



Jubilee Spinning & Weaving Mills Ltd.

Annual Report 2022



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Contents

1. Company information	
2. Notice of Annual General Meeting	
3. Director's Report to the Shareholders	
4. Key Operating & Financial Ratios.....	
5. Vision Statement & Mission Statement	
6. Statement of compliance with the Code of Corporate Governance	
7. Review Report of the Members on Statement of Compliance with the best practices of Code of Corporate Governance	
8. Auditors Report to the Members	
9. Balance Sheet	
10. Profit or Loss Account	
11. Statement of Comprehensive Income	
12. Statement of Changes in Equity.....	
13. Cash Flow Statement.....	
14. Notes to the Accounts	
15. Pattern of Shareholding	
16. Form of Proxy	
17. Jama Punji Advertisement.....	



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	
Mr. Adnan Amjad	
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

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 49th Annual General Meeting of the shareholders of Jubilee Spinning & Weaving Mills Limited (the “Company”) will be held on Thursday, the October 27, 2022 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, 2022 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 05, 2022

Notes:

1. The Members’ Register will remain closed from October 21, 2022 to October 27, 2022 (both days inclusive). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 20, 2022.
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, 2022 along with Auditors and Directors Reports thereon on its website: [www. www.jsw.com.pk](http://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.

**Directors' 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, 2022 along with the Auditors' Report.

Company Overview

Jubilee Spinning & Weaving Mills Limited was originally a textile manufacturing unit. The Company is 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 an after tax profit of Rs. 43.98 million, after charging costs, expenses and provisions. The previous financial year's result was an after-tax profit of Rs. 5.17 million. The financial results of the company are summarized below.

Year ended on	Rupees	Rupees
	June 30, 2022	June 30, 2021
Revenue	4,960,168	2,861,821
Cost of Revenue	(2,882,732)	(3,337,745)
Gross Profit /(Gross Loss)	2,077,436	(475,925)
Gross Profit %/(Gross Loss %)	41.88%	(16.63%)
Allowance for Expected Loss	(644,149)	-
Selling, Administration and Other Operating Costs	(54,905,688)	(40,541,167)
Other Income	106,494,739	56,471,714
Finance Charges	(28,332)	(106,002)
Provision for Tax	(9,008,981)	(10,171,788)
Profit/(Loss) after Tax	43,985,025	5,176,832
Earning Per Share	1.35	0.16



Review of Operations and Future Prospects

The company earned a profit before tax Rs. 52.99 million for the year ending June 30, 2022. The gross profit percentage is 41.88%. Compared to the previous financial year, revenue increased by Rs. 2.09 million or 73.3%. Administrative expenses increased by 35.4% million and the finance costs remained negligible. The bottom line reflects a net of tax profit of Rs. 43.98 million with Earning Per Share of Rs. 1.35.

Other income has increased by a significant amount, mainly due to two factors. The one is rental income of Rs. 55.44 million and the other is an unrealized gain on re-measurement of investment property of Rs. 50.24 million. Rental income increased due to additional space rented out and annual increment in rental rates.

During the year under review, the threat of COVID-19 has subsided and business activity is expected to improve slowly to pre-pandemic levels.

The overall business environment in Pakistan remains challenging. Uncontrolled inflation has had a significantly negative impact on overall economic activity. Repeated and sizeable increases in the energy tariffs has created uncertainty in the business environment and led to a cascading upward effect on most products. Other associated costs continue to increase at a very fast pace, restricting the Company's ability 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

- (a) Trade debts, loans and advances and other receivables as at 30 June 2022 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.854 million respectively receivable from an associated company outstanding since long. Our direct confirmation request to the associated company remained un-responded. Furthermore, one of the financial institutions, on default by the associated company in preceding years, realized the Company's investments in equity securities pledged against lending to associated company. The Company treated the market price of such securities at the date of realization by the



financial institution as disposal value amounting to Rupees 40.963 million and accounted for it as other receivables. The Company is uncertain about the party from whom it is to be recovered. In addition, loan and advances and other receivables as at 30 June 2022 include aggregate balance of Rupees 10.577 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 decision of the legal petition filed against the said company for the recovery is still pending. Our legal counsel M/s. Haider Waheed has confirmed that no financial loss due to this case is expected. 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

- (b) As at June 30 2022, Trade and other payable includes insurance payable amounting to Rupees 12.735 million, creditors amounting to Rupees 9.306 million, advance from customers amounting to Rupees 15.797 million and other liabilities amounting to Rupees 1.704 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, 2022. As on audit procedure confirmation regarding balance dispatched to the parties, however 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

- (c) 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 (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

The company filed an application in Lahore High Court regarding the recovery of the amount adjusted from the bank guarantee and the security deposit by SSGCL. Lahore High Court after listening the arguments in multiple hearing, directed the Federal Board of Revenue to present the factual position to the company (Jubilee Spinning & Weaving Mills Limited). After verification, FBR has issued a letter stating that during the period (2009 – 2014), the company had a status of zero-rating.

Now the company is in a process of recovery/refund of the sales tax adjusted by the SSGCL and is expected to receive it in the next financial year.

Quote

- (d) Revenue amounting Rupees 4.960 million accounted for in the 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 21.5 to the financial statements. Moreover, in the absence of legal opinion to this effect, we remained unable to satisfy ourselves as to whether the aforesaid arrangement with the tenants is in compliance with all the applicable regulatory provisions including income tax, sales tax and electricity duty on such revenue;

Unquote

The company purchased three generators in previous years 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 did not have any evidence that such generators belong to one of the ex-directors.

Quote

- (e) 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 (c) above reflected outstanding demand of GIDC along with 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

- (f) Certain litigations have been filed by / against the Company as disclosed in Note 21 to the financial statements. Management and the legal counsels of the Company, in their direct 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

- (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;

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

- (h) The Company has profit before tax for the year ended 30 June 2022. However, the Company has not determined and accounted for 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. 50.24 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 after tax profit would have been turned into loss. Therefore, the company did not account for the provision as required under Workers Welfare Fund and Workers Profit Participation Fund.

Quote

- (i) For the year ended 30 June 2022 and as of that date its accumulated loss is Rupees 316.618 million and its current liabilities exceeds its current assets by Rupees 37.416 million. This situation may further deteriorate if the possible effects of matter discussed in paragraphs (a) to (h) 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 years, 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. 37.41 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 its tenants and from directors to avail electricity connection that became 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
Mr. Adnan Amjad	Independent Director
Mrs. Sana Salman	Director



Pattern of Shareholding

The statement of pattern of shareholding of the company as at June 30, 2022 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. **1.35** (2021: Rs. 0.16).

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 11.915 million as on June 30, 2022 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	4
Mr. Salman Rafi	4
Mr. Usman Shafi	2
Mr. Umer Shafi	3
Mr. Aurangzeb Shafi	3
Mr. Adnan Amjad	3
Mrs. Sana Salman	4

l) During the period from July 01, 2021 to June 30, 2022 change in the holding of Directors, CEO, CFO and Company Secretary and their spouses as under:

	Balance as on 30-06-2021	Change	Balance as on 30-6-2022
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
Mr. Adnan Amjad	-	5,000	5,000
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
Karachi
October 04, 2022

Salman Rafi
Executive Director



حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

معزز حصص یافتگان!

ڈائریکٹران کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 30 جون 2022 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی کا سرسری جائزہ

جوبلی اسپننگ اینڈ ویوینگ ملز لمیٹڈ دراصل ایک ٹیکسٹائل مینوفیکچرنگ کمپنی ہے۔ کمپنی کی تشکیل پاکستان میں ہوئی اور اس کا رجسٹرڈ آفس E-503، جوہر ٹاؤن، لاہور، پاکستان میں واقع ہے۔ کمپنی کا بنیادی کاروبار یارن کی تیاری اور فروخت تھا۔ 2014 میں کمپنی نے اپنا اسپننگ کا کاروبار ختم کر دیا اور اپنے تمام کاروباری جامد اثاثے فروخت کر دیئے۔ بعد ازاں کمپنی نے آمدنی حاصل کرنے کے لئے تیسرے فریقین کو اپنی جائیداد کرائے پر دے دی۔

مختصر مالیاتی نتائج

سال کے دوران لاگتوں، اخراجات اور اختصاص نکالنے کے بعد کمپنی کو 43.98 ملین روپے کا بعد از ٹیکس منافع ہوا۔ گزشتہ مالیاتی سال میں بعد از ٹیکس منافع 5.17 ملین روپے تھا۔ کمپنی کے مختصر مالیاتی نتائج درج ذیل ہیں:

روپے	روپے	
30 جون 2021	30 جون 2022	سال مختتمہ
2,861,821	4,960,168	محاصل
(3,337,745)	(2,882,732)	لاگت آمدن
(475,925)	2,077,436	خام منافع
(16.63%)	41.88%	خام منافع / (خسارہ) کی شرح فیصد
-	(644,149)	متوقع خسارہ کے لئے الاؤنس
106,494,739	(54,905,688)	آمدن، انتظامی اور دیگر لاگتیں
56,471,714	106,494,739	دیگر آمدن
(106,002)	(28,332)	مالیاتی لاگتیں
(12,379,713)	(4,804,254)	ٹیکس کے لئے اختصاص
5,176,832	43,985,025	منافع بعد از ٹیکس
0.16	1.35	فی حصص آمدن

**کاروباری جائزہ اور مستقبل کے امکانات**

سالِ تختہ 30 جون 2022 میں کمپنی کا بعد از ٹیکس منافع 52.99 ملین روپے رہا۔ خام منافع کی شرح فیصد 41.88 رہی۔ گزشتہ مالیاتی سال کی بہ نسبت فروخت میں 2.09 ملین روپے یا 73.3 فیصد اضافہ ہوا۔ انتظامی اخراجات میں 35.4 فیصد اضافہ ہوا اور مالیاتی لاگت بہت معمولی رہی۔ منافع میں سے ٹیکس نکالنے کے بعد خالص منافع 43.98 ملین رہا جبکہ فی حصص آمدن 1.35 روپے رہی۔

آگے مذکور دو عوامل کی وجہ سے دیگر آمدن میں قابل ذکر اضافہ ہوا۔ پہلی کرایہ جاتی آمدن جو کہ 55.44 ملین روپے رہی اور دوسری سرمایہ کاری جائیداد کی از سر نو پیمائش پر 50.24 ملین روپے کا غیر تسلیم شدہ منافع تھا۔ کرایہ جاتی آمدنی میں کرائے کے دستیاب اضافی جگہ اور کرائے کے نرخوں میں اضافہ/زیادتی تھی۔

زیر جائزہ سال کے دوران COVID-19 کا خطرہ کم ہو گیا اور توقع ہے کہ کاروباری سرگرمی و بقاء سے قبل کی سطح پر آہستہ آہستہ آنا شروع ہو جائے گی۔

پاکستان میں مجموعی کاروباری صورتحال دشوار گزار ہے۔ بے قابو افراط زر سے مجموعی معاشی سرگرمی پر قابل ذکر منفی اثرات مرتب ہوئے۔ توانائی کے نرخوں میں بار بار اور قابل ذکر اضافہ سے کاروباری ماحول میں غیر یقینی کیفیت پیدا کر دی اور جس کے نتیجے میں بہت سی مصنوعات کی قیمتوں میں اضافہ ہو گیا۔ دیگر ملحقہ لاگتوں مسلسل بہت تیزی کے ساتھ بڑھتی رہیں جس کے نتیجے میں کمپنی کی بہتر نتائج کے حصول کی صلاحیت محدود ہو گئی۔ کمپنی کو توقع ہے کہ ان دشواریوں سے ایک صحت مندانہ انداز میں نمٹے گی اور توقع ہے کہ ہمارے نتائج مستقبل میں بہتر ہوں گے۔

کمپنی ایک باضمیر ادارتی شہری ہے۔ کمپنی کو یقین ہے کہ اندرونی مالیاتی گرفتیں موزوں ہیں۔

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

آڈیٹرز رپورٹ میں تحفظات

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

اعتراض

(a) 30 جون 2022 کو تجارتی قرضوں، قرض وادھار اور دیگر وصولیوں کی مد میں بالترتیب 19.298 ملین روپے، 22.574 ملین روپے اور



14.854 ملین روپے طویل مدت سے ملحقہ کمپنی اور دیگر سے قابل وصول ہیں۔ ہماری بالواسطہ تصدیقی درخواست کے جواب میں ملحقہ کمپنی نے کوئی جواب نہیں دیا۔ مزید برآں ملحقہ کمپنی گزشتہ کئی سالوں سے ایک مالیاتی ادارے کی نادرہندہ ہے، مالیاتی ادارے نے کمپنی کی رہن رکھی ہوئی حصصی سرمایہ کاریوں کو قرض کے عوض فروخت کر دیا۔ کمپنی نے ان حصص کو مالیاتی ادارے کی جانب سے فروخت کے وقت بازاری قیمت 40.963 ملین کے حساب سے بک کر لیا اور اسے اپنی واجب الوصولیوں میں دکھایا۔ کمپنی اس بارے میں غیر یقینی کیفیت کا شکار ہے کہ وہ کس سے یہ رقم وصول کرے۔ اس کے علاوہ 30 جون 2022 کو قرض وادھار اور دیگر وصولیوں کی مد میں 10.577 ملین روپے دیگر ملحقہ پارٹیوں سے گزشتہ ایک سال سے زیادہ سے قابل وصول ہیں۔ انتظامیہ نے تجارتی قرضوں اور دیگر واجب الوصولیوں کی مد میں متوقع قرضوں کے خساروں کی کوئی تشخیص ہمیں فراہم کی نہ ہے، ان واجب الوصولیوں کے عوض متوقع خساروں کی مد میں مالیاتی گوشواروں میں کوئی اختصاص دکھایا ہے۔

جواب

رقم کی بازیابی کے لئے مذکورہ کمپنی کے خلاف دائر کردہ قانونی عرضی کا فیصلہ زیر التواء ہے۔ ہمارے قانونی وکیل میسرز حیدر وحید نے تصدیق کی ہے کہ کوئی بھی مالیاتی خسارہ اس کیس کی وجہ سے متوقع نہیں ہے۔ انتظامیہ کو یقین ہے کہ فیصلہ اس کے حق میں آئے گا اور وہ قابل وصول رقم کو بازیاب رقم کے ساتھ ساتھ فروخت شدہ/منتقل شدہ سرمایہ کاری کی رقم بھی وصول کر لے گی۔ دیگر ملحقہ پارٹیوں سے 5.33 ملین روپے قابل وصول ہیں جو کہ سرکاری اداروں سے سیلز ٹیکس اور کسٹم ریپیٹ کی مد میں ہیں۔

اعتراض

(b) 30 جون 2022 کو تجارتی اور دیگر واجب ادا بینگیوں شامل ہیں جن میں واجب الادا انشورنس رقم 12.735 ملین روپے، ادھار دینے والوں کی رقم 9.306 ملین روپے، گاہکوں سے لیا گیا ایڈوانس 15.797 ملین روپے اور دیگر واجبات میں 1.704 ملین طویل عرصہ سے واجب الادا ہیں۔ ہماری بلاواسطہ تصدیقی درخواستوں پر کچھ مخصوص ادھار دینے والوں نے کوئی جواب نہیں دیا۔ ان رقومات سے متعلق کمپنی کے ریکارڈ کی ناکافی نوعیت سے ہم آڈٹ کے درست طریقے سے ان واجبات کی موجودگی اور مالیت کے ثبوت کی تصدیق نہ کر سکے۔

جواب

یہ 30 جون 2022 کو کمپنی کے واجبات ہیں۔ آڈٹ کے طریقہ کار کے مطابق بقایا رقم کی تصدیق متعلقہ فریقین کو بھیج دی گئی ہے، تاہم بارہا درخواستوں کے باوجود ہم آج تک ان کی تصدیق وصول نہ کر سکے۔ ہم تصدیق کے لئے کوششیں کر رہے ہیں۔ اگر کوئی تبدیلی رونما ہوتی ہے تو انہیں بک/ایڈجسٹ کر لیا جائے گا اور ان کی عکاسی بعد کے معیادی اکاؤنٹس سے ہوگی۔

اعتراض

(c) سابقہ سالوں کے دوران کمپنی نے معزز لاہور ہائی کورٹ میں سوئی سدرن گیس کمپنی لمیٹڈ (SSGC) کو جنرل سیلز ٹیکس بازیاب کرانے اور گیس کانکشن کاٹنے سے باز رکھنے کی استدعا کی تھی جسے ناقابل سماعت قرار دے کر مسترد کر دیا گیا۔ لہذا SSGC نے 17.868 ملین روپے کے بقایا واجبات کا بل بنایا اور 2 ملین روپے کی بینک گارنٹی کیش کروالی اور گیس سیکورٹی ڈپازٹ کی رقم 10.823 ملین روپے کو اپنے دعویٰ کے عوض ضبط کر لیا اور گیس کانکشن کاٹ دیا۔ کمپنی نے SSGC کے دعویٰ میں شامل نہیں کیا اور گارنٹی کی بقایا رقم اور ضبط شدہ سیکورٹی ڈپازٹ کی مجموعی رقم 10.823 کو



SSGCL سے واجب الوصول دکھایا (نوٹ 10.3) - انتظامیہ نے SSGC کے اس فعل کے خلاف قانونی راستہ اختیار کیا، رپورٹنگ کی تاریخ تک اس رقم کی وصولی کی درخواست مسترد ہونے سے قابل ذکر مدت گزرنے کے باوجود اسے مشکوک وصولی میں نہیں دکھایا گیا۔ لہذا ہم اپنے آپ کو اس وصولی اور SSGCL کے دعویٰ کو تسلیم نہ کرنے کے بارے میں اپنے آپ کو مطمئن نہ کر سکے۔

جواب

کمپنی نے ایک درخواست لاہور ہائی کورٹ میں بینک گارنٹی اور سیکیورٹی ڈپازٹ کی رقم سے بازیابی کی رقم کے عوض ایڈجسٹ کر لیا۔ لاہور ہائی کورٹ نے مختلف سماعتوں میں دلائل سننے کے بعد فیڈرل بورڈ آف ریونیو کو ہدایت کی ہے کہ اصل حقیقت کمپنی (جوبلی اسپننگ اینڈ ویوینگ ملز لمیٹڈ) کو فراہم کی جائے۔ تصدیق کے بعد FBR نے ایک خط جاری کیا جس میں بتایا گیا کہ مدت (2009-2014) کے دوران اس کا اسٹیٹس زیرو ریٹنگ تھا۔

لہذا کمپنی SSGCL کے ایڈجسٹ کئے گئے سیلزن ٹیکس کی بازیابی/ واپسی کے عمل میں ہے اور توقع ہے کہ یہ اگلے مالیاتی سال میں موصول ہو جائے گا۔

اعتراض

مالیاتی گوشواروں کے 4,960 ملین روپے کی آمدنی کرایہ داروں آئی ہے جو کہ کمپنی کے پاور ہاؤس کے آلات/ بجلی کے کنکشن اور ٹرانسمیشن لائنوں کے استعمال کی کی بلنگ کے عوض ہے۔ کمپنی نے اپنے پاور ہاؤس آلات کو اکتوبر 2016 میں فروخت کر دیا اور متبادل پاور جنریٹرز لگائے۔ ماضی میں انہی متبادل جنریٹرز سے پیدا ہونے والی آمدنی کو نہ تو کمپنی کے اکاؤنٹس کی کتابوں میں بک کیا گیا نہ ہی کوئی کرایہ مالیاتی گوشواروں میں دکھایا گیا۔ سابقہ سالوں کے دوران کمپنی نے دو جنریٹرز کی خریداری کو ریکارڈ کیا جنہیں سابقہ غیر ریکارڈ شدہ جنریٹرز کی جگہ پر تبدیل کیا گیا۔ تاہم اس تبدیلی کے اہتمام کو سابقہ غیر ریکارڈ شدہ جنریٹرز کی فروخت سے متعلق معلومات کے فقدان کی وجہ سے ثابت نہیں کیا جاسکا جس پر سابقہ ڈائریکٹر نے ایک مقدمہ ان جنریٹرز کے دوبارہ قبضہ کے لئے دائر کیا تھا جسے مالیاتی گوشواروں کے نوٹ نمبر 21.5 میں منکشف کیا گیا ہے۔ مزید برآں اس بارے میں قانونی رائے کی غیر موجودگی میں ہم اپنے آپ کو مطمئن نہیں کر پائے کہ آیا کہ کرایہ داروں کے ساتھ مذکورہ بالا اہتمام اس قسم کی آمدن پر لاگو انضباطی شقوں بشمول انکم ٹیکس، سیلزن ٹیکس اور الیکٹریٹی ڈیوٹی کی پاسداری کرتا ہے۔

جواب

کمپنی نے سابقہ سالوں میں تین جنریٹرز خریدے تھے جنہیں کتابوں میں بک کیا گیا ہے اور ان پر فرسودگی بھی بک کی ہے۔ موجودہ حالات میں کمپنی نے ایک بجلی کا کنکشن اپنے کرایہ داروں کی ضروریات پورا کرنے کے لئے لیا ہے۔ مزید برآں ہمارے پاس ایسے کوئی شواہد نہیں ہیں کہ یہ جنریٹرز سابقہ کسی بھی ڈائریکٹر ان کی ملکیت ہیں۔

اعتراض

(e) ہم نے نوٹ کیا ہے کہ گیس انفراسٹرکچر ڈیولپمنٹ سیس (GIDC) کی مد میں 6.239 ملین روپے کی بازیابی کے لئے SSGCL کے مطالبہ کے خلاف مقدمہ زیر التواء ہے۔ مزید برآں گیس کٹنے سے پہلے آخری بل میں GIDC پر GST کے 68.400 ملین روپے واجبات کا مطالبہ ہے



جسے مذکورہ بالا پیرا گراف (c) میں بیان کیا گیا ہے۔ تاہم تاہم کمپنی نے نہ تو اس مطالبہ کو بک کیا نہیں غیر یقینی واجبات (اگر کوئی ہوں) کے طور پر منکشف کیا۔ اس مطالبہ کے ریکارڈ نہ کرنے کے بارے میں معلومات کی عدم موجودگی میں ہم اپنے آپ کو اخراجات اور متعلقہ واجبات کو اختصاری عبوی مالیاتی گوشواروں میں بک کرنے سے متعلق اپنے آپ کو مطمئن نہیں کر پائے۔

جواب

SSGC کے لگائے گئے GIDC چارجز کی رقم کو کمپنی نے ان مالیاتی گوشواروں میں بک نہیں کیا۔ کمپنی نے ایک مقدمہ GIDC کی بازیابی کے خلاف حکم اتناعی کے لئے ایک دائر کیا ہوا ہے۔ معزز ہائی کورٹ آف سندھ کراچی نے مقدمہ نمبر 1208 سن 2020 میں جواب دہندہ کو اس معاملہ میں کمپنی کے خلاف کوئی ناموفق کارروائی کرنے سے باز رکھا ہے۔

اعتراض

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

جواب

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

اعتراض

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

جواب

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

**اعتراض**

(h) کمپنی کو سال مختتمہ 30 جون 2022 میں قبل از ٹیکس منافع ہوا ہے۔ تاہم کمپنی نے لاگو قوانین کے تقاضوں کے تحت ورکرز ویلفیئر فنڈ اور ورکرز پرافٹ پارٹنرشیپ فنانسنگ فونڈ کا تعین نہیں کیا اور نہ اس کے لئے کوئی اختصاص رکھا ہے۔

جواب

کمپنی کے منافع میں 50.24 ملین روپے سرمایہ شدہ جائیداد کی از سر نو مالیت پر 50.24 ملین روپے کا منافع شامل ہیں۔ یہ ایک غیر تسلیم شدہ منافع ہے اور اسے عالمی اکاؤنٹنگ اسٹینڈرڈز کے تقاضوں کے مطابق مالیاتی گوشواروں میں دکھایا گیا ہے۔ اگر یہ رقم دیگر آمدن کا حصہ نہیں ہوتی تو کمپنی کا بعد از ٹیکس منافع خسارہ میں تبدیل ہو جاتا۔ لہذا کمپنی نے ورکرز ویلفیئر فنڈ اور ورکرز پرافٹ پارٹنرشیپ فنانسنگ فونڈ کے تقاضوں کے لئے کوئی اختصاص نہیں کیا۔

اعتراض

30 جون 2020 اور اس تاریخ تک کمپنی کا جمع شدہ خسارہ 3316.618 ملین روپے ہے اور اس کے واجبات اس کے اثاثوں سے 37.416 ملین روپے بڑھ گئے ہیں۔ یہ صورتحال مزید ابتر ہو جائے گی اگر مندرجہ بالا پیراگراف (a) تا (h) میں بتائے گئے معاملات کو مالیاتی گوشواروں میں نہ دکھایا گیا۔ مارچ 2014 سے کمپنی نے گزشتہ سالوں میں اپنے ٹیکسٹائل کے تمام افعال بند کر دیئے اور تمام کاروباری جامدات اٹھانے فروخت کر دیئے سوائے لیز شدہ زمین کے اور اس زمین پر تعمیر شدہ عمارت کے۔ کمپنی نے ماضی خصوصی قرارداد کے ذریعے میمورینڈم آف ایسوسی ایشن میں ترمیم میں جائیداد کو کرائے پر دینے کے کاروبار کو شامل کرنے کی کئی مرتبہ کوشش کی لیکن سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے روبرو دائر کردہ عرضیاں بے ضابطگیوں کی وجہ سے ناکام رہیں۔ سابقہ سالوں نے میں اپنے میمورینڈم آف ایسوسی ایشن میں تبدیلی کے لئے 25 جون 2020 کے غیر معمولی اجلاس میں ایک خصوصی قرارداد کے ذریعے حصص یافتگان سے جائیداد کے کرایہ جاتی کاروبار کو اضافہ کرنے اور کمپنی کا نام تبدیل کرنے کی منظوری لی تھی۔ تاہم غیر تصفیہ شدہ مشاہدات کی وجہ سے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان میں تبدیلی تصدیق ابھی زیر التوا ہے۔ ان واقعات سے ایک انتہائی غیر یقینی کیفیت کی نشاندہی ہوتی ہے جس سے کمپنی کے چلتے ہوئے ادارہ کی صلاحیت میں قابل ذکر شک و شبہ پیدا ہوتا ہے اور لہذا کمپنی عمومی کاروباری طریقہ کار کے مطابق اپنے واجبات سے عہدہ برآں نہیں ہو سکے گی اور اثاثوں کو فروخت نہیں کر سکے گی۔ مالیاتی گوشوارے اور اس کے نوٹس ان حقائق کو منکشف نہیں کرتے۔ کمپنی کی مالیاتی گوشواروں کی تیاری میں انتظامیہ نے چلتے ہوئے ادارے کے مفروضہ پر اپنی کوئی تشخیص فراہم نہیں کی اور نہ ہی مستقبل کے امکانات بتائے جن سے کمپنی کی معاشی نمونہ بری کی نشاندہی ہو۔ ان حقائق سے نشاندہی ہوتی ہے کہ مالیاتی گوشواروں کی تیاری میں استعمال کیا گیا چلتے ہوئے ادارے کا مفروضہ غیر مناسب ہے۔

جواب

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



III میں ترمیم کے لئے SECP میں درخواست کی گئی ہے۔ کمپنی نے کمپنیز ایکٹ 2017 کی دفعہ 26 کی ذیلی دفعہ (i) کے تحت کمپنی کے نام کو تبدیل کرانے کی درخواست دے رکھی ہے۔ میمورینڈم میں بنیادی کاروبار کی تبدیلی سے متعلق فارم 26 مکمل کر لیا گیا ہے جبکہ کمپنی کے نام میں تبدیلی کا عمل جاری ہے۔ اس سال کی موجودہ شرح کا سابقہ کے ساتھ جائزہ لیتے ہوئے مکشف ہوتا ہے کہ رواں واجبات رواں اثاثوں سے 37.41 ملین بڑھ گئے۔ اس کی بنیادی وجہ قلیل مدتی سرمایہ کاری کی از سر نو درجہ بندی اور گزشتہ سالوں میں گریجویٹی کی طویل مدتی سے قیل مدتی واجبات میں منتقلی ہے۔ اس کے علاوہ زیر جائزہ سال کے دوران کمپنی نے بجلی کا کلکش لگوانے کے لئے اپنے کرایہ داروں اور ڈائریکٹران سے قرضہ حاصل کیا جو کہ جامد اثاثوں کا حصہ بن چکا ہے۔ بتائے گئے حقائق سے کمپنی کی مالیاتی پوزیشن مستحکم ہونے کی نشاندہی ہوتی ہے اور یہ کہ کمپنی کی چلتے ہوئے ادارے کی حیثیت برقرار رہے گی۔

بورڈ آف ڈائریکٹرز

جائزہ مدت کے دوران درج ذیل افراد ڈائریکٹر رہے۔

جناب شوکت شفیع	ڈائریکٹر/چیئر مین
جناب شمس رفیع	چیف ایگزیکٹو
جناب سلمان رفیع	ڈائریکٹر
جناب عثمان رفیع	ڈائریکٹر
جناب عمر شفیع	ڈائریکٹر
جناب اورنگزیب شفیع	ڈائریکٹر
جناب عدنان امجد	آزاد ڈائریکٹر
مسز ثناء سلمان	ڈائریکٹر

حصص داری کی ساخت

30 جون 2022 کی حصص داری کی ساخت کا گوشوارہ منسلک ہے۔ یہ گوشوارہ ادارتی نظم و ضبط کے ضابطہ کے تحت تیار کیا گیا ہے۔

فی حصص آمدن

جائزہ مدت کی بنیادی فی حصص آمدنی 1.35 روپے رہی (2021 میں 0.16 روپے)

ادارتی نظم و ضبط کی پاسداری

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

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



- (b) کمپنی میں حسابات کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔
- (c) درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران کو ملحوظ خاطر رکھا گیا ہے سوائے ان کے جنہیں مالیاتی گوشواروں میں منکشف کیا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- (d) مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں، کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی انحراف کو مناسب انداز میں منکشف کیا گیا ہے۔
- (e) اندرونی گرفت کے نظام کی شکل مضبوط ہے اور تسلسل کے ساتھ اور موثر انداز میں انٹرئل آڈٹ ڈپارٹمنٹ اس کا جائزہ لیتا ہے اور مسلسل جائزہ لیتا رہے گا اور نظام میں کسی بھی قسم کو کمزوری کو دور کیا جائے گا۔
- (f) کمپنی کی چلتے ہوئی کاروباری صلاحیت کے تسلسل میں کوئی قابل ذکر شک و شبہ نہیں ہے۔ آڈیٹرز نے چلتے ہوئے مفروضہ پر تحفظات دیئے ہیں جن کا اوپر باضابطہ ازالہ کر دیا گیا ہے۔
- (g) لسٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی قابل گرفت انحراف نہیں کیا گیا ہے۔
- (h) کمپنی نے جمع شدہ خساروں کی وجہ سے منافع منقسمہ کا اعلان نہیں کیا۔
- (i) ملحقہ پارٹیوں کے ساتھ سودے بورڈ کی آڈٹ کمیٹی اور بورڈ نے منظور کئے۔
- (h) 30 جون 2022 کو ان کے آڈٹ سے قبل اکاؤنٹس کے مطابق گریجویٹی سے کی گئی سرمایہ کاری کی مالیت 11.915 ملین روپے ہے۔
- (k) جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے 6 اجلاس ہوئے جن میں حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	حاضر اجلاس کی تعداد
جناب شوکت شفیع	4
جناب شمس رفیع	4
جناب سلمان رفیع	4
جناب عثمان شفیع	2
جناب عمر شفیع	3
جناب اورنگزیب شفیع	3
جناب عدنان امجد	3
مسز ثناء سلمان	4

- (ا) جائزہ مدت کے دوران یکم جولائی 2021 سے 30 جون 2022 تک ڈائریکٹران، CEO، CFO اور کمپنی سیکریٹری اور ان کے شریک حیات کی حصص داری میں تبدیلی درج ذیل ہے:



مالیت 30-6-2022	تبدیلی	مالیت 30-06-2021	
2,400,529	-	2,400,529	مسٹر شوکت شفیع
692,810	-	692,810	مسٹر شمس رفیع
665,979	-	665,979	مسٹر سلمان رفیع
1,198,434	-	1,198,434	مسٹر عثمان شفیع
1,206,073	-	1,206,073	مسٹر عمر رفیع
522,855	-	522,855	مسٹر اورنگزیب شفیع
5,000	5,000	-	مسٹر عدنان امجد
5,000	-	5,000	مسز ثناء سلمان

(m) ماحققہ کمپنیوں کی سرمایہ کاریاں درج ذیل ہیں:
کریسٹل کاسٹن ملز لمیٹڈ 474,323

(o) INIT اور ICP کی حصص داری درج ذیل ہے:
انویسٹمنٹ کارپوریشن آف پاکستان 1891
آئی ڈی بی پی 90

سلمان رفیع
ایگزیکٹو ڈائریکٹر

شمس رفیع
چیف ایگزیکٹو

کراچی
04 اکتوبر 2022



KEY OPERATING DATA AND FINANCIAL RATIOS FOR THE PERIOD FROM 2016 To 2022

Operating Information		2022	2021	2020	2019	2018	2017	2016 (restated)
Sales - Net	Rs. In Mln	4.96	2.86	7.34	23.68	37.15	24.03	17.89
Cost of Goods Sold	Rs. In Mln	2.88	3.34	6.27	9.31	12.94	7.52	11.04
Gross Profit/(Loss)	Rs. In Mln	2.08	0.48	1.07	14.38	24.21	16.51	6.85
Profit/(Loss) from operations	Rs. In Mln	53.02	15.45	7.47	33.74	45.33	140.73	14.00
Profit/(Loss) before taxation	Rs. In Mln	52.99	15.35	7.09	33.70	45.24	140.70	13.90
Profit/(Loss) after taxation	Rs. In Mln	43.99	5.18	10.48	28.89	32.86	115.35	5.75
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	316.62	360.46	365.69	355.49	384.58	417.23	119.26
Fixed Assets	Rs. In Mln	775.40	719.19	703.43	696.78	664.59	645.68	601.91
Current Assets	Rs. In Mln	139.62	145.03	139.34	121.42	133.07	137.78	136.72
Current Liabilities	Rs. In Mln	177.03	176.41	162.98	125.25	134.15	151.14	165.72
Total Assets	Rs. In Mln	915.02	864.22	842.77	818.19	797.66	783.46	738.63
Key Ratios								
Gross Margin	percent	41.88	16.63	14.56	60.70	65.18	68.72	38.29
Operating Margin	percent	1,068.96	540.03	101.77	142.46	122.01	585.58	78.23
Net Profit/(Loss)	percent	886.76	180.89	142.88	121.99	88.46	479.99	32.14
Return on Capital Employed	percent	0.06	0.01	0.01	0.04	0.05	0.18	0.01
Current Ratio	Times	0.79	0.82	0.85	0.97	0.99	0.91	0.82
Earning Per Share	Rs.	1.35	0.16	0.32	0.89	1.01	3.55	0.18
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 2022

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 eight (08) as per the following:

- a. Male: 7
- b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Adnan Amjad
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.	Mr. Adnan Amjad
3.	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. Adnan Amjad	Chairman
Mr. Shaukat Shafi	Member
Mr. Usman Shafi	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Adnan Amjad	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 2022.

b) HR and Remuneration Committee

Two meetings of HR and Remuneration Committee were held during the financial year ended 30 June 2022.

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 has appointed an Independent Director. Furthermore, The Company will appoint second independent director shortly.



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 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.	Currently, the Company has 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
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Shaukat Shafi

Chairman

Date: October 04, 2022

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 2022 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of 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 2022.



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, company appoint only one independent director during the year, therefore there is still non-compliances of the rule;
(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 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. 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 04, 2022****UDIN: CR202210045D0kTVlwYX**



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 2022, 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 2022 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 2022 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.854 million respectively receivable from an associated company outstanding since long. Our direct confirmation request to the associated company remained un-responded. Furthermore, one of the financial institutions, on default by the associated



company in preceding years, realized the Company's investments in equity securities pledged against lending to associated company. The Company treated the market price of such securities at the date of realization by the financial institution as disposal value amounting to Rupees 40.963 million and accounted for it as other receivables. The Company is uncertain about the party from whom it is to be recovered. In addition, loan and advances and other receivables as at 30 June 2022 include aggregate balance of Rupees 10.577 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 2022, Trade and other payable includes insurance payable amounting to Rupees 12.735 million, creditors amounting to Rupees 9.306 million, advance from customers amounting to Rupees 15.797 million and other liabilities amounting to Rupees 1.704 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 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 (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 4.960 million accounted for in the 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 21.5 to the financial statements. Moreover, in the absence of legal opinion to this effect, we remained unable to satisfy ourselves as to whether the aforesaid arrangement with the tenants is in compliance with all the applicable regulatory provisions including income tax, sales tax and electricity duty on such revenue;
- (e) 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 (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 condensed interim financial statements;
- (f) Certain litigations have been filed by / against the Company as disclosed in Note 21 to the financial statements. Management and the legal counsels of the Company, in their direct 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 2022. However, the Company has not determined and accounted for 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 2022 and as of that date its accumulated loss is Rupees 316.618 million and its current liabilities exceeds its current assets by Rupees 37.416 million. This situation may further deteriorate if the possible effects of matter discussed in paragraphs (a) to (h) 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 years, 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.	Valuation of investment properties The Company revalued its investment properties (i.e., leasehold land and building comprising godowns leased out by the Company to multiple tenants) based on the valuation carried out by an independent external valuer engaged by the management. The	 Our procedures included, but were not limited to: <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



Sr. No.	Key audit matter	How the matter was addressed in our audit
	<p>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>For further information, refer to note 2.7 and note 4 to the financial statements.</p>	<p>properties was based.</p> <ul style="list-style-type: none">• Evaluated the objectivity, competence and independence of the external independent expert.• Performed assessment of the methods used, inputs and key assumptions.• Considered and tested particular calculations of the external independent expert on sample basis.• Evaluated the information provided by the Company to the external independent expert by inspecting the relevant underlying documentation.• Tested and assessed the completeness, appropriateness and adequacy of the disclosures in the financial statements with regard to the revaluation performed.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the significance of the matters discussed in the *Basis for Adverse Opinion* section of our report, we have concluded that the other information is materially misstated for the same reasons.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast



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

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

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:



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

RIAZ AHMAD & COMPANY

Chartered Accountants

KARACHI

Date: October 04, 2022

UDIN: AR202210045zxyLokVHO

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

ASSETS	Note	2022 Rupees	2021 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	3	101,051,944	94,320,876
Investment property	4	655,703,215	605,456,311
Long term investments	5	7,575,882	7,891,871
Long term loans	6	1,042,890	853,890
Long term deposits	7	10,026,732	10,670,881
		775,400,663	719,193,829
CURRENT ASSETS			
Trade debts	8	26,319,216	27,170,548
Loans and advances	9	23,051,714	23,040,214
Other receivables	10	79,356,145	79,235,527
Advance income tax and refundable		9,187,852	8,653,334
Cash and bank balances	11	1,701,125	6,926,505
		139,616,052	145,026,128
		915,016,715	864,219,957
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
34,000,000 (2021: 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		(316,618,062)	(360,463,126)
Capital reserves			
Fair value reserve on 'Fair value through other comprehensive income' investments	13	5,299,138	5,615,127
Revaluation surplus on property, plant and equipment	14	658,775,816	652,234,304
Total equity		723,380,942	673,310,355
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	15	1,883,876	2,069,316
Deferred income tax liability	16	11,413,631	11,470,798
Employees' retirement benefits	17	1,306,662	959,719
		14,604,169	14,499,833
CURRENT LIABILITIES			
Trade and other payables	18	106,401,869	106,960,211
Current portion of long term financing	15	5,841,336	5,655,896
Short term financing	19	18,324,680	18,324,680
Provisions	20	9,928,940	9,928,940
Advance from customer		-	-
Unclaimed dividend		577,737	577,737
Provision for taxation		35,957,042	34,962,305
		177,031,604	176,409,769
TOTAL LIABILITIES		191,635,773	190,909,602
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		915,016,715	864,219,957

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Revenue	22	4,960,168	2,861,821
Cost of revenue	23	(2,882,732)	(3,337,746)
Gross profit		2,077,436	(475,925)
Administrative and general expenses	24	(54,905,688)	(40,541,167)
Allowance for expected losses		(644,149)	-
Other income	25	106,494,740	56,471,714
Profit from operations		53,022,339	15,454,622
Finance cost	26	(28,332)	(106,002)
Profit before taxation		52,994,007	15,348,620
Provision for taxation	27	(9,008,981)	(10,171,788)
Profit after taxation		43,985,026	5,176,832
Earnings per share - basic and diluted	28	1.35	0.16

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022 Rupees	2021 Rupees
PROFIT AFTER TAXATION	43,985,026	5,176,832
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
- Revaluation surplus on property, plant and equipment	6,541,512	718,848
- Actuarial gain on remeasurement of employees retirement benefits	(197,129)	71,386
- Related deferred tax	57,167	(20,702)
	(139,962)	50,684
- Unrealized gain arising on remeasurement of investments at 'fair value through other comprehensive income'	(315,989)	(79,841)
Items that may be reclassified subsequently to profit or loss:	-	-
	6,085,561	689,691
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>50,070,587</u>	<u>5,866,523</u>

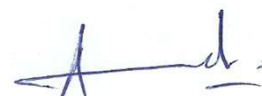
The annexed notes from 1 to 36 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

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	5,694,968	651,515,456	657,210,424	51,012,000	(365,690,642)	(314,678,642)	342,531,782	667,443,832
-	-	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
-	-	6,541,512	6,541,512	-	43,985,026	43,985,026	50,526,538	50,526,538
-	(315,989)	-	(315,989)	-	(139,962)	(139,962)	(455,951)	(455,951)
	(315,989)	6,541,512	6,225,523	-	43,845,064	43,845,064	50,070,587	50,070,587
324,912,050	5,299,138	658,775,816	664,074,954	51,012,000	(316,618,062)	(265,606,062)	398,468,892	723,380,942

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees 52,994,007	2021 Rupees 15,348,620
Profit before taxation			
Adjustments for non-cash charges and other items:			
Depreciation		2,747,575	2,345,194
Provision for gratuity		149,814	129,130
Fair value gain on investment property		(50,246,904)	(5,778,422)
Rental income		(55,446,206)	(49,945,585)
Loss on disposal of property, plant and equipment		-	2,574,314
Allowance for expected credit loss		644,149	
Finance cost		28,332	106,002
		(102,123,240)	(50,569,367)
Net cash used in operating activities before working capital changes		(49,129,233)	(35,220,747)
Working capital changes			
<i>Decrease /(increase) in current assets</i>			
Stores & Spares		-	557,161
Trade debts		851,332	(2,791,538)
Loans and advances		(11,500)	(27,500)
Other receivables		(120,618)	(194,338)
<i>(Decrease) /Increase in current liabilities</i>			
Accrued Markup		-	(20,597)
Advance from customer		-	-
Trade and other payables		952,209	5,917,387
Working capital changes		1,671,423	3,440,575
Cash used in operations		(47,457,810)	(31,780,172)
Finance cost paid		(28,332)	(126,599)
Income tax paid		(8,548,762)	(7,785,635)
Gratuity paid		(1,510,551)	(784,550)
Net cash used in operating activities		(57,545,455)	(40,476,956)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	1,500,000
Addition to property, plant and equipment		(2,937,131)	-
Addition to capital work in progress		-	(11,218,146)
Long term deposits paid		-	(4,564,344)
Long term loans to employees recovered/(paid)		(189,000)	18,000
Rental income		55,446,206	49,945,585
Net cash generated from investing activities		52,320,075	35,681,095
CASH FLOWS FROM FINANCING ACTIVITIES			
Financings during the year		-	11,475,212
Short term borrowing		-	(1,358,539)
Net cash generated from financing activities		-	10,116,673
Net (decrease)/increase in cash and cash equivalents		(5,225,380)	5,320,812
Cash and cash equivalents at the beginning of the year		6,926,505	1,605,693
Cash and cash equivalents at the end of the year	11	1,701,125	6,926,505

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


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER



JUBILEE SPINNING & WEAVING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

2.2 Amendments to published approved accounting 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 2021:

- Amendments to IFRS 16 'Leases' – Covid-19 related rent concessions extended beyond 30 June 2021.
- Interest Rate Benchmark Reform– Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

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.



a) 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 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.

b) Amendments to published approved accounting 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 2022 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.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') 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.

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 01 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.

The above amendments and improvements do not have a material impact on the financial statements.

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 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.



2.3 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.

2.4 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 |
| (iii) Finished goods | Weighted average manufacturing cost |

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

Waste stock / rags are valued at net realizable value.

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

2.14 Trade and other receivables

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

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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



2.15 Borrowings

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

2.16 Borrowing cost

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

2.17 Share capital

Ordinary shares are classified as equity.

2.18 Trade and other payables

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

2.19 Revenue from contracts with customers

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	2022 Rupees	2021 Rupees
Operating fixed assets	3.1	101,051,944	83,102,730
Capital work in progress	3.5	-	11,218,146
		101,051,944	94,320,876

3.1

	Lease hold land Rupees	Plant and machinery Rupees	Installation & Equipment Rupees	Computer equipment Rupees	Vehicles Rupees	Total Rupees
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	-	-	-	-	-	-
Disposals - at NBV	-	(4,074,314)	-	-	-	(4,074,314)
Depreciation charge - Note	-	(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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Year ended 30 June 2022

Opening net book value	65,415,129	6,073,733	11,549,934	61,282	2,652	83,102,730
Surplus on revaluation during the year	6,541,512	-	-	-	-	6,541,512
Additions - at cost	-	-	2,683,742	253,389	-	2,937,131
Transfer from CWIP	-	-	11,218,146	-	-	11,218,146
Disposals - at NBV	-	-	-	-	-	-
Depreciation charge - Note 3.2	-	(607,372)	(2,090,360)	(49,313)	(530)	(2,747,575)
Closing net book value	71,956,641	5,466,361	23,361,462	265,358	2,122	101,051,944

Carrying value as at 30 June 2022

Cost / re-assessed value	71,956,641	7,921,629	27,414,190	441,871	438,930	108,173,261
Accumulated depreciation	-	(2,455,268)	(4,052,728)	(176,513)	(436,808)	(7,121,317)
Net book value (NBV)	71,956,641	5,466,361	23,361,462	265,358	2,122	101,051,944

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

		2022 Rupees	2021 Rupees
Cost of revenue	24	2,697,732	2,313,894
Administrative and general expenses	25	49,843	31,300
		2,747,575	2,345,194

3.3 Forced sale value of property, plant and equipment (i.e. leasehold land) as on the reporting date is Rupees 53.967 million (2021: Rupees 49.061 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 CAPITAL WORK IN PROGRESS

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

4. INVESTMENT PROPERTY	Note	2022 Rupees	2021 Rupees
Opening net book value		605,456,311	599,677,889
Transfer from owner occupied properties during the year		-	-
		605,456,311	599,677,889
Fair value gain		50,246,904	5,778,422
Closing net book value		655,703,215	605,456,311

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 2022 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 491.777 million (2021: Rupees 451.483 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	7,575,882	7,891,871
		7,575,882	7,891,871

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)			
Texmac Services (Private) Limited - unquoted 52,000 (2021: 52,000) fully paid ordinary shares of Rupees 10 each. Equity held 26.00% (2021: 26.00%)	5.2.1	116,360	116,360
Others			
Premier Insurance Limited - quoted 18,682 (2021: 18,682) fully paid ordinary shares of Rupees 10 each. Equity held 0.04% (2021: 0.04%)		291,989	291,989
Crescent Industrial Chemical Limited - unquoted 184,000 (2021: 184,000) fully paid ordinary shares of Rupees 10 each. Equity held 17.57% (2021: 17.57%)	5.2.2	-	-
Crescent Jute Products Limited - quoted 1,709,683 (2021: 1,709,683) fully paid ordinary shares of Rupees 10 each. Equity held 7.19% (2021: 7.19%)	5.2.3	1,640,220	1,640,220
Shakarganj Limited - quoted 39,138 (2021: 39,138) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2021: 0.03%)		228,175	228,175
Crescent Spinning Mills Limited - unquoted 290,000 (2021: 290,000) fully paid ordinary shares of Rupees 10 each	5.2.4	-	-
		2,276,744	2,276,744
Add: Fair value adjustment		5,299,138	5,615,127
		7,575,882	7,891,871

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 and it is being carried at cost.

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 fair value 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	1,247,028	1,046,528
Less: Current portion shown under current assets		(204,138)	(192,638)
		1,042,890	853,890

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	2022 Rupees	2021 Rupees
Security deposits:			
- Deposit against bank guarantee		4,812,878	4,812,878
- Sui Southern Gas Company Limited		5,172,204	5,172,204
- Others		685,799	685,799
		10,670,881	10,670,881
Less: Allowance for expected credit losses			
As at 01 July		-	-
Recognized during the year		644,149	-
As at 30 June		644,149	-
		10,026,732	10,670,881
8. TRADE DEBTS			
Unsecured:			
Related party	8.1	19,297,988	19,297,988
Others	8.2	9,892,788	10,744,120
		29,190,776	30,042,108
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
		26,319,216	27,170,548
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 6.659 million (2021: Rupees 7.646 million) from tenants.		
8.3	As at 30 June 2022, trade debts due from related party amounting to Rupees 19.297 million (2021: Rupees 19.297 million) 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
		19,297,988	19,297,988
8.4	As at 30 June 2022, trade debt due from other than related party amounting to Rupees 6.659 million (2021: Rupees 7.872 million) were past due but not impaired. The ageing analysis of is as follows:		
1 to 6 months		3,329,694	3,823,016
More than 6 months		3,329,694	3,823,016
More than 1 year		361,840	226,528
		7,021,228	7,872,560
8.5	As at 30 June 2022, trade debts of Rupees 2.871 million (2021: Rupees 2.871 million) 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 million (2021: Rupees 19.297 million).		
9. LOANS AND ADVANCES - considered good & unsecured			
Related party	9.1 & 9.2	22,574,022	22,574,022
Others	9.3	477,692	466,192
		23,051,714	23,040,214

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

9.2 As at 30 June 2022, advances given to related party amounting to Rupees 22.574 million (2021: Rupees 22.574 million) were past due but not impaired. The ageing analysis of these loan & advances is as follows:

	Note	2022 Rupees	2021 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 2022, advances given to other than related party amounting to Rupees 0.477 million (2021: Rupees 0.466 million) were past due but not impaired. The ageing analysis of these loan & advances is as

upto 6 months		39,000	27,500
6 months to 1 year		-	-
more than 1 year		438,692	438,692
		477,692	466,192

10. OTHER RECEIVABLES - considered good & unsecured

Related party	10.1	14,854,675	14,854,675
Others		51,247,231	51,126,613
Sui Southern Gas Company Limited	10.3	13,254,239	13,254,239
		79,356,145	79,235,527

10.1 This represents amount receivable from Cresox (Private) Limited - an associated company Rupees 14.754 million (2021: Rupees 14.754 million) and amount receivable from Mr. Jahanzeb Shafi (director) Rupees 0.1 million (2021: Rupees 0.1 million).

10.2 As at 30 June 2022, receivable from related party amounting to Rupees 14.854 million (2021: Rupees 14.854 million) 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 million and forfeiting of gas security deposit of Rupees 10.823 million upon alleged non-payment of outstanding general sales tax arrears of Rupees 17.867 million 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 years, 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. During the year, in compliance of the order of the Honourable Lahore High Court, Federal Board of Revenue (FBR) vide its letter dated 20 June 2022 addressed to SSGCL accepted that the Company was qualified for availing zero rating gas facility during the period from July 2009 to August 2014. Consequent to this, the Company approached SSGCL for refund of the alleged sales tax recovered inadvertently. SSGCL informed that the same has been deposited with FBR and may be claimed as refund by the Company. Subsequent to year end, the Company has approached the FBR for the refund and is actively following for it. Based on the merits of the case, it is highly likely to be refunded. Accordingly, no provision against this balance is maintained.

11. CASH AND BANK BALANCES

Cash in hand		55,357	60,305
Cash at bank - current accounts	11.1	1,645,768	6,866,200
		1,701,125	6,926,505

- 11.1** This includes an amount of Rupees 0.794 million (2021: 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			2022	2021
	2022	2021	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	2022 Rupees	2021 Rupees
Balance as on 01 July		5,615,127	5,694,968
Fair value adjustment made during the year	13.1	(315,989)	(79,841)
Balance as on 30 June		5,299,138	5,615,127
13.1 This represents the unrealized loss 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	150,470,560	143,929,048
- Investment property	14.2	508,305,256	508,305,256
		658,775,816	652,234,304
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 2022.			
Balance as at 01 July		65,415,129	64,696,281
Increase in surplus on revaluation		6,541,512	718,848
		71,956,641	65,415,129
Surplus on revaluation of associated company accounted for under equity method	14.5	78,513,919	78,513,919
		150,470,560	143,929,048
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 2022 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 2022 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	7,725,212
Less: Current portion of long tem financing		(5,841,336)	(5,655,896)
Total amount		1,883,876	2,069,316

- 15.1** 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 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	2022 Rupees	2021 Rupees
Deferred tax liability on revaluation of investment property		8,183,086	8,183,086
Deferred tax liability on remeasurement of employees retirement benefits		3,230,545	3,287,712
		11,413,631	11,470,798

17. EMPLOYEES RETIREMENT BENEFITS
Staff gratuity scheme - unfunded

Present value of defined benefit obligation	17.2	11,914,987	13,078,595
Less: Payable to ex-employees (current liability)	18	(10,608,325)	(12,118,876)
		1,306,662	959,719

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 2022

17.2 Movement in present value of defined benefit obligation

Balance at beginning of the year		13,078,595	13,805,401
Current service cost		53,842	52,462
Interest cost		95,972	76,668
Benefits paid during the year		(1,510,551)	(784,550)
Actuarial loss/ gain		197,129	(71,386)
Balance as at end of the year		11,914,987	13,078,595

17.3 Movement in balances

Balance at beginning of the year		13,078,595	13,805,401
Charge for the year	17.4	-	57,744
		13,078,595	13,863,145
Benefits paid during the year		(1,510,551)	(784,550)
Balance at the end of the year		11,568,044	13,078,595

17.4 Charge for the year

In the statement of profit or loss :

Current service cost	53,842	52,462
Interest cost	95,972	76,668
	149,814	129,130

In the statement of other comprehensive income:

Actuarial (gain) / loss due to change in:

- Experience adjustments	188,973	(74,487)
- Financial assumptions	8,156	3,101
	197,129	(71,386)
	346,943	57,744

17.5 Principal actuarial assumption	Note	2022 Rupees	2021 Rupees
Following principal actuarial assumptions were used for the valuation:			
Estimated rate of increase in salary of the employees		12.25%	-
Discount rate		13.25%	10%

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	1,209,549	1,413,999
Salary increase	1	1,415,632	1,206,338

18. TRADE AND OTHER PAYABLES	Note	2022 Rupees	2021 Rupees
Creditors		11,180,417	9,601,373
Gratuity payable to ex-employees	17	10,608,325	12,118,876
Accrued liabilities		22,761,774	26,607,775
Advance from customer		15,797,270	15,797,270
Insurance payable		12,735,179	12,927,501
Income tax deducted at source		17,443,771	16,266,699
Security deposits	18.1	14,154,938	10,654,938
Unclaimed Workers' Profit Participation Fund		1,673	1,673
Other liabilities		1,718,522	2,984,106
		<u>106,401,869</u>	<u>106,960,211</u>

18.1 These represent deposits by tenants against rented premises.

19. SHORT TERM FINANCING

From sponsor shareholders of the Company:

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

19.1 These include balance of unsecured interest free loans obtained in prior years from the sponsor of the Company namely Muhammad Anwar amounting to Rupees 10 million, Ahmed Shafi amounting to Rupees 4.574 million, Shams Rafi amounting to Rupees 1 million and Salman Rafi amounting to Rupees 2.750 million became due in prior years & are now repayable on demand.

20. PROVISIONS	Note	2022 Rupees	2021 Rupees
Provision for penalty on account of non-deposition of withholding tax	20.1	9,928,940	9,928,940

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

21. CONTINGENCIES AND COMMITMENTS

Contingencies

21.1 Bank Guarantee from:

Standard Chartered Bank (Pakistan) Limited	21.1.1	793,800	793,800
Habib Metropolitan Bank Limited	21.1.2	4,812,878	4,812,878
		5,606,678	5,606,678

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

21.1.2 This represents 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.

21.2 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 18.664 million 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.

21.3 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 judgment is still pending as the Company has not received any court order for the execution of the above judgment.

21.4 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 years one of the Company's ex-employee filed an application to Honorable High Court of Sindh against the Company for the compensation / payment of wages. However, both of companies suit are pending for adjudication.

21.5 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.

21.6 Commitments

There were no capital or other commitments as at 30 June 2022 (2021: Nil).

22. REVENUE	Note	2022 Rupees	2021 Rupees
Service income	22.1	4,960,168	2,861,821

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

23. COST OF REVENUE

Stores, spare parts and loose tools consumed		-	557,161
Repair and maintenance		185,000	445,392
Fuel, water and power		-	21,299
Depreciation	3.2	2,697,732	2,313,894
		2,882,732	3,337,746

24. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, allowances and benefits		29,708,606	24,498,994
Travelling, conveyance and entertainment		5,796,188	3,140,251
Printing stationery		151,335	134,137
Communication		797,328	851,378
Rent, rates and taxes		3,318,451	489,145
Penalty	24.1	50,025	200,000
Insurance		237,761	-
Subscription and periodicals		3,676,205	2,302,151
Repair and maintenance		7,151,311	2,235,270
General expenses		762,139	1,344,027
Auditors' remuneration	24.2	820,000	765,000
Directors' meeting fee		155,000	176,000
Advertisement		120,000	156,200
Legal and professional charges		2,111,496	1,643,000
Depreciation	3.2	49,843	31,300
Loss on disposal		-	2,574,314
		54,905,688	40,541,167

24.1 This represent penalty imposed by Securities and Exchange Commission of Pakistan on account of violation of section 166 of Companies Act , 2017 and regulation 6 of the listed Companies (Code of Corporate Governance) Regulation, 2019.

		2022	2021
24.1 Auditors' remuneration	Note	Rupees	Rupees
Audit services			
Audit fee		430,000	430,000
Half yearly review		125,000	70,000
Certification for regulatory purposes		115,000	115,000
Out of pocket expenses		150,000	150,000
		820,000	765,000
25. OTHER INCOME			
Income from financial assets			
Markup on deposits		607,630	389,162
		607,630	389,162
Income from non financial assets			
Rental income		55,446,206	49,945,585
Gain on remeasurement of fair value of investment property		50,246,904	5,778,422
Others		194,000	358,545
		105,887,110	56,082,552
		106,494,740	56,471,714
26. FINANCE COST			
Bank charges		28,332	105,138
Markup on short term borrowing		-	864
		28,332	106,002
27. PROVISION FOR TAXATION			
Current	27.1	9,008,981	11,175,148
Prior year		-	(1,003,360)
Deferred	27.2	-	-
		9,008,981	10,171,788

27.1 Current

The tax liability of the Company for the year has been calculated under the normal provisions of the Income Tax Ordinance, 2001. Due to available tax losses, no provision for tax under normal tax regime is required. Current tax represents income chargeable to tax under section 113(C) to the Income Tax Ordinance, 2001.

27.2 Deferred

Deferred tax asset as at 30 June 2022 to the extent of Rupees 25.095 million 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).

27.3 Relationship between tax expense and accounting profit:	2022 Rupees	2021 Rupees
Accounting profit before taxation	52,994,007	15,348,620
Tax @ 29% (2021: 29%)	15,368,262	4,451,100
Effect of:		
Rental income	-	(3,476,213)
Depreciation	-	1,850,431
Prior year	-	(1,003,360)
Gratuity payment	-	(190,072)
Fair value gain on remeasurement of investment property	-	(1,675,742)
Effect of minimum tax	(6,359,281)	-
Tax loss	-	10,215,644
	9,008,981	10,171,788

28. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit attributable to ordinary shares	(Rupees)	43,985,026	5,176,832
Weighted average number of ordinary shares	(Numbers)	32,491,205	32,491,205
Earnings per share	(Rupee)	1.35	0.16

29. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

Chief Executive Officer

Managerial remuneration	5,932,758	4,200,000
House rent allowance	2,669,741	1,890,000
Travelling allowance	2,820,805	1,745,313
Utilities	275,235	420,000
Rentals paid for vehicle	903,843	940,000
Membership Bills	653,773	-
	13,256,155	9,195,313
Number of person	1	1

Director

Managerial remuneration	5,932,759	4,200,000
House rent allowance	2,669,741	1,890,000
Travelling allowance	2,871,460	1,132,101
Utilities	377,816	420,000
Rentals paid for vehicle	2,290,323	788,000
Membership Bills	735,583	-
	14,877,682	8,430,101
Number of person	1	1

Executive	2022 Rupees	2021 Rupees
Managerial remuneration	2,391,095	1,253,088
House rent allowance	1,075,993	622,644
	3,467,088	1,875,732
Number of person	1	1

29.1 The chief executive officer is provided with the maintaince of the car.

29.2 Aggregate amount charged in these financial statements for meeting fee of directors is Rupees 0.155 million (2021: Rupees 0.176 million).

29.3 No remuneration was paid to non-executive directors (2021: Rupees Nil) of the Company except meeting fee.

30. PLANT CAPACITY AND ACTUAL PRODUCTION

Power generation plant

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

Generation Capacity (KW)	511	511
Actual generation (KW)	-	3.67

30.1 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.

31. TRANSACTION WITH RELATED PARTIES

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

				2022	2021
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	149,814	129,130
			Payment to retirement benefit plans	1,510,551	784,550
			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
iii.	Associated companies	Crescent Bahuman limited	Common directorship		
			Crescent Bahuman limited	(5,426,060)	(5,426,060)
iv.	Staff retirement funds	Staff gratuity scheme - unfunded	-		
			Balance of staff gratuity scheme	(11,914,987)	(13,078,595)
v.	Directors	-	-		
			Loan to director	100,408	100,408
			Director, associates and others	(18,324,680)	(18,324,680)

31.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 30.

32 FINANCIAL RISK MANAGEMENT

32.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

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

Sensitivity analysis

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

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

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

Index	Impact on profit after taxation		Statement of other comprehensive income (fair value reserve)	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
KSE 100 (5% increase)	-	-	378,794	394,594
KSE 100 (5% decrease)	-	-	(378,794)	(394,594)

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:

	2022 Rupees	2021 Rupees
Long term investments	7,575,882	7,891,871
Loans and advances	24,094,604	23,894,104
Long term deposits	10,026,732	10,670,881
Trade debts	26,319,216	27,170,548
Other receivables	74,985,013	74,865,631
Bank balances	1,645,768	6,866,200
	144,647,215	151,359,235

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			2022	2021
	Short Term	Long Term	Agency	Rupees	Rupees
Allied Bank Limited	A1+	AAA	PACRA	-	-
Faysal	A1+	AA	PACRA	-	-
Habib Metropolitan Bank L	A1+	AA+	PACRA	807,110	5,999,060
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	794,000	794,000
MCB Bank Limited	A1+	AAA	PACRA	33,047	49,156
Soneri Bank Limited	A1+	AA-	PACRA	11,611	11,611
				1,645,768	6,853,827

Investments:

Texmac Services (Private)	Unknown	-	116,360	116,360
Premier Insurance Limited	A	-	81,080	102,751
Crescent Jute Products Lin	Unknown	-	5,812,922	5,812,922
Shakarganj Mills Limited	Unknown	-	1,565,520	1,859,838
			7,575,882	7,891,871

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 liability. 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 2022, the Company has Rupees 1.701 million (2021: Rupees 6.927 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 2022:

	Financing	Trade and other payables	Advance from Customer	Unclaimed dividend	Total
	Rupees	Rupees		Rupees	Rupees
Carrying amount	26,049,892	74,519,033	-	577,737	101,146,662
Contractual cash flows:					
6 month or less	21,245,348	37,259,517	-	577,737	59,082,602
6 - 12 month	2,920,668	37,259,517	-	-	40,180,185
1 - 2 year	1,883,876	-	-	-	1,883,876
More than 2 years	-	-	-	-	-
	26,049,892	74,519,033	-	577,737	101,146,662

Contractual maturities of financial liabilities as at 30 June 2021:

Carrying amount	26,049,892	58,948,966	-	577,737	85,576,595
Contractual cash flows:					
6 month or less	21,152,628	29,474,483	-	577,737	51,204,848
6 - 12 month	2,827,948	29,474,483	-	-	32,302,431
1 - 2 year	2,069,316	-	-	-	2,069,316
More than 2 years	-	-	-	-	-
	26,049,892	58,948,966	-	577,737	85,576,595

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 2022. The rates of interest / mark up have been disclosed in note 15.1 to these financial statements.

32.2 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	Rupees	Rupees	Rupees	Rupees
Investments at 'fair value through other comprehensive income'	7,459,522	-	116,360	7,575,882
As at 30 June 2021				
Investments at available for sale	7,775,511	-	116,360	7,891,871

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

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.

32.3 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 2022				
Property, plant and equipment	-	71,956,641	-	71,956,641
Investment property	-	655,703,215	-	655,703,215
	-	727,659,856	-	727,659,856
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

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 properties.

(iii) Valuation processes

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

32.4 Financial instruments by categories

As at 30 June 2022

Assets as per statement of financial position

	At 'fair value through other comprehensive income'	At amortized cost	Total
	Rupees	Rupees	Rupees
Investments	7,575,882	-	7,575,882
Loans and advances	-	24,094,604	24,094,604
Long-term deposits	-	10,026,732	10,026,732
Trade debts	-	26,319,216	26,319,216
Other receivables	-	74,985,013	74,985,013
Cash and bank balances	-	1,701,125	1,701,125
	7,575,882	137,126,690	144,702,572

Liabilities as per statement of financial position

	Financial liabilities at amortized	Total
Financing	-	26,049,892
Trade and other payables	-	74,519,033
Advance from customer	-	-
Unclaimed dividend	-	577,737
	-	101,146,662

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

	Financial liabilities at amortized cost	Total
Financing	26,049,892	26,049,892
Trade and other payables	58,948,966	58,948,966
Advance from customer	-	-
Unclaimed dividend	577,737	577,737
	85,576,595	85,576,595

Reconciliation to the line item presented in the financial position is as follows:

	Financial assets	Non- financial assets	Total as per financial position
	Rupees	Rupees	Rupees
As at 30 June 2022			
Assets as per financial position			
Property, plant and equipment	-	101,051,944	101,051,944
Investment property	-	655,703,215	655,703,215
Long term investments	7,575,882	-	7,575,882
Loans and advances	24,094,604	-	24,094,604
Long term deposits	10,026,732	-	10,026,732
Trade debts	26,319,216	-	26,319,216
Other receivables	74,985,013	4,371,132	79,356,145
Advance income tax and refundable	-	9,187,852	9,187,852
Cash and bank balances	1,701,125	-	1,701,125
	144,702,572	770,314,143	915,016,715
	Financial liabilities	Non- financial liabilities	Total as per financial position
Liabilities as per financial position			
Financing	26,049,892	-	26,049,892
Deferred income tax liability	-	11,413,631	11,413,631
Employees' retirement benefits	-	1,306,662	1,306,662
Trade and other payables	74,519,033	31,882,836	106,401,869
Provisions	-	9,928,940	9,928,940
Advance from customer	-	-	-
Unclaimed dividend	577,737	-	577,737
Provision for taxation	-	35,957,042	35,957,042
	101,146,662	90,489,111	191,635,773
	Financial assets	Non- financial assets	Total as per financial position
As at 30 June 2021			
Assets as per financial position			
Property, plant and equipment	-	94,320,876	94,320,876
Investment property	-	605,456,311	605,456,311
Long term 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	4,369,896	79,235,527
Advance income tax and refundable	-	8,653,334	8,653,334
Cash and bank balances	6,926,505	-	6,926,505
	151,419,540	712,800,417	864,219,957
	Financial liabilities	Financial liabilities	Total as per financial position
Liabilities as per financial position			
Financing	26,049,892	-	26,049,892
Deferred income tax liability	-	11,470,798	11,470,798
Employees' retirement benefits	-	959,719	959,719
Trade and other payables	58,948,966	48,011,245	106,960,211
Provisions	-	9,928,940	9,928,940
Advance from customer	-	-	-
Unclaimed dividend	577,737	-	577,737
Provision for taxation	-	34,962,305	34,962,305
	85,576,595	105,333,007	190,909,602

32.5 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.

33. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2022		2021	
	At year end	Average	At year end	Average
Permanent employees	3	3	3	4
Contractual employees	19	21	21	25

34. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on October 04, 2022 by the Board of Directors of the Company.

35. GENERAL

- No 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.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Jubilee Spinning And Weaving Mills Limited**FORM 34 Physical****Pattern of Holding of Shares as on June 30, 2022**

Shareholders	From	To	Total Shares
483	1	100	15,863
410	101	500	111,370
124	501	1,000	99,101
188	1,001	5,000	485,874
48	5,001	10,000	384,352
31	10,001	15,000	381,481
15	15,001	20,000	275,104
12	20,001	25,000	280,314
16	25,001	30,000	462,899
5	30,001	35,000	157,892
3	35,001	40,000	119,025
3	40,001	45,000	130,436
4	45,001	50,000	186,136
3	50,001	55,000	162,069
6	65,001	70,000	412,639
3	70,001	75,000	218,035
2	75,001	80,000	157,277
4	80,001	85,000	327,742
1	85,001	90,000	88,673
3	95,001	100,000	298,500
1	115,001	120,000	116,462
1	120,001	125,000	125,000
1	160,001	165,000	163,450
1	170,001	175,000	173,000
1	175,001	180,000	179,921
1	180,001	185,000	182,629
1	215,001	220,000	220,000
1	250,001	255,000	251,000
1	285,001	290,000	285,357
1	290,001	295,000	292,218
1	300,001	305,000	300,500
1	405,001	410,000	410,000
1	470,001	475,000	474,323
1	520,001	525,000	522,855
1	590,001	595,000	591,979
1	690,001	695,000	692,810
1	1,195,001	1,200,000	1,198,434
1	1,205,001	1,210,000	1,206,073
1	2,390,001	2,395,000	2,391,204
1	2,400,001	2,405,000	2,400,529
1	2,420,001	2,425,000	2,422,162
1	2,595,001	2,600,000	2,598,012
1	2,745,001	2,750,000	2,747,852
1	3,560,001	3,565,000	3,561,731
1	4,225,001	4,230,000	4,228,922
1,389			32,491,205
1,372			32,491,205

Jubilee Spinning And Weaving Mills Limited**FORM 34****Pattern of Holding of Shares as on June 30, 2022**

Categories of Shareholder:	Numbers	Shares held	% age
Individual	1,340	11,008,366	33.9
More than 5%	7	20,350,412	62.6
Associated Companies	1	474,323	1.5
Joint Stock Companies	29	646,869	2.0
Insurance Companies	1	5,000	0.0
Financial Institution	8	4,127	0.0
NIT & ICP	2	1,981	0.0
Modaraba	1	127	0.0
Total	1,389	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		
	Adnan Amjad	5,000	0.0
	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
		6,739,539	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	5,000	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.	646,869	2.0
9	General Public	4,268,827	13.1
	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 49th Annual General Meeting of the Company to be held on Thursday the October 27, 2022 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 _____ 2022.

Witness's Signature

Name: _____

Address: _____

CNIC # _____

Affix Revenue
Stamp of Rs. 50/-

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.



جوبلی اسپنگ اینڈ یونگ ملز لمیٹڈ

مختار نامہ

میں/ہم۔

..... کے تحت شیئرز کے حامل ہیں ، بذریعہ ہذا محترم/محترمہ
بجائیت رکن / ارکان جو بی اسپننگ اینڈ ویونگ ملز لمیٹڈ رجسٹرڈ فوئیو نمبر/ CDC نمبر/ حصہ داری / Investor A/C #/ Participant ID/Sub A/C #

ساکن..... جو کہ بذریعہ رجسٹرڈ فولیو/ CDC نمبر..... کمپنی کے رکن بھی ہیں، انہیں کمپنی کے 49 ویں سالانہ اجلاس عام مورخہ 27 اکتوبر 2022 بروز جمعرات صبح 10:30 بجے کمپنی کے رجسٹرڈ آفس واقع E-503، جوہر ٹاؤن، لاہور میں منعقد ہوگا، میں میری/ ہماری جانب سے بحیثیت مختار (پروکسی) حاضر ہونے، بولنے اور ووٹ دینے کا اختیار ہوگا اور اجلاس ملتوی ہونے کی صورت میں بھی یہی میرے مختار (پروکسی) ہوں گے۔

آج بروز-----مورخہ-----2022 کو بطور گواہ دستخط کئے۔

دستخط بعوض
50 روپے
ریونیواسٹیپ

4

دستخط گواہ:-

نام:

—

کیسے؟

2

دستخط گواہ:-

نام:

—

کمیونٹی

مورخہ:

[illegible]

بمقام: لاہور

نوٹ:

- 1- اس فارم کو مکمل اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹر آفس کے پتے پر ارسال کر دیں۔
- 2- اجلاس میں شرکت اور ووٹ دینے کے متعلق سی ڈی سی حصص داران اپنی شناخت کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ مہیا کریں اور پر کسی کی صورت میں ایسے CNIC یا پاسپورٹ کی مصدقہ کاپی لازمی منسلک کریں۔

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