J. A. TEXTILE MILLS LIMITED

FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

COMPANY INFORMATION

Board of Directors

Chair Person:	Mrs. Rukhsana Begum
Chief Executive:	Mr. Imran Zahid
Directors:	Mr. Zahid Anwar
	Mrs. Rukhsana Begum
	Ms. Quratul-Ain Zahid
	Mr. Muhammad Ali
	Mr. Riaz Ahmad
	Mr. Liaqat Ali Qamar

Audit Committee:

Chairman:	Mr. Riaz Ahmad
Member:	Mr. Muhammad Ali
Member:	Ms. Quratul-Ain 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. Zia Ullah Khan Dilawar
Head of Internal Audit:	Mr. Muhammad Umer Farooq
Auditors:	Kreston Hyder Bhimji & Company, Chartered Accountants
Banks:	Al Baraka Islamic Bank B.S.C. (E.C.)
	Dubai Islamic Bank Pakistan Limited
	JS Bank Limited
	National Bank of Pakistan
	United Bank Limited
Legal Advisor:	Mr. Zia-ul-Haq (Advocate)
Registered Office:	JK House, 32-W, Susan Road, Madina Town, Faisalabad
Share Registrar Office:	Hameed Majeed Associates (Private) Limited 1st Floor, H.M House, 7-Bank Square, Lahore.
Mills:	29-KM, Sheikhupura Road, Faisalabad
Web Site:	www.jatml.com

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 Wednesday the 28 October, 2020 at [illegible] 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 28.10.2019.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2020 together with the Directors' and Auditor's reports thereon.
3. To appoint auditors for the year ending June 30, 2021 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

FAISALABAD: 07.10.2020

AJMAL SHABAB
(Company Secretary)

NOTES:

1. The share transfer books of the company will remain closed from 21.10.2020 to 28.10.2020 (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 20th October 2020 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 / NTNs (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 (I)/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..being a member of J. A. TEXTILE MILLS LIMITED, holder of ....Ordinary Shares as per Register Folio No./CDC A/C No.................................hereby opt for Video conference facility at.......................

   ....
   Signature of members

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 33rd annual report together with audited accounts of the Company for the year ended June 30, 2020.

Operating Indicators	June 30, 2020 Rupees in Millions	June 30, 2019 Rupees in Millions
Sales	932.149	1,098.229
Gross Profit/Loss	17.184	23.104
Provision for taxation	(13.145)	(14.923)
Profit/(Loss) after Taxation	7.548	(0.042)
Profit/(Loss) per share	0.599	(0.003)

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:

a) Financial statements have been prepared in conformity with the requirement of the Companies Act 2017and present fairly state of affairs, results of its operation, cash flows and changes in equity.

b) Proper books of accounts have been maintained in the manner required under Companies act 2017.

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

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

e) The system of internal control is being implemented and monitored.

f) 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, 2020 forms part of this report.

k) Value of investments of Employees Provident Fund was Rs. 10.16/- millions for the year ended June 30, 2020.

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) We confirm that directors and CFO and their spouse and minor children have made no transactions of the Company's shares during the year.

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, 2020 is annexed with this report.

q) The Company is conducting business in a challenging enviremont . Its activities expose it to number of risks including raw material sourcing, pricing, credit risk.

Cotton is main raw material of a textile spinning. Inability to procure raw material and increase in prices may adversely influence the operation and profitability of the company .The company aims to use its purchasing power and manage to procure cotton at the start of harvesting season to minimize this risk.

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 nonperformance by these counter parties, hence credit risk is minimal.

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

Mr. Imran Zahid (CEO)	5
Mr. Zahid Anwar	5
Mrs. Rukhsana Begum (Chairman)	5
Ms. Qurat ul Ain Zahid	4
Mr. Muhammad Ali	4
Mr. Riaz Ahmad	5
Mr. Liaqat Ali Qamar	5

- Considering the accumulated losses brought forward, no dividend is recommended for the year ended June30, 2020.

- The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Muhammad Ali	4
Riaz Ahmad (Chairman)	4
Ms. Qurat ul Ain Zahid	3

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

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

- Present auditors, M/s Kreston Hyder Bhimji & Co. Chartered Accountants have retired and M/S Arshad Raheem & Co Chartered Accountant offer themselves for appointment. The Audit Committee has recommended the appointment of M/S Arshad Raheem & Co as auditors for the year 2021.

On behalf of board of directors.

Imran Zahid
Chief Executive
October 07, 2020

ڈائریکٹرز رپورٹ برائے ممبران

آپ کے ڈائریکٹرز 30.06.2020 کے مالی سال کے اختتام پر تینتیسویں سالانہ اجلاس کے انعقاد پر خوشی محسوس کرتے ہیں

مالیاتی نتائج

آپریٹنگ تفصیلات	روپے (ملین میں) اختتام مالی سال 30.06.2020	اختتام مالی سال 30.06.2019
فروخت	932.149	1.098.229
مجموعی آمدن / خسارہ	17.184	23.104
ٹیکس کیلئے پروویژن	(13.145)	(14.923)
بعد از ٹیکس خسارہ / آمدن	7.548	(0.042)
خسارہ / آمدن فی شیئر	0.599	(0.003)

منظم سماجی ذمہ داری

آپ کی کمپنی ماحولیاتی ملازمین اور برادری کی سماجی ذمہ داریوں سے بخوبی واقف ہے۔ اسی سلسلے کے پیش نظر صحتمند اور پرسکون ماحول مہیا کیا جا رہا ہے۔

انسانی وسائل اور صنعتی تعلقات

آپ کی کمپنی نے قومی اور بین الاقوامی معیار کے مطابق ملازمین کی شمولیت کیلئے اصول وضع کر رکھے ہیں یہ اصول نسل پرستی، ذات اور جنس کو خاطر میں لائے بغیر وضع ہیں

آڈیٹرز رپورٹ

آڈیٹرز کے تحفظات سے متعلق مالیاتی رپورٹ کے نوٹ نمبر 1.2 کو مدنظر رکھتے ہوئے آپ کی کمپنی کی انتظامیہ اس کوشش میں ہے کہ پیداواری حکمت عملی کو بہتر بنانے اور اخراجات کو کنٹرول کرنے کے مواقع کی بہتری کی طرف لے جایا سکے۔ اس سلسلے میں انتظامیہ تمام چیلنجوں کا مقابلہ کرنے کیلئے مثبت نظر آ رہی ہے۔

ہم تصدیق کرتے ہیں

1) مالیاتی حسابات کمپنیز ایکٹ 2017 کے مطابق بالکل ایمانداری طور سے تیار کیے گئے ہیں۔ جو کہ کمپنی کے آپریٹنگ نتائج کیش فلو سٹیٹمنٹ اور ایکوٹی سٹیٹمنٹ کے ساتھ شامل ہیں۔

2) باقاعدہ بکس آف اکاؤنٹس کمپنیز ایکٹ 2017 کے مطابق تیار کی گئی ہیں۔

3) مناسب اکاؤنٹنگ کی پالیسیوں کو مسلسل لاگو کیا گیا ہے اور حساب کتاب کا تخمینہ مناسب اور پرکشش فیصلے پر مبنی ہے۔

4) بین الاقوامی رپورٹنگ معیارات، پاکستان میں قابل عمل کے طور پر مالی بیانات ان اکاؤنٹس کی تیاری میں شامل کیے گئے ہیں۔

5) اندرونی کنٹرول کا نظام پورے سال نافذ کیا گیا اور اسکی نگرانی کی گئی۔

6) کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔

7) کارپوریٹ گورننس اور بہترین پریکٹس، لسٹنگ ریگولیشن سے کوئی بڑا فرق نہیں ہے۔

8) گذشتہ چھ سالوں کا آپریٹنگ اور مالیاتی اعداد وشمار اس رپورٹ کے ساتھ منسلک ہے۔

9) ادا شدہ ٹیکس یا ڈیوٹی نوٹس سٹیٹمنٹ میں بیان کی گئی ہے۔

10) چیئرمین کا جائزہ برائے کمپنی کی کارکردگی 30.06.2020 اور دیگر معاملات سے منسلک کا مطالعہ اس رپورٹ کا حصہ ہے۔

11) ملازمین کے پراویڈنٹ فنڈ کی مالیت 30.06.2020 کو 10.16 ملین روپے ہے۔

11.1) کمپنی نے اپنے ڈائریکٹرز کیلئے بہتر تربیتی پروگراموں کا آغاز کیا ہے۔

11.2) کارپوریٹ گورننس کے بہترین طریقوں کے مطابق تکمیل کا بیان ساتھ منسلک ہے۔

11.3) ہم اس بات کی تصدیق کرتے ہیں کہ ڈائریکٹرز اور سی ای او اور انکے بچوں نے سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کی اگر کوئی ہوئی۔
شیئر ہولڈرز پیٹرن برائے سال 30.06.2020 اس رپورٹ کے ساتھ منسلک ہے۔

11.4) آپ کی کمپنی مقابلاتی ماحول میں کاروبار کر رہی ہے۔ کمپنی کے کاروبار میں بہت سے خطرات شامل خام مال لینے کا خطرہ، اسکی قیمتوں میں تبدیلی کا خطرہ، ادھار مال دینے کا خطرہ شامل ہیں۔

کاٹن خام مال کے طور پر سپننگ انڈسٹری میں استعمال ہوتی ہے اگر آپ اس کو بروقت اور اچھی قیمت پر نہ لے سکیں تو کمپنی کا منافع اثر انداز ہو سکتا ہے۔
کمپنی اپنی استعداد کے مطابق کاٹن سیزن کے دوران کاٹن خریدتی ہے اور اس کی قیمت میں اضافے کے خطرہ کو کم کر لیتی ہے۔

کمپنی کاروبار میں ادھار پر مال فروخت کرتی ہے اور اس کی وصولی کا خطرہ لاحق ہوتا ہے۔ کمپنی ان گاہکوں کے ساتھ کام کرتی ہے جن کی ساکھ 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 پانچ اجلاس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

نام ڈائریکٹرز	تعداد حاضری
جناب عمران زاہد (CEO)	5
جناب زاہد انور	5
محترمہ رفعت بیگم (چیئرپرسن)	5
مس قرۃ العین زاہد	4
جناب ریاض احمد	5
جناب محمد علی	4
جناب لیاقت علی قمر	5

گذشتہ سالوں کے نقصانات کو دیکھتے ہوئے اس سال بھی کسی قسم کے ڈیویڈنڈ کی منظوری نہیں دی گئی۔

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

نام ڈائریکٹرز	تعداد حاضری
جناب ریاض احمد (چیئرمین)	4
جناب محمد علی	4
مس قرۃ العین زاہد	3

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

جناب عمران زاہد	1
جناب محمد علی (چیئرمین)	1
جناب لیاقت علی قمر	1

آڈیٹرز

موجودہ آڈیٹرز میسرز کرسٹن حیدر بھیم جی اینڈ کو چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور میسرز ارشد رحیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی جانب سے تعیناتی کی پیشکش کی گئی ہے جس پر آڈٹ کمیٹی نے میسرز ارشد رحیم اینڈ کمپنی کو برائے سال 2021 تعیناتی کیلئے تجویز دی ہے۔

بورڈ کی جانب سے
چیف ایگزیکٹو آفیسر

تاریخ: 7 اکتوبر 2020
فیصل آباد

J A TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

We are pleased to present the financial results of the company. Despite of the attack of Corona Virus's (COVID-19] negative impact on economy, the company still has earned RS.7.548 million profit during the year.

We are confident that our existing business trend will continue adding to sustainable growth to achieve better results during the current year and the rise in other avenues of business will further add value to the net worth of the company..

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 07,2020

RUKHSANA BEGUM

Chairperson BOD

جے اے ٹیکسٹائل ملز لمیٹڈ

چیئرپرسن کا جائزہ

ہم بصد خوشی کمپنی کے مالی نتائج پیش کر رہے ہیں۔ کرونا وائرس (Covid -19) کے حملے کی وجہ سے معیشت پر منفی اثرات مرتب ہوئے ہیں اس کے باوجود کمپنی نے اس سال 7,548 ملین روپے منافع حاصل کیا ہے۔
ہم اس بات پر پرامید ہیں کہ کمپنی اس سال ترقی کی جانب گامزن رہے گی۔ اور اس سال بہتر نتائج حاصل کرنے کیلئے کاروبار کے بہترین طریقے اختیار کریں گے۔

انتظامیہ اس سلسلے میں پرعزم ہے کہ آپ کی کمپنی کی مالی کارکردگی کو برقرار رکھنے کے معاملے پر خصوصی توجہ مرکوز رکھے گی۔ ہم اپنے حصص یافتگان، کسٹمرز اور سٹاف کے شکرگزار ہیں جنکی مدد اور اعتماد کمپنی کو حاصل رہا۔

آخر میں، میں بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہتی ہوں جن کی طرف سے پورے سال کے دوران قیمتی شراکت اور راہنمائی فراہم کی جاتی رہی۔

بورڈ کی طرف سے

رخسانہ بیگم
چیئرپرسن، بورڈ آف ڈائریکٹرز

07 اکتوبر 2020
فیصل آباد۔

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Independent Auditors' Review Report to the Members of J.A. Textile Mills Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019 (the Regulations) prepared by the Board of Directors of **J.A. Textile Mills Limited** (the Company) for the year ended June 30, 2020, in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Kreston Hyder Bhimji & Co. Chartered Accountants

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Khan Muhammad

DATED: October 07, 2020
FAISALABAD

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

J. A. TEXTILE MILLS LIMITED

FOR THE YEAR ENDED JUNE 30, 2020

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: 5 members
   b. Female: 2 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	Mrs. Rukhsana Begum Ms. Qurat ul Ain Zahid Mr. Muhammad Ali
c) Executive Directors	Mr. Imran Zahid Mr. Zahid Anwar
d) Female Directors	Mrs. Rukhsana Begum Ms. Qurat ul Ain Zahid

3. The directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. 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 Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

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, whereas, three board members do not qualify for exemption. The Company will arrange the training program for the directors as provided under the Regulations in future.

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. Qurat ul Ain 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 audit committee and HR and Remuneration Committee 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 Charted 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; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below.

Sr. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1	**Directors' Orientation Program.** All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	19	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, whereas, three board members do not qualify for exemption. The Company will arrange the training program for the directors as provided under the Regulations in future.

Imran Bashir
Chief Executive

Riaz Ahmed
(Director)

Place: Faisalabad.
October 07, 2020

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

PARTICULARS	2019	2018	2017	2016	2015	2014
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
FINANCIAL POSITION						
Fixed assets (Cost/Revalued)	419.94	420.30	644.20	642.8	643.22	596.6
Accumulated depreciation	36.76	21.95	243.22	223.85	202.66	180.83
Current assets	186.524	117.507	73.519	51.232	77.419	134.94
Paid up capital	126.01	126.01	126.01	126.01	126.01	126.01
Current liabilities	264.69	219.24	213.67	347.11	358.99	181.12
INCOME						
Sales	1,098.22	1,141.79	602.28	211.99	584.67	747.14
Other income	2.789	25.814	23.333	4.414	8.748	3.085
Pre-tax profit/(loss)	14.881	39.678	12.280	-34.93	-39.34	-69.12
Taxation charge/(credit)	14.923	0.731	9.707	7.483	-11.9	-26.07
STATISTICS AND RATIOS						
Pre-tax profit/(loss) to sales %	1.35	3.48	2.03	-6.73	-6.73	-9.25
Pre-tax profit/(loss) to capital %	11.81	31.49	9.74	-27.72	-32.77	-46.88
Current Ratio	01:1.42	01:01.5	01:00.2	01:00.2	01:00.2	01:00.7
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	0.003	2.46	0.20	-3.37	-2.18	-3.42
Break-up value per share (Rs.)	6.07	6.64	9.66	6.16	9.52	11.7

Independent Auditors' 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, 2020, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the international Financial Reporting Standard (IFRSs) 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, 2020 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (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 financial statements, in spite of the accumulated loss stands at Rs. 188.284 million against the paid-up share capital of Rs. 126.012 million as at June 30, 2020 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 55.786 million. 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. Our opinion is not modified in respect of this matter.

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.	**IMPACT OF COVID-19**	
	Due to the COVID-19 situation and lockdown in the province of Punjab, Pakistan since March 2020, business activity has been adversely affected. This situation leads to suspension of production and sales during the last quarter of the financial year. In relation to the accounting and reporting obligations, the management assessed the following significant areas for incorporating COVID-19 impact in the financial statements. • expected credit losses (ECL) under IFRS 9, 'Financial Instruments'; • the net realizable value (NRV) of inventory under IAS 2, 'Inventories'; • the impairment of tangible assets under IAS 36 impairment of non-financial assets; and • going concern assumption used for the preparation of the financial statements. The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and its execution involved assessment of significant management judgments in the preparation of the financial statements. Therefore, we considered it as a key audit matter.	Our audit procedures amongst others included the following: • Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy; • We checked subsequent recoveries on a sample basis and assessed the reasonableness of forward-looking factors used by the management in determination of expected credit loss for trade debts. • Evaluated whether any impairment indicators exist that could trigger impairment for tangible assets; • Obtained the computation of NRV of inventory and checked its reasonableness; • Evaluated management's going concern assessment by reviewing the future cash flow forecast and assessed whether going concern assumption is appropriate; and • Reviewed the adequacy of the disclosures made by the Company under the applicable financial reporting framework.
2.	**Contingencies:**	
	There are certain legal, taxation and	• We assessed and tested the design and

	regulatory matters which are beyond the control of the company. Consequently, the management makes judgments about the incidence and quantum of such liabilities arising from litigation, taxation and regulatory claims which leads to the impacts for the future outcome of legal or regulatory processes. 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. Refer note – 6.11 and 21 to the financial statements.	operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax 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. • 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.
3.	**Revenue Recognition:**	
	Revenue is recognized when control of the underlying products has been transferred to the customer. We identified revenue recognition as a key audit matter because there is a potential risk of revenue being overstated due to revenue transactions not being recognized in the appropriate period.	Our audit procedure included considering the appropriateness of the company's revenue recognition accounting policies and assessing compliance with the policies in accordance with the applicable financial reporting framework. • Obtaining an understanding of and testing the design and operating effectiveness of controls designed to ensure that revenue

	Refer to note - 6.12 and 22 of the financial statement.	is recognized in the appropriate period; • Performing analytical tests on the revenue. • Testing a sample of sales transactions around year end to ensure inclusion in the correct period. • Testing of a sample of sales and trade receivables at year end by agreeing a sample of open invoices at year end to subsequent receipts from customers.
4.	**Inventories**	
	Stock in trade forms a significant part of the Company's total assets. Stock-in-trade compromise of raw and packing materials, work in process and finished goods which are stated at lower of cost and estimated net realizable value. We identified the valuation of stock in-trade as a key audit matter because there is a potential risk of inappropriate valuation as well as assessing which items may be slow-moving or obsolete involve significant management judgment and estimation. Refer note - 6.4 and 10 of the financial statement.	Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgments taken regarding obsolescence and net realizable value provisions. We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventories by: • Attending the year end stock take to gain comfort over the existence and condition of inventories and internal controls designed by the Company. • Obtaining the final valuation sheets of the inventories and tracing quantities from working papers of observation of physical stock taking. • Obtaining understanding of internal controls designed by the Company over recording of purchases and valuation of the inventories, and testing their operating effectiveness on sample basis. • Assessing historical costs recorded in the inventory valuation by performing test of details on purchases. Evaluating that the valuation basis used are appropriate and

		consistent, including analysis of costing of different items on sample basis. • Assessing the management's determination of the net realizable values and intended use of the inventories including performing tests on the sales prices fetched by the Company before and after year end. • Performing analytical and other relevant audit procedures. • Considering the adequacy of the Company's disclosures in respect of inventories.

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 Director's 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 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:

- 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.

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

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

Report on Other Legal and Regulatory Requirements:

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Khan Muhammad - FCA.

Kreston Hyder Bhimji & Co.

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Date: 07 OCT 2020
Place: Faisalabad

J. A. TEXTILE MILLS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	366,414,438	383,178,999
Long term deposits	8	17,427,380	17,427,380
		383,841,818	400,606,379
CURRENT ASSETS			
Stores and spares	9	7,609,956	5,649,937
Stock in trade	10	48,698,252	74,365,382
Trade debts	11	11,868,102	47,622,654
Advances, prepayment and other receivables	12	2,101,284	7,624,439
Short term investment	13	325,953	302,521
Accrued income	14	1,292,780	576,955
Tax refunds due from government	15	7,303,535	7,627,329
Cash and bank balances	16	55,492,837	42,755,000
		134,692,699	186,524,217
TOTAL ASSETS		518,534,517	587,130,596
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 20,000,000 ordinary shares of Rs.10 each		200,000,000	200,000,000
Issued, subscribed and paid up capital 12,601,160 ordinary shares of Rs. 10 each, fully paid in cash		126,011,600	126,011,600
Accumulated loss		(188,284,382)	(202,562,192)
Deficit on remeasurement of investment		(44,132)	(69,959)
Surplus on revaluation of property, plant and equipment	17	191,135,627	197,865,399
Loan from related parties	18	132,454,324	133,203,264
		261,273,037	254,448,112
NON CURRENT LIABILITIES			
Deferred liabilities	19	66,782,334	67,985,263
CURRENT LIABILITIES			
Trade and other payables	20	190,035,426	263,858,431
Unclaimed dividend		443,720	443,720
Provision for taxation		-	395,070
		190,479,146	264,697,221
CONTINGENCIES AND COMMITMENTS	21	-	-
TOTAL EQUITY AND LIABILITIES		518,534,517	587,130,596

The annexed notes 1 to 42 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, 2020

	Note	2020 Rupees	2019 Rupees
Sales - net	22	932,148,606	1,098,229,082
Cost of sales	23	(914,969,118)	(1,075,125,472)
Gross profit		17,179,488	23,103,610
Operating expenses			
Distribution cost	24	(468,161)	(122,775)
Administrative expenses	25	(11,634,484)	(10,015,043)
Other operating expenses	26	(1,746,214)	(783,216)
		(13,848,859)	(10,921,034)
Profit from operations		3,330,629	12,182,576
Finance cost	27	(80,052)	(91,025)
Other income	28	17,442,461	2,789,549
Profit before taxation		20,693,038	14,881,100
Taxation	29	(13,145,000)	(14,923,509)
Profit / (Loss) for the year		7,548,038	(42,409)
Earnings/ (Loss) per share - basic and diluted	30	0.5990	(0.0034)

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE   CHIEF FINANCIAL OFFICER   DIRECTOR

J. A . TEXTILE MILLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020 Rupees	2019 Rupees
Profit / (Loss) for the year	7,548,038	(42,409)
Other comprehensive income for the year:		
Items that may be subsequently reclassified to profit or loss:		
Unrealized gain/(loss) on changes in fair value of investment	25,827	(39,008)
Total comprehensive income/ (loss) for the year	7,573,865	(81,417)

The annexed notes 1 to 42 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, 2020

	Share Capital	Accumulated loss	Surplus/ (Deficit) on remeasurement of investment	Surplus on revaluation of property, plant and equipment	Loan from related parties	Total
			[R u p	e e s]		
Balance as at June 30, 2018	126,011,600	(209,641,063)	(30,951)	204,986,679	125,926,743	247,253,008
Total comprehensive income for the year						
Loss for the year	-	(42,409)	-	-	-	(42,409)
Other comprehensive loss	-	-	(39,008)	-	-	(39,008)
	-	(42,409)	(39,008)	-	-	(81,417)
Incremental depreciation on revalued property, plant and equipment for the year (note 17)	-	10,029,970	-	(10,029,970)	-	-
Tax effect on incremental depreciation (note 17)	-	(2,908,690)	-	2,908,690	-	-
Loan obtained from related parties - net	-	-	-	-	7,276,521	7,276,521
Balance as at June 30, 2019	**126,011,600**	**(202,562,192)**	**(69,959)**	**197,865,399**	**133,203,264**	**254,448,112**
Total comprehensive income for the year						
Profit for the year	-	7,548,038	-	-	-	7,548,038
Other comprehensive income	-	-	25,827	-	-	25,827
	-	7,548,038	25,827	-	-	7,573,865
Incremental depreciation on revalued property, plant and equipment for the year (note 17)	-	9,478,552	-	(9,478,552)	-	-
Tax effect on incremental depreciation (note 17)	-	(2,748,780)	-	2,748,780	-	-
Repayment of loan to related parties	-	-	-	-	(748,940)	(748,940)
Balance as at June 30, 2020	**126,011,600**	**(188,284,382)**	**(44,132)**	**191,135,627**	**132,454,324**	**261,273,037**

The annexed notes 1 to 42 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, 2020

	Note	2020 Rupees	2019 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		20,693,038	14,881,100
Adjustments for non cash and other items:			
Depreciation		17,164,561	18,222,969
Profit on deposit accounts		(3,086,101)	(1,258,223)
Exchange gain on foreign currency translation		(4,171)	(41,322)
Profit on deposit with SNGPL		(715,825)	(468,371)
Gain on disposal of property, plant and equipment		-	(1,021,633)
Balances written back		(13,636,364)	-
Workers' profit participation fund		1,121,963	783,216
Workers welfare fund		624,251	-
Finance cost		80,052	91,025
Operating cash flows before working capital changes		22,241,404	31,188,761
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		(1,960,019)	3,475,538
Stock in trade		25,667,130	16,401,476
Trade debts		35,754,552	(41,565,798)
Advances, prepayment and other receivables		5,523,155	(7,042,026)
Tax refunds due from Government		3,425,444	(1,797,551)
(Decrease)/increase in current liabilities			
Trade and other payables		(61,125,196)	50,288,206
		7,285,066	19,759,845
Cash generated from operations		29,526,470	50,948,606
Profit on deposit accounts received		3,086,101	1,510,214
Profit on deposit with SNGPL received		-	422,337
Finance cost paid		(29,717)	(16,247)
Exchange gain on foreign currency retranslation		4,171	41,322
Workers' profit participation fund paid		(857,994)	(2,088,329)
Income tax paid		(17,842,254)	(12,324,053)
Net cash generated from operating activities		13,886,777	38,493,850
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(400,000)	(3,227,547)
Sale proceeds on disposal of property, plant and equipment		-	1,200,000
Net cash used in investing activities		(400,000)	(2,027,547)
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(4,000,000)
Loan from related parties (paid)/obtained		(748,940)	7,276,521
Net cash (used in)/generated from financing activities		(748,940)	3,276,521
Net increase in cash and cash equivalents	(a+b+c)	12,737,837	39,742,824
Cash and cash equivalents at the beginning of the year		42,755,000	3,012,176
Cash and cash equivalents at the end of the year	16	55,492,837	42,755,000

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR

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, Sheikhupura 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. 188.284 million (2019: Rs. 202.562 million) as against issued, subscribed and paid up capital of Rs. 126.012 million and its current liabilities exceeded its current assets by Rs. 55.786 million (2019: Rs.78.173 million) as at June 30, 2020. 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.

Inspite of the huge accumulated losses, negative current ratio and Covid-19 situation, 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. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The COVID-19 pandemic has played havoc on the world economies and Pakistan's economy is of no exception. Unprecedented economic recession is underway which has profoundly impacted the financial health of every sector of the economy. On March 21, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from March 23, 2020. Subsequently the lockdown was relaxed from mid of April 2020 subject to adoption of necessary Standard Operating Procedures (SOPs) to ensure the safety of employees.

However, the company resumed its operations in June 2020, after implementing all the necessary SOPs to ensure safety of employees. The management has ensured all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The Company's operations were adversely effected due to circumstances arising from Covid-19, including suspension of production and sales during the last quarter of the financial year. As a consequence, the management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9, 'Financial Instruments';
- the net realisable value of inventory under IAS 2, 'Inventories';
- the impairment of tangible assets under IAS 36, 'Impairment of non financial assets'; and
- going concern assumption used for the preparation of these financial statements vide note 1.2.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (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.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policy notes.

3.3 Functional and presentation currency

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

4. NEW AND REVISED STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

4.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

- **Amendment to IAS 19 'Employee Benefits, - Plan Amendment, Curtailment or Settlement':**

  The amendments to IAS 19 specify that an entity must;

  (i) determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event and determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using:

  (a) the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and

  (b) the discount rate used to remeasure that net defined benefit liability (asset).

  (ii) determine any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is to be recognized in profit or loss. An entity then determine the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in net interest, is recognized in other comprehensive income.

  The amendments do not have any significant impact on these financial statements.

- **Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long term investment in Associates and Joint Ventures:**

  The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendment do not have any impact on these financial statements.

- **Amendment to IFRS 9 'Financial Instrument'- prepayment Features with Negative Compensation and modifications of financial liabilities:**

  The amendment allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. The amendment also clarified that gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognized in profit or loss. The amendment do not have any impact on these financial statements.

- **IFRS 16, 'Leases':**

  IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 supersedes IAS 17 - Leases, IFRIC 4 - Determining whether an Arrangement contains a Lease, SIC 15 - Operating Leases-Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease. However, IFRS 16 does not have any impact on these financial statements as the company is neither lessee nor lessor.

- **IFRIC 23 'Uncertainty over Income Tax Treatments':**

  IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation do not have any impact on these financial statements.

- **Annual Improvements to IFRS Standards 2015–2017 Cycle. The cycle of improvements addresses improvements to following approved accounting standards:**

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements. The amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 Income Taxes. The amendment clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profit.

- IAS 23 Borrowing Costs. The amendment clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

  The improvements do not have a significant impact on these financial statements.

The other amendments to published standards and interpretations that are mandatory for the financial year are considered not to be relevant or to have any significant impact on the Company's financial reporting and operations and are therefore not disclosed in these financial statements.

4.2 Standards, interpretations and amendments to approved accounting standards that are issued but not yet effective and have not been early adopted by the Company

- **Amendment to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use (effective for annual period beginning on or after January 01, 2022):**

  The amendment prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is not likely to have an impact on the Company's financial statements.

- **Amendments to IFRS 9, 'Financial Instruments'; IAS 39, 'Financial Instruments: Recognition and Measurement, and IFRS 7, ' Financial Instruments: Disclosures' - Interest Rate Benchmark Reform (effective for the Company's annual period beginning on or after January 1, 2020):**

  The changes in Interest Rate Benchmark Reform

  i. modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform;
  ii. are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;
  iii. are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required);
  iv. and require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

  The amendment is not likely to have an impact on the Company's financial statements.

- **Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of Fulfilling a Contract (effective for annual period beginning on or after January 01, 2022):**

  The amendment specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is not likely to have an impact on the Company's financial statements.

- **Amendment to IFRS 16, 'Leases' - Covid-19-Related Rent Concessions (effective for annual period beginning on or after 1 June 2020):**

  The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification; require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications; require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures. The amendment is not expected to have significant impact on the Company's financial statements.

- **Amendments to IFRS 3, 'Business Combinations' - Reference to the Conceptual Framework (effective for the Company's annual period beginning on or after January 1, 2022):**

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989 with a reference to the Conceptual Framework for Financial Reporting, that was issued in March 2018, without significantly changing its requirements. In addition, the Board added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities and it clarified existing guidance in IFRS 3 for contingent assets. The amendment is not likely to have an impact on the Company's financial statements.

- **Amendments to IAS 1, 'Presentation of financial statements' - Classification of Liabilities as Current or Non-current (effective for the Company's annual period beginning on or after January 1, 2022):**

  The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. Management expectations about events after the reporting date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant. The amendments clarify the situations that are considered settlement of a liability.

- **Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' (effective for the Company's annual period beginning on or after January 1, 2020):**

  These amendments and consequential amendments to other IFRSs:

  (i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for

  (ii) clarify the explanation of the definition of material; and

  (iii) incorporate some of the guidance in IAS 1 about immaterial information.

  These amendments are not expected to have a significant impact on the Company's future financial statements.

- **Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020):**

  The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendment include an election to use a concentration test. The standard is effective for transactions in the future.

- **Annual Improvements to IFRS Standards 2018–2020 Cycle. The new cycle of improvements addresses improvements to following approved accounting standards (effective for annual period beginning on or after January 01, 2022):**

  - IFRS 1 First-time Adoption of International Financial Reporting Standards. This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the financial statements of the parent, based on the parent's date of transition to IFRS Standards.

  - IFRS 9 Financial Instruments. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

  - IAS 41 Agriculture. The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13 - Fair Value Measurement.

  There are other amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

  Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purposes of their applicability in Pakistan:

  IFRS - 1 'First time adoption of International Financial Reporting Standards'.

  IFRS - 17 'Insurance Contracts'.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Estimate of useful life of property, plant and equipment - note 6.1
- Impairment of non financial assets - note 6.2
- Stores and spares - note 6.3
- Stock in trade - note 6.4
- Provisions - note 6.10
- Contingencies - note 6.11
- Taxation - note 6.14

6. SUMMERY 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.

6.1 Property, plant and equipment

6.1.1 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 7.1 of these financial statements.

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

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.

6.1.2 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.

6.2 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.

6.3 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.

6.4 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.

Wastes are valued 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.

6.5 Trade debts and other receivables

Trade receivables are initially recognized at fair value and subsequently carried at amortised 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.

6.6 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.

6.7 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.

6.8 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.

6.9 Trade and other payables

Liabilities for trade and other payables are carried at their amortised 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.

6.10 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.

6.11 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).

6.12 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.

6.13 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.

6.14 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.

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

6.15 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.

6.16 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.

6.17 Financial instruments

6.17.1 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.

The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 985 (I)/2019 dated 02 September 2019 has deferred the requirements of IFRS 9 with respect to application of 'Expected Credit Loss Method' in respect of companies holding financial assets due from the Government of Pakistan till 30 June 2021. In this regard, the companies shall follow relevant requirements of IAS 39 ' Financial Instruments: Recognition and Measurement' during the exemption period.

6.17.2 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.

6.17.3 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.

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2020 Rupees	2019 Rupees
Operating fixed assets	7.1	366,414,438	383,178,999

7.1 OPERATING FIXED ASSETS

	2020								
	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION				W.D.V	
DESCRIPTION	As at July 1, 2019	Addition	As at June 30, 2020	As at July 1, 2019	For the year	Adjustment	As at June 30, 2020	As at June 30, 2020	Rate %
			[R	U P	E E	S]			
Owned									
Freehold land	78,800,000	-	78,800,000	-	-	-	-	78,800,000	-
Building on freehold land		-				-			
- factory	115,130,180	-	115,130,180	8,543,660	5,329,326	-	13,872,986	101,257,194	5
- residential	23,178,400	-	23,178,400	1,719,328	1,072,954	-	2,792,282	20,386,118	5
Plant and machinery	150,127,547	400,000	150,527,547	11,011,082	6,965,823	-	17,976,905	132,550,642	5
Power Generators	31,500,001	-	31,500,001	4,655,724	2,684,428	-	7,340,152	24,159,849	10
Electric installations	3,500,000	-	3,500,000	515,871	298,413	-	814,284	2,685,716	10
Factory equipments	7,000,000	-	7,000,000	1,032,077	596,792	-	1,628,869	5,371,131	10
Electric appliances	940,688	-	940,688	838,143	10,255	-	848,398	92,290	10
Office equipments	2,875,855	-	2,375,855	2,329,411	54,644	-	2,384,055	491,800	10
Furniture and fixtures	290,516	-	290,516	266,533	2,398	-	268,931	21,585	10
Vehicles	6,593,344	-	6,593,344	5,845,703	149,528	-	5,995,231	598,113	20
Total	419,936,531	400,000	420,336,531	36,757,532	17,164,561	-	53,922,093	366,414,438	

	2019								
	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION				W.D.V	
DESCRIPTION	As at July 1, 2018	Addition/ (Deletion)	As at June 30, 2019	As at July 1, 2018	For the year	Adjustment	As at June 30, 2019	As at June 30, 2019	Rate %
			[R	U P	E E	S]			
Owned									
Freehold land	78,800,000	-	78,800,000	-	-	-	-	78,800,000	-
Building on freehold land									
- factory	115,130,180	-	115,130,180	2,933,843	5,609,817	-	8,543,660	106,586,520	5
- residential	23,178,400	-	23,178,400	589,903	1,129,425	-	1,719,328	21,459,072	5
Plant and machinery	146,900,000	3,227,547	150,127,547	3,775,798	7,235,284	-	11,011,082	139,116,465	5
Power Generators	31,500,001	-	31,500,001	1,673,027	2,982,697	-	4,655,724	26,844,277	10
Electric installations	3,500,000	-	3,500,000	184,301	331,570	-	515,871	2,984,129	10
Factory equipments	7,000,000	-	7,000,000	368,974	663,103	-	1,032,077	5,967,923	10
Electric appliances	940,688	-	940,688	826,749	11,394	-	838,143	102,545	10
Office equipments	2,875,855	-	2,875,855	2,268,695	60,716	-	2,329,411	546,444	10
Furniture and fixtures	290,516	-	290,516	263,868	2,665	-	266,533	23,983	10
Vehicles	10,188,344	(3,595,000)	6,593,344	9,066,038	196,298	(3,416,633)	5,845,703	747,641	20
Total	420,303,984	(367,453)	419,936,531	21,951,196	18,222,969	(3,416,633)	36,757,532	383,178,999	

	2020 Rupees	2019 Rupees

7.3 Depreciation charge for the year has been allocated as under

	2020 Rupees	2019 Rupees
Cost of sales	16,957,990	17,963,290
Administrative expenses	206,571	259,679
	17,164,561	18,222,969

7.4 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:

	2020		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	29,374,348	3,144,776
- Residential	6,147,674	5,317,188	830,486
Plant and machinery	310,500,365	223,301,415	87,198,950
Power Generators	46,907,500	24,080,919	22,826,581
Electric installations	12,569,808	11,602,028	967,780
Factory equipment	2,905,074	2,569,821	335,253
	415,398,420	296,245,719	119,152,701

	2019		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	29,208,833	3,310,291
- Residential	6,147,674	5,273,478	874,196
Plant and machinery	310,100,365	218,722,523	91,377,842
Power Generators	46,907,500	21,544,632	25,362,868
Electric installations	12,569,808	11,494,497	1,075,311
Factory equipment	2,905,074	2,532,571	372,503
	414,998,420	288,776,534	126,221,886

7.5 Forced sale values of revalued assets

The forced sale values of revalued assets are based on fair value measurement as at December 31, 2017.

	Forced Sale Values	
	2020	2019
	[Rupees]	
Freehold land	66,980,000	66,980,000
Building on freehold land		
- factory	92,104,144	92,104,144
- residential	18,542,720	18,542,720
Plant and machinery	117,520,000	117,520,000
Power generators	25,200,000	25,200,000
Electric installations	2,800,000	2,800,000
Factory equipment	5,600,000	5,600,000
	328,746,864	328,746,864

7.6 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 Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.
Building on freehold land		
- factory	Covered Area - 129,574 (S.ft)	Chak # 70 - R.B, 29 - KM, Link Main Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.
- residential	Covered Area - 33,112 (S.ft)	Chak # 70 - R.B, 29 - KM, Link Main Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.

		Note	2020 Rupees	2019 Rupees
8.	**LONG TERM DEPOSITS**			
	Security deposits	8.1	17,427,380	17,427,380

8.1 This includes Rs. 14,466,500/- (2019: Rs. 14,466,500/-) 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.

		Note	2020 Rupees	2019 Rupees
9.	**STORES AND SPARES**			
	Stores		1,944,205	906,247
	Spares		5,665,751	4,743,690
			7,609,956	5,649,937
10.	**STOCK IN TRADE**			
	Raw material		29,168,943	62,111,382
	Packing material		3,017,040	1,160,164
	Work in process		10,667,655	10,274,038
	Finished goods	10.1	5,844,614	819,798
			48,698,252	74,365,382

10.1 It includes waste stock amounting to Rs. 2,335,542/- (2019: Rs. 819,798/-) measured at net realizable value.

		Note	2020 Rupees	2019 Rupees
11.	**TRADE DEBTS**			
	Considered good:			
	Local - unsecured		11,868,102	47,622,654
12.	**ADVANCES, PREPAYMENT AND OTHER RECEIVABLES**			
	Considered good:			
	Advances			
	Advances to suppliers		1,654,740	7,072,839
	Advances to employees		69,262	171,262
	Prepayment			
	Prepaid insurance		257,508	260,564
	Other receivables			
	Others		119,774	119,774
			2,101,284	7,624,439
13.	**SHORT TERM INVESTMENT**			
	Fair value through other comprehensive income (FVTOCI)			
	NBP Islamic Sarmaya Izafa Fund		325,953	302,521

13.1 These have been valued by using published net asset value (NAV) as at 30th June, the number of units held by the Company are 22,978.54 units (2019: 22,015.9670 units).

		Note	2020 Rupees	2019 Rupees
14.	**ACCURED INCOME**			
	Interest on SNGPL deposit	8.1	1,292,780	576,955
15.	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Sales tax receivable		4,201,885	7,627,329
	Income tax refundable		3,101,650	-
			7,303,535	7,627,329
16.	**CASH AND BANK BALANCES**			
	Cash in hand		664,806	764,443
	Cash at bank			
	In current accounts			
	- Local currency		3,264,019	32,689,770
	- Foreign currency		163,251	159,080
	In deposit accounts	16.1	51,400,761	9,141,707
			54,828,031	41,990,557
			55,492,837	42,755,000

16.1 The rate of profit on deposit accounts is ranging from 5.50% to 6.25 % per annum (2019: 8.05% to 10.30% per annum).

		Note	2020 Rupees	2019 Rupees
17.	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**			
	Opening balance		**197,865,399**	204,986,679
	Less: Incremental depreciation on revalued property, plant and equipment transferred to accumulated loss		**9,478,552**	10,029,970
	Add: Related effect of deferred tax liability		**(2,748,780)**	(2,908,690)
			6,729,772	7,121,280
	Closing balance		**191,135,627**	197,865,399

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 and M/S Amir Evaluators & Consultants as on 31th December, 2017. 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	2020 Rupees	2019 Rupees
18.	**LOAN FROM RELATED PARTIES**			
	Chief executive, directors and members	**18.1 & 18.2**	**132,454,324**	133,203,264

18.1 During the year movement in loan is as follows:

	2020 Rupees	2019 Rupees
Opening balance	**133,203,264**	125,926,743
Obtained during the year	**-**	7,935,000
	133,203,264	133,861,743
Paid during the year	**(748,940)**	(658,479)
	132,454,324	133,203,264

18.2 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.

	Note	2020 Rupees	2019 Rupees
19. DEFERRED LIABILITIES			
Deferred taxation	19.1	**66,782,334**	67,985,263

19.1 Deferred taxation

	Note	2020 Rupees	2019 Rupees
19.1.1 Opening balance		**67,985,263**	66,789,618
Provided/(adjusted) during the year		**(1,202,929)**	1,195,645
Closing balance	19.1.2	**66,782,334**	67,985,263

19.1.2 This comprise of following:

	2020 Rupees	2019 Rupees
Deferred tax liability:		
Taxable temporary differences relating to operating assets	**16,438,847**	16,559,689
Taxable temporary differences relating to surplus on revaluation of property, plant and equipment	**54,922,317**	57,671,097
Deferred tax assets:		
Deductible temporary differences related to minimum tax	**(1,810,221)**	-
Deductible temporary differences on tax losses	**(2,768,609)**	(6,245,523)
	66,782,334	67,985,263

20. TRADE AND OTHER PAYABLES

	Note	2020 Rupees	2019 Rupees
Trade creditors		**152,518,608**	252,127,622
Accrued expenses		**16,841,869**	9,146,081
Advances from customers		**14,490,849**	907,680
Withholding tax payable		**260,583**	340,282
Provident fund trust	20.1	**987,316**	478,772
Sales tax payable		**3,139,652**	-
Workers' profit participation fund	20.2	**1,172,298**	857,994
Workers welfare fund		**624,251**	-
		190,035,426	263,858,431

20.1 This represents amount due to provident fund trust for the month of June for which payment was made at July 15, 2020 (2019: July 15, 2019).

20.2 Workers' profit participation fund

	2020 Rupees	2019 Rupees
Opening balance	**857,994**	2,088,329
Interest on funds utilized in the Company's business	**50,335**	74,778
	908,329	2,163,107
Allocation for the year	**1,121,963**	783,216
	2,030,292	2,946,323
Payments during the year	**(857,994)**	(2,088,329)
Closing balance	**1,172,298**	857,994

21. CONTINGENCIES AND COMMITMENTS

21.1 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.

21.2 Commitments

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

22. SALES - NET

	2020 Rupees	2019 Rupees
Yarn sales	**1,079,384,018**	1,079,872,908
Waste sales	**11,229,888**	18,356,174
Less: sales tax	**(158,465,300)**	-
	932,148,606	1,098,229,082

		Note	2020 Rupees	2019 Rupees
23.	**COST OF SALES**			
	Raw material consumed	23.1	652,765,976	772,077,984
	Stores and spares consumed		13,056,078	20,971,802
	Packing material consumed		15,702,888	15,231,632
	Salaries, wages and benefits		76,065,261	95,183,159
	Provident fund contribution	25.2	3,418,774	2,818,658
	Fuel and power		140,184,033	124,634,324
	Repairs and maintenance		494,142	3,059,839
	Postage and telecommunication		64,433	72,490
	Vehicles running and maintenance		352,858	467,090
	Depreciation	7.3	16,957,990	17,963,290
	Others		1,325,118	1,083,327
			920,387,551	1,053,563,595
	Work in process			
	Opening balance		10,274,038	6,293,971
	Closing balance		(10,667,655)	(10,274,038)
			(393,617)	(3,980,067)
	Finished goods			
	Opening balance		819,798	26,361,742
	Closing balance		(5,844,614)	(819,798)
			(5,024,816)	25,541,944
			914,969,118	1,075,125,472

23.1 RAW MATERIAL CONSUMED

Opening balance	62,111,382	56,869,352
Purchases	619,823,537	777,320,014
	681,934,919	834,189,366
Closing balance	(29,168,943)	(62,111,382)
	652,765,976	772,077,984

24. DISTRIBUTION COST

Selling commission	468,161	122,775

25. ADMINISTRATIVE EXPENSES

	Note		
Staff salaries and benefits		7,031,014	6,297,377
Provident fund contribution	25.2	347,843	289,124
Postage and telecommunication		289,531	250,142
Electricity, gas and water		125,850	156,094
Printing and stationery		29,313	37,361
Traveling and conveyance		73,074	370,259
Fee and subscriptions		765,825	424,462
Rent, rates and taxes		300,000	-
Legal and professional		897,803	748,940
Repairs and maintenance		94,677	37,715
Auditors' remuneration	25.1	595,000	320,000
Insurance		516,407	467,922
Depreciation	7.3	206,571	259,679
Others		361,576	355,968
		11,634,484	10,015,043

25.1 Auditors' remuneration

Statutory audit fee	525,000	250,000
Half yearly review	50,000	50,000
Out of pocket expenses	20,000	20,000
	595,000	320,000

25.2 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.

26. OTHER OPERATING EXPENSES

Workers' profit participation fund	1,121,963	783,216
Workers welfare fund	624,251	-
	1,746,214	783,216

27. FINANCE COST

Interest on workers' profit participation fund	50,335	74,778
Bank charges and commission	29,717	16,247
	80,052	91,025

		Note	2020 Rupees	2019 Rupees
28.	**OTHER INCOME**			
	Income from financial assets			
	Profit on deposit accounts		3,086,101	1,258,223
	Exchange gain on foreign currency translation		4,171	41,322
	Profit on deposit with SNGPL		715,825	468,371
	Income from non-financial assets			
	Gain on disposal of property, plant and equipment		-	1,021,633
	Balances written back		13,636,364	-
			17,442,461	2,789,549
29.	**TAXATION**			
	Current year	29.1	13,982,229	13,727,864
	Prior year		365,700	-
	Deferred tax			
	Deferred tax relating to the origination and reversal of temporary differences		(1,202,929)	1,195,645
			13,145,000	14,923,509

29.1 In view of the available taxable losses, 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.

30. EARNINGS / (Loss) PER SHARE - BASIC AND DILUTED

30.1 Earnings per share - Basic

	2020	2019
Profit/(Loss) for the year (Rupees)	7,548,038	(42,409)
Weighted average number of ordinary shares outstanding during the year	12,601,160	12,601,160
Earnings / (Loss) per share - basic (Rupees)	0.5990	(0.0034)

30.2 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, 2020 and 2019 which would have any effect on the earnings per share if the option to convert is exercised.

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

	Balance as on July 01, 2019	Non Cash Changes	Cash Flows	Balance as on June 30, 2020
	[Rupees]			
Loan from related parties	133,203,264	-	(748,940)	132,454,324
	133,203,264	-	(748,940)	132,454,324

32. 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.

33. 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 32. 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	2020 Rupees	2019 Rupees
J.A Textile Mills Limited, Employees' provident fund trust	Company's contribution to the fund	3,766,617	3,107,782
CEO/directors/members	Loan (repaid)/obtained during the year - net	(748,940)	7,276,521

33.1 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,

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

34. PLANT CAPACITY AND ACTUAL PRODUCTION

	[UOM]	2020	2019
Installed capacity after conversion into 20/s	[KGs]	11,162,729	11,162,729
Actual production after conversion into 20/s	[KGs]	5,438,720	6,751,456

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;
- The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan has effected the production and sale volumes of the Company due to closure of plant during the lock down period.

35. NUMBER OF EMPLOYEES

Average number of employees during the year	428	450
Number of employees at end of the year	525	528

36. CREDIT LIMIT

During the financial year, the company has entered into an additional credit enhancement facility in the form of letter of credit of Rs. 100 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.

37. SHARIAH SCREENING DISCLOSURE

Shariah compliant bank deposits/bank balances		
Bank balances	11,501	11,064
Profit earned from shariah compliant bank deposits / bank balances	436	-
Revenue earned from a shariah compliant business	932,148,606	1,098,229,082
Loss/Gain or dividend from shariah compliant investments		
Net realized gain on disposal of mutual funds	13,571	-
Dividend Income on mutual funds for the year	15,966	-
Profits or interest on any conventional loan or advance		
Profit on deposit accounts	3,085,665	1,258,223
Profit on deposit with SNGPL	715,825	468,371

Relationship with shariah compliant banks

Name of institutions	Relationship with institutions
Dubai Islamic Bank Pakistan Limited	Bank balance

Disclosures other than above are not pertinent to the Company.

38. 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

	2020							
	Carrying Amount				Fair Value			
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
			[R U	P E	E S	]		
Financial assets measured at fair value								
Investments in mutual fund	325,953	-	-	325,953	325,953	-	-	325,953
Financial assets not measured at fair value								
Long term deposits	-	17,427,380	-	17,427,380	-	-	-	-
Trade debts	-	11,868,102	-	11,868,102	-	-	-	-
Advances and other receivables	-	189,036	-	189,036	-	-	-	-
Accured income	-	1,292,780	-	1,292,780	-	-	-	-
Cash and bank balances	-	55,492,837	-	55,492,837	-	-	-	-
	325,953	86,270,135	-	86,596,088	325,953	-	-	325,953
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	170,347,793	170,347,793	-	-	-	-
Unclaimed dividend	-	-	443,720	443,720	-	-	-	-
	-	-	170,791,513	170,791,513	-	-	-	-

	2019							
	Carrying Amount				Fair Value			
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
			[R U	P E	E S	]		
Financial assets measured at fair value								
Investments in mutual fund	302,521	-	-	302,521	302,521	-	-	302,521
Financial assets not measured at fair value								
Long term deposits	-	17,427,380	-	17,427,380	-	-	-	-
Trade debts	-	47,622,654	-	47,622,654	-	-	-	-
Advances and other receivables	-	291,036	-	291,036	-	-	-	-
Accured income	-	576,955	-	576,955	-	-	-	-
Cash and bank balances	-	42,755,000	-	42,755,000	-	-	-	-
	302,521	108,673,025	-	108,975,546	302,521	-	-	302,521
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	261,752,475	261,752,475	-	-	-	-
Unclaimed dividend	-	-	443,720	443,720	-	-	-	-
	-	-	262,196,195	262,196,195	-	-	-	-

39. 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

39.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk such as equity risk. The sensitivity analysis in the following sections relate to the position as at June 30, 2020 and 2019.

39.1.1 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:

	2020	2019
Variable rate instruments		
Security deposit with SNGPL (Rupees)	**14,316,500**	14,316,500
Effective interest rate in percentage	**5.00**	4.03
Bank balances in deposit accounts (Rupees)	**51,400,761**	9,141,707
Effective interest rate in percentage	**5.88**	9.18

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 2020 and 2019 would have been affected as follows:

	2020 Rupees	2019 Rupees
Effect on profit and loss of an increase in interest rate for deposit with SNGPL	**489,049**	136,007
Effect on profit and loss of an increase in interest rate for balances in deposit accounts	**133,287**	130,279
	622,335	266,286

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.

39.1.2 Currency risk / Foreign Exchange 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 where receivables and payables exist due to foreign currency transactions.

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	2020		2019	
		F.Currency	Rupees	F.Currency	Rupees
Bank balance	US $	**970**	**163,251**	970	159,080

The company has applied exchange rate of Rs. 168.25 (2019: 164) 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 2020 and 2019 by the following amounts:

Foreign Currency	2020 Rupees	2019 Rupees
US $	**7,599**	7,556

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.

39.1.3 Other 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. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Short term investments include fair value through other comprehensive income of Rs. 325,953/- (2019: 302,521/-) which were subject to price risk.

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. 15,173/- (2019: 14,370/-) higher / lower, mainly as a result of higher / lower redemption price on units of mutual funds.

39.2 Credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations that is susceptible to changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The maximum exposure to credit risk at the reporting date is as follows :

	2020 Rupees	2019 Rupees
Long term deposits	17,427,380	17,427,380
Trade debts	11,868,102	47,622,654
Advances and other receivables	189,036	291,036
Short term investment	325,953	302,521
Accrued income	1,292,780	576,955
Bank balances	54,828,031	41,990,557
	85,931,282	108,211,103

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.

	2020	2019
	[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 (Pakistan) Limited	26-Jun-20	A	A1	Stable	PACRA
Bank Al-Habib Limited	29-Jun-20	AA+	A1+	Stable	PACRA
JS Bank Limited	29-Jun-20	AA-	A1+	Stable	PACRA
Dubai Islamic Bank Pakistan Limited	30-Jun-20	AA	A1+	Stable	JCRVIS
National Bank of Pakistan	26-Jun-20	AAA	A1+	Stable	PACRA
United Bank Limited	29-Jun-20	AAA	A1+	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.

39.3 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

The following are the contractual maturity analysis of financial liabilities as at June 30, 2020 and 2019:

	2020				
	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 payables	170,347,793	170,347,793	170,347,793	-	-
Unclaimed dividend	443,720	443,720	443,720	-	-
	170,791,513	170,791,513	170,791,513	-	-

	2019				
	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 payables	261,752,475	261,752,475	261,752,475	-	-
Unclaimed dividend	443,720	443,720	443,720	-	-
	262,196,195	262,196,195	262,196,195	-	-

40. 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, 2020 and 2019, the Company had surplus reserves to meet its requirements.

41. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on ------------ 07 OCT 2020 ------------ by the Board of Directors of the Company.

42. GENERAL

42.1 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.

Particulars	From	To	Rupees
Interest on SNGPL deposit	Accrued profit - 'Advances, prepayment and other receivables '	Accrued income	576,955

42.2 Following nomenclatures have been changed during the year.

<u>Current year nomenclature</u>	<u>Previous year nomenclature</u>
Interest on deposit with SNGPL	Accrued profit

42.3 Rounding

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR

J.A. TEXTILE MILLS LIMITED
DETAIL CATEGORIES OF SHAREHOLDERS
AS ON 30-06-2020

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	MRS. RUKHSANA BEGUM	1,154,850	9.16
3	MR. IMRAN ZAHID	636,900	5.05
4	MS. QURATUL AIN ZAHID	325,500	2.58
5	MR. LIAQAT ALI QAMAR	2,500	0.02
6	MR. MUHAMMAD RIAZ	2,500	0.02
7	MR. MUHAMMAD ALI	2,500	0.02
	TOTAL:	**9,117,760**	**72.36**

5.2 **Associated Companies, Undertakings and related parties**

			0.00
	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
6	THE BANK OF PUNJAB, TREASURY DIVISION.	434	0.00
	TOTAL:	**32,014**	**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**

	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	127,361	1.01
	TOTAL:	**127,361**	**1.01**

5.7 **Shareholding 5% or more**

-	-		0.00
	TOTAL:	**0**	**0.00**

5.8 **General Public**

1,572	a- Local	3,210,024	25.47
141	b- Foreign	0	0.00
	TOTAL:	**3,210,024**	**25.47**

J.A. TEXTILE MILLS LIMITED
DETAIL CATEGORIES OF SHAREHOLDERS
AS ON 30-06-2020

CATEGORIES OF SHAREHOLDERS		TOTAL SHARES	%
5.9 Others - Joint Stock Companies			
1	MAPLE LEAF CAPITAL LIMITED	1	0.00
2	PEARL SECURITIES LIMITED - MF	30,000	0.24
3	MRA SECURITIES LIMITED - MF	2,500	0.02
4	SHAFFI SECURITIES (PVT) LIMITED	10,000	0.08
5	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	500	0.00
6	PASHA SECURITIES (PVT) LTD.	1,000	0.01
	TOTAL:	**44,001**	**0.35**
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**

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 poxy 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 28.10.2020 at 9:00 a.m or at any adjournment thereof.

As witness my/our hand this ---------------------------------day of -------------------------------2020
Signed by the said---in the presence of

Date: (Member's Signature)

Place (Witness's Signature)

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

پراکسی فارم (مختار عامہ)

کمپنی سیکرٹری

جے اے ٹیکسٹائل ملز لمیٹڈ

W-32 سوساں روڈ مدینہ ٹاؤن فیصل آباد

میں/ہم ______________________

ساکن ______________________

بحیثیت رکن جے اے ٹیکسٹائل ملز لمیٹڈ اور حامل __________ عام حصص بمطابق شیئر رجسٹر فولیو نمبر ______________________

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر نمبر __________ پارٹیسپیٹ آئی ڈی نمبر __________)

بذریعہ ہذا

محترم/محترمہ __________ ساکن ______________________

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر __________ یا (اسکی غیر موجودگی میں محترم/محترمہ ______________________

ساکن __________ جو کمپنی کا ہے بمطابق شیئر رجسٹر فولیو نمبر __________ کو

مورخہ 28 اکتوبر 2020ء صبح 09:00 (بروز بدھ) کو منعقد ہونے والے کمپنی کے صدر دفتر W-32 سوساں روڈ مدینہ ٹاؤن فیصل آباد میں اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے کیلئے اپنا/ہمارا بطور مختار نامہ یا پروکسی فارم مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ میرے دستخط---------- آج بروز------------ بتاریخ---------- 2020

دستخط گواہ --

دستخط گواہ ------------------------

5 روپے کا رسیدی ٹکٹ چسپاں کریں

نوٹ:

1۔ پراکسیاں تا کہ مؤثر ہوسکیں کمپنی کا رجسٹرڈ دفتر/صدر دفتر میں با قاعدہ مہر، دستخط اور گواہی شدہ اجلاس سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہیں۔

2۔ دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہیں۔