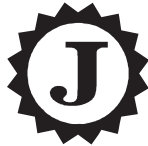




Jubilee Spinning & Weaving Mills Ltd.



# **Jubilee Spinning & Weaving Mills Limited**

## **Condensed Interim Financial Statements** **Half Yearly December 31, 2021 (Un-Audited)**



Jubilee Spinning & Weaving Mills Ltd.

## Company Information

### Board of Directors

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

### Audit Committee

Mr. Adnan Amjad	(Chairman)
Mr. Usman Shafi	(Member)
Mr. Shaukat Shafi	(Member)

### Company Secretary

Mr. Muhammad Zeeshan Saleem

### Auditors

Riaz Ahmed & Company  
Chartered Accountants

### Legal Advisor

Arain Law Associates

### Bankers

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

### Registered Office

503-E. Johar Town  
Lahore, Pakistan

### Mills

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



## Directors' Report To The Shareholders

Dear Shareholders,

The Directors of the Company are pleased to present the results for the Half Year ended December 31, 2021 along with the Auditors' Review Report.

### Net Profit/(Loss)

During the period, the company made a net loss of Rs. 2,518,220 after charging costs, expenses and provisions for the year, as compared to previous period's net loss of Rs. 2,521,740.

### Financial Results

The financial results of the company are summarized below:

Period Ended On	Rupees Dec. 31, 2021	Rupees Dec. 31, 2020
Revenue	1,506,265	1,039,183
Cost of Revenue	(2,028,216)	(2,431,290)
Gross Profit/(Loss)	(521,951)	(1,392,107)
Gross Profit/(Loss)%	(35)%	(134)%
Administration and Other Operating Costs	(26,613,727)	(19,330,609)
Other Income	27,091,521	23,549,200
Finance Charges	(16,044)	(58,210)
Provision for Tax	(2,458,019)	(5,290,014)
Profit/(Loss) after Tax	(2,518,220)	(2,521,740)
Basic Profit/(Loss) Per Share	(0.08)	(0.08)

The management is confident that results for the remaining half of the current financial year will show an improvement as compared to the first half.

During the review, observations raised by the auditors are addressed below:



#### **Quote**

Trade debts, loans and advances and other receivables as at 31 December 2021 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.755 million respectively receivable from an associated company outstanding since long. 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 31 December 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;

#### **Unquote**

The legal petition had been filed against the said company for recovery. The recovery is pending because the case has not yet been decided. Our legal counsel M/s. Haider Waheed Partners 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 will be achieved and the outstanding amount, including the amount pertaining to the investment transferred/disposed of by the financial institution, will be recovered. Receivable from other than related parties include 5.33 million from government institutions in respect of sales tax and custom rebate.

#### **Quote**

During the prior years, 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 accounted for as other receivable. 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**

The company considers this recovery of sales tax by SSGC unjustified and filed a petition in Lahore High Court (LHC) in October 2021 to resolve this matter. As per the directions given by the LHC, our representative attended the office of the Chief Commissioner Inland Revenue on November 17,



2021 and submitted the copy of the court order for the compliance. We are confident that the case will be disposed of in our favor.

**Quote**

Revenue amounting Rupees 1.506 million accounted for in the condensed interim 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 8.4 to the condensed interim 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. Further, we do not have any evidence that such generators belong to one of the ex-directors.

**Quote**

The last bill of gas connection before disconnection as reported in paragraph (b) 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 condensed interim 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.



**Quote**

Certain litigations have been filed by / against the Company as disclosed in Note 8 to the condensed interim financial statements. Management of the Company have not provided us with their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the condensed interim 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 8.2 to 8.5 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 6.1), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether any share of profit of the associate be accounted for in the condensed interim financial statements. Furthermore, we could not verify the existence and valuation of unquoted investments at fair value through other comprehensive income due to lack of supporting documents and valuation from independent valuer; and

**Unquote**

Audited / draft financial statements for the period under review 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 6.1.1 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**

As at December 31 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. Due to insufficient nature of the Company's record in respect of such amounts, we remained unable to obtain sufficient appropriate audit evidence to confirm the existence and valuation of such liabilities; and

**Unquote**

These are the liabilities the company owes as on December 31, 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**

As on 31 December 2021, accumulated loss of the Company was Rupees 362.981 million and its current liabilities exceeds its current assets by Rupees 33.206 million. This situation may be further deteriorated if the possible effects of matter discussed in paragraphs (a) to (g) above are accounted for in the condensed interim 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 preceding year, the Company again 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 condensed interim financial statements and notes thereto do not disclose this fact. The management of the Company also did not provide us its assessment of going concern assumption used in preparation of the condensed interim 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 condensed interim financial statements is inappropriate.

### **Unquote**

The company's core operations were discontinued 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. 33.20 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 in the year ending on June 30, 2021, company obtained a loan from one of its tenant and from directors to avail electricity connection that has 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.



Jubilee Spinning & Weaving Mills Ltd.

In closing, I would like to thank all our stakeholders for their continued support.

For and on behalf of the Board of Directors.

**Shams Rafi**  
**Chief Executive Officer**

**Salman Rafi**  
**Executive Director**

**Karachi**  
**February 24, 2022**



## حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

معزز حصص یافتگان!

آپ کی کمپنی کے ڈائریکٹران آڈیٹرز کا جائزہ برائے ششماہی مدت ختمہ 31 دسمبر 2021 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

خالص (خسارہ)/منافع

مدت کے دوران کمپنی کو تمام لاگتوں، اخراجات اور اختصاں نکالنے کے بعد (2,518,220) کا خسارہ ہوا جبکہ گزشتہ سال کا خسارہ (2,521,740) روپے ہوا تھا۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج اختصار کے ساتھ درج ذیل ہیں:

روپے	روپے	
31 دسمبر 2020	31 دسمبر 2021	
1,039,183	1,506,265	آمدن
(2,431,290)	(2,028,216)	لاگت آمدن
(1,392,107)	(521,951)	خام منافع/(خسارہ)
(1.34)%	(35)%	خام منافع/(خسارہ)
(19,330,609)	(26,613,727)	انتظامی اور دیگر کاروباری لاگتیں
23,549,200	27,091,521	دیگر آمدن
(58,210)	(16,044)	مالیاتی لاگتیں
(5,290,014)	(2,458,019)	ٹیکس کے لئے اختصاں
(2,521,740)	(2,518,220)	منافع/(خسارہ) بعد از ٹیکس
(0.08)	(0.08)	بنیادی منافع/(خسارہ) فی حصص

انتظامیہ پر اعتماد ہے کہ پہلی ششماہی کی بہ نسبت مالیاتی سال کی دوسری ششماہی میں بہتری آئے گی۔

جائزہ کے دوران آڈیٹرز کے اٹھائے گئے اعتراضات کا درج ذیل ازالہ کیا گیا:

## حالہ

31 دسمبر 2021 تک تجارتی قرضوں، قرضوں اور ایڈوانسز اور دیگر قابل وصولوں میں بالترتیب 19.298 ملین روپے، روپے 22.574 ملین اور روپے 14.755 ملین شامل ہیں جو طویل عرصے سے بقایا وابستہ کمپنی سے وصول کیے جاسکتے ہیں۔ مزید برآں، مالیاتی ادارے میں سے ایک، گزشتہ سالوں میں متعلقہ کمپنی کی طرف سے ڈیفالٹ پر، ایکویٹی سکیورٹیز میں کمپنی کی سرمایہ کاری کا احساس ہوا جو متعلقہ کمپنی کو قرض دینے کے خلاف وعدہ کیا گیا تھا۔ کمپنی نے مالیاتی ادارے کی طرف سے وصولی کی تاریخ پر اس طرح کی سکیورٹیز کی مارکیٹ قیمت کو 40.963 ملین روپے کی ڈسپوزل ویلیو کے طور پر سمجھا اور اسے دیگر قابل وصول کے طور پر شمار کیا۔ کمپنی اس پارٹی کے بارے میں غیر یقینی ہے جس سے اسے وصول کیا جانا ہے۔ مزید برآں، 31 دسمبر 2021 تک قرض اور ایڈوانسز اور دیگر وصولیوں میں 10.602 ملین روپے کا مجموعی بیلنس شامل ہے جو ایک سال سے زائد عرصے سے بقایا متعلقہ فریقوں کے علاوہ دیگر سے وصول کیا جاسکتا ہے۔ انتظامیہ نے ہمیں تجارت اور دیگر وصولیوں کے حوالے سے متوقع کریڈٹ نقصانات کا تخمینہ فراہم نہیں کیا ہے اور نہ ہی اس طرح کے بیلنس کے سلسلے میں مالیاتی بیانات میں متوقع کریڈٹ نقصانات کے لیے کسی الاؤنس کا حساب دیا ہے۔

## ادالہ

اقتباس مذکورہ کمپنی کے خلاف ریکوری کے لیے قانونی درخواست دائر کی گئی تھی۔ ریکوری زیر التواء ہے کیونکہ ابھی تک کیس کا فیصلہ نہیں ہوا۔ ہمارے قانونی مشیر M/s. حیدر وحید پارٹنرز نے اس بات کی تصدیق کی ہے کہ سماعت ابھی تک فیصلے کے لیے زیر التواء ہے اور ابھی تک مستقبل کے تعین کی تاریخ طے نہیں کی گئی ہے۔ انتظامیہ کا خیال ہے کہ ایک سازگار نتیجہ حاصل کیا جائے گا اور بقایا رقم، بشمول مالیاتی ادارے کی طرف سے منتقل/نمائش گئی سرمایہ کاری سے متعلق رقم کی وصولی کی جائے گی۔ متعلقہ فریقوں کے علاوہ دیگر سے قابل وصول سیلزن ٹیکس اور کسٹم ریویو کے سلسلے میں سرکاری اداروں سے 5.33 ملین شامل ہیں۔

## حالہ

پچھلے سالوں کے دوران، معزز لاہور ہائی کورٹ میں کمپنی کی درخواست سوئی سدرن گیس کمپنی لمیٹڈ (SSGC) کو جنرل سیلزن ٹیکس (جی ایس ٹی) کے بقایا جات کی وصولی سے روکنے اور گیس کنکشن منقطع کرنے کی استدعا کی گئی تھی، اس وجہ سے اسے برقرار نہ رکھنے کی وجہ سے خارج کر دیا گیا تھا۔ اس کے مطابق، ایس ایس جی سی ایل نے 17.868 ملین روپے کے بقایا جات کا بل جمع کیا اور 2 ملین روپے کی بینک گارنٹی اور 10.823 ملین روپے کی گیس سکیورٹی ڈپازٹ ضبط کر لی اور گیس کنکشن منقطع کر دیا۔ کمپنی نے ایس ایس جی سی ایل کے مطالبے کا حساب نہیں لیا اور اسکیش شدہ بینک گارنٹی اور گیس سکیورٹی ڈپازٹ کے بیلنس کو مجموعی طور پر 12.823 ملین روپے کی رقم کا علاج کیا جو ایس ایس جی سی ایل سے قابل وصول دیگر قابل وصول ہے۔ انتظامیہ نے رپورٹنگ کی تاریخ تک ایس ایس جی سی ایل کے ایکٹ کے خلاف کوئی قانونی راستہ اختیار نہیں کیا ہے حالانکہ اس بیلنس کی وصولی کو مشکوک قرار دیتے ہوئے برطرفی کے بعد سے اہم مدت گزر جانے کے باوجود۔ اس کے مطابق، ہم SSGCL کے اس قابل وصول اور غیر تسلیم شدہ مطالبے کے حوالے سے خود کو مطمئن کرنے میں ناکام رہے۔

## ادالہ

کمپنی SSGC کی طرف سے سیلزن ٹیکس کی اس وصولی کو بلا جواز سمجھتی ہے اور اس معاملے کو حل کرنے کے لیے اکتوبر 2021 میں لاہور ہائی کورٹ (LHC)

میں درخواست دائر کی تھی۔ LHC کی طرف سے دی گئی ہدایات کے مطابق، ہمارے نمائندے نے 17 نومبر 2021 کو چیف کمشنران لینڈ ریونیو کے دفتر میں حاضری دی اور تعمیل کے لیے عدالتی حکم کی کاپی جمع کرائی۔ ہمیں یقین ہے کہ کیس ہمارے حق میں نمٹا دیا جائے گا۔

## حالہ

کنڈینسڈ عبوری مالیاتی بیانات میں 1.506 ملین روپے کی آمدنی کمپنی کے پاور ہاؤس آلات اور ٹرانسمیشن لائنوں کے استعمال کے سلسلے میں کرایہ داروں کو بلنگ کی نمائندگی کرتی ہے۔ کمپنی نے اکتوبر 2016 میں اپنے پاور ہاؤس کے آلات کو ٹھکانے لگا دیا ہے اور متبادل پاور جنریٹر لگا دیے ہیں۔ اس سے پہلے، مذکورہ بالا آمدنی پیدا کرنے والے متبادل پاور جنریٹر کو نہ تو کمپنی کے حساب کتاب میں تسلیم کیا گیا تھا اور نہ ہی مالیاتی گوشواروں میں کوئی کرایہ وصول کیا گیا تھا۔ پچھلے سالوں کے دوران، کمپنی نے پہلے سے غیر ریکارڈ شدہ جنریٹر کی جگہ دو جنریٹر کی خریداری ریکارڈ کی تھی۔ تاہم، پہلے سے غیر ریکارڈ شدہ جنریٹر کو ٹھکانے لگانے کے بارے میں معلومات کی کمی کی وجہ سے اس طرح کی تبدیلی کے انتظامات کو ثابت نہیں کیا جاسکا جہاں سابق ڈائریکٹر کی طرف سے ان جنریٹر کو دوبارہ قبضے میں لینے کے لیے مقدمہ دائر کیا گیا ہے جس کا نوٹ 8.4 میں مکمل طور پر انکشاف کیا گیا ہے۔ عبوری مالیاتی بیانات مزید برآں، اس سلسلے میں قانونی رائے کی عدم موجودگی میں، ہم خود کو مطمئن کرنے سے قاصر رہے کہ آیا کرایہ داروں کے ساتھ مذکورہ بالا انتظام تمام قابل اطلاق ریگولیٹری دفعات بشمول انکم ٹیکس، سیلز ٹیکس اور اس طرح کے محصول پر بجلی کی ڈیوٹی کے مطابق ہے۔

## ادالہ

کمپنی نے پچھلے سال تین جنریٹر خریدے جو کتابوں میں شامل تھے اور ان پر فرسودگی چارج کی گئی۔ موجودہ منظر نامے میں کمپنی نے اپنے کرایہ داروں کی رہائش کے لیے Electric - K سے بجلی کا کنکشن لیا ہے۔ مزید یہ کہ ہمارے پاس اس بات کا کوئی ثبوت نہیں ہے کہ اس طرح کے جنریٹر سابق ڈائریکٹر میں سے کسی ایک کے ہیں۔

## حالہ

ہم نے SSGCL کی جانب سے گیس انفراسٹرکچر ڈیولپمنٹ سیس (GIDC) کی مد میں 6.239 ملین روپے کی قانونی چارہ جوئی کی مانگ کو نوٹ کیا۔ مزید برآں، منقطع ہونے سے پہلے گیس کنکشن کا آخری بل جیسا کہ اوپر پیرا گراف (b) میں بتایا گیا ہے GIDC کی بقایا مانگ کے ساتھ GIDC پر GST کے ساتھ 68.400 ملین روپے کی رقم ظاہر ہوتی ہے۔ تاہم، کمپنی نے نہ تو اس ذمہ داری کا محاسبہ کیا ہے اور نہ ہی اس قسم کی مانگ کے سلسلے میں ہنگامی ذمہ داری، اگر کوئی ہے، ظاہر کیا ہے۔ اس مطالبے کی ریکارڈنگ نہ کرنے اور اس کے خلاف کمپنی کے اقدامات کے بارے میں بنیادی معلومات کی عدم موجودگی میں، ہم کنڈینسڈ عبوری مالیاتی گوشواروں میں اخراجات اور متعلقہ ذمہ داریوں کی شناخت کے سلسلے میں خود کو مطمئن کرنے سے قاصر رہے؛

## ادالہ

کمپنی نے ان مالیاتی گوشواروں میں SSGC کی طرف سے وصول کی گئی GIDC کی رقم کا حساب نہیں دیا۔ کمپنی نے جی آئی ڈی سی کی ریکوری کے خلاف اسٹے کا دعویٰ دائر کیا ہے۔ کراچی میں سندھ ہائی کورٹ نے مقدمہ نمبر 2020 کے 1208 نے مدعا علیہ کو اس معاملے میں کمپنی کے خلاف کوئی زبردستی کارروائی کرنے سے روک دیا۔

## حالہ

کمپنی کی طرف سے / کے خلاف کچھ قانونی چارہ جوئی دائر کی گئی ہے جیسا کہ نوٹ 8 میں کنڈینسڈ عبوری مالیاتی بیانات میں انکشاف کیا گیا ہے۔ کمپنی کی انتظامیہ نے ہمیں ان قانونی چارہ جوئی کے ممکنہ نتائج کے بارے میں اپنی تشخیص فراہم نہیں کی ہے۔ اس کے مطابق، ہم یہ معلوم کرنے سے قاصر رہے کہ آیا ایسی قانونی چارہ جوئی کے خلاف کوئی پروویژن بنایا جانا چاہیے یا اس کے انکشافات کنڈینسڈ عبوری مالیاتی گوشواروں میں کافی ہیں؛

## ادالہ

کسی بھی موجودہ قانونی چارہ جوئی سے کمپنی کے مالیاتی بیانات پر کسی بھی طرح سے اثر انداز ہونے کی توقع نہیں ہے۔ اس لیے ان مالیاتی گوشواروں میں کوئی پروویژن یا انکشاف شامل نہیں کیا گیا ہے۔ نوٹ 8.2 تا 8.5 مالیاتی بیانات اس معاملے پر تفصیلی نظریہ پیش کرتے ہیں۔

## حالہ

کریسوکس (پرائیویٹ) لمیٹڈ کے تازہ ترین آڈٹ شدہ / غیر آڈٹ شدہ مالیاتی بیانات، ایک منسلک کمپنی جس کا اکاؤنٹنگ کے ایکویٹی طریقہ کے تحت اکاؤنٹنگ (نوٹ 6.1) ہے، کمپنی کے پاس دستیاب نہیں تھے۔ تازہ ترین آڈٹ شدہ مالیاتی گوشواروں کی عدم موجودگی میں، ہم خود کو مطمئن کرنے سے قاصر رہے کہ آیا کنڈینسڈ عبوری مالیاتی گوشواروں میں ایسوسی ایٹ کے منافع کا کوئی حصہ شمار کیا جائے گا۔ مزید برآں، ہم معاون دستاویزات کی کمی اور آزاد قدر کنندہ سے تشخیص کی وجہ سے دیگر جامع آمدنی کے ذریعے منصفانہ قیمت پر غیر حوالہ شدہ سرمایہ کاری کے وجود اور تشخیص کی تصدیق نہیں کر سکے۔ اور

## ادالہ

کریسوکس (پرائیویٹ) لمیٹڈ کے زیر جائزہ مدت کے لیے آڈٹ شدہ / مسودہ مالیاتی بیانات ہماری کتابوں میں منافع یا نقصان کا حصہ شامل کرنے کے لیے دستیاب نہیں تھے۔ اس حقیقت کو پہلے ہی نوٹ 6.1.1 میں مالی بیان میں ظاہر کیا جا چکا ہے۔ کریسوکس (پرائیویٹ) لمیٹڈ میں سرمایہ کاری گزشتہ سالوں میں نقصانات کی وجہ سے مکمل طور پر ختم کر دی گئی ہے۔ لہذا، کریسوکس (پرائیویٹ) لمیٹڈ میں خسارے میں کسی بھی قسم کے جمع ہونے سے کمپنی کے منافع پر کوئی منفی اثر نہیں پڑتا ہے۔

## حالیہ

31 دسمبر 2021 تک، تجارت اور دیگر قابل ادائیگی میں 12.735 ملین روپے کی قابل ادائیگی انشورنس اور قرض دہندگان کے 9.329 ملین روپے طویل عرصے سے بقایا ہیں۔ اس طرح کی رقم کے سلسلے میں کمپنی کے ریکارڈ کی ناکافی نوعیت کی وجہ سے، ہم ایسی واجبات کے وجود اور تشخیص کی تصدیق کے لیے کافی مناسب آڈٹ ثبوت حاصل کرنے سے قاصر رہے؛ اور

## ادالہ

یہ وہ واجبات ہیں جو 31 دسمبر 2021 تک کمپنی پر واجب الادا ہیں۔ بار بار درخواست 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 اس کے بعد کے متواتر اکاؤنٹس میں ظاہر ہوگا۔

## حالیہ

31 دسمبر 2021 تک، کمپنی کا جمع شدہ نقصان 362.981 ملین روپے تھا اور اس کی موجودہ واجبات اس کے موجودہ اثاثوں سے 33.206 ملین روپے سے زیادہ ہیں۔ یہ صورت حال مزید بگڑ سکتی ہے اگر اوپر پیرا گراف (a) سے (g) میں زیر بحث مادے کے ممکنہ اثرات کو عبوری مالیاتی بیانات میں شمار کیا جائے۔ مارچ 2014 سے مؤثر، کمپنی نے اپنے ٹیکسٹائل آپریشنز کو بند کر دیا ہے اور پچھلے سالوں میں لیز ہولڈر زمین اور لیز ہولڈر زمین پر عمارت کے علاوہ اپنے تمام آپریٹنگ فکسڈ اثاثوں کو ضائع کر دیا ہے۔ کمپنی نے ماضی میں متعدد بار خصوصی قرارداد پاس کر کے جائیدادوں کے کرایہ پر لینے 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 (SECP) میں دائر متعلقہ درخواستیں بے ضابطگیوں کی وجہ سے ناکام رہیں۔ پچھلے سال کے دوران، کمپنی نے ایک بار پھر کمپنی کے شیئر ہولڈرز کے غیر معمولی جنرل میٹنگ میں منظور کی گئی ایک خصوصی قرارداد کے ذریعے جائیدادوں کے کرایہ پر لینے کے کاروبار کو شامل کرنے اور کمپنی کا نام تبدیل کرنے کے لیے اپنے میمورنڈم آف ایسوسی ایشن میں رد و بدل کا عمل شروع کیا ہے۔ 29 مئی 2020 کو منعقد ہوا۔ تاہم، غیر حل شدہ مشاہدات کی وجہ سے ایس ای سی پی کی طرف سے تبدیلی کی تصدیق ابھی تک زیر التواء ہے۔ یہ واقعات ایک مادی غیر یقینی صورتحال کی نشاندہی کرتے ہیں جو کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر اہم شکوک پیدا کر سکتی ہے اور اس وجہ سے وہ اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے دوران اپنی ذمہ داریوں کو ادا کرنے سے قاصر ہو سکتی ہے۔ گاڑھا عبوری مالیاتی بیانات اور اس کے نوٹ اس حقیقت کو ظاہر نہیں کرتے ہیں۔ کمپنی کی انتظامیہ نے ہمیں کنڈینسڈ عبوری مالیاتی بیانات اور مستقبل کے مالیاتی تخمینوں کی تیاری میں استعمال ہونے والے تشویش کے مفروضے کا اندازہ بھی فراہم نہیں کیا جو کمپنی کی معاشی استحکام کی نشاندہی کرتے ہیں۔ یہ حقائق بتاتے ہیں کہ کنڈینسڈ عبوری مالیاتی گوشواروں کی تیاری میں استعمال ہونے والی تشویش کے مفروضے نامناسب ہیں۔

کمپنی کے بنیادی آپریشنز کو 2014 میں بند کر دیا گیا تھا۔ اس کے بعد کمپنی نے 04 اپریل 2015 کو ای او جی ایم میں شیئر ہولڈر کی منظوری حاصل کرنے کے بعد تمام پلانٹ اور مشینری کو ٹھکانے لگا دیا۔ انتظامیہ نے اپنی جگہ تیسرے فریق کو کرائے پر دے دی ہے، کرائے کو بنیادی کاروباری سرگرمی کے طور پر اپنایا ہے اور ایس ای سی پی کو اس کے میمورنڈم آف ایسوسی ایشن کی آبجیکٹ شق III کو تبدیل کرنے کے لیے درخواست دی گئی۔ کمپنی کے انکینیٹرز ایکٹ 2017 کے سیکشن 26 کے ذیلی سیکشن (i) کے تحت کاروبار کو اپنے نام کے ساتھ ہم آہنگ کرنے کے لیے کمپنی کے نام کی تبدیلی کے لیے بھی درخواست دی۔ میمورنڈم میں پرنسپل لائن کی تبدیلی سے متعلق فارم 26 مکمل ہو چکا ہے کمپنی کے نام کا عمل جاری ہے۔ پچھلے کے ساتھ اس سال کے موجودہ تناسب کا جائزہ لینے سے، یہ پتہ چلتا ہے کہ، موجودہ واجبات موجودہ اثاثوں سے Rs. 33.20 ملین یہ بنیادی طور پر قلیل مدتی سرمایہ کاری کی دوبارہ درجہ بندی اور پچھلے سالوں میں طویل مدتی سے قلیل مدتی واجبات میں گریجویٹی کی منتقلی کی وجہ سے ہے۔ اس کے علاوہ 30 جون 2021 کو ختم ہونے والے سال میں، کمپنی نے اپنے ایک کرایہ دار اور ڈائریکٹرز سے بجلی کا کنکشن حاصل کرنے کے لیے قرض حاصل کیا جو اس کے مقررہ اثاثوں کا حصہ بن چکا ہے۔ یہ بیان کردہ حقائق بتاتے ہیں کہ کمپنی کی مالی حالت مستحکم ہے اور یہ ایک جاری تشویش کے طور پر کام کرتی رہے گی۔

آخر میں میں تمام مستفیدان کے مسلسل تعاون پر ان کا مشکور ہوں۔

برائے و منجانب بورڈ آف ڈائریکٹرز

سلطان رفیع  
ڈائریکٹر

مسر رفیع  
چیف ایگزیکٹو ڈائریکٹر

کراچی

24 فروری 2022



***INDEPENDENT AUDITOR'S REVIEW REPORT***  
***To the members of Jubilee Spinning & Weaving Mills Limited***  
***Report on review of Condensed Interim Financial Statements***

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of JUBILEE SPINNING & WEAVING MILLS LIMITED ("the Company") as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months period then ended (hereinafter referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-months period ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six-months period ended 31 December 2021.

**Scope of Review**

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

**Basis for Adverse Conclusion**

- (a) Trade debts, loans and advances and other receivables as at 31 December 2021 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.755 million respectively receivable from an associated company outstanding since long.



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 31 December 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) During the prior years, the Company's petition in Honorable Lahore High Court praying restraining Sui Southern Gas Company Limited (SSGCL) 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 accounted for as other receivable. 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.
- (c) Revenue amounting Rupees 1.506 million accounted for in the condensed interim financial statements represents billing to tenants in respect of use of Company's power house equipment / electric connection and transmission lines thereof. 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 8.4 to the condensed interim 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;
- (d) We noted an outstanding under litigation demand of Rupees 6.239 million on account of Gas Infrastructure Development Cess (GIDC) by SSGCL. Furthermore, the last bill of gas connection before disconnection as reported in paragraph (b) 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 condensed interim financial statements;

- (e) Certain litigations have been filed by / against the Company as disclosed in Note 8 to the condensed interim financial statements. Management of the Company have not provided us with their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the condensed interim financial statements;
- (f) The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 6.1), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether any share of profit of the associate be accounted for in the condensed interim financial statements. Furthermore, we could not verify the existence and valuation of unquoted investments at fair value through other comprehensive income due to lack of supporting documents and valuation from independent valuer; and
- (g) As at December 31 2021, Trade and other payable includes insurance payable amounting to Rupees 12.735 million and creditors amounting to Rupees 9.329 million outstanding since long. Due to insufficient nature of the Company's record in respect of such amounts, we remained unable to obtain sufficient appropriate audit evidence to confirm the existence and valuation of such liabilities; and
- (h) As on 31 December 2021, accumulated loss of the Company was Rupees 362.981 million and its current liabilities exceeds its current assets by Rupees 33.206 million. This situation may be further deteriorated if the possible effects of matter discussed in paragraphs (a) to (g) above are accounted for in the condensed interim 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 preceding year, the Company again 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 condensed interim financial statements and notes thereto do not disclose this fact. The management of the Company also did not provide us its assessment of going concern assumption used in preparation of the condensed interim 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 condensed interim financial statements is inappropriate.



Jubilee Spinning & Weaving Mills Ltd.

### **Adverse Conclusion**

Based on our review, because of the significance of the matters discussed in the basis for adverse conclusion paragraphs, the interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Junaid Ashraf.

**RIAZ AHMAD & COMPANY**  
**Chartered Accountants**

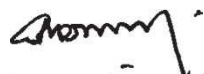
**KARACHI**

**Date: February 24, 2022**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

		Unaudited 31 December 2021	Audited 30 June 2021
<b>ASSETS</b>		<b>Rupees</b>	<b>Rupees</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	93,427,059	94,320,876
Investment property		605,456,311	605,456,311
Long term investments	6	7,703,618	7,891,871
Long term loans		966,390	853,890
Long term deposits		10,670,881	10,670,881
		<u>718,224,259</u>	<u>719,193,829</u>
<b>CURRENT ASSETS</b>			
Trade debts	7	23,897,337	27,170,548
Loans and advances		23,040,214	23,040,214
Other receivables		79,401,445	79,235,527
Advance income tax and refund		4,246,512	8,653,334
Cash and bank balances		1,292,938	6,926,505
		<u>131,878,446</u>	<u>145,026,128</u>
<b>TOTAL ASSETS</b>		<u><b>850,102,705</b></u>	<u><b>864,219,957</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
34,000,000 (30 June 2021: 34,000,000) ordinary shares of Rupees 10 each		<u><b>340,000,000</b></u>	<u>340,000,000</u>
<b>Issued, subscribed and paid up share capital</b>			
32,491,205 (30 June 2021: 32,491,205) ordinary shares of Rupees 10 each		<u><b>324,912,050</b></u>	<u>324,912,050</u>
<b>Capital reserves</b>			
Fair value reserve on 'Fair value through other comprehensive income investments		5,426,874	5,615,127
Revaluation surplus on property, plant and equipment		652,234,304	652,234,304
<b>Revenue reserves</b>			
General reserve		51,012,000	51,012,000
Accumulated loss		(362,981,346)	(360,463,126)
<b>Total equity</b>		<u><b>670,603,882</b></u>	<u>673,310,355</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		2,069,316	2,069,316
Deferred income tax		11,470,798	11,470,798
Employees' retirement benefits		873,735	959,719
		<u>14,413,849</u>	<u>14,499,833</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		101,191,641	106,960,211
Current portion of long term financing		5,655,896	5,655,896
Loan from sponsors		18,324,680	18,324,680
Provisions		9,928,940	9,928,940
Unclaimed dividend		577,737	577,737
Provision for taxation		29,406,080	34,962,305
		<u>165,084,974</u>	<u>176,409,769</u>
<b>TOTAL LIABILITIES</b>		<u><b>179,498,823</b></u>	<u>190,909,602</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>850,102,705</b></u>	<u><b>864,219,957</b></u>

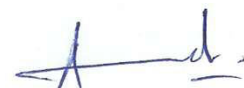
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2021**

		<b>SIX-MONTHS PERIOD ENDED</b>		<b>THREE-MONTHS PERIOD ENDED</b>	
		<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Revenue	9	<b>1,506,265</b>	1,039,183	<b>737,792</b>	230,812
Cost of revenue	10	<b>(2,028,216)</b>	(2,431,290)	<b>(1,478,461)</b>	(1,158,281)
Gross Loss		<b>(521,951)</b>	(1,392,107)	<b>(740,669)</b>	(927,469)
Administrative and general expenses		<b>(26,613,727)</b>	(19,330,609)	<b>(12,735,681)</b>	(9,521,446)
		<b>(27,135,678)</b>	(20,722,716)	<b>(13,476,350)</b>	(10,448,915)
Other income		<b>27,091,521</b>	23,549,200	<b>13,646,058</b>	11,658,109
(Loss) / profit from operations		<b>(44,157)</b>	2,826,484	<b>169,708</b>	1,209,194
Finance cost		<b>(16,044)</b>	(58,210)	<b>(15,594)</b>	(56,203)
(Loss) / profit before taxation		<b>(60,201)</b>	2,768,274	<b>154,114</b>	1,152,991
Taxation		<b>(2,458,019)</b>	(5,290,014)	<b>582,633</b>	(2,621,007)
(Loss) / profit after taxation		<b>(2,518,220)</b>	(2,521,740)	<b>736,747</b>	(1,468,016)
Loss per share	11	<b>(0.08)</b>	(0.08)	<b>0.02</b>	(0.05)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2021**

	<b>SIX-MONTHS PERIOD ENDED</b>		<b>THREE-MONTHS PERIOD ENDED</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<b>(2,518,220)</b>	<b>(2,521,740)</b>	<b>736,747</b>	<b>(1,468,016)</b>
<b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
- Unrealized (loss) / gain on remeasurment of investment at 'fair value through other comprehensive income'	<b>(188,253)</b>	22,690	<b>(188,253)</b>	22,690
<b>Items that may be reclassified subsequently to profit or loss:</b>	-			
	<b>(188,253)</b>	22,690	<b>(188,253)</b>	22,690
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(2,706,473)</b>	<b>(2,499,050)</b>	<b>548,494</b>	<b>(1,445,326)</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Issued, subscribed and paid-up share capital	CAPITAL			REVENUE			Total	Total equity
		Fair value reserve on 'Fair value through other comprehens ive 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
Balance as at 30 June 2020-Audited	324,912,050	5,694,968	651,515,456	657,210,424	51,012,000	(365,690,642)	(314,678,642)	342,531,782	667,443,832
Loss for the period	-	-	-	-	-	(2,521,740)	(2,521,740)	(2,521,740)	(2,521,740)
Other comprehensive income for the period	-	22,690	-	22,690	-	-	-	22,690	22,690
Total comprehensive loss for the period	-	22,690	-	22,690	-	(2,521,740)	(2,521,740)	(2,499,050)	(2,499,050)
Balance as at 31 December 2020- Unaudited	324,912,050	5,717,658	651,515,456	657,233,114	51,012,000	(368,212,382)	(317,200,382)	340,032,732	664,944,782
Profit for the period	-	-	718,848	718,848	-	7,698,572	7,698,572	8,417,420	8,417,420
Other comprehensive loss for the period	-	(102,531)	-	(102,531)	-	50,684	50,684	(51,847)	(51,847)
Total comprehensive loss for the period	-	(102,531)	718,848	616,317	-	7,749,256	7,749,256	8,365,573	8,365,573
Balance as at 30 June 2021-Audited	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
Loss for the period	-	-	-	-	-	(2,518,220)	(2,518,220)	(2,518,220)	(2,518,220)
Other comprehensive loss for the period	-	(188,253)	-	(188,253)	-	-	-	(188,253)	(188,253)
Total comprehensive loss for the period	-	(188,253)	-	(188,253)	-	(2,518,220)	(2,518,220)	(2,706,473)	(2,706,473)
Balance as at 31 December 2021- Unaudited	324,912,050	5,426,874	652,234,304	657,661,178	51,012,000	(362,981,346)	(311,969,346)	345,691,832	670,603,882

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

  
**CHIEF EXECUTIVE OFFICER**

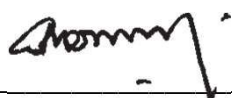
  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

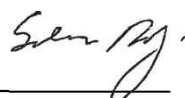
**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2021**

	<b>SIX-MONTHS PERIOD ENDED</b>	
	<b>31 December</b>	<b>31 December</b>
<b>Note</b>	<b>2021</b>	<b>2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/ Profit before taxation	<b>(60,201)</b>	2,768,274
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	<b>1,285,573</b>	1,216,278
Provision for gratuity	<b>30,090</b>	26,238
Rental income	<b>(26,734,962)</b>	(23,334,787)
Finance cost	<b>16,044</b>	58,210
<b>Net cash used in operating activities before working capital changes</b>	<b>(25,463,456)</b>	(19,265,787)
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Trade debts	<b>3,273,211</b>	(3,979,170)
Loans and advances	-	6,500
Other receivables	<b>(165,918)</b>	(182,638)
	<b>3,107,293</b>	(4,155,308)
<b>Increase in current liabilities</b>		
Trade and other payables	<b>(5,768,570)</b>	3,570,143
<b>Net cash used in operations after working capital changes</b>	<b>(28,124,733)</b>	(19,850,952)
Finance cost paid	<b>(16,044)</b>	(26,778)
Income tax paid	<b>(3,117,421)</b>	(2,429,586)
Gratuity paid	<b>(915,031)</b>	(264,550)
<b>Net cash used in operating activities</b>	<b>(32,173,229)</b>	(22,571,866)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(140,300)</b>	-
Rental income	<b>26,734,962</b>	23,334,787
Long term deposits paid	-	(700,000)
Long term loans disbursed	<b>(112,500)</b>	-
Long term loans recovered	<b>57,500</b>	24,500
<b>Net cash flow from investing activities</b>	<b>26,539,662</b>	22,659,287
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings	-	(200,000)
<b>Net decrease in cash and cash equivalents</b>	<b>(5,633,567)</b>	(112,579)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,926,505</b>	1,605,693
<b>Cash and cash equivalents at the end of the period</b>	<b>1,292,938</b>	1,493,114

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 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 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 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 conclusion and opinion of the Independent Auditors in their Review and Annual Report respectively.

**2. BASIS OF PREPARATION**

**2.1 Statement of Compliance**

**2.1.1** These condensed interim financial statements of the Company for the six-months period ended 31 December 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB);
- Provisions of and directives issued under the Companies Act, 2017.



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

- 2.1.2** These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021.
- 2.1.3** These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.
- 2.1.4** The comparatives in the condensed interim statement of financial position presented in the condensed interim financial statements as at 31 December 2021 have been extracted from the annual audited financial statements for the year ended 30 June 2021, whereas the comparative in condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the six-months period ended 31 December 2020.

### **3. ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim 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.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

		<b>Unaudited 31 December 2021 Rupees</b>	<b>Audited 30 June 2021 Rupees</b>
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating fixed assets	5.1	<b>93,427,059</b>	83,102,730
Capital work in progress		-	11,218,146
		<b>93,427,059</b>	<b>94,320,876</b>
<b>5.1 Operating fixed assets</b>			
Opening book value		<b>83,102,730</b>	88,803,390
Add: Purchases during the period / year		<b>391,756</b>	-
Add: Transferred from CWIP during the period / year		<b>11,218,146</b>	-
Add: Surplus on revaluation during the period / year		-	718,848
		<b>94,712,632</b>	<b>89,522,238</b>
Transferred to disposal:			
Cost		-	5,288,540
Accumulated depreciation		-	(1,214,226)
Disposal - net		-	4,074,314
Less: Depreciation charged during the period / year		<b>(1,285,573)</b>	(2,345,194)
		<b>93,427,059</b>	<b>83,102,730</b>

**5.2 Depreciation charge for the six-months and three-months period ended 31 December 2021 has been allocated as follows:**

	<b>SIX-MONTHS PERIOD ENDED</b>		<b>THREE-MONTHS PERIOD ENDED</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Cost of sales	<b>1,270,339</b>	1,200,627	<b>740,584</b>	600,298
Administrative expenses	<b>15,234</b>	15,651	<b>9,596</b>	7,826
	<b>1,285,573</b>	<b>1,216,278</b>	<b>750,180</b>	<b>608,124</b>

**6. LONG-TERM INVESTMENTS**

**Equity instruments**

Investment in associates - 'under equity method of accounting'	6.1	-	-
Investment in equity securities - at 'fair value through other comprehensive income'	6.2	<b>7,703,618</b>	7,891,871
		<b>7,703,618</b>	<b>7,891,871</b>

**6.1 Investment in associates - 'under equity method of accounting'**

**Associated companies (with significant influence)**

Cresox (Private) Limited	6.1.1	-	-
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**6.1.1** The Company holds 24.93% holding in Cresox (Private) Limited, an associated company with significant influence being accounted for under equity method of accounting in these condensed interim 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.

		Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>6.2</b>	<b>Investment in equity securities - at 'fair value through other comprehensive income'</b>	<b>Note</b>	
<b>Associated companies (without significant influence)</b>			
Texmac Services (Private) Limited - unquoted 52,000 (30 June 2021: 52,000) fully paid ordinary shares of Rupees 10 each. Equity held 26% (30 June 2021: 26%)			
	6.2.1	<b>116,360</b>	116,360
<b>Others</b>			
Crescent Industrial Chemical Limited - unquoted 184,000 (30 June 2021: 184,000) fully paid ordinary shares of Rupees 10 each. Equity held 17.57% (30 June 2021: 17.57%)			
	6.2.2	-	-
Premier Insurance Limited - quoted 18,682 (30 June 2021: 18,682) fully paid ordinary shares of Rupees 10 each Equity held 0.04% (30 June 2021: 0.04%)			
		<b>291,989</b>	291,989
Crescent Jute Products Limited - quoted 1,709,683 (30 June 2021: 1,709,683) fully paid ordinary shares of Rupees 10 each. Equity held 7.19% (30 June 2021: 7.19%)			
		<b>1,640,220</b>	1,640,220
Shakarganj Limited - quoted 39,138 (30 June 2021: 39,138) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (30 June 2021: 0.03%)			
		<b>228,175</b>	228,175
Crescent Spinning Mills Limited - unquoted 290,000 (30 June 2021: 290,000) fully paid ordinary shares of Rupees 10 each			
	6.2.3	-	-
		<b>2,276,744</b>	2,276,744
Add: Fair value adjustment		<b>5,426,874</b>	5,615,127
		<b>7,703,618</b>	7,891,871

**6.2.1** 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 cost.

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

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

## **7. TRADE DEBTS**

### **Unsecured:**

Related party	<b>19,297,988</b>	19,297,988
Others	<b>7,470,909</b>	10,744,120
	<b>26,768,897</b>	30,042,108
Less: Allowance for expected credit losses		
As at 01 July	<b>2,871,560</b>	2,871,560
Recognized during the period / year	-	-
As at 31 Dec	<b>2,871,560</b>	2,871,560
	<b>23,897,337</b>	27,170,548

		<b>Unaudited 31 December 2021</b>	<b>Audited 30 June 2021 Rupees</b>
<b>8.</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>a)</b>	<b>Contingencies</b>		
<b>8.1</b>	Bank Guarantee from:		
	Standard Chartered Bank (Pakistan) Limited	8.1.1 <b>793,800</b>	793,800
	Habib Metropolitan Bank Limited	8.1.2 <b>4,812,878</b>	4,812,878
		<b>5,606,678</b>	<b>5,606,678</b>

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

**8.1.2** 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.

**8.2** 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 process till the reporting date.

**8.3** 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. During the preceding years, 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 judgment is still pending as the Company has not received any court order for the execution of the above judgment.

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

**8.5** 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 aggregate amounting to Rupees 1.837 million and for permanent injunction and the same is pending for hearing of order. Further, during the last year, one of the Company's ex-employee filed an application to Honorable Sindh High against the Company for the compensation / payment of wages. However, proceedings of the case had not started till the finalization of these financial statements.

## b) Commitments

There were no capital or other commitments as at 31 December 2021 (30 June 2021: Nil).

## 9. REVENUE

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

10. COST OF REVENUE	Note	SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Rupees	Rupees	Rupees	Rupees
Repair and maintenance		20,000	370,141	-	152,700
Salaries		648,991	839,223	324,495	405,283
Fuel and power		-	21,299	-	-
Other factory overheads		88,886	-	88,886	-
Depreciation	5.2	1,270,339	1,200,627	740,584	600,298
		<b>2,028,216</b>	<b>2,431,290</b>	<b>1,153,965</b>	<b>1,158,281</b>

## 11. LOSS PER SHARE - BASIC AND DILUTED

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

Loss attributable to ordinary shares	(Rupees)	<b>(2,518,220)</b>	(2,521,740)	<b>736,747</b>	(1,468,016)
Weighted average number of ordinary shares	(Numbers)	<b>32,491,205</b>	32,491,205	<b>32,491,205</b>	32,491,205
Loss per share	(Rupees)	<b>(0.078)</b>	(0.08)	<b>0.02</b>	(0.05)

## 12. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

### Chief Executive Officer

Managerial remuneration	2,550,000	2,100,000	1,500,000	1,050,000
House rent allowance	1,147,500	945,000	675,000	472,500
Travelling	1,029,000	-	98,671	-
Utilities	255,000	1,383,080	150,000	652,795
Rentals paid for vehicle	468,000	394,000	234,000	238,000
	<b>5,449,500</b>	<b>4,822,080</b>	<b>2,657,671</b>	<b>2,413,295</b>
Number of executive	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
31 December 2021	31 December 2020	31 December 2021	31 December 2020
Rupees	Rupees	Rupees	Rupees

#### Director

Managerial remuneration	<b>2,550,000</b>	2,100,000	<b>1,500,000</b>	1,050,000
House rent allowance	<b>1,147,500</b>	945,000	<b>675,000</b>	472,500
Travelling	<b>1,127,531</b>	50,920	<b>844,505</b>	-
Utilities	<b>255,000</b>	1,135,045	<b>150,000</b>	597,932
Rentals paid for vehicle	<b>192,000</b>	404,000	<b>192,000</b>	197,000
	<b>5,272,031</b>	4,634,965	<b>3,361,505</b>	2,317,432

Number of director	<b>1</b>	1	<b>1</b>	1
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#### Executive

Managerial remuneration	<b>671,118</b>	607,328	<b>357,846</b>	303,664
House rent allowance	<b>333,609</b>	301,714	<b>177,948</b>	150,857
Utilities	-	1,950	-	975
	<b>1,004,727</b>	910,992	<b>535,794</b>	455,496

Number of Executive	<b>1</b>	1	<b>1</b>	1
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**12.1** The chief executive officer is also entitled for free maintenance of car.

**12.2** No remuneration was paid to non-executive directors of the Company .

### 13. TRANSACTIONS 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 condensed interim financial information are as follows:

SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
31 December 2021	31 December 2020	31 December 2021	31 December 2020
Rupees	Rupees	Rupees	Rupees

#### i. Transactions

##### Staff retirement funds

Expense charged for retirement benefit plans	30,090	26,238	15,045	13,119
Payment to retirement benefit plans	915,031	264,550	350,000	214,550

#### ii. Receivable / (payable) balances

##### Associated companies

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
Other payable	(12,735,179)	(12,735,179)

##### Directors

Loan to director	100,408	100,408
Loan from sponsors	(18,324,680)	(18,324,680)

##### Other related party

Employees' retirement benefits - Staff gratuity scheme - unfunded	(12,193,654)	(13,078,595)
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**13.1** Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Percentage of shareholding (%)
Taxmac (Private) Limited	Shareholding	26
Cresox (Private) Limited	Common directorship and sharehol	24.93

#### **14. FINANCIAL RISK MANAGEMENT**

There have been no significant changes in the risk management policies since the year end.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2021.

#### **15. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements have been approved and authorized for issue in the meeting of the Board of Directors of the Management Company held on February 24, 2022.

#### **16 GENERAL**

- No significant reclassification or rearrangement of the corresponding figures has been made during the period in these condensed interim financial statements.
- Figures have been rounded off to the nearest Rupee unless otherwise stated.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**