

SUHAIL JUTE MILLS LIMITED

BRIEF REVIEW

AS AT, AND FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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 2021, to the Members of Suhail Jute Mills Limited.

Administrative Expenses as compared with those incurred in the same 6 Month period last year rose due to increased inflationary pressures. There was no 'other operative income' for the period and the above results have resulted in a loss per share of Rs.5.53 as compared to a loss per share of Rs 5.28 in the comparable period of last year. The detailed breakdown is reflected in the accompanying condensed financial information, to which please refer.

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.

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.

Efforts are continuing to dispose off surplus assets 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.

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 EXECUIVE

RAWALPINDI 26 February 2022

SUHAIL JUTE MILLS LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SUHAIL JUTE MILLS LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Suhail Jute Mills Limited as at 31 December, 2021 and the related condensed statement of profit or loss, condensed statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim financial statements consist 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

Management has made an assessment of the Company's ability to continue as a going concern and have concluded that the financial statements as at December 31, 2021 are to be presented on a realizable net assets' basis instead of on a going concern basis.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 Mr. Chaudhury Ahmed Habib (FCA).

Place: Islamabad
Dated: 26 February 2022

Crowe Hussain Chaudhury & Co.
Chartered Accountants

SUHAIL JUTE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDTIED) AS AT DECEMBER 31, 2021

	Note	Un-Audited 31-Dec-21	Audited 30-Jun-21
-----Pak Rupees-----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital: (5,000,000 ordinary shares of Rs.10 each)		<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up capital (4,332,819 ordinary shares of Rs. 10 each)	4	<u>43,328,190</u>	<u>43,328,190</u>
Reserves	5	<u>(912,175,451)</u>	<u>(889,796,948)</u>
Merger reserve		<u>196,362,085</u>	<u>196,362,085</u>
Surplus on revaluation of property, plant and equipment	6	<u>1,367,349,545</u>	<u>1,368,951,930</u>
		<u>694,864,369</u>	<u>718,845,256</u>
CURRENT LIABILITIES			
Staff retirement benefits	7	<u>7,415,743</u>	<u>7,415,743</u>
Trade and other payables	8	<u>202,002,399</u>	<u>195,086,075</u>
Accrued mark-up		<u>54,086,276</u>	<u>54,086,276</u>
Unclaimed dividend		<u>384,359</u>	<u>384,359</u>
Loan from directors		<u>249,966,299</u>	<u>236,149,305</u>
Short term borrowings - secured	9	<u>196,773,149</u>	<u>195,453,810</u>
Provision for taxation	10	<u>-</u>	<u>-</u>
		<u>710,628,225</u>	<u>688,575,567</u>
		<u>1,405,492,594</u>	<u>1,407,420,823</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	18	<u>1,395,212,209</u>	<u>1,397,075,383</u>
Long term investment	11	<u>190,000</u>	<u>190,000</u>
		<u>1,395,402,209</u>	<u>1,397,265,384</u>
CURRENT ASSETS			
Cash and bank balances	12	<u>1,420,683</u>	<u>1,470,407</u>
Advances, deposits, prepayments and other receivables	13	<u>5,672,068</u>	<u>5,687,399</u>
Stores and spare parts	14	<u>1,910,762</u>	<u>1,910,762</u>
Stock in trade	15	<u>824,389</u>	<u>824,389</u>
Long term security deposits	16	<u>262,482</u>	<u>262,482</u>
		<u>10,090,384</u>	<u>10,155,439</u>
		<u>1,405,492,594</u>	<u>1,407,420,823</u>
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCE OFFICER

DIRECTOR

SUHAIL JUTE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Half Year Ended		Quarter Ended	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		-----Pak Rupees-----			
Sales		-	-	-	-
Cost of sales		-	-	-	-
Gross profit / (loss)		-	-	-	-
Administrative expenses	19	(19,934,082)	(19,034,130)	(9,766,013)	(9,309,855)
Finance cost	20	(4,046,806)	(3,840,163)	(2,024,301)	(1,915,458)
Other operative income	21	-	10,000	-	-
Loss before taxation		(23,980,887)	(22,864,293)	(11,790,314)	(11,225,313)
Income tax expense	10	-	-	-	-
Loss after taxation		(23,980,887)	(22,864,293)	(11,790,314)	(11,225,313)
Loss per share - basic and diluted	22	(5.53)	(5.28)	(2.72)	(2.59)

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCE OFFICER

DIRECTOR

SUHAIL JUTE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Six Months Ended		Three Months Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	-----Pak Rupees-----			
Loss after taxation	(23,980,887)	(22,864,293)	(11,790,314)	(11,225,313)
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	(23,980,887)	(22,864,293)	(11,790,314)	(11,225,313)

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCE OFFICER

DIRECTOR

SUHAIL JUTE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	31-Dec-21	31-Dec-20
-----Pak Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(23,980,887)	(22,864,293)
Adjustments for:			
Financial charges	20	4,046,806	3,840,163
Depreciation	19	1,863,175	2,089,193
		(18,070,907)	(16,934,937)
Working capital changes:			
(Increase) / decrease in current assets			
Advances, deposits, prepayments and other receivables		15,331	(219,000)
Increase / (decrease) in current liabilities			
Trade and other payables		6,916,324	6,024,046
		6,931,655	5,805,046
Cash flow (used in) operating activities		(11,139,252)	(11,129,891)
Financial charges paid	20	(4,046,806)	(3,840,163)
Net cash (used in) operating activities		(15,186,058)	(14,970,054)
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings	9	1,319,340	1,319,340
Loan from directors		13,816,994	13,592,184
Net cash generated from financing activities		15,136,334	14,911,524
Net (decrease) in cash and cash equivalents during the period/year		(49,724)	(58,530)
Cash and cash equivalents at the beginning of the period/year		1,470,407	1,542,788
Cash and cash equivalents at the end of the period/year	12	1,420,683	1,484,258

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCE OFFICER

DIRECTOR

SUHAIL JUTE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	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 December 31, 2020	43,328,190	3,380,000	7,490,000	1,251,607	(879,010,845)	(866,889,237)	1,332,966,049	196,362,085	705,767,088
Total comprehensive loss for the period	-	-	-	-	(24,421,831)	(24,421,831)	-	-	(24,421,831)
Revaluation Surplus	-	-	-	-	-	-	37,500,000	-	37,500,000
Effect of incremental depreciation	-	-	-	-	1,514,120	1,514,120	(1,514,120)	-	-
Balance As At June 30, 2021	43,328,190	3,380,000	7,490,000	1,251,607	(901,918,556)	(889,796,948)	1,368,951,929	196,362,085	718,845,256
Total comprehensive loss for the period	-	-	-	-	(23,980,887)	(23,980,887)	-	-	(23,980,887)
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Effect of incremental depreciation	-	-	-	-	1,602,385	1,602,385	(1,602,385)	-	-
Balance As At December 31, 2021	43,328,190	3,380,000	7,490,000	1,251,607	(924,297,058)	(912,175,451)	1,367,349,544	196,362,085	694,864,369

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCE OFFICER

DIRECTOR

SUHAIL JUTE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial statements. 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; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements IAS 34, the provisions of and directives issues under the Companies Act, 2017 have been followed:

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 30 June 2021. Comparative statement of financial position is extracted from audited annual financial statements as of 30 June 2021 whereas comparative condensed interim statement of 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 2020.

These condensed interim financial statements are unaudited and are being submitted to the members as required under section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange.

3. SIGNIFICANT ACCOUNTING

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 2021.

SUHAIL JUTE MILLS LIMITED

		Un-Audited	Audited																																																														
		31-Dec-21	30-Jun-21	Note	Pak Rupees																																																												

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SUHAIL JUTE MILLS LIMITED

Revaluation of free hold land, building on free hold land and plant and machinery of the Company was carried out on June 21, 2021 by an independent valuer, BFA (Private) Limited, under the market value basis. Previously, the revaluation of plant and free hold land and machinery of the Company was carried out on January 26, 2017 prior to that the free hold land of the Company was revalued in 1992 and 2008 and 2011, whereas the buildings on free hold land and plant and machinery were revalued in 1995 and 2008.

	Note	Un-Audited 31-Dec-21	Audited 30-Jun-21
----- Pak Rupees-----			
7 STAFF RETIREMENT BENEFITS			
Present value of defined benefit obligation		6,192,902	6,192,902
Deferred liabilities - staff gratuity		1,222,841	1,222,841
		<u>7,415,743</u>	<u>7,415,743</u>
8 TRADE AND OTHER PAYABLES			
Creditors		21,843,185	21,836,332
Accrued expenses	8.1	84,931,225	80,689,003
Security deposits		1,600	1,600
Workers' profit participation fund	8.2	61,729,644	59,079,020
Workers welfare fund		269,503	269,503
Other taxes payable		980,768	717,438
Others		2,686,360	2,933,065
Payable to employees retirement benefits	8.3	29,560,114	29,560,114
		<u>202,002,399</u>	<u>195,086,075</u>
8.1	This includes an amount payable to director of the company on account of remuneration Rs. 73,772,165/- and godown rent Rs. 2,981,800/- respectively.		
	Note	Un-Audited 31-Dec-21	Audited 30-Jun-21
----- Pak Rupees-----			
8.2	Worker's (Profit) Participation fund		
Opening balance		59,079,020	54,250,707
Interest on funds utilized by the Company	8.2.1	2,650,624	4,828,313
		<u>61,729,644</u>	<u>59,079,020</u>
8.2.1	Interest on funds utilized by the Company is charged at KIBOR + 2.5%.		
	Note	Un-Audited 31-Dec-21	Audited 30-Jun-21
----- Pak Rupees-----			
8.3	Payable to employees retirement benefits		
Gratuity payable	8.3.1	28,309,686	28,309,686
Provident fund payable	8.3.2	1,250,428	1,250,428
		<u>29,560,114</u>	<u>29,560,114</u>
8.3.1	This represent gratuity payable to 301 employees who left after the floods in July, 2010.		
8.3.2	This represents balance of the amount payable to employees that has arisen as result of the discontinuation of the provident fund of the company.		
9 SHORT TERM BORROWINGS			
From banking companies- Secured			
Faisal Bank Limited	9.1	128,809,828	128,809,828
AL Baraka Islamic Bank Limited	9.2	30,000,000	30,000,000
Bridge Finance facility		37,963,321	36,643,981
		<u>196,773,149</u>	<u>195,453,810</u>
9.1 Faisal Bank Ltd			
Running finance facility	9.1.1	127,885,528	127,885,528
Finance against imported merchandise	9.1.2	924,300	924,300
		<u>128,809,828</u>	<u>128,809,828</u>

SUHAIL JUTE MILLS LIMITED

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.

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 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.

This represents interest free unsecured borrowing from the director, Sohail Farooq Shaikh, of the Company payable at the convenience of the Company.

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.

11 LONG TERM INVESTMENTS

Available for sale investment - Unquoted
Farooq Energy Company Private Limited
190 shares (2021: 190) of Rs 1,000 each

Un-Audited 31-Dec-21	Audited 30-Jun-21
----- Pak Rupees-----	

190,000	190,000
----------------	---------

12 CASH AND BANK BALANCES

Cash in hand
Cash at banks:
- in current accounts

34,561	32,880
1,386,122	1,437,527
1,420,683	1,470,407

13 ADVANCES DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES

Advances - considered good:
- Employees
- Expenses
Deposits
Prepayments
Sarhad Development Authority
Income tax withheld (Refundable)

47,000	47,000
9,155	3,490
501,940	501,940
-	172,022
2,550,000	2,550,000
2,563,973	2,412,947
5,672,068	5,687,399

SUHAIL JUTE MILLS LIMITED

	Un-Audited 31-Dec-21	Audited 30-Jun-21
----- Pak Rupees-----		
14 STORES AND SPARES		
Stores	7,606,567	7,606,567
Spares	2,088,937	2,088,937
	9,695,504	9,695,504
Less: Provision for obsolescence	(7,784,741)	(7,784,741)
	1,910,762	1,910,762
15 STOCKS IN TRADE		
Raw materials	824,389	824,389
16 LONG TERM SECURITY DEPOSITS		
Sui Northern Gas Pipeline Limited	30,000	30,000
Office building security	232,482	232,482
	262,482	262,482
17 CONTINGENCIES AND COMMITMENTS		
17.1	<p>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.</p>	
17.2	<p>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.</p>	
17.3	<p>The Company has secured running finance from Faysal Bank and Al Baraka Bank as disclosed in note to the financial statements. These Banks have filed suits for recovery of all outstanding over due principal and markup amount. In case of Faysal Bank the proceedings are pending with Lahore High Court and there are remote chances of decision in favor of the Company. In case of Al Baraka Bank the Banking Court, Rawalpindi has already issued decree in favor of Bank, which is not yet executed in view of charge on assets of Faysal Bank, as well and the Company is not pursuing the matter further. Accordingly as Company is already in legal proceedings with both Banks markup on outstanding borrowing amount has not been serviced and charged in these financial statements from July 01, 2014 in case of Faysal Bank and from July 01, 2012 in case of Al Baraka Bank. The management and legal advisor are of the opinion that markup freezes upon decree by the court / initiation of recovery proceedings.</p>	
17.4	<p>The company is contingently liable in respect of guarantees of Rs. 463,100 issued by the bank in normal course of business.</p>	
17.5	<p>The Company is in litigation with sales tax authorities circle 1, Rawalpindi for refund of sales tax amounting to Rs. 2.452 million (2020 Rs. 2.452 million). The case is pending with the Honorable Lahore High Court, Lahore.</p>	
17.6	<p>The Company is in litigation with various parties for which cases have been filed by / against the Company in different courts of law as normal business events.</p>	
17.7	<p>The Company is in litigation, carried over as a consequence of its merger with (Colony) Sarhad Textile Mills Limited, involving suits and counter suits in respect of a former employee and his family. The said matters are awaiting final determination by the Courts.</p>	

SUHAIL JUTE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR HALF YEARLY ENDED DECEMBER 31, 2021

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, 2021								
Opening net book value	1,232,316,197	73,510,746	55,905,790	410,641	1,129,214	168,100	56	1,363,440,744
Cost	1,232,316,197	100,981,054	89,325,730	4,521,885	12,189,979	4,386,865	60,723	1,443,782,433
Accumulated depreciation	-	(27,470,308)	(33,419,940)	(4,111,244)	(11,060,765)	(4,218,765)	(60,667)	(80,341,689)
For the year:								
Additions	-	-	-	-	-	-	-	-
Surplus on revaluation	60,000,000	(12,500,000)	(10,000,000)	-	-	-	-	37,500,000
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge	-	(1,830,322)	(1,847,415)	(41,064)	(112,921)	(33,620)	(17)	(3,865,360)
As at June 30, 2021								
Cost	1,292,316,197	88,481,054	79,325,730	4,521,885	12,189,979	4,386,865	60,723	1,481,282,433
Accumulated depreciation	-	(29,300,630)	(35,267,355)	(4,152,308)	(11,173,686)	(4,252,385)	(60,684)	(84,207,049)
Net book value - 2021	1,292,316,197	59,180,423	44,058,375	369,577	1,016,293	134,480	39	1,397,075,383
Depreciation rate	-	1.5% - 3%	3% - 15%	10%	10%	20%	30%	
Half year ended December 31, 2021								
Opening net book value	1,292,316,197	59,180,423	44,058,375	369,577	1,016,293	134,480	39	1,397,075,383
Cost	1,292,316,197	88,481,054	79,325,730	4,521,885	12,189,979	4,386,865	60,723	1,481,282,433
Accumulated depreciation	-	(29,300,630)	(35,267,355)	(4,152,308)	(11,173,686)	(4,252,385)	(60,684)	(84,207,049)
For the year:								
Additions	-	-	-	-	-	-	-	-
Surplus on revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge	-	(887,706)	(892,721)	(18,479)	(50,815)	(13,448)	(6)	(1,863,175)
As at December 31, 2021								
Cost	1,292,316,197	88,481,053	79,325,730	4,521,885	12,189,979	4,386,865	60,723	1,481,282,432
Accumulated depreciation	-	(30,188,337)	(36,160,076)	(4,170,787)	(11,224,501)	(4,265,833)	(60,690)	(86,070,223)
Net book value - December 2021	1,292,316,197	58,292,717	43,165,654	351,098	965,478	121,032	33	1,395,212,209

SUHAIL JUTE MILLS LIMITED

- 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-21			Audited 30-Jun-21		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
-----Pak Rupees-----						
Freehold land	1,292,316,197	-	1,292,316,197	1,292,316,197	-	1,292,316,197
Building on land	88,481,053	(30,188,337)	58,292,717	88,481,054	(29,300,630)	59,180,424
Plant and Machinery	79,325,730	(36,160,076)	43,165,654	79,325,730	(35,267,355)	44,058,375
Total	1,460,122,980	(66,348,413)	1,393,774,568	1,460,122,981	(64,567,985)	1,395,554,996

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 immoveable fixed assets of the company are located as disclosed in note 18.2 of the financial statements.

- 18.4** Included in land are 744 kanals of land, presently valued Rs. 290,000,000/- transferred from Colony Sarhad Textile Mills Limited as a consequences of a merger. The land was initially acquired for Colony Sarhad Textile Mills Limited under the Land acquisition Act 1984 and subject to the provisions of the said Act.

SUHAIL JUTE MILLS LIMITED

		Half Year Ended		Quarter Ended	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		----- Pak Rupees-----		----- Pak Rupees-----	
19 ADMINISTRATIVE EXPENSES					
Salaries, wages and benefits	19.1	4,529,370	4,599,960	2,262,006	2,325,404
Directors' meeting fee		2,500	5,000	2,500	5,000
Travelling		304,585	125,140	115,820	86,400
Motor vehicle running expenses		742,408	516,035	354,892	214,987
Entertainment		312,758	235,865	146,235	125,204
Printing and stationery		239,434	205,892	193,525	89,302
Communication		290,026	278,945	175,879	132,128
News paper and periodicals		22,243	20,029	9,113	14,131
Rent, rates and taxes		579,828	750,709	345,362	481,921
Utilities		3,718,565	3,463,229	1,450,768	1,296,414
Fees and subscription		31,588	204,869	7,650	15,000
Professional charges		339,600	393,840	261,600	361,840
Auditor's remuneration		52,500	52,500	-	-
Directors' Remuneration	19.2	6,247,564	5,545,064	3,117,069	2,786,605
Depreciation	18	1,863,175	2,089,193	931,587	1,044,597
Repairs and maintenance		561,148	372,275	304,827	180,372
Miscellaneous		96,790	175,585	87,180	150,550
		19,934,082	19,034,130	9,766,013	9,309,855

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.

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-21 ----- Pak Rupees-----			Audited 30-Jun-21 ----- Pak Rupees-----		
	Director	Executive	Managing Director	Director	Executive	Managing Director
Fee	2,500	-	-	10,000	-	-
Managerial Remuneration	-	-	3,666,600	-	-	7,000,200
Rented accommodation	-	-	1,647,000	-	-	3,144,600
Travelling and Conveyance	-	-	26,000	-	-	48,000
Communication	-	-	11,377	-	-	32,042
Utilities	-	-	896,587	-	-	1,572,111
	2,500	-	6,247,564	10,000	-	11,796,953
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

	Half Year Ended		Quarter Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	----- Pak Rupees-----		----- Pak Rupees-----	
20 FINANCE COST				
Mark-up on bridge finance	2,650,624	2,434,000	1,325,312	1,217,000
Interest on workers' profit participation fund	1,319,340	1,319,340	659,670	659,670
Bank charges	76,842	86,823	39,319	38,788
	4,046,806	3,840,163	2,024,301	1,915,458
21 OTHER OPERATING INCOME				
Income from assets other than financial assets				
Sale of Scrap	-	10,000	-	-
22 LOSS PER SHARE				
Loss for the period after taxation	(23,980,887)	(22,864,293)	(11,790,314)	(11,225,313)
Weighted average number of ordinary shares	4,332,819	4,332,819	4,332,819	4,332,819
Loss per share	(5.53)	(5.28)	(2.72)	(2.59)

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

23 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 31-Dec-21	Audited 30-Jun-21
	----- Pak Rupees-----	
Cash and bank balances	1,420,683	1,470,407
Short term running finance	-	-
	1,420,683	1,470,407

24. 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

24.1. On-balance sheet financial instruments

	Carrying amount			Fair value				
	Amortized Cost	Held to maturity	FVTPL	Total	Level 1	Level 2	Level 3	Total
	----- Pak Rupees-----			----- Pak Rupees-----				
31 December 2021								
Financial assets as per Statement Of Financial Position								
Long term investment	190,000	-	-	190,000	-	-	-	-
Short term investment	-	-	-	-	-	-	-	-
Advances, deposits and prepayments	-	-	5,672,068	5,672,068	5,672,068	-	-	5,672,068
Other receivables	-	-	-	-	-	-	-	-
Long term security deposits	-	-	262,482	262,482	262,482	-	-	262,482
Cash and bank balances	1,420,683	-	-	1,420,683	-	-	-	-
	1,610,683	-	5,934,550	7,545,233	5,934,550	-	-	5,934,550
Trade and other payables								
	202,002,399	-	-	202,002,399	-	-	-	-
Accrued mark-up								
	54,086,276	-	-	54,086,276	-	-	-	-
Unclaimed dividend								
	384,359	-	-	384,359	-	-	-	-
Loan from directors								
	249,966,299	-	-	249,966,299	-	-	-	-
Short term borrowings - secured								
	196,773,149	-	-	196,773,149	-	-	-	-
	703,212,482	-	-	703,212,482	-	-	-	-
30 June 2021								
Financial assets as per Statement Of Financial Position								
Long term investment	190,000	-	-	190,000	-	-	-	-
Short term investment	-	-	-	-	-	-	-	-
Advances, deposits and prepayments	-	-	5,687,399	5,687,399	5,687,399	-	-	5,687,399
Long term security deposits	-	-	262,482	262,482	262,482	-	-	262,482
Cash and bank balances	1,470,407	-	-	1,470,407	-	-	-	-
	1,660,407	-	5,949,881	7,610,288	5,949,881	-	-	5,949,881
Trade and other payables								
	195,086,075	-	-	195,086,075	-	-	-	-
Accrued mark-up								
	54,086,276	-	-	54,086,276	-	-	-	-
Unclaimed dividend								
	384,359	-	-	384,359	-	-	-	-
Loan from directors								
	236,149,305	-	-	236,149,305	-	-	-	-
Short term borrowings - secured								
	195,453,810	-	-	195,453,810	-	-	-	-
	681,159,824	-	-	681,159,824	-	-	-	-

SUHAIL JUTE MILLS LIMITED

25. 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 26.3 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 31-Dec-21	Audited 30-Jun-21

Transactions and balances with related parties

Contribution to staff retirement benefits

Gratuity - expense charged	-	798,151
Gratuity - payment made	-	-

Key management personnel

Sohail Farooq Sheikh -Managing Director

Loan received	13,816,994	26,878,747
Remuneration payable	73,772,165	68,458,565

25.1. 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.

31-Dec-21	30-Jun-21
-----Number-----	

26. NUMBER OF EMPLOYEES

Total number of employees as at period/year end	62	62
Average number of employees during the	62	62

27. DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements were authorized for issue on 26 February 2022 by the Board of Directors of the Company.

28. 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

CHIEF FINANCE OFFICER

DIRECTOR