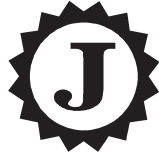




Jubilee Spinning & Weaving Mills Ltd.

Annual Report 2023



# Jubilee Spinning & Weaving Mills Limited

**Annual Report 2023**



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## Company Information

### Board of Directors

Mr. Shaukat Shafi	(Chairman)
Mr. Shams Rafi	(Chief Executive)
Mr. Salman Rafi	
Mr. Tariq Shafi	
Mr. Muhammad Akbar Khan	
Mr. Adnan Amjad	
Mrs. Sana Salman	

### Audit Committee

Mr. Adnan Amjad	(Chairman)
Mr. Shaukat Shafi	(Member)
Mrs. Sana Salman	(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 50<sup>th</sup> Annual General Meeting of the shareholders of Jubilee Spinning & Weaving Mills Limited (the "Company") will be held on Thursday, the October 26, 2023 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, 2023 together with the Directors' and Auditors' Reports thereon.
2. To appoint Auditors of the Company and fix their remuneration.

#### Special Business:

3. To approve circulation of annual balance sheet and profit and loss account, auditor's report and directors report etc. (the "Annual Audited Financial Statements") to members of the company through QR enabled code and web link as allowed by Securities and Exchange Commission of Pakistan via S.R.O. 389 (I)/2023 dated March 21, 2023:

"Resolved that as notified by the Securities and Exchange Commission of Pakistan via S.R.O. 389 (I)/2023 dated March 21, 2023 circulation of annual audited financial statements to the members through QR enabled code and web link instead of transmitting the annual audited financial statement through CD/DVD/USB, be and is hereby approved'.

By Order of the Board

(M. Zeeshan Saleem)  
Company Secretary

Registered Office:

503-E, Johar Town

Lahore, Pakistan:

T:+92-42-35173434

Dated: October 04, 2023



**Notes:**

1. The Members' Register will remain closed from October 20, 2023 to October 26, 2023 (both days inclusive). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 19, 2023.
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.

7. **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.

**8. Availability of Audited Financial Statements on Company's Website**

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2023 along with Auditors and Directors Reports thereon on its website: [www.jsw.com.pk](http://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.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting ('AGM') of Jubilee Spinning & Weaving Mills Limited (the 'Company') to be held on October 26, 2023. Agenda Item 3 Circulation of Annual Audited Accounts through QR enabled Code and web link. The Securities and Exchange Commission of Pakistan has allowed listed companies, through its S.R.O. No. 389(I)2023 dated March 21, 2023 to circulate the Annual Audited Financial Statements to their members through QR enabled code and web link instead of transmitting the Annual Audited Financial Statements through CD/DVD/USB. The company shall circulate Annual Audited Financial Statements through email address in case it has been provided by the members to the company, and upon demand, supply hard copies of the Annual Audited Financial to the members free of cost. None of the Directors of the company have any direct or indirect interest in this special business.



## Director's Report To The Shareholders

Dear Shareholders,

The Directors are pleased to present the Audited Financial Statements of the Company for the year ended June 30, 2023 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 all 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. 71.61 million, after charging costs, expenses and provisions. The previous financial year's result was an after-tax profit of Rs. 43.98 million. The financial results of the company are summarized as follows:

Year ended on	Rupees	Rupees
	June 30, 2023	June 30, 2022
Revenue	5,337,933	4,960,168
Cost of Revenue	(3,351,540)	(2,882,732)
Gross Profit /(Gross Loss)	2,016,393	2,077,436
Gross Profit/(Gross Loss) ( % )	37.77%	41.88%
Allowance for expected loss	-	(644,149)
Selling, Admin and Other Operating Costs	(65,049,641)	(54,905,688)
Other Income	149,557,946	106,494,739
Finance Charges	(242,860)	(28,332)
Provision for Tax	(14,667,912)	(9,008,981)
Profit/(Loss) after Tax	71,613,926	43,985,025
Earnings per Share	2.20	1.35





## Review of Operations and Future Prospects

The company earned a profit before tax Rs. 86.28 million for the year ending June 30, 2023. The gross profit is 37.77%. Compared to previous year, revenue increased by Rs. 0.378 million or 7.62%. Administrative expenses increased by 18.48% and finance cost is negligible. The bottom line reflects a net of tax profit of Rs. 71.61 million with Rs. 2.20 earnings per share. Other income, which is predominantly rental income and unrealized gain on re-measurement of investment property, increased by Rs. 43.06 million. Rental income was Rs. 61.27 million, an increase of Rs. 5.83 million or 10.51% over the same period of the previous financial year.

During the period under review, inflation has continued to increase at an accelerated rate, reducing business activity across the country. Major input factors such as energy and transportation increased manifold and effected profit margins across all industries. Various other cost-push factors have also had a negative effect across the board, making it difficult to project forward in a confident manner. Furthermore, political uncertainty has complicated forming cohesive business plans for the future.

Nevertheless, the management of your company continues to have a positive outlook and is confident that financial results will improve further 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 (note 8), loans and advances (note 9) and other receivables (note 10) as at 30 June 2023 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.855 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, trade debts, loans and advances and other receivables as at 30 June 2023 include aggregate balance of Rupees 10.533 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 debts, loans and advances and other receivables nor did account for any allowance for expected credit losses in the financial statements in respect of such balances.

### **Unquote**

The recovery suit had been filed against the said company and is pending for decision. Our legal counsel M/ 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 30 June 2023, trade and other payable (note 18) includes creditors amounting to Rupees 9.335 million, advance from customers amounting to Rupees 10.371 million and other liabilities amounting to Rupees 1.719 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, 2023. As on audit procedure confirmation regarding balance dispatched to the parties, however despite repeated requests 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). During the prior year, Federal Board of Revenue (FBR) has opined in favor of the Company that it was qualified for zero rating gas facility. Accordingly, the Company approached SSGCL for recovery of sales tax recovered. SSGCL is of the view that the same has been deposited with



FBR and may be claimed by the Company as refund. Since the time for application of refund is time barred and other legal formalities involved for release of refund, we could not satisfy ourselves with respect of recovery of this balance.

#### **Unquote**

On the direction of the Lahore High Court, FBR get it verified and agreed that during the period (2009 – 2014), the company had a status of zero-rating. Now the company is in the 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 5.338 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 generators purchased in previous years 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 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 21 to the Financial Statements present 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 2023. 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.

### Unquote

The amount of net profit of Rs. 71.61 million include a revaluation surplus on investment property amounting Rs. 72.93 million. This is an unrealized gain and is accounted for in the financial statements as required by the 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 2023 and as of that date its accumulated loss is Rupees 244.986 million and its current liabilities exceeds its current assets by Rupees 33.795. 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. 33.795 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	Director/Chief Executive Officer
Mr. Salman Rafi	Director
Mr. Tariq Shafi	Director
Mr. Adnan Amjad	Independent Director
Mr. Muhammad Akbar Khan	Independent Director
Mrs. Sana Salman	Director
Mr. Usman Shafi	Resigned from Directorship
Mr. Umer Shafi	Resigned from Directorship
Mr. Aurangzeb Shafi	Resigned from Directorship

## Pattern of Shareholding

The statement of pattern of shareholding of the company as at June 30, 2023 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. **2.20** (2022: Rs. 1.35).

### **Committees of the Board**

The board of directors in compliance with the Code of Corporate Governance has established and Audit Committee and Human Resources and Remuneration Committee. The names of its members are given in the company profile.

### **Director's remuneration**

Remuneration policy for directors as has been approved by the board is in place and is in accordance with the Companies Act, 2017 and CCG regulations, 2019.

### **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 10.99 million as on June 30, 2023 as per audited accounts.

k) Attendance at 5 meetings of the Board of Directors held during the year under review were as under:

<b>Name of Director</b>	<b>Meetings attended</b>
Mr. Shaukat Shafi	4
Mr. Shams Rafi	5
Mr. Salman Rafi	5
Mr. Tariq Shafi	-
Mr. Adnan Amjad	5
Mr. Muhammad Akbar Khan	1
Mrs. Sana Salman	5
Mr. Usman Shafi	4
Mr. Umer Shafi	4
Mr. Aurangzeb Shafi	1

l) During the period from July 01, 2022 to June 30, 2023 change in the holding of Directors, CEO, CFO and Company Secretary and their spouses as under:

	<b>Balance as on 30-06-2022</b>	<b>Change</b>	<b>Balance as on 30-6-2023</b>	<b>Remarks</b>
Mr. Shaukat Shafi	2,400,529	-	2,400,529	Director / Chairman
Mr. Shams Rafi	692,810	-	692,810	Director / CEO
Mr. Salman Rafi	665,979	-	665,979	Director
Mr. Tariq Shafi	3,561,731	-	3,561,731	Director
Mr. Muhammad Akbar Khan	3,725	-	3,725	Independent Director
Mr. Adnan Amjad	5,000	-	5,000	Independent Director
Mrs. Sana Salman	5,000	-	5,000	Director
Mr. Usman Shafi	1,198,434	-	1,198,434	Resigned from Directorship
Mr. Umer Shafi	1,206,073	-	1,206,073	Resigned from Directorship
Mr. Aurangzeb Shafi	522,855	-	522,855	Resigned from Directorship
Mrs. Zahida Shaukat	42,859	-	42,859	Director Spouse
Mrs. Naryman Tariq	14,165	-	14,165	Director Spouse

m) Following associated companies have the investments as under:

Crescent Cotton Mills Limited

474,323





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

Investment Corporation of Pakistan	1891
IDBP	90

**Shams Rafi**  
Chief Executive Officer

**Karachi**  
**October 04, 2023**

**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 2023 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی کا سرسری جائزہ

جوہلی اسپننگ اینڈ ویونگ 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 اختصاں نکالنے کے بعد کمپنی کو 71.61 ملین روپے کا بعد از ٹیکس منافع ہوا۔ گزشتہ مالیاتی سال میں بعد از ٹیکس منافع 43.98 ملین روپے تھا۔ کمپنی کے مختصر مالیاتی نتائج درج ذیل ہیں:

روپے	روپے	
30 جون 2022	30 جون 2023	سال مختتمہ
4,960,168	5,337,933	محصّل
(2,882,732)	(3,351,540)	لاگت آمدن
2,077,436	2,016,393	خام منافع
41.88%	37.77%	خام منافع / (خسارہ) کی شرح فیصد
(644,149)	-	متوقع خسارہ کے لئے الاؤنس
(54,905,688)	(65,049,641)	آمدن، انتظامی اور دیگر لاگتیں
106,494,739	149,557,946	دیگر آمدن
(28,332)	(242,860)	مالیاتی لاگتیں
(9,008,981)	(14,667,912)	ٹیکس کے لئے اختصاں
43,985,025	71,613,926	منافع بعد از ٹیکس
1.35	2.20	فی حصص آمدن



### کاروباری جائزہ اور مستقبل کے امکانات

سالِ مختتمہ 30 جون 2023 میں کمپنی کا بعد از ٹیکس منافع 86.28 ملین روپے رہا۔ خام منافع کی شرح فیصد 37.77 رہی۔ پچھلے سال کے مقابلے میں، آمدنی میں روپے کا اضافہ ہوا۔ 0.378 ملین یا 7.62%۔ انتظامی اخراجات میں 18.48 فیصد اضافہ ہوا اور مالیاتی لاگت نہ ہونے کے برابر ہے۔ نیچے کی لکیر روپے کے ٹیکس منافع کے خالص کو ظاہر کرتی ہے۔ 71.61 ملین روپے کے ساتھ۔ 2.20 فی شیئر آمدنی۔ دیگر آمدنی، جو بنیادی طور پر کرائے کی آمدنی ہے اور سرمایہ کاری کی جائیداد کی دوبارہ پیمائش پر غیر حقیقی حاصل ہے، میں روپے کا اضافہ ہوا ہے۔ 43.06 ملین کرایہ کی آمدنی روپے تھی۔ 61.27 ملین روپے کا اضافہ پچھلے مالی سال کی اسی مدت کے مقابلے میں 5.83 ملین یا شرح فیصد 10.51 فیصد تھی۔

زیر جائزہ مدت کے دوران ملک بھر میں کاروباری سرگرمیاں کم ہونے سے مہنگائی تیز رفتاری سے بڑھ رہی ہے۔ توانائی اور نقل و حمل جیسے اہم ان پٹ عوامل نے تمام صنعتوں میں کئی گنا اضافہ کیا اور منافع کے مارجن کو متاثر کیا۔ لاگت کو بڑھانے کے متعدد دیگر عوامل نے بھی پورے بورڈ پر منفی اثر ڈالا ہے، جس سے اعتماد کے ساتھ آگے بڑھنا مشکل ہو گیا ہے۔ مزید برآں، سیاسی غیر یقینی طور پر مستقبل کے لیے مربوط کاروباری منصوبوں کی تشکیل کو پیچیدہ بنا دیا ہے۔

اس کے باوجود، آپ کی کمپنی کی انتظامیہ کا مثبت نقطہ نظر برقرار ہے اور اسے یقین ہے کہ مالیاتی نتائج آگے بڑھ کر مزید بہتر ہوں گے۔

کمپنی ایک باشعور کارپوریٹ شہری ہے۔ کمپنی کا خیال ہے کہ اس کے اندرونی مالیاتی کنٹرول کافی ہیں۔

### 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 2023 تک تجارتی قرضے (نوٹ 8)، قرضے اور ایڈوانسز (نوٹ 9) اور دیگر قابل وصول (نوٹ 10) میں بالترتیب 19.298 ملین روپے، 22.574 ملین روپے اور 14.855 ملین روپے شامل ہیں جو ایک طویل عرصے سے بقایا وابستہ کمپنی سے وصول کیے جاسکتے ہیں۔ متعلقہ کمپنی کو ہماری براہ راست تصدیق کی درخواست کا جواب نہیں دیا گیا۔ مزید برآں، مالیاتی اداروں میں سے ایک، گزشتہ سالوں میں متعلقہ کمپنی کی طرف سے ڈیفالٹ پر، ایکویٹی سیکورٹیز میں کمپنی کی سرمایہ کاری کا احساس ہوا جو متعلقہ کمپنی کو قرض دینے کے خلاف وعدہ کیا گیا تھا۔ کمپنی نے مالیاتی ادارے کی جانب سے وصولی کی تاریخ پر اس طرح کی سیکورٹیز کی مارکیٹ قیمت کو 40.963 ملین روپے کی ڈسپوزل ویلیو کے طور پر سمجھا اور اسے دیگر وصولیوں کے طور پر شمار کیا۔ کمپنی اس پارٹی کے بارے میں غیر یقینی ہے جس سے اسے وصول کیا جانا ہے۔ اس کے علاوہ، 30 جون 2023 تک تجارتی قرضوں، قرضوں اور ایڈوانسز اور دیگر وصولیوں میں 10.533 ملین روپے کا مجموعی بیلنس شامل ہے جو ایک سال سے زائد عرصے سے بقایا متعلقہ فریقوں کے علاوہ دیگر سے قابل وصول ہے۔ انتظامیہ نے ہمیں تجارتی قرضوں، قرضوں اور ایڈوانسز اور دیگر وصولیوں کے سلسلے میں متوقع کریڈٹ نقصانات کا تخمینہ فراہم نہیں کیا ہے اور نہ ہی اس طرح کے بیلنس کے سلسلے میں مالیاتی بیانات میں متوقع کریڈٹ نقصانات کے لیے کسی الاؤنس کا حساب دیا ہے۔



## جواب

مذکورہ کمپنی کے خلاف ریکوری کا مقدمہ دائر کیا گیا تھا اور فیصلہ کے لیے زیر التواء ہے۔ ہمارے قانونی وکیل ایم/حیدر وحید نے تصدیق کی ہے کہ اس کیس کی وجہ سے کوئی مالی نقصان متوقع نہیں ہے۔ انتظامیہ ایک سازگار نتیجہ پر یقین رکھتی ہے اور بقایا رقم کی وصولی کرے گی جس میں مالیاتی ادارے کی طرف سے منتقلی/نمائندگی سرمایہ کاری سے متعلق رقم بھی شامل ہے۔ متعلقہ فریقوں کے علاوہ دیگر سے قابل وصول سیلز ٹیکس اور کسٹم ریہیٹ کے سلسلے میں سرکاری اداروں سے 5.33 ملین شامل ہیں۔

## اعتراض

(b) 30 جون 2023 تک، تجارت اور دیگر قابل ادائیگی (نوٹ 18) میں 9.335 ملین روپے کے قرض دہندگان، 10.371 ملین روپے کے صارفین سے پیشگی اور 1.719 ملین روپے کی دیگر واجبات شامل ہیں جو طویل عرصے سے بقایا ہیں۔ کچھ قرض دہندگان کو ہماری براہ راست تصدیق کی درخواستوں کا جواب نہیں دیا گیا۔ اس طرح کی رقوم کے سلسلے میں کمپنی کے ریکارڈ کی ناکافی نوعیت کی وجہ سے، ہم ایسی واجبات کے وجود اور تشخیص کی تصدیق کے لیے کافی مناسب آڈٹ ثبوت حاصل کرنے سے قاصر رہے۔

## جواب

یہ وہ واجبات ہیں جو کمپنی پر 30 جون 2023 تک واجب الادا ہیں۔ پارٹیوں کو بھیجے گئے بیلنس کے حوالے سے آڈٹ کے طریقہ کار کی تصدیق کے مطابق، تاہم بار بار کی درخواستوں کے باوجود، ہم آج تک تصدیق حاصل کرنے سے قاصر ہیں۔ ہم تصدیق کے لیے پیروی کر رہے ہیں۔ اگر کوئی تبدیلی واقع ہوتی ہے تو اسے کتابوں میں شامل/ایڈجسٹ کیا جائے گا اور اس کے بعد کے متواتر اکاؤنٹس میں ظاہر ہوگا۔

## اعتراض

(c) پچھلے سالوں کے دوران، معزز لاہور ہائی کورٹ میں کمپنی کی درخواست سوئی سدرن گیس کمپنی لمیٹڈ (SSGC) کو جنرل سیلز ٹیکس (GST) کے بقایا جات کی وصولی سے روکنے اور گیس کنکشن منقطع کرنے کی استدعا کی گئی تھی۔ اس کے مطابق، ایس ایس جی سی ایل نے 17.868 ملین روپے کے بقایا جات کا بل جمع کیا اور 2 ملین روپے کی بینک گارنٹی اور 10.823 ملین روپے کی گیس سیکورٹی ڈپازٹ ضبط کر لی اور گیس کنکشن منقطع کر دیا۔ کمپنی نے ایس ایس جی سی ایل کے مطالبے کا حساب نہیں لیا ہے اور اس نے ایکٹو بینک گارنٹی اور ضبط شدہ گیس سیکورٹی ڈپازٹ کے بیلنس کو مجموعی طور پر 12.823 ملین روپے SSGCL سے وصول کیا ہے (نوٹ 10.3)۔ پچھلے سال کے دوران، فیڈرل بورڈ آف ریونیو (ایف بی آر) نے کمپنی کے حق میں رائے دی ہے کہ وہ زیورینٹنگ گیس کی سہولت کے لیے اہل تھی۔ اس کے مطابق، کمپنی نے SSGCL سے سیلز ٹیکس کی وصولی کے لیے رابطہ کیا۔ ایس ایس جی سی ایل کا خیال ہے کہ اسے ایف بی آر کے پاس جمع کرایا گیا ہے اور کمپنی کی طرف سے ریفرنڈ کے طور پر دعویٰ کیا جاسکتا ہے۔ چونکہ رقم کی واپسی کی درخواست میں وقت کی پابندی ہے اور رقم کی واپسی کے اجراء کے لیے دیگر قانونی تقاضے شامل ہیں، اس لیے ہم اس بیلنس کی وصولی کے حوالے سے خود کو مطمئن نہیں کر سکتے۔

## جواب

لاہور ہائی کورٹ کی ہدایت پر، ایف بی آر نے اس کی تصدیق کی اور اس بات پر اتفاق کیا کہ (2009-2014) کے عرصے کے دوران کمپنی کو زیرو



ریٹنگ کا درجہ حاصل تھا۔ لہذا اب کمپنی SSGCL کے ایڈجسٹ کئے گئے سیلز ٹیکس کی بازیابی/ واپسی کے عمل میں ہے اور توقع ہے کہ یہ اگلے مالیاتی سال میں موصول ہو جائے گا۔

### اعتراض

مالیاتی گوشواروں میں 5.338 ملین روپے کی آمدنی کمپنی کے پاور ہاؤس کے آلات/ بجلی کے کنکشن اور اس کی ٹرانسمیشن لائنوں کے استعمال کے سلسلے میں کرایہ داروں کو بلنگ کی نمائندگی کرتی ہے۔ کمپنی نے اکتوبر 2016 میں اپنے پاور ہاؤس کے آلات کو ٹھکانے لگا دیا ہے اور متبادل پاور جنریٹر لگا دیے ہیں۔ اس سے پہلے، مذکورہ بالا آمدنی پیدا کرنے والے متبادل پاور جنریٹرز کو نہ تو کمپنی کے حساب کتابوں میں تسلیم کیا گیا تھا اور نہ ہی مالیاتی گوشواروں میں کوئی کرایہ وصول کیا گیا تھا۔ پچھلے سالوں کے دوران، کمپنی نے پہلے غیر ریکارڈ شدہ جنریٹرز کی جگہ دو جنریٹرز کی خریداری ریکارڈ کی تھی۔ تاہم، اس طرح کے متبادل کے انتظامات کو پہلے سے غیر ریکارڈ شدہ جنریٹرز کے ٹھکانے کے بارے میں معلومات کی کمی کی وجہ سے ثابت نہیں کیا جاسکا جہاں سابق ڈائریکٹر نے ان جنریٹرز کو دوبارہ قبضے میں لینے کے لیے مقدمہ دائر کیا ہے جس کا نوٹ 21.5 میں مالیاتی کو مکمل طور پر انکشاف کیا گیا ہے۔ بیانات مزید برآں، اس سلسلے میں قانونی رائے کی عدم موجودگی میں، ہم خود کو مطمئن کرنے سے قاصر رہے کہ آیا کرایہ داروں کے ساتھ مذکورہ بالا انتظام تمام قابل اطلاق ریگولیٹری دفعات بشمول انکم ٹیکس، سیلز ٹیکس اور اس طرح کے محصول پر بجلی کی ڈیوٹی کے مطابق ہے۔

### جواب

پچھلے سالوں میں خریدے گئے جنریٹرز کو کتابوں میں شامل کیا گیا اور اس پر فرسودگی کا الزام لگایا گیا۔ موجودہ منظر نامے میں کمپنی نے اپنے کرایہ داروں کی رہائش کے لیے Electric -K سے بجلی کا کنکشن لیا ہے۔ مزید یہ کہ ہمارے پاس اس بات کا کوئی ثبوت نہیں تھا کہ ایسے جنریٹرز سابق ڈائریکٹرز میں سے کسی ایک کے ہیں۔

### اعتراض

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

### جواب

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



### اعتراض

(f) کمپنی کی طرف سے/ کے خلاف کچھ قانونی چارہ جوئی دائر کی گئی ہے جیسا کہ نوٹ 21 میں مالی بیانات میں ظاہر کیا گیا ہے۔ انتظامیہ اور کمپنی کے قانونی مشیروں نے، ہماری تصدیقی درخواستوں کے اپنے براہ راست جوابات میں، ہمیں ان قانونی چارہ جوئی کے ممکنہ نتائج کے بارے میں اپنی تشخیص فراہم نہیں کی ہے۔ اس کے مطابق، ہم یہ معلوم کرنے سے قاصر رہے کہ آیا اس طرح کے قانونی چارہ جوئی کے خلاف کوئی پروویژن بنایا جانا چاہیے یا مالی بیانات میں اس کے انکشافات کافی ہیں۔

### جواب

کسی بھی موجودہ قانونی چارہ جوئی کا کمپنی کے مالیاتی بیانات پر کسی بھی طرح سے اثر انداز ہونے کی توقع نہیں ہے۔ لہذا، ان مالیاتی گوشواروں میں کوئی پروویژن یا انکشاف شامل نہیں کیا گیا ہے۔ نوٹ 21 مالیاتی بیانات اس معاملے پر تفصیلی نقطہ نظر پیش کرتے ہیں۔

### اعتراض

(g) کریسوکس (پرائیویٹ) لمیٹڈ کے تازہ ترین آڈٹ شدہ/ غیر آڈٹ شدہ مالیاتی بیانات، ایک منسلک کمپنی جس کا اکاؤنٹنگ کے ایکویٹی طریقہ کے تحت اکاؤنٹنگ (نوٹ 5.1) ہے، کمپنی کے پاس دستیاب نہیں تھے۔ تازہ ترین آڈٹ شدہ مالیاتی بیانات کی عدم موجودگی میں، ہم خود کو مطمئن کرنے سے قاصر رہے کہ آیا مالیاتی گوشواروں میں ایسوسی ایٹ کے منافع اور دیگر جامع آمدنی/ نقصان کا کوئی حصہ شمار کیا جائے۔ مزید برآں، ہم معاون دستاویزات کی کمی اور آزاد قدر کنندہ سے تشخیص کی وجہ سے دیگر جامع آمدنی کے ذریعے منصفانہ قیمت پر بے قیمت سرمایہ کاری کے وجود اور تشخیص کی تصدیق نہیں کر سکے۔

### جواب

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

### اعتراض

(h) کمپنی نے 30 جون 2023 کو ختم ہونے والے سال کے لیے ٹیکس سے پہلے منافع حاصل کیا ہے۔ تاہم، کمپنی نے کسی ایسے پروویژن کا تعین اور حساب نہیں کیا ہے جو کررز ویلفیئر فنڈ اور کررز پرافٹ پارٹیشنیشن فنڈ کے قابل اطلاق قوانین کے تحت درکار ہو۔

### جواب

کمپنی کے منافع میں 71.61 ملین روپے کے خالص منافع کی رقم سرمایہ کاری کی جائیداد پرری ویلیویشن سرپلس شامل ہیں۔ 72.93 ملین یہ ایک غیر حقیقی فائدہ ہے اور اس کا حساب بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ کے مطابق مالی بیانات میں ہوتا ہے۔ اگر یہ رقم دوسری آمدنی کا حصہ نہ ہوتی تو کمپنی کا



بعد از ٹیکس منافع نقصان میں بدل جاتا۔ لہذا، کمپنی نے ورکرز ویلفیئر فنڈ اور ورکرز پرافٹ پارٹیشنیشن فنڈ کے تحت مطلوبہ فراہمی کا حساب نہیں دیا۔

## اعتراض

30 جون 2023 کو ختم ہونے والے سال کے لیے اور اس تاریخ تک اس کا جمع شدہ نقصان 244.986 ملین روپے ہے اور اس کی موجودہ واجبات اس کے موجودہ اثاثوں سے 33.795 روپے سے زیادہ ہیں۔ یہ صورت حال مزید بگڑ سکتی ہے اگر اوپر پیرا گراف (a) سے (h) میں زیر بحث مادے کے ممکنہ اثرات کو مالیاتی بیانات میں شمار کیا جائے۔ مارچ 2014 سے مؤثر، کمپنی نے اپنے ٹیکس ٹائل آپریشنز کو بند کر دیا ہے اور پچھلے سالوں میں لیز ہولڈ زمین اور لیز ہولڈ زمین پر عمارت کے علاوہ اپنے تمام آپریٹنگ فیکٹریوں کو ختم کر دیا ہے۔ کمپنی نے ماضی میں متعدد بار خصوصی قرارداد پاس کر کے جائیدادوں کے کرایہ پر لینے کے کاروبار کو شامل کرنے کے لیے اپنے میمورنڈم آف ایسوسی ایشن کو تبدیل کرنے کی کوشش کی لیکن سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) میں دائر متعلقہ درخواستیں بے ضابطگیوں کی وجہ سے ناکام رہیں۔ پچھلے سالوں کے دوران، کمپنی نے جائیدادوں کے کرایہ پر لینے کے کاروبار کو شامل کرنے اور کمپنی کے نام کو تبدیل کرنے کے لیے اپنے میمورنڈم آف ایسوسی ایشن میں تبدیلی کا عمل شروع کیا ہے ایک خصوصی قرارداد کے ذریعے جو کمپنی کے شیئر ہولڈرز کے غیر معمولی جنرل اجلاس میں منظور کی گئی تھی۔ 29 مئی 2020 کو تاہم، غیر حل شدہ مشاہدات کی وجہ سے ایس ای سی پی کی طرف سے تبدیلی کی تصدیق ابھی تک زیر التواء ہے۔ یہ واقعات ایک مادی غیر یقینی صورتحال کی نشاندہی کرتے ہیں جو کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر اہم شکوک پیدا کر سکتی ہے اور اس وجہ سے وہ اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے دوران اپنی ذمہ داریوں کو ادا کرنے سے قاصر ہو سکتی ہے۔ مالی بیانات اور اس کے نوٹس ان حقائق کو مکمل طور پر ظاہر نہیں کرتے ہیں۔ کمپنی کی انتظامیہ نے ہمیں مالیاتی گوشواروں کی تیاری میں استعمال ہونے والے تشویش کے مفروضے اور مستقبل کے مالیاتی تخمینوں کا اندازہ بھی فراہم نہیں کیا جو کمپنی کی معاشی استحکام کی نشاندہی کرتے ہیں۔ یہ حقائق بتاتے ہیں کہ مالیاتی گوشواروں کی تیاری میں استعمال ہونے والی تشویش کا مفروضہ نامناسب ہے۔

## جواب

کمپنی نے نوٹ 1.3 میں 2014 میں اپنے بنیادی آپریشن کی بندش کا انکشاف کیا ہے۔ اس کے بعد کمپنی نے 4 اپریل 2015 کو ای او جی ایم میں شیئر ہولڈرز کی منظوری حاصل کرنے کے بعد تمام پلانٹ اور مشینری کو ضائع کر دیا۔ ایک بنیادی کاروباری سرگرمی کے طور پر کرایہ پر لینا اور ایس ای سی پی کو اس کے میمورنڈم آف ایسوسی ایشن کی آجیکٹ ٹنق III کو تبدیل کرنے کے لیے درخواست دی۔ کمپنی نے نکمپینز ایکٹ 2017 کے سیکشن 26 کی ذیلی دفعہ (i) کے تحت کاروبار کو اپنے نام کے ساتھ ہم آہنگ کرنے کے لیے کمپنی کے نام کی تبدیلی کے لیے بھی درخواست دی۔ کمپنی کے نام کا عمل جاری ہے۔ پچھلے سال کے ساتھ اس سال کے موجودہ تناسب کا جائزہ لینے سے، یہ پتہ چلتا ہے کہ، موجودہ واجبات موجودہ اثاثوں سے Rs. 33.795 ملین یہ بنیادی طور پر قلیل مدتی سرمایہ کاری کی دوبارہ درجہ بندی اور پچھلے سالوں میں طویل مدتی سے قلیل مدتی واجبات میں گریجویٹی کی منتقلی کی وجہ سے ہے۔ اس کے علاوہ زیر نظر سال کے دوران کمپنی نے اپنے کرایہ داروں اور ڈائریکٹرز سے بجلی کا کنکشن حاصل کرنے کے لیے قرض حاصل کیا جو اس کے مقررہ اثاثوں کا حصہ بن گیا۔ یہ بیان کردہ حقائق بتاتے ہیں کہ کمپنی کی مالی حالت مستحکم ہے اور یہ ایک جاری تشویش کے طور پر کام کرتی رہے گی۔

## بورڈ آف ڈائریکٹرز

جائزہ مدت کے دوران درج ذیل افراد ڈائریکٹر رہے۔

جناب شوکت شفیع ڈائریکٹر/چیئر مین



ڈائریکٹر/چیف ایگزیکٹو	جناب شمس رفیع
ڈائریکٹر	جناب سلمان رفیع
ڈائریکٹر	جناب طارق شفیع
آزاد ڈائریکٹر	جناب عدنان امجد
آزاد ڈائریکٹر	جناب محمد اکبر خان
ڈائریکٹر	مسز ثناء سلمان
ڈائریکٹر شپ سے استعفیٰ دے دیا	جناب عثمان شفیع
ڈائریکٹر شپ سے استعفیٰ دے دیا	جناب عمر شفیع
ڈائریکٹر شپ سے استعفیٰ دے دیا	جناب اورنگزیب شفیع

### حصص داری کی ساخت

30 جون 2023 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 2.20 روپے رہی (2022 میں 1.35 روپے)

### بورڈ کی کمیٹیاں

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی اور ہیومن ریسورسز اینڈ ریویژن کمیٹی قائم کی ہے۔ اس کے ممبران کے نام کمپنی پروفائل میں دیئے گئے ہیں۔

### ڈائریکٹر کا معاوضہ

ڈائریکٹرز کے لیے معاوضے کی پالیسی جیسا کہ بورڈ نے منظور کیا ہے اوپنیز ایکٹ، 2017 اور CCG ضوابط، 2019 کے مطابق ہے۔

### 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 انٹرنل 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۔
- (j) 30 جون 2023 کو ان کے آڈٹ سے قبل اکاؤنٹس کے مطابق گریجویٹی سے کی گئی سرمایہ کاری کی مالیت 10.99 ملین روپے ہے۔
- (k) جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے 15 اجلاس ہوئے جن میں حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	حاضر اجلاس کی تعداد
جناب شوکت شفیع	4
جناب شمس رفیع	5
جناب طارق شفیع	-
جناب سلمان رفیع	5
جناب عثمان شفیع	4
جناب عمر شفیع	4
جناب اورنگزیب شفیع	1
جناب عدنان امجد	5
مسز ثناء سلمان	5
جناب محمد اکبر خان	1

- (ا) جائزہ مدت کے دوران یکم جولائی 2022 سے 30 جون 2023 تک ڈائریکٹران، CEO، CFO اور کمپنی سیکریٹری اور ان کے شریک حیات کی حصص داری میں تبدیلی درج ذیل ہے:



مالیت 30-6-2023	تبدیلی	مالیت 30-06-2022	
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
3,561,731	-	3,561,731	مسٹر طارق شفیع
3,725	-	3,725	مسٹر محمد اکبر خان
42,859	-	42,859	مسز زاہدہ شوکت
14,165	-	14,165	مسز ناریمان طارق

(m) ملحقہ کمپنیوں کی سرمایہ کاریاں درج ذیل ہیں:

474,323 کریسٹل کاشن ملز لمیٹڈ

(o) NIT اور ICP کی حصص داری درج ذیل ہے:

1891 انویسٹمنٹ کارپوریشن آف پاکستان

90 آئی ڈی بی پی

سلمان رفیع  
ایگزیکٹو ڈائریکٹر

شمس رفیع  
چیف ایگزیکٹو

کراچی

04 اکتوبر 2023



### KEY OPERATING DATA AND FINANCIAL RATIOS FOR THE PERIOD FROM 2017 To 2023

Operating Information		2023	2022	2021	2020	2019	2018	2017
Sales - Net	Rs. In Mln	5.34	4.96	2.86	7.34	23.68	37.15	24.03
Cost of Goods Sold	Rs. In Mln	3.32	2.88	3.34	6.27	9.31	12.94	7.52
Gross Profit/(Loss)	Rs. In Mln	2.02	2.08	(0.48)	1.07	14.38	24.21	16.51
Profit/(Loss) from operations	Rs. In Mln	86.52	53.02	15.45	7.47	33.74	45.33	140.73
Profit/(Loss) before taxation	Rs. In Mln	86.28	52.99	15.35	7.09	33.70	45.24	140.70
Profit/(Loss) after taxation	Rs. In Mln	71.61	43.99	5.18	(10.48)	28.89	32.86	115.35
<b>Financial Information</b>								
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	(244.99)	(316.62)	(360.46)	(365.69)	(355.49)	(384.58)	(417.23)
Fixed Assets	Rs. In Mln	849.03	775.40	719.19	703.43	696.78	664.59	645.68
Current Assets	Rs. In Mln	144.76	139.62	145.03	139.34	121.42	133.07	137.78
Current Liabilities	Rs. In Mln	178.55	177.03	176.41	162.98	125.25	134.15	151.14
Total Assets	Rs. In Mln	993.79	915.02	864.22	842.77	818.19	797.66	783.46
<b>Key Ratios</b>								
Gross Margin	percent	37.77	41.88	(16.63)	14.56	60.70	65.18	68.72
Operating Margin	percent	1,620.94	1,068.96	540.03	101.77	142.46	122.01	585.58
Net Profit/(Loss)	percent	1,341.60	886.76	180.89	(142.88)	121.99	88.46	479.99
Return on Capital Employed	percent	0.08	0.06	0.01	(0.01)	0.04	0.05	0.18
Current Ratio	Times	0.81	0.79	0.82	0.85	0.97	0.99	0.91
Earning Per Share	Rs.	2.20	1.35	0.16	(0.32)	0.89	1.01	3.55



## 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 2023**

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

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

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

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Adnan Amjad Mr. Muhammad Akbar Khan
Non-Executive Directors	Mr. Shaukat Shafi (Chairman) Mr. Tariq 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:

<b>Sr. No.</b>	<b>Name of Directors</b>
1.	Mr. Shaukat Shafi
2.	Mr. Shams Rafi
3.	Mr. Salman Rafi
4.	Mr. Tariq Shafi
5.	Mr. Adnan Amjad

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:

<b>Sr. No.</b>	<b>Name of Directors</b>
1.	Mr. Muhammad Akbar Khan
2.	Ms. Sana Salman

10. The Board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Further, the position of Head of Internal Audit is vacant till the reporting date;



11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

<b>Names</b>	<b>Designation held</b>
Mr. Adnan Amjad	Chairman
Mr. Shaukat Shafi	Member
Ms. Sana Salman	Member

**b) HR and Remuneration Committee**

<b>Names</b>	<b>Designation held</b>
Mr. Adnan Amjad	Chairman
Mr. Salman Rafi	Member
Mr. Shaukat 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 2023.

**b) HR and Remuneration Committee**

One meeting of HR and Remuneration Committee were held during the financial year ended 30 June 2023.



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 for the following:
  - a) the Independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5;
  - a) Regulation 27(5) requires that the secretary of audit committee shall circulate the minutes of meetings of the audit committee to all members, directors, head of internal audit and where required to chief financial officer prior to the next meeting of the Board. Provided that where this is not practicable, the Chairman of the audit committee shall communicate a synopsis of the proceedings to the Board and the minutes shall be circulated along with the minutes of the meeting of the Board. However, Audit committee minutes are not circulated to all the respective persons.
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.	<b>Representation of Minority shareholders</b>  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.	<b>Responsibilities of the Board and its members</b> The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.	Annually, the Board has not evaluated its own performance, member of the Board and its committees.	10 (3)
3.	<b>Responsibilities of the Board and its members:</b>  The Chairman of the Board shall, at the beginning of term of each director, issue letter to directors setting out their role, obligations, powers and responsibilities in accordance with the Act and the company's Articles of Association, their remuneration and entitlement.	Since all the directors have been re-elected, issuance of fresh letter has not been considered appropriate.  All the directors are experienced and are well aware of their role, obligations, powers and responsibilities in accordance with the Act and applicable Rules.	10 (5)
4.	<b>Minutes of Board Meeting</b>  As per section 178(4) of Companies Act, 2017, minutes of meeting shall be furnished within fourteen days of the date of meeting.	Minutes of the Board meetings are circulated as per the regulations. However, circulation summary or notes shall be separately maintained for the next meetings.	12 (1)
5.	<b>Directors' Orientation Program</b>  All companies shall make appropriate arrangements to	Currently, the Company has not made any arrangement for orientation program. However, the Company shall	



	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.	carry out the said program in due course.	18
6.	<b>Directors' Training</b>  It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Out of seven, four 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. However, remaining directors will attain the certification in due course.	19 (1)
7.	<b>Directors' Training</b>  Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training program from July 2022.	The company has planned to arrange Directors' Training program certification for head of department in next years.	19 (3)
8.	<b>Approval of Head of Internal Audit</b>  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
9.	<b>Nomination Committee</b>  The Board may constitute a separate committee, designated as the nomination committee, of	Currently the board has not constituted a separate nomination committee and	29 (1)



	such number and class of directors, as it may deem appropriate in its circumstances.	the functions are being performed by the human resource and remuneration committee.	
10.	<b>Risk Management Committee</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a separate Risk Management Committee and the function are being performed by the Board	30 (1)
11.	<b>Composition of internal audit function</b>  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
12.	<b>Disclosure of significant policies on website</b>  The company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the director's remuneration policy.	Although, these were circulated among the relevant employees and directors, the Board shall consider positing such policies and synopsis on its website in near future.	35
13.	<b>Directors' Report</b>  The directors in their report to members shall include, Composition including the following;  (a) Independent directors; (b) Non-executive directors; (c) Executives directors; (d) Female director; And	Currently, the company is in process to state the composition and remuneration policy of non-executive directors including independent directors. The Company would comply with these requirements of the Regulations in the next financial year.	34 (2) (i & iv)



	Shall state the remuneration policy of non-executive directors including independent directors, as approved by the Board, which shall also include disclosing the significant features and elements thereof.		
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**Shaukat Shafi**  
Chairman

**Date: October 04, 2023**  
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 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 2023.

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	The number of independent directors appointed is less than the number prescribed by the Regulations i.e., at least two or 1/3 members of the Board, whichever is higher and is not rounded up as one.
(ii)	18	<p>As per regulations 27(5) of the Regulations, the secretary of audit committee shall circulate minutes of meetings of the audit committee to all members, directors, head of internal audit and where required to chief financial officer prior to the next meeting of the Board:</p> <p>Provided that where this is not practicable, the chairman of the audit committee shall communicate a synopsis of the proceedings to the Board and the minutes shall be circulated along with the minutes of the meeting of the Board. However, Audit committee minutes are not circulated to all the respective persons. Circulation summary or notes shall be separately maintained for the next meetings.</p>

**RIAZ AHMAD & COMPANY**

**Chartered Accountants**

**KARACHI**

**Date: October 04, 2023**

**UDIN: CR202310045x5OSZYMQR**



## 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 2023, 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 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Adverse Opinion

- (a) Trade debts (note 8), loans and advances (note 9) and other receivables (note 10) as at 30 June 2023 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.855 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, trade debts, loans and advances and other receivables as at 30 June 2023 include aggregate balance of



Rupees 10.533 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 debts, loans and advances 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 30 June 2023, trade and other payable (note 18) includes creditors amounting to Rupees 9.335 million, advance from customers amounting to Rupees 10.371 million and other liabilities amounting to Rupees 1.719 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). During the prior year, Federal Board of Revenue (FBR) has opined in favour of the Company that it was qualified for zero rating gas facility. Accordingly, the Company approached SSGCL for recovery of sales tax recovered. SSGCL is of the view that the same has been deposited with FBR and may be claimed by the Company as refund. Since the time for application of refund is time barred and other legal formalities involved for release of refund, we could not satisfy ourselves with respect of recovery of this balance.
- (d) Revenue amounting Rupees 5.338 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 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 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 2023. 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 2023 and as of that date its accumulated loss is Rupees 244.986 million and its current liabilities exceeds its current assets by Rupees 33.795 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.	<p><b>Valuation of investment property</b></p> <p>The Company revalued its investment properties (i.e., leasehold land and building comprising godowns leased out by the Company to multiple tenants) based on the valuation carried out by an independent external valuer engaged by the management. The valuation of such properties was identified as an area subject to significant risk due to its significant effect on the Company's financial position as well as the profitability and earnings per share for the year.</p> <p>As part of our risk assessment exercise, we considered the risk that the aforesaid valuation may be materially overstated.</p> <p>For further information, refer to note 2.8 and note 4 to the financial statements.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"><li>• Obtained and inspected the valuation report prepared by the external independent expert engaged by the Company on which the management's assessment of the valuation of investment properties was based.</li><li>• Evaluated the objectivity, competence and independence of the external independent expert.</li><li>• Performed assessment of the methods used, inputs and key assumptions.</li><li>• Considered and tested particular calculations of the external independent expert on sample basis.</li><li>• ensured that the investment property has been correctly classified in accordance with the applicable accounting and reporting standards.</li><li>• Evaluated the information provided by the Company to the external</li></ul>



Sr. No.	Key audit matter	How the matter was addressed in our audit
		<p data-bbox="932 275 1430 348">independent expert by inspecting the relevant underlying documentation.</p> <ul data-bbox="883 394 1430 577" style="list-style-type: none"><li data-bbox="883 394 1430 577">• Tested and assessed the completeness, appropriateness and adequacy of the disclosures in the financial statements with regard to the revaluation performed.</li></ul>

### 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.



Boards 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**

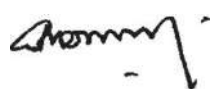
**Date: October 04, 2023**

**UDIN: AR202310045AQ5bpNZwD**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

<b>ASSETS</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	<b>100,216,550</b>	101,051,944
Investment property	4	<b>728,696,748</b>	655,703,215
Long term investments	5	<b>7,737,719</b>	7,575,882
Long term loans	6	<b>1,199,390</b>	1,042,890
Long term deposits	7	<b>11,182,740</b>	10,026,732
		<b>849,033,147</b>	775,400,663
<b>CURRENT ASSETS</b>			
Trade debts	8	<b>26,169,678</b>	26,319,216
Loans and advances	9	<b>23,073,214</b>	23,051,714
Other receivables	10	<b>80,271,522</b>	79,356,145
Advance income tax and refundable		<b>10,179,913</b>	9,187,852
Cash and bank balances	11	<b>5,061,052</b>	1,701,125
		<b>144,755,379</b>	139,616,052
		<b>993,788,526</b>	915,016,715
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
34,000,000 (2022: 34,000,000) ordinary shares of Rupees 10 each		<b>340,000,000</b>	340,000,000
Issued, subscribed and paid up share capital	12	<b>324,912,050</b>	324,912,050
<b>Revenue reserves</b>			
General		<b>51,012,000</b>	51,012,000
Accumulated loss		<b>(244,986,106)</b>	(316,618,062)
<b>Capital reserves</b>			
Fair value reserve on 'fair value through other comprehensive income' investments	13	<b>5,460,975</b>	5,299,138
Revaluation surplus on property, plant and equipment	14	<b>665,892,407</b>	658,775,816
<b>Total equity</b>		<b>802,291,326</b>	723,380,942
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	15	<b>-</b>	1,883,876
Deferred income tax liability	16	<b>11,420,996</b>	11,413,631
Employees' retirement benefits	17	<b>1,526,243</b>	1,306,662
		<b>12,947,239</b>	14,604,169
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	<b>96,152,188</b>	106,401,869
Current portion of long term financing	15	<b>2,525,212</b>	5,841,336
Short term financing	19	<b>27,413,456</b>	18,324,680
Provisions	20	<b>9,928,940</b>	9,928,940
Unclaimed dividend		<b>577,482</b>	577,737
Provision for taxation		<b>41,952,683</b>	35,957,042
		<b>178,549,961</b>	177,031,604
		<b>191,497,200</b>	191,635,773
<b>TOTAL LIABILITIES</b>		<b>191,497,200</b>	191,635,773
<b>CONTINGENCIES AND COMMITMENTS</b>	21		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>993,788,526</b>	915,016,715

The annexed notes from 1 to 34 form an integral part of these financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



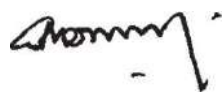
**CHIEF FINANCIAL OFFICER**



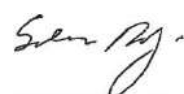
**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
Revenue	22	<b>5,337,933</b>	4,960,168
Cost of revenue	23	<b>(3,321,540)</b>	(2,882,732)
Gross profit		<b>2,016,393</b>	2,077,436
Administrative and general expenses	24	<b>(65,049,641)</b>	(54,905,688)
Allowance for expected credit losses	7	-	(644,149)
Other income	25	<b>149,557,946</b>	106,494,740
Profit from operations		<b>86,524,698</b>	53,022,339
Finance cost		<b>(242,860)</b>	(28,332)
Profit before taxation		<b>86,281,838</b>	52,994,007
Provision for taxation	26	<b>(14,667,912)</b>	(9,008,981)
Profit after taxation		<b>71,613,926</b>	43,985,026
Earnings per share - basic and diluted	27	<b>2.20</b>	1.35

The annexed notes from 1 to 34 form an integral part of these financial statements.



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**CHIEF EXECUTIVE OFFICER**



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**DIRECTOR**



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**CHIEF FINANCIAL OFFICER**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b> <b>Rupees</b>	<b>2022</b> <b>Rupees</b>
<b>PROFIT AFTER TAXATION</b>	<b>71,613,926</b>	43,985,026
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
- Revaluation surplus on property, plant and equipment	<b>7,116,591</b>	6,541,512
- Actuarial gain / (loss) on remeasurement of employees retirement benefits related deferred tax	<b>25,395</b> <b>(7,365)</b> <b>18,030</b>	(197,129) 57,167 (139,962)
- Unrealized gain / (loss) arising on remeasurement of investments 'at fair value through other comprehensive income'	<b>161,837</b>	(315,989)
<b>Items that may be reclassified subsequently to profit or loss:</b>	-	-
	<b>7,296,458</b>	6,085,561
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>78,910,384</u></b>	<b><u>50,070,587</u></b>

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
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**CHIEF EXECUTIVE OFFICER**

  
 \_\_\_\_\_  
**DIRECTOR**

  
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**CHIEF FINANCIAL OFFICER**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	CAPITAL							REVENUE		TOTAL EQUITY
	Issued, subscribed and paid up share capital	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	TOTAL		
									Rupees	
<b>Balance as at 30 June 2021</b>	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	
Profit for the year	-	-	6,541,512	6,541,512	-	43,985,026	43,985,026	50,526,538	50,526,538	
Other comprehensive income for the year	-	(315,989)	-	(315,989)	-	(139,962)	(139,962)	(455,951)	(455,951)	
Total comprehensive income for the year	-	(315,989)	6,541,512	6,225,523	-	43,845,064	43,845,064	50,070,587	50,070,587	
<b>Balance as at 30 June 2022</b>	<u>324,912,050</u>	<u>5,299,138</u>	<u>658,775,816</u>	<u>664,074,954</u>	<u>51,012,000</u>	<u>(316,618,062)</u>	<u>(265,606,062)</u>	<u>398,468,892</u>	<u>723,380,942</u>	
Profit for the year	-	-	<b>7,116,591</b>	<b>7,116,591</b>	-	<b>71,613,926</b>	<b>71,613,926</b>	<b>78,730,517</b>	<b>78,730,517</b>	
Other comprehensive income for the year	-	<b>161,837</b>	-	<b>161,837</b>	-	<b>18,030</b>	<b>18,030</b>	<b>179,867</b>	<b>179,867</b>	
Total comprehensive income for the year	-	<b>161,837</b>	<b>7,116,591</b>	<b>7,278,428</b>	-	<b>71,631,956</b>	<b>71,631,956</b>	<b>78,910,384</b>	<b>78,910,384</b>	
<b>Balance as at 30 June 2023</b>	<u><b>324,912,050</b></u>	<u><b>5,460,975</b></u>	<u><b>665,892,407</b></u>	<u><b>671,353,382</b></u>	<u><b>51,012,000</b></u>	<u><b>(244,986,106)</b></u>	<u><b>(193,974,106)</b></u>	<u><b>477,379,276</b></u>	<u><b>802,291,326</b></u>	

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

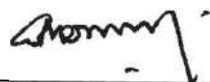
  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
<b>Profit before taxation</b>		<b>86,281,838</b>	52,994,007
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		2,787,445	2,747,575
Provision for gratuity		244,976	149,814
Fair value gain on investment property		(72,932,927)	(50,246,904)
Rental income		(61,276,061)	(55,446,206)
Loss on disposal of property, plant and equipment		103,934	-
Allowance for expected credit loss		-	644,149
Finance cost		242,860	28,332
		<b>(130,829,773)</b>	<b>(102,123,240)</b>
Net cash used in operating activities before working capital changes		<b>(44,547,935)</b>	<b>(49,129,233)</b>
<b>Working capital changes</b>			
<i>Decrease / (increase) in current assets</i>			
Trade debts		149,538	851,332
Loans and advances		(21,500)	(11,500)
Other receivables		(915,377)	(120,618)
<i>(Decrease) / Increase in current liabilities</i>			
Unclaimed dividend paid		(255)	-
Trade and other payables		(9,110,681)	952,209
Working capital changes		<b>(9,898,275)</b>	<b>1,671,423</b>
<b>Cash used in operations</b>		<b>(54,446,210)</b>	<b>(47,457,810)</b>
Finance cost paid		(242,860)	(28,332)
Income tax paid		(9,664,332)	(8,548,762)
Gratuity paid		(1,139,000)	(1,510,551)
<b>Net cash used in operating activities</b>		<b>(65,492,402)</b>	<b>(57,545,455)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		5,000,000	-
Addition to property, plant and equipment		-	(2,937,131)
Long term deposits paid		(1,156,008)	-
Payment of long term loan to employees		(156,500)	(189,000)
Rental income received		61,276,061	55,446,206
<b>Net cash generated from investing activities</b>		<b>64,963,553</b>	<b>52,320,075</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financings obtained during the year		3,888,776	-
<b>Net cash generated from financing activities</b>		<b>3,888,776</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3,359,927</b>	<b>(5,225,380)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,701,125</b>	<b>6,926,505</b>
<b>Cash and cash equivalents at the end of the year</b>	11	<b>5,061,052</b>	<b>1,701,125</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



**JUBILEE SPINNING & WEAVING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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:

<b>Sr. No.</b>	<b>Manufacturing unit and office</b>	<b>Address</b>
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 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements'.
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.
- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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 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.





**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 2023 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'.

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 1 January 2023.

This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.



On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

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

The above amendments and improvements are likely to have no significant 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 2023 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.

**2.5 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.

**2.6 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.

## **2.7 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.

## **2.8 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.

## **2.9 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.

### **2.10 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.

### **2.11 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.

### **2.12 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.

**2.13 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'.

**2.14 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.

### **2.15 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.

### **2.16 Borrowings**

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

### **2.17 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.

### **2.18 Share capital**

Ordinary shares are classified as equity.

### **2.19 Trade and other payables**

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



## 2.20 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.

## 2.21 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.



## 2.22 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.

## 2.23 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.

## 2.24 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.

## 2.25 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.

## **2.26 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

	Lease hold land	Plant and machinery	Installation & equipment	Computer equipment	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Year ended 30 June 2022</b>						
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 3.1	-	(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
<b>Carrying value as at 30 June 2022</b>						
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	
<b>Year ended 30 June 2023</b>						
Opening net book value	71,956,641	5,466,361	23,361,462	265,358	2,122	101,051,944
Surplus on revaluation during the year	7,116,591	-	-	-	-	7,116,591
Additions - at cost	-	-	-	-	-	-
Transfer to investment property	(60,606)	-	-	-	-	(60,606)
Disposals - at NBV	-	(5,103,934)	-	-	-	(5,103,934)
Depreciation charge - Note 3.1	-	(362,427)	(2,336,143)	(88,450)	(425)	(2,787,445)
Closing net book value	79,012,626	-	21,025,319	176,908	1,697	100,216,550
<b>Carrying value as at 30 June 2023</b>						
Cost / re-assessed value	79,012,626	-	27,414,190	441,871	438,930	107,307,617
Accumulated depreciation	-	-	(6,388,871)	(264,963)	(437,233)	(7,091,067)
Net book value (NBV)	79,012,626	-	21,025,319	176,908	1,697	100,216,550
Rate of depreciation (%)		10	10	33	20	

		2023 Rupees	2022 Rupees
<b>3.1 Depreciation charge for the year has been allocated as follows:</b>			
Cost of revenue	23	2,698,570	2,697,732
Administrative and general expenses	24	88,875	49,843
		<u>2,787,445</u>	<u>2,747,575</u>

**3.2** Forced sale value of property, plant and equipment (i.e. leasehold land) as on the reporting date is Rupees 59.259 million (2022: Rupees 53.967 million). The valuation has been carried out by an independent valuer.

**3.3 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	31,289

**3.4 Particular of disposal of plant and machinery**

Particular	Cost	Accumulated depreciation	Net book value	Sales proceed	Gain (loss)	Mode of disposal	Particular of buyers
Gas generator	7,92,1629	2,817,695	5,103,934	5,000,000	(103,934)	Negotiation	Electro power engineering

<b>4. INVESTMENT PROPERTY</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Opening net book value		<b>655,703,215</b>	605,456,311
Fair value gain		<b>72,932,927</b>	50,246,904
		<b>728,636,142</b>	655,703,215
Transfer from lease hold land during the year		<b>60,606</b>	-
Closing net book value		<b>728,696,748</b>	655,703,215

**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 2023 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 546.523 million (2022: Rupees 491.777 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	273,631	215,176

## **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	<b>7,737,719</b>	7,575,882
		<b>7,737,719</b>	7,575,882

### **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% (2022: 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 CSPL has been fully impaired in preceding years due to share of loss accounted for under equity method of accounting.

Latest financial statements of CSPL 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	2023		2022	
		Cost	Fair market value	Cost	Fair market value
		Rupees		Rupees	
<b>Associated companies (without significant influence)</b>					
Taxmac Services (Private) Limited - unquoted 52,000 (2022: 52,000) fully paid ordinary shares of Rupees 10 each. Equity held 26.00% (2022: 26.00%)	5.2.1	<b>116,360</b>	<b>116,360</b>	116,360	116,360
<b>Others</b>					
Premier Insurance Limited - quoted 18,682 (2022: 18,682) fully paid ordinary shares of Rupees 10 each. Equity held 0.04% (2022: 0.04%)		<b>291,989</b>	<b>93,410</b>	291,989	81,080
Crescent Industrial Chemical Limited - unquoted 184,000 (2022: 184,000) fully paid ordinary shares of Rupees 10 each. Equity held 17.57% (2022: 17.57%)	5.2.2	-	-	-	-
Crescent Jute Products Limited - quoted 1,709,683 (2022: 1,709,683) fully paid ordinary shares of Rupees 10 each. Equity held 7.19% (2022: 7.19%)	5.2.3	<b>1,640,220</b>	<b>5,812,922</b>	1,640,220	5,812,922
Shakarganj Limited - quoted 39,138 (2022: 39,138) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2022: 0.03%)		<b>228,175</b>	<b>1,715,027</b>	228,175	1,565,520
Crescent Spinning Mills Limited - unquoted 290,000 (2022: 290,000) fully paid ordinary shares of Rupees 10 each	5.2.4	-	-	-	-
		<b>2,276,744</b>	<b>7,737,719</b>	<b>2,276,744</b>	<b>7,575,882</b>

**5.2.1** Taxmac 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 Taxmac 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

		2023 Rupees	2022 Rupees
Due from employees	6.1	<b>1,425,028</b>	1,247,028
Less: Current portion shown under current assets		<b>(225,638)</b>	(204,138)
		<b>1,199,390</b>	1,042,890

**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.



<b>7. LONG TERM DEPOSITS</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
<b>Security deposits:</b>			
- Deposit against bank guarantee		<b>4,812,878</b>	4,812,878
- Sui Southern Gas Company Limited		<b>5,172,204</b>	5,172,204
- K-Electric deposit		<b>1,156,008</b>	-
- Others		<b>685,799</b>	685,799
		<b>11,826,889</b>	10,670,881
Less: Allowance for expected credit losses			
As at 01 July		<b>644,149</b>	-
Recognized during the year		-	644,149
As at 30 June		<b>644,149</b>	644,149
		<b>11,182,740</b>	10,026,732
<b>8. TRADE DEBTS</b>			
<b>Unsecured:</b>			
Related party	8.1	<b>19,297,988</b>	19,297,988
Others	8.2	<b>9,743,250</b>	9,892,788
		<b>29,041,238</b>	29,190,776
Less: Allowance for expected credit losses			
As at 01 July		<b>2,871,560</b>	2,871,560
Recognized during the year		-	-
As at 30 June		<b>2,871,560</b>	2,871,560
		<b>26,169,678</b>	26,319,216
<b>8.1</b>	This represents receivable from Cresox (Private) Limited - an associated company.		
<b>8.2</b>	This includes service income against use of Company's power house equipment and rent receivable aggregately amounting to Rupees 8.796 million (2022: Rupees 6.794 million) from tenants.		
<b>8.3</b>	As at 30 June 2023, trade debts due from related party amounting to Rupees 19.298 million (2022: Rupees 19.298 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		<b>19,297,988</b>	19,297,988
		<b>19,297,988</b>	19,297,988
<b>8.4</b>	As at 30 June 2023, trade debt due from other than related party amounting to Rupees 6.872 million (2022: Rupees 7.021 million) were past due but not impaired. The ageing analysis of is as follows:		
		<b>2,880,506</b>	3,979,613
1 to 6 months		<b>2,029,173</b>	1,333,253
More than 6 months		<b>1,962,011</b>	1,708,362
More than 1 year	8.5	<b>6,871,690</b>	7,021,228
<b>8.5</b>	As at 30 June 2023, trade debt due from other than related party amounting to Rupees 2.871 million (2022: 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.		
<b>8.6</b>	The maximum aggregate amount receivable from related parties at the end of any month during the year was Rupees 19.298 million (2022: Rupees 19.298 million).		
<b>8.7</b>	The maximum aggregate amount receivable from other than related parties at the end of any month during the year was Rupees 9.743 million (2022: Rupees 9.993 million).		
<b>9. LOANS AND ADVANCES - considered good &amp; unsecured</b>			
Related party	9.1 & 9.2	<b>22,574,022</b>	22,574,022
Others	9.3	<b>499,192</b>	477,692
		<b>23,073,214</b>	23,051,714

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

**9.2** As at 30 June 2023, advances given to related party amounting to Rupees 22.574 million (2022: Rupees 22.574 million) were past due but not impaired. The ageing analysis of these loan & advances is as follows:

	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
upto 6 months		-	-
6 months to 1 year		-	-
more than 1 year		<b>22,574,022</b>	22,574,022
		<b>22,574,022</b>	<b>22,574,022</b>

**9.3** As at 30 June 2023, advances given to other than related party amounting to Rupees 0.499 million (2022: Rupees 0.478 million) were past due but not impaired. The ageing analysis of these loan & advances is as

upto 6 months		<b>21,500</b>	39,000
6 months to 1 year		-	-
more than 1 year		<b>477,692</b>	438,692
		<b>499,192</b>	<b>477,692</b>

**10. OTHER RECEIVABLES - considered good & unsecured**

Related party	10.1 & 10.2	<b>14,854,675</b>	14,854,675
Others		<b>52,162,608</b>	51,247,231
Sui Southern Gas Company Limited	10.3	<b>13,254,239</b>	13,254,239
		<b>80,271,522</b>	<b>79,356,145</b>

**10.1** This represents amount receivable from Cresox (Private) Limited - an associated company Rupees 14.755 million (2022: Rupees 14.755 million) and amount receivable from Mr. Jahanzeb Shafi (director) Rupees 0.1 million (2022: Rupees 0.1 million).

**10.2** As at 30 June 2023, receivable from related party amounting to Rupees 14.855 million (2022: Rupees 14.855 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		<b>14,854,675</b>	14,854,675
		<b>14,854,675</b>	<b>14,854,675</b>

**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 above mentioned balances against its demand. However, the management believes the demand of SSGCL is unjustified and without any clarification and the act of SSGCL untenable. During the year, in compliance of the order of the Honorable 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 to 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**

		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
Cash in hand		<b>69,279</b>	55,357
Cash at bank - current accounts	11.1	<b>4,991,773</b>	1,645,768
		<b>5,061,052</b>	1,701,125

**11.1** This includes an amount of Rupees 0.794 million (2022: 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**

	<b>2023</b>	<b>2022</b>			
	<b>(NUMBER OF SHARES)</b>				
	<b>700</b>	700	Ordinary shares of Rupees 10 each fully paid in cash	<b>7,000</b>	7,000
	<b>1,500,000</b>	1,500,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash (Note 12.1)	<b>15,000,000</b>	15,000,000
	<b>5,516,167</b>	5,516,167	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	<b>55,161,670</b>	55,161,670
	<b>16,500,000</b>	16,500,000	Ordinary shares of Rupees 10 each issued against conversion of loan from directors and associates (Note 12.2)	<b>165,000,000</b>	165,000,000
	<b>8,974,338</b>	8,974,338	Ordinary shares of Rupees 10 each issued to shareholders of Jubilee Energy Limited under the Scheme of Amalgamation (Note 12.3)	<b>89,743,380</b>	89,743,380
	<b>32,491,205</b>	32,491,205		<b>324,912,050</b>	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.

<b>13. FAIR VALUE RESERVE ON 'FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME' INVESTMENTS</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Balance as on 01 July		<b>5,299,138</b>	5,615,127
Fair value adjustment made during the year	13.1	<b>161,837</b>	(315,989)
Balance as on 30 June		<b><u>5,460,975</u></b>	<u>5,299,138</u>

**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	<b>157,587,151</b>	150,470,560
- Investment property	14.2	<b>508,305,256</b>	508,305,256
		<b><u>665,892,407</u></b>	<u>658,775,816</u>

#### **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 2023.

Balance as at 01 July	<b>71,956,641</b>	65,415,129
Increase in surplus on revaluation	<b>7,116,591</b>	6,541,512
	<b><u>79,073,232</u></b>	<u>71,956,641</u>

Surplus on revaluation of associated company accounted for under equity method	14.5	<b>78,513,919</b>	78,513,919
		<b><u>157,587,151</u></b>	<u>150,470,560</u>

#### **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	<b>508,305,256</b>	508,305,256
Effect of change in tax rate	-	-
	<b><u>508,305,256</u></b>	<u>508,305,256</u>

**14.3** The latest revaluation of leasehold land and building have been determined as at 30 June 2023 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 2023 is nil (2022: 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	<b>2,525,212</b>	7,725,212
Less: Current portion of long tem financing	<b><u>(2,525,212)</u></b>	<u>(5,841,336)</u>
	<b>-</b>	<u>1,883,876</u>

**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.

<b>16. DEFERRED INCOME TAX LIABILITY</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Deferred tax liability on revaluation of investment property		<b>8,183,086</b>	8,183,086
Deferred tax liability on remeasurement of employees retirement benefits		-	-
		<b>3,237,910</b>	3,230,545
		<b>11,420,996</b>	11,413,631

<b>17. EMPLOYEES RETIREMENT BENEFITS Staff gratuity scheme - unfunded</b>			
Present value of defined benefit obligation	17.2	<b>10,995,568</b>	11,914,987
Less: Payable to ex-employees (current liability)	18	<b>(9,469,325)</b>	(10,608,325)
		<b>1,526,243</b>	1,306,662

**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 2023.

**17.2 Movement in present value of defined benefit obligation**

Balance at beginning of the year		<b>11,914,987</b>	13,078,595
Current service cost		<b>71,843</b>	53,842
Interest cost		<b>173,133</b>	95,972
Benefits paid during the year		<b>(1,139,000)</b>	(1,510,551)
Actuarial (gain) / loss		<b>(25,395)</b>	197,129
Balance as at end of the year		<b>10,995,568</b>	11,914,987

**17.3 Movement in balances**

Balance at beginning of the year		<b>11,914,987</b>	13,078,595
Charge for the year	17.4	<b>219,581</b>	346,943
		<b>12,134,568</b>	13,425,538
Benefits paid during the year		<b>(1,139,000)</b>	(1,510,551)
Balance at the end of the year		<b>10,995,568</b>	11,914,987

**17.4 Charge for the year**

**In the statement of profit or loss :**

Current service cost	<b>71,843</b>	53,842
Interest cost	<b>173,133</b>	95,972
	<b>244,976</b>	149,814

**In the statement of other comprehensive income:**

Actuarial (gain) / loss due to change in:

- Experience adjustments	<b>(33,127)</b>	188,973
- Financial assumptions	<b>7,732</b>	8,156
	<b>(25,395)</b>	197,129
	<b>219,581</b>	346,943

<b>17.5 Principal actuarial assumption</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Following principal actuarial assumptions were used for the valuation:			
Estimated rate of increase in salary of the employees		<b>15.25%</b>	12.25%
Discount rate		<b>16.25%</b>	13.25%

#### **17.6 Sensitivity analysis for actuarial assumptions:**

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

		<b>Defined benefit obligation</b>		
		<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
		<b>Percentage</b>	<b>Rupees</b>	<b>Rupees</b>
Discount rate	1		1,424,098	1,638,038
Salary increase	1		1,639,720	1,420,833

#### **18. TRADE AND OTHER PAYABLES**

Creditors		<b>9,334,973</b>	11,180,417
Gratuity payable to ex-employees	17	<b>9,469,325</b>	10,608,325
Accrued liabilities		<b>22,373,585</b>	22,761,774
Advance from customers		<b>10,371,210</b>	15,797,270
Insurance payable		<b>3,795,572</b>	12,735,179
Income tax deducted at source		<b>20,164,183</b>	17,443,771
Security deposits	18.1	<b>18,544,244</b>	14,154,938
Unclaimed Workers' Profit Participation Fund		<b>1,673</b>	1,673
Other liabilities		<b>2,097,423</b>	1,718,522
		<b>96,152,188</b>	106,401,869

**18.1** These represent amount deposited by tenants against the rented premises.

#### **19. SHORT TERM FINANCING**

##### **From sponsor shareholders of the Company:**

Opening balance as at 01 July		<b>18,324,680</b>	18,324,680
Reclassified during the year		-	-
Loan obtained during the year		<b>9,088,776</b>	-
Closing balance	19.1	<b>27,413,456</b>	18,324,680

**19.1** These includes balance of unsecured interest free loans obtained from the sponsor of the Company namely Muhammad Anwar amounting to Rupees 7.7 million, Ahmed Shafi amounting to Rupees 6.800 million, Shams Rafi amounting to Rupees 5.764 million and Salman Rafi amounting to Rupees 7.075 million became due as at reporting date and are repayable on demand.

<b>20. PROVISIONS</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Provision for penalty on account of non-deposition of withholding tax	20.1	<b>9,928,940</b>	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	<b>793,800</b>	793,800
Habib Metropolitan Bank Limited	21.1.2	<b>4,812,878</b>	4,812,878
		<b>5,606,678</b>	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 2023 (2022: Nil).

22. REVENUE	Note	2023 Rupees	2022 Rupees
Service income	22.1	<u>5,337,933</u>	<u>4,960,168</u>

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

## 23. COST OF REVENUE

Repair and maintenance		<b>622,970</b>	185,000
Depreciation	3.2	<b>2,698,570</b>	2,697,732
		<u><b>3,321,540</b></u>	<u>2,882,732</u>

## 24. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, allowances and benefits		<b>33,418,194</b>	29,708,606
Travelling, conveyance and entertainment		<b>10,462,110</b>	5,796,188
Printing stationery		<b>225,721</b>	151,335
Communication		<b>1,108,531</b>	797,328
Rent, rates and taxes		<b>1,374,381</b>	3,318,451
Penalty		-	50,025
Insurance		<b>224,323</b>	237,761
Subscription and periodicals		<b>3,071,627</b>	3,676,205
Repair and maintenance		<b>10,062,041</b>	7,151,311
General expenses		<b>2,300,360</b>	762,139
Auditors' remuneration	24.1	<b>820,000</b>	820,000
Directors' meeting fee		<b>265,000</b>	155,000
Advertisement		<b>355,100</b>	120,000
Legal and professional charges		<b>1,169,444</b>	2,111,496
Depreciation	3.2	<b>88,875</b>	49,843
Loss on disposal		<b>103,934</b>	-
		<u><b>65,049,641</b></u>	<u>54,905,688</u>



<b>24.1 Auditors' remuneration</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
<b>Audit services</b>			
Audit fee		<b>430,000</b>	430,000
Half yearly review		<b>125,000</b>	125,000
Certification for regulatory purposes		<b>115,000</b>	115,000
Out of pocket expenses		<b>150,000</b>	150,000
		<b>820,000</b>	820,000
<b>25. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Markup on deposits		<b>779,291</b>	607,630
Other		<b>14,365,667</b>	-
		<b>15,144,958</b>	607,630
<b>Income from non financial assets</b>			
Rental income		<b>61,276,061</b>	55,446,206
Gain on remeasurement of fair value of investment property		<b>72,932,927</b>	50,246,904
Others		<b>204,000</b>	194,000
		<b>134,412,988</b>	105,887,110
		<b>149,557,946</b>	106,494,740
<b>26. PROVISION FOR TAXATION</b>			
Current	26.1	<b>14,667,912</b>	9,008,981
Deferred	26.2	-	-
		<b>14,667,912</b>	9,008,981

### **26.1 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.

### **26.2 Deferred**

Deferred tax asset as at 30 June 2023 to the extent of Rupees 36.884 million (2022: 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).

	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>26.3</b> Relationship between tax expense and accounting profit:		
Accounting profit before taxation	<b>86,281,838</b>	52,994,007
Tax @ 29% (2022: 29%)	<b>25,021,733</b>	15,368,262
Effect of:		
Effect of minimum tax	<b>(10,353,821)</b>	(6,359,281)
	<b>14,667,912</b>	9,008,981

## **27. 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	<b>(Rupees)</b>	<b>71,613,926</b>	43,985,026
Weighted average number of ordinary shares	<b>(Numbers)</b>	<b>32,491,205</b>	32,491,205
Earnings per share	<b>(Rupee)</b>	<b>2.20</b>	1.35

## **28. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE**

### **Chief Executive Officer**

Managerial remuneration	<b>6,000,000</b>	5,932,758
House rent allowance	<b>2,700,000</b>	2,669,741
Travelling allowance	<b>3,019,952</b>	2,820,805
Utilities	<b>839,427</b>	275,235
Rentals paid for vehicle	-	903,843
Membership bills	<b>911,683</b>	653,773
Fuel and maintenance allowance	<b>1,269,218</b>	-
	<b>14,740,280</b>	13,256,155
Number of person	<b>1</b>	1

### **Director**

Managerial remuneration	<b>6,000,000</b>	5,932,759
House rent allowance	<b>2,700,000</b>	2,669,741
Travelling allowance	<b>2,942,521</b>	2,871,460
Utilities	<b>1,073,315</b>	377,816
Rentals paid for vehicle	<b>1,711,380</b>	2,290,323
Membership bills	<b>723,007</b>	735,583
Fuel and maintenance allowance	<b>1,480,249</b>	-
	<b>16,630,472</b>	14,877,682
Number of person	<b>1</b>	1

### **Executive**

Managerial remuneration	<b>1,492,991</b>	1,386,816
House rent allowance	<b>742,596</b>	689,508
Utilities	<b>3,900</b>	3,900
	<b>2,239,487</b>	2,080,224
Number of person	<b>1</b>	1

- 28.1** The chief executive officer is provided with the free maintenance of the car.
- 28.2** Aggregate amount charged in these financial statements for meeting fee of directors is Rupees 0.265 million (2022: Rupees 0.155 million).
- 28.3** No remuneration was paid to non-executive directors (2022: Rupees Nil) of the Company except meeting fee.

**29. 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)	-	-

Power generation plant has been disposed off during the year.

**29.1 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.

### 30. TRANSACTION WITH RELATED PARTIES

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

Relationship with the Company	Name of Related Party	Basis of relationship	Nature of transaction	2023 Rupees	2022 Rupees	
i.	Staff retirement funds	Staff gratuity scheme - unfunded	-	Expense charged for retirement benefit plans	<b>244,976</b>	149,814
				Payment to retirement benefit plans	<b>1,139,000</b>	1,510,551
				<b>Receivable / (payable) closing balance</b>		
ii.	Associated companies	Cresox (Private) Limited	24.93% of shareholding	Trade debts	<b>19,297,988</b>	19,297,988
				Loans and advances	<b>22,574,022</b>	22,574,022
				Other receivable	<b>14,754,675</b>	14,754,675
iii.	Associated companies	Crescent Bahuman limited	Common directorship	Crescent Bahuman limited	<b>(5,426,060)</b>	(5,426,060)
iv.	Staff retirement funds	Staff gratuity scheme - unfunded	-	Balance of staff gratuity scheme	<b>(10,995,568)</b>	(11,914,987)
v.	Directors	-	-	Loan to director	<b>100,408</b>	100,408
				Director, associates and others	<b>(27,413,456)</b>	(18,324,680)

**30.1** Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 28.

## 31 FINANCIAL RISK MANAGEMENT

### 31.1 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)	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
KSE 100 (5% increase)	-	-	386,886	378,794
KSE 100 (5% decrease)	-	-	(386,886)	(378,794)

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 long term deposit being 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.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Fixed rate instruments</b>		
<b>Financial assets</b>	-	-
<b>Financial liabilities</b>	-	-
<b>Floating rate financial instruments</b>		
<b>Financial assets</b>		
Long term deposits	<b>4,812,878</b>	4,812,878
<b>Financial liabilities</b>	-	-

#### **Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

#### **Cash flow sensitivity analysis for variable rate instruments**

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 0.716 million (2022: Rupees 0.440 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting the dates were outstanding for the whole year.

#### **(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:

	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
Long term investments	<b>7,737,719</b>	7,575,882
Loans and advances	<b>24,272,604</b>	24,094,604
Long term deposits	<b>11,182,740</b>	10,026,732
Trade debts	<b>26,169,678</b>	26,319,216
Other receivables	<b>74,937,420</b>	74,985,013
Bank balances	<b>4,991,773</b>	1,645,768
	<b><u>149,291,934</u></b>	<u>144,647,215</u>

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

Banks	Rating			2023	2022
	Short Term	Long Term	Agency	Rupees	Rupees
Allied Bank Limited	A1+	AAA	PACRA	-	-
Faysal Bank Limited	A1+	AA	VIS	-	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	<b>2,668,405</b>	807,110
Bank (Pakistan) Limited	A1+	AAA	PACRA	<b>794,000</b>	794,000
MCB Bank Limited	A1+	AAA	PACRA	<b>1,518,012</b>	33,047
Soneri Bank Limited	A1+	AA-	PACRA	<b>11,356</b>	11,611
				<b>4,991,773</b>	1,645,768

#### Investments:

Texmac Services (Private) Limited	Unknown	-		<b>116,360</b>	116,360
Premier Insurance Limited	A	-	PACRA	<b>93,410</b>	81,080
Crescent Jute Products Limited	Unknown	-		<b>5,812,922</b>	5,812,922
Shakarganj Mills Limited	Unknown	-		<b>1,715,027</b>	1,565,520
				<b>7,737,719</b>	7,575,882

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 2023, the Company has Rupees 5.061 million (2022: Rupees 1.701 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 2023:

	Financing	Trade and other payables	Unclaimed dividend	Total
	Rupees	Rupees	Rupees	Rupees
Carrying amount	<b>29,938,668</b>	<b>62,685,780</b>	<b>577,482</b>	<b>93,201,930</b>
Contractual cash flows:				
6 month or less	<b>28,676,062</b>	<b>62,685,780</b>	<b>577,482</b>	<b>91,939,324</b>
6 - 12 month	<b>1,262,606</b>	-	-	<b>1,262,606</b>
1 - 2 year	-	-	-	-
More than 2 years	-	-	-	-
	<b>29,938,668</b>	<b>62,685,780</b>	<b>577,482</b>	<b>93,201,930</b>

**Contractual maturities of financial liabilities as at 30 June 2022:**

	<b>Financing</b>	<b>Trade and other payables</b>	<b>Unclaimed dividend</b>	<b>Total</b>
Carrying amount	26,049,892	74,519,033	577,737	101,146,662
Contractual cash flows:				
6 month or less	21,245,348	74,519,033	577,737	96,342,118
6 - 12 month	2,920,668	-	-	2,920,668
1 - 2 year	1,883,876	-	-	1,883,876
More than 2 years	-	-	-	-
	26,049,892	74,519,033	577,737	101,146,662

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 2023. The rates of interest / mark up have been disclosed in note 15.1 to these financial statements.

**31.2 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:

<b>Recurring fair value measurements</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Investments at 'fair value through other comprehensive income'	<b>7,621,359</b>	-	<b>116,360</b>	<b>7,737,719</b>
<b>As at 30 June 2022</b>				
Investments at available for sale	7,459,522	-	116,360	7,575,882

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

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

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

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

**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.

**31.3 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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 30 June 2023</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Property, plant and equipment	-	<b>79,012,626</b>	-	<b>79,012,626</b>
Investment property	-	<b>728,696,748</b>	-	<b>728,696,748</b>
	-	<b>807,709,374</b>	-	<b>807,709,374</b>
<b>As at 30 June 2022</b>				
Property, plant and equipment	-	71,956,641	-	71,956,641
Investment property	-	655,703,215	-	655,703,215
	-	727,659,856	-	727,659,856

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.

### 31.4 Financial instruments by categories

	At 'fair value through other comprehensive income'	At amortized cost	Total
<b>As at 30 June 2023</b>			
<b>Assets as per statement of financial position</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Investments	7,737,719	-	7,737,719
Loans and advances	-	24,272,604	24,272,604
Long-term deposits	-	11,182,740	11,182,740
Trade debts	-	26,169,678	26,169,678
Other receivables	-	74,937,420	74,937,420
Cash and bank balances	-	5,061,052	5,061,052
	<b>7,737,719</b>	<b>141,623,494</b>	<b>149,361,213</b>

	Financial liabilities at amortized cost	Total
<b>Liabilities as per statement of financial position</b>		
Financing	29,938,668	29,938,668
Trade and other payables	62,685,780	62,685,780
Unclaimed dividend	577,482	577,482
	<b>93,201,930</b>	<b>93,201,930</b>

	At 'fair value through other comprehensive income'	At amortized cost	Total
<b>As at 30 June 2022</b>			
<b>Assets as per statement of financial position</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
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
	<b>7,575,882</b>	<b>137,126,690</b>	<b>144,702,572</b>

	Financial liabilities at amortized cost	Total
<b>Liabilities as per statement of financial position</b>	<b>Rupees</b>	<b>Rupees</b>
Financing	26,049,892	26,049,892
Trade and other payables	74,519,033	74,519,033
Unclaimed dividend	577,737	577,737
	<b>101,146,662</b>	<b>101,146,662</b>

**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
<b>As at 30 June 2023</b>			
<b>Assets as per financial position</b>			
Property, plant and equipment	-	100,216,550	100,216,550
Investment property	-	728,696,748	728,696,748
Long term investments	7,737,719	-	7,737,719
Loans and advances	24,272,604	-	24,272,604
Long term deposits	11,182,740	-	11,182,740
Trade debts	26,169,678	-	26,169,678
Other receivables	74,937,420	5,334,102	80,271,522
Advance income tax and refundable	-	10,179,913	10,179,913
Cash and bank balances	5,061,052	-	5,061,052
	<b>149,361,213</b>	<b>844,427,313</b>	<b>993,788,526</b>
<b>Liabilities as per financial position</b>			
Financing	29,938,668	-	29,938,668
Deferred income tax liability	-	11,420,996	11,420,996
Employees' retirement benefits	-	1,526,243	1,526,243
Trade and other payables	62,685,780	33,466,408	96,152,188
Provisions	-	9,928,940	9,928,940
Unclaimed dividend	577,482	-	577,482
Provision for taxation	-	41,952,683	41,952,683
	<b>93,201,930</b>	<b>98,295,270</b>	<b>191,497,200</b>
<b>As at 30 June 2022</b>			
<b>Assets as per financial position</b>			
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
	<b>144,702,572</b>	<b>770,314,143</b>	<b>915,016,715</b>

	<b>Financial liabilities</b>	<b>Non- financial liabilities</b>	<b>Total as per financial position</b>
<b>Liabilities as per financial position</b>			
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
Unclaimed dividend	577,737	-	577,737
Provision for taxation	-	35,957,042	35,957,042
	<b>101,146,662</b>	<b>90,489,111</b>	<b>191,635,773</b>

### 31.5 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.

### 32. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	<b>2023</b>		<b>2022</b>	
	<b>At year end</b>	<b>Average</b>	<b>At year end</b>	<b>Average</b>
Permanent employees	<b>3</b>	<b>3</b>	3	3
Contractual employees	<b>23</b>	<b>22</b>	19	21

### 33. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on October 04, 2023 by the Board of Directors of the Company.

### 34. 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, 2023**

<b>Shareholders</b>	<b>From</b>	<b>To</b>	<b>Total Shares</b>
491	1	100	15,752
575	101	500	109,078
118	501	1,000	93,825
179	1,001	5,000	460,961
41	5,001	10,000	330,745
24	10,001	15,000	297,587
11	15,001	20,000	200,104
11	20,001	25,000	255,314
17	25,001	30,000	490,041
5	30,001	35,000	157,892
7	35,001	40,000	257,652
6	40,001	45,000	256,569
8	45,001	50,000	378,136
2	50,001	55,000	108,569
4	65,001	70,000	270,608
3	70,001	75,000	214,252
2	75,001	80,000	160,000
5	80,001	85,000	408,907
2	85,001	90,000	177,239
1	90,001	95,000	91,827
2	95,001	100,000	198,500
1	110,001	115,000	113,000
1	120,001	125,000	125,000
1	140,001	145,000	144,500
1	160,001	165,000	163,450
1	180,001	185,000	182,629
1	215,001	220,000	220,000
1	265,001	270,000	266,000
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	2,440,001	2,445,000	2,440,269
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
<b>1,538</b>			<b>32,491,205</b>

**Jubilee Spinning And Weaving Mills Limited****FORM 34****Pattern of Holding of Shares as on June 30, 2023**

<b>Categories of Shareholders</b>	<b>Numbers</b>	<b>Shares held</b>	<b>% age</b>
Individual	1,489	10,975,259	33.8
More than 5%	7	20,368,519	62.7
Associated Companies	1	474,323	1.5
Joint Stock Companies	29	661,869	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
<b>Total</b>	<b>1,538</b>	<b>32,491,205</b>	<b>100</b>

**Categories of Shareholder**

<b>1 Directors, Chief Executive Officer, their spouse and minor children</b>	<b># Share Held</b>	<b>%</b>
Chief Executive/Director		
Shams Rafi	692,810	2.1
Directors		
Adnan Amjad	5,000	0.0
Muhammad Akbar Khan	3,725	0.0
Aurangzeb Shafi		
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
Tariq Shafi	3,561,731	11.0
<b>Directors' Spouse and their minor children</b>		
Zahida Shaukat	42,859	0
Naryman Tariq	14,165	0
	<b>7,391,798</b>	<b>23</b>
<b>2 NIT &amp; ICP</b>		
Investment Corporation Of Pakistan	1,891	0
Idbl (Icp Unit)	90	0.0
	<b>1,981</b>	<b>0</b>
<b>3 Associated Companies</b>	<b>474,323</b>	<b>1</b>
<b>4 Banks, DFI, NBFIs</b>	<b>4,127</b>	<b>0</b>
<b>5 Insurance Companies</b>	<b>5,000</b>	<b>0</b>
<b>6 Modaraba and Mutual Funds</b>	<b>127</b>	<b>0</b>
<b>7 Shareholders More than 5%</b>	<b>20,368,519</b>	<b>63</b>
<b>8 Other companies, Corporate Bodies, Trust etc.</b>	<b>661,869</b>	<b>2</b>
<b>9 General Public</b>	<b>3583461</b>	<b>11.03</b>
<b>Grand Total</b>	<b>32,491,205</b>	<b>100.0</b>
<b>10 Shareholders more than 5% shareholding</b>		
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	2,440,269	7.5
Shaukat Shafi	2,400,529	7.4
Muhammad Anwar	2,391,204	7.4
	<b>20,368,519</b>	<b>62.7</b>



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 26, 2023 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 \_\_\_\_\_ 2023.

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 # [Grid for CNIC number entry]

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 اسپننگ اینڈ ویونگ ملز لمیٹڈ مختار نامہ

میں/ہم ساکن

بجیٹ رکن/ارکان جوبلی اسپننگ اینڈ ویونگ ملز لمیٹڈ رجسٹرڈ فولیو نمبر/ CDC نمبر/ حصہ داری/ # Participant ID/Sub A/C # Investor A/C کے تحت شیئرز کے حامل ہیں، بذریعہ ہذا محترم/محترمہ ساکن جو کہ بذریعہ رجسٹرڈ فولیو/ CDC نمبر..... کمپنی کے رکن بھی ہیں، انہیں کمپنی کے 50 ویں سالانہ اجلاس عام مورخہ 26 اکتوبر 2023 بروز جمعرات صبح 10:30 بجے کمپنی کے رجسٹرڈ آفس واقع E-503، جوہر ٹاؤن، لاہور میں منعقد ہوگا، میں میری/ہماری جانب سے بجیٹ مختار (پروکسی) حاضر ہونے، بولنے اور ووٹ دینے کا اختیار ہوگا اور اجلاس ملتوی ہونے کی صورت میں بھی یہی میرے مختار (پروکسی) ہونگے۔

آج بروز مورخہ 2023 کو بطور گواہ دستخط کئے۔

دستخط بعوض  
50 روپے  
ریونیوسٹیمپ

4 دستخط گواہ:  
نام:  
پتہ:  
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر

دستخط رکن

2 دستخط گواہ:  
نام:  
پتہ:  
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر

مورخہ:

تومی شناختی کارڈ نمبر

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

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



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