

BRIEF REVIEW
ASAT, AND FOR THE HALF-YEAR ENDED
31 DECEMBER 2023

We are pleased to submit the Condensed Interim Financial Information, along with Notes and the Auditors Review Report, as at, and for the half-year ended 31st December 2023, to the Members of Suhail Jute Mills Limited.

There were no adverse observations by the auditors, resulting from their review of the Interim Financial Information. The emphasis of matter paragraph reflects factual circumstances as the Company continues to present its accounts on a 'realizable net assets' basis in the absence of revival of commercial production.

Administrative Expenses as compared with those incurred in the same 6 Month period last year remained largely unchanged, from RS. 27.45 Million to RS.27.51 Million. The most significant increase was in Finance Cost which rose to RS.8.169 from RS. 4.630 Million, reflecting the increase of mark- up rates on funds utilised by the Company. There was no 'other operative income' for the period and the net loss for the period was RS 35.6778 Million, as compared to a net loss of RS. 32.076 Million in the same period last year. This reflects a loss per share of RS 8.23, as compared to a loss per share of RS7.40 in the comparable period of last year. The detailed breakdown is reflected in the accompanying condensed financial information and notes thereto. .

Efforts are continuing to dispose-off surplus assets so as to raise working capital and pay off debts, but such efforts have not materialized as yet. As such, it is not possible to forecast, in any meaningful way, the prospects for the revival of the Company's operations till funding is raised by the sale of assets.

Management has devised a plan to convert the land into smaller industrial plots to facilitate speedier sales. As a preceding action, the plan involves the outright sale of an available parcel of land and to use the proceeds from such sale to meet expenditures needed to convert the land into smaller plots. We shall keep all stakeholders fully apprised of any developments in this regard.

In the absence of any funds generated by the Company, all financial requirements are being met from the personal resources of the Chief Executive, who is also the principal shareholder of the Company.

In view of the non-operational status of the Company, no pay-out to shareholders is possible at this time

We thank all stakeholders for their continued support through these difficult times.


BY ORDER OF THE BOARD

SOHAIL FAROOQ SHAIKH
CHIEF EXECUTIVE

RAWALPINDI: February 27, 2024



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(Chartered Accountants)
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SUHAIL JUTE MILLS LIMITED

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Suhail Jute Mills Limited (the Company) as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter Paragraph

We draw attention to note 2.4 of the condensed interim financial statements, which states that the Company is not a going concern for reasons specified therein, accordingly, the condensed interim financial statements have been prepared on the basis of non-going concern assumptions and the historical values of assets and liabilities at the year-end have been considered as fair values.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is C.A Habib.

Place: Islamabad

Date: 27 FEB 2024

UDIN: RR202310349IGuT5IWia

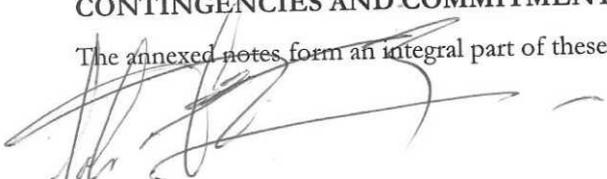


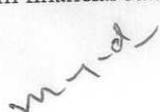
M. Hussain Chaudhary
Crowe Hussain Chaudhary & Co.
Chartered Accountants

SUHAIL JUTE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDTIED)
AS AT DECEMBER 31, 2023

	Note	Un-Audited 31-Dec-23	Audited 30-Jun-23
-----Pak Rupees-----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital: (5,000,000 ordinary shares of Rs.10 each)		50,000,000	50,000,000
Issued, subscribed and paid up capital (4,332,819 ordinary shares of Rs. 10 each)	4	43,328,190	43,328,190
Reserves	5	(1,028,177,290)	(995,282,200)
Merger reserve		196,362,085	196,362,085
Revaluation surplus		1,455,403,928	1,458,186,713
		666,916,913	702,594,788
NON CURRENT LIABILITIES			
Staff retirement benefits	6	7,792,702	7,792,702
CURRENT LIABILITIES			
Trade and other payables	7	240,908,944	230,759,916
Accrued mark-up		71,112,239	69,792,897
Unclaimed dividend		384,359	384,359
Loan from directors	8	332,047,656	302,996,319
Short term borrowings - secured	9	184,981,527	184,981,527
Provision for taxation	10	-	-
		829,434,725	788,915,018
		1,504,144,340	1,499,302,508
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	18	1,485,682,524	1,488,839,245
Long term investment	11	190,000	190,000
Long term security deposits	12	764,422	764,422
		1,486,636,946	1,489,793,667
CURRENT ASSETS			
Cash and bank balances	13	9,338,609	1,334,377
Advances, deposits, prepayments and other receivables	14	2,616,075	2,910,507
Advance income tax		3,501,347	3,212,594
Stores and spare	15	1,433,071	1,433,071
Stock in trade	16	618,292	618,292
		17,507,394	9,508,841
		1,504,144,340	1,499,302,508
CONTINGENCIES AND COMMITMENTS			
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The annexed notes form an integral part of these condensed interim financial statements (Un-audited).


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUHAIL JUTE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	-----Pak Rupees-----			
Sales	-	-	-	-
Cost of sales	-	-	-	-
Gross profit / (loss)	-	-	-	-
Administrative expenses	(27,508,620)	(27,446,027)	(13,752,601)	(13,867,586)
Finance cost	(8,169,256)	(4,630,435)	(4,084,384)	(2,351,320)
Other operative income	-	-	-	-
Loss before taxation	(35,677,876)	(32,076,462)	(17,836,985)	(16,218,906)
Income tax expense	-	-	-	-
Loss after taxation	(35,677,876)	(32,076,462)	(17,836,985)	(16,218,906)
Loss per share - basic and diluted	(8.23)	(7.40)	(4.12)	(3.74)

Note

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The annexed notes form an integral part of these condensed interim financial statements (Un-audited).


CHIEF EXECUTIVE OFFICER



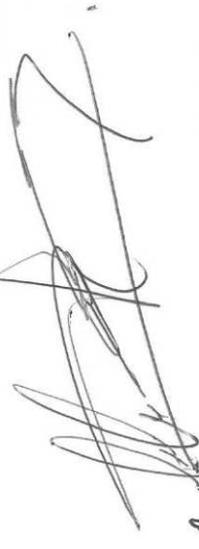
CHIEF FINANCIAL OFFICER


DIRECTOR

**SUHAIL JUTE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half Year Ended		Quarter Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	-----Pak Rupees-----			
Loss after taxation	(35,677,876)	(32,076,462)	(17,836,985)	(16,218,906)
Other comprehensive income for the year				
Other comprehensive income not to be reclassified to income and expenditure in subsequent periods				
Actuarial gain on re-measurement of staff retirement benefit	-	-	-	-
Total comprehensive loss for the year	(35,677,876)	(32,076,462)	(17,836,985)	(16,218,906)

The annexed notes form an integral part of these condensed interim financial statements (Un-audited).


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUHAIL JUTE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	31-Dec-23	31-Dec-22
		-----Pak Rupees-----	
ACTIVITIES			
Loss before taxation		(35,677,876)	(32,076,462)
Adjustments for:			
Financial charges	20	8,169,256	4,630,435
Depreciation	19	3,156,721	3,274,151
		<u>(24,351,899)</u>	<u>(24,171,876)</u>
Working capital changes:			
(Increase) / decrease in current assets			
Advances, deposits, prepayments and other receivables		294,432	224,452
Increase / (decrease) in current liabilities			
Trade and other payables		10,149,028	9,779,987
		<u>10,443,460</u>	<u>10,004,439</u>
Cash flow (used in) operating activities		<u>(13,908,439)</u>	<u>(14,167,437)</u>
Financial charges paid	20	(8,169,256)	(3,311,095)
Income tax paid		(288,751)	(232,996)
Net cash (used in) operating activities		<u>(22,366,446)</u>	<u>(17,711,528)</u>
ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Accrued markup		1,319,342	-
Loan from directors		29,051,337	17,744,518
Net cash generated from financing activities		<u>30,370,678</u>	<u>17,744,518</u>
Net increase in cash and cash equivalents during the period		8,004,232	32,990
Cash and cash equivalents at the beginning of the period/year		1,334,377	1,352,633
Cash and cash equivalents at the end of the period	13	<u>9,338,609</u>	<u>1,385,623</u>

The annexed notes form an integral part of these condensed interim financial statements (Un-audited).


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SURAIL JUTE MILLS LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up share capital	Revenue reserves				Surplus on revaluation of Fixed assets	Merger reserve	Total	
		General reserve	Dividend equalization reserve	Fair value reserve	Accumulated loss				Total
Pak Rupees									
Balance As at July 01, 2022	43,328,190	3,380,000	7,490,000	1,251,607	(945,839,980)	(935,718,370)	1,464,032,210	196,362,085	770,004,115
Total comprehensive loss for the period	-	-	-	-	(32,076,462)	(32,076,462)	-	-	(32,076,462)
Revaluation Surplus Adjustment	-	(3,380,000)	(7,490,000)	(1,251,607)	12,121,607	-	(2,880,922)	-	-
Effect of incremental depreciation	-	-	-	-	2,880,922	2,880,922	(2,880,922)	-	-
Balance As at December 31, 2022	43,328,190	-	-	-	(962,913,913)	(962,913,910)	1,461,151,288	196,362,085	737,927,653
Balance As at July 01, 2023	43,328,190	-	7,490,000	-	(1,002,772,199)	(995,282,199)	1,458,186,713	196,362,085	702,594,788
Total comprehensive loss for the period	-	-	-	-	(35,677,876)	(35,677,876)	-	-	(35,677,875)
Revaluation Surplus Adjustment	-	-	-	-	-	-	-	-	-
Effect of incremental depreciation	-	-	-	-	2,782,785	2,782,785	(2,782,785)	-	-
Balance As at December 31, 2023	43,328,190	-	7,490,000	-	(1,035,667,290)	(1,028,177,290)	1,455,403,928	196,362,085	666,916,913

The annexed notes form an integral part of these condensed interim financial statements (Un-audited).


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 DIRECTOR

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND OPERATIONS

Suhail Jute Mills Limited (the Company) was incorporated in Pakistan in 1981 as a public limited company under the Companies Act, 1913 (now Companies Act, 2017). Its shares are quoted on Pakistan stock exchanges in Pakistan. The Company is principally engaged in the business of manufacturing and sale of jute products. The registered office of the Company is situated at 14-B, Civil Lines, Rawalpindi. The production facilities are situated at Kabul River Railway Station, Mardan Road, Nowshera, Khyber Pakhtunkhwa and GT road, Nowshera, Khyber Pakhtunkhwa consisting of 872 Kanals 3 Marlas and 744 kanals 2 Marlas piece of land respectively.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- 2.1. These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of
- International Accounting standards (IAS) 34, Interim Financial Reporting issues by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2. The disclosures in the condensed Interim Financial Statements do not include the information reported for full audited annual financial statements and should therefor be read in conjunction with the audited financial statements for the year ended June 30, 2023. Comparative statement of financial position is extracted from audited annual financial statements as of June 30, 2023 whereas comparative condensed interim statement of cash profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from unaudited condensed interim financial statements for the six months period ended 31 December 2022.
- 2.3. These condensed interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange. The figures for the quarter ended December 31, 2022 and 2023 presented in the condensed interim financial statements have not been reviewed by the external auditor.
- 2.4. These financial statements have been prepared on the basis of estimated realizable/settlement values of assets and liabilities respectively in addition to historical cost convention. The company has ceased operations since June 2011 after severe flooding which caused significant damage to production facilities. Afterwards the company managed to overhaul its property, plant and machinery but has been unable to finance its working capital requirement to resume operations, thus the company at present is dependent upon the financial assistance of the director and is no longer a going concern. The Company has accumulated losses of Rupees 1,028 million as on December 31, 2023 and incurred loss after taxation of Rupees 35.68 million in this period.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimation, the methods of computation adopted in preparation of these condensed Interim Financial Statements and financial risk management policies are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2023.

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

				Note	Un-Audited 31-Dec-23	Audited 30-Jun-23
					----- Pak Rupees-----	
4	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL					
	Un-Audited	Audited				
	31-Dec-23	30-Jun-23				
	(Number of shares)					
	3,245,000	3,245,000	Ordinary shares of Rs. 10 each issued for cash	4.1	32,450,000	32,450,000
	<u>3,245,000</u>	<u>3,245,000</u>			<u>32,450,000</u>	<u>32,450,000</u>
	1,087,819	1,087,819	Issued against merger		10,878,190	10,878,190
	<u>4,332,819</u>	<u>4,332,819</u>			<u>43,328,190</u>	<u>43,328,190</u>

4.1 Shares held by associated undertakings

Un-Audited	Audited			Un-Audited	Audited
31-Dec-23	30-Jun-23			31-Dec-23	30-Jun-23
(Number of shares)				----- Pak Rupees-----	
500	500	M Farooq Private Limited		5,000	5,000
20,000	20,000	Surriya Farooq Charitable Foundation		200,000	200,000

4.2 All ordinary share holders have same rights regarding voting, board selection, right of first refusal and block voting.

				Note	Un-Audited 31-Dec-23	Audited 30-Jun-23
					----- Pak Rupees-----	
5	RESERVES					
	General reserve			5.1	-	-
	Dividend equalization reserve			5.2	7,490,000	7,490,000
	Fair value reserve				-	-
	Accumulated loss				(1,035,667,290)	(1,002,772,200)
					<u>(1,028,177,290)</u>	<u>(995,282,200)</u>

5.1 This represents amount transferred to the general reserve from Reserve for Participation Term Certificates (PTC) for contingencies created in year 1992.

5.2 This represents the reserve for the purpose of cash and stock dividend at 20 percent of the issued share capital proposed in 1992, but not approved by the shareholders.

		Un-Audited	Audited		
		31-Dec-23	30-Jun-23		
				----- Pak Rupees-----	
6	STAFF RETIREMENT BENEFITS				
	Present value of defined benefit obligation				6,569,861
	Deferred liabilities - staff gratuity				1,222,841
					<u>7,792,702</u>
					<u>6,569,861</u>
					<u>1,222,841</u>
					<u>7,792,702</u>

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Un-Audited 31-Dec-23	Audited 30-Jun-23
----- Pak Rupees-----			
7 TRADE AND OTHER PAYABLES			
Creditors		22,187,344	21,819,080
Accrued expenses	7.1	101,792,353	98,891,376
Security deposits - Utilisable		1,600	1,600
Workers' profit participation fund	7.2	83,407,997	76,564,746
Workers welfare fund		269,503	269,503
Other taxes payable		1,003,713	967,642
Others		2,686,320	2,685,855
Payable to employees retirement benefits		29,560,114	29,560,114
		<u>240,908,944</u>	<u>230,759,916</u>

7.1 This includes an amount payable to director of the company on account of remuneration Rs. 98,051,765/- June 30, 2023 Rs. 93,275,355).

	Note	Un-Audited 31-Dec-23	Audited 30-Jun-23
----- Pak Rupees-----			
7.2 Worker's (Profit) Participation fund			
Opening balance		76,564,746	65,034,185
Interest on funds utilized by the Company	7.2.1	6,843,251	11,530,561
		<u>83,407,997</u>	<u>76,564,746</u>

7.2.1 Interest on funds utilized by the Company is charged at KIBOR + 2.5%.

	Note	Un-Audited 31-Dec-23	Audited 30-Jun-23
----- Pak Rupees-----			
7.3 Payable to employees retirement benefits			
Gratuity payable	7.3.1	28,309,686	28,309,686
Provident fund payable	7.3.2	1,250,428	1,250,428
		<u>29,560,114</u>	<u>29,560,114</u>

7.3.1 This represent gratuity payable to employees who left after the floods in July, 2010 and have not approached the Company for final settlement.

7.3.2 This represents balance of the amount payable to employees that has arisen as result of the discontinuation of the provident fund of the company. Investment out of provident fund has been made in accordance with the provision of section 218 of the Companies Act, 2017.

	Note	Un-Audited 31-Dec-23	Audited 30-Jun-23
----- Pak Rupees-----			
8 Loan from director			
Opening		302,996,319	264,100,270
Loan received		29,051,337	38,896,049
Loan repaid		-	-
Closing	8.1	<u>332,047,656</u>	<u>302,996,319</u>

8.1 This represents interest free unsecured loan from the director, Mr. Sohail Farooq Shaikh, of the Company payable on demand. The purpose of utilization is to finance company's day to day operations as the company has no other source of income.

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

9 SHORT TERM BORROWINGS	Note	Un-Audited	Audited
		31-Dec-23	30-Jun-23
----- Pak Rupees-----			
From banking companies- Secured			
Faisal Bank Limited	9.1	128,809,827	128,809,827
AL Baraka Islamic Bank Limited	9.2	30,000,000	30,000,000
Bridge Finance facility		26,171,700	26,171,700
		184,981,527	184,981,527

9.1 Faisal Bank Ltd

Running finance facility	9.1.1	127,885,527	127,885,528
Finance against imported merchandise	9.1.2	924,300	924,300
		128,809,827	128,809,828

9.1.1 Running finance facility of Rs. 128.55 million was sanctioned in June, 2011 and is payable on demand. The facility had been obtained to meet working capital requirements. The rate of mark up is 3 months KIBOR plus 2.91 percent per annum. The facility is secured against first exclusive hypothecation charge for Rupees 100 million on all present and future current assets of the Company and pari passu charge for Rs.280 million on fixed assets of Company including land, building and plant and machinery. The court on petition filed by the Bank ordered a decree in favor of the bank.

9.1.2 Finance against imports facility of Rs. 20 million had been obtained to finance import of raw material, and is payable on demand. The rate of mark up is 3 months KIBOR plus 2.91 percent per annum. The facility is secured against pledge of imported goods in factory godown amounting to Rs. 1,027,000 with built in margin under custody of bank's appointed Maccadam and lien over shipping documents.

9.2 The Company has drawn down Rs. 30 million out of total facility of Rs. 30 million sanctioned in October, 2011. It carries mark up at the rate 6 months KIBOR plus 2.5 percent per annum (if paid within 180 days) and 3 months KIBOR plus 3 percent per annum (if paid within 90 days). This facility has expired in June, 2012.

This facility has expired in June, 2012. This facility is also secured against First Pari Passu charge over entire present and future fixed assets of the Company including free hold land and building on free hold land. The court on petition filed by the Bank ordered a decree in favor of the bank. (Details in Note 17)

9.3 This represents bridge borrowing of amount 26,171,700 at the mark up of 10% which was afterwards refinanced by the director, Mr. Sohail Farooq Shaikh, of the Company payable on demand.

10 PROVISION FOR TAXATION

No provision for current taxation has been made due to the reason that the Company has no taxable income. Turnover tax under section 113 of Income Tax Ordinance, 2001 does not apply as the Company has no turnover during the year.

Deferred tax asset is not recognized in the financial statements because the Company has sufficient tax losses available and it is probable that the Company will not be able to utilize deductible temporary differences in near future.

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Un-Audited 31-Dec-23	Audited 30-Jun-23
	----- Pak Rupees-----	
11 LONG TERM INVESTMENTS		
at FVTPL - Unquoted		
Farooq Energy Company Private Limited		
190 shares (2023: 190) of Rs 1,000 each	<u>190,000</u>	<u>190,000</u>
12 LONG TERM SECURITY DEPOSITS		
Sui Northern Gas Pipeline Limited	30,000	30,000
Office building security	232,482	232,482
CSTM Security	501,940	501,940
	<u>764,422</u>	<u>764,422</u>
13 CASH AND BANK BALANCES		
Cash in hand	154,733	2,786
Cash at banks:		
- in current accounts	9,183,876	1,331,591
	<u>9,338,609</u>	<u>1,334,377</u>
14 ADVANCES DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES		
Advances - considered good:		
- Employees	47,000	47,000
- Expenses	10,285	76,864
Prepayments	-	229,036
Sarhad Development Authority	2,550,000	2,550,000
Other receivables - considered good	8,790	7,607
	<u>2,616,075</u>	<u>2,910,507</u>
15 STORES AND SPARES		
Stores	7,606,567	7,606,567
Spares	2,088,936	2,088,936
	9,695,503	9,695,503
Less: Provision for obsolescence	<u>(8,262,432)</u>	<u>(8,262,432)</u>
	<u>1,433,071</u>	<u>1,433,071</u>
16 STOCKS IN TRADE		
Raw materials	618,292	824,389
Less: provision	-	(206,097)
	<u>618,292</u>	<u>618,292</u>

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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17 CONTINGENCIES AND COMMITMENTS

- 17.1** The Sarhad Development Authority has filed an appeal in Peshawar High Court against the decision made in the civil suit (No: 180/1) on May 26, 2011 in favor of Suhail Jute Mills Limited for the recovery of an amount of Rs. 2,550,000 against surrender of land measuring six acres situated at Gadoon Industrial Estate, Khyber Pakhtunkhwa. The Sarhad Development Authority had acknowledged the surrender of land and made a payment of Rs. 1,667,343 after deducting charges of Rs. 882,657 which was returned by the Company with the plea that total amount should be refunded. The Company has also filed an appeal before the District Judge, Peshawar against other pleas related to this issue dismissed in the above decision. No date is fixed till date.
- 17.2** Income tax demand of Rs. 8,771,178 for the tax year 2010 was raised against the Company under section 161/205 of the Income Tax Ordinance, 2001 which has been remanded back by Commissioner Inland Revenue (appeals) to the Deputy Commissioner Inland Revenue for redetermination of the liability, if any. The proceedings before Deputy Commissioner Inland Revenue has not yet finalized. The management and the tax advisor of the Company do not expect any unfavorable outcome or serious loss to the Company in this case.
- 17.3** The Company had secured running finance from Faysal Bank and Al Baraka Bank as disclosed in note 12.1 to the financial statements. These Banks have filed suits for recovery of all outstanding over due principal and markup amount. Banking Court Rawalpindi issued decree for recovery of 30 million principal and 1 million markup in favor of Al Baraka Bank on 20 February 2015, while the court decreed for recovery of 128.8 million principal and 20.5 million markup in favor of Faysal Bank on 3 May, 2017. The decrees were transferred to Peshawar High Court for execution. The most recent hearing of petition was on 10 September 2022 and the case is still sub judice. Company has made provision of 54 million against markup payable, till date of decree.
- 17.4** The company is contingently liable in respect of guarantees of Rs. 463,100 issued by the bank in normal course of business.
- 17.5** The Company is in litigation with sales tax authorities circle 1, Rawalpindi for refund of sales tax amounting to Rs. 2.452 million (2023 Rs. 2.452 million). The case is pending with the Honorable Lahore High Court, Lahore.
- 17.6** The Company is in litigation with sales tax authorities circle 1, Rawalpindi for refund of sales tax amounting to Rs. 2.452 million (2023 Rs. 2.452 million). The case is still pending with the Honorable Lahore High Court, Lahore.

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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18. PROPERTY, PLANT AND EQUIPMENT

Particulars	Free hold land	Building on freehold land	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Library books	Total
-----Pak Rupees-----								
Year ended June 30, 2023								
Opening net book value	1,292,316,197	92,566,475	109,148,662	332,620	914,663	107,584	27	1,495,386,228
Revalued amount/ Cost	1,292,316,197	95,500,000	113,000,000	4,521,885	12,189,978	4,386,865	60,723	1,521,975,648
Accumulated depreciation	-	(2,933,525)	(3,851,338)	(4,189,265)	(11,275,315)	(4,279,281)	(60,696)	(26,589,420)
For the year:								
Additions	-	-	-	-	-	-	-	-
Surplus on revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Revalued amount/ Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge	-	(2,776,994)	(3,623,736)	(33,262)	(91,466)	(21,517)	(8)	(6,546,983)
As at June 30, 2023								
Revalued amount/ Cost	1,292,316,197	95,500,000	113,000,000	4,521,885	12,189,978	4,386,865	60,723	1,521,975,648
Accumulated depreciation	-	(5,710,519)	(7,475,074)	(4,222,527)	(11,366,781)	(4,300,798)	(60,704)	(33,136,403)
Net book value - 2023	1,292,316,197	89,789,481	105,524,926	299,358	823,197	86,067	19	1,488,839,245
Depreciation rate	-	1.5% - 3%	3% - 15%	10%	10%	20%	30%	
Half year ended December 31, 2023								
Opening net book value	1,292,316,197	91,177,978	107,336,135	315,988	868,930	96,826	23	1,492,112,077
Cost	1,292,316,197	95,500,000	113,000,000	4,521,885	12,189,978	4,386,865	60,723	1,521,975,648
Accumulated depreciation	-	(5,710,519)	(7,475,074)	(4,222,527)	(11,366,781)	(4,300,798)	(60,704)	(33,136,403)
For the year:								
Additions	-	-	-	-	-	-	-	-
Surplus on revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge	-	(1,346,842)	(1,745,141)	(14,968)	(41,160)	(8,607)	(3)	(3,156,721)
As at December 31, 2023								
Cost	1,292,316,197	95,500,000	113,000,000	4,521,885	12,189,978	4,386,865	60,723	1,521,975,648
Accumulated depreciation	-	(7,057,361)	(9,220,215)	(4,237,495)	(11,407,941)	(4,309,405)	(60,707)	(36,293,124)
Net book value - December 2023	1,292,316,197	88,442,638	103,779,785	284,390	782,037	77,460	16	1,485,682,524

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- 18.1 Cost of free hold land, building on free hold land and plant and machinery are stated at revalued amounts. The carrying amount of these items of property, plant and equipment measured using the cost model are as under:

	Un-Audited 31-Dec-23			Audited 30-Jun-23		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	-----Pak Rupees-----					
Freehold land	12,519,048	-	12,519,048	12,519,048	-	12,519,048
Building on land	26,049,078	(18,553,128)	7,495,950	26,049,078	(18,438,976)	7,610,102
Plant and Machinery	131,156,789	(121,981,770)	9,175,019	131,156,789	(121,842,049)	9,314,740
Total	169,724,915	(140,534,898)	29,190,017	169,724,915	(140,281,025)	29,443,890

18.2 Freehold Land

Freehold Land of the company is situated at Kabul River Railway station, Mardan Road, Nowshera, Khyber Pakhtunkhwa and GT road, Nowshera, Khyber Pakhtunkhwa consisting of 872 Kanals 3 Marlas and 744 Kanals 2 Marlas piece of land respectively.

18.3 Building of freehold land

The building and immovable fixed assets of the company are located as disclosed in note 18.2 of the financial statements.

SUHAIL JUTE MILLS LIMITED
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	Half Year Ended		Quarter Ended		
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	
	----- Pak Rupees-----		----- Pak Rupees-----		
19 ADMINISTRATIVE EXPENSES					
Salaries, wages and benefits	19.1	4,677,729	4,400,014	2,377,400	2,302,967
Directors' meeting fee		5,500	5,000	5,500	-
Travelling		334,315	298,285	160,590	146,895
Motor vehicle running expenses		892,859	864,024	478,640	346,349
Entertainment		329,089	325,927	175,093	187,299
Printing and stationery		251,892	324,696	44,135	87,207
Communication		286,717	308,827	174,474	133,938
News paper and periodicals		28,995	23,273	15,565	11,403
Rent, rates and taxes		917,248	722,645	529,696	345,627
Utilities		7,264,706	8,561,192	3,300,166	4,633,093
Fees and subscription		268,438	164,888	12,000	266,588
Professional charges		964,710	612,025	861,520	108,260
Auditor's remuneration		50,000	50,000	50,000	50,000
Directors' Remuneration	19.2	7,410,306	6,577,908	3,733,302	3,427,600
Depreciation	18	3,156,720	3,274,151	1,578,356	1,637,075
Repairs and maintenance		340,016	596,255	170,314	158,405
Insurance		218,265	202,927	-	-
Miscellaneous		111,115	133,990	85,850	24,880
		27,508,620	27,446,027	13,752,601	13,867,586

19.1 Factory operating expenses for the year have been classified as administrative expenses as the factory remained un-operational and the expenses incurred were of administrative nature.
This include Gratuity Provision of Rs 1,131,474/-.

19.2 REMUNERATION OF DIRECTORS, EXECUTIVES AND MANAGING DIRECTOR

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

	Un-Audited 31-Dec-23 ----- Pak Rupees-----			Audited 30-Jun-23 ----- Pak Rupees-----		
	Director	Executive	Managing Director	Director	Executive	Managing Director
Fee	5,500	-	-	10,000	-	-
Managerial Remuneration	-	-	4,435,800	-	-	8,468,400
Rented accommodation	-	-	1,992,600	-	-	3,804,000
Travelling and Conveyance	-	-	33,600	-	-	83,690
Communication	-	-	12,765	-	-	29,216
Utilities	-	-	935,541	-	-	1,539,084
	5,500	-	7,410,306	10,000	-	13,924,390
Numbers	7		1	7		1

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

SUHAIL JUTE MILLS LIMITED
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FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	----- Pak Rupees-----		----- Pak Rupees-----	
20 FINANCE COST				
Interest on workers' profit participation fund	6,843,251	3,304,662	3,421,626	1,652,331
Mark-up on bridge finance	1,319,340	1,319,340	659,670	659,670
Bank charges	6,665	6,433	3,088	39,319
	8,169,256	4,630,435	4,084,384	2,351,320
21 LOSS PER SHARE				
Loss for the period after taxation	(35,677,876)	(4,630,435)	(17,836,985)	(16,218,906)
Weighted average number of ordinary shares	4,332,819	4,332,819	4,332,819	4,332,819
Loss per share	(8.23)	(1.07)	(4.12)	(3.74)

There are no dilutive potential ordinary shares outstanding as at reporting date.

22 CASH AND CASH EQUIVALENTS

Cash, cash equivalents and short-term borrowings (used for cash management purposes) include the following for the purposes of the cash flow statement.

	Un-Audited	Audited
	31-Dec-23	30-Jun-23
	----- Pak Rupees-----	
Cash and bank balances	9,338,609	1,334,377
Short term running finance	-	-
	9,338,609	1,334,377

23. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. 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 Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

SUHAIL JUTE MILLS LIMITED
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23.1. The following table shows the carrying amounts and fair values of financial asstes and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments

	Carrying amount			Fair value			
	Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
	----- Pak Rupees-----			----- Pak Rupees-----			
December 31, 2023							
Financial assets as per Statement Of Financial Position							
Long term investment	-	190,000	190,000	-	-	-	-
Short term investment	-	-	-	-	-	-	-
Advances, deposits and prepayments	2,616,075	-	2,616,075	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Long term security deposits	764,422	-	-	-	-	-	-
Bank balances	9,183,876	-	9,183,876	-	-	-	-
	<u>12,564,373</u>	<u>190,000</u>	<u>11,989,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trade and other payables	240,908,944	-	240,908,944	-	-	-	-
Accrued mark-up	71,112,239	-	71,112,239	-	-	-	-
Unclaimed dividend	384,359	-	384,359	-	-	-	-
Loan from directors	332,047,656	-	332,047,656	-	-	-	-
Short term borrowings - secured	184,981,527	-	184,981,527	-	-	-	-
	<u>829,434,725</u>	<u>-</u>	<u>829,434,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2023							
Financial assets as per Statement Of Financial Position							
Long term investment	-	190,000	190,000	-	-	-	-
Long term security deposits	764,422	-	764,422	-	-	-	-
Advances and deposits	2,910,507	-	2,910,507	-	-	-	-
Bank balances	1,334,377	-	1,334,377	-	-	-	-
	<u>5,009,306</u>	<u>190,000</u>	<u>5,199,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trade and other payables	230,759,916	-	230,759,916	-	-	-	-
Accrued mark-up	69,792,897	-	69,792,897	-	-	-	-
Unclaimed dividend	384,359	-	384,359	-	-	-	-
Loan from directors	302,996,319	-	302,996,319	-	-	-	-
Short term borrowings - secured	184,981,527	-	184,981,527	-	-	-	-
	<u>788,915,018</u>	<u>-</u>	<u>788,915,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SUHAIL JUTE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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24. RELATED PARTY TRANSACTIONS

The related parties comprise of key management personnel, entities over which the Company are able to exercise influence and employers funds. All transactions with related parties are carried out at arms length prices except loan from directors determined in accordance with comparable uncontrolled price method. The remuneration of managing director and other executives is given in note 19.2 to the financial statements. Balances outstanding and transaction made with related parties at the year end are as follows:

Related party	Basis of relationship	Percentage of shareholding %
Surriya Farooq Charitable Foundation	Associated Company	0.50%
Ismail Farooq Industries private Limited	Associated Company	0.01%
Mian Sohail Farooq Sheikh	Key Management Personnel	51.92%
Staff retirement benefits fund	Provident fund trust	Nil
	Un-Audited	Audited
	31-Dec-23	30-Jun-23

Transactions and balances with related parties

Contribution to staff retirement benefits

Gratuity - expense charged	-	1,131,474
Gratuity - payment made	-	-

Key management personnel

Sohail Farooq Sheikh -Managing Director

Transactions during the year

Loan received	29,051,337	38,896,049
Remuneration accrued	-	13,924,390
Interest accrued	6,843,251	2,617,170

Balances at year end

Loan from director	332,047,656	302,996,319
Bridge finance facility	26,171,700	26,171,700
Remuneration payable	98,051,765	93,275,355
Godown rent	-	2,981,800

Note

8

24.1. Purpose of Loan From Directors

Purpose of loan from director is to run Suhail Jute Mills Limited and to meet daily base expenses and loan from director is unsecured.

SUBHAL JUTE MILLS LIMITED
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	31-Dec-23	30-Jun-23
-----Number-----		
25. NUMBER OF EMPLOYEES		
Total number of employees as at period/year end	51	51
Average number of employees during the period/year	51	57

26. **DATE OF AUTHORIZATION FOR ISSUE**
 These Financial Statements were authorized for issue on **27 FEB 2024** by the Board of Directors of the Company.

27. **GENERAL.**
 In these financial statements figures have been rounded off to the nearest rupee and those of the previous year have been re-arranged and re-grouped wherever necessary to facilitate comparison.


 CHIEF EXECUTIVE OFFICER

m. s. d.
 CHIEF FINANCIAL OFFICER


 DIRECTOR