13	18,747,035	9,092,505
Cash and bank balances	14	163,318,064	219,671,541
		<u>212,653,285</u>	<u>287,968,802</u>
		<u>822,725,620</u>	<u>906,134,477</u>
SHARE CAPITAL AND RESERVES			
Share Capital	15	126,011,600	126,011,600
Accumulated loss		(57,238,974)	(34,487,054)
Capital Reserve :			
- Deficit on remeasurement of investment		(11,746)	(9,683)
- Surplus on revaluation of property, plant and equipment - net	16	282,469,875	293,289,400
Loan from related parties	17	128,768,659	129,796,213
		<u>479,999,414</u>	<u>514,600,476</u>
NON CURRENT LIABILITIES			
Deferred liabilities	18	106,305,116	109,144,401
CURRENT LIABILITIES			
Trade and other payables	19	235,977,370	281,945,880
Unclaimed dividend		443,720	443,720
		<u>236,421,090</u>	<u>282,389,600</u>
CONTINGENCIES AND COMMITMENTS			
	20	-	-
		<u>822,725,620</u>	<u>906,134,477</u>

The annexed notes 1 to 41 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

DIRECTOR

J. A. TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Sales - net	21	33,685,700	1,945,515,349
Cost of sales	22	95,622,908	1,852,066,858
Gross (Loss)/Profit		(61,937,208)	93,448,491
Operating expenses			
Distribution cost - <i>Selling Commission</i>		-	1,093,650
Administrative expenses	23	17,684,570	16,281,367
Other operating expenses	24	8,421	5,613,984
		17,692,991	22,989,001
		(79,630,199)	70,459,490
Finance cost	25	372,386	624,081
		(80,002,585)	69,835,409
Other income	26	44,014,609	5,912,695
(Loss)/Profit before taxation		(35,987,976)	75,748,104
Taxation	27	(2,416,531)	29,789,733
(Loss)/Profit for the year		(33,571,445)	45,958,371
(Loss)/Earnings per share - basic and diluted	28	(2.6642)	3.6472

The annexed notes 1 to 41 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

J. A. TEXTILE MILLS LIMITED

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
(LOSS) / PROFIT FOR THE YEAR	(33,571,445)	45,958,371
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR		
Items that may be subsequently reclassified to profit or loss:		
Unrealized loss on changes in fair value of investment	<u>(2,063)</u>	<u>(35,056)</u>
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	<u>(33,573,508)</u>	<u>45,923,315</u>

The annexed notes 1 to 41 form an integral part of these financial statements.


CHIEF EXECUTIVE

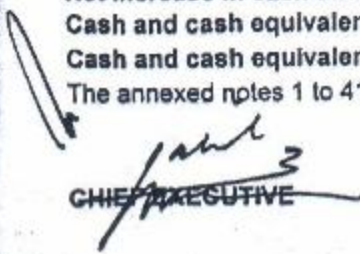

CHIEF FINANCIAL OFFICER


DIRECTOR

J. A. TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(35,987,976)	75,748,104
Adjustments for non cash and other items:			
Depreciation	5.2	27,152,617	26,128,246
Profit on deposit accounts		(26,004,485)	(3,966,003)
Exchange (gain) / loss on foreign currency translation		(79,782)	(45,152)
Profit on deposit with SNGPL		(1,069,978)	(1,044,677)
Gain on disposal of fixed assets		(1,740,715)	(856,863)
Dividend from NAFA funds		(11,220)	-
Balances written back		(15,108,429)	-
Workers' profit participation fund		-	4,068,104
Workers welfare fund		8,421	1,545,880
Finance cost		372,386	624,081
Cash (used in) / generated before changes in working capital		(52,469,161)	102,201,720
Changes in working capital			
Decrease / (Increase) in current assets			
Stores and spares		(3,668,454)	(4,229,782)
Stock in trade		27,245,852	66,389,196
Trade debts		31,063	5,928,751
Advances, prepayments and other receivables		6,085,561	8,319,263
Balance with statutory authorities - Sales Tax		(4,667,560)	1,879,086
Increase / (decrease) in current liabilities			
Trade and other payables		(26,703,279)	35,389,089
		(1,676,817)	113,675,603
Cash (used in) / generated from operations		(54,145,978)	215,877,323
Profit on deposit accounts received		26,004,485	3,966,003
Profit on deposit with SNGPL received		-	944,575
Finance cost paid		(18,440)	(173,016)
Exchange gain on foreign currency retranslation		79,782	45,152
Workers' profit participation fund paid		(4,519,169)	(5,759,172)
Income tax paid		(5,408,041)	(36,470,050)
Net cash (used in) / generated from operating activities		(38,007,361)	178,430,815
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(19,593,562)	(55,286,118)
Payment of long term deposit		-	(10,267,288)
Sale proceeds on disposal of Vehicle		2,275,000	1,000,000
Net cash used in Investing activities		(17,318,562)	(64,553,406)
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from related parties paid		(1,027,554)	(296,068)
Net cash used in financing activities		(1,027,554)	(296,068)
Net increase in cash and cash equivalents		(56,353,477)	113,581,341
Cash and cash equivalents at the beginning of the year		219,671,541	108,090,200
Cash and cash equivalents at the end of the year	14	163,318,064	219,671,541

The annexed notes 1 to 41 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

J.A TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share Capital	Accumulated loss	Surplus/ (Deficit) on remeasurement of investment	Surplus on revaluation of property, plant and equipment	Loan from related parties	Total
Balance as at July 01, 2021	126,011,600	(91,861,597)	25,373	304,705,572	130,092,281	468,973,229
Profit for the year	-	45,958,371	-	-	-	45,958,371
Other comprehensive (Loss)/Gain	-	-	(35,056)	-	-	(35,056)
Transfer of incremental depreciation on revalued assets for the year	-	16,079,115	-	(16,079,115)	-	-
Tax effect on incremental depreciation	-	(4,662,943)	-	4,662,943	-	-
Repayment of loan to related parties	-	-	-	-	(296,068)	(296,068)
Balance as at June 30, 2022	126,011,600	(34,487,054)	(9,683)	283,289,400	129,796,213	514,600,476
Profit for the year	-	(33,571,445)	-	-	-	(33,571,445)
Other comprehensive(Loss)/Gain	-	-	(2,063)	-	-	(2,063)
Transfer of incremental depreciation on revalued assets for the year	-	15,238,767	-	(15,238,767)	-	-
Tax effect on incremental depreciation (note 17)	-	(4,419,242)	-	4,419,242	-	-
Repayment of loan to related parties	-	-	-	-	(1,027,554)	(1,027,554)
Balance as at June 30, 2023	126,011,600	(57,238,974)	(11,746)	282,469,875	128,768,659	479,999,414

The annexed notes 1 to 41 form an integral part of these financial statements.

Paul
CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

[Signature]
DIRECTOR

J. A . TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 THE COMPANY AND ITS OPERATIONS

1.1 J.A. Textile Mills Limited (the Company) was incorporated in Pakistan on 25 May, 1987 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The shares of the Company are listed on Pakistan Stock Exchange. The Mill is situated at 29-KM, Sheikhpura Road, Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

1.2 Going concern assumption

The Company has accumulated loss of Rs. 57.239 million (2022 : Rs. 34.487 million) as against issued, subscribed and paid up capital of Rs. 126.012 million As At June 30, 2023 and its current liabilities exceeds its current assets by Rs. 23.768 million as at June 30, 2023. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its obligations in the normal course of business.

In spite of the accumulated losses, the management of the Company is making its strenuous efforts, optimal production strategies and effective cost controls to improve the performance of the Company. The balancing and modernization of plant and machinery in previous years, improvement in future industry situation and better production efficiency are the main factors for improvements. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

2 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

These financial statements are presented in Pakistani Rupee which is also the Company's functional currency.

3. Basis of measurement

These financial statements have been prepared under the historical cost convention, except for recognition of certain staff retirement benefits at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

The preparation of these financial statements in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years are discussed in note 3.3

3 **CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS**

3.1 There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2022. However, these amendments do not have any significant impact on the Company's financial statements.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

	Effective date (annual reporting periods beginning on or after)
IAS 1 Amendments to 'IAS 1 and IFRS Practice Statement 2' Disclosure of Accounting Policies	<i>January 1, 2023</i>
Amendments to IAS 1 'Presentation of Financial Statements' Classification of Liabilities as Current or Non-current	<i>January 1, 2023</i>
IAS 8 Accounting policies, change in accounting estimates and errors (Amendments)	<i>January 1, 2023</i>
IAS 12 Income Tax (Amendments)	<i>January 1, 2023</i>
IFRS 16 Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback	<i>January 1, 2024</i>
IAS 7 Amendments to IAS 7 'Statement of Cash Flows	<i>January 1, 2024</i>
IFRS 4 Insurance contracts (Amendments)	<i>January 1, 2023</i>

3.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP.

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRIC 12 (Service concession arrangements)

3.3 **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows;

- Estimate of useful life of property, plant and equipment - note 4.1
- Impairment of non financial assets - note 4.4
- Stores and spares - note 4.5
- Stock in trade - note 4.6
- Provisions - note 4.12
- Contingencies - note 4.13
- Taxation - note 4.16

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these financial statements are set out below and have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Property, plant and equipment except free hold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Building on freehold land, plant and machinery, power generators, electric installations and factory equipment are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount.

Cost in relation to operating fixed assets signifies historical cost. Historical cost includes expenditures that are directly attributable to the acquisition or construction of assets.

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

Depreciation is charged to statement of profit or loss applying the reducing balance method so as to write off the historical cost of the assets over their expected useful life at the rates mentioned in note 5.1 of these financial statements.

Depreciation on additions is charged on full month in the month of addition and no depreciation is charged in the month of disposal. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

Any gain or loss on disposal of assets is included in statement of profit or loss in the year in which the assets are derecognized.

4.1.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents direct cost of material, labour, applicable overheads and borrowing costs on qualifying assets. Transfers are made to relevant operating fixed assets category as and when assets are available for its intended use.

4.2 Investment Property

Investment properties are held for capital appreciation and is measured initially at their cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair values recognised in the statement of profit or loss.

4.3 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

4.4 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, other than stock in trade and stores and spares, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in profit and loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets of the unit on a pro-rata basis. Impairment losses on goodwill shall not be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

4.5 Stores and spares

These are valued at moving average cost except items-in-transit which are valued at cost accumulated to the reporting date. Provision is made for slow moving and obsolete store items when so identified.

4.6 Stock in trade

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

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

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

4.7 Trade debts and other receivables

Trade receivables are initially recognized at fair value and subsequently carried at amortized cost which approximate fair value of the consideration receivable, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

4.8 Cash and cash equivalents

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

4.9 Surplus on revaluation of property, plant and equipment

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in equity under the heading 'Surplus on revaluation of property, plant and equipment'. However the increase is recognized in statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in statement of profit or loss.

Decreases in the carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in profit or loss. However revaluation decrease that reverse previous increases of the same asset is recognized in other comprehensive income to the extent of the remaining surplus attributable to that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading 'Surplus on revaluation of property, plant and equipment'.

Following amounts are transferred directly to retained earnings from equity under the heading 'Surplus on revaluation of property, plant and equipment' through the Statement of Changes in Equity:

- an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the original cost of that asset; or
- an amount equal to carrying amount of revaluation surplus of the asset on its disposal.

All transfers to / from the account of 'surplus on revaluation of property, plant and equipment' are net of applicable deferred income tax. Surplus on revaluation of property, plant and equipment reported under equity is not available for distribution of dividend.

4.10 Staff retirement benefits

Defined Contribution Plan

There is a contributory provident fund for all employees of the Company for which contributions are charged to profit or loss as and when incurred.

The Company makes monthly contribution to the fund at the rate of 8.33% whereas employees of the Company also make monthly contributions to the fund at the rate of 8.33% of basic salary. The assets of the fund are held separately under the control of trustees.

4.11 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.12 Provisions

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

4.13 Contingencies

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

4.14 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for rendering of services to a customer. For each contract with a customer, the Company;

- (i) identifies the contract with a customer;
- (ii) identifies the performance obligations in the contract;
- (iii) determines the transaction price;
- (iv) allocates the transaction price to the separate performance obligations in the contract; and
- (v) recognizes revenue when each performance obligation is satisfied.

Variable consideration within the transaction price is estimates and determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

b) Interest income

Profit on bank balances in deposit accounts and interest income on deposit with Sui Northern Gas Pipelines Limited (SNGPL) are recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.

c) Profit on fair value through other comprehensive income investments

Unrealized gains / (losses) arising on fair value measurements of investments classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.

Gains / (losses) arising on disposal of investments are recognized on the date when the transaction takes place. When the investment is disposed off or derecognized, the cumulative gains / (losses) previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses).

d) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

4.15 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the statement of profit or loss immediately.

4.16 Taxation

Current taxation

The current income tax is computed on the basis of profit for the year adjusted for fiscal purposes, minimum tax u/s 113 or Alternate Corporate Tax (ACT) u/s 113C of the Income Tax Ordinance, 2001 after taking into account the tax credit or rebate, if any.

Deferred Taxation

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

4.17 Related party transactions

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

4.18 Dividend and other appropriations

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

4.19 Financial instruments

4.19.1 Financial assets

A financial asset is measured at amortized cost if it is held in order to collect contractual cash flows which arise on specified dates and that are 'solely payment of principal and interest (SPPI)' on the principal amount outstanding. A debt investment is measured at fair value through other comprehensive income if it is held in order to collect contractual cash flows which arise on specified dates that are solely principal and interest and as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

A. Classification and measurement of financial assets

Investments and other financial assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- **Fair value through other comprehensive income (FVTOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

- **Fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVTOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

B. Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

C. Impairment:

The Company record an allowance for a forward-looking expected credit loss (ECL) approach for all loans and other debt financial assets not held at FVPL.

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. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

4.19.2 Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company). Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4.19. Financial liabilities

A. Classification and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

- **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR (effective interest rate) method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

B. Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.19. Offsetting of financial assets and liabilities

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

4.19. Write off Policy

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in the statement of profit or loss. The financial liabilities of the company are written-off after information indicating that the amount is not payable and the time of more than three years has lapsed.

2023 Rupees 2022 Rupees
 Note 5.1 577,925,585 586,019,925

PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

51. OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUED AMOUNTS				ACCUMULATED DEPRECIATION				BOOK VALUE		Rate %
	As at July 1, 2022	Addition	Revaluation during the year	Deletion	As at June 30, 2023	As at July 1, 2022	For the year	Deletion	As at June 30, 2023	As at June 30, 2023	
Freehold land	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-
Building on freehold land	-	-	-	-	-	-	-	-	-	-	-
- factory	154,892,446	-	-	-	154,892,446	25,733,676	6,457,939	-	32,191,615	122,700,831	5
- residential	30,301,188	-	-	-	30,301,188	5,136,068	1,258,256	-	6,394,324	23,906,864	5
Plant and machinery	338,819,428	14,295,000	-	13,850,200	339,264,228	25,883,200	16,134,041	13,315,915	28,701,326	310,562,902	5
Power Generators	31,500,001	-	-	-	31,500,001	11,930,523	1,956,948	-	13,887,471	17,612,530	10
Electric installations	4,788,310	5,298,562	-	-	10,086,872	1,415,178	809,747	-	2,224,925	7,861,947	10
Factory equipments	7,000,000	-	-	-	7,000,000	2,649,384	435,062	-	3,084,446	3,915,554	10
Electric appliances	940,688	-	-	-	940,688	865,933	7,478	-	873,409	67,279	10
Office equipments	2,917,855	-	-	-	2,917,855	2,483,167	43,469	-	2,526,636	391,219	10
Furniture and fixtures	290,516	-	-	-	290,516	273,033	1,748	-	274,781	15,735	10
Vehicles	4,839,307	-	-	-	4,839,307	4,599,652	47,931	-	4,647,583	191,724	20
Rupees: June 2023	666,989,739	19,593,562	-	13,850,200	672,733,101	80,969,814	27,152,617	13,315,915	94,806,516	577,926,585	

PARTICULARS	COST / REVALUED AMOUNTS				ACCUMULATED DEPRECIATION				BOOK VALUE		Rate %
	As at July 1, 2021	Addition	Revaluation during the year	Deletion	As at June 30, 2022	As at July 1, 2021	For the year	Deletion	As at June 30, 2022	As at June 30, 2022	
Freehold land	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-
Building on freehold land	-	-	-	-	-	-	-	-	-	-	-
- factory	154,892,446	-	-	-	154,892,446	18,935,846	6,797,630	-	25,733,676	129,158,770	5
- residential	30,301,188	-	-	-	30,301,188	3,811,588	1,324,480	-	5,136,068	25,165,120	5
Plant and machinery	284,821,620	53,997,808	-	-	338,819,428	11,021,620	14,861,580	-	25,883,200	312,936,228	5
Power Generators	31,500,001	-	-	-	31,500,001	9,756,137	2,174,386	-	11,930,523	19,569,478	10
Electric installations	3,500,000	1,288,310	-	-	4,788,310	1,082,856	332,322	-	1,415,178	3,373,132	10
Factory equipments	7,000,000	-	-	-	7,000,000	2,165,982	483,402	-	2,649,384	4,350,616	10
Electric appliances	940,688	-	-	-	940,688	857,627	8,306	-	865,933	74,755	10
Office equipments	2,917,855	-	-	-	2,917,855	2,434,868	48,299	-	2,483,167	434,688	10
Furniture and fixtures	290,516	-	-	-	290,516	271,080	1,943	-	273,033	17,483	10
Vehicles	6,593,344	-	-	1,754,037	4,839,307	6,114,854	95,698	(1,610,900)	4,599,652	239,655	20
Rupees: June 2022	613,457,658	55,286,118	-	1,754,037	666,989,739	56,452,468	26,128,246	(1,610,900)	80,969,814	586,019,925	

Operating fixed assets

5.2 The detail of operating fixed assets disposed off during the year are as follows:

Description	Cost	Accumulated Depreciation	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
-------------	------	--------------------------	---------------	---------------	------------------	-----------------------

----- Rupees -----

Plant and machinery

Old Machinery	13,850,200	13,315,915	2,275,000	1,740,715	Negotiation	Ghulam Qadir
	<u>13,850,200</u>	<u>13,315,915</u>	<u>2,275,000</u>	<u>1,740,715</u>		

2023
Rupees

5.2 Depreciation charge for the year has been allocated as under

Cost of sales	27,059,469	25,982,306
Administrative expenses	93,148	145,940
	<u>27,152,617</u>	<u>26,128,246</u>

5.3 All the assets of the company as at June 30, 2023 are located in Pakistan

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

	2023		
	Cost	Accumulated depreciation	Written down value
	----- (Rupees) -----		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- factory	32,519,124	29,822,872	2,696,252
- residential	6,147,674	5,435,636	712,038
Plant and machinery	393,965,298	217,293,556	176,671,742
Power Generators	46,907,500	30,266,922	16,640,578
Electric installations	19,156,680	12,547,117	6,609,563
Factory equipment	2,947,074	2,672,057	275,018
	<u>505,492,225</u>	<u>298,038,159</u>	<u>207,454,065</u>
	----- (Rupees) -----		
	2022		
	Cost	Accumulated depreciation	Written down value
	----- (Rupees) -----		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- factory	32,519,124	29,680,964	2,838,160
- residential	6,147,674	5,398,160	749,514
Plant and machinery	393,520,498	221,522,333	171,998,165
Power Generators	46,907,500	28,417,969	18,489,531
Electric installations	13,856,118	11,876,514	1,981,604
Factory equipment	2,947,074	2,641,499	305,575
	<u>499,748,863</u>	<u>299,537,439</u>	<u>200,211,424</u>

5.5 Forced sale values of revalued assets

The forced sale values of revalued assets are based on fair value measurement as at June 30, 2023

	Forced Sale Values	
	2023 Rupees	2022 Rupees
Freehold land	83,725,000	83,725,000
Building on freehold land		
- factory	92,104,144	92,104,144
- residential	22,506,921	22,506,921
Plant and machinery	226,100,000	226,100,000
Power generators	25,200,000	25,200,000
Electric installations	2,800,000	2,800,000
Factory equipment	5,600,000	5,600,000
	<u>459,036,065</u>	<u>459,036,065</u>

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

Description	Area	Location
Freehold land	98 - Kanal & 10 - Marlas = 98.50 - Kanal	Chak # 70 - R B. 29 - KM Link Main Shekhupura Road, Tehsil Jaranwala, District Faisalabad
Building on freehold land		
- factory	Covered Area - 129,574 (S ft)	Chak # 70 - R B. 29 - KM Link Main Shekhupura Road, Tehsil Jaranwala, District Faisalabad
- residential	Covered Area - 33,112 (S ft)	Chak # 70 - R B. 29 - KM Link Main Shekhupura Road, Tehsil Jaranwala, District Faisalabad

J. A. Textile Mills Limited

	Note	2023 Rupees	2022 Rupees
6. LONG TERM DEPOSITS			
Security deposits		<u>32,145,750</u>	<u>32,145,750</u>
<p>This includes Rs. 21,399,568/- (2022: Rs. 21,399,568/-) security deposit with Sui Northern Gas Pipelines Limited (SNGPL) against supply of natural gas to the company. It is subject to mark up at the rate of 1 year KIBOR minus 3% per annum or fixed rate of 5% per annum whichever is lower receivable in arrears.</p> <p>These have been deposited with various utility companies and regulatory authorities. These are classified as amortized cost under IFRS 9 - 'Financial Instruments - Recognition and Measurement'. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as its amortized cost is impracticable to determine.</p>			
7. STORES AND SPARES			
Stores		1,730,976	3,293,049
Spares		<u>12,706,987</u>	<u>7,476,460</u>
		<u>14,437,963</u>	<u>10,769,509</u>
8. STOCK IN TRADE			
Raw material		12,169,471	12,169,471
Packing material		993,173	1,004,993
Finished goods		-	27,234,032
		<u>13,162,644</u>	<u>40,408,496</u>
9. TRADE DEBTS			
Considered good:			
Local - unsecured		-	<u>31,063</u>
10. ADVANCES, PREPAYMENT AND OTHER RECEIVABLES			
Considered good:			
Advances			
Advances to suppliers		47,947	6,123,220
Prepayment			
Prepaid insurance		339,041	349,329
Other receivables			
Others		119,774	119,774
		<u>506,762</u>	<u>6,592,323</u>
11. SHORT TERM INVESTMENT			
Fair value through other comprehensive income (FVTOCI)			
NBP Islamic Sarmaya Izafa Fund		<u>366,162</u>	<u>358,688</u>
<p>11.1 These have been valued by using published net asset value (NAV) as at 30th June, the number of units held by the Company are 24,180.91 units (2022: 23,551.16 units).</p>			
12. ACCURED INCOME			
Interest on SNGPL deposit		<u>2,114,655</u>	<u>1,044,677</u>

J. A. Textile Mills Limited

	Note	2023 Rupees	2022 Rupees
13. BALANCE WITH STATUTORY AUTHORITIES			
Sales tax receivable		4,677,632	10,072
Income tax refundable		14,069,403	9,082,433
		<u>18,747,035</u>	<u>9,092,505</u>
14. CASH AND BANK BALANCES			
Cash in hand		28,851	464,363
Cash at bank			
In current accounts			
- Local currency		533,212	278,720
- Foreign currency	14.1	278,002	198,220
In deposit accounts	14.2	162,477,999	218,730,238
		<u>163,289,213</u>	<u>219,207,178</u>
		<u>163,318,064</u>	<u>219,671,541</u>

14.1 It includes US\$. 970 (2022: US\$. 970)

14.2 The rate of profit on deposit accounts is ranging from 15.50% to 21.25 % per annum (2022: 5.50% to 6.25% per annum).

15. SHARE CAPITAL

Authorized capital		200,000,000	200,000,000
20,000,000 ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital	15.1	126,011,600	126,011,600
12,601,160 ordinary shares of Rs. 10 each, fully paid in cash			

15.1 The 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. All shares carry one vote per share without restriction.

16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance		293,289,400	304,705,572
Incremental depreciation on revalued property, plant and equipment transferred to accumulated loss		(15,238,767)	(16,079,115)
Related effect of deferred tax liability-incremental depreciation		4,419,242	4,662,943
		<u>(10,819,525)</u>	<u>(11,416,172)</u>
Closing balance		<u>282,469,875</u>	<u>293,289,400</u>

The Company's freehold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipment were revalued by M/S Yousaf Adil Saleem & Co. Chartered Accountants as on September 30, 1998 and by M/S Nizamy Associates as on June 30, 2007 and June 30, 2012, M/S Amir Evaluators & Consultants as on 31st December, 2017 and S. A. Associates as on June 30, 2021. Revaluation of freehold land is carried out at market value and building on freehold land, plant and machinery, power generators, electric installations and factory equipment on depreciated replacement values.

The fair valuation of the revalued assets are considered to represent a level 2 valuation based on significant observable inputs being the location and condition of the assets. The fair values are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Property brokers, dealers and estate agents were contacted to ascertain the asking and selling prices for properties of the same nature in the immediate neighborhood and adjoining areas. Neighboring properties which have been recently sold or purchased, were investigated to ascertain a reasonable selling / buying price. Properties that were up for sale were examined for asking price. An average of the above values was then assigned to the property.

Building on freehold land

Construction specifications were noted for each factory and residential building and structure and current construction rates were used to obtain replacement values of building, to which a depreciation formula was applied, based upon the Company's estimates of balance life to arrive at the current assessed value.

Plant and machinery

Plant and machinery have been evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current local and foreign market values for the similar type of plant and machinery. These current local and foreign market values were taken into account on the basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

Power generators

These were evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current market values for the similar type of assets. These current market values were taken into account on the basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

Electric Installations

These were evaluated / assessed by keeping in view their present physical condition and the remaining useful life / economic life. Further, new replacement values were arrived by using current market values for the similar type of assets. These current market values were taken into account on basis of efficiency, maintenance, replacement and other related factors involved.

Factory equipment

These were evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current market values for the similar type of assets. These current market values were taken into account on basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

	Note	2023 Rupees	2022 Rupees
17. LOAN FROM RELATED PARTIES			
Chief executive, directors and members	17.1 & 17.2	<u>128,768,659</u>	<u>129,796,213</u>
17.1 During the year movement in loan is as follows:			
Opening balance		129,796,213	130,092,281
Obtained during the year		-	-
		<u>129,796,213</u>	<u>130,092,281</u>
Paid during the year		(1,027,554)	(296,068)
		<u>128,768,659</u>	<u>129,796,213</u>

17.2 This represents interest free loan from chief executive, directors and members of the Company, repayable at the discretion of the Company. However, in light of guidance provided in Technical Release -32 ("Accounting Directors' Loan") issued by the Institute of Chartered Accountants of Pakistan, this loan has been classified as part of equity.

	Notes	2023 Rupees	2022 Rupees
18. DEFERRED LIABILITIES			
Deferred taxation	18.1	<u>106,305,116</u>	<u>109,144,401</u>
18.1 Deferred taxation			
18.1.1 Opening balance		109,144,401	104,267,459
(Adjusted) / provided during the year		<u>(2,839,285)</u>	<u>4,876,942</u>
Closing balance	18.1.2	<u>106,305,116</u>	<u>109,144,401</u>
18.1.2 This comprise of following:			
Taxable temporary differences arising in respect of :			
Revaluation surplus on property, plant and equipment		87,367,292	91,786,534
Accelerated tax depreciation		26,558,122	24,312,805
Deductible temporary differences arising in respect of :			
Deductible temporary differences related to minimum tax		-	(6,954,938)
Deductible temporary differences on tax losses		<u>(7,620,298)</u>	<u>-</u>
		<u>106,305,116</u>	<u>109,144,401</u>
19. TRADE AND OTHER PAYABLES			
Trade creditors		151,532,333	174,075,272
Accrued expenses		27,585,301	34,703,623
Contract liabilities	19.1	52,201,007	55,463,310
Withholding tax payable		325,486	338,149
Provident fund trust	19.2	252,311	312,790
Sales tax payable		-	8,815,002
Workers' profit participation fund	19.3	353,946	4,519,169
Workers welfare fund		<u>3,726,986</u>	<u>3,718,565</u>
		<u>235,977,370</u>	<u>281,945,880</u>
19.1 The contract liabilities relate to the advance consideration received from customers for sale of goods, for which revenue is recognized at point in time when goods are transferred. out of Rs. 55.463 million recognized in contract liabilities as on June 30, 2022, amount of Rs. 3.262 million has been adjusted and recognized as revenue during the year.			
19.2 This represents amount due to provident fund trust for the month of June for which payment was made at July 12, 2023 (2022: July 15, 2022).			
19.3 Workers' profit participation fund			
Opening balance		4,519,169	5,759,172
Interest on funds utilized in the Company's business		<u>353,946</u>	<u>451,065</u>
		4,873,115	6,210,237
Allocation for the year		-	<u>4,068,104</u>
		4,873,115	10,278,341
Payments during the year		<u>(4,519,169)</u>	<u>(5,759,172)</u>
Closing balance		<u>353,946</u>	<u>4,519,169</u>

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

The Faysal Bank Limited filed a suit against the Company for recovery of Rs. 48,560 million on 21 September 2001 before Banking Court - II, Faisalabad. The Company made the payment of principal amount of Rs 44,510 million as against the purchase price of 48,560 million so the banking court directed the Faysal bank to recover only 4.05 million vide judgment dated 4 November 2002. The bank filed an appeal before the Lahore High Court (LHC), Lahore, against the decision of Banking Court - II, Faisalabad for recovery of Rs. 18,726 Million (principal 45,616 minus payment as per bank 26,890). The High court enhanced the liability at Rs. 56,845 million and allowed to adjust Rs. 26,890 million already paid by the Company as per statement of accounts of the bank and established Rs. 29,955 million as recoverable from the Company after adjustment of already paid amount along with cost of funds vide judgment dated 6 July 2010. Regarding contention of payment between bank and Company the LHC has remitted this matter to the banking court for deputation of chartered accountant for verification of payment by the company to the bank.

Having been aggrieved by the decision of the Honorable Lahore High Court, Lahore, the Company filed an appeal before the Supreme Court of Pakistan which is pending adjudication. The management of the company has optimistic opinion that the case will be decided in its favor on the pretext that due relief had already been given by the apex court in identical cases.

20.2 Commitments

There are no significant commitments at the reporting date which need to be disclosed in the financial statements.

	Notes	2023 Rupees	2022 Rupees
21. SALES - NET			
Yarn		39,412,269	2,024,815,472
Raw Material		-	224,894,290
Waste		-	26,545,520
Less: sales tax		(5,726,569)	(330,739,933)
		<u>33,685,700</u>	<u>1,945,515,349</u>
22. COST OF SALES			
Raw material consumed	22.1	-	1,193,722,352
Stores and spares consumed		9,660,069	34,487,638
Packing material consumed		12,380	35,008,796
Salaries, wages and benefits		18,991,688	154,275,957
Provident fund contribution	23.1	1,235,424	4,577,362
Fuel and power		8,400,832	246,588,922
Repairs and maintenance		933,458	471,903
Vehicles running and maintenance		1,305,355	525,374
Depreciation	5.2	27,059,469	25,982,306
Others		790,201	1,521,865
		<u>68,388,876</u>	<u>1,697,162,475</u>
Work in process			
Opening balance		-	7,910,023
Closing balance		-	-
			<u>7,910,023</u>
Finished goods			
Opening balance		27,234,032	1,456,845
Closing balance		-	(27,234,032)
		<u>27,234,032</u>	<u>(25,777,187)</u>
Cost of raw material sold		-	172,771,547
Cost of goods sold		<u>95,622,908</u>	<u>1,852,066,858</u>

J. A. Textile Mills Limited

	Notes	2023 Rupees	2022 Rupees
22.1 RAW MATERIAL CONSUMED			
Opening balance		12,169,471	93,664,602
Purchases		-	1,284,998,768
		<u>12,169,471</u>	<u>1,378,663,370</u>
Raw material sold		-	(172,771,547)
Closing balance		<u>(12,169,471)</u>	<u>(12,169,471)</u>
		<u>-</u>	<u>1,193,722,352</u>
23. ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		11,601,535	10,304,751
Provident fund contribution	23.1	461,341	466,803
Postage and telecommunication		339,222	339,532
Electricity, gas and water		99,170	106,535
Printing and stationery		89,685	40,089
Traveling and conveyance		52,490	523,058
Fee and subscriptions		1,487,475	1,078,219
Legal and professional		488,325	711,166
Repairs and maintenance		62,600	21,690
Auditors' remuneration	23.2	720,500	655,000
Insurance		673,128	573,749
Donations		499,000	-
Depreciation	5.2	93,148	145,940
Others		1,016,951	1,314,835
		<u>17,684,570</u>	<u>16,281,367</u>
23.1 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.			
23.2 Auditors' remuneration			
Statutory audit fee		650,500	585,000
Half yearly review		50,000	50,000
Out of pocket expenses		20,000	20,000
		<u>720,500</u>	<u>655,000</u>
24. OTHER OPERATING EXPENSES			
Workers' profit participation fund		-	4,068,104
Workers welfare fund		8,421	1,545,880
		<u>8,421</u>	<u>5,613,984</u>
25. FINANCE COST			
Interest on workers' profit participation fund		353,946	451,065
Bank charges and commission		18,440	173,016
		<u>372,386</u>	<u>624,081</u>

J. A. Textile Mills Limited

	Notes	2023 Rupees	2022 Rupees
26. OTHER INCOME			
<i>Income from financial assets</i>			
Profit on deposit accounts		26,004,485	3,966,003
Exchange gain / (Loss) on foreign currency translation		79,782	45,152
Dividend on NAFA funds		11,220	-
Profit on deposit with SNGPL		1,069,978	1,044,677
<i>Income from non-financial assets</i>			
Gain on disposal		1,740,715	856,863
Balances written back		15,108,429	-
		44,014,609	5,912,695
27. TAXATION			
Current year	27.1	422,754	24,318,942
Prior year		-	593,849
Deferred tax		(2,839,285)	4,876,942
		(2,416,531)	29,789,733

27.1 Provision for current taxation has been made on turnover under Section 113(1) of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required.

27.2 Status of income tax assessment

Tax provision made in financial statements taking into consideration of admissibility of expenses. A comparison of last three years tax assessment is presented below

	2022	2021	2020
	-----Rupees-----		
Income tax provision for the year-accounts	24,318,942	22,837,072	13,982,229
Income tax as per tax assessment-u/s 120 of Income Tax Ordinance, 2001.	24,318,942	23,506,943	13,982,229

28. EARNINGS PER SHARE - BASIC AND DILUTED

28.1 Earnings per share - Basic

(Loss)/Profit for the year (Rupees)	(33,571,445)	45,958,371
Weighted average number of ordinary shares outstanding during the year	12,601,160	12,601,160
(Loss)/Earnings per share - basic (Rupees)	(2.6642)	3.6472

28.2 Earnings per share - Diluted

A diluted earnings per share have not been presented as the company does not have any convertible instruments in issue as at June 30, 2023 and 2022 which would have any effect on the earnings per share if the option to convert is exercised.

29. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Balance as on July 01, 2022	Non Cash Changes	Cash Flows	Balance as on June 30, 2023
		------(Rupees)-----		
Loan from related parties	129,796,213	-	(1,027,554)	128,768,659
	129,796,213	-	(1,027,554)	128,768,659

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

No remuneration is paid to the Chief Executive Officer and Directors of the Company. However, Chief Executive Officer and Directors are entitled to free use of Company maintained cars.

No employee of the Company falls within the definition of executive as defined in the 4th schedule to the Companies Act, 2017.

31. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, entities under common directorship, directors, major shareholders, key management personnel and retirement benefit fund. The Company in the normal course of business carries out transactions with these related parties. Amounts due from and due to related parties, if any, are shown under relevant notes to financial statements. Remuneration to chief executive, directors and key management personnel is disclosed in note 30. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name	Nature of transactions	2023 Rupees	2022 Rupees
J.A Textile Mills Limited, Employees' provident	Company's contribution to the fund	1,696,765	5,044,165
CEO/directors/members	Loan repaid during the year - net	(1,027,554)	(296,068)
Directors	Sales proceeds from disposal of vehicles	-	1,000,000

31.1 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country of Incorporation
Asim Textile Mills limited	Associated Undertaking	Common Directors	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.
Zeeshan Energy Limited	Associated Undertaking	Common Directors	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.
Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country of Incorporation
J.A Textile Mills Limited, Employees' provident fund	Trustees	N/A	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.

32. PLANT CAPACITY AND ACTUAL PRODUCTION	UOM	2023	2022
Installed capacity after conversion into 20/s	KGs	11,162,729	11,162,729
Actual production after conversion into 20/s	KGs	-	7,212,174

Reasons for shortfall

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

- The actual production is planned to meet the internal demand and orders in hand;
- Temporary closure of business due to unfavourable market conditions and economic slow down in the country;

33. NUMBER OF EMPLOYEES

Average number of employees during the year	50	300
Number of employees at end of the year	50	30

34. CREDIT LIMIT

During the financial year, the company has decreased its credit enhancement facility in the form of letter of credit from Rs. 100 million to Rs. 50 million, from JS Bank Limited for the import of raw material and spare parts/machinery. The limit remain unutilized during the year. The facility is secured against lien over import documents and 100% lien over cash collateral.

35. SHARIAH SCREENING DISCLOSURE

Shariah compliant bank deposits/bank balances

Bank balances

Profit earned from shariah compliant bank deposits / bank balances

Revenue earned from a shariah compliant business	33,685,700	1,945,515,349
--	------------	---------------

Loss/Gain or dividend from shariah compliant investments

Net realized gain on disposal of mutual funds

Dividend Income on mutual funds for the year

Profits or interest on any conventional loan or advance

Profit on deposit accounts	26,004,485	3,956,003
----------------------------	------------	-----------

Profit on deposit with SNGPL	1,069,978	1,044,677
------------------------------	-----------	-----------

Relationship with shariah compliant banks

Name of institutions

Meezan Bank Limited

Dubai Islamic Bank Pakistan Limited

Disclosures other than above are not pertinent to the Company.

36. EMPLOYEES PROVIDENT FUND TRUST

The following information is based on latest un-audited financial statements of the fund:

Size of the fund (Rupees)	15,800,601	18,443,921
Cost of investment made (Rupees)	14,186,048	12,978,052
Percentage of investment made (%)	93.45%	96.96%
Fair value of investment (Rupees)	14,766,372	17,883,048

The breakup of fair value of investments is:	2023		2022	
	Rupees	% age of total	Rupees	% age of total
Investment in listed Debt collective Scheme	2,221,336	15.04%	2,186,048	12.22%
Others (fixed (Deposits)	12,000,000	81.27%	11,000,000	61.51%
Bank Balance	545,036	3.69%	4,697,000	26.27%
	14,766,372	100%	17,883,048	100%

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

2023							
Carrying Amount				Fair Value			
Fair value through OCI	Amortized cost	Cash and cash Equivalents	Total	Level 1	Level 2	Level 3	Total

Rupees

Financial assets measured at fair value

Investments in mutual fund	366,162	-	-	366,162	366,162	-	-	366,162
Financial assets not measured at fair value								
Long term deposits	-	32,145,750	-	32,145,750	-	-	-	-
Trade debts	-	-	-	-	-	-	-	-
Advances and other receivables	-	119,774	-	119,774	-	-	-	-
Accrued income	-	2,114,655	-	2,114,655	-	-	-	-
Bank balances	-	-	163,289,213	163,289,213	-	-	-	-
	<u>366,162</u>	<u>34,380,179</u>	<u>163,289,213</u>	<u>198,035,554</u>	<u>366,162</u>	<u>-</u>	<u>-</u>	<u>366,162</u>

Financial liabilities measured at fair value

Financial liabilities not measured at fair value

Trade and other payables	-	231,570,952	-	231,570,952	-	-	-	-
Unclaimed dividend	-	443,720	-	443,720	-	-	-	-
	<u>-</u>	<u>232,014,672</u>	<u>-</u>	<u>232,014,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2022							
Carrying Amount				Fair Value			
Fair value through OCI	Amortized cost	Cash and cash Equivalents	Total	Level 1	Level 2	Level 3	Total

Rupees

Financial assets measured at fair value

Investments in mutual fund	358,688	-	-	358,688	358,688	-	-	358,688
Financial assets not measured at fair value								
Long term deposits	-	32,145,750	-	32,145,750	-	-	-	-
Trade debts	-	31,063	-	31,063	-	-	-	-
Advances and other receivable	-	119,774	-	119,774	-	-	-	-
Accrued income	-	1,044,677	-	1,044,677	-	-	-	-
Bank balances	-	-	219,207,178	219,207,178	-	-	-	-
	<u>358,688</u>	<u>33,341,264</u>	<u>219,207,178</u>	<u>252,907,130</u>	<u>358,688</u>	<u>-</u>	<u>-</u>	<u>358,688</u>

Financial liabilities measured at fair value

Financial liabilities not measured at fair value

Trade and other payables	-	209,091,685	-	209,091,685	-	-	-	-
Unclaimed dividend	-	443,720	-	443,720	-	-	-	-
	<u>-</u>	<u>209,535,405</u>	<u>-</u>	<u>209,535,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

The Company has exposures to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

38.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured.

38.1.1 Interest rate risk:

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from deposit with SNGPL and balances in deposit accounts.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2023	2022
Variable rate instruments		
Security deposit with SNGPL (Rupees)	21,399,568	21,399,568
Effective interest rate in percentage	5.00	5.00
Bank balances in deposit accounts (Rupees)	162,477,999	218,730,238
Effective interest rate in percentage	18.37	5.88

Cash flow sensitivity analysis for variable rate instruments

If interest rates on balances in deposit accounts and deposit with SNGPL at the year end date, fluctuate by 100 bps higher / lower with all other variables, in particularly foreign exchange rates held constant, profit before taxation for the year 2023 and 2022 would have been affected as follows:

	2023 Rupees	2022 Rupees
Effect on profit and loss of an increase in interest rate for deposit with SNGPL	213,996	213,996
Effect on profit and loss of an increase in interest rate for balances in deposit accounts	1,624,779	194,519
	<u>1,838,775</u>	<u>408,515</u>

Decrease in interest rates at June 30 would have had the equal but opposite effect of these amounts. Sensitivity analysis has been prepared on symmetric basis.

38.1.2 Currency risk

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

Exposure to Currency Risk

The Company's exposure to currency risk is restricted to the balance in foreign currency bank account. The Company's exposure to currency risk is as follows:

Particulars	Currency	2023		2022	
		F.Currency	Rupees	F.Currency	Rupees
Bank balance	US \$	970	278,002	970	198,220

The company has applied exchange rate of Rs. 286.60 (2022: 204.35) for conversion at the reporting date.

Currency rate sensitivity analysis

If the functional currency, at reporting date, had weakened by 5% against the foreign currencies with all other variables held constant, the profit before taxation would have increased for the year 2023 and 2022 by the following amounts:

2023	2022
Rupees	Rupees
12,941	9,227

A 5% strengthening of the functional currency against foreign currencies at June 30 would have had the equal but opposite effect of these amounts.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The analysis assumes that all other variables remained constant.

38.1.3 Price Risk :

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

The Company is exposed to price risk, because of the investments held by the Company in mutual funds, and classified on the statement of financial position as fair value through other comprehensive income of Rs. 366,162/- (2022: 358,688/-)

If redemption price on mutual funds, at the year end date, fluctuate by 5% higher / lower with all other variables held constant, profit after tax for the year would have been Rs. 17,393/- (2022: 17,038/-) higher / lower, mainly as a result of higher / lower redemption price on units of mutual funds.

38.2 Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investments, deposits, receivables from customers, receivables from related parties, advances, other receivables, bank balances and term deposits with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

J. A. Textile Mills Limited

	2023	2022
	Rupees	Rupees
Long term deposits	32,145,750	32,145,750
Trade debts		31,063
Advances and other receivables	119,774	119,774
Short term investment	366,162	358,688
Accrued income	2,114,655	1,044,677
Bank balances	163,289,213	219,207,178
	<u>198,035,554</u>	<u>252,907,130</u>

Long term deposits have been mainly placed with suppliers of electricity, gas and telecommunication services. Considering the financial position and credit quality of the institutions, the Company's exposure to credit risk is not significant.

For trade debts, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Moreover, the management regularly monitors and reviews customers' credit exposure. Accordingly, the company is not exposed to any significant credit risk.

Advances consist of advances to employees. Advances to employees are secured against employees' retirement benefits. Other receivables constitute receivable from Punjab Labour Appellate Tribunal. Therefore, the Company is not exposed to any significant credit risk on these advances and other receivables.

Short term investment is investment in mutual fund. The credit risk on liquid funds is limited because counter party is bank with reasonably high credit ratings.

Accrued income constitute accrued profit receivables from SNGPL. Considering the financial position and credit quality of the institutions, the Company's exposure to credit risk is not significant.

	2023	2022
	Credit Ratings	
NBP Fund Management Limited	AM1	AM1

The credit quality of Company's bank balances can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Name of Bank	Date	Long term	Short term	Outlook	Agency
Al-Barka Bank Limited	27-Jun-23	A+	A-1	Stable	JCRVIS
Bank Al-Habib Limited	27-Jun-23	AAA	A-1+	Stable	PACRA
JS Bank Limited	23-Jun-23	AA-	A-1+	Stable	PACRA
Dubai Islamic Bank Limited	26-Jun-23	AA	A-1+	Stable	JCRVIS
National Bank of Pakistan	23-Jun-23	AAA	A-1+	Stable	PACRA
United Bank Limited	27-Jun-23	AAA	A-1+	Stable	JCRVIS

Due to Company's long standing relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the risk is minimal.

38.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and the availability of funding through an adequate amount of committed credit facilities. This includes maintenance of balance sheet liquidity ratios through working capital management. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board. The management believes that the company is not exposed to any liquidity risk.

The following are the contractual maturity analysis of financial liabilities as at June 30, 2023 and 2022:

2023				
Carrying amount	Contractual cash flows	Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
------(Rupees)-----				

Financial Liabilities :

Trade and other payable	231,570,952	231,570,952	231,570,952	-	-
Unclaimed dividend	443,720	443,720	443,720	-	-
	<u>232,014,672</u>	<u>232,014,672</u>	<u>232,014,672</u>	<u>-</u>	<u>-</u>

2022				
Carrying amount	Contractual cash flows	Within 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
------(Rupees)-----				

Financial Liabilities :

Trade and other payable	209,091,685	209,091,685	209,091,685	-	-
Unclaimed dividend	443,720	443,720	443,720	-	-
	<u>209,535,405</u>	<u>209,535,405</u>	<u>209,535,405</u>	<u>-</u>	<u>-</u>

39. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to safeguard the company's ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, so that it can continue to provide returns for shareholders thereby maximizing their wealth, benefits for other stakeholders and reduce the cost of capital.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

As at June 30, 2023 and 2022, the Company had surplus reserves to meet its requirements.

40. DATE OF AUTHORIZATION FOR ISSUE

05 OCT 2023

The financial statements were authorized for issue on _____ by the Board of Directors of the Company


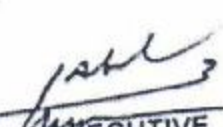
41. GENERAL

41.1 Corresponding figures

Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of better presentation. However, during the year no reclassification is made in the corresponding figures

41.2 Rounding

Figures have been rounded off to the nearest Pakistan Rupees unless otherwise specified



CHIEF EXECUTIVE
CHIEF FINANCIAL OFFICER
DIRECTOR

J.A. TEXTILE MILLS LIMITED
DETAIL CATEGORIES OF SHAREHOLDERS
AS ON 30-06-2023

CATEGORIES OF SHAREHOLDERS		TOTAL SHARES	%
5.1 Directors/Chief Executive Officer and their spouse and minor Children			
1	MR. ZAHID ANWAR	6,993,010	55.49
2	MR. IMRAN ZAHID	874,000	6.94
3	MS. KURRATULAIN ZAHID	325,500	2.58
4	MR. ANWAR UL HAQ	2,500	0.02
5	MR. LIAQAT ALI QAMAR	2,500	0.02
6	MR. RIAZ AHMAD	2,500	0.02
7	MR. MUHAMMAD ALI	2,500	0.02
TOTAL:		8,202,510	65.09
5.2 Associated Companies, Undertakings and related parties			
TOTAL:		0	0.00
5.3 NIT and ICP			
M/S. INVESTMENT CORPORATION OF PAKISTAN		4,300	0.03
TOTAL:		4,300	0.03
5.4 Banks, DFIs, NBFIs			
1	ISLAMIC INVESTMENT BANK LTD	10,000	0.08
2	M/S ALTOWFEEK INV. BANK LTD	20,000	0.16
3	NATIONAL DEVELOPMENT FINANCE CORPORATION	1,000	0.01
4	NATIONAL BANK OF PAKISTAN	380	0.00
5	M/S SAUDI PAK INDUSTRIAL & INVESTMENT CO. (PVT) LIMITED	200	0.00
TOTAL:		31,580	0.25
5.5 Insurance Companies			
1	ADAMJEE INSURANCE COMPANY LTD	1,000	0.01
TOTAL:		1,000	0.01
5.6 Modarabas and Mutual Funds			
TOTAL:		0	0.00
5.7 Shareholding 5% or more			
1	ZAHID ANWAR	6,993,010	9.06
2	RUKHSANA BEGUM	1,154,850	1.50
3	NOOR UL AIN ZAHID	681,553	0.88
TOTAL:		8,829,413	11.44
5.8 General Public			
1,572	a- Local	4,296,069	34.09
141	b- Foreign	0	0.00
TOTAL:		4,296,069	34.09

J.A. TEXTILE MILLS LIMITED
DETAIL CATEGORIES OF SHAREHOLDERS
AS ON 30-06-2023

CATEGORIES OF SHAREHOLDERS		TOTAL SHARES	%
5.9 Others - Joint Stock Companies			
1	MAPLE LEAF CAPITAL LIMITED	1	0.00
2	PASHA SECURITIES (PVT) LTD.	1,000	0.01
TOTAL:		1,001	0.01
5.9 Others - Trust			
1	GHULAMAN-E-ABBAS EDUCATIONAL & MEDICAL TRUST	500	0.00
TOTAL:		500	0.00
5.9 Others			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	61,927	0.49
2	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	2,173	0.02
3	J. K. EXPORTS (PVT) LIMITED	100	0.00
TOTAL:		64,200	0.51
Grand Total:		12,601,160	100.00

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

J. A. TEXTILE MILLS LIMITED

ANNUAL GENERAL MEETING

FORM OF PROXY

IMPORTANT

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

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

Please quote Registered Folio Number

I/We-----
of-----
being a member of the J. A. Textile Mills Limited-----and holder
of-----ordinary shares, hereby appoint
-----of-----

who is also a member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at registered office of the Company, JK House, 32-W, Susan Road, Madina Town, Faisalabad, on **26.10.2023** at 9:00 a.m or at any adjournment thereof.

As witness my/our hand this -----day of -----2023
Signed by the said-----in the presence of

Date: _____
(Member's Signature)

Place _____
(Witness's Signature)

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

