Jubilee Spinning & Weaving Mills Ltd.

Annual Report 2019

Contents

Company Information

Board of Directors

Mr. Muhammad Rafi	(Chairman)
Mr. Shams Rafi	(Chief Executive)
Mr. Salman Rafi	
Mr. Usman Shafi	
Mr. Aurangzeb Shafi	
Mr. Umer Shafi	
Mr. Jahanzeb Shafi	

Audit Committee

Mr. Usman Shafi	(Chairman)
Mr. Umer Shafi	(Member)
Mr. Muhammad Rafi	(Member)

Company Secretary

Mr. Muhammad Zeeshan Saleem

Auditors

Riaz Ahmed & Company
Chartered Accountants

Legal Advisor

Amjad H. Bokhari& Associates
Mr. Anser Mukhtar

Bankers

Habib Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Faysal Bank Limited
Allied Bank Limited

Registered Office

45-A, Zafar Ali Road, Gulberg-V
Lahore, Pakistan

Mills

B-28, Manghopir Road, S.I.T.E.
Karachi

Notice of Annual General Meeting

Notice is hereby given that the 46thAnnual General Meeting of the shareholders of Jubilee Spinning & Weaving Mills Limited (the "Company") will be held on Wednesday, the October 23, 2019 at 10.00 a.m. at the office of the company at 7-B-2, Aziz Avenue, Gulberg-V, Lahore to transact the following businesses:-

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' Reports thereon.

2. To appoint Auditors of the Company and fix their remuneration.

   Special Business:

3. To consider and approvethe change of principal line of business in Memorandum of Association of the Company & Companies Articles of Association by passing the following resolutions as special resolutions, with or without modification, addition or deletion in terms of Companies Act, 2017:

   Resolved Thatthe change of principal line of business in memorandum of association of the company and accordingly alter by inserting the following clause subject to confirmation by Securities and Exchange Commission of Pakistan to read as under:

   III. OBJECT: The objects for which the Company is established are:
   "To carry on the businesses of spinning, open end spinning, sizing, pressing, doubling, packing of yarn, synthetic fibre and any fibrous materials used for production of yarn and of importing, buying, selling and dealing in yarn synthetic fibre and any fibrous materials; and to set up, install, own, manage, operate and run an industrial undertaking for the yarn spinning and to undertake all such activities as are concerned therewith or ancillary thereto and to sell and deal in or outside Pakistan and to supply yarn to hand & power loom weavers, to assist, employ and hire such weavers; and to buy, sell and deal in hand & power loom product and to market such products; and to install, textile-weaving industry and to sell such cloth manufactured by the company in or outside Pakistan; and to set up an industrial undertaking for weaving of cloth and to sell and deal in such cloth manufactured by the company in or outside Pakistan and to carry on the business of renting out buildings and / or open areas of the company's premises to institutions, corporations, companies, other entities and individuals and provide various services/utilities to the same simultaneously".

   Resolved Further That sub clauses 1 to 130 of object clause III would renumbered with new clauses.

   Resolved Further That Mr. Shams Rafi, Chief Executive Officer of the company be and is hereby authorize to re-phrase/change the main object clause of principal line of business in memorandum of association of the company whenever & wherever it may require.

   Resolved Further that a petition be filed with the SECP under Section 32 of the Companies Act, 2017, read with Regulations 4 & 10 of the Companies (General Provisions and Forms) Regulations 2018, along with all requisite documents, affidavits, statements, etc. for confirmation of alteration of Memorandum of Association for which purpose, Mr. Shams Rafi, Chief Executive Officer and Mr. Salman Rafi, Executive Director and Mr. M. Zeeshan Saleem, Company Secretary of the company be and is hereby singly and severally authorized to fulfill all legal, corporate and procedural formalities for accomplishing alteration of the Company's Memorandum of Association as may be required by law for the implementation of this special resolution for accomplishing alteration of the Company's Memorandum of Association.

Statement under part (b) of sub-section (1) of section 32 of the companies Act 2017 is being sent to the shareholders with notice of the meeting.

(M. ZeeshanSaleem)
Company Secretary

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore:
T:+92-42-111-245-245
F:+92-42-111-222-245

Dated: September30, 2019

Notes:
1. The Members' Register will remain closed from October 16, 2019 to October 23, 2019 (both days inclusive). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 15, 2019.

2. A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting. A proxy must be a member of the Company.

3. Shareholders are requested to immediately notify the change in address, if any.

4. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:

   a. For attending the meeting:

      i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

      ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   b. For Appointing Proxies

      i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
      ii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
      iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
      iv). The proxy shall produce his original CNIC or original passport at the time of the Meeting.
      v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

5. Computerized National Identity Card (CNIC) / National Tax Number (NTN)

   CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar without any further delay.

6. Dividend Mandate Option

   Section 242 of Companies Act, 2017 and Circular No. 18/2017 dated August 01, 2017 issued by Securities and Exchange Commission of Pakistan (SECP) has directed all listed companies to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders with effect from November 01, 2017.

   In view of above, you are advised to provide your complete bank account/IBAN detail as per format given below to our share Registrar M/s. Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore (in case CDC accountholders/Sub accountholder, please provide said details to respective member Stock Exchange) enabling us to comply with above Section/Circular.

Dividend Mandate Detail	
Folio Number	
Name of Shareholder	
Title of Bank Account	
Bank Account Number (Complete)	
Bank's Name, Branch Name, Code and Address	
Cell Number	
Landline number, if any	
CNIC Number (also attach copy)	

   It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the company and the concerned Share Registrar as soon as these occur.

7. Availability of Audited Financial Statements on Company's Website

   The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2017 along with Auditors and Directors Reports thereon on its website: www.

8. Transmission of Financial Statements to the Members through e-mail

   In pursuance of SECP notification S.R.O 787 (I)/2014 dated September 08, 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Account, Auditor's Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through e-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website:

9. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 OF SUB-SECTION (3) OF THE COMPANIES ACT 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING TO BE HELD ON OCTOBER 19, 2019

Because of the enactment of the new Companies Act, 2017 and requirements of other Applicable Laws, changes have been necessitated in the Memorandum and Articles of Association of the Company. A draft of the amended Memorandum of Association and Articles of Associationidentifying the changes proposed in these documents, bearing the initials of the Company Secretary for the purpose of identification. A copy of the Memorandum and Articles of Association of the Company as on date and also indicating the proposed amendments isavailable for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, upto the last working day before the date appointed for the Annual General Meeting.

It is proposed to amend the principal line of business in Memorandum of Associationof the Company, by the insertion as stated in the Resolution in the annexed notice.

The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.

Director's Report To The Shareholders

Dear Shareholders,

The Directors are pleased to present the Audited Financial Statements of the Company for the year ended June 30, 2019 along with the Auditors' Report.

Company Overview

Jubilee Spinning & Weaving Mills Limited is a textile manufacturing unit. The company was incorporated in Pakistan and its registered office is at 45-A off Zafar Ali Khan Road, Gulberg-V, Lahore, Pakistan. The principal business of the company was to manufacture and sell yarn. In 2014, the company discarded its spinning business and disposed of its operating fixed assets. Subsequently, the company rented out its property to third parties to generate income.

Financial Results at a Glance

During the year, the Company earned after tax profit of Rs. 28.89 million after charging costs, expenses and provisions whereas last year's after-tax income was Rs. 32.86 million. The financial results of the company are summarized as follows:

	Rupees	Rupees
Year ended on	June 30, 2019	June 30, 2018
Revenue	23,682,252	37,150,238
Cost of revenue	(9,306,829)	(12,936,439)
Gross profit	14,375,423	24,213,799
Gross profit(%)	60.70%	65%
Selling, admin and other operating cost	(46,741,989)	(46,256,182)
Other income	66,104,732	67,368,116
Finance Charges	(43,112)	(82,289)
Provision for tax	(4,804,254)	(12,379,713)
Profit after tax	28,890,800	32,863,731
Earning per share	0.89	1.01

Review of Operations and Future Prospects

The company earned profit before tax Rs. 33.69 million for the year ending June 30, 2019. The gross profit is 60.70% which is lower by 4.48% compared to last year margin. Administrative expenses remained close to the last year expenses. Finance costs have remained minimal. The bottom line reflects a net of tax profit of Rs. 28.89 million with a Rs. 0.89 earning per share. Rental income increased slightly and contributedsubstantially towards the Company's profitability. The income from rent and service charges is expected to further improve financial results in the coming years.

The overall business environment in Pakistan remains challenging with inflation continuing to increase at an alarming rate. Utility charges have increased at an accelerated pace. From October 2019 till the end of this reporting period (June 2019), gas prices have increased by 30%. In July 2019 these charges were enhanced by another 40% and the impact of that will be felt in the Company's upcoming financial results. The Management continues to focus on improving the Company's profitability and is working towards improving results for the upcoming quarters. The Company is a conscious corporate citizen. The Company believes its internal financial controls are adequate.

Reservations in Auditors' Report

The auditors' report for the year highlights some opinions adversely which are addressed below:

Quote

Trade debts, loans and advances and other receivables as at 30 June 2019 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.755 million respectively receivable from and associated company outstanding since long. Our direct confirmation request to the associated company remained un-respondent. Furthermore, one of the financial institutions, on default by the associated company in preceding years, realized the Company's investments in equity securities pledged against lending to associated company. The Company treated the market price of such securities at the date of realization by the financial institution as disposal value amounting to Rupees 40.963 million and accounted for it as other receivables. The Company is uncertain about the party from whom it is to be recovered. In addition, loans and advances and other receivables as at 30 June 2019 include aggregate balance of Rupees 9.475 million receivable from other than related parties outstanding for more than one year. The management has not provide us with its assessment of expected credit losses in respect of trade and other receivables nor did account for any allowance for expected credit losses in the financial statements in respect of such balances;

Unquote

The company has filed a legal petition against the said company for the recovery. The case is in court and the management is waiting for a verdict from the honorable court. Management believes that the decision will soon be made in its favor and it will recover the outstanding amount including the amount pertaining to the investment transferred/disposed off by the financial institution. Receivable from other than related parties include 5.29 million from government institutions in respect of sales tax and custom rebate.

Quote

Revenue amounting Rupees 23.682 million accounted for in the financial statements represents billing to tenants in respect of use of Company's power house equipment. The company has disposed of its power house equipment in October 2016 and placed alternate power generators. Previously, these alternate power house generators, generating the aforesaid revenue were neither recognized in the books of account of the Company nor any rent was charged in the financial statements. During the month of October and November 2018, the company has recorded purchase of two generators replacing the previously unrecorded generators. However, the arrangement of such replacement could not be substantiated due to the lack of information as to the disposal of the previously unrecorded generators where suit have been file by ex-directors for the repossession if these generators more fully disclosed in Note 21.5 to the financial statements. Moreover, in the absence of legal opinion to this effect, we remained unable to satisfy ourselves as to whether the aforesaid arrangement with the tenants is in compliance with all the applicable regulatory provisions including income tax, sales tax and electricity duty on such revenue;
Unquote

During the financial year under review the Company purchased three generators which have been incorporated in books of the Company and depreciation has been charged thereon. There was no disposal of generators as they were not the property of the company. The Company does not have any knowledge or evidence regarding ownership of any other generators.

Quote

Certain litigations have been filed by / against the Company as disclosed in Note 21 to the financial statements. Management and the legal counsels of the Company in their direct response to our confirmation requests has not provided us their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the financial statements;

Unquote

No current litigation is expected to have any effect on the company's financial statements in any manner. Therefore, no provision or disclosure has been included in these financial statements. Note 21 to the Financial Statements presents a detailed view on this matter.

Quote

Utility bill for the month of June 2019 from Sui Southern Gas Company Limited (SSGC) reflects the outstanding aggregate demand of Rupees 68.765 million on account of Gas infrastructure Development Cess (GIDC) and General Sales Tax (GST) under litigation in addition to current billing. However, the Company has neither accounted for nor disclosed contingent liability, if any, in respect of such demand. In the absence of information about the background of demand and the Company's actions there against, we remained unable to satisfy ourselves in respect of recognition of expenses and respective liability in the financial statements;

Unquote

SSGC had been showing an amount pertains to GIDC (Gas Infrastructure Development Cess) as receivable from Jubilee Spinning & Weaving Mills Limited. It is a disputed amount. SSGC shows this amount till October 2017 as receivable and after October 2017 SSGC is not showing this amount as receivable.

Quote

The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 5.1), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether any share of profit, if any, of the associate be accounted for in the financial statements. Furthermore, we could not verify the existence and valuation of unquoted investments at fair value through other comprehensive income due to lack supporting documents and valuation from independent valuer; and

Unquote

Current year's audited/draft financial statements of Cresox (Pvt.) Limited were not available to incorporate share of profit or loss in our books. This fact has already been disclosed in Note 5.1.1 to the financial statement. The investment in Cresox (Pvt.) Limited has already been completely written off in previous years due to losses. Therefore, any accumulation in losses in Cresox (Pvt.) Limited will not have anydetrimental impact on the profitability of the company.

Quote

As on 30 June 2019 accumulated loss of the Company is Rupees 355.489 million and its current liabilities exceeds its current assets by Rupees 3.831 million. This situation may further deteriorated if the possible effects of matter discussed in paragraphs (a) to (e) above are accounted for in the financial statements. Effective from March 2014, the Company has closed its textile operations and disposed of all of its operating fixed assets except for leasehold land and building on leasehold land in preceding years. The Company initiated the process of alteration of memorandum of association to add the business of renting of properties through a special resolution passed in Extra Ordinary General Meeting of shareholders of the company held on 25 June 2019. However, the confirmation of alteration by the Securities and Exchange Commission of Pakistan is still pending. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements and notes thereto do not disclose this fact. The management of the Company also did not provide us its assessment of going concern assumption used in preparation of the financial statements and the future financial projections indicating the economic viability of the Company. These facts indicate that going concern assumption used in preparation of the financial statements is inappropriate;

Unquote

The Company has disclosed in Note 1.3 the closure of its core operation in 2014. Subsequently, the Company disposed of all plant and machinery after obtaining shareholder's approval in an EOGM dated April 04, 2015.The Management has rented out its premises to third parties, adopted renting as a core business activity and applied to SECP to alter the object clause III of its Memorandum of Association to reflect this change. This new business model has resulted in continuing profitability, reduction of accumulated losses, improvement of financial ratios (including current ratio). Current liabilities exceed current assets by Rs. 3.83 million, predominantly due to reclassification of short-term investment to long-term investment. Had this reclassification not been made, the current assets would exceed current liabilities by Rs. 3.783 million. These stated facts indicate that the Company's financial position is improving and that the Company will continue to operate as a going concern.

Board of Directors

Following persons have been the directors during the period:

Mr. Muhammad Rafi	Chairman
Mr. Shams Rafi	Chief Executive Officer
Mr. Salman Rafi	Director
Mr. UsmanShafi	Director
Mr. UmerShafi	Director
Mr. JahanzebShafi	Director
Mr. Aurangzeb Shafi	Director

Pattern of Shareholding

The statement of pattern of shareholding of the company as at June 30, 2019 is annexed. This statement is prepared in accordance with Code of Corporate Governance.

Earning per Shares

The basic earing per share for the period under review is Rs.0.89 (2018: Rs. 1.01).

Corporate Governance Compliance

As required by the Code of Corporate Governance, directors are pleased to report that:

a) The financial statements of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

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

d) International accounting standards as applicable in Pakistan have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.

e) The system of internal control is sound in design and is being consistently and effectively reviewed by the internal audit department and will continue to be reviewed and any weakness in the system will be eliminated.

f) There are no significant doubts upon the company's ability to continue as a going concern. The auditors' reservation regarding going concern matter has been duly addressed above.

g) There has been no material departure from the best practices of Corporate Governance as detailed in listing regulations.

h) The company did not declare dividend because of accumulated losses.

i) Transactions with Related Parties have been approved by the Audit Committee and the Board.

j) Value of gratuity was Rupees 14.16 million as on June 30, 2019 as per audited accounts.

k) Attendance at 6 meetings of the Board of Directors held during the year under review were as under:

Name of Director	Meetings attended
Mr. Muhammad Rafi	5
Mr. Shams Rafi	5
Mr. Salman Rafi	5
Mr. UsmanShafi	5
Mr. UmerShafi	2
Mr. JahanzebShafi	4
Mr. Aurangzeb Shafi	5

l) During the period from July 01, 2018 to 30th June 2019 change in the holding of Directors, CEO, CFO and Company Secretary and their spouses as under:

	Balance as on 30-06-2018	Change	Balance as on 30-6-2019
Mr. Muhammad Rafi	4,228,922	-	4,228,922
Mr. Shams Rafi	692,810	-	692,810
Mr. Salman Rafi	591,979	-	591,979
Mr. UsmanShafi	1,198,434	-	1,198,434
Mr. UmerShafi	1,206,073	-	1,206,073
Mr. JahanzebShafi	292,218	-	292,218
Mr. Aurangzeb Shafi	522,855	-	522,855

m) Following associated companies have the investments as under:

Crescent Cotton Mills Limited	474,323

o) The holdings of NIT and ICP are as under:

Investment Corporation of Pakistan	1891
IDBP	90

Shams Rafi
Chief Executive

Karachi
September30, 2019

حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

معزز حصص یافتگان

ڈائریکٹران کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 30 جون 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی کا سرسری جائزہ

جوبلی اسپننگ اینڈ ویونگ ملز لمیٹڈ ایک ٹیکسٹائل مینوفیکچرنگ کمپنی ہے۔ کمپنی کی تشکیل پاکستان میں ہوئی اور اس کا رجسٹرڈ پتہ A-45، بالمقابل ظفر علی خان روڈ، گلبرگ V، لاہور، پاکستان ہے۔ کمپنی کا بنیادی کاروبار یارن کی تیاری اور فروخت تھا۔ 2014 میں کمپنی نے اپنا اسپننگ کا کاروبار ختم کر دیا اور اپنے تمام کاروباری جامد اثاثے فروخت کر دیئے۔ بعدازاں کمپنی نے آمدنی حاصل کرنے کے لئے تیسرے فریقین کو اپنی جائیداد کرائے پر دے دی۔

مختصراً مالیاتی نتائج

سال کے دوران لاگتوں، اخراجات اور اختصاص نکالنے کے بعد کمپنی کو 28.89 ملین روپے کا بعد از ٹیکس منافع ہوجبکہ گزشتہ سال بعد از ٹیکس منافع 32.86 ملین روپے تھا۔ کمپنی کے مالیاتی نتائج درج ذیل ہیں:

	روپے	روپے
سال مختتمہ	**30 جون 2019**	**30 جون 2019**
آمدن	23,682,252	37,150,238
لاگت آمدن	(9,306,829)	(12,936,439)
خام منافع	14,375,423	24,213,799
خام منافع کی شرح فیصد	60.70%	65.17%
آمدن، انتظامی اور دیگر لاگتیں	(46,741,989)	(46,256,182)
دیگر آمدن	66,104,732	67,368,116
مالیاتی لاگتیں	(43,112)	(82,289)
منافع قبل از ٹیکس	(4,804,254)	(12,379,713)
منافع بعد از ٹیکس	28,890,800	32,863,731
فی حصص آمدن	0.89	1.01

کاروباری جائزہ اور مستقبل کے امکانات

سال مختتمہ 30 جون 2019 میں کمپنی کا بعد از ٹیکس منافع 33.69 ملین روپے رہا۔ خام منافع کی شرح فیصد 60.70 رہی جو کہ گزشتہ سال کی بہ نسبت 4.48

فیصد تھی- انتظامی اخراجات تقریباً اتنے ہی رہے جتنے گزشتہ سال تھے- مالیاتی لاگتوں کی سطح بھی کم رہی- سال کا قبل از ٹیکس منافع 28.89 ملین روپے رہا اس طرح فی حصص آمدن 0.89 روپے ہوگئی- کرایہ جاتی آمدن میں معمولی اضافہ ہوا اور اس نے کمپنی کے منافع میں قابل ذکر معاونت کی- کرایہ جاتی آمدن اور سروس چارجز میں آنے والے سالوں میں مزید بہتری آئے گی-

پاکستان کا مجموعی ماحول افراط زر میں تشویشناک اضافہ کی وجہ سے دشوار گزار رہا- بنیادی سہولیات (بجلی گیس وغیرہ) کے نرخوں میں تیز ترین اضافہ ہوا- اکتوبر 2018 سے جائزہ مدت (جون 2019) تک گیس کی قیمتوں میں 30 فیصد اضافہ ہوا- جولائی 2019 میں ان نرخوں میں مزید 40 فیصد اضافہ ہوا جس کے اثرات کمپنی کے آنے والے مالیاتی سال کے نتائج میں نظر آئیں گے- انتظامیہ تسلسل کے ساتھ کمپنی کے منافع میں بہتری کے لئے کوشاں ہیں اور آنے والی سہ ماہی میں نتائج میں بہتری کے لئے کام کر رہی ہے- کمپنی کو یقین ہے کہ اندرونی مالیاتی گرفت کے نظام کی شکل موزوں ہے-

آڈیٹرز رپورٹ میں تحفظات

آڈیٹرز نے اپنی رپورٹ میں کچھ ناموافق آراء کو اجاگر کیا ہے جن کا اجواب درج ذیل انداز میں کیا گیا ہے:

اعتراض

30 جون 2019 کو تجارتی قرضوں، قرض وادھار اور دیگر وصولیوں کی مد میں بالترتیب 19.298 ملین روپے، 22.574 ملین روپے اور 14.755 ملین روپے طویل مدت سے ملحقہ کمپنی اور دیگر سے قابل وصول ہیں- ہماری بالواسطہ تصدیقی درخواست کے جواب میں ملحقہ کمپنی نے کوئی جواب نہیں دیا- مزید برآں ملحقہ کمپنی کئی سالوں سے ایک مالیاتی ادارے کی نادہندہ ہے، مالیاتی ادارے نے کمپنی کی رہن رکھی ہوئی حصص سرمایہ کاریوں کو قرض کے عوض فروخت کردیا- کمپنی نے ان حصص کو مالیاتی ادارے کی جانب سے فروخت کے وقت بازاری قیمت 40.963 ملین کے حساب سے بک کرلیا اور اسے اپنی واجب الوصولیوں میں دکھایا- کمپنی اس بارے میں غیر یقینی کیفیت کا شکار ہے کہ وہ کس سے یہ رقم وصول کرے- اس کے علاوہ قرض وادھار اور دیگر وصولیوں کی مد میں 9.475 ملین روپے دیگر ملحقہ پارٹیوں سے گزشتہ ایک سال سے قابل وصول ہیں- انتظامیہ نے تجارتی قرضوں اور دیگر واجب الوصولیوں کی مد میں متوقع قرضوں کے خساروں کی تشخیص نہیں کی نہ ہی ان واجب الوصولویوں کے عوض متوقع خساروں کی مد میں مالیاتی گوشوارں میں کوئی اختصاص دکھایا ہے-

جواب

کمپنی نے ایک قانونی عرضی مذکورہ کمپنی کے خلاف رقم کی بازیابی کے لئے دائر کردی ہے- کیس عدالت میں زیر التواء ہے اور انتظامیہ معزز عدالت کے فیصلے کا انتظار کر رہی ہے- انتظامیہ کو یقین ہے کہ فیصلہ اس کے حق میں آئے گا اور وہ قابل وصول رقم کو بازیاب کرالے گی کے، اس کے علاوہ منتقل شدہ /فروخت شدہ سرمایہ کاری کی رقم بھی وصول کرلے گی- دیگر ملحقہ پارٹیوں سے 5.29 ملین روپے قابل وصول ہیں جو کہ سرکاری اداروں سے سیلز ٹیکس اور کسٹم ریبیٹ کی مد میں ہیں-

اعتراض

مالیاتی گوشواروں میں 23.682 ملین روپے کا ریوینیو دکھایا گیا ہے جس کا تعلق کمپنی کے پاور ہاؤس کے استعمال پر کرایہ داروں کو کی جانے والی بلنگ ہے- کمپنی نے اپنا پاور ہاؤس اکتوبر 2016 میں فروخت کردیا تھا اور متبادل پاور جنریٹر لگائے تھے- ماضی میں ان متبادل پاور ہاؤس جنریٹرز سے حاصل شدہ مذکورہ بالا ریوینیو کو نہ تو کھاتوں کی کتابوں میں دکھایا گیا نہ ہی کوئی کرایہ کمپنی نے مالیاتی گوشواروں میں دکھایا- ماہ اکتوبر اور نومبر 2018 کے دوران کمپنی نے غیر ریکارڈ شدہ جنریٹرز کی جگہ پر دو نئے جنریٹرز کی خریداری کو ریکارڈ کیا- تاہم غیر ریکارڈ شدہ جنریٹرز کی فروخت کے بارے میں ناکافی معلومات کی بناء پر اس مبادلہ کے اہتمام کو ثابت نہ کیا جاسکا جس کے بارے میں سابقہ ڈائریکٹران نے ان جنریٹرز کی اپنی دوبارہ ملکیت کے لئے مقدمہ دائر کیا ہوا ہے جسے مالیاتی گوشواروں کے نوٹ 21.5 میں منکشف کیا گیا ہے- تاہم اس سلسلے میں قانونی رائے کی عدم موجودگی میں ہم اپنے آپ کو مطمئن نہ کرپائے کہ آیا کرایہ داروں کے ساتھ مندرجہ بالا اہتمام تمام قانونی ضابطوں بشمول انکم ٹیکس، سیلز ٹیکس اور الیکٹریسٹی ڈیوٹی کی پاسداری کرتے ہوئے کیا گیا ہے-

جواب

جائزہ مالیاتی سال کے دوران کمپنی نے تین جنریٹرز خریدے خرید جنہیں کمپنی کی کتابوں میں دکھایا گیا ہے اور اس سلسلے میں فرسودگی کے اخراجات بھی لگائے گئے ہیں- کمپنی نے نہ تو جنریٹرز فروخت کئے ہیں اور نہ ہی اپنی کوئی جائیداد فروخت کی ہے- کمپنی کے پاس ان جنریٹرز کی ملکیت کے بارے میں کوئی ثبوت یا معلومات نہیں ہے-

اعتراض

مخصوص مقدمہ بازیاں کمپنی نے/کمپنی کے خلاف دائر کی گئی ہیں جنہیں مالیاتی گوشواروں کے نوٹ 21 میں بتایا گیا ہے- انتظامیہ اور کمپنی کے قانونی مشیر نے ہماری بلاواسطہ تصدیقی درخواستوں کے جواب میں ان مقدمہ بازیوں کے امکانی نتائج پر کوئی تشخیص فراہم نہیں- لہذا ہم اس بارے میں تشخیص نہ کرسکے کہ آیا ان مقدمہ بازیوں کے عوض کوئی اختصاص کرنا چاہئے تھا یا صرف مالیاتی گوشواروں میں ان کو منکشف کرنا ہی کافی تھا-

جواب

کمپنی کے مالیاتی گوشواروں پر موجودہ مقدمہ بازیوں کے کسی بھی انداز سے کوئی اثرات مرتب نہیں ہونگے- لہذا کوئی اختصاص یا انکشاف ان مالیاتی گوشواروں میں نہیں دکھایا گیا- اس معاملہ پر مالیاتی گوشواروں کا نوٹ نمبر 21 تفصیلی جائزہ پیش کرتا ہے-

اعتراض

جون 2019 کے سوئی سدرن گیس کمپنی لمیٹڈ (SSGC) کے بل میں مجموعی طور پر متنازعہ اگیس انفرااسٹرکچر ڈویلپمنٹ سیس (GIDC) اور جنرل سیلز ٹیکس (GST) کی مد میں 68.765 ملین روپے واجب الادا ہیں جو کہ موجودہ بلنگ کے علاوہ ہیں- تاہم کمپنی نے نہ تو اس مطالبہ کو غیر یقینی واجبات (اگر کوئی ہوں) کے طور پر منکشف کیا نہ اسے کتابوں میں دکھایا- مطالبہ کے پس منظر کے بارے میں معلومات کی عدم موجودگی اور کمپنی کی جانب سے کوئی اقدام نہ لینے کی وجہ سے ہم اخراجات کو تسلیم کرنے اور متعلقہ واجبات کو مالیاتی گوشواروں میں نہ دکھانے پر اپنے آپ کو مطمئن نہ کرسکے-

جواب

SSGC نے واجب الادو جو رقم جوبلی اسپننگ اینڈ ویونگ ملز پر واجب الادا بتائی ہے اس کا تعلق GIDC (گیس انفراسٹرکچر ڈویلپمنٹ سیس) سے ہے- یہ

ایک متنازعہ رقم ہے۔SSGC نے یہ رقم اکتوبر 2017 سے یہ واجب الاداد کھائی ہے اور اکتوبر 2017 کے بعد سے SSGC نے اس رقم کو قابل وصول نہیں دکھایا ہے۔

اعتراض

ملحقہ کمپنی کریسوکس (پرائیویٹ) لمیٹڈ کے حالیہ آڈٹ شدہ/غیر آڈٹ سدہ مالیاتی گوشواروں اکاؤنٹنگ کے ایکویٹی میتھڈ کے (نوٹ 5.1) کے تحت کمپنی میں دستیاب نہیں تھے۔ حالیہ مالیاتی گوشواروں کی عدم موجودگی میں ہم اپنے آپ کو اس بات سے مطمئن نہ کر پائے کہ کیا ملحقہ کمپنی کا کوئی منافع یا خسارہ اگر کوئی ہوتو اسے مالیاتی گوشواروں میں شامل کیا گیا ہے۔ مزید برآں ہم سرمایہ کاریوں کی موجودگی اور ان کی مالیت کو مساواتی قدر کی دیگر جامع آمدن میں تصدیق نہیں کر پائے جس کی وجہ تائیدی دستاویزات اور آزاد تشخیص کنندہ کی جانب سے تشخیص مالیت کی عدم دستیابی تھی۔

جواب

کریسوکس (پرائیویٹ) لمیٹڈ کے موجودہ سال کے آڈٹ شدہ/مسودہ مالیاتی گوشوارے دستیاب نہیں تھے اس لئے ہم منافع یا خسارہ کو اپنی کتابوں میں ریکارڈ نہیں کر پائے۔ اس حقیقت کو مالیاتی گوشواروں کے نوٹ 5.1.1 میں پہلے ہی منکشف کیا جا چکا ہے۔ کریسوکس (پرائیویٹ) لمیٹڈ میں سرمایہ کاری گزشتہ سالوں کے خساروں کی وجہ سے ختم ہو چکی ہے۔ لہذا کریسوکس (پرائیویٹ) لمیٹڈ کے جمع شدہ خساروں سے کمپنی کی منافع کاری پر کوئی منفی اثرات مرتب نہیں ہونگے۔

اعتراض

30 جون 2019 کو کمپنی کا جمع شدہ خسارہ 355.489 ملین روپے تھا اور اس کے واجبات اس کے اثاثوں سے 3.831 ملین روپے بڑھ گئے تھے۔ یہ صورتحال مزید ابتر ہو جائے گی اگر مندرجہ بالا پیراگراف (a) تا (e) میں بتائے گئے معاملات کو مالیاتی گوشواروں میں نہ دکھایا گیا۔ مارچ 2014 سے کمپنی نے گزشتہ سالوں میں اپنے ٹیکسٹائل کے تمام افعال بند کر دیئے اور تمام کاروباری جامد اثاثے فروخت کر دیئے سوائے لیز شدہ زمین کے اور اس زمین پر تعمیر شدہ عمارت کے۔ کمپنی نے میمورینڈم آف ایسوسی ایشن میں ترمیم کے عمل کا آغاز کر دیا ہے جس میں 25 جون 2019 کے غیر معمولی اجلاس میں ایک خصوصی قرارداد کے ذریعے حصص یافتگان سے جائیداد کے کرایہ جاتی کاروبار کو اضافہ کرنے کی منظوری لی تھی۔ تاہم سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے اس کی تصدیق ابھی زیر التوا ہے۔ ان واقعات سے ایک انتہائی غیر یقینی کیفیت پیدا ہوتی ہے جس سے کمپنی کے چلتے ہوئے ادارہ کی صلاحیت میں قابل ذکر شک وشبہ پیدا ہوتا ہے اور لہذا کمپنی عمومی طریقہ کار کے مطابق اپنے واجبات سے عہدہ برآں نہیں ہو سکے گی اور اثاثوں کو فروخت نہیں کر سکے گی۔ مالیاتی گوشوارے اور اس کے نوٹس اس حقیقت کو منکشف نہیں کرتے۔ کمپنی کی مالیاتی گوشواروں کی تیاری میں انتظامیہ نے چلتے ہوئے ادارے کے مفروضہ پر اپنی کوئی تشخیص فراہم نہیں کی اور نہ ہی مستقبل کے امکانات بتائے جن سے کمپنی کی معاشی نمو پذیری کی نشاندہی ہو۔ ان حقائق سے نشاندہی ہوتی ہے کہ مالیاتی گوشواروں کی تیاری میں استعمال کیا گیا چلتے ہوئے ادارے کا مفروضہ غیر مناسب ہے۔

جواب

کمپنی نے اپنے نوٹ نمبر 1.3 میں 2014 سے اپنے بنیادی کاروباری افعال کو بند کر دیا ہے۔ بعد ازاں کمپنی نے EOGM منعقدہ 04 اپریل 2015 میں حصص یافتگان سے اپنے پلانٹ اینڈ مشینری کی فروخت کے لئے منظوری لے لی تھی۔ انتظامیہ نے اپنی جائیداد تیسرے فریقین کو کرائے پر دے دی ہے اور کرائے کو اپنی بنیادی سرگرمی کے طور پر اختیار کر لیا ہے اور اس تبدیلی کی عکاسی کے لئے SECP میں میمورینڈم آف ایسوسی ایشن کے مقاصد شق III میں ترمیم کی درخواست کی ہے۔

نئے کاروباری ماڈل کی وجہ سے تسلسل کے ساتھ منافع، جمع شدہ خساروں میں کمی اور مالیاتی شرحوں میں بہتری (بشمول موجودہ شرح) آ رہی ہے۔ رواں واجبات رواں اثاثوں سے 3.83 ملین بڑھ گئے جس کی بنیادی وجہ قلیل مدتی سرمایہ کاری کی طویل مدتی سرمایہ کاری میں از سر نو درجہ بندی تھی۔ بتائے گئے حقائق کی بنیاد پر کمپنی کی مالیاتی پوزیشن بہتر ہو رہی ہے اور یہ کہ کمپنی کی چلتے ہوئے ادارے کی حیثیت برقرار رہے گی۔

بورڈ آف ڈائریکٹرز

جائزہ مدت کے دوران درج ذیل افراد ڈائریکٹر رہے۔

جناب محمد رفیع	چیئرمین
جناب شمس رفیع	چیف ایگزیکٹو
جناب سلمان رفیع	ڈائریکٹر
جناب عثمان رفیع	ڈائریکٹر
جناب جہانزیب شفیع	ڈائریکٹر
جناب اورنگزیب شفیع	ڈائریکٹر

حصص داری کی ساخت

30 جون 2019 کو حصص داری کی ساخت کا گوشوارہ منسلک ہے۔ یہ گوشوارہ ادارتی نظم وضبط کے ضابطہ کے تحت تیار کیا گیا ہے۔

فی حصص آمدن

جائزہ مدت کی بنیادی فی حصص آمدنی 0.89 روپے رہی (2018 میں 1.01 روپے)

ادارتی نظم وضبط کی پاسداری

ادارتی نظم وضبط کی پاسداری کرتے ہوئے ڈائریکٹران مسرت کے ساتھ مندرجہ ذیل رپورٹ کرتے ہیں:

۱) کمپنی کے مالیاتی گوشوارے، کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

۲) کمپنی میں حسابات کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔

۳) درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران کو ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔

۴) مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں، کو ملحوظ خاطر رکھا گیا ہے۔

۵) اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔ اندرونی گرفت کی نگرانی کا یہ عمل اس مقصد سے ساتھ جاری رکھا جاتا ہے کہ گرفت کو مزید مستحکم اور نظام کو بہتر بنایا جا سکے۔

۶) کمپنی کی بڑھتی ہوئی کاروباری صلاحیت کے تسلسل میں کوئی قابل ذکر شک وشبہ نہیں ہے۔ آڈیٹرز نے چلتے ہوئے مفروضہ پر تحفظات دیئے ہیں جن کا باضابطہ ازالہ کر دیا گیا ہے۔

۸) ادارتی نظم وضبط کے بہترین طور طریقوں سے کوئی قابل گرفت انحراف نہیں کیا گیا ہے۔

ملحقہ پارٹیوں کے ساتھ سودے بورڈ کی آڈٹ کمیٹی اور بورڈ نے منظور کیے۔

j) 30 جون 2019 کو ان کے آڈٹ شدہ اکاؤنٹس کے مطابق گریچویٹی سے کی گئی سرمایہ کاری کی مالیت 14.16 ملین روپے ہے۔

k) جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے 6 اجلاس ہوئے جن میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	
جناب محمد رفیع	5
جناب شمس رفیع	5
جناب سلمان رفیع	5
جناب عثمان شفیع	5
جناب عمر شفیع	2
جناب جہانزیب شفیع	4
جناب اورنگزیب شفیع	5

l) جائزہ مدت کے دوران یکم جولائی 2018 سے 30 جون 2019 تک ڈائریکٹران، CEO، CFO اور کمپنی سیکریٹری اور ان کے شریک حیات نے کمپنی کے حصص میں کوئی خرید وفروخت نہیں کی۔

	مالیت 30 جون 2018	تبدیلی	مالیت 30 جون 2019
جناب محمد رفیع	4,228,922	-	4,228,922
جناب شمس رفیع	692,810	-	692,810
جناب سلمان رفیع	591,979	-	591,979
جناب عثمان شفیع	1,198,434	-	1,198,434
جناب عمر شفیع	1,206,073	-	1,206,073
جناب جہانزیب شفیع	292,218	-	292,218
جناب اورنگزیب شفیع	522,855	-	522,855

m) ملحقہ کمپنیوں کی سرمایہ کاریاں درج ذیل ہیں:

کریسنٹ کاٹن ملزلمیٹڈ	474,323

o) NITاور ICP کی حصص داری درج ذیل ہے:

انویسٹمنٹ کارپوریشن آف پاکستان	1981
آئی ڈی بی پی	90

شمس رفیع
چیف ایگزیکٹو

کراچی
30 ستمبر 2019

Key Operating and Financial Ratios

For The Period From 2013 To 2019

Operating Information		2019	2018	2017 (restated)	2016	2015	2014 (restated)	2013
Sales - Net	Rs. In Mln	23.68	37.15	24.03	17.89	14.87	332.94	394.45
Cost of Goods Sold	Rs. In Mln	9.31	12.94	7.52	(11.04)	29.51	361.58	399.23
Gross Profit/(Loss)	Rs. In Mln	14.38	24.21	16.51	6.85	(14.64)	(28.64)	(4.78)
Profit/(Loss) from operations	Rs. In Mln	33.74	45.33	140.73	14.00	(37.50)	(39.15)	0.09
Profit/(Loss) befor taxation	Rs. In Mln	33.70	45.24	140.70	13.90	(37.68)	(41.49)	(5.08)
Profit/(Loss) after taxation	Rs. In Mln	28.89	32.86	115.35	5.75	(40.36)	(37.91)	(6.71)
Financial Information								
Paid up Capital	Rs. In Mln	324.91	324.91	324.91	324.91	324.91	324.91	324.91
Equity Balance	Rs. In Mln	(355.49)	(384.58)	(417.23)	(119.26)	(114.62)	(71.78)	(39.03)
Fixed Assets	Rs. In Mln	696.78	664.59	645.68	601.91	681.32	643.43	627.50
Current Assets	Rs. In Mln	121.42	133.07	137.78	136.72	242.81	270.74	307.22
Current Liabilities	Rs. In Mln	125.25	134.15	151.14	165.72	200.84	252.65	273.50
Total Assets	Rs. In Mln	818.19	797.66	783.46	738.63	924.13	914.17	934.72
Key Ratios								
Gross Margin	percent	60.70	65.18	68.72	38.29	(98.45)	(8.60)	(1.21)
Operating Margin	percent	142.46	122.01	585.58	78.23	(252.19)	(11.76)	0.02
Net Profit/(Loss)	percent	121.99	88.46	479.99	32.14	(271.42)	(11.39)	(1.70)
Return on Capital Employed	percent	0.04	0.05	0.18	0.01	(0.06)	(0.06)	(0.01)
Current Ratio	Times	0.97	0.99	0.91	0.82	1.21	1.07	1.12
Earning Per Share	Rs.	0.89	1.01	3.55	0.18	(1.24)	(1.17)	(0.21)
Production Statistics								
Number of Spindle	Numbers	-	-	-	-	-	9,000.00	9,000.00
Production converted into 20/s Count	Kgs	-	-	-	-	-	750,277.00	793,510.00

Vision & Mission Statement

Vision Statement

Jubilee Spinning & Weaving Mills Limited is a manufacturing concern that produces high quality cotton and polyester carded and combed yarn. The company is committed to making sustained efforts towards optimum utilization of its resources and intends to play a pivotal role in the economic and social development of Pakistan thereby improving the quality of life of its people.

Mission Statement

To achieve a leadership position in providing high quality services.

To be recognized as an organization that delivers on its commitments with integrity.

To be an equal opportunity employer and to motivate every employee to strive for excellence in meeting and exceeding customers' needs to ensure the company's future prosperity.

To be a responsible corporate citizen and contribute to our community by participating in social and environmental causes.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

This statement is being presented to comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) for the purpose of establishing a framework of good governance.

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

1. The total number of director are seven as per the following:

   a. Male: 7
   b. Female: -

2. The composition of boardis as follows:

CATEGORY	NAME
Independent directors	-
Non - Executive directors	Mr. Jahanzeb Shafi Mr. Aurangzeb Shafi Mr. Muhammad Rafi Mr. Umer Shafi Mr. Usman Shafi
Executive directors	Mr. Shams Rafi - Chief Executive Officer (CEO) Mr. Salman Rafi

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

4. The Company has not prepared the ‘Code of Conduct’accordingly, no 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 only and overall corporate strategy and significant policies of the Company are being developed having regard to the level of materiality.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. All meetings of the board were presided over by the Chairman.The board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of board.

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

9. Fiveout of seven directors of the Company are exemptedfrom the requirements of Directors' Training Program. Under clause 20 of the chapter VII of the Regulations, the two directors will follow the director's training program in due course of time.

10. During the year, there has been no change in the position and terms and conditions of employment of Chief Financial Officer (CFO) and Company Secretary. No appointment of Head of Internal Audit was made during the year.

11. The CFO and CEO have duly endorsed the financial statements before approval of the board.

12. The Board has formed an Audit Committee comprising of members given below:

a) Audit Committee	Mr. Usman Shafi - Chairman Mr. Muhammad Rafi - Member Mr. Umer Shafi - Member

13. The terms of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

    a. Audit Committee 4 quarterly meetings

15. The board has set-up an effective internal audit functionsupervised by a qualified Head of Internal Audit who is considered suitably 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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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. Except as stated above, we confirm that all other requirements of the Regulations have been complied with.

Muhammad Rafi
Chairman

Karachi
Date: September 30, 2019

INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT

To the members of Jubilee Spinning & Weaving Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Jubilee Spinning & Weaving Mills Limited("the Company") for the year ended 30 June 2019in accordance with the requirements of regulation 40 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control 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 the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendations of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

- The positions of Chief Financial Officer (CFO) and Chief Executive Officer (CEO) of the Company are held by same person. Further, the person appointed as CFO does not meet the qualification requirements prescribed in regulation 23;
- There does not exist a formal policy for remuneration of Directors in contravention of regulation 17;
- We were not provided with directors' training program exemption certificate from Securities and Exchange Commission of Pakistan. Accordingly, we were not able to verify the statement made in paragraph No. 9 of the Statement of Compliance;
- Chairmen of the Audit Committee, Human Resource and Remuneration Committee are not an independent director in contravention of regulation 28(b) and 29(1) respectively;
- We were not provided with terms of reference of audit committee and human resource and remuneration committee. Accordingly, we were not able to verify the statement made in paragraph No. 13 of the Statement of Compliance;
- The Company does not have an internal audit function in contravention of regulation 32(1)(a);
- We were not provided with a formal and effective mechanism for an annual evaluation of the board's own performance, members of board and of its committees under regulation 10(3(iii));
- We were not provided with significant policies as required under regulation 10(4);
- The Company has not made any arrangements to carry out orientation courses for their directors to acquaint them with applicable laws and regulations in order to govern the affairs of the Company effectively in contravention of regulation 19; and

- The Company has not complied with the financial reporting and corporate compliance requirements of the Regulations. The financial statements of the Company have not been prepared in accordance with approved accounting standards as applicable in Pakistan. Therefore, the financial statements do not give a true and fair view of state of the Company's affairs as at 30 June 2019 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Based on our review, except for the above instances of non-compliance, 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 Regulations as applicable to the Company for the year ended 30 June 2019.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Paragraph Reference	Description
i.	1	There is no female director on the Board.
ii.	2	There is no independent director on the Board.
iii.	4	The Company has not prepared the Code of Conduct.
iv.	5	Overall corporate strategy and significant policies are being developed.
v.	10	Head of Internal Audit was not appointed.

Riaz Ahmed & Company
Chartered Accountant

Karachi
September 30, 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Jubilee Spinning & Weaving Mills Limited Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Jubilee Spinning & Weaving Mills Limited ("the Company"), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, 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 forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of state of the Company's affairs as at 30 June 2019 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for AdverseOpinion

(a) Trade debts, loans and advances and other receivables as at 30 June 2019 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.755 million respectively receivable from an associated company outstanding since long. Our direct confirmation request to the associated company remained un-responded. Furthermore, one of the financial institutions, on default by the associated company in preceding years, realized the Company's investments in equity securities pledged against lending to associated company. The Company treated the market price of such securities at the date of realization by the financial institution as disposal value amounting to Rupees 40.963 million and accounted for it as other receivables. The Company is uncertain about the party from whom it is to be recovered. In addition, loans and advances and other receivables as at 30 June 2019 include aggregate balance of Rupees 9.475million receivable from other than related parties outstanding for more than one year. The management has not provided us with its assessment of expected credit losses in respect of trade and other receivables nor did account for any allowance for expected credit losses in the financial statements in respect of such balances;

(b) Revenue amounting Rupees 23.682 million accounted for in the financial statements represents billing to tenants in respect of use of Company's power house equipment. The Company has disposed of its power house equipment in October 2016 and placed alternate power generators. Previously, these alternate power generators, generating the aforesaid revenue were neither recognized in the books of account of the Company nor any rent was charged in the financial statements. During the months of October and November 2018, the Company has recorded purchase of two generators replacing the previously unrecorded generators. However, the arrangement of such replacement could not be substantiated due to the lack of information as to the disposal of the previously unrecorded generators where suit have been filed by ex-director for the repossession of these generators morefully disclosed in Note 21.5 to the financial statements. Moreover, in the absence of legal opinion to this effect, we remained unable to satisfy ourselves as to whether the aforesaid arrangement with the tenants is in compliance with all the applicable regulatory provisions including income tax, sales tax and electricity duty on such revenue;

(c) Certain litigations have been filed by / against the Company as disclosed in Note 21 to the financial statements. Management and the legal counsels of the Company, in their direct responsesto our confirmation requests, have not provided us with their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the financial statements;

(d) Utility bills for the month of June 2019 from Sui Southern Gas Company Limited (SSGC) reflect the outstanding aggregate demand of Rupees 68.765 million on account of Gas Infrastructure Development Cess (GIDC) and General Sales Tax (GST) under litigation in addition to current billing. However, the Company has neither accounted for nor disclosed the contingent liability, if any, in respect of such demand. In the absence of information about this demand and the Company's actions there against, we remained unable to satisfy ourselves in respect of recognition of expenses and respective liability in the financial statements;

(e) The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 5.1), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether any share of profit of the associate be accounted for in the financial statements. Furthermore, we could not verify the existence and valuation of unquoted investments at fair value through other comprehensive income due to lack of supporting documents and valuation from independent valuer; and

(f) As on 30 June 2019, accumulated loss of the Company is Rupees 355.489 million and its current liabilities exceeds its current assets by Rupees 3.831 million. This situation may further deteriorated if the possible effects of matter discussed in paragraphs (a) to (e) above are accounted for in the financial statements.Effective from March 2014, the Company has closed its textile operations and disposed of all of its operating fixed assets except for leasehold land and building on leasehold land in preceding years. The Company initiated the process of alteration of its memorandum of association to add the business of renting of properties through a special resolution passed in extra ordinary general meeting of shareholders of the Company held on 25June 2019. However, confirmation of alteration by the Securities and Exchange Commission of Pakistan is still pending. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements and notes thereto do not disclose this fact. The management of the Company also did not provide us its assessment of going concern assumption used in preparation of the financial statements and the future financial projections indicating the economic viability of the Company. These facts indicate that going concern assumption used in preparation of the financial statements is inappropriate.

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 adverse opinion.

Key Audit Matter

Key audit matteris the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matterwas 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 this matter. In addition to the mattersdescribed in the Basis for Adverse Opinion section we have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	Valuation of investment properties The Company revalued its investment properties (i.e. leasehold land and building comprising godowns leased out by the Company to multiple tenants) based on the valuation carried out by an independent external valuer engaged by the management. The valuation of such properties was identified as an area subject to significant risk due to its significant effect on the Company's financial position as well as the profitability and earnings per share for the year. As part of our risk assessment exercise, we considered the risk that the aforesaid valuation may be materially overstated. For further information, refer to note 2.7 and note 4 to the financial statements.	Our procedures included, but were not limited to: • Obtained and inspected the valuation report prepared by the external independent expert engaged by the Company on which the management's assessment of the valuation of investment properties was based. • Evaluated the objectivity, competence and independence of the external independent expert. • Performed assessment of the methods used, inputs and key assumptions. • Considered and tested particular calculations of the external independent expert on sample basis. • Evaluated the information provided by the Company to the external independent expert by inspecting the relevant underlying documentation. • Tested and assessed the completeness, appropriateness and adequacy of the disclosures in the financial statements with regard to the revaluation performed.

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 annual report, but does not include the financial statements and our 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. Because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, we have concluded that the other information is materially misstated for the same reasons.

Responsibilities of Management and Board of Directors for the Financial Statements

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide 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:

a) except for the effects of the matters discussed in the Basis for Adverse Opinion section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the effects of the matters discussed in the Basis for Adverse Opinion section of our report, thestatement of financial position, thestatement of profit or loss, the statementof comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017)and are in agreement with the books of account and returns;

c) except for the effects of the matters discussed in the Basis for Adverse Opinion section of our report, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

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

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: September 30, 2019

STATEMENT OF FINANCIAL POSITION

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	76,921,101	63,284,370
Investment property	4	596,785,876	587,552,160
Long term investments	5	7,875,549	261,145
Long term loans	6	835,140	1,534,840
Long term deposits	7	14,360,293	11,957,004
		696,777,959	664,589,519
CURRENT ASSETS			
Stores, spare parts and loose tools		801,630	-
Trade debts	8	20,735,091	23,353,862
Loans and advances - unsecured, considered good	9	23,035,614	24,471,714
Other receivables - unsecured, considered good	10	65,766,956	65,417,822
Advance income tax and refund		5,300,079	5,981,762
Short term investments	11	-	8,572,151
Cash and bank balances	12	5,777,264	5,269,057
		121,416,634	133,066,368
		818,194,593	797,655,887

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

AS AT JUNE 30, 2019

Rupees	Note	2019 Rupees	2018 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
34,000,000 (2018: 34,000,000) ordinary shares of Rupees 10 each		340,000,000	340,000,000
Issued, subscribed and paid up share capital	13	324,912,050	324,912,050
Revenue reserves			
General		51,012,000	51,012,000
Accumulated loss		(355,489,458)	(384,583,845)
Capital reserves			
Fair value reserve on 'Fair value through other comprehensive income' investments	14	5,598,805	6,556,552
Revaluation surplus on property, plant and equipment	15	651,156,032	650,071,435
Total equity		677,189,429	647,968,192
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	16	-	-
Deferred income tax liablity	17	11,335,702	11,252,547
Employees' retirement benefits	18	4,421,903	4,287,772
		15,757,605	15,540,319
CURRENT LIABILITIES			
Trade and other payables	19	81,518,248	85,245,907
Over due and current portion of long term financing	16	14,574,680	14,574,680
Accrued mark-up	20	9,928,940	9,928,940
Provisions		577,737	577,737
Unclaimed dividend		18,647,954	23,820,112
Provision for taxation		125,247,559	134,147,376
		141,005,164	149,687,695
TOTAL LIABILITIES			
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		818,194,593	797,655,887

The annexed notes from 1 to 40 form an integral part of these financial statements.

Shams Rafi Chief Executive	Salman Rafi Director	Shams Rafi Chief Financial Officer

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees	2018 Rupees
Revenue	22	23,682,252	37,150,238
Cost of revenue	23	(9,306,829)	(12,936,439)
Gross profit		14,375,423	24,213,799
Administrative and general expenses	24	(46,741,989)	(46,256,182)
Other expenses	25	-	-
		(46,741,989)	(46,256,182)
Other income	26	66,104,732	67,368,116
Profit from operations		33,738,166	45,325,733
Finance cost	27	(43,112)	(82,289)
Profit before taxation		33,695,054	45,243,444
Provision for taxation	28	(4,804,254)	(12,379,713)
Profit after taxation		28,890,800	32,863,731
Earnings per share - basic and diluted (Rupees)	29	0.89	1.01

The annexed notes from 1 to 37 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	2019 Rupees	2018 Rupees
PROFIT AFTER TAXATION	28,890,800	32,863,731
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss		
- Revaluation surplus on Property, plant and equipment	1,084,597	1,790,793
- Effect of change in tax rates on balance of revaluation surplus	-	292,253
	1,084,597	2,083,046
- Actuarial (loss) / gain on remeasurement of employees retirement benefits	286,742	(311,631)
- Related deferred tax	(83,155)	90,373
	203,587	(221,258)
- Unrealized loss arising on remeasurement of investments at fair value through other comprehensive income'	(957,747)	-
	330,437	1,861,788
Items that may be reclassified subsequently to profit or loss		
- Realized loss on investments at 'available for sale'	-	(27,234)
- Unrealized loss arising on remeasurement of investments at 'available for sale'	-	(3,694,392)
	-	(3,721,626)
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	29,221,237	31,003,893

The annexed notes from 1 to 40 form an integral part of these financial statements.

Shams Rafi Chief Executive	Salman Rafi Director	Shams Rafi Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Share capital	RESERVES								TOTAL EQUITY
		CAPITAL				REVENUE			Total	
		Fair value reserve on 'available for sale' investments	Equity portion of directors' loans	Surplus on revaluation of property plant and equipment	Sub Total	General reserve	Accumulated loss	Sub Total		
	----------Rupees----------									
Balance as at 30 June 2017 (restated)	324,912,050	10,278,178	-	647,988,389	658,266,567	51,012,000	(417,226,318)	(366,214,318)	292,052,249	616,964,299
Profit for the year	-	-	-	-	-	-	32,863,731	32,863,731	32,863,731	32,863,731
Other comprehensive loss for the year	-	(3,721,626)	-	2,083,046	(1,638,580)	-	(221,258)	(221,258)	(1,859,838)	(1,859,838)
Total comprehensive income for the year	-	(3,721,626)	-	2,083,046	(1,638,580)	-	32,642,473	32,642,473	31,003,893	31,003,893
Balance as at 30 June 2018	324,912,050	6,556,552	-	650,071,435	656,627,987	51,012,000	(384,583,845)	(333,571,845)	323,056,142	647,968,192
The annexed notes from 1 to 40 form an integral part of these financial statements.										
Adjustment on adoption of IFRS 9 (Note 2.7)	-	(6,556,552)	6,556,552	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	28,890,800	28,890,800	28,890,800	28,890,800
Other comprehensive income for the year	-	-	(957,747)	1,084,597	126,850	-	203,587	203,587	330,437	330,437
Total comprehensive income for the year	-	-	(957,747)	1,084,597	126,850	-	29,094,387	29,094,387	29,221,237	29,221,237
Balance as at 30 June 2019	324,912,050	-	5,598,805	651,156,032	656,754,837	51,012,000	(355,489,458)	(304,477,458)	352,277,379	677,189,429

The annexed notes from 1 to 37 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Profit before taxation		33,695,054	45,243,444
Adjustments for non-cash charges and other items:			
Depreciation		847,339	8,028
Provision for gratuity		566,393	464,677
Provision for doubtful debts		-	2,862,618
Dividend income		(110)	(49,571)
Fair value gain on investment property		(9,233,716)	(14,003,737)
Rental income		(55,774,992)	(52,737,660)
Gain on disposal of short term investments		-	(153,859)
Gain on disposal of property, plant and equipment		(324,352)	-
Finance cost		43,112	82,289
		(63,876,326)	(63,527,215)
Net cash used in operating activities before working capital changes		(30,181,272)	(18,283,771)
Working capital changes			
(Increase) / decrease in current assets			
Stores & Spares		(801,630)	-
Trade debts		2,618,771	(1,031,880)
Loans and advances		1,436,100	(1,149,000)
Other receivables		(349,134)	(802,208)
Increase / (decrease) in current liabilities			
Trade and other payables		(413,719)	(13,917,765)
Working capital changes		2,490,388	(16,900,853)
Cash used in operations		(27,690,884)	(35,184,624)
Finance cost paid		(43,112)	(82,289)
Income tax paid		(9,294,729)	(9,109,281)
Gratuity paid		(3,459,460)	(2,360,963)
Net cash used in operating activities		(40,488,185)	(46,737,157)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		500,000	-
Addition of property, plant and equipment		(13,575,121)	-
Proceeds on disposal of investment		-	160,574
Long term deposits paid		(2,403,289)	(2,848,678)
Long term loans to employees recovered		699,700	(376,000)
Rental income		55,774,992	52,737,660
Dividends received		110	49,571
Net cash generated from investing activities		40,996,392	49,723,127
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net increase in cash and cash equivalents		508,207	2,985,970
Cash and cash equivalents at the beginning of the year		5,269,057	2,283,087
Cash and cash equivalents at the end of the year	12	5,777,264	5,269,057

The annexed notes from 1 to 37 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. THE COMPANY AND ITS OPERATIONS

1.1 Jubilee Spinning & Weaving Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on 12 December 1973 under the Companies Act, 1913 (Now the Companies Act, 2017). The Company obtained certificate of commencement of business in January 1974. Shares of the Company are listed on Pakistan Stock Exchange Limited. The principal objective of the Company is to engage in the business of manufacturing and selling of yarn, buying, selling and otherwise dealing in yarn and raw cotton. The Company also operates electric power generation facilities which generate electricity for use within the production site.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing unit and office	Address
1.	Manufacturing unit	Plot No. B-28, Manghopir Road, S.I.T.E, Karachi.
2.	Registered office	45-A, Off: Zafar Ali Khan Road, Gulberg V, Lahore.

1.3 Due to intermittent availability of raw materials owing to shortage of working capital and continuous losses, the Company has closed its core operations since 2014. The Company has rented out its premises to earn rental income and service revenue from use of power generation equipment by the tenants.

1.4 During the year, the Company passed a special resolution in its extra ordinary general meeting held on 25June 2019 to specifically add the business of renting out the buildings and / or open area of the Company's premises to institutions, corporations, companies, other entities and individuals to its Memorandum of Association (MOA). Subsequently, the Company has filed the petition with the Securities and Exchange Commission of Pakistan (SECP) seeking approval to the amended MOA, the response to which is pending till the reporting date.

1.5 The Company is presently quoted in the Defaulters' Segment of Pakistan Stock Exchange on account of non-compliances of clauses 5.11.1.(b)&(i) of PSX Regulations i.e suspension of commercial production / business operations in principal line of business and adverse opinion of the Independent Auditors in their Report for the year ended 30 June 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated:

2.1 Basis of Preparation

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of investments in associated companies

In making an estimate of recoverable amount of the Company's investment in associates under equity method, the management considers future cash flows.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Post-employment gratuity – defined benefit plan

The provision for gratuity has been accounted for based on independent actuarial valuation as at the reporting date which depends upon certain actuarial assumptions and judgments made by the actuary.

Classification of investments

Classification of an investment is made on the basis of intended purpose for holding of such investment. The classification of investments is re-evaluated on regular basis.

d) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primaryeconomic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

e) Standards, interpretations and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standards, interpretations and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 (Amendments), 'Revenue from Contracts with Customers
- IAS 40 (Amendments), 'Investment Property'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to IFRSs: 2014 – 2016 Cycle

The Company had to change its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 9. These are disclosed in Note 2.8. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

f) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2019 or later periods:

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IAS 28 (Amendments) 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2019). The IASB has clarified that IFRS 9, including its impairment requirements, applies to long-term interests. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The amendments are not likely to have significant impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 3 'Business Combinations' (effective for annual periods beginning on or after 01 January 2020). The International Accounting Standards Board (IASB) has issued 'Definition of Business' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in statement of other comprehensive income. The application of the amendments is not likely to have an impact on Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

g) Standard and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee Benefits

The Company operates an unfunded gratuity scheme for its permanent employees who complete the eligible period of service. Provision has been made in accordance with actuarial recommendations using the projected unit credit method. Actuarial gains and losses are recognized in statement of other comprehensive income as remeasurement effect of employee's retirement benefits.

2.3 Taxation

a) Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted, after taking into account the applicable rebates and credits, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the balance sheet liability 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 bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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

2.4 Foreign currency transactions and translation

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchange differences to statement of profit or loss.

2.5 Property, plant, equipment and depreciation

Owned

Initial recognition

An item of property, plant and equipment is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Measurement subsequent to initial recognition

Revaluation model

Leasehold Land, Building on Leasehold Land and Plant and Machinery, are stated at revalued amounts, being the fair values at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment loss (if any). Revaluation is carried out by independent valuers with sufficient regularity so that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to the statement of profit or loss. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the statement of profit or loss) and depreciation based on the assets' original cost is transferred from surplus on revaluation of property, plant and equipment to accumulated profit or loss. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

Cost model

Property, plant and equipment other than those mentioned above are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent costs

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 benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the year in which these are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to statement of profit and loss applying the reducing balance method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates given in Note 3. The Company charges the depreciation on a proportionate basis from the date when the asset is available for use till the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

2.6 Capital Work in progress

Capital work-in-progress is stated at cost less impairment loss (if any) and represents expenditure incurred on property, plant and equipment in the course of construction and installation. These expenditures are transferred to relevant fixed assets category as and when the assets are available for intended use.

2.7 Investment properties

Properties comprising leasehold land and building which are not occupied by the Company and are held for capital appreciation or to earn rental income are classified as investment property in accordance with the requirements of International Accounting Standard (IAS)-40 'Investment Property'. These properties are carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or losses arising from a change in fair value of investment property are included in the statement of profit or loss currently.

2.8 IFRS 9 “Financial instruments”

The Company has adopted IFRS 9 “Financial Instruments” from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest 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. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results. Key changes in accounting policies resulting from application of IFRS 9 are as follows:

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 “Financial Instruments: Recognition and Measurement” for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, 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.

For assets measured at fair value, gains and losses will either be recorded in the statement of 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. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) 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 statement of 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 the statement of 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

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market; the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in the statement of profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

a) Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in the statement of profit or loss.

iii) Impairment of financial assets

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

v) Offsetting of financial instruments

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.

vi) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2019.

vii) Impacts of adoption of IFRS 9 on these financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)

	Available for sale (AFS)	Fair value through other comprehensive income (FVTOCI)	Trade debts categorized as	
			Loans and receivables	Amortized cost
	----Rupees----			
Opening balance (before reclassification)	8,716,936	-	23,353,862	-
Adjustment on adoption of IFRS 9 reclassification of equity investments from available for sale to FVTOCI	(8,716,936)	8,716,936	-	-
Reclassification of trade debts	-	-	(23,353,862)	23,353,862
Recognition of expected credit losses on trade debts	-	-	-	-
Opening balance (after reclassification)	-	8,716,936	-	23,353,862

The impact of these changes on the Company's reserves and equity is as follows:

	Effect on fair value reserve of available for sale (AFS) investments	Effect on fair value reserve of fair value through other comprehensive income (FVTOCI) investments
	---Rupees---	
Opening balance (beforereclassification)	6,556,552	-
Adjustment on adoption of IFRS 9 reclassification of fair value reserve of AFS investments to fair value reserve of FVTOCI investments	(6,556,552)	6,556,552
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	-	-
Opening balance (after reclassification)	-	6,556,552

Equity investments previously classified as available-for-sale

The Company elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, as these investments are not held for trading. As a result, assets with a fair value of Rupees 8.717 million were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income (FVTOCI) and fair value gains of Rupees 6.557 million were reclassified from the available-for-sale financial assets reserve to the financial assets at fair value through other comprehensive income reserve on 01 July 2018.

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)		Rupees	
Non-current financial assets					
Long term investments	Available for sale	FVTOCI	261,145	8,833,296	8,572,151
Long term loans	Loans and receivables	Amortized cost	1,534,840	1,534,840	-
Long term deposits	Loans and receivables	Amortized cost	11,957,004	11,957,004	-

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)		Rupees	
Non-current financial assets					
Long term investments	Available for sale	FVTOCI	261,145	8,833,296	8,572,151
Long term loans	Loans and receivables	Amortized cost	1,534,840	1,534,840	-
Long term deposits	Loans and receivables	Amortized cost	11,957,004	11,957,004	-
Current financial assets					
Trade debts	Loans and receivables	Amortized cost	23,353,862	23,353,862	-
Loans and advances	Loans and receivables	Amortized cost	24,471,714	24,471,714	-
Other receivables	Loans and receivables	Amortized cost	65,417,822	65,417,822	-
Short term investments	Available for sale	FVTOCI	8,572,151	-	(8,572,151)
Cash and bank balances	Loans and receivables	Amortized cost	5,269,057	5,269,057	-
Current financial liabilities					
Trade and other payables	Amortized cost	Amortized cost	85,245,907	85,245,907	-
Overdue portion of long-term financing	Amortized cost	Amortized cost	14,574,680	14,574,680	-
Unclaimed dividend	Amortized cost	Amortized cost	577,737	577,737	-

2.9 Investment in associates - (with significant influence)

Investments in associates where the Company has a significant influence are recorded under equity method as required by International Accounting Standard (IAS) 28 'Investment in associates and joint ventures'.

2.10 Inventories

Inventories, except for stock in transit and waste stock/rags are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon till the reporting date.

Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

(i) For raw materials	Weighted average cost
(ii) For work-in-process	Weighted average cost of raw material plus of the factory overhead expenses proportion
(iii) Finished goods	Weighted average manufacturing cost

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon.

Waste stock/rags are valued at net realizable value.

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

2.11 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

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.

2.12 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received are subsequently measured at amortized cost.Any difference between the proceeds and the redemption value is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

2.13 Borrowing cost

The borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) is capitalized as part of the cost of that asset. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.14 Share capital

Ordinary shares are classified as equity.

2.15 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.16 Revenue from contracts with customers

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalized as an asset and amortized over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. Key changes in accounting policies resulting from application of IFRS 15 are as follows:

i) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are 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.

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 isgenerally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rental income on investment properties is recognized on accrual basis.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

2.17 Provisions

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

2.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated if there is any potential dilutive effect on the Company's reported net profits.

2.19 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss except in case of revalued property, plant and machinery in which case these are first adjusted against related revaluation surplus and remaining loss, if any, are taken to the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss except where revaluation surplus was previously reduced in which case such reversal is credited to revaluation surplus.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cheques in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.21 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has two reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), and Power Generation.

Transaction among the business segments are recorded at arm's length prices using admissible valuation method. Inter segment sales and purchases are eliminated from the total.

2.22 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. PROPERTY, PLANT AND EQUIPMENT

Owned assets	Lease hold land Rupees	Plant and machinery Rupees	Computer equipment Rupees	Vehicles Rupees	Total Rupees
Year ended 30 June 2018					
Opening net book amount	61,461,467	-	-	40,138	61,501,605
Surplus on revaluation during the year	1,790,793	-	-	-	1,790,793
Depreciation charge - note 3.1	-	-	-	(8,028)	(8,028)
Closing net book amount	63,252,260	-	-	32,110	63,284,370
Carrying value as at 30 June 2018					
Cost / Re-assessed value	63,252,260	-	-	942,930	64,195,190
Accumulated depreciation	-	-	-	(910,820)	(910,820)
Net book amount (NBV)	63,252,260	-	-	32,110	63,284,370
Rate of depreciation (%)		10	33	20	

Owned assets	Lease hold land Rupees	Plant and machinery Rupees	Computer equipment Rupees	Vehicles Rupees	Total Rupees
Year ended 30 June 2019					
Opening net book amount	63,252,260	-	-	32,110	63,284,370
Additions - at cost	-	13,386,639	188,482	-	13,575,121
Disposals - at NBV	-	(175,648)	-	-	(175,648)
Surplus on revaluation during the year	1,084,597	-	-	-	1,084,597
Depreciation charge - note 3.1	-	(790,306)	(50,611)	(6,422)	(847,339)
Closing net book amount	64,336,857	12,420,685	137,871	25,688	76,921,101
Carrying value as at 30 June 2019					
Cost / Re-assessed value	64,336,857	13,210,991	188,482	942,930	78,679,260
Accumulated depreciation	-	(790,306)	(50,611)	(917,242)	(1,758,159)
Net book amount (NBV)	64,336,857	12,420,685	137,871	25,688	76,921,101
Rate of depreciation (%)		10	33	20	

3.1 Depreciation charge for the year has been allocated as follows:

Owned			
Cost of revenue	23	790,306	-
Administrative and general expenses	24	57,033	8,028
		847,339	8,028

3.2 Forced sale value of property, plant and equipment (i.e. leasehold land) as on the reporting date is Rupees 51.469 million (2018: Rupees 50.602 million). The valuation has been carried out by an independent valuer.

3.3 Particulars of immovable property (i.e. lease hold land) are as follows:

Description	Address	Area of land Square feet
Leasehold land	Plot No. B-28, Sindh Industrial Trading Estate, Karachi	31,313

4. INVESTMENT PROPERTY

	Note	2019 Rupees	2018 Rupees
Opening net book value		587,552,160	573,548,423
Transfer from owner occupied properties during the year		-	-
		587,552,160	573,548,423
Fair value gain		9,233,716	14,003,737
Closing net book value		596,785,876	587,552,160

4.1 Investment property represents the leasehold land and building comprising godowns leased out by the Company to multiple tenants. The fair value of investment property have been determined by Dimensions (an independent valuer who is located in Islamabad) as at 30 June 2019 having relevant professional qualification. The fair value was determined from market based evidence in accordance with the market values of similar land and building existing in the near vicinity. The transfers from owner occupied properties during the preceeding years have been made on respective carrying values at the date of transfer which represents the revalued amounts as at 05 April 2015. There is no transfer during the year.

4.2 Forced sale value of investment properties (i.e. leasehold land and building) as on the reporting date is Rupees 477.429 million (2018: Rupees 470.042 million).

4.3 Particulars of investment properties (i.e. leasehold land and building) are as follows:

Description	Address	Area of land Square feet	Covered area of building Square feet
Leasehold land and building	Plot No. B-28, Sindh Industrial Trading Estate, Karachi	273607	215176

	Note	2019 Rupees	2018 Rupees
5. LONG-TERM INVESTMENTS			
Equity instruments			
Investment in associates - 'under equity method of accounting'	5.1		
Investment in equity securities - at 'fair value through other comprehensive income'	5.2	7,875,549	261,145
		7,875,549	261,145

5.1 Investment in associates - 'under equity method of accounting'

	Note	2019 Rupees	2018 Rupees
Associated companies (with significant influence)			
Cresox (Private) Limited	5.1.1	-	-

5.1.1 The Company holds 24.93% holding in Cresox (Private) Limited, an associated company with significant influence being accounted for under equity method of accounting in these financial statements. The investment in Cresox (Private) Limited has been fully impaired in preceeding years due to share of loss accounted for under equity method of accounting.

Latest financial statements of Cresox (Private) Limited are not available. Therefore, summarized financial position of CSPL have not been presented in these financial statements.

5.2 Premier Insurance Limited - quoted	Note	2019 Rupees	2018 Rupees
Associated companies (without significant influence)			
Premier Insurance Limited - quoted 18,682 (2018: 18,682) fully paid ordinary shares of Rupees 10 each. Equity held 0.04% (2018: 0.04%)	5.2.1	291,989	291,989
Texmac Services (Private) Limited - unquoted 52,000 (2018: 52,000) fully paid ordinary shares of Rupees 10 each. Equity held 26.00% (2018: 26.00%)	5.2.2	116,360	116,360
Others			
Crescent Industrial Chemical Limited - unquoted 184,000 (2018: 184,000) fully paid ordinary shares of Rupees 10 each. Equity held 17.57% (2018: 17.57%)	5.2.3	-	-
Crescent Jute Products Limited - quoted 1,709,683 (2018: 1,709,683) fully paid ordinary shares of Rupees 10 each. Equity held 7.19% (2018: 7.19%)		1,640,220	-
Shakarganj Limited - quoted 39,138 (2018: 39,138) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2018: 0.03%)		228,175	-
Crescent Spinning Mills Limited - unquoted 290,000 (2018: 290,000) fully paid ordinary shares of Rupees 10 each	5.24	-	-
		2,276,744	408,349
Add: Fair value adjustment		5,598,805	(147,204)
		7,875,549	261,145

5.2.1 Premier Insurance Limited (PIL) is an associate under provisions of the Companies Act, 2017 due to common directorship. However, the Company has no significant influence over PIL. Therefore, the investment has been carried at fair value.

5.2.2 Texmac Services (Private) Limited is an associate under provisions of the Companies Act, 2017. However, the Company has no power to participate in financial and operating decisions of Texmac Services (Private) Limited. No fair value per ordinary share was determined by the independent valuer & is being carried at cost.

5.2.3 Investment in Cresecent Industrial Chemical Limited has been fully provided in prior years.

5.2.4 Investment in Cresecent Spinning Mills Limited has been fully provided in prior years.

6. LONG-TERM LOANS - considered good & secured

	Note		
	6.1	987,778	1,658,978
Due from employees		(152,638)	(124,138)
Less: Current portion shown under current assets		835,140	1,534,840

6.1 This represents balance of loans given to employees secured against gratuity payable on retirement. These are recoverable in equal monthly installments. The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of loan to employees is not considered material and hence not recognized.

7. LONG TERM DEPOSITS

Security deposits:			
- Sui Southern Gas Company Limited	7.1	12,904,150	10,569,550
- Habib Bank Limited	7.2	770,344	721,655
- Others		685,799	665,799
		14,360,293	11,957,004

7.1 This represents amount deposited with Sui Sothern Gas Company Limited in respect of gas connection.

7.2 This represents amount deposited with Habib Bank Limited in respect of guarantee issued by Habib Bank Limited in favor of Sui Southern Gas Company Limited on behalf of the Company for payment of gas bills.

8. TRADE DEBTS

Unsecured - considered good:			
Related party	8.1	19,297,988	19,297,988
Others	8.2	4,308,663	6,927,434
		23,606,651	26,225,422
Less: Allowance for expected credit losses			
As at 01 July		2,871,560	8,942
Recognized during the year		-	2,862,618
As at 30 June		2,871,560	2,871,560
		20,735,091	23,353,862

8.1 This represents receivable from Cresox (Private) Limited - an associated company.

8.2 This includes service income receivable of Rupees 1,437,103 (2018: Rupees 4,055,874) from tenants against use of Company's power house equipment.

8.3 As at 30 June 2019, trade debts due from related party amounting to Rupees 19,297,988 (2018: Rupees 19,297,988) were past due but not impaired. The ageing analysis of these trade debts is as follows:

	-	-
Upto 1 month	-	-
1 to 6 months	19,297,988	19,297,988
More than 6 months	19,297,988	19,297,988

8.4 As at 30 June 2019, trade debt due from other than related party amounting to Rupees 1,437,103 (2018: Rupees 4,055,874) were past due but not impaired. The ageing analysis of is as follows:

Upto 1 month	1,319,001	2,805,726
1 to 6 months	118,102	1,250,148
More than 6 months	-	-
	1,437,103	4,055,874

8.5 As at 30 June 2019, trade debts of Rupees 2,871,560 (2018: Rupees 2,871,560) were impaired and provided for. The ageing of these trade debts were of more than 5 years. These trade debts do not include amounts due from related parties.

8.6 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rupees 19,297,988 (2018: Rupees 19,297,988).

9. LOANS AND ADVANCES - considered good & unsecured

	9.1	22,574,022	22,574,022
		461,592	1,897,692
		23,035,614	24,471,714

9.1 This represents advance given to Cresox (Private) Limited - an associated company.

9.2 As at 30 June 2019, advances given to related party amounting to Rupees 22,574,022 (2018: Rupees 22,574,022) were past due but not impaired. The ageing analysis of these trade debts is as follows:

	Note	2019 Rupees	2018 Rupees
6 months to 1 year		-	-
more than 1 year		22,574,022	22,574,022
		22,574,022	22,574,022

9.3 As at 30 June 2019, advances given to other than related party amounting to Rupees 461,592 (30 June 2018: Rupees 1,897,692) were past due but not impaired. The ageing analysis of is as follows:

upto 6 months	35,400	-
6 months to 1 year	-	1,500,000
more than 1 year	426,192	397,692
	461,592	1,897,692

10. OTHER RECEIVABLES - considered good & unsecured

Related party	10.1	14,854,675	14,854,675
Others		50,912,281	50,563,147
		65,766,956	65,417,822

10.1 This represents amount receivable from Cresox (Private) Limited - an associated company Rupees 14,754,675 (2018: Rupees 14,754,675) and amount receivable from Mr. Jahanzeb Shafi (director) Rupees 100,000 (2018: Rupees 100,000).

10.2 As at 30 June 2019, receivable from related party amounting to Rupees 14,854,675 (2018: Rupees 14,854,675) were past due but not impaired. The ageing analysis of these trade debts is as follows:

6 months to 1 year	-	-
more than 1 year	14,854,675	14,854,675
	14,854,675	14,854,675

11. SHORT-TERM INVESTMENTS

Available for sale	11.1	-	8,572,151

11.1 Investments available for sale

Other than related parties

Crescent Jute Products Limited - quoted 1,709,683 (2018: 1,709,683) fully paid ordinary shares of Rupees 10 each	-	1,640,220
Shakarganj Mills Limited - quoted 39,138 (2018: 39,138) fully paid ordinary shares of Rupees 10 each	-	228,175
Crescent Spinning Mills Limited - unquoted 290,000 (2018: 290,000) fully paid ordinary shares of Rupees 10 each	-	-
	-	1,868,395
Less: Fair value adjustment	-	6,703,756
	-	8,572,151

		Note	2019 Rupees	2018 Rupees
12.	CASH AND BANK BALANCES			
	Cash in hand		79,478	118,935
	Cash at bank - current accounts	12.1	5,697,786	5,150,122
			5,777,264	5,269,057

12.1 This includes an amount of Rupees 0.794 million (2018: Rupees 0.794 million) under lien with Standard Chartered Bank (Pakistan) Limited against the guarantee issued on behalf of the Company.

13. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2019 (NUMBER OF SHARES)	2018 (NUMBER OF SHARES)			
700	700	Ordinary shares of Rupees 10 each fully paid in cash	7,000	7,000
1,500,000	1,500,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash (Note 13.1)	15,000,000	15,000,000
5,516,167	5,516,167	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	55,161,670	55,161,670
16,500,000	16,500,000	Ordinary shares of Rupees 10 each issued against conversion of loan from directors and associates (Note 13.2)	165,000,000	165,000,000
8,974,338	8,974,338	Ordinary shares of Rupees 10 each issued to shareholders of Jubilee Energy Limited under the Scheme of Amalgamation (Note 13.3)	89,743,380	89,743,380
32,491,205	32,491,205		324,912,050	324,912,050

13.1 Issue of shares for consideration other than cash represents shares issued to shareholders of the Crescent Textile Mills Limited on bifurcation in the year 1974.

13.2 These represent the ordinary shares issued to directors and associates against their loan after obtaining approval from shareholders in an Extra Ordinary General Meeting and from Securities and Exchange Commission of Pakistan (SECP).

13.3 These represent the ordinary shares issued to the shareholders of Jubilee Energy Limited pursuant to approval of scheme of amalgamation by the honorable Lahore High Court.

13.4 Capital risk management policies and procedures

The Company's objective when managing the capital are:

- to safeguard its ability to continue as a going concern so that it can continue to provide return to shareholders and benefits other stakeholders; and

- to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends to shareholders, issue new shares and adopt other means commensurating to the circumstances.

14. FAIR VALUE RESERVE ON 'FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME' INVESTMENTS	Note	2019 Rupees Fair value reserve on 'fair value through other comprehensive income' investments	2018 Rupees Fair value reserve on 'available for sale' investments
Balance as on 01 July		6,556,552	10,278,178
Fair value reserve reclassified on disposal		-	(27,234)
Fair value adjustment made during the year		(957,747)	(3,694,392)
Balance as on 30 June		5,598,805	6,556,552

14.1 This represents the unrealized gain on re-measurement of investments at fair value through other comprehensive income and is not available for distribution. This will be transferred to accumulated loss on realization.

15. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT (PPE) - NET OF DEFERRED TAX			
Revaluation surplus on property, plant and equipment :			
- Owner occupied	15.1	142,850,776	141,766,179
- Investment property	15.2	508,305,256	508,305,256
		651,156,032	650,071,435

15.1 Revaluation surplus on property, plant and equipment - Owner occupied

This represents the surplus resulting from revaluation of leasehold land occupied by the Company as at 30 June 2019.

Balance as at 01 July		63,252,260	61,461,467
Increase in surplus on revaluation		1,084,597	1,790,793
		64,336,857	63,252,260
Surplus on revaluation of associated company accounted for under equity method	15.6	78,513,919	78,513,919
		142,850,776	141,766,179

15.2 Revaluation surplus on investment property - net of deferred tax

Balance as at 01 July	508,305,256	508,013,003
Effect of change in tax rate	-	292,253
	508,305,256	508,305,256

15.3 This represents revaluation surplus on operating assets (i.e leasehold land and building) transferred to investment property accounted for on revaluation model as on the date of transfer. The subsequent change in fair value of investment property are recorded in statement of profit or loss.

15.4 The latest revaluation of leasehold land and building have been determined as at 30 June 2019 by Dimensions (an independent valuer who is located in Islamabad) on the basis of their professional assessment of present market values based on enquiries made about the cost of land of similar nature, size and location including consideration of current cost of acquisition or construction, net of diminution owing to depreciation, keeping in view the current market condition.

15.5 The cost of leasehold land revalued as at 30 June 2019 is Nil.

15.6 This represents the Company's share of the surplus on revaluation of property, plant and equipment of the associated company {Cresox (Private) Limited} accounted for in previous years as a result of amalgamation of the associated company with its wholly owned subsidiary. The last revaluation of leasehold land was carried out as at 30 June 2010. Before this revaluation, the lease hold land was also revalued as at 30 September 1995, 30 September 2002, 30 September 2004, 30 June 2008, and 30 June 2009 respectively.

16. LONG TERM FINANCING

	Note	2019 Rupees	2018 Rupees
From sponsor shareholders of the Company:			
		14,574,680	14,574,680
Opening balance as at 01 July		-	-
Add: Fair value adjustment		14,574,680	14,574,680
Closing balance	16.1	(14,574,680)	(14,574,680)
Less: Over due portion		-	-

16.1 These represent balance of unsecured interest free loans obtained from the sponsor directors of the Company and were due on 30 June 2017. These had been recognized at amortized cost under IFRS 9 'Financial Instruments' using discount rate ranging from 9.47% to 11.90% per annum. The resulting difference was transferred to equity and has been amortized over the term of the loan.

17. DEFERRED INCOME TAX LIABILITY

Deferred tax liability on revaluation of investment property	17.1	8,183,086	8,183,086
Deferred tax liability on remeasurement of employees retirement benefits		3,152,616	3,069,461
		11,335,702	11,252,547

17.1 Deferred tax liability on revaluation of investment property

Opening	8,183,086	8,475,339
Effect of change in tax rate	-	(292,253)
	8,183,086	8,183,086

18. EMPLOYEES RETIREMENT BENEFITS

Staff gratuity scheme - unfunded

Present value of defined benefit obligation	18.2	14,159,337	17,339,146
Less: Payable to ex-employees (current liability)	19	(9,737,434)	(13,051,374)
		4,421,903	4,287,772

18.1 General description

The scheme provides for retirement benefits for all permanent employees who complete qualifying period of services with the Company at varying percentages of last drawn salary. The percentage depends on the number of service years with the Company. Annual provision is based on actuarial valuation, which was carried out as on 30 June 2019.

18.2 Movement in present value of defined benefit obligation

	Note	2019 Rupees	2018 Rupees
Balance at beginning of the year		17,339,146	18,923,801
Current service cost		187,042	184,226
Interest cost		379,351	280,451
Benefits paid during the year		(3,459,460)	(2,360,963)
Actuarial (gain) / loss		(286,742)	311,631
Balance as at end of the year		14,159,337	17,339,146

18.3 Movement in balances

Balance at beginning of the year		17,339,146	18,923,801
Charge for the year	18.4	279,651	776,308
		17,618,797	19,700,109
Benefits paid during the year		(3,459,460)	(2,360,963)
Balance at the end of the year		14,159,337	17,339,146

18.4 Charge for the year

In the statement of profit or loss :

Current service cost	187,042	184,226
Interest cost	379,351	280,451
	566,393	464,677
In the statement of other comprehensive income:		
Actuarial (gain) / loss due to change in:		
- Experience adjustments	(305,464)	306,311
- Financial assumptions	18,722	5,320
	(286,742)	311,631
	279,651	776,308

18.5 Principal actuarial assumption

Following principal actuarial assumptions were used for the valuation:

Estimated rate of increase in salary of the employees	13.25%
Discount rate	14.25%

18.6 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption at reporting date:

	Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	Percentage	Rupees	Rupees
Discount rate	1	4,286,379	4,568,740
Salary increase	1	4,571,055	4,281,888

		Note	2019 Rupees	2018 Rupees
19.	TRADE AND OTHER PAYABLES			
	Creditors		9,345,654	9,481,431
	Gratuity payable to ex-employees	18	9,737,434	13,051,374
	Accrued liabilities		9,190,859	9,408,651
	Advances from customers / tenants		15,765,854	15,744,682
	Insurance payable		12,735,179	12,735,179
	Income tax deducted at source		14,883,555	15,076,575
	Security deposits		7,750,000	7,750,000
	Unclaimed balance of Workers' profit participation fund		1,673	1,673
	Other liabilities		2,108,040	1,996,342
			81,518,248	85,245,907

20. PROVISIONS

	Note	2019 Rupees	2018 Rupees
Provision for penalty on account of non-deposition of withholding tax	20.1	9,928,940	9,928,940

20.1 This represents provision made for penalty against non-deposition of withholding tax in prescribed time as per the Income Tax Ordinance, 2001.

21. CONTINGENCIES AND COMMITMENTS

Contingencies

21.1 Bank Guarantee from:

	Note	2019 Rupees	2018 Rupees
Standard Chartered Bank (Pakistan) Limited	21.1.1	793,800	793,800
Habib Bank Limited	21.1.2	2,000,000	2,000,000
		2,793,800	2,793,800

21.1.1 This represents a guarantee issued by Standard Chartered Bank (Pakistan) Limited to the Honorable High Court, Sindh on account of cotton soft waste (carded and combed) fully paid.

21.1.2 This represents a guarantee issued by Habib Bank Limited in favor of Sui Southern Gas Company Limited (SSGC) on behalf of the Company for payment of gas bills. The guarantee is secured against bank balance of Rupees 770,344 as at 30 June 2019, hypothecation charge over stocks and receivables, first pari passu equitable mortgage over the land and building, hypothecation charge over stocks bill receivables and proceeds of goods, stock of raw cotton, legal mortgage charge.

21.2 During the year 2015, the Company had filed a suit to Honorable High Court of Sindh against National Electric Power Regulatory Authority (NEPRA) and Oil and Gas Regulatory Authority (OGRA), Sui Southern Gas Company Limited and Private Power and Infrastructure Board (PPIB) through Federation of Pakistan against rate of taxation imposed on the Company and for clarification of categories known as Captive Power (CP), Independent Power Producer (IPP) as accordingly to the consumption category of the Company falls under IPP / Industrial Consumer and not as CP category. The Honorable High Court has granted interim status quo in favour of the Company.

21.3 During the year 2015, the Company had filed a suit to Honorable High Court against Sui Southern Gas Company Limited (SSGCL) through Federation of Pakistan in respect of issuance of Sui Gas bill for the month of October 2015 in which an amount of Rupees 56.378 million including an amount of Rupees 18.749 million which was shown as adjustment debit towards past general sales tax for the period prior to June 2014. That amount of Rupees 18.749 million was challenged through this suit being unjustified and without any clarification. The Honorable Court vide order dated 09 December 2015 granted interim relief on the stay application. During the pendency of the present suit, various other suits on similar issues were also filed by various other companies thereafter matter was taken up before the Supreme Court of Pakistan by the Federation. The Supreme Court of Pakistan vide order dated 27 June 2018 directed the Companies to deposit 50% of the challenged amount only thereafter the suits shall be proceeded, otherwise same shall be dismissed. Under the direction of the Honorable Supreme Court of Pakistan, the High Court has now directed to deposit the 50% amount on or before 09 October 2018. During the year, SSGC issued recovery notice to the Company for GST arrears of Rupees 18,058,259 for the period from May 2009 to August 2014. The Company filed writ petition in the Honorable Lahore High Court praying restraining SSGCL from recovering the amount of arrears and disconnecting the gas connection during the pendency of this writ petition. The Honorable Lahore High Court has directed SSGCL not to take any coercive measure including disconnection of the gas meter till the next hearing which is fixed on 10 October 2019.

21.4 During the previous years, the Company has filed suits to the Honorable Civil Court against its ex-employees for cancellation of cheques aggregate amounting to Rupees 2.812 million and for permanent injuction. The matters are pending for hearing of order.

21.5 During the previous year, the Company filed suit against Cresox (Private) Limited and Mr. Tariq Shafi seeking payment of Rupees 56.776 million pertaining to trade and other receivables and restraining Mr. Tariq Shafi from interfering in the affairs of the Company. Mr. Tariq Shafi filed a counter suit against the Company seeking outstanding dues, repossession of generators and masne profits alleging the three generators owned by him has been leased to the Company which has defaulted the payment of rent and refused to transfer possession. The Honorable Court has dismissed the suit filed by Mr. Tariq Shafi and restrained Mr. Tariq Shafi from taking any coercive action against the Company in respect of generators. The Company's suit is pending for adjudication.

21.6 Commitments

There were no capital or other commitments as at 30 June 2019 (2018: Nil).

		Note	2019 Rupees	2018 Rupees
22.	REVENUE			
	Service income		23,682,252	37,150,238

22.1 This represents service income earned from tenants against use of Company's power house equipment.

		Note	2019 Rupees	2018 Rupees
23.	COST OF REVENUE			
	Stores, spare parts and loose tools consumed		2,844,446	-
	Repair and maintenance		4,556,394	7,478,088
	Fuel, water and power		1,115,683	5,458,351
	Depreciation		790,306	-
			9,306,829	12,936,439

		Note	2019 Rupees	2018 Rupees
24.	ADMINISTRATIVE AND GENERAL EXPENSES			
	Salaries, allowances and benefits		29,369,564	25,161,252
	Travelling, conveyance and entertainment		1,735,967	3,578,788
	Printing stationery		309,418	409,624
	Communication		859,991	684,191
	Rent, rates and taxes		956,683	617,560
	Insurance		263,835	298,878
	Subscription and periodicals		2,397,882	1,473,088
	Repair and maintenance		7,807,026	4,136,856
	General expenses		823,390	1,461,969
	Allowance for expected credit losses		-	2,862,618
	Auditors' remuneration	24.1	765,000	765,000
	Directors' meeting fee		192,000	-
	Advertisement		213,200	78,200
	Legal and professional charges		991,000	4,720,130
	Depreciation	3.1	57,033	8,028
			46,741,989	46,256,182

		2019 Rupees	2018 Rupees
24.1	Auditors' remuneration		
	Audit services		
	Audit fee	430,000	430,000
	Half yearly review	70,000	70,000
	Out of pocket expenses	150,000	150,000
		650,000	650,000
	Non-audit services		
	Certification for regulatory purposes	115,000	115,000
		765,000	765,000

25. OTHER INCOME

Income from financial assets		
Dividend income	110	49,571
Gain on disposal of available for sale of short term investments	-	153,859
Markup on deposits	569,928	221,655
	570,038	425,085
Income from non financial assets		
Rental income	55,774,992	52,737,660
Gain on disposal of property, plant and equipment	324,352	-
Gain on remeasurement of fair value of investment property	9,233,716	14,003,737
Others	201,634	201,634
	65,534,694	66,943,031
	66,104,732	67,368,116

26. FINANCE COST

Bank charges	43,112	82,289

27. PROVISION FOR TAXATION	Note	2019 Rupees	2018 Rupees
Current	27.1	5,833,097	13,267,427
Prior year		(1,028,843)	(887,714)
Deferred	27.2	-	-
		4,804,254	12,379,713

27.1 Current

The tax liability of the Company for the year has been calculated under the normal provisions of the Income Tax Ordinance, 2001. Due to available tax losses, no provision for tax under normal tax regime is required. Current tax represents income chargeable to tax under separate head of income, final tax, alternate corporate tax and tax on undistributed profit for the year under section 5A to the Income Tax Ordinance, 2001.

27.2 Deferred

Deferred tax asset from excess of deductible temporary differences and accumulated tax losses over taxable temporary differences chargeable to profit and loss account has not been accounted for in these financial statements. The management expects that it is not probable that taxable profits under normal tax regime / taxable temporary differences would be available in near future against which the deferred tax asset can be utilized. However, the deferred tax liability arising on surplus on revaluation of property, plant and equipment, the surplus on revaluation of investment property, and on remeasurement of employees retirement benefits respectively, has been fully recognized in these financial statements (Note 17).

27.3 Relationship between tax expense and accounting profit:

	2019 Rupees	2018 Rupees
Accounting profit before taxation	33,695,054	45,243,444
Tax @ 29% (2018: 30%)	9,771,566	13,573,033
Effect of:		
Dividend income subject to fixed rate	(15)	(7,436)
Commission income subject to fixed rate	(34,278)	(36,294)
Rental income	(3,234,950)	(7,573,272)
Depreciation	(594,697)	(282,259)
Prior year	(1,028,843)	(887,714)
Gratuity payment	(838,989)	(568,886)
Fair value gain on remeasurement of investment property	(2,677,778)	(4,201,121)
Gain on disposal of fixed assets	(238)	-
Accounting gain on disposal of investments	-	(46,158)
Tax loss	-	7,422,051
Tax on undistributed profits u/s 5A	1,684,753	2,262,172
Alternate corporate tax	1,757,723	2,725,597
	4,804,254	12,379,713

28. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:

		2019	2018
Profit attributable to ordinary shares	(Rupees)	28,890,800	32,863,731
Weighted average number of ordinary shares	(Numbers)	32,491,205	32,491,205
Earnings per share	(Rupees)	0.89	1.01

29. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

	2019 Rupees	2018 Rupees
Chief Executive Officer		
Managerial remuneration	4,200,000	4,200,000
House rent allowance	1,890,000	1,890,000
Utilities	420,000	420,000
Rentals paid for vehicle	174,746	-
	6,684,746	6,510,000
Number of person	1	1

Director		
Managerial remuneration	4,200,000	4,200,000
House rent allowance	1,890,000	1,890,000
Utilities	420,000	420,000
Rentals paid for vehicle	637,558	-
	7,147,558	6,510,000
Number of person	1	1
Executive		
Managerial remuneration	1,214,656	-
House rent allowance	603,428	-
Utilities	3,900	-
	1,821,984	-
Number of person	1	-

29.1 The chief executive officer is provided with free use of Company maintained car.

29.2 Aggregate amount charged in these financial statements for meeting fee of directors is Rupees 0.192 million (2018: Rupees Nil million).

29.3 No remuneration was paid to non-executive directors (2018: Rupees Nil million) of the Company.

30. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

During the preceding years, the Company has disposed of all of its plant and machinery, therefore, its production capacity has reduced to zero.

Power plant

The capacity of power house generators in use of the Company for supply of electricity to tenants is as under:

Generation Capacity (KW)	2,202	1,972
Actual generation (KW)	606	695

30.1 Reasons for low production

The Company has disposed of all of its plant and machinery, therefore, its production capacity has reduced to zero. Since production capacity of spinning unit reduced to zero, the power plant capacity is also reduced.

31. TRANSACTION WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	Relationship with the Company	Name of Related Party	Basis of relationship	Nature of transaction	2019 Rupees	2018 Rupees
i.	Staff retirement funds	Staff gratuity scheme - unfunded	-	Expense charged for retirement benefit plans	566,393	464,677
				Payment to retirement benefit plans	3,459,460	2,360,963
				Receivable / (payable) closing balance		
i.	Associated companies	Cresox (Private) Limited	25% of shareholding	Trade debts	19,297,988	19,297,988
				Loans and advances	22,574,022	22,574,022
				Other receivable	14,754,675	14,754,675
		Premier Insurance Limited	Common directorship	Other payable	(12,735,179)	(12,735,179)
ii.	Staff retirement funds	Staff gratuity scheme - unfunded	-	balance of staff gratuity scheme	(14,159,337)	(17,339,146)
iii.	Directors	-	-	Loan to director	100,408	100,408
				Due to director, associates and others	(14,574,680)	(14,574,680)

31.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 29.

32. SEGMENT INFORMATION

32.1 The Company has 02 reportable business segments. The following summary describes the operation in each of the Company's reportable segments:

Spinning: Production of different quality of yarn using natural and artificial fibers.

Power Generation: Generation and distribution of power.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

32.2 Segment results

	Spinning		Power Generation		Total - Company	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Revenue	-	-	23,682,252	37,150,238	23,682,252	37,150,238
Cost of revenue	-	-	(9,306,829)	(12,936,439)	(9,306,829)	(12,936,439)
Gross profit	-	-	14,375,423	24,213,799	14,375,423	24,213,799
Unallocated income and expenses:						
Administrative and general expenses					(46,741,989)	(46,256,182)
Other income					66,104,732	67,368,116
Finance cost					(43,112)	(82,289)
Taxation					(4,804,254)	(12,379,713)
Profit after taxation					28,890,800	32,863,731

32.3 Segment assets and liabilities

	Spinning		Power Generation		Total - Company	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	-	-	26,761,938	14,604,596	26,761,938	14,604,596
Unallocated assets					791,432,655	783,051,291
					818,194,593	797,655,887
Segment liabilities	-	-	7,643,472	7,835,356	7,643,472	7,835,356
Unallocated liabilities					133,361,692	141,852,339
					141,005,164	149,687,695

33. FINANCIAL RISK MANAGEMENT

33.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and manages financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, and investment of excess liquidity.

(a) Market risk

(i) 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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The company is not exposed to this risk because there were no receivables and payables in any foreign currency as at the reporting date.

Sensitivity analysis

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and financial liabilities at the reporting date.

(ii) Other price risk

Other 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 instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Statement of other comprehensive income (fair value reserve)	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
KSE 100 (5% increase)	-	-	108,019	435,847
KSE 100 (5% decrease)	-	-	(108,019)	(435,847)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as at 'fair value through other comprehensive income'.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk. As at reporting date, there were no fixed rate borrowings.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019 Rupees	2018 Rupees
Investments	7,875,549	8,833,296
Loans and advances	23,870,754	26,006,554
Long-term deposits	14,360,293	11,957,004
Trade debts	20,735,091	23,353,862
Other receivables	61,433,199	61,084,065
Bank balances	5,697,786	5,150,122
	133,972,672	136,384,903

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2019	2018
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AAA	PACRA	19,040	19,040
Faysal Bank Limited	A1+	AA	PACRA	3,865	3,865
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	3,989,780	4,267,103
Standard Chartered Bank (Pakistan) Ltd.	A1+	AAA	PACRA	816,600	816,600
MCB Bank Limited	A1+	AAA	PACRA	803,013	-
Soneri Bank Limited	A1+	AA-	PACRA	65,488	43,514
				5,697,786	5,150,122
Investments					
Texmac Services (Private) Limited	Unknown		-	116,360	116,360
Premier Insurance Limited	A	-	PACRA	112,652	144,785
Crescent Jute Products Limited	Unknown		-	5,812,922	5,812,922
Shakarganj Mills Limited	Unknown		-	1,833,615	2,759,229
			-	7,875,549	8,833,296

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 8.

Due to the Company's long standing business 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 credit risk is minimal.

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of cash and bank balances. At 30 June 2019, the Company has Rupees 5.777 million (2018: Rupees 5.269 million) cash and bank balances. Management believes the liquidity risk to be low considering the nature of individual items in the net-working capital position and their realizability pattern. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities
as at 30 June 2019:

	Long term financing Rupees	Trade and other payables Rupees	Unclaimed dividend Rupees	Total Rupees
Carrying amount	14,574,680	53,065,739	577,737	68,218,156
Contractual cash flows:				
6 month or less	14,574,680	26,532,870	577,737	41,685,287
6 - 12 month	-	26,532,869	-	26,532,869
1 - 2 year	-	-	-	-
More than 2 years	-	-	-	-
	14,574,680	53,065,739	577,737	68,218,156

Contractual maturities of financial liabilities
as at 30 June 2018:

	Long term financing Rupees	Trade and other payables Rupees	Unclaimed dividend Rupees	Total Rupees
Carrying amount	14,574,680	53,286,438	577,737	68,438,855
Contractual cash flows:				
6 month or less	14,574,680	26,643,219	577,737	41,795,636
6 - 12 month	-	26,643,219	-	26,643,219
1 - 2 year	-	-	-	-
More than 2 years	-	-	-	-
	14,574,680	53,286,438	577,737	68,438,855

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June 2019. The rates of interest / mark up have been disclosed in note 16.1 to these financial statements.

33.2 Recognized fair value measurements - financial assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements As at 30 June 2019	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Investments at 'fair value through other comprehensive income'	7,759,189	-	116,360	7,875,549
As at 30 June 2018				
Investments at available for sale	8,716,936	-	116,360	8,833,296

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values
Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

33.3 Recognized fair value measurements - non-financial assets

(i) Fair value hierarchy

Judgments and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

As at 30 June 2019	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Property, plant and equipment	-	64,336,857	-	64,336,857
Investment property	-	596,785,876	-	596,785,876
	-	661,122,733	-	661,122,733
As at 30 June 2018				
Property, plant and equipment				
Investment property	-	63,252,260	-	63,252,260
	-	587,552,160	-	587,552,160
	-	650,804,420	-	650,804,420

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land at each reporting period. At the end of each reporting period, the management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

(iii) Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's leasehold land & building each year.

33.4 Financial instruments by categories

As at 30 June 2019 Assets as per statement of financial position	At 'fair value through other comprehensive income' Rupees	At amortized cost Rupees	Total Rupees
Investments	7,875,549	-	7,875,549
Loans and advances	-	23,870,754	23,870,754
Long-term deposits	-	14,360,293	14,360,293
Trade debts	-	20,735,091	20,735,091
Other receivables	-	61,433,199	61,433,199
Cash and bank balances	-	5,777,264	5,777,264
	7,875,549	126,176,601	134,052,150

Liabilities as per statement of financial position

Over due portion of long term financing	-	14,574,680	14,574,680
Trade and other payables	-	53,065,739	53,065,739
Unclaimed dividend	-	577,737	577,737
	-	68,218,156	68,218,156

As at 30 June 2018 Assets as per statement of financial position	Loans and receivables Rupees	Available for sale Rupees	Total Rupees
Investments	-	8,833,296	8,833,296
Loans and advances	26,006,554	-	26,006,554
Long-term deposits	11,957,004	-	11,957,004
Trade debts	23,353,862	-	23,353,862
Other receivables	61,084,065	-	61,084,065
Cash and bank balances	5,269,057	-	5,269,057
	127,670,542	8,833,296	136,503,838

	Financial liabilities at amortized cost
Liabilities as per statement of financial position	Rupees
Current portion of long term financing	14,574,680
Trade and other payables	53,286,438
Unclaimed dividend	577,737
	68,438,855

33.5 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

34. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2019		2018	
	At year end	Average	At year end	Average
Permanent employees	4	5	5	6
Contractual employees	28	26	24	21

35. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on September 30, 2019 by the Board of Directors of the Company.

36. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made during the year.

37. GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

Shams Rafi
Chief Executive Officer

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

FORM 34 Physical
Pattern of Holding of Shares
As on June 30, 2019

Shareholders	From	To	Total Shares
482	1	100	15,660
410	101	500	111,890
136	501	1,000	110,739
208	1,001	5,000	546,660
58	5,001	10,000	460,693
25	10,001	15,000	313,890
10	15,001	20,000	175,371
17	20,001	25,000	390,451
18	25,001	30,000	516,651
8	30,001	35,000	254,392
3	35,001	40,000	119,128
4	40,001	45,000	172,833
11	45,001	50,000	527,399
6	50,001	55,000	322,885
4	55,001	60,000	233,464
2	65,001	70,000	137,971
6	70,001	75,000	432,125
1	75,001	80,000	77,277
1	80,001	85,000	80,630
1	85,001	90,000	88,673
3	95,001	100,000	298,500
2	100,001	105,000	202,000
1	115,001	120,000	116,462
1	160,001	165,000	163,450
1	175,001	180,000	179,921
1	180,001	185,000	182,629
1	225,001	230,000	229,000
1	285,001	290,000	285,357
1	290,001	295,000	292,218
1	415,001	420,000	416,000
1	470,001	475,000	474,323
1	520,001	525,000	522,855
1	590,001	595,000	591,979
1	690,001	695,000	692,810
1	1,195,001	1,200,000	1,198,434
1	1,205,001	1,210,000	1,206,073
1	2,390,001	2,395,000	2,391,204
1	2,400,001	2,405,000	2,400,529
1	2,420,001	2,425,000	2,422,162
1	2,595,001	2,600,000	2,598,012
1	2,745,001	2,750,000	2,747,852
1	3,560,001	3,565,000	3,561,731
1	4,225,001	4,230,000	4,228,922
1,437			32,491,205

Categories of Shareholders	Numbers	Shares held	% age
Individual	1,387	11,023,047	33.9
More than 5%	7	20,350,412	62.6
Associated Companies	1	474,323	1.5
Joint Stock Companies	29	632,058	1.9
Insurance Companies	2	5,130	0.0
Financial Institution	8	4,127	0.0
NIT & ICP	2	1,981	0.0
Modaraba	1	127	0.0
Total	1,437	32,491,205	100

Pattern of Holding of Shares
As on June 30, 2019

Categories of Shareholder

		# Share Held	%
1	Directors, Chief Executive Officer, their spouse and minor children		
	Chief Executive/Director		
	Shams Rafi	692,810	2.1
	Directors		
	Aurangzeb Shafi	522,855	1.6
	Jahanzeb Shafi	292,218	0.9
	Muhammed Rafi	4,228,922	13.0
	Salman Rafi	591,979	1.8
	Umer Shafi	1,206,073	3.7
	Usman Shafi	1,198,434	3.7
	Directors' Spouse and their minor children		
	Mussarat Rafi	10,587	0.0
		8,743,878	27
2	NIT & ICP		
	Investment Corporation Of Pakistan	1,891	0.0
	Idbl (Icp Unit)	90	0.0
		1,981	0
3	Associated Companies	474,323	1.5
4	Banks, DFI, NBFIs	4,127	0.0
5	Insurance Companies	5,130	0.0
6	Modaraba and Mutual Funds	127	0.0
7	Shareholders More than 5%	20,350,412	62.6
8	Other companies, Corporate Bodies, Trust etc.	632,058	1.9
9	General Public	2,279,169	7.0
	Grand Total	32,491,205	100
	Shareholders more than 5% shareholding		
	Muhammed Rafi	4,228,922	13.0
	Tariq Shafi	3,561,731	11.0
	Rizwan Shafi	2,747,852	8.5
	Shoaib Shafi	2,598,012	8.0
	Ahmad Shafi	2,422,162	7.5
	Shaukat Shafi	2,400,529	7.4
	Muhammad Anwar	2,391,204	7.4
		20,350,412	63

46th Annual General Meeting
Form of Proxy

I/We ______________________________ of __________________ a member/members of Jubilee Spinning & Weaving Mills Limited and holder of __________ shares as per Registered Folio #/CDC Participant ID#/SubA/C#/Investor A/C #_______________ do herebyappoint ____ of __________________ who is also member of the Company vide Registered Folio/CDC # ___________________ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company to be held on Wednesday the October 23, 2019 at 10:00 a.m. at the office of the company at 7-B-2, Aziz Avenue, Gulberg-V, Lahoreand at any adjournment thereof.

As witness my hand this ___________ day of __________________2019.

Witness's Signature
Name: _________________________
Address: _______________________
____
CNIC # ________________________

Affix Revenue
Stamp of Rs. 5/-

Witness's Signature
Name: _________________________
Address: _______________________
____
CNIC # ________________________

Member's Signature

Date:
Place: Lahore
Note:

CNIC

1. The Form of Proxy should be deposited at the Share Registrar Office of the Company not later than 48 hours before the time for holding the meeting.

2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their Computized National Identity Cards/Passport in original to provide his/her identity, and in case of Proxy, must enclose an attested copy of his/her NIC or Passport. Representatives of corporate members should bring the usual documents for such purpose.

جوبلی اسپننگ اینڈ ویونگ ملز لمیٹڈ

مختار نامہ

میں/ہم ---------------------------------- ساکن ----------------------------------

بحیثیت رکن/ارکان جوبلی اسپننگ اینڈ ویونگ ملز لمیٹڈ رجسٹرڈ فولیو نمبر/CDC نمبر/حصہ داری/ Investor A/C #/ Participant ID/Sub A/C #

.... کے تحت .... شیئرز کے حامل ہیں ، بذریعہ ہذا محترم/محترمہ ....

ساکن .... جو کہ بذریعہ رجسٹرڈ فولیو/CDC نمبر .... کمپنی کے رکن بھی ہیں،

انہیں کمپنی کے 46 ویں سالانہ اجلاس عام مورخہ 23 جون اکتوبر بروز بدھ صبح 10:00 بجے کمپنی کے دفتر وقع 2-B-7، عزیز ایوینیو، گلبرگ V لاہور میں منعقد ہوگا، میں میری/ ہماری جانب سے بحیثیت مختار (پروکسی) حاضر ہونے، بولنے اور ووٹ دینے کا اختیار ہوگا اور اجلاس ملتوی ہونے کی صورت میں بھی یہی میرے مختار (پروکسی) ہونگے۔

آج بروز ---------------- مورخہ ---------------- 2019 کو بطور گواہ دستخط کئے۔

دستخط بعوض 5 روپے ریونیو اسٹیمپ

1- دستخط گواہ: ----------------------------------

نام: ----------------------------------

پتہ ----------------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر ----------------------------------

دستخط رکن

2- دستخط گواہ: ----------------------------------

نام: ----------------------------------

پتہ ----------------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر ----------------------------------

مورخہ:

بمقام: لاہور

قومی شناختی کارڈ نمبر														

نوٹ:

1- اس فارم کو مکمل اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار کے آفس کے پتے پر ارسال کر دیں۔

2- اجلاس میں شرکت اور ووٹ دینے کے مستحق سی ڈی سی حصص داران اپنی شناخت کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ مہیا کریں اور پراکسی کی صورت میں اپنے CNIC یا پاسپورٹ کی مصدقہ کاپی لازمی منسلک کریں۔


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SECP