



Jubilee Spinning & Weaving Mills Ltd.



Jubilee Spinning & Weaving Mills Limited

Condensed Interim Financial Statements **Half Yearly December 31, 2020 (Un-Audited)**



Jubilee Spinning & Weaving Mills Ltd.

Company Information

Board of Directors

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

Audit Committee

| | |
|-------------------|------------|
| Mr. Usman Shafi | (Chairman) |
| Mr. Umer Shafi | (Member) |
| Mr. Shaukat Shafi | (Member) |

Company Secretary

Mr. Muhammad Zeeshan Saleem

Auditors

Riaz Ahmed & Company
Chartered Accountants

Legal Advisor

Arain Law Associates

Bankers

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

Registered Office

503-E. Johar Town
Lahore, Pakistan

Mills

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



Directors' Report To The Shareholders

Dear Shareholders,

The Directors of your Company are pleased to present the results for the Half Year ended December 31, 2020 along with the Auditors' Review.

Net (Loss)/ Profit

During the period, the company made a net loss of Rs. (2,521,740) after charging costs, expenses and provisions for the year, as compared to previous period's net loss of Rs. (5,554,986).

Financial Results

The financial results of the company are summarized below:

| | Rupees | Rupees |
|--|---------------|---------------|
| Period Ended On | Dec. 31, 2020 | Dec. 31, 2019 |
| Revenue | 1,039,183 | 5,352,087 |
| Cost of Revenue | (2,431,290) | (4,873,983) |
| Gross Profit/(Loss) | (1,392,107) | 478,104 |
| Gross Profit/(Loss)% | (1.34)% | 8.93% |
| Administration and Other Operating Costs | (19,330,609) | (22,821,593) |
| Other Income | 23,549,200 | 29,449,604 |
| Finance Charges | (58,210) | (31,759) |
| Provision for Tax | (5,290,014) | (12,629,342) |
| Profit/(Loss) after Tax | (2,521,740) | (5,554,986) |
| Basic Profit/(Loss) Per Share | (0.08) | (0.17) |

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

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



Quote

Trade debts, loans and advances and other receivables as at 31 December 2020 include Rupees 19.298 million, Rupees 22.574 million and 14.755 million, respectively receivable from an associated company outstanding since long. Further, one of the financial institutions, on default by the associated company in preceding years, realized the Company's investments in equity securities pledged against lending to associated company. The Company treated the market price of such securities at the date of realization by the financial institution as disposal value amounting to Rupees 40.963 million and accounted for it as other receivables. The Company is uncertain about the party from whom it is to be recovered. In addition, loans and advances and other receivables as at 31 December 2020 include aggregate balance of Rupees 5.770 million receivable from other than related parties outstanding for more than one year. The management has not provided us with its assessment of expected credit losses in respect of trade and other receivables nor did account for any allowance for expected credit losses in the condensed interim financial statements in respect of such balances;

Unquote

The company has filed a legal petition against the said company for the recovery. The case is in court and the management is waiting for a verdict from the honorable court. Our legal counsel M/s. Haider Waheed and Partners has confirmed that the hearing is still pending for adjudication and a future fixation date has not been set as of yet. However management believes a favorable outcome and will recover the outstanding amount including the amount pertaining to the investment transferred/disposed of by the financial institution. Receivable from other than related parties include 5.01 million from government institutions in respect of sales tax and custom rebate.

Quote

During the preceding year, the Company's petition in Honorable Lahore High Court praying restraining Sui Southern Gas Company Limited (SSGC) from recovering the amount of general sales tax (GST) arrears and disconnecting the gas connection was dismissed for being not maintainable. Accordingly, SSGCL raised bill for outstanding arrears amounting to Rupees 17.868 million and en-cashed the bank guarantee of Rupees 2 million and forfeited gas security deposit of Rupees 10.823 million against its demand and disconnected the gas connection. The Company has not accounted for the demand of SSGCL and treated the balance of en-cashed bank guarantee and forfeited gas security deposit aggregately amounting to Rupees 12.823 million as receivable from SSGCL. The management has not adopted any legal recourse against the act of SSGCL till the reporting date despite the lapse of significant period since dismissal purporting recovery of this balance as doubtful. Accordingly, we remained unable to satisfy ourselves in respect of this receivable and non-recognition of demand of SSGCL.

Unquote

SSGC imposed an amount showing under Sales tax of Rs. 17.868 million for the period from 2009 to 2014 without any justification. Since 2014 the company stopped all manufacturing activities and rented out the space. The company availed zero rating facility under SRO 1125(1)/2011 till 2014.



When rented out the space the company started paying sales tax along with monthly gas charges. SSGC keeping in view the status after 2014 imposed Sales tax with the amount and from the period as stated above. We wrote FBR to confirm if any such liability exist against Jubilee Spinning & Weaving Mills Limited. The letter remained un-respondent till this time. We had meetings with SSGC officials on the matter who agreed to remove this amount on production of STGO in favor of the company. The company applied to FBR for the issuance of STGO in its favor. We are in following up with the department and are firm to receive STGO in our favor. The matter is delayed on FBR's part.

Quote

Revenue amounting Rupees 1.039 million accounted for in the condensed interim financial statements represents billing to tenants in respect of use of Company's power house equipments and transmission lines. The Company has disposed of its power house equipment in October 2016 and placed alternate power generators. Previously, these alternate power generators, generating the aforesaid revenue were neither recognized in the books of account of the Company nor did any rent was charged in the condensed interim financial statements. During the month of October and November 2018, the Company has recorded purchase of two generators replacing the previously unrecorded generators. However, the arrangement of such replacement could not be substantiated due to the lack of information as to the disposal of the previously unrecorded generators where suit have been filed by ex-director for the repossession of these generators more fully disclosed in Note 8.3 to the condensed interim financial statements. Moreover, in the absence of legal opinion to this effect, we remained unable to satisfy ourselves as to whether the aforesaid arrangement with the tenants is in compliance with all the applicable regulatory provisions including income tax, sales tax and electricity duty on such revenue;

Unquote

The company purchased three generators in previous year that were incorporated in books and charged depreciation thereon. There was no disposal of generators as those were not the property of the company. We did not have any evidence that such generators belong to one of the ex-directors.

Quote

Sui Southern Gas Company Limited (SSGC) latest bill reflects the outstanding demand of Rupees 6.608 million on account of Gas Infrastructure Development Cess (GIDC) payable in twenty-four (24) equal installments under the order of Honorable Supreme Court of Pakistan. Furthermore, the latest bill of gas connection before disconnection as reported in paragraph (b) above reflected outstanding demand of GIDC along with GST on GIDC amounting to Rupees 69.035 million. 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 this demand and the Company's actions there against, we remained unable to satisfy ourselves in respect of recognition of expenses and respective liability in the condensed interim financial statements;

Unquote

The company did not account for amount of GIDC charged by SSGC in these financial statements. The company has filed a suit for the stay against the recovery of the GIDC. The Honorable High Court



of Sind at Karachi through suit no. 1208 of 2020 restrained defendant to take any coercive action against the company.

Quote

Certain litigations have been filed by / against the Company as disclosed in Note 8 to the condensed interim financial statements. Management and the legal counsels of the Company have not provided us with their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the condensed interim financial statements;

Unquote

No current litigation is expected to have any effect on the company's financial statements in any manner. Therefore, no provision or disclosure has been included in these financial statements. Note 8.4 to the Financial Statements presents a detailed view on this matter.

Quote

The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 6.1), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether any share of profit of the associate be accounted for in the condensed interim financial statements. Furthermore, we could not verify the existence and valuation of unquoted investments at fair value through other comprehensive income due to lack of supporting documents and valuation from independent valuer; and

Unquote

Audited/draft financial statements of Cresox (Pvt.) Limited for the period under review were not available to incorporate share of profit or loss in our books. This fact has already been disclosed in Note 6.1.1 to the financial statement. The investment in Cresox (Pvt.) Limited has been completely written off in previous years due to losses. Therefore, any accumulation in losses in Cresox (Pvt.) Limited does not have any impact on the profitability of the company.

Quote

As on 31 December 2020, accumulated loss of the Company was Rupees 368.212 million and its current liabilities exceeds its current assets by Rupees 25.509 million. This situation may be further deteriorated if the possible effects of matter discussed in paragraphs (a) to (f) above are accounted for in the condensed interim financial statements. Effective from March 2014, the Company has closed its textile operations and disposed of all of its operating fixed assets except for leasehold land and building on leasehold land in preceding years. The Company tried to alter its memorandum of association to add the business of renting of properties by passing special resolution multiple times in the past but respective petitions filed with Securities and Exchange Commission of Pakistan (SECP) remained unsuccessful due to irregularities. During the preceding year, the Company again has initiated the process of alteration of its memorandum of association to add the business of renting of properties and to change of name of the Company through a special resolution passed in extra



ordinary general meeting of shareholders of the Company held on 29 May 2020. However, confirmation of alteration by the SECP is still pending due to unresolved observations. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The condensed interim financial statements and notes thereto do not disclose this fact. The management of the Company also did not provide us its assessment of going concern assumption used in preparation of the condensed interim financial statements and the future financial projections indicating the economic viability of the Company. These facts indicate that going concern assumption used in preparation of the condensed interim financial statements is inappropriate.

Unquote

The company has disclosed in Note 1.3 the closure of its core operation in 2014. Subsequently the company disposed of all plant and machinery after obtaining shareholder's approval in an EOGM dated April 04, 2015. The management has rented out its premises to third parties, adopted renting as a core business activity and applied to SECP to alter the object clause III of its memorandum of association. The company also applied for the change of name of the company to commensurate the business with its name under sub-section (i) of section 26 of the Companies Act 2017. Form 26 regarding change of principal line in the memorandum has completed while the change of company name is in process.

One of the Company's long-standing tenants decided to not renew its rental agreement earlier this year. The Company lost revenue during the time required to identify new tenants to fill that space. This process had a temporary negative effect on the profitability of the Company. However, the management has now filled that empty area and is in the process of revising rental rates for all tenants. The rental of the empty space and higher renegotiated rental rates are expected to have a positive effect on the Company's bottom line.

These stated facts indicate that the company's financial position is stable and it will continue to operate as a going concern.

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

For and on behalf of the Board of Directors.

Shams Rafi
Chief Executive Officer

Salman Rafi
Director

Karachi
February 25, 2021

حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

معزز حصص یافتگان!

آپ کی کمپنی کے ڈائریکٹران آڈیٹرز کا جائزہ برائے ششماہی مدت ختمہ 31 دسمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

خالص (خسارہ)/منافع

مدت کے دوران کمپنی کو تمام لاگتوں، اخراجات اور اختصاں نکالنے کے بعد (2,521,740) کا خسارہ ہوا جبکہ گزشتہ سال کا خسارہ (5,554,986) روپے ہوا تھا۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج اختصار کے ساتھ درج ذیل ہیں:

| روپے | روپے | |
|---------------|---------------|----------------------------------|
| 31 دسمبر 2019 | 31 دسمبر 2020 | |
| 5,352,087 | 1,039,183 | آمدن |
| (4,873,983) | (2,431,290) | لاگت آمدن |
| 478,104 | (1,392,107) | خام منافع/(خسارہ) |
| 8.93% | (1.34)% | خام منافع/(خسارہ) |
| (22,821,593) | (19,330,609) | انتظامی اور دیگر کاروباری لاگتیں |
| 29,449,604 | 23,549,200 | دیگر آمدن |
| (31,759) | (58,210) | مالیاتی لاگتیں |
| (12,629,342) | (5,290,014) | ٹیکس کے لئے اختصاں |
| (5,554,986) | (2,521,740) | منافع/(خسارہ) بعد از ٹیکس |
| (0.17) | (0.08) | بنیادی منافع/(خسارہ) فی حصص |

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

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

حالہ

تجارتی قرضوں، قرضوں اور ایڈوانسوں اور دیگر وصولیوں میں 31 دسمبر 2020ء میں بالترتیب 19.298 ملین، 22.574 ملین اور 14.755 ملین روپے شامل ہیں، جو طویل عرصے سے بقایا کسی متعلقہ کمپنی سے قابل وصول ہیں۔ مزید یہ کہ پچھلے سالوں میں وابستہ کمپنی کے ذریعہ مالیاتی اداروں میں سے ایک کو، کمپنی کے ایکویٹی سیکورٹیز میں ہونے والی سرمایہ کاری کا احساس ہوا جس نے متعلقہ کمپنی کو قرض دینے کے خلاف وعدہ کیا تھا۔ کمپنی نے مالیاتی ادارے کی وصولی کی تاریخ میں اس طرح کی سیکورٹیز کی مارکیٹ قیمت کو 40.963 ملین روپیہ سمجھا اور اس کو بطور دوسرے وصول ہونے والے ممالک قرار دیا۔ کمپنی کس پارٹی سے بازیافت کی جائے گی کے بارے میں غیر یقینی ہے۔ اس کے علاوہ، 31 دسمبر 2020ء تک قرض اور ایڈوانس اور دیگر وصولیوں میں ایک سال سے زائد عرصے سے بقایا متعلقہ فریقوں کے علاوہ دیگر 5.770 ملین روپے کا مجموعی توازن بھی شامل ہے۔ انتظامیہ نے ہمیں تجارت اور دیگر وصولیوں کے سلسلے میں متوقع کریڈٹ نقصانات کا اندازہ نہیں فراہم کیا ہے اور نہ ہی اس طرح کے توازن کے سلسلے میں ٹھوس عبوری مالی بیانات میں متوقع کریڈٹ نقصانات کے لیے کسی بھی الاؤنس کا محاسبہ کیا ہے۔

ادالہ

کمپنی نے بازیابی کے لئے مذکورہ کمپنی کے خلاف قانونی درخواست دائر کر دی ہے۔ کیس عدالت میں ہے اور انتظامیہ معزز عدالت سے فیصلے کے منتظر ہے۔ ہمارا قانونی وکیل میسرز۔ حیدر وحید اور شراکت داروں نے اس بات کی تصدیق کی ہے کہ سماعت ابھی فیصلہ سنانے کے لئے زیر التوا ہے اور ابھی تک طے شدہ تاریخ طے نہیں کی گئی ہے۔ تاہم، انتظامیہ کا خیال ہے کہ یہ ایک فائدہ مند نتیجہ ہے اور اس فنانس سے بقایا رقم کی وصولی کرے گی جس میں مالیاتی ادارے کے ذریعہ منتقل/ضائع ہونے والی سرمایہ کاری سے متعلق رقم بھی شامل ہے۔ متعلقہ فریقوں کے علاوہ کسی سے وصول شدہ میں سیلر ٹیکس اور کسٹم چھوٹ کے حوالے سے سرکاری اداروں سے 5.01 ملین شامل ہیں۔

حالہ

پچھلے سال کے دوران، کمپنی کی جانب سے معزز لاہور ہائیکورٹ میں درخواست میں سوئی سدرن گیس کمپنی لمیٹڈ (ایس ایس جی سی) کو جزل سیلر ٹیکس (جی ایس ٹی) کے بقایا جات کی وصولی سے روکنے اور گیس کے کنکشن کو منقطع نہ کرنے پر خارج کرنے کی دعا کی گئی تھی۔ اسی مناسبت سے ایس ایس جی سی ایل نے 17.868 ملین روپے کے بقایا جات کا بل اٹھایا اور 2 لاکھ روپے کی بینک گارنٹی کو ختم کر دیا اور اس کی طلب کے مقابلہ میں 10.823 ملین روپے کی گیس سیکورٹی ڈپازٹ ضبط کر لیا اور گیس کا کنکشن منقطع کر دیا۔ کمپنی نے ایس ایس جی سی ایل کے مطالبے کا حساب نہیں لیا اور این کیشڈ بینک گارنٹی کے توازن کا علاج کیا اور گیس کی سیکورٹی کے ذخیرے کو مجموعی طور پر 12.823 ملین روپے میں بطور ایس ایس جی سی ایل سے وصول کیا جاسکتا ہے۔ انتظامیہ نے ایس ایس جی سی ایل کے اس عمل کے خلاف رپورٹنگ کی تاریخ تک کوئی قانونی راہ اختیار نہیں کی ہے کیونکہ اس بیلنس کی برخاستگی وصولی کو مسترد کر دیا گیا ہے۔ اسی مناسبت سے، ہم ایس ایس جی سی ایل کے اس قابل قبول اور غیر تسلیم شدہ مطالبے کے سلسلے میں خود کو مطمئن کرنے میں ناکام رہے۔

ادالہ

ایس ایس جی سی نے سیلز ٹیکس کے تحت 500 روپے کے سیلز ٹیکس کے تحت رقم ظاہر کردی بغیر کسی جواز کے 2009 سے 2014 کی مدت کے لئے 17.868 ملین۔ 2014 کے بعد سے کمپنی نے تمام مینوفیکچرنگ سرگرمیاں بند کر دیں اور جگہ کرایہ پردے دی۔ کمپنی نے 2014 تک ایس آر او 1125 (1) / 2011 کے تحت صفر ریٹنگ کی سہولت حاصل کی۔ جب جگہ کرایہ پر لی گئی تو کمپنی نے ماہانہ گیس کے معاوضوں کے ساتھ ساتھ سیلز ٹیکس کی ادائیگی شروع کر دی۔ ایس ایس جی سی نے 2014 کے بعد کی حیثیت کو مد نظر رکھتے ہوئے مذکورہ بالا مدت اور اس مدت سے سیلز ٹیکس عائد کر دیا۔ ہم نے ایف بی آر کو اس بات کی تصدیق کے لیے تحریری خط لکھا کہ جو بلی اسپننگ اینڈ ویوٹنگ ملز لمیٹڈ کے خلاف اس طرح کی کوئی ذمہ داری موجود ہے۔ خط ابھی تک غیر جوابی رہا۔ اس معاملے پر ہم نے ایس ایس جی سی کے عہدیداروں سے ملاقاتیں کیں جو ایس ٹی جی او کی تیاری پر اس رقم کو کمپنی کے حق میں نکالنے پر راضی ہو گئے۔ کمپنی نے ایس ٹی جی او کو اپنے حق میں جاری کرنے کے لئے ایف بی آر کو درخواست دی۔ ہم محکمہ کے ساتھ تعاقب کر رہے ہیں اور ہمارے حق میں ایس ٹی جی او وصول کرنے کے لئے پرعزم ہیں۔ معاملہ ایف بی آر کی جانب سے تاخیر کا شکار ہے۔

حالہ

کنڈنسڈ عبوری مالی بیانات میں 1.039 ملین روپے کی آمدنی کی رقم کمپنی کے بجلی گھروں کے ساز و سامان اور ٹرانسمیشن لائنوں کے استعمال کے سلسلے میں کرایہ داروں کے لئے بل کی نمائندگی کرتی ہے۔ کمپنی نے اکتوبر 2016 میں اپنے پاور ہاؤس آلات کو ٹھکانے لگادیا اور متبادل پاور جنریٹرز لگائے۔ اس سے قبل، یہ متبادل بجلی پیدا کرنے والے، مذکورہ بالا محصول پیدا کرنے والے کو نہ تو کمپنی کے اکاؤنٹ کی کتابوں میں تسلیم کرتے تھے اور نہ ہی اجتماعی عبوری مالی بیانات میں کوئی کرایہ وصول کیا جاتا تھا۔ اکتوبر اور نومبر 2018 کے مہینے کے دوران، کمپنی نے پہلے سے غیر منظم شدہ جنریٹرز کی جگہ پر دو جنریٹرز کی خریداری ریکارڈ کی ہے۔ تاہم، معلومات کی عدم دستیابی کی وجہ سے اس طرح کے متبادل انتظام کو یقینی نہیں بنایا جاسکا جیسا کہ سابقہ؟؟ غیر رجسٹرڈ جنریٹرز کو ضائع کرنا تھا جہاں سابق ڈائریکٹر نے ان جنریٹروں کو دوبارہ منتقل کرنے کے لئے مقدمہ درج کیا تھا جس میں نوٹ 8.3 میں زیادہ واضح طور پر انکشاف کیا گیا تھا۔ عبوری مالی بیانات۔ مزید یہ کہ اس بارے میں قانونی رائے کی عدم موجودگی میں، ہم خود کو مطمئن کرنے سے قاصر رہے کہ آیا کرایہ داروں کے ساتھ مذکورہ بالا انتظامات ان تمام محصولات پر انکم ٹیکس، سیلز ٹیکس اور بجلی کی ڈیوٹی سمیت تمام قابل اطلاق ریگولیٹری دفعات پر عمل پیرا ہے۔

ادالہ

کمپنی نے پچھلے سال میں تین جنریٹرز خریدے تھے جو کتابوں میں شامل تھے اور اس پر فرسودگی کا الزام لگایا گیا تھا۔ جنریٹرز کا کوئی تصرف نہیں کیا گیا کیوں کہ یہ کمپنی کی ملکیت نہیں تھے۔ ہمارے پاس اس بات کا کوئی ثبوت نہیں ہے کہ اس طرح کے جنریٹرز سابق ڈائریکٹر میں سے کسی ایک سے تعلق رکھتے ہیں۔

حالہ

سوئی سدرن گیس کمپنی لمیٹڈ (ایس ایس جی سی) کا تازہ ترین بل معزز سپریم کورٹ آف پاکستان کے حکم کے تحت چوبیس (24) مساوی قسطوں میں ادا ہونے والے گیس انفراسٹرکچر ڈیولپمنٹ سیس (جی آئی ڈی سی) کے حساب سے 6.608 ملین روپے کی بقایا مطالبہ کی عکاسی کرتا ہے۔ مزید یہ کہ، جدا جدا ہونے سے قبل گیس کے کنکشن کا تازہ ترین بل جیسا کہ مذکورہ بالا پیرا گراف (بی) میں بتایا گیا ہے کہ جی آئی ڈی سی کی جی ایس ڈی کے ساتھ جی ایس ڈی سی کی بقایا مانگ کی عکاسی ہوتی ہے جس کی قیمت 69.035 ملین روپے ہے تاہم، کمپنی نے اس طرح کی مانگ کے سلسلے میں، نہ تو کوئی متوقع ذمہ داری، اگر کوئی ہے، کا انکشاف کیا ہے اور نہ ہی انکشاف کیا ہے۔ اس مطالبہ اور اس کے خلاف کمپنی کے اقدامات کے بارے میں معلومات کی عدم موجودگی میں، ہم اخراجات کو تسلیم کرنے اور ٹھوس عبوری مالی بیانات میں متعلقہ ذمہ داری کے حصول میں خود کو مطمئن کرنے میں ناکام رہے۔

ازالہ

کمپنی نے ان مالی بیانات میں ایس ایس جی سی کے ذریعہ وصول کردہ جی آئی ڈی سی کی رقم کا حساب نہیں لیا۔ کمپنی نے جی آئی ڈی سی کی بازیابی کے خلاف قیام کے لئے مقدمہ دائر کیا ہے۔ کراچی میں معزز ہائی کورٹ سندھ۔ 2020 میں سے 1208 نے مدعا علیہ کو کمپنی کے خلاف کوئی سخت اقدام اٹھانے پر روک لگائی۔

حالہ

نوٹ 8 میں انکشاف کردہ عبوری مالی بیانات کے مطابق کمپنی کے خلاف کچھ قانونی چارہ جوئی کی گئی ہے۔ انتظامیہ اور کمپنی کے قانونی مشوروں نے ہمیں ان قانونی چارہ جوئی کے ممکنہ نتائج کا اندازہ فراہم نہیں کیا۔ اس کے مطابق، ہم یہ جاننے سے قاصر رہے کہ آیا اس طرح کی قانونی چارہ جوئی کے خلاف کوئی دفعہ کی جانی چاہئے یا اس کے انکشافات متنازعہ عبوری مالی بیانات میں کافی ہیں۔

ازالہ

کسی بھی قانونی چارہ جوئی سے کمپنی کے مالی بیانات پر کسی بھی طرح سے اثر انداز ہونے کی توقع نہیں ہے۔ لہذا، ان مالی بیانات میں کسی قسم کا کوئی بندوبست یا انکشاف شامل نہیں کیا گیا ہے۔ مالیاتی بیانات کو نوٹ 8.4 اس معاملے پر ایک تفصیلی نظریہ پیش کرتا ہے۔

حالہ

کمپنی سے ایکوئیٹی کے ایکوئیٹی طریقہ کار کے تحت حساب سے وابستہ کمپنی، کرسکس (پرائیوٹ) لمیٹڈ کے تازہ ترین آڈٹ شدہ / غیر سود مند مالی بیانات کمپنی کے پاس دستیاب نہیں تھے۔ تازہ ترین آڈٹ شدہ مالی بیانات کی عدم موجودگی میں، ہم اپنے آپ کو مطمئن کرنے میں ناکام رہے کہ آیا اس سے متعلقہ کے منافع میں سے کسی بھی حصہ کو متشدد عبوری مالی بیانات میں شامل کیا جاسکتا ہے۔ مزید برآں، ہم آزاد دستاویز سے متعلق معاون دستاویزات اور تشخیص کی کمی کی وجہ سے دیگر جامع آمدنی کے ذریعے غیر منقولہ سرمایہ کاری کے وجود اور قیمت کی تصدیق نہیں کر سکتے ہیں۔

ادالہ

کرسوکس (پرائیویٹ) لمیٹڈ کے زیر مطالعہ/مسودہ مالیاتی بیانات جو ہماری جائزے میں ہیں اس میں ہماری کتابوں میں منافع یا نقصان کا حصہ شامل کرنے کے لئے دستیاب نہیں تھے۔ مالی حقائق پر یہ حقیقت 6.1.1 کے نوٹ میں پہلے ہی ظاہر کر دی گئی ہے۔ کرسوکس (پرائیویٹ) لمیٹڈ میں ہونے والی سرمایہ کاری گذشتہ برسوں میں نقصانات کی وجہ سے مکمل طور پر ختم کر دی گئی ہے۔ لہذا، کرسوکس (پرائیویٹ) لمیٹڈ میں نقصانات میں کسی بھی طرح جمع ہونے کا کمپنی کے منافع پر کوئی اثر نہیں پڑتا ہے۔

حالہ

31 دسمبر 2020 تک، کمپنی کا جمع شدہ نقصان 368.212 ملین روپے تھا اور اس کی موجودہ واجبات اس کے موجودہ اثاثوں سے 25.509 ملین روپے سے تجاوز کر گئی ہیں۔ یہ صورت حال مزید خراب ہو سکتی ہے اگر مذکورہ بالا پیراگراف (a) سے (f) میں زیر بحث مادے کے ممکنہ اثرات کا محتاط عبوری مالی بیانات میں محاسبہ کیا جائے۔ مارچ 2014 سے موثر، کمپنی نے اپنی ٹیکسٹائل کی کاروائیاں بند کر دی ہیں اور پچھلے سالوں میں لیز ہولڈ اراضی اور لیز ہولڈ اراضی پر عمارت کے علاوہ اپنے تمام آپریٹنگ طے شدہ اثاثوں کو تصرف کر دیا ہے۔ کمپنی نے ماضی میں متعدد بار خصوصی قرارداد منظور کر کے جائیدادوں کے کرایے کا کاروبار شامل کرنے کے لئے اپنی یادداشت ایسوسی ایشن میں رد و بدل کرنے کی کوشش کی لیکن سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے ساتھ دائر متعلقہ درخواستیں بے ضابطگیوں کی وجہ سے ناکام رہی۔ پچھلے سال کے دوران، کمپنی نے ایک بار پھر کمپنی کے حصص یافتگان کے اضافی عمومی اجلاس میں منظور کی گئی خصوصی قرارداد کے ذریعہ جائیدادوں کے کرایے کا کاروبار شامل کرنے اور کمپنی کا نام تبدیل کرنے کے لئے اپنے میمورنڈم ایسوسی ایشن میں تبدیلی کا عمل شروع کیا ہے۔ 29 مئی 2020 کو منعقد ہوا۔ تاہم، ایس ای سی پی کے ذریعہ تبدیلی کی تصدیق غیر حل شدہ مشاہدات کی وجہ سے ابھی باقی ہے۔ یہ واقعات ایک مادی غیر یقینی کی نشاندہی کرتے ہیں جس سے کمپنی کی تشویش کی حیثیت سے جاری رکھنے کی صلاحیت پر نمایاں شبہات پڑ سکتے ہیں اور اسی وجہ سے وہ اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے مطابق اپنی ذمہ داریوں کو نبھانے میں ناکام رہ سکتا ہے۔ گاڑھا عبوری مالی بیانات اور اس میں نوٹ اس حقیقت کو ظاہر نہیں کرتے ہیں۔ کمپنی کی انتظامیہ نے بھی ہمیں اس سے متعلق تشویش مفروضے کے بارے میں تشخیص فراہم نہیں کیا کہ گاڑھا عبوری مالی بیانات کی تیاری میں استعمال کیا جاتا ہے اور آئندہ کی مالی تخمینوں سے یہ معلوم ہوتا ہے کہ کمپنی کی معاشی چستی کی نشاندہی ہوتی ہے۔ یہ حقائق اس بات کی نشاندہی کرتے ہیں کہ گاڑھا عبوری مالی بیانات کی تیاری میں استعمال ہونے والی تشویش کا مفروضہ نامناسب ہے۔

ادالہ

کمپنی نے نوٹ 1.3 میں 2014 میں اپنے بنیادی آپریشن کی بندش کا انکشاف کیا ہے۔ اس کے بعد کمپنی نے 04 اپریل 2015 کی ای او جی ایم میں شیئر ہولڈر کی منظوری حاصل کرنے کے بعد تمام پلانٹ اور مشینری کو ضائع کر دیا۔ انتظامیہ نے اپنا احاطہ تیسرے فریق کو کرایہ پر لیا ہے، بنیادی کاروباری سرگرمی کے طور پر کرایہ پر لیا اور ایس ای سی پی سے درخواست کی کہ اس کی یادداشت ایسوسی ایشن کی آ بجیکٹ شق III کو بدلا جائے۔ کمپنی نے کمپنی ایکٹ 2017 کے سیکشن 26 کے ذیلی سیکشن (i) کے تحت اپنے نام کے ساتھ کاروبار کے مطابق ہونے کے لئے کمپنی کا نام تبدیل کرنے کے لئے بھی درخواست دی۔ میمورنڈم میں پرنسپل لائن کی تبدیلی سے متعلق فارم 26 مکمل ہو گیا ہے جبکہ تبدیلی کمپنی کا نام زیر عمل ہے۔

کمپنی کے ایک دیرینہ کرایہ دار نے اس سال کے شروع میں اپنے کرایے کے معاہدے کی تجدید نہیں کرنے کا فیصلہ کیا ہے۔ اس جگہ کو پُر کرنے کے لئے نئے کرایہ داروں کی شناخت کرنے کے لئے درکار کمپنی کے دوران آمدنی ختم ہوگئی۔ اس عمل نے کمپنی کے منافع پر عارضی منفی اثر ڈالا۔ تاہم، انتظامیہ نے اب اس خالی جگہ کو پُر کر دیا ہے اور تمام کرایہ داروں کے لئے کرایہ کی شرحوں میں ترمیم کرنے کے عمل میں ہے۔ توقع کی جاتی ہے کہ خالی جگہ کا کرایہ اور اس سے زیادہ طے شدہ کرایے کی شرحوں سے کمپنی کے نیچے لائن پر مثبت اثر پڑے گا۔

یہ بیان کردہ حقائق اس بات کی نشاندہی کرتے ہیں کہ کمپنی کی مالی حیثیت مستحکم ہے اور یہ تشویشناک کام کے طور پر کام کرتی رہے گی۔

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

برائے و منجانب بورڈ آف ڈائریکٹرز

سلطان رفیع
ڈائریکٹر

مسر رفیع
چیف ایگزیکٹو ڈائریکٹر

کراچی

25 فروری 2021



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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of JUBILEE SPINNING & WEAVING MILLS LIMITED ("the Company") as at 31 December 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months period then ended (hereinafter referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-months period ended 31 December 2020 and 31 December 2019 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

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

Basis for Adverse Conclusion

- (a) Trade debts, loans and advances and other receivables as at 31 December 2020 include Rupees 19.298 million, Rupees 22.574 million and 14.755 million, respectively receivable from an associated company outstanding since long. Further, one of the financial institutions, on default by the associated company in preceding years, realized the Company's investments in equity securities pledged against lending to associated company. The Company treated the market price of such



securities at the date of realization by the financial institution as disposal value amounting to Rupees 40.963 million and accounted for it as other receivables. The Company is uncertain about the party from whom it is to be recovered. In addition, loans and advances and other receivables as at 31 December 2020 include aggregate balance of Rupees 5.770 million receivable from other than related parties outstanding for more than one year. The management has not provided us with its assessment of expected credit losses in respect of trade and other receivables nor did account for any allowance for expected credit losses in the condensed interim financial statements in respect of such balances;

- (b) During the preceding year, the Company's petition in Honorable Lahore High Court praying restraining Sui Southern Gas Company Limited (SSGC) from recovering the amount of general sales tax (GST) arrears and disconnecting the gas connection was dismissed for being not maintainable. Accordingly, SSGCL raised bill for outstanding arrears amounting to Rupees 17.868 million and encashed the bank guarantee of Rupees 2 million and forfeited gas security deposit of Rupees 10.823 million against its demand and disconnected the gas connection. The Company has not accounted for the demand of SSGCL and treated the balance of encashed bank guarantee and forfeited gas security deposit aggregately amounting to Rupees 12.823 million as receivable from SSGCL. The management has not adopted any legal recourse against the act of SSGCL till the reporting date despite the lapse of significant period since dismissal purporting recovery of this balance as doubtful. Accordingly, we remained unable to satisfy ourselves in respect of this receivable and non-recognition of demand of SSGCL.
- (c) Revenue amounting Rupees 1.039 million accounted for in the condensed interim financial statements represents billing to tenants in respect of use of Company's power house equipments and transmission lines. The Company has disposed of its power house equipment in October 2016 and placed alternate power generators. Previously, these alternate power generators, generating the aforesaid revenue were neither recognized in the books of account of the Company nor did any rent was charged in the condensed interim financial statements. During the month of October and November 2018, the Company has recorded purchase of two generators replacing the previously unrecorded generators. However, the arrangement of such replacement could not be substantiated due to the lack of information as to the disposal of the previously unrecorded generators where suit have been filed by ex-director for the repossession of these generators more fully disclosed in Note 8.3 to the condensed interim financial statements. Moreover, in the absence of legal opinion to this effect, we remained unable to satisfy ourselves as to whether the aforesaid arrangement with the tenants is in compliance with all the applicable regulatory provisions including income tax, sales tax and electricity duty on such revenue;
- (d) Sui Southern Gas Company Limited (SSGC) latest bill reflects the outstanding demand of Rupees 6.608 million on account of Gas Infrastructure Development Cess (GIDC) payable in twenty-four (24) equal installments under the order of Honorable Supreme Court of Pakistan. Furthermore, the latest bill of gas connection before disconnection as reported in paragraph (b) above reflected outstanding demand of GIDC alongwith GST on GIDC amounting to Rupees 69.035 million. 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 this demand and the Company's actions there against, we remained unable to satisfy ourselves in respect



of recognition of expenses and respective liability in the condensed interim financial statements;

- (e) Certain litigations have been filed by / against the Company as disclosed in Note 8 to the condensed interim financial statements. Management and the legal counsels of the Company have not provided us with their assessment of the potential outcome of these litigations. Accordingly, we remained unable to ascertain whether a provision against such litigations should be made or disclosures thereof is sufficient in the condensed interim financial statements;
- (f) The latest audited / unaudited financial statements of Cresox (Private) Limited, an associated company accounted for under equity method of accounting (Note 6.1), were not available with the Company. In the absence of latest audited financial statements, we remained unable to satisfy ourselves whether any share of profit of the associate be accounted for in the condensed interim financial statements. Furthermore, we could not verify the existence and valuation of unquoted investments at fair value through other comprehensive income due to lack of supporting documents and valuation from independent valuer; and
- (g) As on 31 December 2020, accumulated loss of the Company was Rupees 368.212 million and its current liabilities exceeds its current assets by Rupees 25.509 million. This situation may be further deteriorated if the possible effects of matter discussed in paragraphs (a) to (f) above are accounted for in the condensed interim financial statements. Effective from March 2014, the Company has closed its textile operations and disposed of all of its operating fixed assets except for leasehold land and building on leasehold land in preceding years. The Company tried to alter its memorandum of association to add the business of renting of properties by passing special resolution multiple times in the past but respective petitions filed with Securities and Exchange Commission of Pakistan (SECP) remained unsuccessful due to irregularities. During the preceding year, the Company again has initiated the process of alteration of its memorandum of association to add the business of renting of properties and to change of name of the Company through a special resolution passed in extra ordinary general meeting of shareholders of the Company held on 29 May 2020. However, confirmation of alteration by the SECP is still pending due to unresolved observations. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The condensed interim financial statements and notes thereto do not disclose this fact. The management of the Company also did not provide us its assessment of going concern assumption used in preparation of the condensed interim financial statements and the future financial projections indicating the economic viability of the Company. These facts indicate that going concern assumption used in preparation of the condensed interim financial statements is inappropriate.



Jubilee Spinning & Weaving Mills Ltd.

Adverse Conclusion

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

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

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: February 25, 2021

JUBILEE SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | | Un-audited 31 December 2020 | Audited 30 June 2020 |
|---|-------------|--------------------------------|-------------------------|
| ASSETS | | Rupees | Rupees |
| NON-CURRENT ASSETS | Note | | |
| Property, plant and equipment | 5 | 87,587,112 | 88,803,390 |
| Investment property | | 599,677,889 | 599,677,889 |
| Long term investments | 6 | 7,994,402 | 7,971,712 |
| Long term loans | | 853,890 | 871,890 |
| Long term deposits | | 6,806,537 | 6,106,537 |
| | | 702,919,830 | 703,431,418 |
| CURRENT ASSETS | | | |
| Stores and spares | | 557,161 | 557,161 |
| Trade debts | | 28,358,180 | 24,379,010 |
| Loans and advances | | 23,006,214 | 23,012,714 |
| Other receivables | | 79,223,827 | 79,041,189 |
| Advance income tax and refund | | 6,723,251 | 10,745,844 |
| Cash and bank balances | | 1,493,114 | 1,605,693 |
| | | 139,361,747 | 139,341,611 |
| TOTAL ASSETS | | 842,281,577 | 842,773,029 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 34,000,000 (30 June 2020: 34,000,000) ordinary shares of Rupees 10 each | | 340,000,000 | 340,000,000 |
| Issued, subscribed and paid up share capital | | | |
| 32,491,205 (30 June 2020: 32,491,205) ordinary shares of Rupees 10 each | | 324,912,050 | 324,912,050 |
| Capital reserves | | | |
| Fair value reserve on 'Fair value through other comprehensive income' investments | | 5,717,658 | 5,694,968 |
| Revaluation surplus on property, plant and equipment | | 651,515,456 | 651,515,456 |
| Revenue reserves | | | |
| General reserve | | 51,012,000 | 51,012,000 |
| Accumulated loss | | (368,212,382) | (365,690,642) |
| Total equity | | 664,944,782 | 667,443,832 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | 7 | - | - |
| Deferred income tax | | 11,450,096 | 11,450,096 |
| Employees' retirement benefits | | 1,015,789 | 901,975 |
| | | 12,465,885 | 12,352,071 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 105,045,391 | 101,827,374 |
| Current and over due portion of long term financing | 7 | 14,574,680 | 14,574,680 |
| Provisions | | 9,928,940 | 9,928,940 |
| Short term borrowings | | 1,158,539 | 1,358,539 |
| Accrued markup | | 52,029 | 20,597 |
| Unclaimed dividend | | 577,737 | 577,737 |
| Provision for taxation | | 33,533,594 | 34,689,259 |
| | | 164,870,910 | 162,977,126 |
| TOTAL LIABILITIES | | 177,336,795 | 175,329,197 |
| CONTINGENCIES AND COMMITMENTS | 8 | | |
| TOTAL EQUITY AND LIABILITIES | | 842,281,577 | 842,773,029 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2020

| | Note | SIX-MONTHS PERIOD ENDED | | THREE-MONTHS PERIOD ENDED | |
|-------------------------------------|------|-------------------------|---------------------|---------------------------|---------------------|
| | | 31 December 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 |
| | | Rupees | Rupees | Rupees | Rupees |
| Revenue | 9 | 1,039,183 | 5,352,087 | 230,812 | 2,302,630 |
| Cost of revenue | 10 | (2,431,290) | (4,873,983) | (1,158,281) | (2,310,519) |
| Gross (loss) / profit | | (1,392,107) | 478,104 | (927,469) | (7,889) |
| Administrative and general expenses | | (19,330,609) | (22,821,593) | (9,521,446) | (10,361,213) |
| | | (20,722,716) | (22,343,489) | (10,448,915) | (10,369,102) |
| Other income | | 23,549,200 | 29,449,604 | 11,658,109 | 15,019,596 |
| Profit from operations | | 2,826,484 | 7,106,115 | 1,209,194 | 4,650,494 |
| Finance cost | | (58,210) | (31,759) | (56,203) | (31,420) |
| Profit before taxation | | 2,768,274 | 7,074,356 | 1,152,991 | 4,619,074 |
| Taxation | | (5,290,014) | (12,629,342) | (2,621,007) | (12,158,243) |
| Loss after taxation | | (2,521,740) | (5,554,986) | (1,468,016) | (7,539,169) |
| Loss per share - basic and diluted | 11 | (0.08) | (0.17) | (0.05) | (0.23) |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2020

| | SIX-MONTHS PERIOD ENDED | | THREE-MONTHS PERIOD ENDED | |
|---|--------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | 31 December 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 |
| | Rupees | Rupees | Rupees | Rupees |
| LOSS AFTER TAXATION | (2,521,740) | (5,554,986) | (1,468,016) | (7,539,169) |
| OTHER COMPREHENSIVE INCOME / (LOSS) | | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| - Unrealized gain / (loss) on remeasurment of investment at 'fair value through other comprehensive income' | 22,690 | (639,594) | 22,690 | (639,594) |
| Items that may be reclassified subsequently to profit or loss: | - | - | - | - |
| | 22,690 | (639,594) | 22,690 | (639,594) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (2,499,050) | (6,194,580) | (1,445,326) | (8,178,763) |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2020

| | Issued, subscribed and paid-up share capital | RESERVES | | | | | | | Total equity |
|---|---|---|--|-------------|-----------------|---------------------|---------------|-------------|--------------|
| | | CAPITAL | | | REVENUE | | | Total | |
| | | Fair value reserve on 'Fair value through other comprehensive income' investments | Surplus on revaluation of property, plant and equipment | Sub Total | General reserve | Accumulated loss | Sub Total | | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at 30 June 2019 | 324,912,050 | 5,598,805 | 651,156,032 | 656,754,837 | 51,012,000 | (355,489,458) | (304,477,458) | 352,277,379 | 677,189,429 |
| Loss for the period | - | - | - | - | - | (5,554,986) | (5,554,986) | (5,554,986) | (5,554,986) |
| Other comprehensive loss for the period | - | (639,594) | - | (639,594) | - | - | - | (639,594) | (639,594) |
| Total comprehensive loss for the period | - | (639,594) | - | (639,594) | - | (5,554,986) | (5,554,986) | (6,194,580) | (6,194,580) |
| Balance as at 31 December 2019 | 324,912,050 | 4,959,211 | 651,156,032 | 656,115,243 | 51,012,000 | (361,044,444) | (310,032,444) | 346,082,799 | 670,994,849 |
| Loss for the period | - | - | - | - | - | (4,926,265) | (4,926,265) | (4,926,265) | (4,926,265) |
| Other comprehensive income for the period | - | 735,757 | 359,424 | 1,095,181 | - | 280,067 | 280,067 | 1,375,248 | 1,375,248 |
| Total comprehensive loss for the period | - | 735,757 | 359,424 | 1,095,181 | - | (4,646,198) | (4,646,198) | (3,551,017) | (3,551,017) |
| Balance as at 30 June 2020 | 324,912,050 | 5,694,968 | 651,515,456 | 657,210,424 | 51,012,000 | (365,690,642) | (314,678,642) | 342,531,782 | 667,443,832 |
| Loss for the period | - | - | - | - | - | (2,521,740) | (2,521,740) | (2,521,740) | (2,521,740) |
| Other comprehensive income for the period | - | 22,690 | - | 22,690 | - | - | - | 22,690 | 22,690 |
| Total comprehensive loss for the period | - | 22,690 | - | 22,690 | - | (2,521,740) | (2,521,740) | (2,499,050) | (2,499,050) |
| Balance as at 31 December 2020 | 324,912,050 | 5,717,658 | 651,515,456 | 657,233,114 | 51,012,000 | (368,212,382) | (317,200,382) | 340,032,732 | 664,944,782 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2020

| | Note | SIX-MONTHS PERIOD ENDED 31 December 2020 Rupees | 31 December 2019 Rupees |
|---|------|--|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 2,768,274 | 7,074,356 |
| Adjustments for non-cash charges and other items: | | | |
| Depreciation | | 1,216,278 | 681,334 |
| Provision for gratuity | | 26,238 | 83,825 |
| Rental income | | (23,334,787) | (28,763,016) |
| Finance cost | | 58,210 | 31,759 |
| Net cash used in operating activities before working capital changes | | (19,265,787) | (20,891,742) |
| Working capital changes | | | |
| (Increase) / decrease in current assets | | | |
| Stores and spares | | - | 234,417 |
| Trade debts | | (3,979,170) | 26,722 |
| Loans and advances | | 6,500 | (413,419) |
| Other receivables | | (182,638) | (2,156,443) |
| | | (4,155,308) | (2,308,723) |
| Increase in current liabilities | | | |
| Trade and other payables | | 3,570,143 | 10,364,094 |
| Net cash used in operations after working capital changes | | (19,850,952) | (12,836,371) |
| Finance cost paid | | (26,778) | (31,759) |
| Income tax paid | | (2,429,586) | (3,544,636) |
| Gratuity paid | | (264,550) | (512,808) |
| Net cash used in operating activities | | (22,571,866) | (16,925,574) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets | | - | (12,316,958) |
| Rental income | | 23,334,787 | 28,763,016 |
| Long term deposits paid | | (700,000) | (450,000) |
| Long term loans disbursed | | - | (145,000) |
| Long term loans recovered | | 24,500 | 29,000 |
| Net cash flow from investing activities | | 22,659,287 | 15,880,058 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Short term borrowings | | (200,000) | - |
| Net decrease in cash and cash equivalents | | (112,579) | (1,045,516) |
| Cash and cash equivalents at the beginning of the period | | 1,605,693 | 5,777,264 |
| Cash and cash equivalents at the end of the period | | 1,493,114 | 4,731,748 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

JUBILEE SPINNING & WEAVING MILLS LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE SIX-MONTHS PERIOD ENDED 31 DECEMBER 2019

1. THE COMPANY AND ITS OPERATIONS

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

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

| Sr. No. | Manufacturing unit and office | Address |
|----------------|--------------------------------------|--|
| 1. | Manufacturing unit | Plot No. B-28, Manghopir Road, S.I.T.E, Karachi. |
| 2. | Registered office | 503-E, Johar Town, Lahore. |

1.3 Due to intermittent availability of raw materials owing to shortage of working capital and continuous losses, the Company has closed its core operations since 2014. The Company has rented out its premises to earn rental income and service revenue from use of power generation equipment by the tenants.

1.4 The Company passed a special resolution in its annual general meeting held on 29 May 2020 to specifically add the business of renting out the buildings and / or open area of the Company's premises to institutions, corporations, companies, other entities and individuals to its Memorandum of Association (MOA). Subsequently, the Company has filed the petition with the Securities and Exchange Commission of Pakistan (SECP) seeking approval to the amended MOA, the response to which is pending till the reporting date.

1.5 The Company is presently quoted in the Defaulters' Segment of Pakistan Stock Exchange on account of non-compliances of clauses 5.11.1.(b)&(i) of PSX Regulations i.e. suspension of commercial production / business operations in principal line of business and adverse conclusion of the Independent Auditors in their Review and Annual Report.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 These condensed interim financial statements of the Company for the six-months period ended 31 December 2020 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

| | | Un-audited 31 December 2020 Rupees | Audited 30 June 2020 Rupees |
|--|-------------|---|--|
| 5. PROPERTY, PLANT AND EQUIPMENT | Note | | |
| Operating fixed assets | 5.1 | 87,587,112 | 88,803,390 |
| 5.1 Operating fixed assets | | | |
| Opening book value | | 88,803,390 | 76,921,101 |
| Add: Purchases during the period / year | | - | 13,512,302 |
| Add: Surplus on revaluation during the period / year | | - | 359,424 |
| | | 88,803,390 | 90,792,827 |
| Transferred to disposal: | | | |
| Cost | | - | 504,000 |
| Accumulated depreciation | | - | 486,411 |
| Disposal - net | | - | 17,589 |
| Less: Depreciation charged during the period / year | | - 1,216,278 | - 1,971,848 |
| | | 87,587,112 | 88,803,390 |

5.2 Depreciation charge for the six-months and three-months period ended 31 December 2020 has been allocated as follows:

| | SIX-MONTHS PERIOD ENDED | | THREE-MONTHS PERIOD ENDED | |
|-------------------------|--|--|--|--|
| | 31 December 2020 Rupees | 31 December 2019 Rupees | 31 December 2020 Rupees | 31 December 2019 Rupees |
| Cost of sales | 1,200,627 | 678,765 | 600,298 | 349,898 |
| Administrative expenses | 15,651 | 2,569 | 7,826 | 1,285 |
| | 1,216,278 | 681,334 | 608,124 | 351,183 |

6. LONG-TERM INVESTMENTS

Equity instruments

| | | | |
|--|-----|------------------|-----------|
| Investment in associates - 'under equity method of accounting' | 6.1 | - | - |
| Investment in equity securities - at 'fair value through other comprehensive income' | 6.2 | 7,994,402 | 7,971,712 |
| | | 7,994,402 | 7,971,712 |

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

Associated companies (with significant influence)

| | | | |
|--------------------------|-------|---|---|
| Cresox (Private) Limited | 6.1.1 | - | - |
|--------------------------|-------|---|---|

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

| 6.2 Investment in equity securities - at 'fair value through other comprehensive income' | Note | Un-audited 31 December 2020 Rupees | Audited 30 June 2020 Rupees |
|---|-------------|---|--|
| Associated companies (without significant influence) | | | |
| Texmac Services (Private) Limited - unquoted 52,000 (30 June 2020: 52,000) fully paid ordinary shares of Rupees 10 each. Equity held 26% (30 June 2020: 26%) | 6.2.1 | 116,360 | 116,360 |
| Premier Insurance Limited - quoted 18,682 (30 June 2020: 18,682) fully paid ordinary shares of Rupees 10 each Equity held 0.04% (30 June 2020: 0.04%) | | - | 291,989 |
| Others | | | |
| Crescent Industrial Chemical Limited - unquoted 184,000 (30 June 2020: 184,000) fully paid ordinary shares of Rupees 10 each. Equity held 17.57% (30 June 2020: 17.57%) | 6.2.2 | - | - |
| Premier Insurance Limited - quoted 18,682 (30 June 2020: 18,682) fully paid ordinary shares of Rupees 10 each Equity held 0.04% (30 June 2020: 0.04%) | | 291,989 | - |
| Crescent Jute Products Limited - quoted 1,709,683 (30 June 2020: 1,709,683) fully paid ordinary shares of Rupees 10 each. Equity held 7.19% (30 June 2020: 7.19%) | | 1,640,220 | 1,640,220 |
| Shakarganj Limited - quoted 39,138 (30 June 2020: 39,138) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (30 June 2020: 0.03%) | | 228,175 | 228,175 |
| Crescent Spinning Mills Limited - unquoted 290,000 (30 June 2020: 290,000) fully paid ordinary shares of Rupees 10 each | 6.2.3 | - | - |
| | | 2,276,744 | 2,276,744 |
| Add: Fair value adjustment | | 5,717,658 | 5,694,968 |
| | | 7,994,402 | 7,971,712 |

6.2.1 Texmac Services (Private) Limited is an associate under provisions of the Companies Act, 2017. However, the Company has no power to participate in financial and operating decisions of Texmac Services (Private) Limited. No fair value per ordinary share was determined by the independent valuer & is being carried at cost.

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

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

| | | Un-audited 31 December 2020 Rupees | Audited 30 June 2020 Rupees |
|---|-------------|---|--|
| 7. LONG TERM FINANCING - Unsecured | Note | | |
| Opening balance as at 01 July | | 14,574,680 | 14,574,680 |
| Add: Fair value adjustment | 7.1 | - | - |
| Closing balance | | 14,574,680 | 14,574,680 |
| Less: Over due portion | | - 14,574,680 | - 14,574,680 |
| | | - | - |

7.1 These represent balance of unsecured interest free loans obtained from the sponsor directors of the Company and were due on 30 June 2017.

8. CONTINGENCIES AND COMMITMENTS

a) Contingencies

8.1 Bank Guarantee from:

| | | | |
|--|-------|------------------|-----------|
| Standard Chartered Bank (Pakistan) Limited | 8.1.1 | 793,800 | 793,800 |
| Habib Metropolitan Bank Limited | 8.1.2 | 4,040,008 | 3,340,008 |
| | | 4,833,808 | 4,133,808 |

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

8.1.2 This represents guarantees issued by Habib Metropolitan Bank Limited amounting to Rupees 2.890 million and Rupees 1.15 million in favor of K Electric Limited and Sui Southern Gas Company Limited (SSGCL) respectively on account of utility connections.

8.2 During the year 2015, the Company had filed a suit to Honorable High Court of Sindh against National Electric Power Regulatory Authority (NEPRA) and Oil and Gas Regulatory Authority (OGRA), Sui Southern Gas Company Limited and Private Power and Infrastructure Board (PPIB) through Federation of Pakistan against rate per MMBTU imposed on the Company and for clarification of categories known as Captive Power (CP), Independent Power Producer (IPP) as accordingly to the consumption category of the Company falls under IPP / Industrial Consumer and not as CP category. During the preceding year, the Honorable High Court on 27 November 2019 in its judgment decreed in favor of the Company and SSGCL consequently being directed to adjust / refund any excess amounts as may have received by billing the Company. However, the implementation of the said judgment is still pending as the Company has not received any court order for the execution of the above judgment.

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

- 8.4** During the previous years, the Company has filed suits to the Honorable Civil Court against its three ex-employees for cancellation of cheques aggregate amounting to Rupees 2.812 million and for permanent injunction. The Company filed statement with the Court of 2nd Senior Civil Judge to withdraw suits against two ex-employees as the matters has been settled between them, and Court dismissed the two cases under order XXIII Rule 1 C.P.C on the basis of settlement. However, one suit is still pending for cancellation of cheques aggregate amounting to Rupees 1.837 million and for permanent injunction and the same is pending for hearing of order. Further, during the last year, one of the Company's ex-employee filed an application to Honorable Sindh High against the Company for the compensation / payment of wages. However, proceedings of the case had not started till the finalization of these financial statements.

b) Commitments

There were no capital or other commitments as at 31 December 2020 (30 June 2020: Nil).

9. REVENUE

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

| | | SIX-MONTHS PERIOD ENDED | | THREE-MONTHS PERIOD ENDED | |
|----------------------------|-------------|------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
| | | 31 December 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 |
| | | Rupees | Rupees | Rupees | Rupees |
| 10. COST OF REVENUE | Note | | | | |
| Repair and maintenance | | 370,141 | 2,277,670 | 152,700 | 888,393 |
| Salaries | | 839,223 | 1,388,055 | 405,283 | 676,845 |
| Fuel and power | | 21,299 | 445,700 | - | 311,590 |
| Other factory overheads | | - | 83,793 | - | 83,793 |
| Depreciation | 5.2 | 1,200,627 | 678,765 | 600,298 | 349,898 |
| | | 2,431,290 | 4,873,983 | 1,158,281 | 2,310,519 |

11. LOSS PER SHARE - BASIC AND DILUTED

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

| | | | | | |
|---|-----------|--------------------|-------------|--------------------|-------------|
| Loss attributable to ordinary shares | (Rupees) | - 2,521,740 | - 5,554,986 | - 1,468,016 | - 7,539,169 |
| Weighted average number of ordinary shares | (Numbers) | 32,491,205 | 32,491,205 | 32,491,205 | 32,491,205 |
| Loss per share | (Rupees) | - 0.08 | - 0.17 | - 0.05 | - 0.23 |

| SIX-MONTHS PERIOD ENDED | | THREE-MONTHS PERIOD ENDED | |
|----------------------------|---------------------|------------------------------|---------------------|
| 31 December 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 |
| Rupees | Rupees | Rupees | Rupees |

12. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

Chief Executive Officer

| | | | | |
|--------------------------|------------------|-----------|------------------|-----------|
| Managerial remuneration | 2,100,000 | 2,100,000 | 1,050,000 | 1,050,000 |
| House rent allowance | 945,000 | 945,000 | 472,500 | 472,500 |
| Travelling | - | 1,059,643 | - | 78,643 |
| Utilities | 1,383,080 | 2,042,517 | 652,795 | 954,793 |
| Rentals paid for vehicle | 394,000 | 475,476 | 238,000 | 237,738 |
| | 4,822,080 | 6,622,636 | 2,413,295 | 2,793,674 |

| | | | | |
|---------------------|----------|---|----------|---|
| Number of executive | 1 | 1 | 1 | 1 |
|---------------------|----------|---|----------|---|

Director

| | | | | |
|--------------------------|------------------|-----------|------------------|-----------|
| Managerial remuneration | 2,100,000 | 2,100,000 | 1,050,000 | 1,050,000 |
| House rent allowance | 945,000 | 945,000 | 472,500 | 472,500 |
| Travelling | 50,920 | 76,378 | 50,920 | - |
| Utilities | 1,135,045 | 1,699,692 | 597,932 | 842,525 |
| Rentals paid for vehicle | 404,000 | 366,912 | 197,000 | 183,456 |
| | 4,634,965 | 5,187,982 | 2,368,352 | 2,548,481 |

| | | | | |
|--------------------|----------|---|----------|---|
| Number of director | 1 | 1 | 1 | 1 |
|--------------------|----------|---|----------|---|

Executive

| | | | | |
|-------------------------|---|---------|---|---------|
| Managerial remuneration | - | 607,328 | - | 303,664 |
| House rent allowance | - | 301,714 | - | 150,857 |
| Utilities | - | 1,950 | - | 975 |
| | - | 910,992 | - | 455,496 |

| | | | | |
|--------------------|---|---|---|---|
| Number of director | - | 1 | - | 1 |
|--------------------|---|---|---|---|

12.1 The chief executive officer is also entitled for free maintenance of car.

12.2 Aggregate amount charged in these condensed interim financial statements for meeting fee of directors is Rupees Nil (31 December 2019: Rupees 0.12 million).

12.3 No remuneration was paid to non-executive directors (31 December 2020: Rupees Nil) of the Company .

13. TRANSACTIONS WITH RELATED PARTIES

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

| SIX-MONTHS PERIOD ENDED | | THREE-MONTHS PERIOD ENDED | |
|-------------------------|------------------|---------------------------|------------------|
| 31 December 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 |
| Rupees | Rupees | Rupees | Rupees |

i. Transactions

Staff retirement funds

| | | | | |
|--|---------|---------|---------|---------|
| Expense charged for retirement benefit plans | 26,238 | 83,825 | 13,119 | 41,913 |
| Payment to retirement benefit plans | 264,550 | 512,808 | 214,550 | 110,000 |

Un-audited
31 December
2020
Rupees

Audited
30 June
2020
Rupees

ii. Receivable / (payable) balances

Associated companies

| | | |
|--------------------|--------------|--------------|
| Trade debts | 19,297,988 | 19,297,988 |
| Loans and advances | 22,574,022 | 22,574,022 |
| Other receivable | 14,754,675 | 14,754,675 |
| Other payable | - 12,735,179 | - 12,735,179 |

Directors

| | | |
|---------------------|--------------|--------------|
| Loan to director | 100,408 | 100,408 |
| Long-term financing | - 14,574,680 | - 14,574,680 |

Other related party

| | | |
|---|--------------|--------------|
| Employees' retirement benefits - Staff gratuity scheme - unfunded | - 13,567,089 | - 13,805,401 |
|---|--------------|--------------|

13.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executive is disclosed in Note 12 to the condensed interim financial information.

13.2 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 sharehold | 24.93 |

14. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in this unconsolidated condensed interim financial 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 At 31 December 2020 | Level 1 | Level 2 | Level 3 | Total |
|--|------------------|----------------|----------------|------------------|
| | Rupees | Rupees | Rupees | Rupees |
| Financial assets | | | | |
| Investment at 'fair value through other comprehensive income' | 7,878,042 | - | 116,360 | 7,994,402 |
| | | | | |
| Recurring fair value measurements At 30 June 2020 | Level 1 | Level 2 | Level 3 | Total |
| | Rupees | Rupees | Rupees | Rupees |
| Financial assets | | | | |
| Investment at 'fair value through other comprehensive income' | 7,749,288 | - | 116,360 | 7,865,648 |
| | | | | |

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the six-months period ended 31 December 2020. Further there was no transfer in and out of level 3 measurements.

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

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

15. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made for non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|----------------|--------------------|----------------|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| As at 31 December 2020 | | | | |
| Operating fixed assets | - | 64,696,281 | - | 64,696,281 |
| Investment property | - | 599,677,889 | - | 599,677,889 |
| | - | 664,374,170 | - | 664,374,170 |
| As at 30 June 2020 | | | | |
| Operating fixed assets | - | 64,696,281 | - | 64,696,281 |
| Investment property | - | 599,677,889 | - | 599,677,889 |
| | - | 664,374,170 | - | 664,374,170 |

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 on yearly basis. 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 on yearly basis.

16. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020.

17. DATE OF AUTHORISATION FOR ISSUE

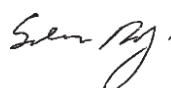
This condensed interim financial statements have been approved and authorized for issue in the meeting of the Board of Directors of the Management Company held on February 25, 2021.

18. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER