



Jubilee Spinning & Weaving Mills Ltd.

Annual Report 2021



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Company Information

Board of Directors

Mr. Shaukat Shafi	(Chairman)
Mr. Shams Rafi	(Chief Executive)
Mr. Salman Rafi	
Mr. Usman Shafi	
Mr. Aurangzeb Shafi	
Mr. Umer Shafi	
Mrs. Sana Salman	

Audit Committee

Mr. Usman Shafi	(Chairman)
Mr. Umer Shafi	(Member)
Mr. Shaukat Shafi	(Member)

Company Secretary

Mr. Muhammad Zeeshan Saleem

Auditors

Riaz Ahmed & Company
Chartered Accountants

Legal Advisor

Arain Law Associates

Registered Office

503-E, Johar Town
Lahore, Pakistan

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

Mills

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



Jubilee Spinning & Weaving Mills Limited

Notice of Annual General Meeting

Notice is hereby given that the 48th Annual General Meeting of the shareholders of Jubilee Spinning & Weaving Mills Limited (the "Company") will be held on Thursday, the October 28, 2021 at 10.30 a.m. at the registered office of the company at 503-E, Johar Town, 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, 2021 together with the Directors' and Auditors' Reports thereon.
2. To appoint Auditors of the Company and fix their remuneration.

By Order of the Board

(M. Zeeshan Saleem)
Company Secretary

Registered Office:
503-E, Johar Town
Lahore, Pakistan:
T:+92-42-35173434
Dated: October 06, 2021

Notes:

1. The Members' Register will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 21, 2021.
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, 2021 along with Auditors and Directors Reports thereon on its website: www.jsw.com.pk

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: www.jsw.com.pk

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.



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, 2021 along with the Auditors' Report.

Company Overview

Jubilee Spinning & Weaving Mills Limited was originally a textile manufacturing unit. The company was incorporated in Pakistan and its registered office is at 503-E, Johar Town, 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 its property to third parties to generate income.

Financial Results at a Glance

During the year, the Company earned a after tax profit of Rs. (5.17) million, after charging costs, expenses and provisions. The previous financial year's result was an after-tax Loss of Rs. (10.48) million. The financial results of the company are summarized as follows:

Year ended on	Rupees	Rupees
	June 30, 2021	June 30, 2020
Revenue	2,861,821	7,335,721
Cost of Revenue	(3,337,746)	(6,267,807)
Gross Profit /(Gross Loss))	(475,925)	1,067,914
Gross Profit/(Gross Loss) (%)	(16.63%)	14.56%
Selling, Admin and Other Operating Costs	(40,541,167)	(48,451,122)
Other Income	56,471,714	54,848,836
Finance Charges	(106,002)	(379,163)
Provision for Tax	(10,171,788)	(17,567,716)
Profit/(Loss) after Tax	5,176,832	(10,481,251)
Earning per Share	0.16	(0.32)

Review of Operations and Future Prospects

The company earned a profit before tax Rs. 15.34 million for the year ending June 30, 2021. The gross loss is 16.63%, due to decline in revenue. Administrative expenses decreased by Rs. 7.91 million and the finance costs are negligible. The bottom line reflects a net of tax profit of Rs.



5.17 million with a Rs. 0.16 Earning Per Share. Rental income decreased due to the exit of one of our tenants who occupied more than fifty percent of the rented area. The income from rent and service charges is expected to improve financial results in the coming years.

Like previous year, the year under review also remained under the threat of COVID-19 that restrained improvement in economic activities. However it is hoped that with the development of COVID vaccine, it will help to lower its spread resultantly better business prospects are expected.

The overall business environment in Pakistan remains challenging due to multiple factors. Utility charges and other costs are continue to increase at a very fast pace, restricting the company to achieve better results. The company expects to meet these challenges in a profitable manner and our results are expected to improve going forward.

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 2021 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 institution, 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, loan and advances and other receivables as at 30 June 2021 include aggregate balance of Rupees 10.602 million 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 balance

Unquote

The legal petition had been filed against the said company for the recovery. The recovery is pending because the case has not yet been decided. Our legal counsel M/S HaiderWaheed has



confirmed that the hearing is still pending for adjudication and a future fixation date has not been set as of yet. Management believes a favorable outcome and will recover the outstanding amount including the amount pertaining to the investment transferred/disposed of by the financial institution. Receivable from other than related parties include 5.33 million from government institutions in respect of sales tax and custom rebate.

Quote

As at June 30 2021, Trade and other payable includes insurance payable amounting to Rupees 12.928 million and creditors amounting to Rupees 9.314 million outstanding since long. Our direct confirmation requests to certain creditors remained un-responded. Due to insufficient nature of the Company's records in respect of such amounts, we remained unable to obtain sufficient appropriate audit evidence to confirm the existence and valuation of such liabilities.

Unquote

These are the liabilities the company owes as on June 30, 2021. Despite repeated request we are unable to receive confirmation till today. We are following up for the confirmation. In case any change occurs that will be incorporated/adjusted in the books and will reflect in subsequent periodical accounts.

Quote

During prior year, the Company's petition in Honorable Lahore High Court praying restraining Sui Southern Gas Company Limited (SSGC) from recovering the amount of general sales tax (GST) arrears and disconnecting the gas connection was dismissed for being not maintainable. Accordingly, SSGCL raised bill for outstanding arrears amounting to Rupees 17.868 million and en-cashed the bank guarantee of Rupees 2 million and forfeited gas security deposit of Rupees 10.823 million against its demand and disconnected the gas connection. The Company has not accounted for the demand of SSGCL and treated the balance of en-cashed bank guarantee and forfeited gas security deposit aggregately amounting to Rupees 12.823 million as receivable from SSGCL (Note 10.3). The management has not adopted any legal recourse against the act of SSGCL till the reporting date despite the lapse of significant period since dismissal purporting recovery of this balance as doubtful. Accordingly, we remained unable to satisfy ourselves in respect of this receivable and non-recognition of demand of SSGCL.

Unquote

SSGC imposed an amount showing under Sales tax of Rs. 17.868 million for the period from 2009 to 2014 without any legal justification. Since 2014, the company has stopped all manufacturing activities and rented out the space. The company availed zero rating facility under SRO 1125(1)/2011 till 2014. When renting out its space, the company started paying sales tax along with monthly gas charges. SSGC, keeping in view the status after 2014, imposed sales tax with the amount and from the period as stated above. The company communicated



with the FBR to confirm if any such liability exists against Jubilee Spinning & Weaving Mills Limited. The letter has remained un-responded till this time. We had meetings with SSGC officials on the matter who agreed to remove this amount on production of STGO in favour of the company. The company applied to FBR for the issuance of STGO in its favour. The FBR Lahore directed FBR Karachi to submit a report showing whether the company was a textile manufacturer during 2009 to 2014. The report has been forward to FBR Lahore and we have been following up with the department and are confident that we will receive STGO in our favour. Due to delay in response from the FBR, the company is in the process of filing a petition for an early solution on the matter.

Quote

Revenue amounting Rupees 2.862 million accounted for in the financial statements represents billing to tenants in respect of use of Company's power house equipment and transmission lines. 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 prior years, the Company 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 more fully disclosed in Note 22.5 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

The company purchased three generators in previous year that were incorporated in books and charged depreciation thereon. In the current scenario the company has taken electricity connection from K-Electric to accommodate its tenants. Out of the revenue mentioned above Rs. 35,070 pertains to a stand-by generator run in case of power failure. Further we did not have any evidence that such generators belong to one of the ex-directors.

Quote

Sui Southern Gas Company Limited (SSGC) latest bill reflects the outstanding demand of Rupees 6.239 million on account of Gas Infrastructure Development Cess (GIDC) payable in twenty-four (24) installments under the order of Honorable Supreme Court of Pakistan. Furthermore, the last bill of gas connection before disconnection as reported in paragraph (c) above reflected outstanding demand of GIDC alongwith GST on GIDC amounting to Rupees 68.400 million. However, the Company has neither accounted for this liability nor disclosed the contingent liability, if any, in respect of such demand. In the absence of underlying information for non-



recording of 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;

Unquote

The company did not account for amount of GIDC charged by SSGC in these financial statements. The company has filed a suit for the stay against the recovery of the GIDC. The Honorable High Court of Sind at Karachi through suit no. 1208 of 2020 restrained defendant to take any coercive action against the company in this matter. The next hearing date is fixed on October 14, 2021.

Quote

Certain litigations have been filed by / against the Company as disclosed in Note 22 to the financial statements. Management and the legal counsels of the Company, in their direct responses to 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 are 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 22 to the Financial Statements presents a detailed view on this matter.

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 and other comprehensive income / loss 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;

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 been completely



written off in previous years due to losses. Therefore, any accumulation in losses in Cresox (Pvt.) Limited does not have any negative impact on the profitability of the company.

Quote

The Company has profit before tax for the year ended 30 June 2021. However, the Company has not determined and accounted any provision that may be required under the applicable laws of Workers Welfare Fund and Workers Profit Participation Fund; and

Unquote

The company's profit include Rs. 5.77 million surplus on revaluation on investment property. This is an unrealized gain and is accounted for in the financial statements as required under International Accounting Standard. Had this amount not been the part of other income, company's profit would have been turned into loss with a negligible amount. Therefore, the company did not account for the provision as required under Workers Welfare Fund and Workers Profit Participation Fund.

Quote

For the year ended 30 June 2021 and as of that date its accumulated loss is Rupees 360.463 million and its current liabilities exceeds its current assets by Rupees 31.382 million. This situation may further deteriorate if the possible effects of matter discussed in paragraphs (c) to (f) 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 tried to alter its memorandum of association to add the business of renting of properties by passing special resolution multiple times in the past but respective petitions filed with Securities and Exchange Commission of Pakistan (SECP) remained unsuccessful due to irregularities. During the prior year, the Company has initiated the process of alteration of its memorandum of association to add the business of renting of properties and to change of name of the Company through a special resolution passed in extra ordinary general meeting of shareholders of the Company held on 29 May 2020. However, confirmation of alteration by the SECP is still pending due to unresolved observations. 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 fully disclose these facts. 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. The company also applied for the change of name of the company to commensurate the business with its name under sub-section (i) of section 26 of the Companies Act 2017. Form 26 regarding change of principal line in the memorandum has completed while the change of company name is in process. Reviewing current ratio of this year with the previous, it reveals that, current liabilities exceed current assets by Rs. 31.38 million. This is mainly because of reclassification of short-term investment and transferring of gratuity from long term to short term liabilities in previous years. In addition to this during the year under review company obtained a loan from one of its tenant and from directors to avail electricity connection that will become a part of its fixed assets. These stated facts indicate that the company's financial position is stable and it will continue to operate as a going concern.

Board of Directors

Following persons have been the directors during the period:

Mr. Shaukat Shafi	Director/Chairman
Mr. Shams Rafi	Chief Executive Officer
Mr. Salman Rafi	Director
Mr. Usman Shafi	Director
Mr. Umer Shafi	Director
Mr. Aurangzeb Shafi	Director
Mrs. Sana Salman	Director

Pattern of Shareholding

The statement of pattern of shareholding of the company as at June 30, 2021 is annexed. This statement is prepared in accordance with Code of Corporate Governance.

Earning per Shares

The basic earning per share for the period under review is Rs. **0.16** (2020: Rs. (0.32)).

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 13.078 million as on June 30, 2021 as per audited accounts.
- k) Attendance at 5 meetings of the Board of Directors held during the year under review were as under:

Name of Director	Meetings attended
Mr. Shaukat Shafi	4
Mr. Shams Rafi	5
Mr. Salman Rafi	5
Mr. Usman Shafi	5
Mr. Umer Shafi	4
Mr. Aurangzeb Shafi	2
Mrs. Sana Salman	4



l) During the period from July 01, 2020 to June 30, 2021 change in the holding of Directors, CEO, CFO and Company Secretary and their spouses as under:

	Balance as on 30-06-2020	Change	Balance as on 30-6-2021
Mr. Shaukat Shafi	2,400,529	-	2,400,529
Mr. Shams Rafi	692,810	-	692,810
Mr. Salman Rafi	665,979	-	665,979
Mr. Usman Shafi	1,198,434	-	1,198,434
Mr. Umer Shafi	1,206,073	-	1,206,073
Mr. Aurangzeb Shafi	522,855	-	522,855
Mrs. Sana Salman	5,000	-	5,000

m) Following associated companies have the investments as under:

Crescent Cotton Mills Limited	474,323
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o) The holdings of NIT and ICP are as under:

Investment Corporation of Pakistan	1891
IDBP	90

Shams Rafi
Chief Executive Officer

Salman Rafi
Executive Director

Karachi
October 06, 2021

حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

معزز حصص یافتگان!

ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے سال کے لیے آڈیٹرز کی رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالی بیانات پیش کرنے پر خوش ہیں۔

دارے کا عمومی جائزہ

جوبلی اسپینگ اینڈ ویٹنگ ملز لمیٹڈ اصل میں ایک ٹیکسٹائل مینوفیکچرنگ یونٹ تھا۔ کمپنی پاکستان میں شامل کی گئی تھی اور اس کا رجسٹرڈ آفس E-503، جوہر ٹاؤن، لاہور، پاکستان میں ہے۔ کمپنی کا بنیادی کاروبار سوت کی تیاری اور فروخت کرنا تھا۔ 2014 میں، کمپنی نے اپنے کتناہی کاروبار کو خارج کر دیا اور اپنے آپریٹنگ فکسڈ اثاثوں کو ضائع کر دیا۔ اس کے بعد، کمپنی نے آمدنی پیدا کرنے کے لیے اپنی پراپرٹی تیسرے فریق کو کرائے پر دی۔

ایک نظر میں مالی نتائج

سال کے دوران، کمپنی نے روپے کے بعد ٹیکس منافع حاصل کیا۔ (5.17) ملین، اخراجات، اخراجات اور دفعات وصول کرنے کے بعد۔ پچھلے مالی سال کا نتیجہ ٹیکس کے بعد روپے کا نقصان تھا۔ (10.48) ملین کمپنی کے مالی نتائج کا خلاصہ مندرجہ ذیل ہے:

روپے	روپے	
30 جون 2020	30 جون 2021	
7,335,721	2,861,821	آمدن
(6,267,807)	(3,337,746)	لاگت آمدن
1,067,914	(475,925)	خام منافع/ (خسارہ)
14.56%	(16.63%)	خام منافع/ (خسارہ)
(48,451,122)	(40,541,167)	انتظامی اور دیگر کاروباری لاگتیں
54,848,836	56,471,714	دیگر آمدن
(379,163)	(106,002)	مالیاتی لاگتیں
(17,567,716)	(10,171,788)	ٹیکس کے لئے اختصا
(10,481,251)	5,176,832	منافع/ (خسارہ) بعد از ٹیکس
(0.32)	0.16	بنیادی منافع/ (خسارہ) فی حصص

آپریشنز اور مستقبل کے امکانات کا جائزہ۔

کمپنی نے ٹیکس سے پہلے روپے کا منافع کمایا۔ 30 جون 2021 کو ختم ہونے والے سال کے لیے 15.34 ملین۔ محصول میں کمی کی وجہ سے مجموعی نقصان 16.63 فیصد ہے۔

انتظامی اخراجات میں روپے کی کمی 7.91 ملین اور فنانس کے اخراجات نہ ہونے کے برابر ہیں۔ نیچے کی لک روپے کے منافع کا خالص عکاسی کرتا ہے۔ 5.17 ملین روپے کے ساتھ 0.16 فی شیئر کمائی ہمارے کرایہ داروں میں سے ایک کے باہر نکلنے کی وجہ سے کرایے کی آمدنی میں کمی آئی جس نے کرائے کے علاقے کے پچاس فیصد سے زیادہ پر قبضہ کر لیا۔ کرایہ اور سروس چارجز کی آمدنی سے آنے والے سالوں میں مالی نتائج بہتر ہونے کی توقع ہے۔

پچھلے سال کی طرح، زیر نظر سال بھی COVID-19 کے خطرے میں رہا جس نے معاشی سرگرمیوں میں بہتری کو روکا۔ تاہم یہ امید کی جاتی ہے کہ COVID ویکسین کی ترقی کے ساتھ، اس کے پھیلاؤ کو کم کرنے میں مدد ملے گی جس کے نتیجے میں بہتر کاروباری امکانات متوقع ہیں۔

پاکستان میں مجموعی طور پر کاروباری ماحول کئی عوامل کی وجہ سے چیلنجنگ ہے۔ یوٹیلیٹی چارجز اور دیگر اخراجات میں بہت تیزی سے اضافہ جاری ہے، جس سے کمپنی کو بہتر نتائج حاصل کرنے پر پابندی ہے۔ کمپنی توقع کرتی ہے کہ ان چیلنجوں کو منافع بخش طریقے سے پورا کرے گی اور ہمارے نتائج سے آگے بڑھنے کی توقع ہے۔

کمپنی ایک باشعور کارپوریٹ شہری ہے۔ کمپنی کا خیال ہے کہ اس کے داخلی مالیاتی کنٹرول مناسب ہیں۔

آڈیٹرز کی رپورٹ میں تحفظات

سال کے لیے آڈیٹرز کی رپورٹ میں کچھ آراء کو نمایاں طور پر نمایاں کیا گیا ہے جن کا جواب ذیل میں دیا گیا ہے:

حوالہ

تجارتی قرضوں، قرضوں اور ایڈوانسز اور دیگر وصولیوں میں 30 جون 2021 تک بالترتیب 19.298 ملین روپے، 22.574 ملین روپے اور 14.755 ملین روپے شامل ہیں جو طویل عرصے سے بقایا متعلقہ کمپنی سے وصول کیے جاسکتے ہیں۔ متعلقہ کمپنی کو ہماری براہ راست تصدیق کی درخواست غیر جوابی رہی۔ مزید برآں، ایک مالیاتی ادارہ، پچھلے سالوں میں متعلقہ کمپنی کی طرف سے ڈیفالٹ پر، کمپنی کی سرمایہ کاری کو سمجھتا ہے کہ ایک یوٹیلیٹی سیکورٹیز میں وابستہ کمپنی کو قرض دینے کے خلاف وعدہ کیا گیا ہے۔ کمپنی نے مالیاتی ادارے کی طرف سے اس طرح کی سیکورٹیز کی مارکیٹ قیمت کو 40.963 ملین روپے کی ڈسپوزل ویلیو کے طور پر سمجھا اور اسے دیگر وصولیوں کے طور پر شمار کیا۔ کمپنی اس پارٹی کے بارے میں غیر یقینی ہے کہ اسے کس سے وصول کیا جائے۔ اس کے علاوہ، 30 جون 2021 تک قرض اور ایڈوانسز اور دیگر وصولیوں میں 10602 ملین روپے کا مجموعی بیلنس شامل ہے جو کہ ایک سال سے زائد عرصے سے بقایا متعلقہ فریقوں کے علاوہ قابل وصول ہے۔ انتظامیہ نے ہمیں تجارت اور دیگر وصولیوں کے حوالے سے متوقع کریڈٹ نقصانات کا اندازہ نہیں دیا ہے اور نہ ہی اس طرح کے بیلنس کے حوالے سے مالی بیانات میں متوقع کریڈٹ نقصانات کے لیے کوئی الاؤنس دیا ہے۔

ازالہ

مذکورہ کمپنی کے خلاف ریکوری کے لیے قانونی درخواست دائر کی گئی تھی۔ ریکوری زیر التوا ہے کیونکہ ابھی تک کیس کا فیصلہ نہیں ہوا ہے۔ ہمارے قانونی وکیل میسرز حیدر وحید نے تصدیق کی ہے کہ سماعت ابھی تک فیصلہ کے لیے زیر التوا ہے اور مستقبل کے تعین کی تاریخ ابھی طے نہیں کی گئی ہے۔ مینجمنٹ ایک سازگار نتیجہ پر یقین رکھتی ہے اور بقایا رقم کی وصولی کرے گی جس میں مالیاتی ادارے کی طرف سے منتقل/ڈسپوزل کی گئی سرمایہ کاری سے متعلقہ رقم بھی شامل ہے۔ سیکورٹیز اور کسٹم چھوٹ کے حوالے سے متعلقہ پارٹیوں کے علاوہ دیگر اداروں سے وصول ہونے والے سرکاری اداروں سے 5.33 ملین شامل ہیں۔

حوالہ

جون 2021 تک، تجارت اور دیگر قابل ادائیگی انشورنس قابل ادائیگی 12.928 ملین روپے اور قرض دہندگان کی رقم 9.314 ملین روپے ہے جو طویل عرصے سے بقایا ہے۔

کچھ قرض دہندگان سے ہماری براہ راست تصدیق کی درخواستوں کا جواب نہیں دیا گیا۔ اتنی مقدار کے حوالے سے کمپنی کے ریکارڈ کی ناکافی نوعیت کی وجہ سے، ہم اس طرح کے واجبات کے وجود اور تشخیص کی تصدیق کے لیے مناسب مناسب آڈٹ ثبوت حاصل کرنے سے قاصر رہے۔

ازالہ

یہ 30 جون 2021 تک کمپنی کی واجبات ہیں۔ بار بار درخواست کرنے کے باوجود ہم آج تک تصدیق حاصل کرنے سے قاصر ہیں۔ ہم تصدیق کے لیے پیروی کر رہے ہیں۔ اگر کوئی تبدیلی واقع ہوتی ہے تو اسے کتابوں میں شامل / ایڈجسٹ کیا جائے گا اور بعد کے متواتر کھاتوں میں اس کی عکاسی ہوگی۔

حوالہ

پچھلے سال کے دوران، معزز لاہور ہائی کورٹ میں کمپنی کی درخواست سوئی سدرن گیس کمپنی لمیٹڈ (ایس ایس جی سی) کو جنرل سیلزنٹیکس (جی ایس ٹی) بقایا جات کی وصولی سے روکنے اور گیس کنکشن منقطع ہونے کی وجہ سے مسٹر دکردی گئی تھی۔ اس کے مطابق، ایس ایس جی سی ایل نے 17.868 ملین روپے کے بقایا جات کے لیے بل اٹھا یا اور 2 ملین روپے کی بینک گارنٹی کیش کی اور 10.823 ملین روپے کی گیس سیکورٹی ڈپازٹ کو اس کی مانگ کے خلاف ضبط کر لیا اور گیس کنکشن منقطع کر دیا۔ کمپنی نے ایس ایس جی سی ایل کی ڈیمانڈ کا حساب نہیں دیا اور این کیشڈ بینک گارنٹی کے بیلنس کا علاج کیا اور گیس سیکورٹی ڈپازٹ مجموعی طور پر 12.823 ملین روپے ایس ایس جی سی ایل سے وصول کیا (نوٹ 10.3) انتظامیہ نے ایس ایس جی سی ایل کے ایکٹ کے خلاف رپورٹنگ کی تاریخ تک کوئی قانونی راستہ اختیار نہیں کیا جب کہ اس بیلنس کی بازیابی کو مشکوک قرار دیتے ہوئے برخاست ہونے کے بعد سے اہم مدت گزر جانے کے باوجود۔ اس کے مطابق، ہم ایس ایس جی سی ایل کی اس قابل قبول اور غیر تسلیم شدہ مانگ کے حوالے سے اپنے آپ کو مطمئن کرنے سے قاصر رہے۔

ازالہ

ایس ایس جی سی نے ایک رقم عائد کی جو سیلزنٹیکس کے تحت ظاہر ہوتی ہے۔ 17.868 ملین 2009 سے 2014 کے دوران بغیر کسی قانونی جواز کے۔ 2014 کے بعد سے، کمپنی نے مینوفیکچرنگ کی تمام سرگرمیاں روک دی ہیں اور جگہ کرائے پر دی ہے۔ کمپنی نے 2014 تک 1125SRO (1)/2011 کے تحت زیروریننگ کی سہولت حاصل کی۔ جب اس نے اپنی جگہ کرائے پر لی تو کمپنی نے ماہانہ گیس چارجز کے ساتھ سیلزنٹیکس ادا کرنا شروع کر دیا۔ ایس ایس جی سی، 2014 کے بعد کی صورتحال کو مد نظر رکھتے ہوئے، رقم کے ساتھ اور اوپر بیان کردہ مدت کے ساتھ سیلزنٹیکس لگایا۔ کمپنی نے ایف بی آر سے رابطہ کیا تا کہ اس بات کی تصدیق کی جاسکے کہ جو بلی اسپننگ اینڈ ویونگ ملز لمیٹڈ کے خلاف ایسی کوئی ذمہ داری موجود ہے۔ خط کا اس وقت تک کوئی جواب نہیں آیا۔ ہم نے ایس ایس جی سی کے عہدیداروں کے ساتھ اس معاملے پر ملاقاتیں کیں جنہوں نے کمپنی کے حق میں ایس ٹی جی او کی پیداوار پر اس رقم کو ہٹانے پر اتفاق کیا۔ کمپنی نے اپنے حق میں STGO جاری کرنے کے لیے FBR کو درخواست دی۔ ایف بی آر لاہور نے ایف بی آر کراچی کو ہدایت کی کہ وہ رپورٹ پیش کرے کہ آیا کمپنی 2009 سے 2014 کے دوران ٹیکس شل بنانے والی کمپنی تھی۔ احسان۔ ایف بی آر کی جانب سے جواب میں تاخیر کی وجہ سے کمپنی معاملے کے جلد حل کے لیے پیشین داز کرنے کے عمل میں ہے۔

حوالہ

مالی بیانات میں 2.86 ملین روپے کی آمدنی کمپنی کے پاور ہاؤس آلات اور ٹرانسمیشن لائنوں کے استعمال کے حوالے سے کرایہ داروں کو بلنگ کی نمائندگی کرتی ہے۔ کمپنی نے اکتوبر 2016 میں اپنے پاور ہاؤس کے سامان کو ٹھکانے لگایا اور متبادل پاور جنریٹر رکھے۔ پہلے، یہ متبادل پاور جنریٹر، مذکورہ بالا آمدنی پیدا کرتے تھے، نہ تو کمپنی کے اکاؤنٹ کی کتابوں میں تسلیم کیے گئے اور نہ ہی مالی بیانات میں کوئی کرایہ وصول کیا گیا۔ پچھلے سالوں کے دوران، کمپنی نے پہلے ریکارڈ شدہ جنریٹرز کی جگہ دو جنریٹرز کی خریداری ریکارڈ کی۔ تاہم، اس طرح کے متبادل کے انتظام کو معلومات کے فقدان کی وجہ سے ثابت نہیں کیا جاسکا جیسا کہ پہلے سے غیر ریکارڈ شدہ جنریٹرز کو ٹھکانے لگانے کے لیے جہاں سابق ڈائریکٹر نے ان جنریٹرز کے دوبارہ قبضے کے لیے مقدمہ دائر کیا تھا، نوٹ 22.5 میں مالیاتی کو مکمل طور پر ظاہر کیا گیا ہے۔ بیانات مزید یہ کہ، اس حوالے سے قانونی رائے کی عدم موجودگی میں، ہم اپنے آپ کو مطمئن کرنے سے قاصر رہے کہ آیا کرایہ داروں کے ساتھ مذکورہ بالا انتظام تمام قابل اطلاق ریگولیٹری دفعات بشمول انکم ٹیکس، سیلزنٹیکس اور بجلی کی ڈیوٹی کے مطابق ہے۔

ازالہ

کمپنی نے پچھلے سال تین جزیر خریدے تھے جو کتابوں میں شامل کیے گئے تھے اور اس پر قیمتوں کا معاوضہ لیا گیا تھا۔ مذکورہ آمدنی میں سے روپے بجلی کی خرابی کی صورت میں 1070،35 اسٹینڈ بائی جزیر چلانے سے متعلق ہے۔ مزید یہ کہ ہمارے پاس اس بات کا کوئی ثبوت نہیں تھا کہ اس طرح کے جزیر سابق ڈائریکٹرز میں سے ایک ہیں۔

حوالہ

سوئی سدرن گیس کمپنی لمیٹڈ (ایس ایس جی سی) کا تازہ ترین بل معزز سپریم کورٹ آف پاکستان کے حکم کے تحت چوبیس (24) اقساط میں قابل ادائیگی گیس انفراسٹرکچر ڈویلپمنٹ سیس (جی آئی ڈی سی) کی مد میں 6.239 ملین روپے کی بقایا طلب کی عکاسی کرتا ہے۔ مزید برآں، گیس کے کنکشن کا آخری بل منقطع ہونے سے پہلے جیسا کہ اوپر پیرا گراف (c) میں بتایا گیا ہے کہ جی آئی ڈی سی کی جی ایس ڈی کے ساتھ جی آئی ڈی سی پر 68.400 ملین روپے کی بقایا مانگ ظاہر ہوتی ہے۔ تاہم، کمپنی نے نہ تو اس ذمہ داری کا محاسبہ کیا ہے اور نہ ہی اس طرح کی مانگ کے سلسلے میں ہنگامی ذمہ داری ظاہر کی ہے۔ اس ڈیمانڈ کی ریکارڈنگ نہ کرنے اور اس کے خلاف کمپنی کے اقدامات کے لیے بنیادی معلومات کی عدم موجودگی میں، ہم مالی بیانات میں اخراجات اور متعلقہ ذمہ داری کی شناخت کے حوالے سے خود کو مطمئن کرنے سے قاصر رہے۔

ازالہ

کمپنی نے ان مالی بیانات میں ایس ایس جی سی کی طرف سے وصول کردہ جی آئی ڈی سی کی رقم کا حساب نہیں دیا۔ کمپنی نے جی آئی ڈی سی کی وصولی کے خلاف قیام کے لیے مقدمہ دائر کیا ہے۔ معزز ہائی کورٹ کراچی میں سوٹ نمبر کے ذریعے 2020 کے 1208 نے مدعا علیہ کو اس معاملے میں کمپنی کے خلاف کسی بھی قسم کی سخت کارروائی کرنے سے روک دیا۔ اگلی سماعت کی تاریخ 14 اکتوبر 2021 مقرر کی گئی ہے۔

حوالہ

کمپنی کی طرف سے کچھ قانونی چارہ جوئی کی گئی ہے جیسا کہ نوٹ 22 میں مالی بیانات میں ظاہر کیا گیا ہے۔ منجمنٹ اور کمپنی کے قانونی مشیروں نے، ہماری تصدیق کی درخواستوں کے براہ راست جوابات میں، ہمیں ان مقدمات کے ممکنہ نتائج کے بارے میں اپنی تشخیص فراہم نہیں کی ہے۔ اس کے مطابق، ہم اس بات کا تعین کرنے سے قاصر رہے کہ آیا اس طرح کے مقدمات کے خلاف کوئی شق بنائی جائے یا اس کے انکشافات مالی بیانات میں کافی ہیں۔

ازالہ

کسی بھی موجودہ قانونی چارہ جوئی سے کمپنی کے مالی بیانات پر کسی بھی طرح سے کوئی اثر پڑنے کی توقع نہیں ہے۔ لہذا، ان مالیاتی بیانات میں کوئی شق یا انکشاف شامل نہیں کیا گیا ہے۔ مالیاتی بیانات کا نوٹ 22 اس معاملے پر تفصیلی نقطہ نظر پیش کرتا ہے۔

حوالہ

31 کریسوکس (پرائیویٹ) لمیٹڈ کے تازہ ترین آڈٹ شدہ/غیر آڈٹ شدہ مالیاتی بیانات، ایک وابستہ کمپنی اکاؤنٹنگ کے ایکویٹی طریقہ کار (نوٹ 5.1) کے تحت کمپنی کے پاس دستیاب نہیں تھی۔ تازہ ترین آڈٹ شدہ مالی بیانات کی عدم موجودگی میں، ہم اپنے آپ کو مطمئن کرنے سے قاصر رہے کہ آیا مالی بیانات میں نفع اور دیگر جامع آمدنی/نقصان کا کوئی حصہ شمار کیا جائے۔ مزید برآں، ہم معاون دستاویزات کی کمی اور آزاد ویلوز کی جانب سے تشخیص کی وجہ سے دیگر جامع آمدنی کے ذریعے مناسب قیمت پر غیر منقولہ سرمایہ کاری کے وجود اور تشخیص کی تصدیق نہیں کر سکے۔

ازالہ

کریسوکس (پرائیویٹ) لمیٹڈ کے موجودہ سال کے آڈٹ شدہ/مسودہ مالی بیانات ہماری کتابوں میں نفع یا نقصان کا حصہ شامل کرنے کے لیے دستیاب نہیں تھے۔ اس حقیقت کو پہلے ہی نوٹ 5.1.1 میں مالی بیان میں ظاہر کیا جا چکا ہے۔ کریسوکس (پرائیویٹ) لمیٹڈ میں سرمایہ کاری نقصانات کی وجہ سے پچھلے سالوں میں مکمل طور پر ختم کر دی گئی ہے۔ لہذا، کریسوکس (پرائیویٹ) لمیٹڈ میں نقصانات میں کسی بھی قسم کے جمع ہونے سے کمپنی کے منافع پر کوئی منفی اثر نہیں پڑتا۔

حوالہ

30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کوٹیکس سے پہلے منافع حاصل ہے۔ تاہم، کمپنی نے ورکرز ویلفیئر فنڈ اور ورکرز منافع شرکت فنڈ کے قابل اطلاق قوانین کے تحت درکار کسی بھی شق کا تعین اور حساب نہیں کیا۔ اور

ازالہ

کمپنی کے منافع میں روپے شامل ہیں۔ سرمایہ کاری کی جائیداد پر دوبارہ تشخیص پر 5.77 ملین زائد یہ ایک غیر حقیقی فائدہ ہے اور بین الاقوامی اکاؤنٹنگ سٹینڈرڈ کے تحت ضرورت کے مطابق مالی بیانات میں شمار کیا جاتا ہے۔ اگر یہ رقم دوسری آمدنی کا حصہ نہ ہوتی تو کمپنی کا منافع نہ ہونے کے برابر نقصان میں بدل جاتا۔ لہذا، کمپنی نے ورکرز ویلفیئر فنڈ اور ورکرز منافع شرکت فنڈ کے تحت ضرورت کے مطابق فراہمی کا حساب نہیں دیا۔

حوالہ

30 جون 2021 کو ختم ہونے والے سال اور اس تاریخ تک اس کا جمع شدہ نقصان 360.463 ملین روپے ہے اور اس کی موجودہ ذمہ داریاں اس کے موجودہ اثاثوں سے 31.382 ملین روپے سے زیادہ ہیں۔ یہ صورت حال مزید خراب ہو سکتی ہے اگر مندرجہ بالا پیرا گراف (c) سے (f) میں زیر بحث معاملات کے ممکنہ اثرات کو مالی بیانات میں شمار کیا جائے۔ مارچ 2014 سے مؤثر، کمپنی نے اپنے ٹیکسٹائل آپریشن کو بند کر دیا ہے اور اپنے تمام آپریٹنگ فیکسڈ اثاثوں کو ٹھکانے لگا دیا ہے سوائے لیز ہولڈ اراضی اور پچھلے سالوں میں لیز ہولڈ اراضی پر عمارت بنانے کے۔ کمپنی نے ماضی میں متعدد بار خصوصی قرارداد منظور کر کے جائیدادوں کے کرائے کے کاروبار کو شامل کرنے کے لیے اپنے میمورنڈم آف ایسوسی ایشن کو تبدیل کرنے کی کوشش کی لیکن سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) میں دائر کردہ متعلقہ درخواستیں بے ضابطگیوں کی وجہ سے ناکام رہیں۔ پچھلے سال کے دوران، کمپنی نے اپنے میمورنڈم آف ایسوسی ایشن میں تبدیلی کا عمل شروع کیا ہے تاکہ جائیدادوں کے کرائے کے کاروبار کو شامل کیا جاسکے اور کمپنی کے شیئر ہولڈرز کی غیر معمولی عام میٹنگ میں منظور کی گئی خصوصی قرارداد کے ذریعے کمپنی کا نام تبدیل کیا جائے۔ 29 مئی 2020 کو۔ تاہم، حل نہ ہونے والے مشاہدات کی وجہ سے ایس ای سی پی کی طرف سے تبدیلی کی تصدیق ابھی تک زیر التوا ہے۔ یہ واقعات ایک مادی غیر یقینی صورتحال کی نشاندہی کرتے ہیں جو کہ کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر اہم شکوک و شبہات پیدا کر سکتی ہے اور اس وجہ سے وہ اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے مطابق اپنی ذمہ داریوں کو ادا کرنے سے قاصر ہو سکتی ہے۔ مالی بیانات اور نوٹ ان حقائق کو مکمل طور پر ظاہر نہیں کرتے ہیں۔ کمپنی کی انتظامیہ نے ہمیں مالی بیانات کی تیاری میں استعمال ہونے والے تشویش مفروضے اور مستقبل کے مالیاتی تخمینوں کا جو کہ کمپنی کی معاشی استحکام کی نشاندہی کرتی ہے، اپنی تشخیص فراہم نہیں کی۔ یہ حقائق بتاتے ہیں کہ مالی بیانات کی تیاری میں استعمال ہونے والی تشویش مفروضہ نامناسب ہے۔

ازالہ

کمپنی نے نوٹ 1.3 میں 2014 میں اپنے بنیادی آپریشن کو بند کرنے کا انکشاف کیا ہے۔ اس کے بعد کمپنی نے 04 اپریل 2015 کو ای او جی ایم میں شیئر ہولڈرز کی منظوری

حاصل کرنے کے بعد تمام پلانٹ اور مشینری کو ٹھکانے لگا دیا۔ ایک بنیادی کاروباری سرگرمی کے طور پر کرایہ پر لینا اور ایس ای سی پی کو اس کی میمورنڈم آف ایسوسی ایشن کی شق III کو تبدیل کرنے کے لیے درخواست دی۔ کمپنی نے کمپنی ایکٹ 2017 کے سیکشن 26 کے ذیلی سیکشن (i) کے تحت کاروبار کے نام کے ساتھ کمپنی کے نام کی تبدیلی کے لیے بھی درخواست دی۔ کمپنی کے نام پر کارروائی جاری ہے۔ گزشتہ سال کے ساتھ اس سال کے موجودہ تناسب کا جائزہ لیتے ہوئے، یہ ظاہر کرتا ہے کہ، موجودہ واجبات موجودہ اثاثوں سے روپے سے زیادہ ہیں۔ 31.38 ملین اس کی بنیادی وجہ قلیل مدتی سرمایہ کاری کی دوبارہ درجہ بندی اور پچھلے برسوں میں طویل مدتی سے قلیل مدتی ذمہ داریوں میں گریجوٹی کی منتقلی ہے۔ اس کے علاوہ زیر جائزہ سال کے دوران کمپنی نے اپنے ایک کرایہ دار اور ڈائریکٹرز سے بجلی کے کنکشن حاصل کرنے کے لیے قرض لیا جو اس کے فکسڈ اثاثوں کا حصہ بن جائے گا۔ ان بیان کردہ حقائق سے پتہ چلتا ہے کہ کمپنی کی مالی پوزیشن مستحکم ہے اور یہ ایک تنویش کے طور پر کام کرتی رہے گی۔

بورڈ آف ڈائریکٹرز

مندرجہ ذیل افراد اس مدت کے دوران ڈائریکٹر رہے ہیں:

جناب شوکت شفیع	ڈائریکٹر/چیئر مین۔
جناب شمس رفیع	چیف ایگزیکٹو آفیسر۔
جناب سلمان رفیع	ڈائریکٹر۔
جناب عثمان شفیع	ڈائریکٹر۔
جناب عمر شفیع	ڈائریکٹر۔
جناب اورنگزیب شفیع	ڈائریکٹر۔
مسز ثنا سلمان	ڈائریکٹر۔

شیئر ہولڈنگ کا نمونہ۔

30 جون 2021 تک کمپنی کے شیئر ہولڈنگ کے پیٹرن کا بیان منسلک ہے۔ یہ بیان کوڈ آف کارپوریٹ گورننس کے مطابق تیار کیا گیا ہے۔

فی حصص کمائی۔

زیر جائزہ مدت کے لیے بنیادی کمائی فی شیئر روپے ہے۔ 0.16 (2020: روپے (0.32))۔

کارپوریٹ گورننس کی تعمیل

جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے، ڈائریکٹرز یہ اطلاع دیتے ہوئے خوش ہیں کہ:

(a) کمپنی کے مالیاتی بیانات کافی حد تک اس کے حالات، اس کے آپریشن کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیاں پیش کرتے ہیں۔

ب) کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔

ج) مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے سوائے ان کے جو کہ مالی بیانات میں ظاہر کیے گئے ہیں اور اکاؤنٹنگ تخمینے معقول اور سمجھدار فیصلے پر مبنی ہیں۔

د) بین الاقوامی اکاؤنٹنگ معیارات جیسا کہ پاکستان میں لاگو ہوتا ہے مالی بیانات کی تیاری میں عمل کیا گیا ہے اور وہاں سے کسی بھی روایتی کا مناسب طور پر انکشاف کیا گیا ہے۔

e) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اندرونی آڈٹ ڈیپارٹمنٹ کی طرف سے مسلسل اور مؤثر انداز میں جائزہ لیا جا رہا ہے اور اس کا جائزہ لیا جاتا رہے گا اور نظام میں کسی بھی قسم کی کمزوری کو ختم کیا جائے گا۔

f) کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔ تشویش کے معاملے کے بارے میں آڈیٹرز کارپوریشن اور مناسب طریقے سے حل کیا گیا ہے۔

g) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روایتی نہیں ہوئی ہے جیسا کہ فہرست سازی کے قواعد میں تفصیل کے ساتھ ہے۔

h) کمپنی نے جمع شدہ نقصانات کی وجہ سے منافع کا اعلان نہیں کیا۔

i) متعلقہ فریقوں کے ساتھ لین دین کو آڈٹ کمیٹی اور بورڈ نے منظور کیا ہے۔

j) آڈٹ شدہ اکاؤنٹس کے مطابق 30 جون 2021 کو گریجویٹ کی قیمت 13.078 ملین روپے تھی۔

k) زیر جائزہ سال کے دوران منعقد ہونے والے بورڈ آف ڈائریکٹرز کے 15 اجلاسوں میں حاضری مندرجہ ذیل تھی۔

ڈائریکٹر میٹنگز کے نام شریک ہوئے۔

جناب شوکت شفیع 4-

جناب شمس رفیع 5-

جناب سلمان رفیع 5-

جناب عثمان شفیع 5-

جناب عمر شفیع 4-

جناب اورنگزیب شفیع 2-

مسز ثنا سلمان 4-

(01 جولائی 2020 سے 30 جون 2021 کی مدت کے دوران ڈائریکٹرز، ای ایف او اور کمپنی سیکرٹری اور ان کے شریک حیات کے ہولڈنگ میں تبدیلی مندرجہ ذیل ہے۔

بیلنس تبدیلی بیلنس۔

جیسا کہ پر

2021-6-30

2020-06-30

2,400,529

2,400,529

جناب شوکت شفیع

692,810

692,810

جناب شمس رفیع

665,979

665,979

جناب سلمان رفیع

1,198,434

1,198,434

جناب عثمان شفیع

1,206,073

1,206,073

جناب عمر شفیع

522,855

522,855

جناب اورنگزیب شفیع

5,000

5,000

مسز ثنا سلمان

(m) مندرجہ ذیل وابستہ کمپنیوں میں سرمایہ کاری مندرجہ ذیل ہے۔

474,323

کرینسٹ کاٹن ملز لمیٹڈ

(o) NIT اور ICP کی ہولڈنگز مندرجہ ذیل ہیں۔

1891

انویسٹمنٹ کارپوریشن آف پاکستان

90

آئی ڈی بی پی

سلمان رفیع

ڈائریکٹر

شمس رفیع

چیف ایگزیکٹو ڈائریکٹر

کراچی

06 اکتوبر 2021



KEY OPERATING DATA AND FINANCIAL RATIOS FOR THE PERIOD FROM 2015 To 2021

Operating Information		2021	2020	2019	2018	2017	2016 (restated)	2015
Sales - Net	Rs. In Mln	2.86	7.34	23.68	37.15	24.03	17.89	14.87
Cost of Goods Sold	Rs. In Mln	3.34	6.27	9.31	12.94	7.52	11.04	29.51
Gross Profit/(Loss)	Rs. In Mln -	0.48	1.07	14.38	24.21	16.51	6.85	14.64
Profit/(Loss) from operations	Rs. In Mln	15.45	7.47	33.74	45.33	140.73	14.00	37.50
Profit/(Loss) before taxation	Rs. In Mln	15.35	7.09	33.70	45.24	140.70	13.90	37.68
Profit/(Loss) after taxation	Rs. In Mln	5.18	10.48	28.89	32.86	115.35	5.75	40.36
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 -	360.46	365.69	355.49	384.58	417.23	119.26	114.62
Fixed Assets	Rs. In Mln	719.19	703.43	696.78	664.59	645.68	601.91	681.32
Current Assets	Rs. In Mln	145.03	139.34	121.42	133.07	137.78	136.72	242.81
Current Liabilities	Rs. In Mln	176.41	162.98	125.25	134.15	151.14	165.72	200.84
Total Assets	Rs. In Mln	864.22	842.77	818.19	797.66	783.46	738.63	924.13
Key Ratios								
Gross Margin	percent -	16.63	14.56	60.70	65.18	68.72	38.29	98.45
Operating Margin	percent	540.03	101.77	142.46	122.01	585.58	78.23	252.19
Net Profit/(Loss)	percent	180.89	142.88	121.99	88.46	479.99	32.14	271.42
Return on Capital Employed	percent	0.01	0.01	0.04	0.05	0.18	0.01	0.06
Current Ratio	Times	0.82	0.85	0.97	0.99	0.91	0.82	1.21
Earning Per Share	Rs.	0.16	0.32	0.89	1.01	3.55	0.18	1.24
Production Statistics								
Number of Spindle	Numbers	-	-	-	-	-	-	-
Production converted into 20/s Count	Kgs	-	-	-	-	-	-	-



Vision & Mission Statement

Vision Statement

Jubilee Spinning & Weaving Mills Limited was a manufacturing concern that produces high quality cotton and polyester carded and combed yarn. Now the company is engaged in the business of renting out buildings and / or opens areas of the company's premises to institutions, corporations, companies, other entities and individuals and provide various services/utilities to the same. 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, 2019

Name of Company: Jubilee Spinning & Weaving Mills Limited
Year Ended: 30 June 2021

The Company has complied with the requirements of the Listed Companies [Code of Corporate Governance] Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of Directors are seven (07) as per the following:

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

2. The composition of the Board is as follows:

Category	Names
Independent Directors	-
Non-Executive Directors	Mr. Shaukat Shafi (Chairman) Mr. Aurangzeb Shafi Mr. Umer Shafi Mr. Usman Shafi Ms. Sana Salman
Executive Director	Mr. Shams Rafi (Chief Executive Officer) Mr. Salman Rafi

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;



5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. Following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

Sr. No.	Name of Directors
1.	Mr. Shaukat Shafi
2.	Mr. Shams Rafi
3.	Mr. Salman Rafi
4.	Mr. Usman Shafi
5.	Mr. Umer Shafi

Following Directors do not meet the exemption criteria; hence they will complete the Directors' training program in the ensuing financial year in accordance with the Regulations:

Sr. No.	Name of Directors
1.	Mr. Aurangzeb Shafi
2.	Ms. Sana Salman



10. The Board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Further, the position of Head of Internal Audit is vacant till the reporting date;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Mr. Usman Shafi	Chairman
Mr. Shaukat Shafi	Member
Mr. Umer Shafi	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Salman Rafi	Chairman
Mr. Usman Shafi	Member
Mr. Umer Shafi	Member

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



a) Audit Committee

Four quarterly meetings were held during the financial year ended 30 June 2021.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2021.

15. The Board has not set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with except of the following;
 - a) Regulation 6 (1) requires that each listed company must have at least two or one third members of the Board, whichever is higher, as Independent Director. However, the Company do not have any independent director. Furthermore, The company has received consent from a person and will appoint him to act as an Independent Director after getting approval from the Board of Directors meeting to be held on October 06, 2021.



- b) Regulation 27(1)(i) requires that the Board shall establish an audit committee of at least three members comprising of non-executive directors and at least one independent director. The company is recomposing the Audit Committee and will re-appoint an independent director after getting approval from the Board of Directors;
- c) Regulation 27 (1) (ii) requires that the chairman of the committee shall be an independent director, who shall not be the chairman of the Board. The company is recomposing the Audit Committee and will re-appoint a chairman of the Audit Committee from independent director after getting approval from the Board of Directors;
- d) Regulation 28(1) requires that at least one member of the HR & Remuneration committee shall be an Independent Director. The company is recomposing the HR & Remuneration committee and will re-appoint an independent director after getting approval from the Board of Directors; and
- e) Regulation 28 (2) requires that the chairman of the committee shall be an independent director. The company is recomposing the HR & Remuneration committee and will re-appoint a chairman of the HR & Remuneration Committee from independent director after getting approval from the Board of Directors.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-compliance	Regulation No.
1.	Representation of Minority shareholders The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
2.	Directors' Orientation	Currently, the Company has	



	Program All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	not made any arrangement for orientation program. However, the Company shall carry out the said program in the ensuing year.	18
3.	Approval of Head of Internal Audit The Board shall appoint, determine remuneration, renew contracts and terms and conditions of employment of head of internal audit of the company.	Position of Head of Internal Audit is vacant till the reporting date. The Company will make sure the compliance of the said regulation in due course.	20
4.	Composition of internal audit function There shall be an internal audit function in every company.	Currently, the Company is in process to set up an effective internal audit function. The Company would comply with this requirement of the Regulations in the next financial year.	31

Shaukat Shafi

Chairman

Date: October 06, 2021

Karachi



INDEPENDENT AUDITOR'S 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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Jubilee Spinning & Weaving Mills Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control 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. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. 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.



Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended 30 June 2021.

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:

Sr. No.	Paragraph reference	Description
(i)	18	As per regulation 6(1) of the Regulations, each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. However, there is no independent director on the Board;
(ii)	18	As per regulation 27(1)(i) of the Regulations, the Board shall establish an audit committee of at least three members comprising of non-executive directors and at least one independent director. However, none of the member of the Audit Committee is an Independent Director;
(iii)	18	As per regulation 27(1)(ii) of the Regulations, the chairman of the audit committee shall be an independent director, who shall not be the chairman of the Board. However, the chairman of the Audit Committee is not an Independent Director; and
(iv)	18	As per regulation 28(1) of the Regulations, at least one member shall be an independent director in the human resource and remuneration committee. However, none of the member of committee is an independent Director.
(v)	18	As per regulation 28(2) of the Regulations, the Chairman of the human resource and remuneration committee shall be an independent director. However, none of the member of the committee is an independent Director;
(vi)	19	As per regulation 5, the minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation. However, no one intended to contest election as director representing minority shareholders;



(vii)	19	As per regulation 18, All companies shall make appropriate arrangement to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders. However, the Company has not made any arrangement for orientation program;
(viii)	19	As per regulation 20, The Board shall appoint, determine remuneration, renew contracts and terms and conditions of employment of head of internal audit of the company. However, the position of Head of internal Audit is vacant till the reporting date; and
(ix)	19	As per regulation 31, there shall be an internal audit function in every company. However, there is no internal audit function of the Company.

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: October 06, 2021



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 2021, 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 2021 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

- (a) Trade debts, loans and advances and other receivables as at 30 June 2021 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 institution, 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, loan and advances and other receivables as at 30 June 2021 include aggregate balance of Rupees 10.602 million 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) As at June 30 2021, Trade and other payable includes insurance payable amounting to Rupees 12.928 million and creditors amounting to Rupees 9.314 million outstanding since long. Our direct confirmation requests to certain creditors remained un-responded. Due to insufficient nature of the Company's records in respect of such amounts, we remained unable to obtain sufficient appropriate audit evidence to confirm the existence and valuation of such liabilities.
- (c) During prior year, the Company's petition in Honorable Lahore High Court praying restraining Sui Southern Gas Company Limited (SSGC) from recovering the amount of general sales tax (GST) arrears and disconnecting the gas connection was dismissed for being not maintainable. Accordingly, SSGCL raised bill for outstanding arrears amounting to Rupees 17.868 million and encashed the bank guarantee of Rupees 2 million and forfeited gas security deposit of Rupees 10.823 million against its demand and disconnected the gas connection. The Company has not accounted for the demand of SSGCL and treated the balance of encashed bank guarantee and forfeited gas security deposit aggregately amounting to Rupees 12.823 million as receivable from SSGCL (Note 10.3). The management has not adopted any legal recourse against the act of SSGCL till the reporting date despite the lapse of significant period since dismissal purporting recovery of this balance as doubtful. Accordingly, we remained unable to satisfy ourselves in respect of this receivable and non-recognition of demand of SSGCL.
- (d) Revenue amounting Rupees 2.862 million accounted for in the financial statements represents billing to tenants in respect of use of Company's power house equipment and transmission lines. 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 prior years, the Company 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 more fully disclosed in Note 22.5 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;

- (e) Sui Southern Gas Company Limited (SSGC) latest bill reflects the outstanding demand of Rupees 6.239 million on account of Gas Infrastructure Development Cess (GIDC) payable in twenty-four (24) installments under the order of Honorable Supreme Court of Pakistan. Furthermore, the last bill of gas connection before disconnection as reported in paragraph (c) above reflected outstanding demand of GIDC alongwith GST on GIDC amounting to Rupees 68.400 million. However, the Company has neither accounted for this liability nor disclosed the contingent liability, if any, in respect of such demand. In the absence of underlying information for non-recording of 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;
- (f) Certain litigations have been filed by / against the Company as disclosed in Note 22 to the financial statements. Management and the legal counsels of the Company, in their direct responses to 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 are sufficient in the financial statements;
- (g) 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 and other comprehensive income / loss 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;

- (h) The Company has profit before tax for the year ended 30 June 2021. However, the Company has not determined and accounted any provision that may be required under the applicable laws of Workers Welfare Fund and Workers Profit Participation Fund; and
- (i) For the year ended 30 June 2021 and as of that date its accumulated loss is Rupees 360.463 million and its current liabilities exceeds its current assets by Rupees 31.382 million. This situation may further deteriorate if the possible effects of matter discussed in paragraphs (c) to (f) 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 tried to alter its memorandum of association to add the business of renting of properties by passing special resolution multiple times in the past but respective petitions filed with Securities and Exchange Commission of Pakistan (SECP) remained unsuccessful due to irregularities. During the prior year, the Company has initiated the process of alteration of its memorandum of association to add the business of renting of properties and to change of name of the Company through a special resolution passed in extra ordinary general meeting of shareholders of the Company held on 29 May 2020. However, confirmation of alteration by the SECP is still pending due to unresolved observations. 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 fully disclose these facts. 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 matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was 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 matters described 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.	<p>Valuation of investment properties</p> <p>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.</p> <p>As part of our risk assessment exercise, we considered the risk that the aforesaid valuation may be materially overstated.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • 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



Sr. No.	Key audit matter	How the matter was addressed in our audit
	For further information, refer to note 2.7 and note 4 to the financial statements.	<p>by the Company to the external independent expert by inspecting the relevant underlying documentation.</p> <ul style="list-style-type: none">• 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, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) 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 Junaid Ashraf.

Chartered Accountants

KARACHI

Date: October 06, 2021

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	94,320,876	88,803,390
Investment property	4	605,456,311	599,677,889
Long term investments	5	7,891,871	7,971,712
Long term loans	6	853,890	871,890
Long term deposits	7	10,670,881	6,106,537
		719,193,829	703,431,418
CURRENT ASSETS			
Stores, spare parts and loose tools		-	557,161
Trade debts	8	27,170,548	24,379,010
Loans and advances	9	23,040,214	23,012,714
Other receivables	10	79,235,527	79,041,189
Advance income tax and refundable		8,653,334	10,745,844
Cash and bank balances	11	6,926,505	1,605,693
		145,026,128	139,341,611
		864,219,957	842,773,029
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
34,000,000 (2019: 34,000,000) ordinary shares of Rupees 10 each		340,000,000	340,000,000
Issued, subscribed and paid up share capital	12	324,912,050	324,912,050
Revenue reserves			
General		51,012,000	51,012,000
Accumulated loss		(360,463,126)	(365,690,642)
Capital reserves			
Fair value reserve on 'Fair value through other comprehensive income' investments	13	5,615,127	5,694,968
Revaluation surplus on property, plant and equipment	14	652,234,304	651,515,456
Total equity		673,310,355	667,443,832
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	15	2,069,316	-
Deferred income tax liability	16	11,470,798	11,450,096
Employees' retirement benefits	17	959,719	901,975
		14,499,833	12,352,071
CURRENT LIABILITIES			
Trade and other payables	18	106,960,211	101,827,374
Current portion of long term financing	15	5,655,896	-
Short term financing	19	18,324,680	14,574,680
Provisions	20	9,928,940	9,928,940
Short term borrowings	21	-	1,358,539
Accrued markup		-	20,597
Unclaimed dividend		577,737	577,737
Provision for taxation		34,962,305	34,689,259
		176,409,769	162,977,126
TOTAL LIABILITIES		190,909,602	175,329,197
CONTINGENCIES AND COMMITMENTS	22		
TOTAL EQUITY AND LIABILITIES		864,219,957	842,773,029

The annexed notes from 1 to 36 form an integral part of these financial statements.

Statement under section 232 of the Companies Act, 2017:

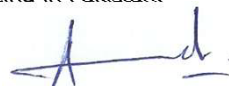
These financial statements have been signed by two directors and chief financial officer instead of chief executive, one director, and chief financial officer as the chief executive is not available for the time being in Pakistan.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Revenue	23	2,861,821	7,335,721
Cost of revenue	24	(3,337,746)	(6,267,807)
Gross profit		(475,925)	1,067,914
Administrative and general expenses	25	(40,541,167)	(48,451,122)
Other income	26	56,471,714	54,848,836
Profit from operations		15,454,622	7,465,628
Finance cost	27	(106,002)	(379,163)
Profit before taxation		15,348,620	7,086,465
Provision for taxation	28	(10,171,788)	(17,567,716)
(Loss) / profit after taxation		5,176,832	(10,481,251)
(Loss) / earnings per share - basic and diluted	29	0.16	(0.32)

The annexed notes from 1 to 36 form an integral part of these financial statements.

Statement under section 232 of the Companies Act, 2017:

These financial statements have been signed by two directors and chief financial officer instead of chief executive, one director, and chief financial officer as the chief executive is not available for the time being in Pakistan.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees	2020 Rupees
(LOSS) / PROFIT AFTER TAXATION	5,176,832	(10,481,251)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
- Revaluation surplus on property, plant and equipment	718,848	359,424
- Actuarial gain on remeasurement of employees retirement benefits	71,386	394,461
- Related deferred tax	(20,702)	(114,394)
	50,684	280,067
- Unrealized gain / (loss) arising on remeasurement of investments at 'fair value through other comprehensive income'	(79,841)	96,163
Items that may be reclassified subsequently to profit or loss:	-	-
	689,691	735,654
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	<u>5,866,523</u>	<u>(9,745,597)</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

Statement under section 232 of the Companies Act, 2017:

These financial statements have been signed by two directors and chief financial officer instead of chief executive, one director, and chief financial officer as the chief executive is not available for the time being in Pakistan.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Issued, subscribed and paid up share capital								TOTAL EQUITY
	CAPITAL			REVENUE			TOTAL	
	Fair value reserve on 'Fair value through other comprehensive income' investments	Surplus on revaluation of property, plant and equipment	Sub Total	General reserve	Accumulated loss	Sub Total		
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
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
-	-	-	-	-	(10,481,251)	(10,481,251)	(10,481,251)	(10,481,251)
-	96,163	359,424	455,587	-	280,067	280,067	735,654	735,654
-	96,163	359,424	455,587	-	(10,201,184)	(10,201,184)	(9,745,597)	(9,745,597)
<u>324,912,050</u>	<u>5,694,968</u>	<u>651,515,456</u>	<u>657,210,424</u>	<u>51,012,000</u>	<u>(365,690,642)</u>	<u>(314,678,642)</u>	<u>342,531,782</u>	<u>667,443,832</u>
-		718,848	718,848	-	5,176,832	5,176,832	5,895,680	5,895,680
-	(79,841)	-	(79,841)	-	50,684	50,684	(29,157)	(29,157)
	(79,841)	718,848	639,007	-	5,227,516	5,227,516	5,866,523	5,866,523
324,912,050	5,615,127	652,234,304	657,849,431	51,012,000	(360,463,126)	(309,451,126)	348,398,305	673,310,355

The annexed notes from 1 to 36 form an integral part of these financial statements.

Statement under section 232 of the Companies Act, 2017:

These financial statements have been signed by two directors and chief financial officer instead of chief executive, one director, and chief financial officer as the chief executive is not available for the time being in Pakistan.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Profit before taxation		15,348,620	7,086,465
Adjustments for non-cash charges and other items:			
Depreciation		2,345,194	1,971,848
Provision for gratuity		129,130	553,333
Fair value gain on investment property		(5,778,422)	(2,892,013)
Rental income		(49,945,585)	(50,871,066)
Loss on disposal of property, plant and equipment		2,574,314	(182,411)
Finance cost		106,002	379,163
		(50,569,367)	(51,041,146)
Net cash used in operating activities before working capital changes		(35,220,747)	(43,954,681)
Working capital changes			
<i>(Increase) / decrease in current assets</i>			
Stores & Spares		557,161	244,469
Trade debts		(2,791,538)	(3,643,919)
Loans and advances		(27,500)	22,900
Other receivables		(194,338)	(13,274,233)
<i>Increase / (decrease) in current liabilities</i>			
Accrued Markup		(20,597)	20,597
Trade and other payables		5,917,387	17,143,134
Working capital changes		3,440,575	512,948
Cash used in operations		(31,780,172)	(43,441,733)
Finance cost paid		(126,599)	(379,163)
Income tax paid		(7,785,635)	(6,972,176)
Gratuity paid		(784,550)	(512,808)
Net cash used in operating activities		(40,476,956)	(51,305,880)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,500,000	200,000
Addition to property, plant and equipment		-	(13,512,302)
Addition to capital work in progress		(11,218,146)	-
Long term deposits paid		(4,564,344)	8,253,756
Long term loans to employees recovered		18,000	(36,750)
Rental income		49,945,585	50,871,066
Net cash generated from investing activities		35,681,095	45,775,770
CASH FLOWS FROM FINANCING ACTIVITIES			
Financings during the year		11,475,212	-
Short term borrowings		(1,358,539)	1,358,539
Net cash generated from financing activities		10,116,673	1,358,539
Net increase / (decrease) in cash and cash equivalents		5,320,812	(4,171,571)
Cash and cash equivalents at the beginning of the year		1,605,693	5,777,264
Cash and cash equivalents at the end of the year	11	6,926,505	1,605,693

The annexed notes from 1 to 36 form an integral part of these financial statements.

Statement under section 232 of the Companies Act, 2017:

These financial statements have been signed by two directors and chief financial officer instead of chief executive, one director, and chief financial officer as the chief executive is not available for the time being in Pakistan.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



JUBILEE SPINNING & WEAVING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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	503-E, Johar Town, 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 2020, the Company passed a special resolution in its extra ordinary general meeting held on 29 May 2020 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 and to change its name to "Jubilee Services Limited" 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 preceding years.

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 judgment. 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 primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

Amendments to published approved standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2020:



- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 3 (Amendments) 'Business Combination';
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2020 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.

Standards and amendments to published approved standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.



Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 'Agriculture' – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgment') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.



Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the financial statements.

Standards, interpretations and amendments to published approved 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 2021 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 Investments and other financial assets

a) Classification

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

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



- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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.

2.9 Financial liabilities - 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.

2.10 Impairment of financial assets

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.



2.11 De-recognition of financial assets and financial liabilities

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.

c) 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.

2.12 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'.

2.13 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 |



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.

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

Financing and borrowings are initially recognized at fair value of the consideration received and 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.

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.

Ordinary shares are classified as equity.

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

Revenue recognition



Sale of goods

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

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

Rent revenue from investment properties is recognized on a straight-line basis over the lease term. Lease incentives granted are recognized as part of the rental revenue. Contingent rentals are recognized as income in the period when earned.

Dividend

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

2.20 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.

2.21 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.



2.22 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.

2.23 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.

2.24 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.

During the year the Company has only one reportable business segment i.e Power Generation. Therefore, Segment wise reporting is not produced in these financial statements.

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.

2.25 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

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	3.1	83,102,730	88,803,390
Capital work in progress	3.6	11,218,146	-
		94,320,876	88,803,390

3.1

	Lease hold land Rupees	Plant and machinery Rupees	Installation & Equipment Rupees	Computer equipment Rupees	Vehicles Rupees	Total Rupees
Year ended 30 June 2020						
Opening net book Value	64,336,857	12,420,685	-	137,871	25,688	76,921,101
Surplus on revaluation during the year	359,424	-	-	-	-	359,424
Additions - at cost	-	-	13,512,302	-	-	13,512,302
Disposals - at NBV	-	-	-	-	(17,589)	(17,589)
Depreciation charge - note 3.2	-	(1,242,069)	(679,043)	(45,952)	(4,784)	(1,971,848)
Closing net book value	64,696,281	11,178,616	12,833,259	91,919	3,315	88,803,390

Carrying value as at 30 June 2020

Cost / re-assessed value	64,696,281	13,210,169	13,512,302	188,482	438,930	92,046,164
Accumulated depreciation	-	(2,031,553)	(679,043)	(96,563)	(435,615)	(3,242,774)
Net book value (NBV)	64,696,281	11,178,616	12,833,259	91,919	3,315	88,803,390

Rate of depreciation (%)	10	10	33	20
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Year ended 30 June 2021

Opening net book value	64,696,281	11,178,616	12,833,259	91,919	3,315	88,803,390
Surplus on revaluation during the year	718,848	-	-	-	-	718,848
Additions - at cost	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Disposals - at NBV	-	(4,074,314)	-	-	-	(4,074,314)
Depreciation charge - note 3.2	-	(1,030,569)	(1,283,325)	(30,637)	(663)	(2,345,194)
Closing net book value	65,415,129	6,073,733	11,549,934	61,282	2,652	83,102,730

Carrying value as at 30 June 2021

Cost / re-assessed value	65,415,129	7,921,629	13,512,302	188,482	438,930	87,476,472
Accumulated depreciation	-	(1,847,896)	(1,962,368)	(127,200)	(436,278)	(4,373,742)
Net book value (NBV)	65,415,129	6,073,733	11,549,934	61,282	2,652	83,102,730

Rate of depreciation (%)	10	10	33	20
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3.2 Depreciation charge for the year has been allocated as follows:

		2021 Rupees	2020 Rupees
Cost of revenue	23	2,313,894	1,921,112
Administrative and general expenses	24	31,300	50,736
		2,345,194	1,971,848

3.3 Forced sale value of property, plant and equipment (i.e. leasehold land) as on the reporting date is Rupees 49.061 million (2020: Rupees 48.525 million). The valuation has been carried out by an independent valuer.

3.4 Particulars of immovable property (i.e. leasehold land) are as follows:

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

3.5 Particulars of Disposal of Plant & Machinery

Particulars	Cost	Accumulated Depreciation	Book Value	Sales Proceed	Gain/Loss	Relationship	Mode of Disposal	Particulars of buyer
Generator Deutz-1400 KW	5,288,540	1,214,226	4,074,314	1,500,000	(2,574,314)	Independent	Negotiation	Aslam & Co.

3.6 CAPITAL WORK IN PROGRESS

Balance as at 1 July	-	-
Addition made during the year	11,218,146	-
Transferred/adjusted during the year	-	-
Balance as at 30 June	11,218,146	-

4. INVESTMENT PROPERTY	Note	2021 Rupees	2020 Rupees
Opening net book value		599,677,889	596,785,876
Transfer from owner occupied properties during the year		-	-
		599,677,889	596,785,876
Fair value gain		5,778,422	2,892,013
Closing net book value		605,456,311	599,677,889

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 2021 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. 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 451.483 million (2020: Rupees 447.107 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	<u>273,607</u>	<u>215,176</u>

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	7,891,871	7,971,712
		7,891,871	7,971,712

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

Associated companies (with significant influence)

Cresox (Private) Limited	5.1.1	-	-
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5.1.1 The Company holds 24.93% holding in Cresox Private Limited(CSPL), 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 preceding 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 Investment in equity securities - at 'fair value through other comprehensive income'	Note	- Rupees	- Rupees
Associated companies (without significant influence)			
Premier Insurance Limited - quoted 18,682 (2020: 18,682) fully paid ordinary shares of Rupees 10 each. Equity held 0.04% (2020: 0.04%)		-	291,989
Texmac Services (Private) Limited - unquoted 52,000 (2020: 52,000) fully paid ordinary shares of Rupees 10 each. Equity held 26.00% (2020: 26.00%)	5.2.1	116,360	116,360
Others			
Premier Insurance Limited - quoted 18,682 (2020: 18,682) fully paid ordinary shares of Rupees 10 each. Equity held 0.04% (2020: 0.04%)		291,989	-
Crescent Industrial Chemical Limited - unquoted 184,000 (2020: 184,000) fully paid ordinary shares of Rupees 10 each. Equity held 17.57% (2020: 17.57%)	5.2.2	-	-
Crescent Jute Products Limited - quoted 1,709,683 (2020: 1,709,683) fully paid ordinary shares of Rupees 10 each. Equity held 7.19% (2020: 7.19%)	5.2.3	1,640,220	1,640,220
Shakarganj Limited - quoted 39,138 (2020: 39,138) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2020: 0.03%)		228,175	228,175
Crescent Spinning Mills Limited - unquoted 290,000 (2020: 290,000) fully paid ordinary shares of Rupees 10 each	5.2.4	-	-
		2,276,744	2,276,744
Add: Fair value adjustment		5,615,127	5,694,968
		7,891,871	7,971,712

5.2.1 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

5.2.2 Investment in Crescent Industrial Chemical Limited has been fully provided in prior years.

5.2.3 Crescent Jute Products Limited has been suspended by Pakistan Stock Exchange and has been placed in defaulter counter since December 2017. The last observable fairvalue was Rupees 3.40 per share

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

6. LONG-TERM LOANS - considered good & secured

Due from employees	6.1	1,046,528	1,037,028
Less: Current portion shown under current assets		(192,638)	(165,138)
		853,890	871,890

6.1 This represents balance of loans given to employees secured against gratuity payable on retirement. These are recoverable in fixed monthly installments from salaries. 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	Note	2021 Rupees	2020 Rupees
Security deposits:			
- Deposit against bank guarantee		4,812,878	3,340,008
- Sui Southern Gas Company Limited		5,172,204	2,080,730
- Others		685,799	685,799
		<u>10,670,881</u>	<u>6,106,537</u>
8. TRADE DEBTS			
Unsecured:			
Related party	8.1	19,297,988	19,297,988
Others	8.2	10,744,120	7,952,582
		<u>30,042,108</u>	<u>27,250,570</u>
Less: Allowance for expected credit losses			
As at 01 July		2,871,560	2,871,560
Recognized during the year		-	-
As at 30 June		2,871,560	2,871,560
		<u>27,170,548</u>	<u>24,379,010</u>
8.1	This represents receivable from Cresox (Private) Limited - an associated company.		
8.2	This includes service income against use of Company's power house equipment and rent receivable aggregately amounting to Rupees 7,646,032 (2020: Rupees 5,081,022) from tenants.		
8.3	As at 30 June 2021, trade debts due from related party amounting to Rupees 19,297,988 (2020: Rupees 19,297,988) were past due but not impaired. The ageing analysis of these trade debts is as follows:		
1 to 6 months		-	-
More than 6 months		-	-
More than 1 year		19,297,988	19,297,988
		<u>19,297,988</u>	<u>19,297,988</u>
8.4	As at 30 June 2021, trade debt due from other than related party amounting to Rupees 7,872,560 (2020: Rupees 5,081,022) were past due but not impaired. The ageing analysis of is as follows:		
1 to 6 months		3,823,016	-
More than 6 months		3,823,016	5,081,022
More than 1 year		226,528	-
		<u>7,872,560</u>	<u>5,081,022</u>
8.5	As at 30 June 2021, trade debts of Rupees 2,871,560 (2020: 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 (2020: Rupees 19,297,988).		
9. LOANS AND ADVANCES - considered good & unsecured			
Related party	9.1 & 9.2	22,574,022	22,574,022
Others	9.3	466,192	438,692
		<u>23,040,214</u>	<u>23,012,714</u>
9.1	This represents advance given to Cresox (Private) Limited - an associated company.		
9.2	As at 30 June 2021, advances given to related party amounting to Rupees 22,574,022 (2020: Rupees 22,574,022) were past due but not impaired. The ageing analysis of these loan & advances is as follows:		

	Note	2021 Rupees	2020 Rupees
upto 6 months		-	-
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 2021, advances given to other than related party amounting to Rupees 466,192 (2020: Rupees 438,692) were past due but not impaired. The ageing analysis of these loan & advances is as follows:			
upto 6 months		27,500	165,138
6 months to 1 year		-	-
more than 1 year		438,692	273,554
		466,192	438,692
10. OTHER RECEIVABLES - considered good & unsecured			
Related party	10.1	14,854,675	14,854,675
Others		51,126,613	50,932,275
Sui Southern Gas Company Limited	10.3	13,254,239	13,254,239
		79,235,527	79,041,189
10.1 This represents amount receivable from Cresox (Private) Limited - an associated company Rupees 14,754,675 (2020: Rupees 14,754,675) and amount receivable from Mr. Jahanzeb Shafi (director) Rupees 100,000 (2020: Rupees 100,000).			
10.2 As at 30 June 2021, receivable from related party amounting to Rupees 14,854,675 (2020: Rupees 14,854,675) were past due but not impaired. The ageing analysis of these other receivable is as follows:			
upto 6 months		-	-
6 months to 1 year		-	-
more than 1 year		14,854,675	14,854,675
		14,854,675	14,854,675
10.3 This represents receivable from Sui Southern Gas Company Limited (SSGCL) on account of forced encashment of Bank guarantee amounting to Rupees 2,000,000 and forfeiting of gas security deposit of Rupees 10,823,420 upon alleged non-payment of outstanding general sales tax arrears of Rupees 17,867,870 charged on Sui Gas bill for the month of October 2015 which was shown as adjustment debit towards past general sales tax for the period prior to June 2014. This amount was earlier challenged by the Company through a suit for being unjustified and without any clarification. However, during the prior year, the petition was dismissed by Lahore High Court. Accordingly, SSGCL settled the abovementioned balances against its demand. However, the management believes the demand of SSGCL as unjustified and without any clarification and the act of SSGCL untenable. The Company is in the process of filing constitutional petition (CP) to recover the same from SSGCL.			
11. CASH AND BANK BALANCES			
Cash in hand		60,305	29,115
Cash at bank - current accounts	11.1	6,866,200	1,576,578
		6,926,505	1,605,693

- 11.1** This includes an amount of Rupees 0.794 million (2020: Rupees 0.794 million) marked under lien with Standard Chartered Bank (Pakistan) Limited against the guarantee issued on behalf of the Company.

12. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			2021	2020
	2021	2020	Rupees	Rupees
	(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 12.1)	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 12.2)	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 12.3)	89,743,380 89,743,380
	32,491,205	32,491,205	324,912,050	324,912,050

- 12.1** 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.

- 12.2** 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).

- 12.3** 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.

12.4 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.

13. FAIR VALUE RESERVE ON 'FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME' INVESTMENTS	Note	2021 Rupees	2020 Rupees
Balance as on 01 July		5,694,968	5,598,805
Fair value adjustment made during the year	13.1	(79,841)	96,163
Balance as on 30 June		5,615,127	5,694,968
13.1 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.			
14. REVALUATION SURPLUS- NET OF DEFERRED TAX			
Revaluation surplus on property, plant and equipment :			
- Owner occupied	14.1	143,929,048	143,210,200
- Investment property	14.2	508,305,256	508,305,256
		652,234,304	651,515,456
14.1 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 2021.			
Balance as at 01 July		64,696,281	64,336,857
Increase in surplus on revaluation		718,848	359,424
		65,415,129	64,696,281
Surplus on revaluation of associated company accounted for under equity method	14.5	78,513,919	78,513,919
		143,929,048	143,210,200
14.2 Revaluation surplus on investment property - net of deferred tax			
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 the statement of profit or loss.			
Balance as at 01 July		508,305,256	508,305,256
Effect of change in tax rate		-	-
		508,305,256	508,305,256
14.3 The latest revaluation of leasehold land and building have been determined as at 30 June 2021 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.			
14.4 The cost of leasehold land revalued as at 30 June 2021 is Nil.			
14.5 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.			
15 LONG TERM FINANCING			
Financing amount		7,725,212	-
Less: Current portion of long tem financing		(5,655,896)	-
Total amount		2,069,316	-

- 15** This represents the interest free loan obtained from Gloria Enterprises (tenant) against payment for K-Electric connection of 400KVA. This loan is agreed to be adjusted adjusted from the monthly rent charged by the Company. The fair value adjustment in accordance with the requirements of IFRS 9 "Financial Instruments" arising in respect of this interest free loan is not considered material and hence not recognized.

16 DEFERRED INCOME TAX LIABILITY	Note	2021 Rupees	2020 Rupees
Deferred tax liability on revaluation of investment property	16.1	8,183,086	8,183,086
Deferred tax liability on remeasurement of employees retirement benefits		3,287,712	3,267,010
		11,470,798	11,450,096

16.1 Deferred tax liability on revaluation of investment property

Opening	8,183,086	8,183,086
Effect of change in tax rate	-	-
	8,183,086	8,183,086

17 EMPLOYEES RETIREMENT BENEFITS
Staff gratuity scheme - unfunded

Present value of defined benefit obligation	17.2	13,078,595	13,805,401
Less: Payable to ex-employees (current liability)		(12,118,876)	(12,903,426)
		959,719	901,975

17.1 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 2021.

17.2 Movement in present value of defined benefit obligation

Balance at beginning of the year	13,805,401	14,159,337
Current service cost	52,462	185,326
Interest cost	76,668	368,007
Benefits paid during the year	(784,550)	(512,808)
Actuarial gain	(71,386)	(394,461)
Balance as at end of the year	13,078,595	13,805,401

17.3 Movement in balances

Balance at beginning of the year	13,805,401	14,159,337
Charge for the year	17.4 57,744	158,872
	13,863,145	14,318,209
Benefits paid during the year	(784,550)	(512,808)
Balance at the end of the year	13,078,595	13,805,401

17.4 Charge for the year

In the statement of profit or loss :

Current service cost	52,462	185,326
Interest cost	76,668	368,007
	129,130	553,333

In the statement of other comprehensive income:

Actuarial (gain) / loss due to change in:

- Experience adjustments	(74,487)	(382,536)
- Financial assumptions	3,101	(11,925)
	(71,386)	(394,461)
	57,744	158,872

17.5 Principal actuarial assumption	Note	2021 Rupees	2020 Rupees
Following principal actuarial assumptions were used for the valuation:			
Estimated rate of increase in salary of the employees		-	7.5%
Discount rate		10%	8.5%

17.6 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 Percentage	Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate	1	880,966	1,047,697
Salary increase	1	1,049,049	878,356

18 TRADE AND OTHER PAYABLES	Note	2021 Rupees	2020 Rupees
Creditors		9,601,373	9,387,628
Gratuity payable to ex-employees	17	12,118,876	12,903,426
Accrued liabilities		26,607,775	16,276,341
Advances from customers / tenants		15,797,270	22,197,269
Insurance payable		12,927,501	12,927,501
Income tax deducted at source		16,266,699	15,542,033
Security deposits		10,654,938	10,654,938
Unclaimed Workers' Profit Participation Fund		1,673	1,673
Other liabilities		2,984,106	1,936,565
		<u>106,960,211</u>	<u>101,827,374</u>

19. SHORT TERM FINANCING

From sponsor shareholders of the Company:

Opening balance as at 01 July	19.1	14,574,680	14,574,680
Loan obtained during the year	19.2	3,750,000	-
Closing balance		<u>18,324,680</u>	<u>14,574,680</u>

19.1 These includes balance of unsecured interest free loans obtained in prior years from the sponsor of the Company namely Muhammad Anwar amounting to Rupees 10,000,000 and Ahmed Shafi amounting to Rupees 4,574,680 million and became due in prior years & are now repayable on demand.

19.2 These represent balance of unsecured interest free loans obtained during the year from directors namely Shams Rafi amounting to Rupees 1,000,000 Salman Shafi amounting to Rupees 1,500,000 and Salman Rafi amounting to Rupees 1,250,000. These are repayable on demand.

20	PROVISIONS	Note	2021 Rupees	2020 Rupees
	Provision for penalty on account of non-deposition of withholding tax	20.1	<u>9,928,940</u>	<u>9,928,940</u>
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	SHORT TERM BORROWINGS			
	Habib Bank Limited		<u>-</u>	<u>1,358,539</u>
22	CONTINGENCIES AND COMMITMENTS			
	Contingencies			
22.1	Bank Guarantee from:			
	Standard Chartered Bank (Pakistan) Limited	22.1.1	793,800	793,800
	Habib Metropolitan Bank Limited	22.1.2	4,812,878	3,340,008
			<u>5,606,678</u>	<u>4,133,808</u>
22.1.1	This represents a guarantee issued by Standard Chartered Bank (Pakistan) Limited to the Honorable High			
22.1.2	This represents guarantees issued by Habib Metropolitan Bank Limited amounting to Rupees 4.363 million and Rupees 0.45 million in favor of K- Electric and SSGCL respectively on account utility connections.			
22.2	During the year 2019, the Company filed a suit in Honorable High Court of Sindh against Sui Southern Gas Company Limited (SSGCL) and Federation of Pakistan against demand raised by SSGCL of Rupees 18,663,715 on account of late payment surcharge for the previous period vide special bill dated 20 September 2019 being without any justification and reason. However proceedings of the case are in			
22.3	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 per MMBTU 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. However, the Honorable High Court on 27 November 2019 in its judgment decreed in favor of the Company and SSGCL consequently being directed to adjust / refund any excess amounts as may have received by billing the Company. However, the implementation of the said judgement is still pending as the Company has not received any court order for the execution of the above judgement.			
22.4	During the previous years, the Company has filed suits to the Honorable Civil Court against its three ex-employees for cancellation of cheques aggregate amounting to Rupees 2.812 million and for permanent injunction. The Company filed statement with the Court of 2nd Senior Civil Judge to withdraw suits against two ex-employees as the matters has been settled between them, and Court dismissed the two cases under order XXIII Rule 1 C.P.C on the basis of settlement. However, one suit is still pending for cancellation of cheques aggregately amounting to Rupees 1.837 million and for permanent injunction and the same is pending for hearing of order. Further, during the prior year one of the Company's ex-employee filed an application to Honourable High Court of Sindh against the Company for the compensation / payment of wages. However. proceedings of the case are not started till the reporting date.			

22.5 During the previous years, 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.

22.6 Commitments

There were no capital or other commitments as at 30 June 2021 (2020: Nil).

23 REVENUE	Note	2021 Rupees	2020 Rupees
Service income	23.1	<u>2,861,821</u>	<u>7,335,721</u>
23.1 This represents service income earned from tenants against use of Company's power house equipment & transmission lines.			
24 COST OF REVENUE			
Stores, spare parts and loose tools consumed		557,161	10,052
Repair and maintenance		445,392	3,762,069
Fuel, water and power		21,299	574,574
Depreciation	3.1	<u>2,313,894</u>	<u>1,921,112</u>
		<u>3,337,746</u>	<u>6,267,807</u>
25 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and benefits		24,498,994	28,072,701
Travelling, conveyance and entertainment		3,140,251	4,591,810
Printing stationery		134,137	234,207
Communication		851,378	892,505
Rent, rates and taxes		489,145	1,116,626
Penalty	25.1	200,000	70,000
Insurance		-	267,322
Subscription and periodicals		2,302,151	2,149,882
Repair and maintenance		2,235,270	7,355,393
General expenses		1,344,027	1,231,240
Auditors' remuneration	25.2	765,000	765,000
Directors' meeting fee		176,000	265,000
Advertisement		156,200	331,500
Legal and professional charges		1,643,000	1,057,200
Depreciation	3.1	31,300	50,736
Loss on disposal		<u>2,574,314</u>	<u>-</u>
		<u>40,541,167</u>	<u>48,451,122</u>

25.1 This represents penalty of Rupees 200,000 imposed by Sindh Industrial Trading Estates Limited on account of breach of agreement/terms and conditions by ignoring the sub letting charges.

25.2 Auditors' remuneration	Note	2021 Rupees	2020 Rupees
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
26 OTHER INCOME			
Income from financial assets			
Markup on deposits		389,162	709,346
		389,162	709,346
Income from non financial assets			
Rental income		49,945,585	50,871,066
Gain on disposal of property, plant and equipment		-	182,411
Gain on remeasurement of fair value of investment property		5,778,422	2,892,013
Others		358,545	194,000
		56,082,552	54,139,490
		56,471,714	54,848,836
27 FINANCE COST			
Bank charges		105,138	358,566
Markup on short term borrowing		864	20,597
		106,002	379,163
28 PROVISION FOR TAXATION			
Current	28.1	11,175,148	10,902,103
Prior year		(1,003,360)	6,665,613
Deferred	28.2	-	-
		10,171,788	17,567,716

28.1 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 to the Income Tax

28.2 Deferred

Deferred tax asset as at 30 June 2021 to the extent of Rupees 17,919,156 has not been recognized. 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).

28.3 Relationship between tax expense and accounting profit:	2021 Rupees	2020 Rupees
Accounting profit before taxation	15,348,620	7,086,465
Tax @ 29% (2020: 29%)	4,451,100	2,055,075
Effect of:		
Rental income	(3,476,213)	(2,950,522)
Depreciation	1,850,431	9,150
Prior year	(1,003,360)	6,665,613
Gratuity payment	(190,072)	11,752
Fair value gain on remeasurement of investment property	(1,675,742)	(838,684)
Gain on disposal of fixed assets	-	52,899
Tax loss	10,215,644	12,562,433
	10,171,788	17,567,716

29 EARNINGS / (Loss) PER SHARE - BASIC AND DILUTED

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

Profit / (loss) attributable to ordinary shares	(Rupees)	5,176,832	(10,481,251)
Weighted average number of ordinary shares	(Numbers)	32,491,205	32,491,205
Earnings / (loss) per share	(Rupee)	0.16	(0.32)

30 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

Chief Executive Officer

Managerial remuneration	4,200,000	4,200,000
House rent allowance	1,890,000	1,890,000
Travelling allowance	1,745,313	1,059,643
Utilities	420,000	420,000
Rentals paid for vehicle	940,000	972,000
	9,195,313	8,541,643
Number of person	1	1

Director

Managerial remuneration	4,200,000	4,200,000
House rent allowance	1,890,000	1,890,000
Travelling allowance	1,132,101	186,126
Utilities	420,000	420,000
Rentals paid for vehicle	788,000	796,800
	8,430,101	7,492,926
Number of person	1	1

Executive	2021 Rupees	2020 Rupees
Managerial remuneration	1,253,088	1,214,656
House rent allowance	622,644	603,428
Utilities	-	3,900
	<u>1,875,732</u>	<u>1,821,984</u>
Number of person	<u>1</u>	<u>1</u>

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

30.2 Aggregate amount charged in these financial statements for meeting fee of directors is Rupees 0.176 million (2020: Rupees 0.256 million).

30.3 No remuneration was paid to non-executive directors (2020: Rupees Nil) of the Company except

31 PLANT CAPACITY AND ACTUAL PRODUCTION

Power generation plant

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

Generation Capacity (KW)	511	1,317
Actual generation (KW)	3.67	286

31.1 Reasons for low production

The Company's power house equipments is being used to supply electricity to the tenants only during K- Electric power failure.

32 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:

				2021	2020
Relationship with the Company	Name of Related Party	Basis of relationship	Nature of transaction	Rupees	Rupees
i.	Staff retirement funds	Staff gratuity scheme - unfunded	-		
			Expense charged for retirement benefit plans	129,130	553,333
			Payment to retirement benefit plans	784,550	512,808
			Receivable / (payable) closing balance		
ii.	Associated companies	Cresox (Private) Limited	24.93% 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)
iii.	Staff retirement funds	Staff gratuity scheme - unfunded	-		
			Balance of staff gratuity scheme	(13,078,595)	(13,805,401)
iv.	Directors	-	-		
			Loan to director	100,408	100,408
			Director, associates and others	18,324,680	(14,574,680)

32.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 31.

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

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

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

Sensitivity

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)	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
KSE 100 (5% increase)	-	-	394,594	398,586
KSE 100 (5% decrease)	-	-	(394,594)	(398,586)

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:

	2021 Rupees	2020 Rupees
Long term investments	7,891,871	7,971,712
Loans and advances	23,894,104	23,884,604
Long term deposits	10,670,881	6,106,537
Trade debts	27,170,548	24,379,010
Other receivables	74,865,631	74,645,060
Bank balances	6,866,200	1,576,578
	<u>151,359,235</u>	<u>138,563,501</u>

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:

Banks	Rating			2021	2020
	Short Term	Long Term	Agency	Rupees	Rupees
Allied Bank Limited	A1+	AAA	PACRA	-	19,040
Faysal Bank	A1+	AA	PACRA	-	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	5,999,060	659,674
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	794,000	816,600
MCB Bank Limited	A1+	AAA	PACRA	49,156	68,880
Soneri Bank Limited	A1+	AA-	PACRA	11,611	12,384
				<u>6,853,827</u>	<u>1,576,578</u>

Investments:

Texmac Services (Private) Limite	Unknown	-	116,360	116,360
Premier Insurance Limited	A	-	102,751	102,751
Crescent Jute Products Limited	Unknown	-	5,812,922	5,812,922
Shakarganj Mills Limited	Unknown	-	1,859,838	1,939,679
			<u>7,891,871</u>	<u>7,971,712</u>

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 2021, the Company has Rupees 6.927 million (2020: Rupees 1.606 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 2021:

	Short term borrowings	Accrued markup	Financing	Trade and other payables	Unclaimed dividend	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Carrying amount	-	-	26,049,892	74,746,236	577,737	101,373,865
Contractual cash flows:						
6 month or less	-	-	21,152,628	37,373,118	577,737	59,103,483
6 - 12 month	-	-	2,827,948	37,373,118	-	40,201,066
1 - 2 year	-	-	2,069,316	-	-	2,069,316
More than 2 years	-	-	-	-	-	-
	-	-	26,049,892	74,746,236	577,737	101,373,865

Contractual maturities of financial liabilities as at 30 June 2020:

Carrying amount	1,358,539	20,597	14,574,680	69,551,175	577,737	86,082,728
Contractual cash flows:						
6 month or less	1,358,539	20,597	14,574,680	34,775,588	577,737	51,307,141
6 - 12 month	-	-	-	34,775,587	-	34,775,587
1 - 2 year	-	-	-	-	-	-
More than 2 years	-	-	-	-	-	-
	1,358,539	20,597	14,574,680	69,551,175	577,737	86,082,728

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 2021. The rates of interest / mark up have been disclosed in note 15.1 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	Level 1	Level 2	Level 3	Total
As at 30 June	Rupees	Rupees	Rupees	Rupees
Investments at 'fair value through other comprehensive income'	7,775,511	-	116,360	7,891,871
As at 30 June 2020				
Investments at available for sale	7,855,352	-	116,360	7,971,712

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

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:

	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
As at 30 June 2021				
Property, plant and equipment	-	65,415,129	-	65,415,129
Investment property	-	605,456,311	-	605,456,311
	-	670,871,440	-	670,871,440
As at 30 June 2020				
Property, plant and equipment	-	64,696,281	-	64,696,281
Investment property	-	599,677,889	-	599,677,889
	-	664,374,170	-	664,374,170

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 leasehold land at each reporting date. At the end of each reporting period, the management updates the assessment of the fair value of leasehold land, taking into account the most recent independent valuation. The management determines leasehold 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

(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 2021

Assets as per statement of financial position

	At 'fair value through other comprehensive income'	At amortized cost	Total
	Rupees	Rupees	Rupees
Investments	7,891,871	-	7,891,871
Loans and advances	-	23,894,104	23,894,104
Long-term deposits	-	10,670,881	10,670,881
Trade debts	-	27,170,548	27,170,548
Other receivables	-	74,865,631	74,865,631
Cash and bank balances	-	6,926,505	6,926,505
	7,891,871	143,527,669	151,419,540

Liabilities as per statement of financial position

Financing	-	26,049,892	26,049,892
Trade and other payables	-	74,746,236	74,746,236
Unclaimed dividend	-	577,737	577,737
	-	101,373,865	101,373,865

As at 30 June 2020

Assets as per statement of financial position

	At 'fair value through other comprehensive income'	At amortized cost	Total
	Rupees	Rupees	Rupees
Investments	7,971,712	-	7,971,712
Loans and advances	-	23,884,604	23,884,604
Long-term deposits	-	6,106,537	6,106,537
Trade debts	-	24,379,010	24,379,010
Other receivables	-	74,645,060	74,645,060
Cash and bank balances	-	1,605,693	1,605,693
	7,971,712	130,620,904	138,592,616

Liabilities as per statement of financial position

	Financial liabilities at amortized cost
	Rupees
Current portion of long term financing	14,574,680
Trade and other payables	69,551,175
Unclaimed dividend	577,737
Short term borrowings	1,358,539
Accrued markup	20,597
	86,082,728

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:

	2021		2020	
	At year end	Average	At year end	Average
Permanent employees	3	3	3	4
Contractual employees	21	21	21	25

35 DATE OF AUTHORIZATION FOR ISSUE

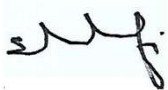
These financial statements were approved and authorized for issue on October 06, 2021 by the Board of Directors of the Company.

36 GENERAL

- Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification of the corresponding figures has been made during the year in these financial statements.
- Figures have been rounded off to the nearest Rupee unless otherwise stated.

Statement under section 232 of the Companies Act, 2017:

These financial statements have been signed by two directors and chief financial officer instead of chief executive, one director, and chief financial officer as the chief executive is not available for the time being in Pakistan.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

Jubilee Spinning And Weaving Mills Limited

FORM 34 Physical
Pattern of Holding of Shares as on June 30, 2021

Shareholders	From	To	Total Shares
486	1	100	15,851
399	101	500	107,137
117	501	1,000	92,741
191	1,001	5,000	494,768
43	5,001	10,000	341,654
26	10,001	15,000	324,084
14	15,001	20,000	248,549
12	20,001	25,000	273,951
18	25,001	30,000	514,127
5	30,001	35,000	157,892
4	35,001	40,000	159,128
4	40,001	45,000	172,833
6	45,001	50,000	281,399
5	50,001	55,000	270,385
2	55,001	60,000	117,464
4	65,001	70,000	273,471
4	70,001	75,000	288,268
2	75,001	80,000	157,277
1	80,001	85,000	80,630
1	85,001	90,000	88,673
1	95,001	100,000	100,000
2	100,001	105,000	199,000
1	110,001	115,000	110,500
1	115,001	120,000	116,462
1	120,001	125,000	125,000
1	160,001	165,000	163,450
1	175,001	180,000	179,921
1	180,001	185,000	182,629
2	250,001	255,000	505,500
1	265,001	270,000	269,500
1	285,001	290,000	285,357
1	290,001	295,000	292,218
1	460,001	465,000	464,500
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
1,372			32,491,205

Jubilee Spinning And Weaving Mills Limited

FORM 34

Pattern of Holding of Shares as on June 30, 2021

Categories of Shareholders	Numbers	Shares held	% age
Individual	1,323	11,023,236	33.9
More than 5%	7	20,350,412	62.6
Associated Companies	1	474,323	1.5
Joint Stock Companies	28	631,869	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	1,372	32,491,205	100

Categories of Shareholder		
1	Directors, Chief Executive Officer, their spouse and minor children	
	# Share Held	%
	Chief Executive/Director	
	Shams Rafi	692,810 2.1
	Directors	
	Aurangzeb Shafi	522,855 1.6
	Shaukat Shafi	2,400,529 7.4
	Salman Rafi	591,979 1.8
	Salman Rafi.	74,000 0.2
	Sana Salman	5,000 0.0
	Umer Shafi	1,206,073 3.7
	Usman Shafi	1,198,434 3.7
	Directors' Spouse and their minor children	
	Zahida Shaukat	42,859 0.1
		6,734,539 21
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.	631,869 1.9
9	General Public	4,288,697 13.2
	Grand Total	32,491,205 100
10	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



JUBILEE SPINNING & WEAVING MILLS LIMITED

PROXY FORM

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 hereby appoint _____ 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 48th Annual General Meeting of the Company to be held on Thursday the October 28, 2021 at 10.30 a.m. at the registered office of the company at 503-E, Johar Town, Lahore and at any adjournment thereof.

As witness my hand this _____ day of _____ 2021.

Witness's Signature

Name: _____

Address: _____

CNIC # _____

Affix Revenue
Stamp of Rs. 5/-

Witness's Signature

Name: _____

Address: _____

CNIC # _____

Member's Signature

Date:

Place: Lahore

CNIC #

Note:

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.

مختار نامه

صورت میں اپنے CNIC یا پاسپورٹ کی مصدقہ کاپی لازمی منسلک کریں۔








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