

J. A. TEXTILE MILLS LIMITED

FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

COMPANY INFORMATION

Board of Directors

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

Audit Committee:

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

Human Resources & Remuneration (HR&R) Committee:

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

Company Secretary:	Mr. Ajmal Shabab
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Chief Financial Officer:	Mr. Muhammad Umer Farooq
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Auditors:	Arshad Rahim & Co., Chartered Accountants
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Banks:	Al Baraka Islamic Bank B.S.C. (E.C.)
	JS Bank Limited
	National Bank of Pakistan
	United Bank Limited
	Meezan Bank Limited

Legal Advisor:	Mr. Zia-ul-Haq (Advocate)
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Registered Office:	JK House, 32-W, Susan Road, Madina Town, Faisalabad
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Share Registrar Office:	Hameed Majeed Associates (Private) Limited
	1 st Floor, H.M House, 7-Bank Square, Lahore.

Mills:	29-KM, Sheikhpura Road, Faisalabad
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Web Site:	www.jatml.com
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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 Monday the 28th October, 2024 at 09:00 AM at its registered office, JK House, 32-W, Susan Road, Madina Town, Faisalabad to transact the following business :-

1. To confirm the minutes of the Annual General Meeting held on 26.10.2023.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2024 together with the Directors' and Auditor's reports thereon.
3. To appoint auditors for the year ending June 30, 2025 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.

Special business:

4. To consider, and if deemed appropriate, to pass the following resolutions (with or without modifications) which would enable the Company to circulate the annual audited financial statements by way of QR enabled code and weblink to its shareholders as a part of the notice for annual general meeting.
"RESOLVED THAT subject to passing of a resolution of J. A. Textile Mills Limited ("Company") by way of simple majority, permission and approval to the Company be and is hereby accorded for circulation of annual audited financial statements to members through QR enabled code and weblink within and as a part of the notice of general meeting, in line with Securities and Exchange Commission of Pakistan notification number S.R.O. 389(I)/2023, and as a consequence thereof, the practice of circulation of annual audited financial statements through CD be discontinued."
"FURTHER RESOLVED THAT the company shall ensure all times the requirements given in Securities and Exchange Commission Notification S.R.O. 389 (I)/2023 dated March 21, 2023 and all other applicable laws in connection with transmission of Notice of General meeting and circulation of annual report to the members are complied with."
5. To transact any other business with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD

AJAML SHABAB
(Company Secretary)

FAISALABAD: 07.10.2024

NOTES:

1. The share transfer books of the company will remain closed from 21.10.2024 to 28.10.2024 (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 20 October 2024 will be treated in time.
2. A member entitled to attend and vote at the meeting may appoint another member of the company as a proxy to attend and vote instead of him/her. Proxy Form duly completed should reach the Registered Office of the Company at least 48 hours before the time of meeting.
3. Any individual beneficial owner of CDC entitled to attend and vote at this meeting must bring his/her CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representative of Corporate Member should bring the usual documents required for such purpose.
4. Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 779(I)/2011 dated August 18, 2011 has directed all listed companies to ensure that Dividend Warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members. Members who have not yet provided attested copies of their valid CNICs / NTN's (in case of corporate entities) are requested to send the same directly to the Share Registrar at aforementioned address.
5. In pursuance of the directions given by SECP vide SRO 787 (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. Agenda Item No. 5: Circulation of Financial Statements Via QR Code & Weblink SECP vide SRO 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the annual audited financial statements to its members through QR-enabled code and web link subject to approval by the shareholders by simple majority. This facility will assist all members, regardless of their location, in accessing the Company's financial statements. The proposed change seeks to address technological challenges and improve accessibility while preserving members' rights and privileges. Importantly, it should be noted that this amendment does not impact the existing right of members to receive a printed version of the financial statements, which will continue to be available upon request.

Web link: <https://www.jatml.com/AnnualReport/AnnualReport2024.pdf>

Scan QR code for Annual Account 2024



7. Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at export@jkhouse.biz

Name of Shareholder	CNIC No.	Folio No./CDC Account No	No of Shares	Contact No.	E-mail Address
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Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business on October 27, 2024. The login facility shall remain open from 09:30 am till the start of the Meeting on October 28, 2024.

8. 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 37th annual report together with audited accounts of the Company for the year ended June 30, 2024.

Operating Indicators	June 30, 2024 Rupees in Millions	June 30, 2023 Rupees in Millions
Sales	129.954	33.685
Gross (Loss)	(55.407)	(61.937)
Taxation	(14.123)	(2.839)
(Loss) after Taxation	(60.831)	(33.571)
(Loss) per share	(4.8274)	(2.6642)

Business overview:

At the start of the year under review, management was optimistic about favorable future outlook. As a result, business operations were partially resumed on test basis. Unfortunately, worse market conditions soon forced us for another suspension of manufacturing process until the market stabilization. The challenges were primarily driven by weak demand for yarn both domestically and globally, compounded by declining yarn prices and rising material, labor costs and energy bills.

Despite these difficulties; during subsequent first quarter ending on September 2024, management once again decided to resume partial operations with hope that market conditions will lead to a more favorable outlook for the industry. Further steps are taken to improve the financial health of the company by overhauling plant and machinery to improve product quality and performance. Despite of very challenging business conditions, we are immensely hopeful for positive prospects in future.

It is pertinent to mention that the increase in financial costs includes an amount of Rs. 29.955 million, for which the company had been involved in litigation with Faysal Bank Limited since 2001. The said litigation was concluded by the Apex Supreme Court of Pakistan in its judgment dated 27th November 2023, directing the company to pay Rs. 29.955 million to Faysal Bank Limited. This matter has also been discussed in detail under Note No. 21 of the Financial Statements, titled "Liability for Legal Settlement."

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.

Composition of Board

In line with the requirements of the CCG Regulations, 2019, the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board. The current composition of the Board is as follows:

Total number of Directors:

- Male directors 6
- Female director 1

Composition:

Category	Names
Independent Directors	Mr. Riaz Ahmed Mr. Liaqat Ali Qamar
Other Non-executive Directors (excluding female director)	Ms. Kuratulain Zahid Mr. Anwar ul Haq Mr. Muhammad Ali
Executive Directors	Mr. Imran Zahid Mr. Zahid Anwar
Female Director (Non-executive)	Ms. Kuratulain Zahid

Performance Evaluation of Board of Directors:

The evaluation of the Board's role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation and planning for sustainable operation;
- The Board's independence and effectiveness

Individual feedback was obtained and on the basis of that feedback, the average rating of the performance of the Board and role of the Chairman regarding governing the Board was found up to the mark.

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 2017 and 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 therefrom 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.

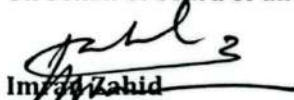
- h) The key operating and financial data of last six years is annexed to this report.
- i) Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- j) The Chairman's review dealing with the performance of the Company during the year ended June 30, 2024 forms part of this report.
- k) Value of investments of Employees Provident Fund was Rs. 13.93/- millions for the year ended June 30, 2024.
- l) Company has arranged in-house training program for its Directors.
- m) Statement of compliance with the Best Practices of Corporate Governance is annexed.
- n) Trading and holdings of company's shares by Directors & Executives or their spouses were notified in writing to the company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the company Secretary to the Board, SECP & PSX, within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.
- o) Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board, if any.
- p) The pattern of shareholding as at June 30, 2024 is annexed with this report.
- q) The company's credit exposure to credit risk and impairment relates to its trade debts. This risk is mitigated by the fact that majority of our customers have a strong financial standings and we have a long standing relations with all our customers. We do not expect non performance by these counter parties, hence credit risk is minimal.
- During the year under review, six meetings of the Board were held:-


Mr. Imran Zahid (CEO)	6
Mr. Zahid Anwar	6
Ms. Kuratulain Zahid	6
Mr. Muhammad Anwar-ul-Haq	6
Mr. Muhammad Ali	6
Mr. Riaz Ahmad	6
Mr. Liaqat Ali Qamar	6
 - Considering the accumulated losses brought forward, no dividend is recommended for the year ended June30, 2024.
 - The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Mr. Riaz Ahmad (Chairman)	4
Mr. Muhammad Ali	4
Ms. Kuratulain Zahid	4
 - The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

Mr. Muhammad Ali (Chairman)	1
Mr. Imran Zahid	1
Mr. Liaqat Ali Qamar	1
 - Present auditors, M/s Arshad Raheem & Co. Chartered Accountants have retired and offer themselves for re-appointment. The Audit Committee has recommended the appointment of M/s Arshad Raheem & Co as auditors for the year 2025.

On behalf of board of directors.


 Imran Zahid
 Chief Executive
 October 07, 2024


 Riaz Ahmad
 Director

جے اے ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر ز رپورٹ

آپ کے بورڈ آف ڈائریکٹرز کو 30 جون 2024 کے مالی سال کے اختتام پر سینتیسویں سالانہ اجلاس کے انعقاد پر خوشی محسوس کرتے ہیں۔

مالیاتی نتائج:

روپے (ملین میں)	اختتام مالی سال	اختتام مالی سال
آپریٹنگ تفصیلات	30 جون 2024	30 جون 2023
فروخت	129.954	33.685
مجموعی خسارہ	(55.407)	(61.937)
ٹیکسیشن	(14.23)	(2.839)
بعد از ٹیکس خسارہ	(60.831)	(33.571)
خسارہ فی شیئر	(4.8274)	(2.6642)

کاروبار کا جائزہ:

زیر نظر سال کے آغاز میں، انتظامیہ سازگار مستقبل کے نقطہ نظر کے بارے میں پرامید تھی۔ جس کے نتیجے میں کاروباری سرگرمیاں جزوی طور پر آزمائشی بنیادوں پر دوبارہ شروع کر دی گئیں۔ بد قسمتی سے مارکیٹ کے بدتر حالات نے جلد ہی ہمیں مارکیٹ کے استحکام تک مینوفیکچرنگ کے عمل کو معطل کرنے پر مجبور کر دیا۔ چیلنجز بنیادی طور پر گھریلو اور عالمی سطح پر دھماکے کی کمزور مانگ کی وجہ سے تھے، جو دھماکے کی گرتی ہوئی قیمتوں اور بڑھتے ہوئے مواد، مزدوری کی لاگت اور بجلی کے بلوں کی وجہ سے شامل تھے۔

ان مشکلات کے باوجود، ستمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے دوران، انتظامیہ نے ایک بار پھر اس امید کے ساتھ جزوی سرگرمیاں دوبارہ شروع کرنے کا فیصلہ کیا کہ مارکیٹ کے حالات صنعت کیلئے زیادہ سازگار ہوں گے۔ مصنوعات کے معیار اور کارکردگی کو بہتر بنانے کیلئے پلانٹ اور مشینری کی اوور ہالنگ کر کے کمپنی کی مالی صحت کو بہتر بنانے کیلئے مزید اقدامات کیے جاتے ہیں۔ انتہائی مشکل کاروباری حالات کے باوجود ہم مستقبل میں مثبت امکانات کیلئے بے حد پرامید ہیں۔

یہ بات قابل ذکر ہے کہ مالیاتی اخراجات کے اضافے میں 29.955 ملین روپے کی رقم شامل ہے۔ جس کیلئے کمپنی 2001 سے فیصل بینک لمیٹڈ کے ساتھ قانونی چارہ جوئی میں ملوث تھی۔ مذکورہ قانونی چارہ جوئی کو سپریم کورٹ آف پاکستان نے 27 نومبر 2023 کو اپنے فیصلے میں کمپنی کو فیصل بینک کو 29.955 ملین روپے ادا کرنے کی ہدایت کی تھی۔ اس معاملے پر مالی بیانات کے نوٹ نمبر 21 کے تحت بھی تفصیل سے بات کی گئی ہے، جس کا عنوان قانونی تصفیہ کی ذمہ داری ہے۔

اچھی حکمرانی اور سماجی تقاضوں کی تعمیل:

آپ کی کمپنی اچھی حکمرانی، سماجی اور ماحولیاتی ذمہ داریوں کے حوالے سے اپنی ذمہ داریوں کو پورا کرنے کیلئے پرعزم ہے۔ ملازمین اور ماحولیات کی صحت اور حفاظت کیلئے، کمپنی تعمیل کو یقینی بنانے کیلئے قابل شرائط اور ذرائع فراہم کرتی ہے۔

انسانی وسائل اور صنعتی تعلقات:

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

بورڈ کی تشکیل

CCG ریگولیشنز 2019 کے تقاضوں کے مطابق، کمپنی اپنے بورڈ میں آزاد اور غیر ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ ساتھ صنفی تنوع کی حوصلہ افزائی کرتی ہے۔ بورڈ کی موجودہ تشکیل حسب ذیل ہے:

ڈائریکٹرز کی کل تعداد

مرد ڈائریکٹر 6

خاتون ڈائریکٹر 1

ترکیب:

نام	زمرہ
جناب ریاض احمد	آزاد ڈائریکٹر
جناب لیاقت علی قر	

محترمہ قمرۃ العین زاہد	دیگر نان ایگزیکٹو ڈائریکٹر
جناب انوار الحق صاحب	(خاتون ڈائریکٹر کو چھوڑ کر)
جناب محمد علی	

جناب عمران زاہد صاحب	ایگزیکٹو ڈائریکٹر
جناب زاہد انوار صاحب	

خاتون ڈائریکٹر (نان ایگزیکٹو) محترمہ قمرۃ العین زاہد

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ:

نگرانی کے بورڈ کے کردار اور اس کی تاثیر کا جائزہ ایک مسلسل عمل ہے، جس کا اندازہ بورڈ خود کرتا ہے۔ توجہ کے بنیادی شعبے ہیں،

* کمپنی کے وژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی سیدھ۔

* پائیدار آپریشن کیلئے حکمت عملی کی تشکیل اور منصوبہ بندی۔

* بورڈ کی آزادی اور تاثیر

انفرادی رائے حاصل کی گئی اور اس فیڈ بیک کی بنیاد پر بورڈ کی کارکردگی اور بورڈ کو چلانے کے حوالے سے چیئرمین کے کردار کی اوسط درجہ بندی تک پائی گئی۔

آڈیٹرز کی رپورٹ - تشویش کی غیر یقینی صورتحال

آڈیٹرز کے تحفظات سے مطلق مالیاتی رپورٹ کے نوٹ نمبر 1.2 کو مد نظر رکھتے ہوئے آپ کی کمپنی کی انتظامیہ اس کوشش میں ہے کہ پیداواری حکمت عملی کو بہتر بنانے اور

اخراجات کو کنٹرول کر کے منافع کو بہتری کی طرف لے جاسکے۔ اس سلسلے میں انتظامیہ تمام چیلنجوں کا مقابلہ کرنے کیلئے مثبت نظر آرہی ہے۔

ہم تصدیق کرتے ہیں:

(ا) مالیاتی حسابات کمپنیز ایکٹ 2017 کے مطابق بالکل ایماندارانہ طور سے تیار کیئے گئے ہیں۔ جو کہ کمپنی کے آپریٹنگ نتائج، کیش فلو سٹیٹمنٹ اور ایکویٹی سٹیٹمنٹ کے ساتھ شامل ہیں۔

(ب) پراپر بکس آف اکاؤنٹس کمپنیز ایکٹ 2017 کے مطابق تیار کی گئی ہیں۔

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

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

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

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

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

(چ) گذشتہ پچھ سالوں کا آپریٹنگ اور مالیاتی اعداد و شمار اس رپورٹ کے ساتھ منسلک ہے۔

(ح) ادا شدہ ٹیکس یا ڈیوٹی فنانشل سٹیٹمنٹ میں بیان کی گئی ہے۔

(خ) چیئرمین کا جائزہ برائے کمپنی کی کارکردگی 30.06.2024 اور دیگر معاملات سے نمٹنے کا معاملہ اس رپورٹ کا حصہ ہے۔

(د) ملازمین کے پراویڈنٹ فنڈ کی مالیت 30.06.2024 کو 13.93 ملین روپے ہے۔

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

(ذ) کارپوریٹ گورننس کے بہترین طریقوں کے مطابق تعمیل کا بیان ساتھ منسلک ہے۔

(ر) ڈائریکٹرز اور ایگزیکٹو یا ان کی شریک حیات کے ذریعہ کمپنی کے حصص کی تجارت اور ہولڈنگز کی قیمت، حصص کی تعداد، حصص کے سٹیفیکیشن کی شکل اور لین دین کی

نوعیت کے ساتھ کمپنی سیکریٹری کو تحریری طور پر مطلع کیا گیا تھا جسے کمپنی کے سیکریٹری نے بورڈ، ایس ای سی پی اور پاکستان اسٹاک ایکسچینج کو مقررہ وقت کے اندر مطلع کیا تھا۔ اس طرح کی تمام ہولڈنگز شیئر ہولڈنگ کے پیٹرن میں ظاہر کی گئی ہے۔

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

(ز) شیئر ہولڈرز پیٹرن برائے سال 30.06.2024 اس رپورٹ کے ساتھ منسلک ہے۔

(ژ) کمپنی کاروبار میں ادھار پر مال فروخت کرتی ہے اور اسکی وصولیوں 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۔

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

تعداد حاضری

نام ڈائریکٹرز

6

جناب عمران زاہد (CEO)

6

جناب زاہد انوار

6

محترمہ قرۃ العین زاہد

6

جناب انوار الحق

6

جناب محمد علی

6

جناب ریاض احمد

6

جناب لیاقت علی قمر

گذشتہ سالوں کے نقصانات کو دیکھتے ہوئے اس سال 30 جون 2024 کو 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

محترمہ قرۃ العین زاہد 4

ایچ آر کمیٹی نے سال کے دوران ایک اجلاس منعقد کیا ہر ایک ممبر کی حاضری حسب ذیل ہے۔

نام ممبر تعداد حاضری

جناب محمد علی (چیئرمین) 1

جناب عمران زاہد 1

جناب لیاقت علی قر 1

موجودہ آڈیٹرز میسرز ارشد رحیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور میسرز ارشد رحیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی جانب سے دوبارہ تعیناتی کی پیش کش کی گئی ہے جس پر آڈٹ کمیٹی نے میسرز ارشد رحیم اینڈ کمپنی کو برائے سال 2025 تعیناتی کیلئے تجویز دی ہے۔

بورڈ آف ڈائریکٹر ان کی طرف سے



ریاض احمد

ڈائریکٹر



عمران زاہد

چیف ایگزیکٹو

07 اکتوبر 2024

فیصل آباد

J.A TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

We are pleased to present the financial results of the company for the year ended June 30, 2024.

Due to ongoing challenges posed by rising fuel and raw material costs, which have negatively impacted the economy, the company incurred a loss of Rs. 60.831 million for the fiscal year ending June 30, 2024.

Our business operations were remained suspended during the year, primarily due to the lack of demand for yarn both domestically and globally, coupled with a downward trend in prices and escalating costs of materials, energy, and fuel. Although business operation partially started during the year on test basis, but worse market conditions forced us to cease production again until stabilize market condition.

We have cautiously resumed partial operations during subsequent quarter ended September 2024 with optimism that market conditions will improve and lead to a more favorable outlook for the industry.

Despite these difficulties, we remain confident on our ability to achieve sustainable growth and improve future results. We are optimistic that our current business strategies will support long-term growth.

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

The management is committed to maintaining focus on sustaining the financial performance of the company. We would like to express our sincere gratitude to our shareholders, customers, and employees for their unwavering support and trust.

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 07,2024



RIAZ AHMAD

Chairman

جے اے ٹیکسٹائل ملز لمیٹڈ

چیئرمین کا جائزہ

ہمیں 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی نتائج پیش کرتے ہوئے خوشی ہو رہی ہے۔

ایندھن اور خام مال کی بڑھتی ہوئی قیمتوں سے پیدا ہونے والے جاری چیلنجوں کی وجہ سے، جس نے معیشت پر منفی اثر ڈالا ہے۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کو 60.831 ملین روپے کا نقصان ہوا۔

ہمارے کاروباری آپریشن سال کے دوران معطل رہے، بنیادی طور پر گھریلو اور عالمی سطح پر دھاگے کی مانگ میں کمی، قیمتوں میں کمی کے رجحان اور مواد، توانائی اور ایندھن کی بڑھتی ہوئی قیمتوں کے ساتھ۔ اگرچہ کاروباری سرگرمیاں جزوی طور پر ٹیسٹ کی بنیاد پر سال کے دوران شروع ہوئیں۔ لیکن مارکیٹ کی خراب صورتحال نے ہمیں مارکیٹ کی حالت مستحکم ہونے تک دوبارہ پیداوار بند کرنے پر مجبور کیا۔

ہم نے احتیاط کے ساتھ ستمبر 2024 کو ختم ہونے والی اگلی سہ ماہی کے دوران اس امید کے ساتھ جزوی سرگرمیاں دوبارہ شروع کی ہیں کہ مارکیٹ کے حالات بہتر ہوں گے اور صنعت کیلئے زیادہ سازگار ہوں گے۔

ان مشکلات کے باوجود ہم پائیدار ترقی حاصل کرنے اور مستقبل کے نتائج کو بہتر بنانے کی اپنی صلاحیت پر پراعتماد ہیں۔ ہم پر امید ہیں کہ ہماری موجودہ کاروباری حکمت عملی طویل مدتی ترقی میں معاون ثابت ہوگی۔

بورڈ آف ڈائریکٹرز کمپنی کے کاروباری آپریشنز کو موثر طریقے سے بحال کرنے میں اپنا اہم کردار ادا کر رہا ہے۔

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

آخر میں، میں بورڈ آف ڈائریکٹرز کو ان کے عزم، محنت اور کمپنی کی بہتری کے لیے مسلسل کوششوں کے لیے سراہنا چاہوں گا۔

بورڈ آف ڈائریکٹرز کی طرف سے


ریاض احمد

چیئرمین بورڈ آف ڈائریکٹرز

07 اکتوبر 2024

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

J. A. TEXTILE MILLS LIMITED

FOR THE YEAR ENDED JUNE 30, 2024

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

1. The total number of directors are 7 as per the following:

- a. Male: 6 members
- b. Female: 1 members

2. The composition of the board is as follows:

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

Note:-

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

- 3. The directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this Company.
- 4. The Company has prepared a Code of Conduct, and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The directors were apprised about the changes in the Code, applicable laws and their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of the shareholders. Four directors of the Company having 14 years of education and 15 years of experience are exempt from the requirement of directors' training program, under purview of regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Remaining three Directors obtained Directors' Training Program certification from PICG.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and Chief executive officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

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

b) HR and Remuneration Committee

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

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

a) Audit Committee

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

b) HR and Remuneration Committee


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

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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other

regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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



Imran Zahid
(Chief Executive)



Riaz Ahmed
(Director)

Place: Faisalabad.
October 07, 2024

KEY OPERATING & FINANCIAL DATA
FOR LAST SIX YEARS

PARTICULARS	2023	2022	2021	2020	2019	2018
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
FINANCIAL POSITION						
Fixed assets (Cost/Revalued)	672.73	666.99	613.46	420.34	419.94	420.30
Accumulated depreciation	94.81	80.97	56.45	53.92	36.76	21.95
Current assets	212.653	287.969	243.526	134.692	186.524	117.507
Paid up capital	126.01	126.01	126.01	126.01	126.01	126.01
Current liabilities	236.42	282.39	249.17	190.48	264.69	219.24
INCOME						
Sales	33.686	1945.515	1522.471	932.149	1.098.22	1.141.79
Other income	44.015	5.913	5.811	17.442	2.789	25.814
Pre-tax profit/(loss)	(36.411)	75.748	106.462	20.693	14.881	39.678
Taxation charge/(credit)	2.839	29.790	16.400	13.145	14.923	8.731
STATISTICS AND RATIOS						
Pre-tax profit/(loss) to sales %	(108.09)	3.89	6.99	2.22	1.35	3.48
Pre-tax profit/(loss) to capital %	(28.89)	60.11	84.49	16.42	11.81	31.49
Current Ratio	01:0.90	01:1.02	01:0.98	01:0.70	01:1.42	01:01.5
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	(2.6642)	3.6472	7.1471	0.5990	0.003	2.46
Break-up value per share (Rs.)	5.457	7.262	2.712	4.945	6.07	6.64

ARSHAD RAHEEM & Co
Chartered Accountants

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

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

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

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

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

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


ARSHAD RAHEEM & CO.
CHARTERED ACCOUNTANTS
LAHORE;

DATED 07 OCT 2024
UDIN: CR202410216CeJtvHahk

ARSHAD RAHEEM & Co

Chartered Accountants

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

Opinion

We have audited the annexed financial statements of **J. A. TEXTILE MILLS LIMITED** ("the Company"), which comprises the statement of financial position as at **June 30, 2024**, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 accounting and reporting standards as applicable in Pakistan, and, given the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the company's affairs as at **June 30, 2024** and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention of the members to the contents of note 1.2 to the annexed financial statements, which disclose the appropriateness of going concern assumption used by the Company in the preparation of the financial statements, in spite of the accumulated losses stands at Rs. 107.815 million against the paid-up capital of Rs. 126.012 million as at **June 30, 2024** and as of that date, the company's current liabilities exceed its current assets by Rs. 79.638 million. These factors indicate the existence of the material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its obligations in the normal course of business. Our opinion is not modified in respect of this matter.

ARSHAD RAHEEM & Co

Chartered Accountants

Key Audit Matters

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

Following are the Key Audit Matter(s):

S. No	Key Audit Matter(s)	How the Matter was addressed in audit
1.	LIABILITY FOR LEGAL SETTLEMENT	
	<p>As disclosed in Note 21 to the financial statements, the Company was involved in litigation with Faysal Bank Limited regarding the recovery of Rs. 48.560 million, which was filed in 2001. The case underwent several legal proceedings, culminating in a judgment by the Supreme Court of Pakistan on November 27, 2023. The Court ordered the Company to pay Rs. 29.955 million to Faysal Bank Limited.</p> <p>This matter is considered a key audit matter due to the significance of the judgment on the Company's financial position and the judgment's confirmation of a material liability that existed prior to the balance sheet date. As a result, management has recognized a liability of Rs. 29.955 million in the financial statements as of June 30, 2024.</p>	<ul style="list-style-type: none"> • We obtained and reviewed legal correspondence, court judgments, and documentation relating to the Supreme Court's decision to evaluate the appropriateness of the liability recognized. • We examined the Company's legal records, including the appeal processes and outcomes from the Banking Court, Lahore High Court, and Supreme Court of Pakistan. • We evaluated management's assessment of the potential financial impact, including the recognition and measurement of the liability in the financial statements, to ensure compliance with the relevant financial reporting framework. • We discussed the matter with the Company's legal advisors to confirm the status and implications of the Supreme Court's judgment. • We reviewed the disclosures made in the financial statements to assess whether they adequately describe the nature of the case and the basis for the recognition of the liability.

ARSHAD RAHEEM & Co

Chartered Accountants

New

2.	VALUATION OF STOCK-IN-TRADE
	<div><p>As at June 30, 2024 the Company's total stock-in-trade balance amounting to Rs. 51.12 million as disclosed in note 9 which represents 34.59% of the total current assets of the Company. The value of stock-in-trade is based on the moving weighted average cost method for packing materials and annual average cost for raw material, prime cost including a proportion of production overheads for work in process and for finished goods, and invoice value plus other charges for stock in transit.</p><p>The Company is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p><p>This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.</p></div> <div><ul style="list-style-type: none">• Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock in trade.• Observed physical counts to ascertain the condition and existence of stock-in-trade.• Tested the valuation method used by the management in valuation of stock in trade.• Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock in trade, tested the accuracy of the aging analysis of stock-in-trade, on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the management and board level to identify any indicators of obsolescence.• Compared the NRV to the cost of stock in trade whether any adjustment is required to value stock in trade in accordance with the accounting policy; and• Assessed the adequacy of the disclosures on stock-in-trade in the financial statements.</div>

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

Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

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

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

ARSHAD RAHEEM & CO

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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

ARSHAD RAHEEM & CO

Chartered Accountants

to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements:

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

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017).
- 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.
- Investments made, expenditure incurred and guarantees extended during the year were in accordance with for the purpose of the Company's business; and
- No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Arshad Raheem.


ARSHAD RAHEEM & CO.
CHARTERED ACCOUNTANTS
LAHORE;

DATED: 07 OCT 2024
UDIN: AR202410216t6YVHMERo

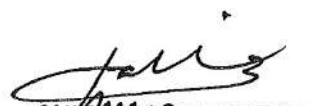
J. A. TEXTILE MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	556,395,751	577,926,585
Long term deposits	7	32,145,750	32,145,750
CURRENT ASSETS			
Stores and spares	8	10,524,613	14,437,963
Stock in trade	9	51,121,781	13,162,644
Trade debts	10	50,284	-
Advances, prepayments and other receivables	11	333,121	506,762
Short term investment	12	469,695	366,162
Accrued income	13	1,481,326	2,114,655
Balance with statutory authorities	14	31,718,887	18,747,035
Cash and bank balances	15	52,079,958	163,318,064
		147,779,665	212,653,285
		736,321,166	822,725,620
SHARE CAPITAL AND RESERVES			
Share Capital	16	126,011,600	126,011,600
Accumulated loss		(107,814,852)	(57,238,974)
Capital Reserve :			
- Surplus / (Deficit) on remeasurement of investment		22,190	(11,746)
- Surplus on revaluation of property, plant and equipment - net	17	272,214,581	282,469,875
Loan from related parties	18	126,286,574	128,768,659
		416,720,093	479,999,414
NON CURRENT LIABILITIES			
Deferred liabilities	19	92,183,664	106,305,116
CURRENT LIABILITIES			
Trade and other payables	20	197,018,689	235,977,370
Liability for legal settlement	21	29,955,000	-
Unclaimed dividend		443,720	443,720
		227,417,409	236,421,090
CONTINGENCIES AND COMMITMENTS			
	22	-	-
		736,321,166	822,725,620

The annexed notes 1 to 43 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, 2024

	Note	2024 Rupees	2023 Rupees
Sales - net	23	129,953,740	33,685,700
Cost of sales	24	185,360,608	95,622,908
Gross loss		(55,406,868)	(61,937,208)
Operating expenses			
Distribution cost - <i>Selling Commission</i>		63,800	-
Administrative expenses	25	17,643,414	17,684,570
Other operating expenses- workers welfare fund		32,488	8,421
		17,739,702	17,692,991
		(73,146,570)	(79,630,199)
Finance cost	26	29,984,751	372,386
		(103,131,321)	(80,002,585)
Other income	27	29,813,718	44,014,609
Loss before taxation, minimum tax differential and final taxes		(73,317,603)	(35,987,976)
Minimum tax differential		1,624,422	421,071
Final taxes		12,282	1,683
		1,636,704	422,754
Loss before taxation		(74,954,307)	(36,410,730)
Taxation	28	(14,123,135)	(2,839,285)
Loss for the year		(60,831,172)	(33,571,445)
Earnings per share - basic and diluted	29	(4.8274)	(2.6642)

The annexed notes 1 to 43 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, 2024

	2024 Rupees	2023 Rupees
LOSS FOR THE YEAR	(60,831,172)	(33,571,445)
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR		
Items that may be subsequently reclassified to profit or loss:		
Unrealized income / (loss) on changes in fair value of investment	<u>33,936</u>	<u>(2,063)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(60,797,236)</u>	<u>(33,573,508)</u>

The annexed notes 1 to 43 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, 2024

	Note	2024 Rupees	2023 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation, minimum tax differential and final taxes		(73,317,603)	(35,987,976)
Adjustments for non cash and other items:			
Depreciation	6.2	26,299,987	27,152,617
Profit on deposit accounts	27	(11,182,203)	(26,004,485)
Exchange loss / (gain) on foreign currency translation	27	8,100	(79,782)
Profit on deposit with SNGPL	27	(1,069,978)	(1,069,978)
Gain on disposal of fixed assets	27	-	(1,740,715)
Dividend from NAFA funds	27	(81,879)	(11,220)
Balances written back	27	(17,487,758)	(15,108,429)
Workers welfare fund		32,488	8,421
Finance cost	26	29,984,751	372,386
Cash used in before changes in working capital		(46,814,095)	(52,469,161)
Changes in working capital			
Decrease / (Increase) in current assets			
Stores and spares		3,913,350	(3,668,454)
Stock in trade		(37,959,137)	27,245,852
Trade debts		(50,284)	31,063
Advances, prepayments and other receivables		173,641	6,085,561
Balance with statutory authorities - Sales Tax		(10,326,730)	(4,667,560)
Increase / (decrease) in current liabilities			
Trade and other payables		(21,177,186)	(26,703,279)
		(65,426,346)	(1,676,817)
Cash used in operations		(112,240,441)	(54,145,978)
Profit on deposit accounts received		11,018,390	26,004,485
Profit on deposit with SNGPL received		1,867,120	-
Finance cost paid		(2,030)	(18,440)
Exchange gain on foreign currency retranslation		(8,100)	79,782
Workers' profit participation fund paid		(353,946)	(4,519,169)
Income tax paid		(4,267,861)	(5,408,041)
Net cash used in operating activities		(103,986,868)	(38,007,361)
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(4,769,153)	(19,593,562)
Sale proceeds on disposal of Vehicle		-	2,275,000
Net cash used in investing activities		(4,769,153)	(17,318,562)
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from related parties paid		(2,482,085)	(1,027,554)
Net cash used in financing activities		(2,482,085)	(1,027,554)
Net decrease in cash and cash equivalents		(111,238,106)	(56,353,477)
Cash and cash equivalents at the beginning of the year		163,318,064	219,671,541
Cash and cash equivalents at the end of the year	15	52,079,958	163,318,064

The annexed notes 1 to 43 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, 2024

	Share Capital	Accumulated loss	Surplus/ (Deficit) on remeasurement of investment	Surplus on revaluation of property, plant and equipment	Loan from related parties	Total
----- Rupees -----						
Balance as at July 01, 2022	126,011,600	(34,487,054)	(9,683)	293,289,400	129,796,213	514,600,476
Loss for the year	-	(33,571,445)	-	-	-	(33,571,445)
Other comprehensive Loss	-	-	(2,063)	-	-	(2,063)
Transfer of incremental depreciation on revalued assets for the year	-	15,238,767	-	(15,238,767)	-	-
Tax effect on incremental depreciation	-	(4,419,242)	-	4,419,242	-	-
Repayment of loan to related parties	-	-	-	-	(1,027,554)	(1,027,554)
Balance as at June 30, 2023	126,011,600	(57,238,974)	(11,746)	282,469,875	128,768,659	479,999,414
Loss for the year	-	(60,831,172)	-	-	-	(60,831,172)
Other comprehensive gain	-	-	33,936	-	-	33,936
Transfer of incremental depreciation on revalued assets for the year	-	14,444,076	-	(14,444,076)	-	-
Tax effect on incremental depreciation (note 17)	-	(4,188,782)	-	4,188,782	-	-
Repayment of loan to related parties	-	-	-	-	(2,482,085)	(2,482,085)
Balance as at June 30, 2024	126,011,600	(107,814,852)	22,190	272,214,581	126,286,574	416,720,093

The annexed notes 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

J. A . TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

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

1.2 Going concern assumption

The Company has accumulated loss of Rs. 107.815 million (2023 : Rs. 57.239 million) as against issued, subscribed and paid up capital of Rs. 126.012 million As At June 30, 2024. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its obligations in the normal course of business.

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

2. STATEMENT OF COMPLIANCE

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

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

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

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

3. Basis of measurement

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

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

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

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years are discussed in note 4.3

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

- 4.1 There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2023. However, these amendments do not have any significant impact on the Company's financial statements.

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

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2024
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 16 Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback	January 1, 2024
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9 Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
IFRS 17 Insurance contracts (Amendments)	January 1, 2026

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

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

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosures in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)
- IFRIC 12 (Service concession arrangements)

4.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

- Estimate of useful life of property, plant and equipment - note 5.1
- Impairment of non financial assets - note 5.4
- Stores and spares - note 5.5
- Stock in trade - note 5.6
- Provisions - note 5.12
- Contingencies - note 5.13
- Taxation - note 5.16

4.4 CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the prior year financial statements is immaterial.

5. SUMMERY OF MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Property, plant and equipment

5.1.1 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 6.1 of these financial statements.

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

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

5.1.2 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.

5.2 Investment Property

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

5.3 Intangible assets

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

5.4 Impairment of non financial assets

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

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

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

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

5.5 Stores and spares

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

5.6 Stock in trade

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

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

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

5.7 Trade debts and other receivables

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

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

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

5.8 Cash and cash equivalents

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

5.9 Surplus on revaluation of property, plant and equipment

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

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

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

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

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

5.10 Staff retirement benefits

Defined Contribution Plan

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

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

5.11 Trade and other payables

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

5.12 Provisions

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

5.13 Contingencies

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

5.14 Revenue recognition

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

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

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

a) Sale of goods

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

b) Interest income

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

c) Profit on fair value through other comprehensive income investments

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

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

d) Other revenue

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

5.15 Foreign currency translation

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

5.16 Taxation

Current taxation

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

Deferred Taxation

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

Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

5.17 Related party transactions

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

5.18 Dividend and other appropriations

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

5.19 Financial instruments

5.19.1 Financial assets

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

A. Classification and measurement of financial assets
Investments and other financial assets

Classification:

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

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

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

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

Measurement:

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

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

Debt instruments

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

- **Amortized cost**

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

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

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

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

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

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

B. Derecognition:

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

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

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

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

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

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

C. Impairment:

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

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

5.19.2 Defination of default

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

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

5.19.3 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.

5.19.4 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.

5.19.5 Write off Policy

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

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

	2024	2023
	Rupees	Rupees
Note		
6.1	556,395,751	577,926,585

6.1. OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUED AMOUNTS					ACCUMULATED DEPRECIATION				BOOK VALUE		Rate %
	As at July 1, 2023	Addition	Revaluation during the year	Deletion	As at June 30, 2024	As at July 1, 2023	For the year	Deletion	As at June 30, 2024	As at June 30, 2024		
Rupees												
Freehold land	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-	-
Building on freehold land												
- factory	154,892,446	-	-	-	154,892,446	32,191,615	6,135,042	-	38,326,657	116,565,789	5	5
- residential	30,301,188	-	-	-	30,301,188	6,394,324	1,195,343	-	7,589,667	22,711,521	5	5
Plant and machinery	339,264,228	-	-	-	339,264,228	28,701,326	15,528,145	-	44,229,471	295,034,757	5	5
Power Generators	31,500,001	-	-	-	31,500,001	13,887,471	1,761,253	-	15,648,724	15,851,277	10	10
Electric installations	10,086,872	4,769,153	-	-	14,856,025	2,224,925	1,202,880	-	3,427,805	11,428,220	10	10
Factory equipments	7,000,000	-	-	-	7,000,000	3,084,446	391,555	-	3,476,001	3,523,999	10	10
Electric appliances	940,688	-	-	-	940,688	873,409	6,728	-	880,137	60,551	10	10
Office equipments	2,917,855	-	-	-	2,917,855	2,526,636	39,122	-	2,565,758	352,097	10	10
Furniture and fixtures	290,516	-	-	-	290,516	274,781	1,574	-	276,355	14,161	10	10
Vehicles	4,839,307	-	-	-	4,839,307	4,647,583	38,345	-	4,685,928	153,379	20	20
Rupees: June 2024	672,733,101	4,769,153	-	-	677,502,254	94,806,516	26,299,987	-	121,106,503	556,395,751		

PARTICULARS	COST / REVALUED AMOUNTS					ACCUMULATED DEPRECIATION					BOOK VALUE		Rate %
	As at July 1, 2022	Addition	Revaluation during the year	Deletion	As at June 30, 2023	As at July 1, 2022	For the year	Deletion	As at June 30, 2023	As at June 30, 2023			
----- Rupees -----													
Freehold land	90,700,000	-	-	-	90,700,000	-	-	-	-	90,700,000	-	-	
Building on freehold land													
- factory	154,892,446	-	-	-	154,892,446	25,733,676	6,457,939	-	32,191,615	122,700,831	5	5	
- residential	30,301,188	-	-	-	30,301,188	5,136,068	1,258,256	-	6,394,324	23,906,864	5	5	
Plant and machinery	338,819,428	14,295,000	-	13,850,200	339,264,228	25,883,200	16,134,041	(13,315,915)	28,701,326	310,562,902	5	5	
Power Generators	31,500,001	-	-	-	31,500,001	11,930,523	1,956,948	-	13,887,471	17,512,530	10	10	
Electric installations	4,788,310	5,298,562	-	-	10,086,872	1,415,178	809,747	-	2,224,925	7,861,947	10	10	
Factory equipments	7,000,000	-	-	-	7,000,000	2,649,384	435,062	-	3,084,446	3,915,554	10	10	
Electric appliances	940,688	-	-	-	940,688	865,933	7,476	-	873,409	67,279	10	10	
Office equipments	2,917,855	-	-	-	2,917,855	2,483,167	43,469	-	2,526,636	391,219	10	10	
Furniture and fixtures	290,516	-	-	-	290,516	273,033	1,748	-	274,781	15,735	10	10	
Vehicles	4,839,307	-	-	-	4,839,307	4,599,652	47,931	-	4,647,583	191,724	20	20	
Rupees: June 2023	666,989,739	19,593,562	-	13,850,200	672,733,101	80,969,814	27,152,617	(13,315,915)	94,806,516	577,926,585			

	2024 Rupees	2023 Rupees
6.2 Depreciation charge for the year has been allocated as under		
Cost of sales	26,220,946	27,059,469
Administrative expenses	79,041	93,148
	<u>26,299,987</u>	<u>27,152,617</u>

6.3 All the assets of the company as at June 30, 2024 are located in Pakistan.

6.4 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:

	2024		
	Cost	Accumulated depreciation	Written down value
	----- (Rupees)-----		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- factory	32,519,124	29,957,685	2,561,439
- residential	6,147,674	5,471,238	676,436
Plant and machinery	393,965,298	226,127,143	167,838,155
Power Generators	46,907,500	31,930,980	14,976,520
Electric installations	23,925,833	13,624,758	10,301,075
Factory equipment	2,947,074	2,699,559	247,515
	<u>510,261,378</u>	<u>309,811,363</u>	<u>200,450,015</u>
	2023		
	Cost	Accumulated depreciation	Written down value
	----- (Rupees)-----		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- factory	32,519,124	29,822,872	2,696,252
- residential	6,147,674	5,435,636	712,038
Plant and machinery	393,965,298	217,293,556	176,671,742
Power Generators	46,907,500	30,266,922	16,640,578
Electric installations	19,156,680	12,547,117	6,609,563
Factory equipment	2,947,074	2,672,057	275,017
	<u>505,492,225</u>	<u>298,038,160</u>	<u>207,454,065</u>

6.5 Forced sale values of revalued assets

The forced sale values of revalued assets are based on fair value measurement as at June 30, 2024

	Forced Sale Values	
	2024 Rupees	2023 Rupees
Freehold land	83,725,000	83,725,000
Building on freehold land		
- factory	92,104,144	92,104,144
- residential	22,506,921	22,506,921
Plant and machinery	226,100,000	226,100,000
Power generators	25,200,000	25,200,000
Electric installations	2,800,000	2,800,000
Factory equipment	5,600,000	5,600,000
	<u>458,036,065</u>	<u>458,036,065</u>

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

	Note	2024 Rupees	2023 Rupees
7. LONG TERM DEPOSITS			
Security deposits		32,145,750	32,145,750
This includes Rs. 21,399,568/- (2023: Rs. 21,399,568/-) security deposit with Sui Northern Gas Pipelines Limited (SNGPL) against supply of natural gas to the company. It is subject to mark up at the rate of 1 year KIBOR minus 3% per annum or fixed rate of 5% per annum whichever is lower receivable in arrears.			
These have been deposited with various utility companies and regulatory authorities. These are classified as amortized cost under IFRS 9 - 'Financial Instruments - Recognition and Measurement'. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as its amortized cost is impracticable to determine.			
8. STORES AND SPARES			
Stores		1,332,937	1,730,976
Spares		9,191,676	12,706,987
		<u>10,524,613</u>	<u>14,437,963</u>
9. STOCK IN TRADE			
Raw material		50,443,433	12,169,471
Packing material		678,348	993,173
		<u>51,121,781</u>	<u>13,162,644</u>
10. TRADE DEBTS			
Considered good:			
Local - unsecured	10.1	50,284	-
10.1 These are unsecured, but considered good by the management of the Company. However, management has conducted an assessment of the expected credit losses (ECL) in accordance with IFRS 9. Based on this assessment, management considers the trade debts to be fully recoverable. As a result, no significant ECL allowance has been recognized in the financial statements.			
11. ADVANCES, PREPAYMENT AND OTHER RECEIVABLES			
Considered good:			
Advances			
Advances to suppliers		151,886	47,947
Advances to employees		16,500	-
Prepayment			
Prepaid insurance		44,961	339,041
Other receivables			
Others		119,774	119,774
		<u>333,121</u>	<u>506,762</u>
12. SHORT TERM INVESTMENT			
Fair value through other comprehensive income (FVTOCI)			
NBP Islamic Sarmaya Izafa Fund		469,695	366,162
12.1 These have been valued by using published net asset value (NAV) as at 30th June, the number of units held by the Company are 46,229.38 units (2023: 24,180.91 units).			

		2024	2023
	Note	Rupees	Rupees
13. ACCURED INCOME			
Profit on bank deposit		163,813	-
Interest on SNGPL deposit		1,317,513	2,114,655
		<u>1,481,326</u>	<u>2,114,655</u>
14. BALANCE WITH STATUTORY AUTHORITIES			
Sales tax receivable		15,004,362	4,677,632
Income tax refundable		16,714,525	14,069,403
		<u>31,718,887</u>	<u>18,747,035</u>
15. CASH AND BANK BALANCES			
Cash in hand		213,822	28,851
Cash at bank			
In current accounts			
- Local currency		386,662	533,212
- Foreign currency	15.1	269,903	278,002
In deposit accounts	15.2	51,209,571	162,477,999
		<u>51,866,136</u>	<u>163,289,213</u>
		<u>52,079,958</u>	<u>163,318,064</u>
15.1	It includes US\$. 970 (2023: US\$. 970)		
15.2	The rate of profit on deposit accounts is ranging from 17.50 % to 19.50 % per annum (2023: 15.50% to 21.25% per annum).		
16. SHARE CAPITAL			
Authorized capital		<u>200,000,000</u>	<u>200,000,000</u>
<i>20,000,000 ordinary shares of Rs.10 each</i>			
Issued, subscribed and paid up capital	16.1	<u>126,011,600</u>	<u>126,011,600</u>
<i>12,601,160 ordinary shares of Rs. 10 each, fully paid in cash</i>			
16.1	The ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.		
17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		282,469,875	293,289,400
Incremental depreciation on revalued property, plant and equipment transferred to accumulated loss		(14,444,076)	(15,238,767)
Related effect of deferred tax liability-incremental depreciation		4,188,782	4,419,242
		<u>(10,255,294)</u>	<u>(10,819,525)</u>
Closing balance		<u>272,214,581</u>	<u>282,469,875</u>

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

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

Freehold land

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

Building on freehold land

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

Plant and machinery

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

Power generators

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

Electric installations

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

Factory equipment

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

		2024	2023
	Note	Rupees	Rupees
18. LOAN FROM RELATED PARTIES			
Chief executive, directors and members	18.1 & 18.2	126,286,574	128,768,659
18.1 During the year movement in loan is as follows:			
Opening balance		128,768,659	129,796,213
Paid during the year		(2,482,085)	(1,027,554)
		126,286,574	128,768,659
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.			
19. DEFERRED LIABILITIES			
Deferred taxation	19.1	92,183,664	106,305,116
19.1 Deferred taxation			
19.1.1 Opening balance		106,305,116	109,144,401
Adjusted during the year		(14,121,452)	(2,839,285)
Closing balance	19.1.2	92,183,664	106,305,116
19.1.2 This comprise of following:			
Taxable temporary differences arising in respect of :			
Revaluation surplus on property, plant and equipment		83,178,512	87,367,292
Accelerated tax depreciation		27,019,268	26,558,122
Deductible temporary differences arising in respect of :			
Deductible temporary differences on tax losses		(18,014,116)	(7,620,298)
		92,183,664	106,305,116
20. TRADE AND OTHER PAYABLES			
Trade creditors		115,687,123	151,532,333
Accrued expenses		27,664,318	27,585,301
Advances from customers		49,261,982	52,201,007
Withholding tax payable		338,912	325,486
Provident fund trust	20.1	279,159	252,311
Workers' profit participation fund	20.2	27,721	353,946
Workers welfare fund		3,759,474	3,726,986
		197,018,689	235,977,370
20.1 This represents amount due to provident fund trust for the month of June for which payment was made at July 11, 2024 (2023: July 31, 2023).			

Note	2024 Rupees	2023 Rupees
20.2 Workers' profit participation fund		
Opening balance	353,946	4,519,169
Interest on funds utilized in the Company's business	27,721	353,946
	381,667	4,873,115
Payments during the year	(353,946)	(4,519,169)
Closing balance	27,721	353,946
21. LIABILITY FOR LEGAL SETTLEMENT		
Obligation under Supreme Court Judgment	29,955,000	-

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. The Company filed an appeal with the Supreme Court of Pakistan, and on November 27, 2023, the Supreme Court ordered the Company to pay Rs. 29.955 million to Faysal Bank Limited. As the Supreme Court order was issued on November 27, 2023, which confirms the liability that existed prior to the balance sheet date, a liability of Rs. 29.955 million has been recognized in the financial statements as of June 30, 2024.

Further the court has to recover the decretal amount after accounted for the liabilities by appointment of Chartered Accountant. However, the court has not appointed Chartered Accountant due to other incidental court proceedings.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

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

22.2 Commitments

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

23. SALES - NET

Yarn	152,470,986	39,412,269
Waste	874,427	-
	153,345,413	39,412,269
Less: sales tax	23,391,673	5,726,569
	129,953,740	33,685,700

	Note	2024 Rupees	2023 Rupees
24. COST OF SALES			
Raw material consumed	24.1	88,957,889	-
Stores and spares consumed		9,432,333	9,660,069
Packing material consumed		596,425	12,380
Salaries, wages and benefits		17,159,545	18,991,688
Provident fund contribution	25.1	1,175,704	1,235,424
Fuel and power		39,990,442	8,400,832
Repairs and maintenance		262,452	933,458
Vehicles running and maintenance		898,000	1,305,355
Depreciation	6.2	26,220,946	27,059,469
Others		666,872	790,201
		<u>185,360,608</u>	<u>68,388,876</u>
Finished goods			
Opening balance		-	27,234,032
Closing balance		-	-
		-	27,234,032
Cost of goods sold		<u>185,360,608</u>	<u>95,622,908</u>
24.1 RAW MATERIAL CONSUMED			
Opening balance		12,169,471	12,169,471
Purchases		127,231,851	-
		<u>139,401,322</u>	<u>12,169,471</u>
Closing balance		(50,443,433)	(12,169,471)
		<u>88,957,889</u>	<u>-</u>
25. ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		11,893,606	11,601,535
Provident fund contribution	25.1	541,008	461,341
Postage and telecommunication		297,744	339,222
Electricity, gas and water		91,400	99,170
Printing and stationery		32,830	89,685
Traveling and conveyance		25,484	52,490
Fee and subscriptions		1,615,829	1,487,475
Legal and professional		348,150	488,325
Repairs and maintenance		36,750	62,600
Auditors' remuneration	25.2	785,550	720,500
Insurance		511,022	673,128
Donations		-	499,000
Depreciation	6.2	79,041	93,148
Others		1,385,000	1,016,951
		<u>17,643,414</u>	<u>17,684,570</u>
25.1	The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.		
25.2 Auditors' remuneration			
Statutory audit fee		715,550	650,500
Half yearly review		50,000	50,000
Out of pocket expenses		20,000	20,000
		<u>785,550</u>	<u>720,500</u>

		2024	2023
	Notes	Rupees	Rupees
26. FINANCE COST			
Interest on workers' profit participation fund		27,721	353,946
Obligation under Supreme Court Judgment	21	29,955,000	-
Bank charges and commission		2,030	18,440
		<u>29,984,751</u>	<u>372,386</u>
27. OTHER INCOME			
<i>Income from financial assets</i>			
Profit on deposit accounts		11,182,203	26,004,485
Exchange (loss) / gain on foreign currency translation		(8,100)	79,782
Dividend on NAFA funds		81,879	11,220
Profit on deposit with SNGPL		1,069,978	1,069,978
<i>Income from non-financial assets</i>			
Gain on disposal		-	1,740,715
Balances written back		17,487,758	15,108,429
		<u>29,813,718</u>	<u>44,014,609</u>
28. TAXATION			
Current year	28.2	-	-
Prior year		(1,683)	-
Deferred tax		<u>(14,121,452)</u>	<u>(2,839,285)</u>
		<u>(14,123,135)</u>	<u>(2,839,285)</u>
28.1	Current tax liability for the year as per applicable tax laws	1,636,704	422,754
	Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
	Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(1,636,704)	(422,754)
	Difference	<u>-</u>	<u>-</u>
	The aggregate of minimum and income tax amounting to Rs. 1.637 million (2023: Rs. 0.423 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.		
28.2	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.		
28.3	Status of income tax assessment		
	Tax provision made in financial statements taking into consideration of admissibility of expenses. A comparison of last three years tax assessment is presented below		

	2023	2022	2021
	-----Rupees-----		
Income tax provision for the year-accounts	422,754	24,318,942	22,837,072
Income tax as per tax assessment-u/s 120 of Income Tax Ordinance, 2001.	421,071	24,318,942	23,506,943

	Notes	2024 Rupees	2023 Rupees
29. EARNINGS PER SHARE - BASIC AND DILUTED			
29.1 Earnings per share - Basic			
Loss for the year (Rupees)		(60,831,172)	(33,571,445)
Weighted average number of ordinary shares outstanding during the year		12,601,160	12,601,160
Earnings per share - basic (Rupees)		(4.8274)	(2.6642)

29.2 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, 2024 and 2023 which would have any effect on the earnings per share if the option to convert is exercised.

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

	Balance as on July 01, 2023	Non Cash Changes	Cash Flows	Balance as on June 30, 2024
			(Rupees)	
Loan from related parties	128,768,659	-	(2,482,085)	126,286,574
	128,768,659	-	(2,482,085)	126,286,574

31. 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.

32. 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 31. 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	2024 Rupees	2023 Rupees
J.A Textile Mills Limited, Employees' provident fund trust	Company's contribution to the fund	1,716,712	1,696,765
CEO/directors/members	Loan repaid during the year - net	(2,482,085)	(1,027,554)

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

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

33. PLANT CAPACITY AND ACTUAL PRODUCTION

	UOM	2024	2023
Installed capacity after conversion into 20/s	KGs	11,162,729	11,162,729
Actual production after conversion into 20/s	KGs	406,240	-

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;

34. NUMBER OF EMPLOYEES

Average number of employees during the year	40	50
Number of employees at end of the year	40	50

35. 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. 50 million, from JS Bank Limited for the import of raw material and spare parts/machinery. The limit remain unutilized during the year. The facility is secured against lien over import documents and 100% lien over cash collateral.

	2024 Rupees	2023 Rupees
36. SHARIAH SCREENING DISCLOSURE		
Revenue earned from a shariah compliant business	129,953,740	33,685,700
Loss/Gain or dividend from shariah compliant investments		
Dividend Income on mutual funds for the year	81,879	11,220
Profits or interest on any conventional loan or advance		
Profit on deposit accounts	11,182,203	26,004,485
Profit on deposit with SNGPL	1,069,978	1,069,978

2024	2023
Rupees	Rupees

37. EMPLOYEES PROVIDENT FUND TRUST

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

Size of the fund (Rupees)	15,946,498	15,800,601
Cost of investment made (Rupees)	13,221,336	14,186,048
Percentage of investment made (%)	87.35%	93.45%
Fair value of investment (Rupees)	13,929,987	14,766,372

The breakup of fair value of investments is:	2024		2023	
	Rupees	% age of total	Rupees	% age of total
Investment in listed Debt collective Scheme	2,929,987	19.53%	2,221,336	15.04%
Others (fixed (Deposits)	11,000,000	73.32%	12,000,000	81.27%
Bank Balance	1,072,291	7.15%	545,036	3.69%
	15,002,278	100%	14,766,372	100%

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 carrying amount is a reasonable approximation of fair value.

2024							
Carrying Amount				Fair Value			
Fair value through OCI	Amortized cost	Cash and Cash Equivalents	Total	Level 1	Level 2	Level 3	Total

----- Rupees -----

Financial assets measured at fair value

Investments in mutual fund	469,695	-	-	469,695	469,695	-	-	469,695
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Financial assets not measured at fair value

Long term deposits	-	32,145,750	-	32,145,750	-	-	-	-
Trade debts	-	50,284	-	50,284	-	-	-	-
Advances and other receivables	-	136,274	-	136,274	-	-	-	-
Accrued income	-	1,481,326	-	1,481,326	-	-	-	-
Bank balances	-	-	51,866,136	51,866,136	-	-	-	-
	469,695	33,813,634	51,866,136	86,149,465	469,695	-	-	469,695

Financial liabilities measured at fair value**Financial liabilities not measured at fair value**

Trade and other payables	-	-	192,892,582	192,892,582	-	-	-	-
Liability for legal settlement	-	-	29,955,000	29,955,000	-	-	-	-
Unclaimed dividend	-	-	443,720	443,720	-	-	-	-
	-	-	223,291,302	223,291,302	-	-	-	-

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

----- Rupees -----

Financial assets measured at fair value

Investments in mutual fund	366,162	-	-	366,162	366,162	-	-	366,162
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Financial assets not measured at fair value

Long term deposits	-	32,145,750	-	32,145,750	-	-	-	-
Trade debts	-	-	-	-	-	-	-	-
Advances and other receivables	-	119,774	-	119,774	-	-	-	-
Accrued income	-	2,114,655	-	2,114,655	-	-	-	-
Bank balances	-	-	163,289,213	163,289,213	-	-	-	-
	366,162	34,380,179	163,289,213	198,035,554	366,162	-	-	366,162

Financial liabilities measured at fair value**Financial liabilities not measured at fair value**

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

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

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:

	2024	2023
Variable rate instruments		
Security deposit with SNGPL (Rupees)	21,399,568	21,399,568
Effective interest rate in percentage	5.00	5.00
Bank balances in deposit accounts (Rupees)	51,209,571	162,477,999
Effective interest rate in percentage	18.37	18.37

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 2024 and 2023 would have been affected as follows:

	2024 Rupees	2023 Rupees
Effect on profit and loss of an increase in interest rate for deposit with SNGPL	213,996	213,996
Effect on profit and loss of an increase in interest rate for balances in deposit accounts	199,230	1,624,779
	<u>413,226</u>	<u>1,838,775</u>

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

39.1.2 Currency risk

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

Exposure to Currency Risk

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

Particulars	Currency	2024		2023	
		F.Currency	Rupees	F.Currency	Rupees
Bank balance	US \$	970	269,903	970	278,002

The company has applied exchange rate of Rs. 278.25 (2023: 286.60) 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 2024 and 2023 by the following amounts:

2024	2023
Rupees	Rupees
12,564	12,941

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 Price Risk :

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

The Company is exposed to price risk, because of the investments held by the Company in mutual funds, and classified on the statement of financial position as fair value through other comprehensive income of Rs. 469,695/- (2023: 366,162/-)

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. 22,311/- (2023: 17,393/-) 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 of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investments, deposits, receivables from customers, receivables from related parties, advances, other receivables, bank balances and term deposits with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

J. A. Textile Mills Limited

	2024	2023
	Rupees	Rupees
Long term deposits	32,145,750	32,145,750
Trade debts	50,284	-
Advances and other receivables	136,274	119,774
Short term investment	469,695	366,162
Accrued income	1,481,326	2,114,655
Bank balances	51,866,136	163,289,213
	86,149,465	198,035,554

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.

Significant:

	2024	2023			
	Credit Ratings				
NBP Fund Management Limited	AM1	AM1			
The credit quality of Company's bank balances can be assessed by reference to external credit ratings or to historical information about counterparty default rate:					
Name of Bank	Date	Long term	Short term	Outlook	Agency
Al-Barka Bank Limited	30-Jun-24	A+	A-1	Positive	JCRVIS
Bank Al-Habib Limited	22-Jun-24	AAA	A-1+	Stable	PACRA
JS Bank Limited	28-Jun-24	AA	A-1+	Stable	PACRA
National Bank of Pakistan	22-Jun-24	AAA	A-1+	Stable	PACRA
United Bank Limited	26-Jun-24	AAA	A-1+	Stable	JCRVIS

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

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 risk.

The following are the contractual maturity analysis of financial liabilities as at June 30, 2024 and 2023:

2024				
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	192,892,582	192,892,582	192,892,582	-	-
Liability for legal settlement	29,955,000	29,955,000	29,955,000	-	-
Unclaimed dividend	443,720	443,720	443,720	-	-
	<u>223,291,302</u>	<u>223,291,302</u>	<u>223,291,302</u>	<u>-</u>	<u>-</u>

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

------(Rupees)-----

Financial Liabilities :

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

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.

41. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 07 OCT 2024 by the Board of Directors of the Company.

42. RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee. The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

43. GENERAL

43.1 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year except as follows for better presentation.

Statement of Profit or loss

Reclassified from:	Reclassified to:	
Provision for income taxation	Minimum tax differential	421,071
Provision for income taxation	Final taxes	1,683

The relevant changes for the above reclassification has also been made in the corresponding figures of statement of cashflows

43.2 Rounding

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

J.A. TEXTILE MILLS LIMITED
DETAIL CATEGORIES OF SHAREHOLDERS
AS ON 30-06-2024

CATEGORIES OF SHAREHOLDERS	TOTAL SHARES	%
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5.1 Directors/Chief Executive Officer and their spouse and minor Children

1	MR. ZAHID ANWAR	7,281,722	57.79
2	MR. IMRAN ZAHID	1,162,712	9.23
3	MS. KURRATULAIN ZAHID	469,857	3.73
4	MR. ANWAR UL HAQ	2,500	0.02
5	MR. LIAQAT ALI QAMAR	2,500	0.02
6	MR. RIAZ AHMAD	2,500	0.02
7	MR. MUHAMMAD ALI	2,500	0.02
TOTAL:		8,924,291	70.82

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
TOTAL:		31,580	0.25

5.5 Insurance Companies

1	ADAMJEE INSURANCE COMPANY LTD	1,000	0.01
TOTAL:		1,000	0.01

5.6 Modarabas and Mutual Funds

			0.00
TOTAL:		0	0.00

5.7 Shareholding 5% or more

1	ZAHID ANWAR	7,281,722	9.44
2	MR. ZEESHAN ZAHID	873,012	1.13
3	NOOR UL AIN ZAHID	681,553	0.88
4	MR. IMRAN ZAHID	918,612	1.19
TOTAL:		9,754,899	12.64

5.8 General Public

1,572	a- Local	3,503,288	27.80
141	b- Foreign	0	0.00
TOTAL:		3,503,288	27.80

J.A. TEXTILE MILLS LIMITED
DETAIL CATEGORIES OF SHAREHOLDERS
AS ON 30-06-2024

CATEGORIES OF SHAREHOLDERS	TOTAL SHARES	%
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5.9 Others - Joint Stock Companies

1	MAPLE LEAF CAPITAL LIMITED	1	0.00
	MRA SECURITIES LIMITED - MF	6,000	0.05
	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD - MF	65,000	0.52
2	PASHA SECURITIES (PVT) LTD.	1,000	0.01
TOTAL:		72,001	0.57

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

GENDER PAY GAP STATEMENT

UNDER CIRCULAR NO. 10 DATED APRIL 17, 2024

Following is gender pay gap calculated for the year ended June 30, 2024.

- | | |
|--------------------------|-----|
| 1- Mean Gender Pay Gap | NIL |
| 2- Median Gender Pay Gap | NIL |



RIAZ AHMED

Chairman / Director

J. A. TEXTILE MILLS LIMITED

ANNUAL GENERAL MEETING

FORM OF PROXY

IMPORTANT

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

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

Please quote Registered Folio Number

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

who is also a member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at registered office of the Company, JK House, 32-W, Susan Road, Madina Town, Faisalabad, on **28.10.2024** at 9:00 a.m or at any adjournment thereof.

As witness my/our hand this -----day of -----2024
Signed by the said-----in the presence of

Date: _____ (Member's Signature)

Place _____ (Witness's Signature)

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

پراکسی فارم (مختار عامہ)

کمپنی سیکرٹری

جے اے نیکسٹ اکل طرز امینڈ

W-32 سوساں روڈ مدینہ ٹاؤن فیصل آباد

میں اہم

ساکن

بحیثیت رکن ہے اے نیک سائل ملزمینڈ اور حامل _____ عام حصص بمطابق شیر رجسٹر فو لیومبر _____
(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر نمبر _____ پارٹیسپٹ آئی ڈی نمبر _____)

بذر ریحہ ہذا

محترم محترم

جو کمپنی کا ممبر ہے برطانق شیر رجسٹریو نمبر _____ یا (اکی غیر موجودگی میں محترم ا محترمہ _____ ساکن _____ جو کمپنی کا ہے برطانق شیر رجسٹریو نمبر _____ کو _____

مورخہ 28 اکتوبر 2024ء (بروز جمعرات) صبح 09:00 منعقد ہونے والے کمپنی کے صدر دفتر W-32 سوسائٹ روڈ مدینہ ٹاؤن فیصل آباد میں اجلاس عام میں حق رائے دہی استعمال کرنے، تقریری اور شرکت کرنے کیلئے اپنا اہل بطور مختار نامہ یا پر کسی فارم مقرر کرتا ہوں کرتے ہیں۔
 بطور گواہ میرے دستخط----- آج بروز-----بتاریخ-----2024

نوٹ:

5 روپے کارسیدی

نکٹ چسپاں کریں

1- بڑا کیاں تاکہ موند ہو سکیں کمپنی کارجر دفتر / صدر دفتر میں باقاعدہ 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 چاہئیں۔