Jubilee Spinning & Weaving Mills Ltd.

Annual Report 2018

Contents

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. AnserMukhtar

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

Notice of Annual General Meeting

Notice is hereby given that the 45thAnnual General Meeting of the shareholders of Jubilee Spinning & Weaving Mills Limited (the "Company") will be held on Saturday, the October 27, 2018 at 10.00 a.m. at the office of the company at 7-B-2, Aziz Avenue, Gulberg-V, Lahore to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.

2. To appoint Auditors of the Company and fix their remuneration.

By Order of The Board

(M. ZeeshanSaleem)
Corporate Secretary

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore:
T:+92-42-111-245-245
F:+92-42-111-222-245
Dated: October 05, 2018

Notes:

1. The Members' Register will remain closed from October 20, 2018 to October 27, 2018 (both days inclusive). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 19, 2018.

2. A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting. A proxy must be a member of the Company.

3. Shareholders are requested to immediately notify the change in address, if any.

4. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:

   a. **For attending the meeting:**

      i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

      ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   b. **For Appointing Proxies**

      i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv). The proxy shall produce his original CNIC or original passport at the time of the Meeting.

v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

5. Computerized National Identity Card (CNIC) / National Tax Number (NTN)

CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar without any further delay.

6. Dividend Mandate Option

Section 242 of Companies Act, 2017 and Circular No. 18/2017 dated August 01, 2017 issued by Securities and Exchange Commission of Pakistan (SECP) has directed all listed companies to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders with effect from November 01, 2017.

In view of above, you are advised to provide your complete bank account/IBAN detail as per format given below to our share Registrar M/s. Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore (in case CDC accountholders/Sub accountholder, please provide said details to respective member Stock Exchange) enabling us to comply with above Section/Circular.

Dividend Mandate Detail	
Folio Number	
Name of Shareholder	
Title of Bank Account	
Bank Account Number (Complete)	
Bank's Name, Branch Name, Code and Address	
Cell Number	
Landline number, if any	
CNIC Number (also attach copy)	

It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the company and the concerned Share Registrar as soon as these occur.

7. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2018 along with Auditors and Directors Reports thereon on its website: www. www.jsw.com.pk

8. **Transmission of Financial Statements to the Members through e-mail**

   In pursuance of SECP notification S.R.O 787 (I)/2014 dated September 08, 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Account, Auditor's Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through e-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.jsw.com.pk

9. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

Director's Report To The Shareholders

Dear Shareholders,

The Directors are pleased to present the Audited Financial Statements of the Company for the year ended June 30, 2018 along with the Auditors' Report.

Company Overview

Jubilee Spinning & Weaving Mills Limited is a textile manufacturing unit. The company was incorporated in Pakistan and its registered office is at 45-A off Zafar Ali Khan Road, Gulberg-V, Lahore, Pakistan. The principal business of the company was to manufacture and sell yarn. In 2014, the company discarded its spinning business and disposed of its operating fixed assets. Subsequently, the company rented out its property to third parties to generate income.

Financial Results at a Glance

During the year, the Company earned after tax profit of Rs. 32.86 million after charging costs, expenses and provisions whereas last year after-tax income was Rs. 115.35 million. The financial results of the company are summarized as follows:

	Rupees	**Rupees**
	June 30, 2018	**June 30, 2017**
Revenue	37,150,238	24,032,001
Cost of revenue	(12,936,439)	(7,517,433)
Gross profit	24,213,799	16,514,568
Gross profit(%)	65%	66%
Selling, admin and other operating cost	(46,256,182)	(28,063,216)
Other income	67,368,116	152,678,963
Finance Charges	(82,289)	(24,207)
Provision for tax	(12,379,713)	(25,350,339)
Profit after tax	32,863,731	115,352,129
Earning per share	1.01	3.55

Review of Operations and Future Prospects

The company earned profit before tax Rs. 45.24 million for the year ending June 30, 2018. The gross profit is 65.18% and higher by Rs. 7.69 million compared with last year's figures. Administrative and other operating cost roses by Rs. 18.09 million. The bottom line reflects a net of tax profit of Rs. 32.86 million with a Rs. 1.01 Earning Per Share. Rental income increased slightly and contributed a substantial amount towards the Company's profitability. The income from rent and service charges is expected to further improve financial results in the coming years.

The overall business environment in Pakistan in general and in Karachi in specific remains challenging. The company expects to meet these challenges in a profitable manner and our results are expected to improve going forward. The company is a conscious corporate citizen. The company believes its internal financial controls are adequate.

Reservations in Auditors' Report

The auditors' report for the year highlights some opinions adversely which are addressed below:

Quote

Trade debts, loans and advances and other receivables as at 30 June 2018 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.755 million respectively receivable from an associated company outstanding since long. Our direct confirmation request to the associated company remained unresponded. Furthermore, one of the financial institutions, on default by the associated company in preceding year, 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, loans and advances and other receivables as at 30 June 2018 include aggregate balance of Rupees 9.121 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 in the financial statements in respect of these balances;

Unquote

During financial year 2016-2017 the company recovered 6.28 million from the above-mentioned associated company. The management has actively pushed for recover of balance amount and has filed a legal petition against the said company for the recovery. The case is in court and the management expects an early recovery of the total outstanding amount including the amount pertaining to the investment transferred/disposed of by the financial institution. Receivable from other than related parties include 5.29 million from government institutions in respect of sales tax and custom rebate.

Quote

Revenue amounting Rupees 37.150 million accounted for in the financial statements represents billing to tenants in respect of use of Company's power house equipment.During the preceding year, the Company 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 nor did any rent being charged in 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

During the financial year under review the company has decided to acquire a generator with a larger capacity. The current generators are expensive to operate and maintain.. After the installation and operation of the newly acquired generator, older equipment will be idled.

Quote

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 respective direct response to our confirmation requests has not provided us their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the 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 presents a detailed view on this matter.

Quote

Utility bill for the month of June 2018 from Sui Southern Gas Company Limited (SSGC) reflects the outstanding demand of Rupees 51.497 million under litigation in addition to current billing. However, the Company has not accounted for nor disclosed contingent liability, if any, in respect of such demand. In the absence of information about the background of demand and the Company's actions there against, we remained unable to satisfy ourselves in respect of understatement of expenses and respective liability in the financial statements;

Unquote

SSGC has been showing an amount pertains to GIDC (Gas Infrastructure Development Cess) as receivable from Jubilee Spinning & Weaving Mills Limited. It is a disputed amount. SSGC shows this amount till October 2017 as receivable and after October 2017 SSGC is not showing this amount as receivable.

Quote

The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 5.4), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether a share of profit, if any, of the associate be accounted for in the financial statements. Furthermore, we could not verify the existence and valuation of unquoted available for sale investments due to lack 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 5.4 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 impact on the profitability of the company.

Quote

As on 30 June 2018, accumulated loss of the Company is Rupees 384.584 million and its current liabilities exceeds its current assets by Rupees 1.081 million. This situation may be further deteriorated if the possible effects of matter discussed in paragraphs (a) to (e) 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 changed its memorandum of association to add the business of renting of properties through a special resolution passed in its annual general meeting held on 31 October 2016. However, the approval of the same from Securities and Exchange Commission of Pakistan is still pending despite the lapse of significant period. 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 disclose this fact. 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. After the above changes, the company is profitable, is reducing its accumulated losses, is improving its current ratios, etc. In the financial year under review, current liabilities exceed current assets by Rs. 1.08 million, while in the previous financial year ending June 30, 2017 current liabilities were exceeding current assets by Rs. 13.35 million. This show the company has managed to net reduction in current liabilities by Rs. 12.27 million. These stated facts indicate that the company's financial position is getting stronger and it will continue to operate as a going concern.

Board of Directors

Following persons have been the directors during the period:

Mr. Muhammad Rafi	Chairman
Mr. Shams Rafi	Chief Executive Officer
Mr. Salman Rafi	Director
Mr. Usman Shafi	Director
Mr. UmerShafi	Director
Mr. Jahanzeb Shafi	Director
Mr. Aurangzeb Shafi	Director

Pattern of Shareholding

The statement of pattern of shareholding of the company as at June 30, 2018 is annexed. This statement is prepared in accordance with Code of Corporate Governance.

Earning per Shares

The basic earing per share for the period under review is Rs.1.01 (2017: Rs. 3.55).

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 17.33 million as on June 30, 2018 as per audited accounts.

k) Attendance at 6 meetings of the Board of Directors held during the year under review were as under:

Name of Director	Meetings attended
Mr. Muhammad Rafi	6
Mr. Shams Rafi	6
Mr. Salman Rafi	6
Mr. Usman Shafi	6
Mr. UmerShafi	4
Mr. Jahanzeb Shafi	2
Mr. Aurangzeb Shafi	5

l) During the period from July 01, 2017 to 30th June 2018 change in the holding of Directors, CEO, CFO and Company Secretary and their spouses as under:

	Balance As on 30-06-2017	Change	Balance As on 30-6-2018
Mr. Muhammad Rafi	4,226,500	2,422	4,228,922
Mr. Shams Rafi	692,810	-	692,810
Mr. Salman Rafi	591,979	-	591,979
Mr. Usman Shafi	1,198,434	-	1,198,434
Mr. UmerShafi	1,206,073	-	1,206,073
Mr. Jahanzeb Shafi	292,218	-	292,218
Mr. Aurangzeb Shafi	522,855	-	522,855

m) Following associated companies have the investments as under:

Crescent Sugar and Distillery Limited	474,323

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

Investment Corporation of Pakistan	1891
IDBP	90

Shams Rafi
Chief Executive

Karachi
October 05, 2018

حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

معزز حصص یافتگان

ڈائریکٹران کمپنی کے مالیاتی گوشوارے برائے مختتمہ سال 30 جون 2018 کے ساتھ آڈیٹرز رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی کا عمومی جائزہ

جوبلی اسپننگ اینڈ ویونگ ملز لمیٹڈ ٹیکسٹائل مصنوعات تیار کرنے والا ایک یونٹ ہے۔ کمپنی کی تشکیل پاکستان میں ہوئی اور اس کا رجسٹرڈ آفس بالمقابل ظفر علی خان روڈ، گلبرگ-V، لاہور، پاکستان میں ہے۔ کمپنی کا بنیادی کاروبار یارن کی تیاری اور اس کی فروخت ہے۔ 2014 میں کمپنی نے اپنا اسپننگ کا کاروبار ختم کردیا اور اس کے جامد کاروباری اثاثے فروخت کردیئے۔ بعدازاں، کمپنی نے آمدنی کے حصول کے لئے اس کی جگہ کو تیسرے فریقین کو کرائے پر دے دیا۔

مالیاتی نتائج پر سرسری نگاہ

سال کے دوان تمام محصولات، اخراجات اور اختصاص نکالنے کے بعد کمپنی کا بعداز ٹیکس منافع 32.86 ملین روپے رہا جبکہ بعداز ٹیکس آمدنی 115.35 ملین روپے رہی۔ کمپنی کے مختصراً مالیاتی نتائج درج ذیل رہے:

	30 جون 2018	30 جون 2017
	روپے	روپے
فروخت	37,150,238	24,032,001
لاگت فروخت	(12,936,439)	(7,517,433)
خام منافع	24,213,799	16,514,568
خام منافع (فیصد)	65%	66%
فروخت، انتظامی اور دیگر کاروباری لاگتیں	(46,256,182)	(28,063,216)
دیگر آمدن	67,368,116	152,678,963
مالیاتی اخراجات	(82,289)	(24,207)
ٹیکس کے لئے اختصاص	(12,379,713)	(25,350,339)
منافع بعداز ٹیکس	32,863,731	115,352,129
فی حصص آمدنی	1.01	3.55

کاروباری جائزہ اور مستقبل کے امکانات

کمپنی نے مختتمہ سال 30 جون 2018 میں 45.24 ملین روپے کا منافع کمایا۔ گزشتہ سال کے مقابلے میں خام منافع میں 7.69 ملین روپے یعنی 65.18 فیصد کا اضافہ ہوا۔ انتظامی اور دیگر کاروباری لاگتوں میں 18.09 ملین روپے کا اضافہ ہوا۔ اس طرح منافع کی نچلی سطح 32.86 ملین روپے رہی جس سے فی حصص آمدنی 1.01 روپے ہوگئی۔ کرایہ کی آمدنی میں معمولی اضافہ ہوا اور کمپنی کی منافع کاری میں قابل ذکر رقم داخل ہوئی۔ کرائے کی آمدنی اور خدمات کے معاوضے سے امید ہے کہ آنے والے سالوں میں حالات مزید بہتر ہونگے۔

عمومی طور پر پاکستان میں اور خصوصی طور پر کراچی میں مجموعی کاروباری صورتحالی میں چیلنجز کا سامنا رہا۔ کمپنی کو توقع ہے کہ وہ ان چیلنجز پر منافع بخش انداز میں قابو پالے گی اور مستقبل میں ہمارے نتائج مزید بہتر ہونگے۔ کمپنی ایک باخبر اداراتی شہری ہے۔ کمپنی کو یقین ہے کہ اس کا اندرونی گرفت کا نظام درست ہے۔

آڈیٹرز رپورٹ میں تحفظات

آڈیٹرز نے اپنی رپورٹ میں سال کے اپنی آرا میں کچھ مخالف آراء کو اجاگر کیا ہے جو درج ذیل ہیں:

اعتراض

30 جون 2018 کو ایک ملحقہ کمپنی کے تجارتی تمسکات، ادھار اور قرضے اور دیگر واجب الوصولیوں بالترتیب 19.298 ملین روپے، 22.574 ملین روپے اور 14.755 ملین روپے قابل وصول دکھائے گئے ہیں۔ ہماری بلاواسطہ تصدیق کی درخواست کمپنی کی ملحقہ کمپنی کو بھیجی گئی لیکن کوئی جواب موصول نہیں ہوا۔ مزید برآں، ایک مالیاتی ادارے نے گزشتہ سال ملحقہ کمپنی کی عدم ادائیگی کی وجہ سے کمپنی کی رہن شدہ ایکویٹی میں سرمایہ کاری کو ملحقہ کمپنی کے قرضہ کے عوض فروخت کر دیا۔ کمپنی نے مالیاتی ادارے کی جانب سے ان تمسکات کی بازاری قیمت کو فروخت قرار دے کر 40.963 ملین روپے بتایا اور اسے اپنی واجب الوصولیوں میں دکھایا۔ کمپنی غیر یقینی کیفیت کا شکار ہے کہ کس پارٹی سے یہ وصول کرنا ہے۔ اس کے ساتھ ساتھ ملحقہ پارٹیوں کے علاوہ 30 جون 2018 کو ادھار، قرضوں اور دیگر واجب الوصولیوں کی مجموعی مد میں 9.121 ملین روپے ایک سال سے واجب الادا دکھائے گئے ہیں۔ انتظامیہ نے نہ تو مشتبہ بقایاجات کی وصولی کیلئے کوئی تشخیص کی ہے اور نہ ہی مالیاتی گوشواروں میں کوئی اختصاص رکھا گیا ہے۔

جواب

مالیاتی سال 17-2016 میں کمپنی نے 6.28 ملین روپے مذکورہ بالا ملحقہ کمپنی سے وصول کر لئے۔ انتظامیہ بقایا رقم کی وصولی کے لئے متحرک ہے اور وصولیابی کے لئے مذکورہ کمپنی کے خلاف ایک قانونی عرضی دائر کر دی ہے۔ مقدمہ عدالت میں چل رہا ہے اور انتظامیہ کو امید ہے کہ جلد ہی بقایا رقم کے ساتھ مالیاتی ادارے کی سرمایہ کاری کی فروخت/منتقلی سے متعلق رقم کو بھی بازیاب کرالیا جائے گا۔ ملحقہ پارٹیوں کے علاوہ دیگر سے جو واجب الوصولی ہے ان میں حکومتی اداروں کے 5.29 ملین روپے شامل ہیں جو کہ سیلز ٹیکس اور کسٹم ریبیٹ کی مد میں ہیں۔

اعتراض

37.150 ملین روپے کے محصولات مالیاتی گوشواروں میں دکھائے گئے جن کا تعلق کمپنی کے پاور ہاؤس سے کرایہ داروں کو بجلی کی فراہم کے بل سے تھا۔ سن 2016 میں کمپنی نے اپنے پاور ہاؤس کے آلات فروخت کر دیئے اور متبادل پاور جنریٹر لگائے۔ تاہم ان متبادل پاور ہاؤس جنریٹر سے جو آمدنی آ رہی ہے انہیں نہ تو کمپنی کی کتابوں میں دکھایا گیا نہ ہی مالیاتی گوشواں میں ان کے کرائے کے اخراجات دکھائے گئے۔ مزید برآں اس سلسلے میں قانونی رائے کی عدم موجودگی کی وجہ سے ہم اپنے آپ کو مطمئن نہ کر پائے کہ کرایہ داروں کا مذکورہ بالا اہتمام نگراں اداروں کی لاگوشقوں کے مطابق ہے جن میں اس آمدنی پر انکم ٹیکس، سیلز ٹیکس اور الیکٹریسٹی ڈیوٹی شامل ہے۔

جواب

کمپنی کے جائزہ مالیاتی سال میں فیصلہ کیا گیا ہے کہ زیادہ گنجائش کا جنریٹر حاصل کیا جائے۔ کمپنی کے جنریٹر کو چلانے اور دیکھ بھال کی لاگت بہت زیادہ ہے۔ نئے حاصل کئے گئے جنریٹر کی تنصیب اور آغاز کے بعد پرانے ساز و سامان بیکار ہو جائیں گے۔

اعتراض

مخصوص مقدمات کمپنی نے اور کمپنی کے خلاف دائر کئے گئے ہیں جسے مالیاتی گوشواروں کے نوٹ نمبر 21 میں منکشف کیا گیا ہے۔ کمپنی کی انتظامیہ اور قانونی وکلاء نے تصدیقی درخواستوں کے اپنے بلاواسطہ جواب میں ان مقدمات کی امکانی نتیجہ کی تشخیص نہیں کی۔ لہذا اس بات کی تشخیص نہیں کر پائے کہ آیا ان مقدمات کے لئے کوئی اختصاص رکھا جائے یا صرف مالیاتی گوشواروں میں منکشف کرنا ہی کافی ہوگا۔

جواب

کسی بھی موجودہ مقدمہ بازی سے کمپنی کی مالیاتی گوشواروں پر کسی بھی طرح اثر انداز نہیں ہونگے۔ لہذا کوئی اختصاص یا انکشاف مالیاتی گوشواروں میں نہیں کیا گیا۔ مالیاتی گوشواروں کا نوٹ 21 اس معاملہ میں تفصیلی جائزہ فراہم کرتا ہے۔

اعتراض

سوئی سدرن گیس کمپنی لمیٹڈ (SSGC) کے جون 2018 کے بل سے 51.497 ملین روپے کے متنازعہ واجب الادا مطالبہ کی عکاسی ہوتی ہے جو کہ موجودہ بل کے علاوہ ہیں۔ تاہم کمپنی نے اس مطالبہ (اگر کوئی ہو) کو کتابوں میں دکھایا نہ ہی کوئی غیر یقینی واجبات منکشف کئے۔ مطالبہ کے پس منظر اور کمپنی کی کارروائی کی عدم موجودگی میں مالیاتی گوشواروں میں ہم متعلقہ اخراجات اور واجبات کو کم دکھانے پر اپنے آپ کو مطمئن نہ کر پائے۔

جواب:

ایس ایس جی سی نے ایک رقم جس کا تعلق GIDC (گیس انفراسٹرکچر ڈویلپمنٹ سیس) سے ہے جو کہ جوبلی اسپننگ اینڈ ویونگ ملز لمیٹڈ سے قابل وصول ہیں۔ یہ ایک متنازعہ رقم ہے۔ ایس ایس جی سی نے یہ رقم اکتوبر 2017 تک قابل وصول دکھائی ہے اور اکتوبر 2017 کے بعد سے اس مد میں کوئی رقم قابل وصول نہیں دکھائی۔

اعتراض

کریسوکس (پرائیویٹ) لمیٹڈ جو کہ ایک ملحقہ کمپنی ہے کے حالیہ آڈٹ شدہ/ غیر آڈٹ شدہ مالیاتی گوشواروں میں ایکویٹی کے مقصد کے لئے (نوٹ 5.4) عدم دستیاب بتائے گئے ہیں۔ ملحقہ کمپنی کے حالیہ آڈٹ شدہ مالیاتی گوشوروں کی غیر موجودگی میں ہم اپنے آپ کو مطمئن نہیں کر پائے کہ ملحقہ کمپنی میں منافع میں اگر کوئی حصہ ہو تو اسے کو مالیاتی گوشواروں میں کیوں نہیں دکھایا گیا۔ مزید برآں ہم فروخت کے دستیاب سرمایہ کاری کی موجودگی اور ان کی تشخیص مالیت کے لئے کوئی دستاویزی ثبوت اور آزاد تشخیص کنندہ سے تشخیص مالیت کی تصدیق نہ کر سکے۔

جواب:

کریسوکس (پرائیویٹ) لمیٹڈ موجودہ سال کے آڈٹ شدہ/مسودہ مالیاتی گوشوارے دستیاب نہیں ہیں اس لئے ہم اپنی کتابوں میں ان کے منافع یا خسارہ میں حصہ نہیں دکھا سکتے۔ اس حقیقت کو مالیاتی گوشواروں کے نوٹ نمبر 5.4 میں منکشف کیا گیا ہے۔ کریسوکس (پرائیویٹ) لمیٹڈ میں تمام سرمایہ کاری گزشتہ چند سالوں سے نقصانات کی وجہ سے ختم ہوگئی ہے۔ لہذا کریسوکس (پرائیویٹ) لمیٹڈ کے جمع شدہ خساروں میں اضافہ کی وجہ سے کمپنی کی منافع کاری پر کوئی اثرات مرتب نہیں ہونگے۔

اعتراض

30 جون 2018 کو کمپنی کا جمع شدہ خسارہ 384.584 ملین روپے تھا اور اس کے رواں واجبات اس کے رواں اثاثوں سے 1.081 ملین روپے بڑھ گئے۔ یہ صورتحال مزید خراب ہو جائے گی اگر پیراگراف نمبر (a) سے (e) تک کے ممکنہ اثرات کو مالیاتی گوشواروں میں شامل کر لیا جائے۔ مارچ 2014 سے کمپنی نے اپنے ٹیکسٹائل کے افعال کو بند کر دیا ہے اور اسکے تمام کاروباری اثاثوں کو فروخت کر دیا ہے سوائے لیز شدہ زمین اور لیز شدہ بلڈنگ جو کہ گزشتہ کئی سالوں سے ملکیت میں تھی۔ کمپنی نے جائیداد کرائے کے کاروبار کے لئے

اپنے اغراض ومقاصد میں تبدیلی کی جس کی منظوری سالانہ اجلاس عام منعقدہ 31 اکتوبر 2016 میں لی گئی۔ تاہم ایک قابل ذکر مدت گزر جانے کے باجود اب تک سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے اس کی منظوری زیرالتواء ہے۔ ان واقعات سے بڑی غیر یقینی صورتحال اس لحاظ سے پیدا ہوسکتی ہے کہ یہ کمپنی کے چلتے ہوئے ادارے کی حیثیت میں قابل ذکر شک وشبہ ڈالے گی اور لہذا وہ اپنے اثاثہ جات کو فروخت کرنے کے لئے قابل نہیں رہے گی اور عمومی طریقہ کار کے مطابق اپنی واجبات سے عہدہ برآں نہیں ہوسکے گی۔ مالیاتی گوشوارے اور نوٹس میں اس حقیقت کو منکشف نہیں کیا گیا ہے۔ کمپنی کی انتظامیہ بھی مالیاتی گوشواروں کی تیاری کے دوران چلتے ہوئے ادارے کے مفروضہ سے متعلق کوئی تخمینہ پیش نہیں کرسکی اور کمپنی کے معاشی نموپذیری پر مستقبل کے مالی امکانات پیش نہیں کئے۔ ان حقائق سے نشاندہی ہوتی ہے کہ مالیاتی گوشواروں کی تیاری کے دوران پیش کیا گیا ''چلتے ہوئے ادارے کا مفروضہ'' نامناسب معلوم ہوتا ہے۔

جواب

کمپنی نے نوٹ 1.3 میں 2014 میں اپنے بنیادی کاروبار کی بندش کو منکشف کیا ہے۔ بعدازاں کمپنی نے غیر معمولی اجلاس عام منعقدہ 04 اپریل 2015 میں حصص یافتگان سے منظوری کے حصول کے بعد تمام پلانٹ اور مشینری کو فروخت کردیا۔ انتظامیہ نے کرائے کو اپنی بنیادی کاروباری سرگرمی بناتے ہوئے اپنی تمام جائیداد تیسرے فریقین کو کرائے پر دے دی اور SECP سے درخواست کی کہ اغراض ومقاصد کی شق III کو تبدیل کردیا جائے۔ مندرجہ بالا تبدیلیوں کی وجہ سے کمپنی منافع میں آ گئی، اس کے جمع شدہ خساروں میں کمی ہوئی اور موجودہ شرحوں میں بہتری ہوئی۔ جائزہ سال کے دوران رواں واجبات رواں اثاثوں سے 1.08 ملین روپے بڑھ گئے جبکہ گزشتہ سال 30 جون 2017 میں رواں واجبات رواں اثاثوں سے 13.35 ملین روپے زیادہ تھے۔ جس سے کمپنی کے واجبات میں 12.27 ملین روپے کمی کی عکاسی ہوتی ہے۔ ان حقائق کی بنیاد پر کہا جاسکتا ہے کہ کمپنی کی مالیاتی پوزیشن مستحکم ہورہی ہے اور اس کی چلتے ہوئے ادارے کی حیثیت برقرار رہے گی۔

بورڈ آف ڈائریکٹرز

موجودہ افراد مدت کے دوران ڈائریکٹر رہے:

جناب محمد رفیع	چیئرمین
جناب شمس رفیع	چیف ایگزیکٹو آفیسر
جناب سلمان رفیع	ڈائریکٹر
جناب عثمان شفیع	ڈائریکٹر
جناب عمر شفیع	ڈائریکٹر
جناب جہانزیب شفیع	ڈائریکٹر
جناب اورنگزیب شفیع	ڈائریکٹر

حصص داری کی ساخت

30 جون 2018 کو کمپنی کی حصص داری کا گوشوارہ منسلک ہے۔ یہ گوشوارہ ادراتی نظم وضبط کے ضابطہ کے تحت تیار کیا گیا ہے۔

فی حصص آمدنی

جائزہ مدت کی بنیادی فی حصص آمدنی 1.01 ملین روپے (2017 میں 3.55 روپے تھی)

ادارتی نظم وضبط کی پاسداری

ادارتی نظم وضبط کے ضابطہ کی پاسداری کرتے ہوئے ڈائریکٹران بخوشی اس بات کا اقرار کرتے ہیں کہ:

a کمپنی کی انتظامیہ کے تیار کردہ 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 رکھی گئی ہیں۔

c درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران کو ملحوظ خاطر رکھا 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 اس کا جائزہ مستقبل میں بھی جاری رہے گا اور نظام کی کمزوریوں کو دور کیا جائے گا۔

موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔

f کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک وشبہ نہیں ہے۔ چلتے ہوئے ادارے سے متعلق آڈیٹرز کے تحفظات پر باضابطہ طور پر اوپر بحث کی گئی ہے۔

g لسٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم وضبط سے کوئی قابل گرفت انحراف نہیں کیا گیا۔

h کمپنی نے جمع شدہ خساروں کی وجہ سے کسی منافع منقسمہ کا اعلان نہیں کیا۔

i ملحقہ پارٹیوں کے ساتھ سودے آڈٹ کمیٹی اور بورڈ منظور کرتی ہے۔

h 30 جون 2018 کو گریچویٹی کے آڈٹ شدہ اکاؤنٹس کے مطابق اس کی مالیت 17.33 ملین روپے رہی۔

k جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کے 6 اجلاس ہوئے جس میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	حاضر اجلاسوں کی تعداد
جناب محمد رفیع	6
جناب شمس رفیع	6
جناب سلمان رفیع	6
جناب عثمان شفیع	6
جناب عمر شفیع	4
جناب جہانزیب شفیع	2
جناب اورنگزیب شفیع	5

l یکم جولائی 2017 سے 30 جون 2018 تک ڈائریکٹران، سی ای او، سی ایف او اور کمپنی سیکریٹری اور ان کے شریک حیات کی حصص داری میں کوئی تبدیلی نہیں ہوئی۔

	30 جون 2017 حصص داری	تبدیلی	30 جون 2018 حصص داری
جناب محمد رفیع	4,226,500	2,422	4,228,922
جناب شمس رفیع	692,810	-	692,810
جناب سلمان رفیع	591,979	-	591,979

جناب عثمان شفیع	1,198,434	-	1,198,434
جناب عمر شفیع	1,206,073	-	1,206,073
جناب جہانزیب شفیع	292,218	-	292,218
جناب اورنگزیب شفیع	522,855	-	522,855

m ملحقہ کمپنیوں میں سرمایہ کاری کی تفصیل

کریسنٹ کاٹن ملز لمیٹڈ	474,323

o) NIT اور ICP میں حصص داری درج ذیل ہے

انویسٹمنٹ کارپوریشن آف پاکستان	1891
آئی ڈی بی پی	90

شمس رفیع
چیف ایگزیکٹو

کراچی
05 اکتوبر 2018

Key Operating and Financial Ratios

For The Period From 2012 To 2018

Operating Information		2018	2017	2016 (restated)	2015	2014	2013 (restated)	2012 (restated)
Sales - Net	Rs. In Mln	37.15	24.03	17.89	14.87	332.94	394.45	217.25
Cost of Goods Sold	Rs. In Mln	12.94	7.52	(11.04)	29.51	361.58	399.23	230.47
Gross Profit/(Loss)	Rs. In Mln	24.21	16.51	6.85	(14.64)	(28.64)	(4.78)	(13.21)
Profit/(Loss) from operations	Rs. In Mln	45.33	140.73	14.00	(37.50)	(39.15)	0.09	5.17
Profit/(Loss) befor taxation	Rs. In Mln	45.24	140.70	13.90	(37.68)	(41.49)	(5.08)	(107.60)
Profit/(Loss) after taxation	Rs. In Mln	32.86	115.35	5.75	(40.36)	(37.91)	(6.71)	(109.92)
Financial Information								
Paid up Capital	Rs. In Mln	324.91	324.91	324.91	324.91	324.91	324.91	324.91
Equity Balance	Rs. In Mln	(384.58)	(417.23)	(119.26)	(114.62)	(71.78)	(39.03)	(51.27)
Fixed Assets	Rs. In Mln	664.59	645.68	601.91	681.32	643.43	627.50	638.00
Current Assets	Rs. In Mln	133.07	137.78	136.72	242.81	270.74	307.22	158.49
Current Liabilities	Rs. In Mln	134.15	151.14	165.72	200.84	252.65	273.50	160.06
Total Assets	Rs. In Mln	797.66	783.46	738.63	924.13	914.17	934.72	796.49
Key Ratios								
Gross Margin	percent	65.18	68.72	38.29	(98.45)	(8.60)	(1.21)	(6.08)
Operating Margin	percent	122.01	585.58	78.23	(252.19)	(11.76)	0.02	2.38
Net Profit/(Loss)	percent	88.46	479.99	32.14	(271.42)	(11.39)	(1.70)	(50.60)
Return on Capital Employed	percent	0.05	0.18	0.01	(0.06)	(0.06)	(0.01)	(0.17)
Current Ratio	Times	0.99	0.91	0.82	1.21	1.07	1.12	0.99
Earning Per Share	Rs.	1.01	3.55	0.18	(1.24)	(1.17)	(0.21)	(3.38)
Production Statistics								
Number of Spindle	Numbers	-	-	-	-	9,000.00	9,000.00	9,000.00
Production converted into 20/s Count	Kgs	-	-	-	-	750,277.00	793,510.00	362,011.00

Vision & Mission Statement

Vision Statement

Jubilee Spinning & Weaving Mills Limited is a manufacturing concern that produces high quality cotton and polyester carded and combed yarn. 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, 2017

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

1. The total number of director are seven as per the following:

   a. Male: 7
   b. Female: -

   The requirement of female director in composition of the board under the Regulations will be fulfilled at the time of next election of directors.

2. The composition of board is as follows:

CATEGORY	NAME
Independent directors	-
Non - Executive directors	Mr. Jahanzeb Shafi Mr. Aurangzeb Shafi Mr. Muhammad Rafi Mr. Umer Shafi Mr. Usman Shafi
Executive directors	Mr. Shams Rafi - Chief Executive Officer (CEO) Mr. Salman Rafi

   The requirement of independent directors in composition of the board under the Regulations will be fulfilled at the time of next election of directors.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has not prepared the 'Code of Conduct', Accordingly, no 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 only and overall corporate strategy and significant policies are being developed having regard to the level of materiality.

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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Five out of seven directors of the company are exempted from the requirements of Directors' Training Program.

10. The board has approved appointment of Chief Financial Officer (CFO) and Company Secretary including their remuneration and terms and conditions of employment. No appointment of Head of Internal Audit was made during the year.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The Board has formed an Audit Committee comprising of members given below:

Audit Committee	Mr. Usman Shafi - Chairman Mr. Muhammad Rafi - Member Mr. Umer Shafi - Member

The Audit Committee has been reconstituted on 18 December 2017, Mr. Umer Shafi, a non-executive director, has been appointed as member of the Committee replacing Mr. Salman Rafi.

13. The terms of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a. Audit Committee 4 quarterly meetings

15. The board has set-up an effective internal audit function with qualified and experienced persons who are considered suitably qualified and experienced for the purpose and are 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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. Except as stated above, we confirm that all other requirements of the Regulations have been complied with.

Muhammad Rafi
Chairman

Karachi
October 05, 2018

INDEPENDENT AUDITOR'S MODIFIED 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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Jubilee Spinning & Weaving Mills Limited ("the Company") for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendations of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

- The positions of Chief Financial Officer (CFO) and Chief Executive Officer (CEO) of the Company are held by same person. Further, the person appointed as CFO does not meet the qualification requirements prescribed in regulation 23;
- Company Secretary does not meet the experience requirement prescribed in regulation 25;
- There does not exist a formal policy for remuneration of Directors in contravention of regulation 17;
- We were not provided with directors' exemption certificate from Securities and Exchange Commission of Pakistan. Accordingly, we could not verify the statement in paragraph No. 9 of the Statement of Compliance;
- Human Resource and Remuneration Committee was not constituted by the board of directors in contravention of regulation 29;
- Chairman of the audit committee is not an independent director in contravention of regulation 28(b);
- Terms of reference of audit committee has not been determined in contravention of regulation 28(3);
- The Company does not have internal audit function in contravention of regulation 32(1)(a); and
- The Company has not complied with the financial reporting and corporate compliance requirements of the Regulations. The financial statements of the Company have not been prepared in accordance with approved accounting standards as applicable in Pakistan. Therefore, the financial statements do not give a true and fair view of state of the Company's affairs as at 30 June 2018 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Based on our review, except for the above instances of non-compliance, 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 2018.

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:

S. No.	Paragraph Reference	Description
i.	2	There is no independent director on the Board.
ii.	4	The Company has not prepared the Code of Conduct.
iii.	5	Overall corporate strategy and significant policies are being developed.
iv.	10	Head of Internal audit was not appointed.

Riaz Ahmed & Company
Chartered Accountant

Karachi
October 5, 2018

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 2018, 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 2018 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

(a) Trade debts, loans and advances and other receivables as at 30 June 2018 include Rupees 19.298 million, Rupees 22.574 million and Rupees 14.755 million respectively receivable from an associated company outstanding since long. Our direct confirmation request to the associated company remained un-responded. Furthermore, one of the financial institutions, on default by the associated company in preceding year, 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, loans and advances and other receivables as at 30 June 2018 include aggregate balance of Rupees 9.347 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 in the financial statements in respect of these balances;

(b) Revenue amounting Rupees 37.150 million accounted for in the financial statements represents billing to tenants in respect of use of Company's power house equipment. During the preceding year, the Company 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 nor did any rent being charged in 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;

(c) 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 respective direct response to our confirmation requests have not provided us their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the financial statements;

(d) Utility bill for the month of June 2018 from Sui Southern Gas Company Limited (SSGC) reflects the outstanding demand of Rupees 51.497 million under litigation in addition to current billing. However, the Company has neither accounted for nor disclosed the contingent liability, if any, in respect of such demand. In the absence of information about the background of demand and the Company's actions there against, we remained unable to satisfy ourselves in respect of understatement of expenses and respective liability in the financial statements;

(e) The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 5.4), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether a share of profit, if any, of the associate be accounted for in the financial statements. Furthermore, we could not verify the existence and valuation of unquoted available for sale investments due to lack supporting documents and valuation from independent valuer; and

(f) As on 30 June 2018, accumulated loss of the Company is Rupees 384.584 million and its current liabilities exceeds its current assets by Rupees 1.081 million. This situation may be further deteriorated if the possible effects of matter discussed in paragraphs (a) to (e) 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 initiated the process of alteration of its memorandum of association to add the business of renting of properties through a special resolution passed in annual general meeting of shareholders of the Company held on 31 October 2016. However, confirmation of alteration by the Securities and Exchange Commission of Pakistan is still pending despite a lapse of significant time. 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 disclose this fact. 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 matters is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matterwas addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the matters described in the Basis for Adverse Opinion section we have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	**Valuation of investment properties** The Company revalued its investment properties (i.e. leasehold land and building comprising godowns leased out by the Company to multiple tenants) based on the valuation carried out by an independent external valuer engaged by the management. The 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. As part of our risk assessment exercise, we considered the risk that the aforesaid valuation may be materially overstated. For further information, refer to note 2.15 and note 4 to the financial statements.	Our procedures included, but were not limited to: ● Obtained and inspected the valuation report prepared by the external independent expert engaged by the Company on which the management's assessment of the valuation of investment properties was based. ● Evaluated the objectivity, competence and independence of the external independent expert. ● Performed assessment of the methods used, inputs and key assumptions. ● Considered and tested particular calculations of the external independent expert on sample basis. ● Evaluated the information provided by the Company to the external independent expert by inspecting the relevant underlying documentation. ● Tested and assessed the completeness, appropriateness and adequacy of the disclosures in the financial statements with regard to the revaluation performed.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) except for the effects of the matters discussed in the Basis for Adverse Opinion section of our report, thestatement of financial position, thestatement of profit or loss and other 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 Muhammad Waqas.

Riaz Ahmed & Company
Chartered Accountant

Karachi
Date: October 5, 2018

STATEMENT OF FINANCIAL POSITION

	Note	2018 Rupees	2017 Rupees Restated	2016 Rupees Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	**63,284,370**	61,501,605	141,507,472
Investment property	4	**587,552,160**	573,548,423	453,429,981
Long term investments	5	**261,145**	362,628	839,358
Long term loans	6	**1,534,840**	1,158,840	1,682,278
Long term deposits	7	**11,957,004**	9,108,326	4,449,009
		664,589,519	645,679,822	601,908,098
CURRENT ASSETS				
Trade debts	8	**23,353,862**	25,184,600	24,982,606
Loans and advances - unsecured, considered good	9	**24,471,714**	23,322,714	27,437,554
Other receivables - unsecured, considered good	10	**65,417,822**	64,615,614	24,868,500
Advance income tax and refund		**5,981,762**	10,176,960	10,080,767
Short term investments	11	**8,572,151**	12,199,009	47,748,374
Cash and bank balances	12	**5,269,057**	2,283,087	1,599,922
		133,066,368	137,781,984	136,717,723
		797,655,887	783,461,806	738,625,821

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees Restated	2016 Rupees Restated
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
34,000,000 (2017: 34,000,000) ordinary shares of Rupees 10 each		**340,000,000**	340,000,000	340,000,000
Issued, subscribed and paid up share capital	13	**324,912,050**	324,912,050	324,912,050
Revenue reserves				
General		**51,012,000**	51,012,000	51,012,000
Accumulated loss		**(384,583,845)**	(417,226,318)	(538,281,938)
Capital reserves				
Fair value reserve on 'available for sale' investments	14	**6,556,552**	10,278,178	36,912,133
Equity portion of directors' loan		**-**	-	6,188,489
Revaluation surplus on property, plant and equipment	15	**650,071,435**	647,988,389	647,426,493
Total equity		**647,968,192**	616,964,299	528,169,227
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing	16	**-**	-	-
Deferred income tax	17	**11,252,547**	11,635,173	9,473,330
Employees' retirement benefits	18	**4,287,772**	3,725,984	35,259,509
		15,540,319	15,361,157	44,732,839
CURRENT LIABILITIES				
Trade and other payables	19	**85,245,907**	101,310,115	116,284,238
Over due and current portion of long term financing	16	**14,574,680**	14,574,680	8,386,191
Accrued mark-up		**-**	-	24,517,429
Provisions	20	**9,928,940**	9,928,940	9,928,940
Unclaimed dividend		**577,737**	577,737	577,737
Provision for taxation		**23,820,112**	24,744,878	6,029,220
		134,147,376	151,136,350	165,723,755
TOTAL LIABILITIES		**149,687,695**	166,497,507	210,456,594
CONTINGENCIES AND COMMITMENTS	21			
TOTAL EQUITY AND LIABILITIES		**797,655,887**	783,461,806	738,625,821

The annexed notes from 1 to 40 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 Rupees	2017 Rupees
Revenue	22	**37,150,238**	24,032,001
Cost of revenue	23	**(12,936,439)**	(7,517,433)
Gross profit		**24,213,799**	16,514,568
Administrative and general expenses	24	**(46,256,182)**	(26,698,494)
Other expenses	25	**-**	(1,364,722)
		(46,256,182)	(28,063,216)
Impairment loss on long term investment		**-**	(403,640)
Other income	26	**67,368,116**	152,678,963
Profit from operations		**45,325,733**	140,726,675
Finance cost	27	**(82,289)**	(24,207)
Profit before taxation		**45,243,444**	140,702,468
Provision for taxation	28	**(12,379,713)**	(25,350,339)
Profit after taxation		**32,863,731**	115,352,129
Earnings per share - basic and diluted (Rupees)	29	**1.01**	3.55

The annexed notes from 1 to 40 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018 Rupees	2017 Rupees
PROFIT AFTER TAXATION	**32,863,731**	115,352,129
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss		
- Revaluation surplus on Property, plant and equipment	**1,790,793**	279,385
- Effect of change in tax rates on balance of revaluation surplus on investment properties	**292,253**	282,511
	2,083,046	561,896
- Actuarial (loss) / gain on remeasurement of employees retirement benefits	**(311,631)**	8,147,845
- Related deferred tax	**90,373**	(2,444,354)
	(221,258)	5,703,491
	1,861,788	6,265,387
Items that may be reclassified subsequently to profit or loss		
- Fair value reserve reclassified on disposal of available for sale investments	**(27,234)**	(33,290,325)
- Fair value adjustment on available for sale investments	**(3,694,392)**	6,656,370
	(3,721,626)	(26,633,955)
	(1,859,838)	(20,368,568)
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	**31,003,893**	94,983,561

The annexed notes from 1 to 40 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Share capital	RESERVES								TOTAL EQUITY
		CAPITAL				REVENUE			Total	
		Fair value reserve on 'available for sale' investments	Equity portion of directors' loans	Surplus on revaluation of property plant and equipment	Sub Total	General reserve	Accumulated loss	Sub Total		
	---Rupees---									
Balance as at 30 June 2016 (previously reported)	**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)**
Impact of restatement (Note 2.5(a))	-	-	-	647,426,493	647,426,493	-	-	-	647,426,493	647,426,493
Balance as at 30 June 2016 (restated)	**324,912,050**	**36,912,133**	**6,188,489**	**647,426,493**	**690,527,115**	**51,012,000**	**(538,281,938)**	**(487,269,938)**	**203,257,177**	**528,169,227**
Profit for the year	-	-	-	-	-	-	115,352,129	115,352,129	115,352,129	115,352,129
Other comprehensive loss for the year	-	(26,633,955)	-	561,896	(26,072,059)	-	5,703,491	5,703,491	(20,368,568)	(20,368,568)
Total comprehensive income for the year	-	(26,633,955)	-	561,896	(26,072,059)	-	121,055,620	121,055,620	94,983,561	94,983,561
Fair value adjustments on interest free loan from sponsor's shareholder - net	-	-	(6,188,489)	-	(6,188,489)	-	-	-	(6,188,489)	(6,188,489)
Balance as at 30 June 2017 (restated)	**324,912,050**	**10,278,178**	**-**	**647,988,389**	**658,266,567**	**51,012,000**	**(417,226,318)**	**(366,214,318)**	**292,052,249**	**616,964,299**
Profit for the year	-	-	-	-	-	-	32,863,731	32,863,731	32,863,731	32,863,731
Other comprehensive loss for the year	-	(3,721,626)	-	2,083,046	(1,638,580)	-	(221,258)	(221,258)	(1,859,838)	(1,859,838)
Total comprehensive income for the year	-	(3,721,626)	-	2,083,046	(1,638,580)	-	32,642,473	32,642,473	31,003,893	31,003,893
Balance as at 30 June 2018	**324,912,050**	**6,556,552**	**-**	**650,071,435**	**656,627,987**	**51,012,000**	**(384,583,845)**	**(333,571,845)**	**323,056,142**	**647,968,192**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations after working capital changes	30	**(38,033,302)**	(80,087,851)
Finance cost paid		**(82,289)**	(24,207)
Income tax paid		**(9,109,281)**	(6,730,874)
Gratuity paid		**(2,360,963)**	(8,640,474)
Net decrease in long term loans to employees		**(376,000)**	523,438
Net cash used in operating activities		**(49,961,835)**	(94,959,968)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**-**	1,060,000
Proceeds on disposal of investment		**160,574**	45,904,617
Rental income		**52,737,660**	48,616,468
Dividends received		**49,571**	62,048
Net cash flow from investing activities		**52,947,805**	95,643,133
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net increase in cash and cash equivalents		**2,985,970**	683,165
Cash and cash equivalents at the beginning of the year		**2,283,087**	1,599,922
Cash and cash equivalents at the end of the year	12	**5,269,057**	2,283,087

The annexed notes from 1 to 40 form an integral part of these financial statements.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

1. THE COMPANY AND ITS OPERATIONS

1.1 Jubilee Spinning & Weaving Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on 12 December 1973 under the Companies Act, 1913 (Now the Companies Act, 2017). The Company obtained certificate of commencement of business in January 1974. Shares of the Company are listed on Pakistan Stock Exchange Limited. The principal objective of the Company is to engage in the business of manufacturing and selling of yarn, buying, selling and otherwise dealing in yarn and raw cotton. The Company also operates electric power generation facilities which generate electricity for use within the production site.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing unit and office	Address
1.	Manufacturing unit	Plot No. B-28, Manghopir Road, S.I.T.E, Karachi.
2.	Registered office	45-A, Off: Zafar Ali Khan Road, Gulberg V, Lahore.

1.3 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.

1.4 During the preceding year, the Company 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.

1.3 Summary of significant transactions and events affecting the Company's financial position and performance

a) For a detailed discussion about the Company's performance, please refer to the Directors' report.

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 approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are 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) Preparation of financial statements under the Companies Act, 2017

The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its Fourth Schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, particulars of immovable assets of the Company (refer note 3.3 and note 4.3), management assessment of sufficiency of tax provision in the financial statements (refer note 28.3), change in threshold for identification of executives (refer note 31), additional disclosure requirements for related parties (refer note 33) etc.

c) Accounting convention

These financial statements have been prepared under the historical cost convention except for certain fixed assets and financial assets and liabilities which have been stated at revalued amounts, fair values, cost, amortized cost and present value as mentioned in respective policy notes. Accrual basis of accounting has been used in these financial statements except for the cash flow information.

d) 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

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 reporting date.

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.

Useful lives, patterns of economic benefits and impairments - Property, plant and equipment

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.

Current taxation

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.

Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Impairment of investments in associated companies

In making an estimate of future cash flows from the Company's investments in associated companies, the management considers future dividend stream and an estimate of the terminal value of these investments.

Classification of investments

Classification of an investment is made on the basis of intended purpose for holding such investment. The classification of investments is re-evaluated on regular basis.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

e) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primaryeconomic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

f) Amendments to published standards that is effective in current year but not relevant to the Company

Followingamendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2017:

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments have resulted in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments have no significant impact on Company's financial statements.

The applicationof the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

g) Standards and amendments to published standards that is not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2018 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 July 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 28 (Amendments) 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2019). The IASB has clarified that IFRS 9, including its impairment requirements, applies to long-term interests. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The amendments are not likely to have significant impact on the Company's financial statements.

IAS 40 (Amendments), 'Investment Property' (effective for annual periods beginning on or after 01 January 2018). The amendments clarify that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have a significant impact on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 (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 management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

On 8 December 2016, IASB issued Annual Improvements to IFRSs: 2014 - 2016 Cycle, incorporating amendments to three IFRSs more specifically in IAS 28. These amendments are effective for annual periods beginning on or after 01 January 2018. These amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 - 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits-this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the

Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

h) Standard and amendments to 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 2018 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee Benefits

The Company operates an unfunded gratuity scheme for its permanent employees who complete the eligible period of service. Provision has been made in accordance with actuarial recommendations using the projected unit credit method. Actuarial gains and losses are recognized in statement of comprehensive income as remeasurement effect of employees retirements benefits.

2.3 Taxation

a) Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted, after taking into account the applicable rebates and credits, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4 Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet 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 profit and loss account.

2.5 Property, plant, equipment and depreciation

a) 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 retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

CHANGE IN ACCOUNTING POLICY

The specific section in the repealed Companies Ordinance, 1984 relating to the surplus onrevaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's accounting policy for surplus on revaluation of land and building stands amended as follows:

Increases in the carrying amounts arising on revaluation of land and buildings are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

Effect on statement of financial position	30 June 2017 As previously reported	30 June 2017 As re-stated	30 June 2017 Re -statement	30 June 2016 As previously reported	30 June 2016 As re-stated	30 June 2016 Re -statement
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Surplus on revaluation of property, plant and equipment 647,988,389	-	(647,988,389)	647,426,493	-	(647,426,493)	
Capital reserve	-	647,988,389	647,988,389	-	647,426,493	647,426,493
Effect on statement of changes in equity						
Surplus on revaluation of property, plant and equipment	-	647,988,389	647,988,389	-	647,426,493	647,426,493

Effect on statement of comprehensive income	30 June 2016 As previously reported	30 June 2016 As re-stated	30 June 2016 Re -statement
	Rupees	Rupees	Rupees
Surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-

There was no cash flow impact as a result of the retrospective application of change in accounting policy.

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 profit and loss account during the year in which these are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account 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 13. 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 profit and loss account in the year the asset is de-recognized.

b) 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.

2.6 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is measured initially at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investments in associates, which are tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) 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 'Investments in Associates'.

d) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

Available for sale investments in unquoted investments are carried at cost less impairment in value, if any.

e) De-recognition of investments

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2.7 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.

2.8 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 profit and loss account.

2.9 Revenue recognition

Revenue and income from different sources is recognized as under:

- Sales are recognized on the basis of dispatch of goods to customers, which is invoice date.

- Profit on bank deposits is recognized on accrual basis.
- Dividend income is recognized when the Company's right to receive the dividend has beenestablished.
- Rental income is recognized on accrual basis.
- Services income is recognized when the services are rendered.
- In case of investments in associates stated using equity method under IAS-28, Company'sshare in the post acquisition profits of the associates is recognized in profit and loss account there-by adjusting the carrying amounts of related investments. The dividend received from such associates is deducted from the carrying value of the related investments.

2.10 Share Capital

Ordinary shares are classified as equity.

2.11 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long-term financing,short-term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes aparty to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instrument at fair value through profit or loss" which is measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the following individual policy statements associated with each item and in the accounting policy of investments (Note 2.6).

a) Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

b) Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

c) Trade and other payables

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

2.12 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 balance sheet date and adjusted to reflect current best estimate.

2.13 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet 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 profit and loss account 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 profit and loss account. 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 profit and loss account except where revaluation surplus was previously reduced in which case such reversal is credited to revaluation surplus.

2.14 Off setting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financialstatements 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.

2.15 Investment properties

Propertiescomprising leasehold land and building which are not occupied by the Companyand 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 profit and loss account currently.

2.16 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cheques in hand and deposit with banks net off short term finances/borrowings maturing within one year from the date of acquisition, if any.

2.17 Segment reporting

Segment reporting is based on the operating 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.

The Company has two reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), and Power Generation.

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.18 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.

2.19 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 approved and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. PROPERTY, PLANT AND EQUIPMENT

Owned assets	**Lease hold land Rupees**	**Plant and machinery Rupees**	**Vehicles Rupees**	**Total Rupees**
Year ended 30 June 2017				
Opening net book amount	138,935,285	2,420,860	151,327	141,507,472
Surplus on revaluation during the year	279,385	-	-	279,385
Transferred to investment property / Disposal:				
Cost / re-assessed value	77,753,203	25,056,923	517,804	103,327,930
Accumulated depreciation	-	(18,320,185)	(434,352)	(18,754,537)
Accumulated impairment	-	(4,395,468)	-	(4,395,468)
Transfer / disposals - net	77,753,203	2,341,270	83,452	80,177,925
Depreciation charge	-	(79,590)	(27,737)	(107,327)
Closing net book amount	**61,461,467**	**-**	**40,138**	**61,501,605**
Carrying value as at 30 June 2017				
Cost / re-assessed value	61,461,467	-	942,930	62,404,397
Accumulated depreciation	-	-	(902,792)	(902,792)
Net book amount (NBV)	**61,461,467**	**-**	**40,138**	**61,501,605**

Owned assets	Lease hold land Rupees	Plant and machinery Rupees	Vehicles Rupees	Total Rupees
Rate of depreciation (%)		10	20	
Year ended 30 June 2018				
Opening net book amount	61,461,467	-	40,138	61,501,605
Surplus on revaluation during the year	1,790,793	-	-	1,790,793
Depreciation charge	-	-	(8,028)	(8,028)
Closing net book amount	**63,252,260**	**-**	**32,110**	**63,284,370**
Carrying value as at 30 June 2018				
Cost / Re-assessed value	63,252,260	-	942,930	64,195,190
Accumulated depreciation	-	-	(910,820)	(910,820)
Net book amount (NBV)	**63,252,260**	**-**	**32,110**	**63,284,370**
Rate of depreciation (%)		10	20	

	2018 Rupees	2017 Rupees
3.1 Depreciation charge for the year has been allocated as follows:		
Owned		
Cost of sales	-	79,590
Administrative expenses	8,028	27,737
	8,028	**107,327**

3.2 Forced sale value of property, plant and equipment (i.e land) as on the reporting date is Rupees 50.602 million. The valuation has been carried out by an independent valuer.

3.3 Particulars of immovable property (i.e. lease hold land) are as follows:

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

	2018 Rupees	2017 Rupees
4. INVESTMENT PROPERTY		
Opening net book value	573,548,423	453,429,981
Transfer from owner occupied properties during the year	-	77,753,203
	573,548,423	531,183,184
Fair value gain	14,003,737	42,365,239
Closing net book value	**587,552,160**	**573,548,423**

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 2018 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. The transfers from owner occupied properties during the preceeding year have been made on respective carrying values at the date of transfer which represents the revalued amounts as at 05 April 2015. There is no transfer during the year.

4.2 Forced sale value of investment properties as on the reporting date is Rupees 470.042 million. The valuation has been carried out by an independent valuer.

4.3 Particulars of investment properties (i.e. land and building) are as follows:

Description	Address	Area of land	Covered area of building
Land and building	Plot No. B-28, Sindh Industrial Trading Estate, Karachi	273,607	215,176

5. LONG TERM INVESTMENTS

		2018 Rupees	2017 Rupees
Available for sale - Associated company (without significant influence)			
Taxmac (Private) Limited	5.1	116,360	116,360
Premier Insurance Limited - quoted	5.2	144,785	246,268
Crescent Industrial Chemical Limited - unquoted	5.3	-	-
		261,145	**362,628**
Under equity method - Associated companies (with significant influence)			
Cresox (Private) Limited	5.4	-	-
		261,145	**362,628**

5.1 Taxmac (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 (Private) Limited. Therefore, the investment has been carried at cost less impairmet, if any. The movement in carrying value during the year is as under:

	2018	2017
Opening value	116,360	520,000
Less: Impairment charge for the year	-	(403,640)
Closing Value	**116,360**	**116,360**
Represented by:		
Cost	520,000	520,000
Less: Accumulated impairment	(403,640)	(403,640)
	116,360	**116,360**

5.2 Premier Insurance Limited (PIL) is an associate under provisions of the Companies Act, 2017 due to common directorship. However, the Company has no significant influence over PIL. Therefore, the investment has been carried at fair value. The movement in carrying value during the year is as under:

	2018 Rupees	2017 Rupees
Opening carrying value	246,268	319,358
Fair value loss	(101,483)	(73,090)
	144,785	**246,268**

5.3 This represents investment of 184,000 shares in Crescent Industrial Chemical Limited which was fully impaired in previous years represented as under:

Cost	1,840,000	1,840,000
Less: Accumulated impairment	(1,840,000)	(1,840,000)
	-	-

5.4 The Company holds 24.93% holding in Cresox (Private) Limited, an associated company with sigificant influence being accounted for under equity method of accounting in these financial statements. The Investment in Cresox (Private) Limited has been fully impaired in preceding years due to share of loss accounted for under equity method of accounting.

Latest financial statements of Cresox (Private) Limited were not available. Therefore, summarized financial position of CSPL have not been presented in these financial statements.

6. LONG TERM LOANS - considered good - secured

Due from employees	6.1	1,658,978	1,633,978
Less: Current portion		(124,138)	(475,138)
		1,534,840	**1,158,840**

6.1 This represents balance of loans given to employees secured against gratuity payable on retirement. These were recoverable in equal monthly instalments. The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of staff loans is not considered material and hence not recognized.

7. LONG TERM DEPOSITS

Security deposits:			
- Sui Southern Gas Company Limited	7.1	10,569,550	7,942,527
- Habib Bank Limited	7.2	721,655	500,000
- Others		665,799	665,799
		11,957,004	**9,108,326**

7.1 This represents amount deposited with Sui Sothern Gas Company Limited in respect of gas connection.

7.2 This represents amount deposited with Habib Bank Limited in respect of guarantee issued by Habib Bank Limited in favor of Sui Southern Gas Company Limited on behalf of the Company for payment of gas bills.

8. TRADE DEBTS

		2018 Rupees	2017 Rupees
Unsecured - considered good:			
Related party	8.1	19,297,988	19,297,988
Others	8.2	4,055,874	5,886,612
		23,353,862	25,184,600
Unsecured - Considered doubtful:			
Others		2,871,560	8,942
Less: Provision for doubtful debts			
As at 01 July		8,942	8,942
Provision made during the year		2,862,618	-
As at 30 June		2,871,560	8,942
		23,353,862	**25,184,600**

8.1 This represents receivable from Cresox (Private) Limited - an associated company.

8.2 This includes service income amounting to Rupees 4,055,874 (2017: Rupees 3,023,994) receivable from tenants against use of Company's power house equipment.

8.3 As at 30 June 2018, trade debts due from related party amounting to Rupees 19,297,988 (2017: Rupees 19,297,988) were past due but not impaired. The ageing analysis of these trade debts is as follows:

6 months to 1 year	-	-
more than 1 year	19,297,988	19,297,988
	19,297,988	**19,297,988**

8.4 As at 30 June 2018, trade debt due from other than related party amounting to Rupees 4,055,874 (30 June 2017: Rupees 5,886,612) were past due but not impaired. The ageing analysis of is as follows:

6 months to 1 year	4,055,874	3,023,994
more than 1 year	-	2,862,618
	4,055,874	**5,886,612**

8.5 As at 30 June 2018, trade debts of Rupees 2,871,560 (2017: Rupees 8,942) were impaired and provided for. The ageing of these trade debts was more than 5 years. These trade debts do not include amounts due from related parties.

8.6 The maximum aggregate amount receivable from related parties at the end of any month during the year was Rupees 19,297,988 (2017: Rupees 19,297,988).

9. LOANS AND ADVANCES - Unsecured, considered good:

Related party	9.1	22,574,022	22,574,022
Others		1,897,692	748,692
		24,471,714	**23,322,714**

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

9.2 As at 30 June 2018, advances given to related party amounting to Rupees 22,574,022 (2017: Rupees 22,574,022) were past due but not impaired. The ageing analysis of these trade debts is as follows:

	Note	2018 Rupees	2017 Rupees
6 months to 1 year		-	-
more than 1 year		22,574,022	22,574,022
		22,574,022	**22,574,022**

9.3 As at 30 June 2018, advances given to other than related party amounting to Rupees 1,897,692 (30 June 2017: Rupees 748,692) were past due but not impaired. The ageing analysis of is as follows:

		2018 Rupees	2017 Rupees
6 months to 1 year		1,500,000	475,138
more than 1 year		397,692	273,554
		1,897,692	**748,692**

10. OTHER RECEIVABLES - Unsecured, considered good:

	Note	2018 Rupees	2017 Rupees
Related party	10.1	14,854,675	14,854,675
Others		50,563,147	49,760,939
		65,417,822	**64,615,614**

10.1 This represents amount receivable from Cresox (Private) Limited - an associated company Rupees 14,754,675 (2017: Rupees 14,754,675) and amount receivable from Jahanzeb Shafi Rupees 100,000 (2017:Rupees 100,000).

10.2 As at 30 June 2018, receivable from related party amounting to Rupees 14,854,675 (2017: Rupees 14,854,675) were past due but not impaired. The ageing analysis of these trade debts is as follows:

		2018 Rupees	2017 Rupees
6 months to 1 year		-	-
more than 1 year		14,854,675	14,854,675
		14,854,675	**14,854,675**

11. SHORT TERM INVESTMENTS

	Note	2018 Rupees	2017 Rupees
Available for sale	11.1	**8,572,151**	**12,199,009**

11.1 Investments available for sale

	2018 Rupees	2017 Rupees
Other than related parties - Quoted		
Crescent Jute Products Limited 1,709,683 (2017:1,716,683) fully paid ordinary shares of Rupees 10 each	**13,676,075**	**13,732,069**
Shakarganj Mills Limited 39,138 (2017: 39,138) fully paid ordinary shares of Rupees 10 each	**228,175**	**228,175**
Other than related parties - Unquoted		
Crescent Spinning Mills Limited 290,000 (2017: 290,000) fully paid ordinary shares of Rupees 10 each	362,500	362,500
	14,266,750	**14,322,744**
Opening impairment loss	(12,447,634)	(30,937,679)
Impairment loss on investment disposed of during the year	49,279	18,490,045

		2018 Rupees	2017 Rupees
Closing balance of impairment loss		(12,398,355)	(12,447,634)
Carrying cost net of impairment loss		**1,868,395**	**1,875,110**
Opening balance of fair value reserve		10,323,899	36,884,764
Fair value adjustment for the year		(3,592,909)	6,729,460
Fair value reserve transferred to profit and loss account on disposal of investment		(27,234)	(33,290,325)
		6,703,756	10,323,899
		8,572,151	**12,199,009**

12. CASH AND BANK BALANCES

	Note	2018 Rupees	2017 Rupees
Cash in hand		118,935	-
Cash at bank at current account	12.1	5,150,122	2,283,087
		5,269,057	**2,283,087**

12.1 This includes an amount of Rupees. 0.793 million (2017: Rupees 0.793 million) under lien with Standard Chartered Bank (Pakistan) Limited against the guarantees issued on behalf of the Company.

13. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2018 (NUMBER OF SHARES)	2017 (NUMBER OF SHARES)		2018 Rupees	2017 Rupees
700	700	Ordinary shares of Rupees 10 each fully paid in cash	7,000	7,000
1,500,000	1,500,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash (Note 13.1)	15,000,000	15,000,000
5,516,167	5,516,167	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	55,161,670	55,161,670
16,500,000	16,500,000	Ordinary shares of Rupees 10 each issued against conversion of loan from directors and associates (Note 13.2)	165,000,000	165,000,000
8,974,338	8,974,338	Ordinary shares of Rupees 10 each issued to shareholders of Jubilee Energy Limited under the Scheme of Amalgamation (Note 13.3)	89,743,380	89,743,380
32,491,205	**32,491,205**		**324,912,050**	**324,912,050**

13.1 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.

13.2 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).

13.3 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.

13.4 As at 30 June 2018, Crescent Cotton Mills Limited (associated company) held 474,323 (2017: 474,323) ordinary shares of Rupees 10 each of the company.

13.5 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.

		2018 Rupees	2017 Rupees
14. FAIR VALUE RESERVE ON 'AVAILABLE FOR SALE' INVESTMENTS			
Balance as on 01 July		10,278,178	36,912,133
Fair value reserve reclassified on disposal		(27,234)	(33,290,325)
Fair value adjustment made during the year		(3,694,392)	6,656,370
		6,556,552	10,278,178
Less: Deferred income tax liability on unquoted equity investments		-	-
Balance as on 30 June		**6,556,552**	**10,278,178**

14.1 This represents the unrealized gain on re-measurement of available for sale investments at fair value and is not available for distribution. This will be transferred to statement of profit or loss on realization.

15. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT (PPE) - NET OF DEFERRED TAX			
Revaluation surplus on property, plant and equipment :			
- Owner occupied	15.1	141,766,179	139,975,386
- Investment property	15.2	508,305,256	508,013,003
		650,071,435	**647,988,389**

15.1 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 2018.

Balance as at 01 July	61,461,467	138,935,285

	Note	2018 Rupees	2017 Rupees
Transferred to surplus on revaluation of investment property		-	(77,753,203)
Increase in surplus on revaluation		1,790,793	279,385
		1,790,793	(77,473,818)
		63,252,260	61,461,467
Surplus on revaluation of associated company accounted for under equity method	15.6	78,513,919	78,513,919
		141,766,179	**139,975,386**

15.2 Revaluation surplus on investment property - net of deferred tax

	2018 Rupees	2017 Rupees
Balance as at 01 July	508,013,003	429,977,289
Transferred from revaluation surplus on PPE - net of tax	-	77,753,203
Effect of change in tax rate	292,253	282,511
	508,305,256	**508,013,003**

15.3 This represents revalaution surplus on operating assets (i.e land and building) transferred to investment property accounted for on revalauation model as on the date of transfer.

15.4 The latest revaluation of leasehold land have been determined as at 30 June 2018 by Dimensions (an independent valuer who is located in Karachi) on the basis of thier 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 condition.

15.5 The cost of leasehold land revalued as at 30 June 2018 is Nil.

15.6 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.

16. LONG TERM FINANCING

From sponsor shareholders of the Company:

	Note	2018 Rupees	2017 Rupees
Opening balance as at 01 July		14,574,680	8,386,191
Add: Fair value adjustment under IAS-39		-	6,188,489
Closing balance	16.1	**14,574,680**	**14,574,680**
Less: Current portion		-	(14,574,680)
Less: Over due portion		(14,574,680)	-
		(14,574,680)	(14,574,680)
		-	-

16.1 These represent balance of unsecured interest free loans obtained from the sponsor directors of the Company and are due on 30 June 2017. These had been recognized at amortized cost under IAS-39 "Financial Instruments: Recognition and Measurement" using discount rate ranging from 9.47% to 11.90% per annum. The resulting difference was transferred to equity and has been amortized over the term of the loan.

17. DEFERRED INCOME TAX

	Note	2018 Rupees	2017 Rupees
Deferred tax liability on revaluation of investment property	17.1	8,183,086	8,475,339
Deferred tax liability on remeasurement of employees retirement benefits		3,069,461	3,159,834
		11,252,547	**11,635,173**

17.1 Deferred tax liability on revaluation of investment property

	2018 Rupees	2017 Rupees
Opening	8,475,339	8,757,850
Transferred from deferred tax liability on revaluation of PPE	-	-
Effect of change in tax rate	(292,253)	(282,511)
	8,183,086	**8,475,339**

18. EMPLOYEES RETIREMENT BENEFITS

Staff gratuity scheme - unfunded

	Note	2018 Rupees	2017 Rupees
Present value of defined benefit obligation	18.2	17,339,146	18,923,801
Less: Payable to ex-employees (current liability)	19	(13,051,374)	(15,197,817)
		4,287,772	**3,725,984**

18.1 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 2018.

18.2 Movement in present value of defined benefit obligation

	2018 Rupees	2017 Rupees
Balance at beginning of the year	18,923,801	35,259,509
Current service cost	184,226	181,923
Interest cost	280,451	270,688
Benefits paid during the year	(2,360,963)	(8,640,474)
Actuarial loss / (gain)	311,631	(8,147,845)
Balance as at end of the year	**17,339,146**	**18,923,801**

18.3 Movement in balances

	Note	2018 Rupees	2017 Rupees
Balance at beginning of the year		18,923,801	35,259,509
Charge for the year	18.4	776,308	(7,695,234)
		19,700,109	**27,564,275**
Benefits paid during the year		(2,360,963)	(8,640,474)
Balance at the end of the year		**17,339,146**	**18,923,801**

18.4 Charge for the year

In profit and loss account:

	2018 Rupees	2017 Rupees
Current service cost	184,226	181,923
Interest cost	280,451	270,688
	464,677	**452,611**

	2018 Rupees	2017 Rupees
In statement of comprehensive income:		
Actuarial loss / (gain) due to change in:		
- Experience adjustments	306,311	(8,149,964)
- Financial assumptions	5,320	2,119
	311,631	**(8,147,845)**
	776,308	**(7,695,234)**

18.5 Principal actuarial assumption

Following principal actuarial assumptions were used for the valuation:

	2018	2017
Estimated rate of increase in salary of the employees	**8.00%**	6.75%
Discount rate	**9.00%**	7.75%

18.6 Sensitivity analysis for actuarial assumptions:

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

	Defined benefit obligation		
	Change in assumption Percentage	Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate	1	4,125,168	4,464,397
Salary increase	1	4,467,153	4,119,673

19. TRADE AND OTHER PAYABLES

	Note	2018 Rupees	2017 Rupees
Creditors		9,481,431	9,865,073
Gratuity payable to ex-employees	18	13,051,374	15,197,817
Accrued liabilities		9,408,651	7,722,177
Advances from customers / tenants		15,744,682	20,744,868
Insurance payable		12,735,179	12,735,179
Income tax deducted at source		15,076,575	14,797,367
Security deposits		7,750,000	7,750,000
Unclaimed balance of Workers' profit participation fund		1,673	1,673
Other liabilities		1,996,342	12,495,961
		85,245,907	**101,310,115**

20. PROVISIONS

Provision for penalty on account of non-deposition of withholding tax	20.1	**9,928,940**	**9,928,940**

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

21. CONTINGENCIES AND COMMITMENTS

Contingencies

		2018 Rupees	2017 Rupees
21.1 Bank Guarantee from:			
Standard Chartered Bank (Pakistan) Limited	21.1.1	793,800	793,800
Habib Bank Limited	21.1.2	2,000,000	2,000,000
		2,793,800	**2,793,800**

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 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 bank balance of Rupees 721,655 as at 30 June 2018, hypothecation charge over stocks and receivables, first pari passu equitable mortgage over the land and building, hypothecation charge over stocks bill receivables and proceeds of goods, stock of raw cotton, legal mortgage charge.

21.2 During the year 2015, the Company had filed a suit to Honourable 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 Paksitan against rate of taxation 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. The Honourable High Court has granted interim status quo in favour of the Company.

21.3 During the year 2015, the Company had filed a suit to Honourable High Court against Sui Southren Gas Company Limited through Federation of Pakistan in respect of issuance of Sui Gas bill for the month of October 2015 in which an amount of Rupees 56.378 million including an amount of Rupees 18.749 million which was shown as adjustement debit towards past general sales tax for the period prior to June 2014. That amount of Rupees 18.749 million was challenged through this suit being unjustified and without any clarification. The Honourable Court vide order dated 09 December 2015 granted interim relief on the stay application. During the pendency of the present suit, various other suits on similar issues were also filed by various other companies thereafter matter was taken up before the Supreme Court of Pakistan by the Federation. The Supreme Court of Pakistan vide order dated 27 June 2018 directed the Companies to deposit 50% of the challenged amount only thereafter the suits shall be proceeded, otherwise same shall be dismissed. Under the direction of the Honourable Supreme Court of Pakistan, the High Court has now directed to deposit the 50% amount on or before 09 October 2018.

21.4 During the previous years, the Company has filed suits to the Honourable Civil Court agianst its ex-employees for cancellation of cheques aggregate amounting to Rupees 2.812 million and for permanent injuction. The matters are pending for hearing of order.

21.5 During the year, the Company filed suit against Cresox (Private) Limited and Mr. Tariq Shafi seeking payment of Rupees 56.776 million pertaining to trade and other receivables and restarining Mr. Tariq Shafi from interferring 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 Hounourable 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 2018 (2017: Nil).

		2018 Rupees	2017 Rupees
22. REVENUE			
Service income		**37,150,238**	**24,032,001**

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

23. COST OF REVENUE

Repair and maintenance		7,478,088	5,177,758
Fuel, water and power		5,458,351	2,195,918
Depreciation	3.1	-	79,590
Miscellaneous expenses		-	64,167
		12,936,439	**7,517,433**

24. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, allowances and benefits		25,161,252	11,900,065
Travelling, conveyance and entertainment		3,578,788	192,632
Printing stationery		409,624	331,067
Communication		684,191	196,219
Rent, rates and taxes		617,560	553,717
Insurance		298,878	229,202
Subscription and periodicals		1,473,088	606,261
Repair and maintenance		4,136,856	8,215,142
General expenses		1,461,969	1,454,774
Provision for doubtful debts		2,862,618	-
Auditors' remuneration	24.1	765,000	545,000
Advertisement		78,200	470,000
Legal and professional charges		4,720,130	1,976,678
Depreciation	3.1	8,028	27,737
		46,256,182	**26,698,494**

24.1 Auditors' remuneration

Audit services		
Audit fee	430,000	325,000
Half yearly review	70,000	70,000
Out of pocket expenses	150,000	150,000
	650,000	**545,000**
Non-audit services		
Certification for regulatory purposes	115,000	-
	765,000	**545,000**

25. OTHER EXPENSES

Loss on disposal of short term investment	**-**	**1,364,722**

		2018 Rupees	2017 Rupees
26. OTHER INCOME			
Income from financial assets			
Dividend income		49,571	62,048
Gain on disposal of available for sale of short term investments		153,859	36,916,117
Bank profit		221,655	-
Liabilities no more payable written back		-	24,517,429
		425,085	**61,495,594**
Income from non financial assets			
Rental income		52,737,660	48,616,468
Gain on remeasurement of fair value of investment property		14,003,737	42,365,239
Others		201,634	201,662
		66,943,031	91,183,369
		67,368,116	**152,678,963**
27. FINANCE COST			
Bank charges		**82,289**	**24,207**
28. PROVISION FOR TAXATION			
Current	28.1	13,267,427	24,744,878
Prior year		(887,714)	605,461
Deferred	28.2	-	-
		12,379,713	**25,350,339**

28.1 Current

The tax liability of the Company for the year has been calculated under the normal provisions of the Income Tax Ordinance, 2001. The income tax assessments of the Company have been finalized up to and including tax year 2009. Due to available tax losses, no provision for tax under normal tax regime is required. Current tax represents income chargeable to tax under separate head of income, final tax, alternate corporate tax and tax on undistributed profit for the year under section 5A to the Income Tax Ordinance, 2001.

28.2 Deferred

Deferred tax asset from excess of deductible temporary differences and accumulated tax losses over taxable temporary differences chargeable to profit and loss account has not been accounted for in these financial statements. The management expects that it is not probable that taxable profits under normal tax regime / taxable temporary differences would be available in near future against which the deferred tax asset can be utilized. However, the deferred tax liability arising on surplus on revaluation of property, plant and equipment, the surplus on revaluation of investment property, and on remeasurement of employees retirement benefits respectively, has been fully recognized in these financial statements (Note 17).

28.3 The Company computes tax based on the generally accepted interpretation of the tax laws to ensure that the sufficient provision for the purposes of taxation is available which can be analyzed as follows:

	Year ended 30 June		
Description	**2017 Rupees**	**2016 Rupees**	**2015 Rupees**
Provision for taxation	25,350,339	8,149,719	2,685,454
Tax assessed	13,304,479	6,634,681	2,738,088

	2018 Rupees	2017 Rupees
28.4 Relationship between tax expense and accounting profit:		
Accounting profit before taxation	**45,243,444**	**140,702,468**
Tax @ 30% (2017: 31%)	13,573,033	43,617,765
Effect of:		
Dividend income subject to fixed rate	(7,436)	(11,479)
Commission income subject to fixed rate	(36,294)	(38,316)
Rental income subject to fixed rate	(7,573,272)	(7,482,470)
Accelerated depreciation	(282,259)	(301,886)
Impairment loss on investment	-	125,128
Gratuity payment	(568,886)	(2,538,238)
Fair value gain on remeasurement of investment	(4,201,121)	(13,133,224)
Accounting loss on disposal of fixed assets	-	423,064
Accounting gain on disposal of investments	(46,158)	(11,443,996)
Tax loss	7,422,051	-
Tax on undistributed profits u/s 5A	2,262,172	10,552,685
Alternate corporate tax	2,725,597	4,975,845
	13,267,427	**24,744,878**

29. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:		2018	2017
Profit attributable to ordinary shares	(Rupees)	**32,863,731**	**115,352,129**
Weighted average number of ordinary shares	(Numbers)	**32,491,205**	**32,491,205**
Earnings per share	(Rupees)	**1.01**	**3.55**

30. CASH USED IN OPERATIONS

	2018 Rupees	2017 Rupees
Profit before taxation	45,243,444	140,702,468
Adjustments for non-cash charges and other items:		
Depreciation	8,028	107,327
Impairment loss	-	403,640
Provision for gratuity	464,677	452,611
Provision for doubtful debts	2,862,618	-
Dividend income	(49,571)	(62,048)
Liabilities written back	-	(24,517,429)
Fair value gain on investment property	(14,003,737)	(42,365,239)
Rental income	(52,737,660)	(48,616,468)
Gain on disposal of available for sale investments	(153,859)	(36,916,117)
Loss on disposal of short term investments	-	1,364,722
Finance cost	82,289	24,207
	(63,527,215)	(150,124,794)
Net cash used in operating activities before working capital changes	**(18,283,771)**	**(9,422,326)**

	2018 Rupees	2017 Rupees
30.1 Working capital changes		
(Increase) / decrease in current assets		
Trade debts	(1,031,880)	(201,994)
Loans and advances	(1,149,000)	4,114,840
Long term deposits	(2,848,678)	(4,659,317)
Other receivables	(802,208)	(39,747,114)
Increase / (decrease) in current liabilities		
Trade and other payables	(13,917,765)	(30,171,940)
Working capital changes	(19,749,531)	(70,665,525)
Net cash used in operations after working capital changes	**(38,033,302)**	**(80,087,851)**

31. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION

	2018	2017
Chief Executive Officer		
Managerial remuneration	4,200,000	-
House rent allowance	1,890,000	-
Utilities	420,000	-
	6,510,000	**-**
Number of executive	1	1
Director		
Managerial remuneration	4,200,000	-
House rent allowance	1,890,000	-
Utilities	420,000	-
	6,510,000	**-**
Number of director	1	1

31.1 The chief executive officer is provided with free use of Company maintained cars. One (2017: one) other employee is also provided with the Company maintained car.

31.2 No meeting fee was paid to any director during the year (2017: Nil).

31.3 No remuneration was paid to non-executive directors of the Company. (2017: Nil).

32. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

During the preceding year, the Company has disposed of all of its plant and machinery, therefore, its production capacity has reduced to zero.

Power plant	**2018**	**2017**
The capacity of power house generators in use of the Company for supply of electricity to tenants is as under:		
Generation Capacity (KW)	1,972	1,711
Actual generation (KW)	695	747

32.1 Reasons for low production

The Company has disposed of all of its plant and machinery, therefore, its production capacity has reduced to zero. Since production capacity of spinning unit reduced to zero, the power plant capacity is also reduced.

33. 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	Nature of transaction	2018 Rupees	2017 Rupees
i.	Associated Companies	Collections	-	(2,822,000)
		Advance payment	-	21,151,622
		Advance recovered	-	(25,477,600)
ii.	Staff Retirement Funds	Expense charged for retirement benefit plans	**464,677**	452,611
		Payment to retirement benefit plans	**2,360,963**	8,640,474
		Receivable / (Payable)		
i.	Associated Companies	Trade debts	**19,297,988**	19,297,988
		Loans and advances	**22,574,022**	22,574,022
		Other receivable	**14,754,675**	14,754,675
ii.	Directors	Due to director, associates and others	**(14,574,680)**	(14,574,680)

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

33.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

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

34. SEGMENT INFORMATION

34.1 The company has 02 reportable business segments. The following summary describes the operation in each of the company's reportable segments:

Rental: Production of different quality of yarn using natural and artificial fibers.

Power Generation: Generation and distribution of power.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

34.1.1 Segment results

	Spinning		Power Generation		Total - Company	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Sales	-	-	37,150,238	24,032,001	37,150,238	24,032,001
Cost of sales	-	-	(12,936,439)	(7,517,433)	(12,936,439)	(7,517,433)
Gross profit	-	-	24,213,799	16,514,568	24,213,799	16,514,568
Unallocated income and expenses:						
Administrative and general expenses					(46,256,182)	(26,698,494)
Other operating expenses					-	(1,364,722)
Impairment loss on long term investment					-	(403,640)
Other income					67,368,116	152,678,963
Finance cost					(82,289)	(24,207)
Taxation					(12,379,713)	(25,350,339)
Profit after taxation					**32,863,731**	**115,352,129**

34.2 Segment Assets

	Spinning		Power Generation		Total - Company	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	-	-	14,604,596	3,023,994	14,604,596	3,023,994
Unallocated assets					783,051,291	780,437,812
					797,655,887	**783,461,806**
Segment liabilities	-	-	7,835,356	1,966,088	7,835,356	1,966,088
Unallocated liabilities					141,852,339	164,531,419
					149,687,695	**166,497,507**

35 FINANCIAL RISK MANAGEMENT

35.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise 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 manges 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)	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
KSE 100 (5% increase)	-	-	**435,847**	622,264
KSE 100 (5% decrease)	-	-	**(435,847)**	(622,264)

'Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as available for sale.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk. As at reporting date, there were no fixed rate borrowings.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2018 Rupees	2017 Rupees
Investments	8,833,296	12,561,637
Loans and advances	26,006,554	24,481,554
Deposits	11,957,004	9,108,326
Trade debts	23,353,862	25,184,600
Other receivables	61,084,065	60,539,229
Bank balances	5,150,122	2,283,087
	136,384,903	**134,158,433**

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:

	Rating			2018	2017
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
National Bank of Pakistan	A1+	AAA	JCR-VIS	-	40,658
Allied Bank Limited	A1+	AAA	PACRA	19,040	19,040
Faysal Bank Limited	A1+	AA	JCR-VIS	3,865	4,251
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	4,267,103	1,385,566
Standard Chartered Bank (Pakistan) Ltd.	A1+	AAA	PACRA	816,600	816,600
Habib Bank Limited	A1+	AAA	JCR-VIS	-	-
Soneri Bank Limited	A1+	AA-	PACRA	43,514	16,972
				5,150,122	**2,283,087**

	Rating			2018	2017
	Short Term	Long term	Agency	Rupees	Rupees
Investments					
Taxmac (Private) Limited		Unknown	-	116,360	116,360
Premier Insurance Limited - quoted	A	-	PACRA	144,785	246,268
Crescent Jute Products Limited		Unknown	-	5,812,922	8,325,913
Shakarganj Mills Limited		Unknown	-	2,759,229	3,873,096
				8,833,296	**12,561,637**

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 18.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and cash and bank balances. At 30 June 2018, the Company has Rupees 5.269 million (2017: Rupees 2.283 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 2018.

	Long term financing Rupees	Trade and other payables Rupees	Unclaimed dividend Rupees
Carrying amount	**14,574,680**	**41,373,276**	**577,737**
Contractual cash flows			
6 month or less	14,574,680	20,686,638	577,737
6 - 12 month	-	20,686,638	-
1 - 2 year	-	-	-
More than 2 years	-	-	-
	14,574,680	**41,373,276**	**577,737**

Contractual maturities of financial liabilities as at 30 June 2017.

	Long term financing Rupees	Trade and other payables Rupees	Unclaimed dividend Rupees
Carrying amount	**14,574,680**	**50,570,063**	**577,737**
Contractual cash flows			
6 month or less	14,574,680	25,285,032	577,737
6 - 12 month	-	25,285,031	-
1 - 2 year	-	-	-
More than 2 years	-	-	-
	14,574,680	**50,570,063**	**577,737**

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 2018. The rates of interest / mark up have been disclosed in note 16.1 to these financial statements.

35.2 Recognized fair value measurements - financial assets

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements As at 30 June 2018	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Investments - available for sale	8,716,936	-	-	8,716,936
Investments at fair value through profit or loss	-	-	-	-
	8,716,936		**-**	**8,716,936**
As at 30 June 2017				
Investments - available for sale	12,445,277	-	-	12,445,277
Investments at fair value through profit or loss	-	-	-	-
	12,445,277	**-**	**-**	**12,445,277**

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 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.

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

(ii) Valuation techniques used to determine fair values

Valuation technique used to value financial instruments includes the use of quoted market prices and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

35.3 Recognized fair value measurements - non-financial assets

(i) Fair value hierarchy

Judgements 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:

As at 30 June 2018	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Property, plant and equipment	-	63,252,260	-	63,252,260
Investment property	-	587,552,160	-	587,552,160
	-	**650,804,420**	**-**	**650,804,420**
As at 30 June 2017				
Property, plant and equipment	-	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 each year. 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 each year.

35.4 Financial instruments by categories

as at 30 june 2018

assets as per balance sheet	Loans and receivables	Available for sale	Total
	Rupees	Rupees	Rupees
Investments	-	8,833,296	8,833,296
Loans and advances	26,006,554	-	26,006,554
Deposits	11,957,004	-	11,957,004
Trade debts	23,353,862	-	23,353,862
Other receivables	61,084,065	-	61,084,065
Bank balances	5,150,122	-	5,150,122
	127,551,607	**8,833,296**	**136,384,903**

Liabilities as per balance sheet	Financial liabilities at amortized cost Rupees
Current portion of long term financing	14,574,680
Trade and other payables	41,373,276
	55,947,956

As at 30 June 2017 **Assets as per balance sheet**	Loans and receivables Rupees	Available for sale Rupees	Total Rupees
Investments	-	12,561,637	12,561,637
Loans and advances	24,481,554	-	24,481,554
Deposits	9,108,326	-	9,108,326
Trade debts	25,184,600	-	25,184,600
Other receivables	60,539,229	-	60,539,229
Bank balances	2,283,087	-	2,283,087
	121,596,796	**12,561,637**	**134,158,433**

Liabilities as per balance sheet	Financial liabilities at amortized cost Rupees
Current portion of long term financing	14,574,680
Trade and other payables	50,570,063
	65,144,743

35.5 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.

36 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

36.1

Description	Note	2018		2017	
		Carried Under		Carried Under	
		Non-Shariah agreements	Shariah agreements	Non-Shariah agreements	Shariah agreements
		Rupees	Rupees	Rupees	Rupees
Assets					
Long term loans	6	-	**1,534,840**	-	1,158,840
Deposits	7	-	**11,957,004**	-	9,108,326
Loans and advances	9	-	**24,471,714**	-	23,322,714
Cash and bank balances	12	-	**5,269,057**	-	2,283,087
Income					
Gain on disposal of available for sale investments	26	**153,859**	-	36,916,117	-

	Note	2018 Rupees	2017 Rupees
36.2 Dividend income earned from	26		
Crescent Steel & Allied Products Limited		523	60,148
Shakarganj Limited		49,048	-
Oil & Gas Development Company Limited		-	1,900
		49,571	**62,048**
36.3 Sources of other income	26		
Dividend income		49,571	62,048
Liabilities written back		-	24,517,429
Commission income		201,634	201,662
Gain on disposal of available for sale investments		153,859	36,916,117
Gain on remeasurement of fair value of investment property		14,003,737	42,365,239
Rental Income		52,737,660	48,616,468
		67,146,461	**152,678,963**

Name	Relationship	
	Non Islamic window operations	With Islamic windows operations
National Bank of Pakistan	✓	-
Allied Bank Limited	✓	-
Faysal Bank Limited	✓	-
Habib Metropolitan Bank Limited	✓	-
Standard Chartered Bank (Pakistan) Limited	✓	-
United Bank Limited	✓	-
Habib Bank Limited	✓	-
Soneri Bank Limited	✓	-

37 NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2018		2017	
	At year end	Average	At year end	Average
Permanent employees	5	6	7	8
Contractual employees	24	21	17	16

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on October 5, 2018 by the Board of Directors of the Company.

39. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made, except for the following:

From	To	Rupees
Cost of revenue	**Administrative and general expenses**	
- Miscellaneous expenses	- Travelling, conveyance and entertainment	162,632
- Miscellaneous expenses	- Rent, rates and taxes	444,104

To comply with the requirements of the Companies Act, 2017 unclaimed dividend has been reclassified from trade and other payables and presented on the face of statement of financial position.

40. GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

Shams Rafi
Chief Executive

Salman Rafi
Director

Shams Rafi
Chief Financial Officer

Form 34
Pattern of Share Holding
As on June 30, 2018

Shareholders	From	To	Total Shares
482	1	100	15,765
411	101	500	112,607
142	501	1,000	115,915
227	1,001	5,000	597,826
51	5,001	10,000	411,217
21	10,001	15,000	260,586
16	15,001	20,000	285,603
20	20,001	25,000	453,951
18	25,001	30,000	519,651
7	30,001	35,000	223,392
3	35,001	40,000	116,628
5	40,001	45,000	217,833
9	45,001	50,000	428,899
6	50,001	55,000	322,885
4	55,001	60,000	232,464
1	60,001	65,000	63,500
2	65,001	70,000	137,971
4	70,001	75,000	284,625
2	75,001	80,000	157,277
1	80,001	85,000	80,630
2	85,001	90,000	178,173
2	95,001	100,000	198,500
2	100,001	105,000	202,000
1	110,001	115,000	114,500
1	115,001	120,000	116,462
1	160,001	165,000	163,450
1	175,001	180,000	179,921
1	180,001	185,000	182,629
1	210,001	215,000	214,000
1	285,001	290,000	285,357
1	290,001	295,000	292,218
1	305,001	310,000	309,000
1	470,001	475,000	474,323
1	520,001	525,000	522,855
1	575,001	580,000	576,747
1	685,001	690,000	689,348
1	1,195,001	1,200,000	1,198,434
1	1,205,001	1,210,000	1,206,073
1	2,390,001	2,395,000	2,391,204
1	2,400,001	2,405,000	2,400,529
1	2,420,001	2,425,000	2,422,162
1	2,595,001	2,600,000	2,598,012
1	2,745,001	2,750,000	2,747,852
1	3,560,001	3,565,000	3,561,731
1	4,225,001	4,230,000	4,226,500
1,460			**32,491,205**

Categories of Shareholders	Numbers	Shares held	% age
Individual	1,411	15,235,946	46.9
More than 5%	6	16,121,490	49.6
Associated Companies	1	474,323	1.5
Joint Stock Companies	29	648,081	2.0
Insurance Companies	2	5,130	0.0
Financial Institution	8	4,127	0.0
NIT & ICP	2	1,981	0.0
Modaraba	1	127	0.0
Total	**1,460**	**32,491,205**	**100**

Pattern of Share Holding
As on June 30, 2018

Categories of Shareholder

		Number of shares held	%
1	**Directors, Chief Executive Officer, their spouse and minor children**		
	Chief Executive/Director		
	Shams Rafi	692,810	2.1
	Directors		
	Aurangzeb Shafi	522,855	1.6
	Jahanzeb Shafi	292,218	0.9
	Muhammed Rafi	4,228,922	13.0
	Salman Rafi	591,979	1.8
	Umer Shafi	1,206,073	3.7
	Usman Shafi	1,198,434	3.7
	Directors' Spouse and their minor children		
	Mussarat Rafi	10,587	0.0
		8,743,878	27
2	NIT & ICP		
	Investment Corporation Of Pakistan	1,891	0.0
	Idbl (Icp Unit)	90	0.0
		1,981	0
3	Associated Companies	474,323	1.5
4	Banks, DFI, NBFIs	4,127	0.0
5	Insurance Companies	5,130	0.0
6	Modaraba and Mutual Funds	127	0.0
7	Shareholders More than 5%	16,121,490	49.6
8	Other companies, Corporate Bodies, Trust etc.	648,081	2.0
9	General Public	6,492,068	20.0
	Grand Total	32,491,205	100
	Shareholders more than 5% shareholding		
	Muhammed Rafi	4,226,500	13.0
	Tariq Shafi	3,561,731	11.0
	Rizwan Shafi	2,747,852	8.5
	Shoaib Shafi	2,598,012	8.0
	Ahmad Shafi	2,422,162	7.5
	Shaukat Shafi	2,400,529	7.4
	Muhammad Anwar	2,391,204	7.4
		20,347,990	63

45th Annual General Meeting
Form of Proxy

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 herebyappoint ____ of __________________ or failing him ____ 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 45thAnnual General Meeting of the Company to be held on Saturday the October 27, 2018 at 10:00 AM at the office of the company at 7-B-2, Aziz Avenue, Gulberg-V, Lahoreand at any adjournment thereof.

As witness my hand this ___________ day of __________________2018.

Witness's Signature
Name: ________________________
Address: ______________________
____
CNIC # _______________________

Affix

Revenue

Stamp of Rs. 5/-

Witness's Signature
Name: ________________________
Address: ______________________
____
CNIC # _______________________

Date:
Place:
Note:

CNIC

1. The Form of Proxy should be deposited at the Registered 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 national Identity Cards/Passport in original to provide his/her identity, and in case of Proxy, must enclosed 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_________________________________

بحیثیت رکن جوبلی اسپننگ اینڈ ویونگ ملز لمیٹڈ_______شیئرز کے رجسٹرڈ فولیو نمبر/CDC نمبر/حصہ داری/ Participant ID/Sub A/C #/ Investor A/C # کے حامل ہیں: اکاؤنٹ نمبر.................بذریعہ ہذا تقرر (Appoint) کرتے ہیں...................

ساکن..................یا عدم موجودگی کی صورت میں محترم/محترمہ..................ساکن..................جو کہ کمپنی کے رکن بھی ہیں ان کی عدم موجودگی کی صورت میں بذریعہ رجسٹرڈ فولیو_____________________CDC # کمپنی کی 45 ویں سالانہ جنرل میٹنگ جو کہ مورخہ 27 اکتوبر 2018 بروز ہفتہ کمپنی کے آفس واقع 2-B-7، عزیز ایوینیو، گلبرگ V، لاہور میں منعقد ہوگی، اس میں میری/ہماری جانب سے ہماری مختار (پروکسی) کو سنبھالنا/نگرانی کرنا، بولنا اور اجلاس کے اختتام پر میرے/ہمارے ووٹ دینے کے اہل ہیں۔

آج بروز______________مورخہ___________2018 کو بطور گواہ دستخط کئے۔

دستخط بعوض
5 روپے
ریونیو اسٹیمپ

1- دستخط گواہ:_______________________________

نام:___________________________________

پتہ:___________________________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر_______________

2- دستخط گواہ:_______________________________

نام:___________________________________

پتہ:___________________________________

____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر_______________

دستخط رکن

مورخہ:

بمقام: لاہور

قومی شناختی کارڈ نمبر														

نوٹ:

1- اس فارم کو مکمل اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار 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۔