



Jubilee Spinning & Weaving Mills Ltd.

BOOK POST

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Jubilee Spinning & Weaving Mills Ltd.
45-A, Off Zafar Ali Road, Gulberg-V,
Lahore-Pakistan.

**Half Yearly Accounts December 31,
2017 (Un-Audited)**



Company Information

Board of Directors

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

Audit Committee

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

Company Secretary

Mr. Muhammad Zeeshan Saleem

Auditors

Riaz Ahmed & Company
Chartered Accountants

Legal Advisor

Amjad H. Bokhari & Associates
Mr. Anser Mukhtar

Bankers

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

Registered Office

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

Mills

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



Directors' Report To The Shareholders

Dear Shareholders,

The Directors of your Company are pleased to present the results for the Half Yearended December 31, 2017 along with the Auditors' Review.

Net Profit/(Loss)

During the period, the company made a net profit of Rs. 15,250,325 after charging costs, expenses and provisions for the year, as compared to previous year's net profit of Rs. 19,685,976.

Financial Results

The financial results of the company are summarized below:

Period Ended On	Rupees December 31, 2017	Rupees December 31, 2016
Sales	19,064,520	10,967,953
Cost of Sales	(5,284,653)	(4,168,675)
Gross Profit/(Loss)	13,779,867	6,799,278
Gross Profit/(Loss) %	72.28%	61.99%
Administration and Other Operating Costs	(18,673,270)	(6,260,279)
Other Income	25,980,773	23,692,793
Finance Charges	-	(3,207)
Provision for Tax	(5,837,045)	(3,201,339)
Profit/(Loss) after Tax	15,250,325	19,685,976
Basic Profit/(Loss) Per Share	0.47	0.61

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

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

The company is actively pursuing for the recovery of outstanding receivables under the head of trade debt, rent receivable, service charges and other receivable. The company has filed a legal case against the concerned associated party and is confident that the full amount, will be recovered and no write-off will be required.

After a detailed review of the current power generation arrangement, the management has found major regulatory and legal issues. The company has filed a case in the High Court in this regard and all stakeholders will be updated once a decision is given as per law.



Regarding SSGC, the bill of October 2017 confirms that the liability as shown by the company conforms to the current outstanding amount as shown in the bill.

Despite repeated requests, audited/draft financial statements of Cresox (Pvt.) Limited for the period under review were not made available to incorporate share of profit or loss in our books. The investment in Cresox (Pvt.) Limited has been completely impaired in previous years due to losses. Therefore, any accumulation in losses in Cresox (Pvt.) Limited does not have any impact on the profitability of the company.

The accumulated losses have reduced from 538.28 million on June 30, 2016 to 401.97 million on June 30, 2017, a reduction of 136.31 million. The management believes its current business model will continue reducing accumulated losses. Based on above, the company is confident it will continue as a going concern.

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

For and on behalf of the Board of Directors.

Shams Rafi
Chief Executive Officer

Karachi
March 01, 2018



ڈائریکٹرز رپورٹ برائے حصص یافتگان

معزز شیئرز ہولڈرز!

آپ کی کمپنی کے ڈائریکٹرز ہفتہ ششماہی 31 دسمبر 2017 کے مالیاتی نتائج کے ساتھ آڈیٹرز کی نظر ثانی رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

خالص منافع / خسارہ

اس مدت کے دوران، کمپنی کو تمام لاگتوں، اخراجات اور سال کی دیگر تخصیصات نکالنے کے بعد 15,250,325 روپے کا خالص منافع ہوا جبکہ گزشتہ سال اسی مدت کا خالص منافع 19,685,976 روپے تھا۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج کا مختصر اجازہ درج ذیل ہے:

پاکستانی روپے	پاکستانی روپے	
31 دسمبر 2017	31 دسمبر 2016	مختصر مدت
10,967,953	19,064,520	فروخت
(4,168,675)	(5,284,653)	لاگت فروخت
6,799,278	13,779,867	خام منافع / (خسارہ)
61.99%	72.28%	خام منافع / (خسارہ) فیصد
(6,260,279)	(18,673,270)	مصارف انتظامی اور عمل کاری
23,692,793	25,980,773	دیگر آمدنیاں
(3,207)	-	مالیاتی اخراجات
(3,201,339)	(5,837,045)	ٹیکس کے لئے تخصیص
19,685,976	15,250,325	منافع / (خسارہ) بعد از ٹیکس
0.61	0.47	بنیادی منافع / (خسارہ) فی حصص

تاہم، انتظامیہ کو قوی امید ہے کہ موجودہ مالیاتی سال کے پہلی ششماہی کی بنیاد پر دوسری ششماہی کے نتائج میں مزید بہتری آئے گی۔

آڈیٹرز کی نظر ثانی کے دوران کے اٹھائے گئے اعتراضات کے جوابات درج ذیل ہیں:

کمپنی مستعدی کے ساتھ تجارتی قرضوں، واجب الوصول کرایوں، خدمات فراہمی کے معاوضوں اور دیگر واجب الوصول رقومات کی بازیابی کے لئے سرگرم ہے۔ کمپنی نے متعلقہ ملحقہ پارٹی کے خلاف ایک قانونی مقدمہ دائر کر دیا ہے اور توقع ہے کہ کل رقم بازیاب ہو جائے گی اور کسی بھی قسم کی کوئی ضرورت نہیں پڑے گی۔

توانائی پیدا کرنے کے اہتمام کا تفصیلی جائزہ لینے کے بعد انتظامیہ پر بڑے انضباطی اور قانونی مسائل منکشف ہوئے۔ کمپنی نے اس سلسلے میں ایک مقدمہ عدالت عالیہ میں دائر کر دیا ہے اور جیسے ہی قانونی فیصلہ آئے گا تو تمام مستفیدان کو مطلع کر دیا جائے گا۔

جہاں تک ایس ایس جی کا تعلق ہے تو اکتوبر 2017 کے بلوں سے اس بات کی توثیق ہوتی ہے کہ کمپنی کے دکھائے موجودہ واجبات بلوں میں دکھائے گئے واجبات سے مطابقت رکھتے ہیں۔



بار بار درخواست کے باوجود، کریسکس (پرائیویٹ) لمیٹڈ کے زیر جائزہ مدت کے آڈٹ شدہ / مسودہ برائے مالیاتی گوشوارے دستیاب نہیں کئے گئے جس کی وجہ سے ہماری کتابوں میں اس کا منافع یا خسارہ کا حصہ درج نہیں کیا گیا۔ گزشتہ کئی سالوں کے خسارے کی وجہ سے کریسکس (پرائیویٹ) لمیٹڈ میں کی گئی سرمایہ کاری مکمل طور پر ختم ہو چکی ہے۔ لہذا کریسکس (پرائیویٹ) لمیٹڈ کے خساروں کے جمع ہونے سے کمپنی کی منافع کاری پر کوئی اثرات مرتب نہیں ہوتے۔

30 جون 2016 کو جمع شدہ خسارے 538.28 ملین روپے تھے جو 30 جون 2017 کو کم ہو کر 401.97 روپے رہ گئے جو کہ 136.31 ملین روپے کی کمی کو ظاہر کرتے ہیں۔ انتظامیہ کو یقین ہے کہ موجودہ مثالی کاروباری ڈھانچے سے جمع شدہ خسارے میں مسلسل کمی آئے گی۔ اسی بنیاد پر قوی امید ہے کہ کمپنی کی مسلسل چلتے ہوئے ادارے کی حیثیت برقرار رہے گی۔

آخر میں، میں اپنے تمام مستفیدان کے مسلسل تعاون کا شکر گزار ہوں۔

برائے و جناب

شیر رفیع
چیف ایگزیکٹو آفیسر

کراچی

یکم مارچ 2018



Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of JUBILEE SPINNING & WEAVING MILLS LIMITED("the Company") as at 31 December 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (hereinafter referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 31 December 2016 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2017.

Scope of Review

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

Basis for Adverse Conclusion

- (i) Trade debts, loans and advances and other receivables as at 31 December 2017 include Rupees 19.298 million, Rupees 22.574 million and 14.755 million respectively receivable from an associated company. In addition, trade debts, loans and advances and other receivables as at 31 December 2017 include aggregate balance of Rupees 5.826 million receivable from other than related parties outstanding for more than one year. The management has not provided us with its assessment of balances doubtful of recovery nor did account for any provision against doubtful receivables in this condensed interim financial information;
- (ii) During the preceding year, one of the financial institutions, on default by the associated company, had realized the Company's investments in equity securities pledged against lending to associated company. The Company had 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 under the head 'other receivables'. The recoverability of this balance appears to be doubtful. The management has not recognized any provision against this balance;
- (iii) Revenue amounting Rupees 19.065 million accounted for in this condensed interim financial information represents billing to tenants in respect of use of Company's power house equipment. The Company has disposed of its power house equipment in October 2016 and placed alternate power generators. However, these alternate power house generators, generating the aforesaid revenue have not been recognized in the books of account of the Company not did any rent being charged in this condensed interim financial information. 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;



- (iv) During audit of financial statements of the Company for the year ended 30 June 2017, direct confirmation response from one of the legal counsel of the Company confirmed us the existence of certain litigations being dealt by him. Furthermore, utility bill for the month of December 2017 from Sui Southern Gas Company Limited (SSGC) reflects an amount of Rupees 43.164 million outstanding under litigation. However, the Company has not furnished us with any information as to nature / status of such litigations nor disclosed any information in this condensed interim financial information. In the absence of information as to litigations and documentary evidence thereof, we remained unable to ascertain whether provision against such litigations should be made or an adequate disclosure is required in this condensed interim financial information;
- (v) The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 8.2), were not available with the Company. In the absence of latest financial statements, we remained unable to satisfy ourselves whether share of profit, if any, of the associate be accounted for in this condensed interim financial information; and
- (vi) As on 31 December 2017, accumulated loss of the Company was Rupees 401.976 million due to which its equity stood negative by Rupees 19.355 million. Effective from March 2014, the Company has closed its core textile operations. In preceding periods, the Company had disposed of all of its operating fixed assets except for leasehold land and building on leasehold land. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharged its liabilities in the normal course of business. This condensed interim financial information and notes thereto do not disclose this fact. The management of the Company also did not provide us its assessment of going concern assumption used in preparation of this condensed interim financial information and the future financial projections indicating the economic viability of the Company. These facts indicate that going concern assumption used in the preparation of this condensed interim financial information is inappropriate.

Adverse Conclusion

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of the engagement partner:
Muhammad Waqas

March 01, 2018

KARACHI



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2017

Balance Sheet - Un Audited

Note	UNAUDITED 31 DECEMBER 2017 Rupees	AUDITED 30 JUNE 2017 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
	34,000,000 (30 June 2017: 34,000,000) ordinary shares of Rupees 10 each	<u>340,000,000</u>
	Issued, subscribed and paid up share capital 32,491,205 (30 June 2017: 32,491,205) ordinary shares of Rupees 10 each	<u>324,912,050</u>
	Reserves	<u>(344,267,208)</u>
	Total equity	<u>(19,355,158)</u>
	Surplus on revaluation of property, plant and equipment	139,975,386
	Surplus on revaluation of investment property	508,013,003
LIABILITIES		
NON-CURRENT LIABILITIES		
5	Long term financing	-
	Deferred income tax	11,635,173
	Employees' retirement benefits	3,816,339
		<u>15,451,512</u>
CURRENT LIABILITIES		
	Trade and other payables	91,153,464
	Current portion of long term financing	14,574,680
	Provisions	9,928,940
	Provision for taxation	30,581,923
		<u>146,239,007</u>
	TOTAL LIABILITIES	<u>161,690,519</u>
6	CONTINGENCIES AND COMMITMENTS	
	TOTAL EQUITY AND LIABILITIES	<u>790,323,750</u>

The annexed notes form an integral part of this condensed interim financial information.

Shams Rafi
Chief Executive

Salman Rafi
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2017

As at 31 December 2017

Note	UNAUDITED 31 DECEMBER 2017 Rupees	AUDITED 30 JUNE 2017 Rupees
ASSETS		
NON-CURRENT ASSETS		
7	Property, plant and equipment	61,501,605
	Investment property	573,548,423
8	Long term investments	362,628
	Long term loans	1,158,840
	Long term deposits	9,108,326
		<u>645,679,822</u>
		<u>647,881,870</u>
CURRENT ASSETS		
	Trade debts	25,184,600
	Loans and advances	23,322,714
	Other receivables	64,615,614
	Advance income tax and refund	10,176,960
	Short term investments	12,199,009
	Cash and bank balances	2,283,087
		<u>137,781,984</u>
		<u>142,441,880</u>
	TOTAL ASSETS	<u>790,323,750</u>

Shams Rafi
Chief Financial Officer



Condensed Interim Profit & Loss Account
For the Half Year Ended December 31, 2017 (Un-audited)

Note	Half Year Ended		Quarter Ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Rupees			
REVENUE	19,064,520	10,967,953	9,538,386	7,950,063
COST OF REVENUE	9 (5,284,653)	(4,168,675)	(3,141,501)	(2,440,524)
GROSS PROFIT	13,779,867	6,799,278	6,396,885	5,509,539
ADMINISTRATIVE EXPENSES	(18,673,270)	(6,260,279)	(9,650,562)	(3,706,630)
	(4,893,403)	538,999	(3,253,677)	1,802,909
LOSS ON DISPOSAL OF OPERATING FIXED ASSETS	-	(1,341,270)	-	-
OTHER INCOME	25,980,773	23,692,793	12,934,310	11,725,370
PROFIT FROM OPERATIONS	21,087,370	22,890,522	9,680,633	13,528,279
FINANCE COST	-	(3,207)	-	(1,667)
PROFIT BEFORE TAXATION	21,087,370	22,887,315	9,680,633	13,526,612
TAXATION	(5,837,045)	(3,201,339)	(3,843,843)	-
PROFIT AFTER TAXATION	15,250,325	19,685,976	5,836,790	13,526,612
EARNINGS PER SHARE				
- BASIC AND DILUTED (RUPEES)	12 0.47	0.61	0.18	0.42

The annexed notes form an integral part of this condensed interim financial information.



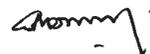
Condensed Interim Statement of Comprehensive Income
For The Half Year Ended 31 December 2017 (Un-audited)

	Half Year Ended		Quarter Ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Rupees			
PROFIT AFTER TAXATION	15,250,325	19,685,976	5,836,790	13,526,612
Items that may be reclassified subsequently to profit and loss				
- Fair value reserve reclassified on disposal of available for sale investments	(27,234)	-	(27,234)	-
- Fair value adjustment on available for sale investments	(3,554,159)	1,786,561	(4,863,685)	1,786,561
	(3,581,393)	1,786,561	(4,890,919)	1,786,561
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,668,932	21,472,537	945,871	15,313,173

The annexed notes form an integral part of this condensed interim financial information.


Shams Rafi
Chief Executive


Salman Rafi
Director


Shams Rafi
Chief Financial Officer


Shams Rafi
Chief Executive


Salman Rafi
Director


Shams Rafi
Chief Financial Officer



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2017

Condensed Interim Cash Flow Statement

For the Half Year Ended December 31, 2017 (Un-audited)

	Note	31 December 2017 Rupees	31 December 2016 Rupees
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	11	10,246,519	(17,253,907)
Finance cost paid		-	(3,207)
Income tax paid		(2,798,361)	(2,482,726)
Gratuity paid		(749,406)	(4,676,065)
Net cash flow from / (used in) operating activities		6,698,752	(24,415,905)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received		413	54,339
Proceeds from disposal of fixed assets		-	1,100,000
Proceeds from sale of investments		133,048	4,940,659
Long term deposits paid		(2,314,923)	(1,959,320)
Long term loans recovered		25,500	48,300
Net cash (used in) / flow from investing activities		(2,155,962)	4,183,978
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan received		-	20,150,000
Long term loan paid		-	(200,000)
Net cash flow from financing activities		-	19,950,000
Net increase / (decrease) in cash and cash equivalents		4,542,790	(281,927)
Cash and cash equivalents at the beginning of the period		2,283,087	1,599,922
Cash and cash equivalents at the end of the period (Note 11.1)		6,825,877	1,317,995

The annexed notes form an integral part of this condensed interim financial information.


 Shams Rafi
 Chief Executive


 Salman Rafi
 Director


 Shams Rafi
 Chief Financial Officer


Jubilee Spinning & Weaving Mills Ltd.

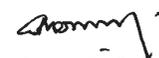
Half Yearly Accounts December 31, 2017

Condensed Interim Statement of Changes In Equity

For the Half Year ended December 31, 2017 (Un-audited)

Share Capital	RESERVES						TOTAL	TOTAL EQUITY	
	CAPITAL			REVENUE					
	Fair value reserve on available for sale investments	Equity portion of shareholders' loan	Sub-Total	General reserve	Accumulated loss	Sub total			
Rupees									
Balance as at 30 June 2016 - (audited)	324,912,050	36,912,133	6,188,489	43,100,622	51,012,000	(538,281,938)	(487,269,938)	(444,169,316)	(119,257,266)
Profit for the period	-	-	-	-	-	19,685,976	19,685,976	19,685,976	19,685,976
Other comprehensive income for the period	-	1,786,561	-	1,786,561	-	-	-	1,786,561	1,786,561
Total comprehensive income for the half year ended 31 December 2016	-	1,786,561	-	1,786,561	-	19,685,976	19,685,976	21,472,537	21,472,537
Balance as at 31 December 2016 - (un-audited)	324,912,050	38,698,694	6,188,489	44,887,183	51,012,000	(518,595,962)	(467,583,962)	(422,696,779)	(97,784,729)
Profit for the period	-	-	-	-	-	95,666,153	95,666,153	95,666,153	95,666,153
Other comprehensive loss for the period	-	(28,420,516)	-	(28,420,516)	-	5,703,491	5,703,491	(22,717,025)	(22,717,025)
Total comprehensive income for the half year ended 30 June 2017	-	(28,420,516)	-	(28,420,516)	-	101,369,644	101,369,644	72,949,128	72,949,128
Transactions with the owners of the Company: Fair value adjustment on interest free loans from sponsor's shareholder - net	-	-	(6,188,489)	(6,188,489)	-	-	-	(6,188,489)	(6,188,489)
Balance as at 30 June 2017 - (audited)	324,912,050	10,278,178	-	10,278,178	51,012,000	(417,226,318)	(366,214,318)	(355,936,140)	(31,024,090)
Profit for the period	-	-	-	-	-	15,250,325	15,250,325	15,250,325	15,250,325
Other comprehensive loss for the period	-	(3,581,393)	-	(3,581,393)	-	-	-	(3,581,393)	(3,581,393)
Total comprehensive income for the half year ended 31 December 2017	-	(3,581,393)	-	(3,581,393)	-	15,250,325	15,250,325	11,668,932	11,668,932
Balance as at 31 December 2017 - (un-audited)	324,912,050	6,696,785	-	6,696,785	51,012,000	(401,975,993)	(350,963,993)	(344,267,208)	(19,355,158)

The annexed notes form an integral part of this condensed interim financial information.


 Shams Rafi
 Chief Executive


 Salman Rafi
 Director


 Shams Rafi
 Chief Financial Officer

**Selected Notes To The Condensed Interim Financial Information**

For the Half Year ended December 31, 2017 (Un-audited)

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. Its registered office is situated at 45-A, Off: Zafar Ali Road, Gulberg V, Lahore whereas the production facilities are located at B-28, Manghopir Road, S.I.T.E, Karachi. 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 Due to intermittent availability of raw materials owing to shortage of working capital and continuous losses, the Company's 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.

1.3 During the preceding year, the Company has passed a special resolution in its annual general meeting held on 31 October 2016 to specifically add the business of renting out the buildings and / or open area of the Company's premises to institutions, corporations, companies, other entities and individuals to its Memorandum of Association (MOA). Subsequently, the Company has filed the petition with the Securities and Exchange Commission of Pakistan (SECP) seeking approval to the amended MOA, the response to which is pending till the reporting date.

2. BASIS OF PREPARATION

As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) and clarification issued by the Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2017.

3. ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in preparation of this condensed interim financial report are the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2017.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and



uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2017.

Note	Un-audited December 31, 2017 Rupees	Audited June 30, 2017 Rupees
5. LONG TERM FINANCING - UNSECURED		
From directors:		
Opening balance	14,574,680	8,386,191
Add: Fair value adjustments under IAS-39	-	6,188,489
	<u>14,574,680</u>	<u>14,574,680</u>
Less: Current portion	<u>(14,574,680)</u>	<u>(14,574,680)</u>
	<u>-</u>	<u>-</u>
6. CONTINGENCIES AND COMMITMENTS		
6.1 Contingencies		
Bank Guarantee from:		
Standard Chartered Bank (Pakistan) Limited	6.1.1 793,800	793,800
Habib Bank Limited	6.1.2 <u>2,000,000</u>	<u>2,000,000</u>
	<u>2,793,800</u>	<u>2,793,800</u>
6.1.1 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.		
6.1.2 This represents a guarantee issued by Habib Bank Limited in favor of Sui Southern Gas Company Limited on behalf of the company for payment of gas bills. The guarantee is secured against hypothecation charge over current assets of Rupees 12 million. (30 June 2016: Rupees 12 million)		
6.2 Commitments		
There were no capital or other commitments as at 31 December 2017 (30 June 2017: Nil).		
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	7.1 <u>61,497,591</u>	<u>61,501,605</u>
7.1 Operating fixed assets		
Opening book value	61,501,605	141,507,472
Add: Surplus on revaluation during the period / year	-	279,385
	<u>61,501,605</u>	<u>141,786,857</u>
Transferred to disposal / investment property		
Cost / re-assessed value	-	103,327,930
Accumulated depreciation	-	(18,754,537)
Accumulated impairment	-	(4,395,468)
Transfer / disposal - net	-	80,177,925
Less: Depreciation charged during the period / year	<u>(4,014)</u>	<u>(107,327)</u>
	<u>61,497,591</u>	<u>61,501,605</u>



HALF YEAR ENDED

	Unaudited December 31, 2017 Rupees	Unaudited December 31, 2016 Rupees
11. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	21,087,370	22,887,315
Adjustments for non-cash charges and other items:		
Depreciation	4,014	87,157
Provision for gratuity	90,355	63,641
Dividend income	(413)	(54,339)
Loss on disposal of fixed assets	-	1,341,270
Gain on sale of investment	(153,859)	(308,618)
Finance cost	-	3,207
	<u>21,027,467</u>	<u>24,019,633</u>
Working capital changes		
(Increase) / decrease in current assets:		
Trade debts	714,926	(1,786,006)
Loans and advances	7,000	(15,551,821)
Other receivables	(1,517,892)	4,548,857
	(795,966)	(12,788,970)
Decrease in trade and other payables	(9,984,982)	(28,484,570)
	<u>10,246,519</u>	<u>(17,253,907)</u>
11.1 Cash and cash equivalents include the following		
Cash and bank balances	<u>6,825,877</u>	<u>1,317,995</u>

12. EARNINGS PER SHARE - BASIC AND DILUTED

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

Associated companies	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Rupees			
Profit for the period - Rupees	<u>15,250,325</u>	<u>19,685,976</u>	<u>5,836,790</u>	<u>13,526,612</u>
Number of ordinary shares in issue				
-Number	<u>32,491,205</u>	<u>32,491,205</u>	<u>32,491,205</u>	<u>32,491,205</u>
Earnings per share-Rupees	<u>0.47</u>	<u>0.61</u>	<u>0.18</u>	<u>0.42</u>

13. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(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 this unconsolidated condensed interim financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2017	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Available for sale financial assets	8,857,169	-	116,360	8,973,529
Total financial assets	<u>8,857,169</u>	<u>-</u>	<u>116,360</u>	<u>8,973,529</u>

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	Rupees			
Financial liabilities				
Long term financing	-	-	14,574,680	14,574,680
Total financial liabilities	<u>-</u>	<u>-</u>	<u>14,574,680</u>	<u>14,574,680</u>

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Available for sale financial assets	12,445,277	-	116,360	12,561,637
Total financial assets	<u>12,445,277</u>	<u>-</u>	<u>116,360</u>	<u>12,561,637</u>

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	Rupees			
Financial liabilities				
Long term financing	-	-	14,574,680	14,574,680
Total financial liabilities	<u>-</u>	<u>-</u>	<u>14,574,680</u>	<u>14,574,680</u>

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. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended 31 December 2017. 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 available-for-sale 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.

14. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets 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 non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
Rupees				
As at 31 December 2017				
Operating fixed assets	-	61,461,467	-	61,461,467
Investment property	-	573,548,423	-	573,548,423
	-	635,009,890	-	635,009,890
As at 30 June 2017				
Operating fixed assets	-	61,461,467	-	61,461,467
Investment property	-	573,548,423	-	573,548,423
	-	635,009,890	-	635,009,890

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

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

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

The Company obtains independent valuation for its freehold land after 2-3 years. At the end of each reporting period, the management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.



(iii) Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land after every 2-3 years.

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related companies and key management personnel. The company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, not disclosed elsewhere, is given below:

i. TRANSACTIONS	(Un-audited) HALF YEAR ENDED		(Un-audited) QUARTER ENDED	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees			
Staff retirement funds				
Expense charged for retirement benefit plans	90,355	63,641	45,178	-
Payment to retirement benefit plans	749,406	4,676,065	749,406	2,030,623
Directors				
Amount paid during the period	9,359,837	-	3,511,125	-

ii. Period / year end balances

	As at 31 December 2017 (Un-audited)		
	Associated companies Rupees	Other related parties Rupees	Total Rupees
Trade and other payables	12,735,179	14,448,411	27,183,590
Trade debts	19,297,988	-	19,297,988
Loans and advances	22,574,022	-	22,574,022
Other receivables	14,754,675	-	14,754,675
Employees' retirement benefits	-	3,816,339	3,816,339

	As at 30 June 2017 (Audited)		
	Associated companies Rupees	Other related parties Rupees	Total Rupees
Trade and other payables	12,735,179	15,197,817	27,932,996
Trade debts	19,297,988	-	19,297,988
Loans and advances	22,574,022	22,574,022	
Other receivables	14,754,675	14,754,675	
Employees' retirement benefits	-	3,725,984	3,725,984



16. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2017.

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on March 01, 2018.

18. CORRESPONDING FIGURES

- In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.
- No significant reclassification/ rearrangement of corresponding figures has been made in this condensed interim financial information except for as follows:

From	To	Reason	Rupees
Other factory overheads	Fuel and Power	For better presentation	<u>253,558</u>

19. GENERAL

Figures have been rounded off to the nearest Rupee.


Shams Rafi
Chief Executive


Salman Rafi
Director


Shams Rafi
Chief Financial Officer