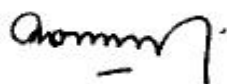


JUBILEE SPINNING & WEAVING MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 Rupees	2008 Rupees (Restated)
SALES	26	763,284,815	751,884,649
COST OF SALES	27	<u>707,363,024</u>	<u>733,375,972</u>
GROSS PROFIT		55,921,791	18,508,677
DISTRIBUTION COST	28	<u>1,223,173</u>	<u>1,084,569</u>
ADMINISTRATIVE EXPENSES	29	22,716,447	13,500,517
OTHER OPERATING EXPENSES	30	<u>23,045,884</u>	<u>8,623,561</u>
		<u>46,985,504</u>	<u>23,208,647</u>
		8,936,287	(4,699,970)
OTHER OPERATING INCOME	31	<u>13,746,659</u>	<u>22,347,808</u>
PROFIT FROM OPERATIONS		22,682,946	17,647,838
FINANCE COST	32	<u>10,766,580</u>	<u>11,979,391</u>
		11,916,366	5,668,447
SHARE OF PROFIT IN ASSOCIATED COMPANIES		<u>12,241,690</u>	<u>13,011,404</u>
PROFIT BEFORE TAXATION		24,158,056	18,679,851
PROVISION FOR TAXATION	33	<u>(1,303,357)</u>	<u>(2,657,651)</u>
PROFIT AFTER TAXATION		<u>22,854,699</u>	<u>16,022,200</u>
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	34	<u>0.70</u>	<u>0.49</u>

The annexed notes form an integral part of these financial statements. The impact of investments' impairment on profit and loss account is given in Note 24.2.



Shams Rafi
Chief Executive



Shaukat Shafi
Director

JUBILEE SPINNING & WEAVING MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 Rupees	2008 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	52,813,211	26,121,071
Finance cost paid		(5,231,732)	(4,305,762)
Income tax paid		(779,977)	(2,258,896)
Gratuity paid		(2,493,611)	(9,541,784)
Net cash generated from operating activities		44,307,891	10,014,629
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		100,000	4,850,000
Capital expenditure of property, plant and equipment		(5,274,882)	(3,157,283)
Proceeds from sale of investment		-	21,117,835
Investments made		-	(1,896,326)
Dividends received		161,385	87,515
Long term loans		(599,004)	(843,289)
Long term deposits		-	285,068
Net cash (used in) / flow from investing activities		(5,612,501)	20,443,520
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(39,898,165)	(19,427,871)
Repayment of finance lease liabilities		(5,382,506)	(3,935,684)
Unclaimed dividend paid			(4,679)
Net cash used in financing activities		(45,280,671)	(23,368,234)
Net (decrease) / increase in cash and cash equivalents		(6,585,281)	7,089,915
Cash and cash equivalents at the beginning of the year		5,830,570	(1,259,345)
Cash and cash equivalents at the end of the year	36	(754,711)	5,830,570

The annexed notes form an integral part of these financial statements.



Shams Rafi
Chief Executive




Shaukat Shafi
Director

JUBILEE SPINNING & WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	RESERVES						TOTAL	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL	REVENUE					
		Fair value reserve	General reserve	Amalgamation Reserve	Accumulated loss	Sub Total		
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 30 June 2007	70,168,670	78,627,152	51,012,000	-	(315,541,454)	(264,529,454)	(185,902,302)	(115,733,632)
Effect of adjustment regarding long-term financing (Note 8.3.2)	-	-	-	-	4,648,483	4,648,483	4,648,483	4,648,483
Balance as at 01 July 2008- restated	70,168,670	78,627,152	51,012,000	-	(310,892,971)	(259,880,971)	(181,253,819)	(111,085,149)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	13,510,471	13,510,471	13,510,471	13,510,471
Realization of surplus on revaluation of property, plant and equipment	-	-	-	-	13,391,343	13,391,343	13,391,343	13,391,343
Fair value adjustment on available for sale investments	-	(69,010,888)	-	-	-	-	(69,010,888)	(69,010,888)
Effect of adjustment regarding investment property (Note 17)	-	-	-	-	(172,074)	(172,074)	(172,074)	(172,074)
Reserve as per scheme of amalgamation	-	-	-	108,590,782	-	108,590,782	108,590,782	108,590,782
Profit for the year ended 30 June 2008	-	-	-	-	16,022,200	16,022,200	16,022,200	16,022,200
Balance as at 30 June 2008- restated	70,168,670	9,616,264	51,012,000	108,590,782	(268,141,031)	(108,538,249)	(98,921,985)	(28,753,315)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	8,938,964	8,938,964	8,938,964	8,938,964
Share capital issued under scheme of amalgamation	89,743,380	-	-	(89,743,380)	-	(89,743,380)	(89,743,380)	-
Share capital issued against conversion of loan from directors and associates	165,000,000	-	-	-	-	-	-	165,000,000
Fair value adjustment on available for sale investments	-	(25,145,937)	-	-	-	-	(25,145,937)	(25,145,937)
Excess of net capital acquired in Jubilee Energy Limited	-	4,224,487	-	(18,847,402)	14,622,915	(4,224,487)	-	-
Profit for the year ended 30 June 2009	-	-	-	-	22,854,699	22,854,699	22,854,699	22,854,699
Balance as at 30 June 2009	324,912,050	(11,305,186)	51,012,000	-	(221,724,453)	(170,712,453)	(182,017,639)	142,894,411

The annexed notes form an integral part of these financial statements.



Shams Rafi
Chief Executive



Shaukat Shafi
Director

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2009 (NUMBER OF SHARES)	2008		2009 Rupees	2008 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 5.2)	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	-	Ordinary shares of Rupees 10 each issued against conversion of loan from directors and associates (Note 5.3)	165,000,000	-
8,974,338	-	Ordinary shares of Rupees 10 each issued to shareholders of Jubilee Energy Limited under the Scheme of Amalgamation (Note 5.4)	89,743,380	-
<u>32,491,205</u>	<u>7,016,867</u>		<u>324,912,050</u>	<u>70,168,670</u>

5.1 Movement during the year

7,016,867	7,016,867	At 01 July	70,168,670	70,168,670
16,500,000	-	Ordinary shares of Rupees 10 each issued against conversion of loan from directors and associates (Note 5.3)	165,000,000	-
8,974,338	-	Ordinary shares of Rupees 10 each issued to shareholders of Jubilee Energy Limited under the Scheme of Amalgamation (Note 5.4)	89,743,380	-
<u>32,491,205</u>	<u>7,016,867</u>		<u>324,912,050</u>	<u>70,168,670</u>

5.2 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.

5.3 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).

5.4 These represent the ordinary shares issued to the shareholders of Jubilee Energy Limited pursuant to approval of scheme of amalgamation by the honorable court Lahore High Court.

5.5 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 paid to shareholders, issue new shares and other means commensurating to the circumstances.

6. RESERVES

Composition of reserves is as follows:

Capital

Fair value reserve (Note 6.1)	(11,305,186)	9,616,264
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Revenue

General	51,012,000	51,012,000
Amalgamation reserve	-	108,590,782
Accumulated Loss	(221,724,453)	(268,141,031)
	(170,712,453)	(108,538,249)
	(182,017,639)	(98,921,985)

- 6.1 This represents the impairment loss on available for sale equity investments, taken to equity as at 31 December 2008 in accordance with SRO No. 150/1/2009 dated 13 February 2009 issued by SECP. Net of the amount charged to profit and loss account during six months ended 30 June 2009. The remaining impairment loss reported in equity will be charged to profit and loss account during next two quarters after adjusting for price movement during these quarters, in accordance with the methodology prescribed by the above stated SRO.

Balance as at 01 July	9,616,264	78,627,152
Gain / (loss) on fair value adjustment	(9,616,264)	(69,010,888)
	-	9,616,264
Impairment loss taken to equity as at 31 December 2008	(22,610,371)	-
Less: Impairment loss charged to profit and loss account till 30 June 2009	11,305,185	-
	(11,305,186)	-
	(11,305,186)	9,616,264

7. SURPLUS ON REVALUATION

This represents the surplus resulting from revaluation of certain property, plant and equipment (Leasehold Land, Buildings and Plant and Machinery) carried out during the last year, net of deferred tax and adjusted by surplus realized on disposal of revalued assets and incremental depreciation arising out of revaluation.

	2009 Rupees	2008 Rupees (Restated)
Surplus on revaluation of property, plant and equipment		
Balance as at 01 July	543,271,406	430,181,108
Addition to surplus due to revaluation (Note 7.1)	-	160,159,007
Incremental depreciation charged during the year transferred to equity	(8,938,964)	(13,510,471)
Adjustment against segregation of investment property (Note 17)		(20,338,969)
Reversal of incremental depreciation on investment property	-	172,074
Revaluation surplus on disposal of assets	-	(13,391,343)
	(8,938,964)	113,090,298
	<u>534,332,442</u>	<u>543,271,406</u>
Less: Related deferred tax liability:		
Opening balance	43,473,681	39,980,970
Deferred tax on revaluation carried out during the year	-	7,055,652
Effect of incremental depreciation charged during the year transferred to equity	(3,128,637)	(3,502,715)
Effect of reversal of incremental depreciation on investment property	-	(60,226)
Deferred tax relating to surplus on revaluation of investment property	-	(1,130,241)
	40,345,044	43,473,681
Surplus on revaluation - closing balance net of deferred tax	<u>493,987,398</u>	<u>499,797,725</u>

7.1 The latest revaluation of property, plant and equipment was carried out by an independent valuer 'Joseph Lobo (Private) Limited' as at 01 April 2008 based upon fair values. Fair values of Building on Leasehold Land, and Plant and Machinery were determined on the basis of depreciated replacement method. In case of Leasehold Land fair value was determined from market based evidence in accordance with the market values of similar land existed in the near vicinity. The independent valuers reported the surplus as under:

	Rupees
Leasehold land	472,500,000
Building on leasehold land	68,925,802
Plant and machinery	125,000,000
	<u>666,425,802</u>

7.2 Had the revalued assets been stated under cost model, the carrying amounts would have been as under:

	2009			2008
	COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	WRITTEN DOWN VALUE
	Rupees	Rupees	Rupees	Rupees
Leasehold land	-	-	-	-
Building on leasehold land	35,623,270	15,991,986	19,631,284	21,812,539
Plant and machinery	107,149,172	65,454,142	41,695,030	41,309,959
	<u>142,772,442</u>	<u>81,446,128</u>	<u>61,326,314</u>	<u>63,122,498</u>

	2009 Rupees	2008 Rupees (Restated)
8. LONG TERM FINANCING		
Related parties - unsecured		
Loan from directors and associates (Note 8.1)	-	165,000,000
Other than related parties - secured		
From banking companies:		
Habib Bank Limited		
Rescheduled demand finance (Note 8.2)	21,495,168	35,825,465
Less: current portion	14,330,296	14,330,296
	7,164,872	21,495,169
Demand finance (Frozen mark up) (Note 8.3.1)	13,765,782	13,765,782
Less: Fair value adjustment under IAS - 39 (Note 8.3.2)	(7,538,544)	(7,538,544)
Add: Proportionate reversal of fair value adjustment	4,804,694	3,801,791
	11,031,932	10,029,029
National Bank of Pakistan		
Outstanding liability (Note 8.4)	51,135,691	76,703,559
Less: Current portion	12,783,934	25,567,859
	38,351,757	51,135,700
	56,548,561	247,659,898

8.1 During the year this loan has been converted to issued, subscribed and paid up share capital of the company (Note 5.3).

8.2 Rescheduled demand finance

This represents demand finance facility obtained from Habib Bank Limited, which has been created by conversion of running finance facility into demand finance. The facility is payable in seven years including grace period of two years.

Details of this facility are as under:

Demand finance	Rupees 71,650,562
Principal repayment	20 quarterly installments started from 06 January 2006
Mark-up repayment	Payable quarterly starting from 06 October 2003
Rate of mark-up	6 month KIBOR + 250 bps with no floor and cap.
Security	First legal mortgage charge of Rupees 5 million on B-28, S.I.T.E, property, Karachi. First pari passu equitable mortgage charge over fixed assets of Rupees 109.667 million of the company situated at B-28, S.I.T.E, Karachi.
Period	7 years including two years grace period from 06 October 2003
Expiry date	06 October 2010

8.3 Demand finance - I (Frozen mark-up)

8.3.1 This represents facility obtained from Habib Bank Limited, which was created by conversion of outstanding mark up against a running finance facility.

Details of this facility are as under:

Demand finance - I (Frozen mark-up)	Rupees 13,765,782
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Repayment	Rupees 13,765,782 in 12 monthly installments commencing from 06 November 2010
Security	Collateral disclosed in Note 8.2.
Period	8 years including 7 years grace period
Expiry date	06 October 2011

8.3.2 During the year the Company has determined the amortized cost of demand finance (Frozen mark-up) using the effective interest method. Rate of interest used to calculate the amortized cost is the fair market rate applicable on the Financial Instruments of similar nature and condition. Previously this finance was carried at principal outstanding at the balance sheet date. This adjustment has been made retrospectively in accordance with International Accounting Standards (IAS) - 8 'Accounting Policies, Changing in Accounting Estimates and Errors'. Had there been no such adjustment of amortized cost, the figures recognized in these financial statements would have been different as follows:

	2009 Rupees	2008 Rupees (Restated)
Equity would have been lower by	2,733,850	3,736,753
Long term financing would have been higher by	2,733,850	3,736,753
Finance cost would have been lower by	1,002,903	911,730
Profit after taxation would have been higher by	1,002,903	911,730
Basic earnings per share would have been higher by	0.031	0.03

8.4 National Bank of Pakistan

This represents reconciled and settled liability of National Bank of Pakistan, which has been arrived at by settlement of outstanding balances of Packing Finance, Demand Finance and Accrued Mark-up thereon. The settlement agreement was executed between the bank and the company on 21 October 2003. As per terms of the settlement agreement, the aggregate total outstanding liability due to the bank has been agreed to be Rupees 102,271,427.

Details of this facility are as under:

Total outstanding amount	Rupees 51,135,691
Repayment	In 16 half yearly installments commenced from 01 September 2005.
Rate of mark-up	Weighted average six monthly T-Bill yield plus 200 bps with a cap of 4.5 percent per annum.
Security	Equitable mortgage charge on fixed assets comprising lease hold land, building and plant and machinery having book value of Rupees 136.362 million.
	Hypothecation charge on present and future current assets valuing Rupees 136.362 million.
Expiry date	01 March 2015

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	2009 Rupees	2008 Rupees (Restated)
Lease for vehicles (Note 9.2)	679,234	1,298,733
Lease for generator (Note 9.3)	-	4,076,313
	<u>679,234</u>	<u>5,375,046</u>

9.1 Analysis of minimum lease payments and present value

Period	2009		2008	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	Rupees			
Up to one year	6,094,756	4,713,914	4,569,228	4,408,016
Over one to five years	734,063	679,234	6,861,964	5,375,046
Over five years	-	-	-	-
	<u>6,828,819</u>	<u>5,393,148</u>	<u>11,431,192</u>	<u>9,783,062</u>
Financial charges allocated to future periods	(1,435,671)	-	(1,648,130)	-
	<u>5,393,148</u>	<u>5,393,148</u>	<u>9,783,062</u>	<u>9,783,062</u>
Current maturity	4,713,914	4,713,914	4,408,016	4,408,016
	<u>679,234</u>	<u>679,234</u>	<u>5,375,046</u>	<u>5,375,046</u>

The future minimum payments to which the company is committed as at 30 June 2009 are as under:

Years	2009 Rupees	2008 Rupees
2009	-	4,569,228
2010	6,094,756	6,127,901
2011	734,063	734,063
	<u>6,828,819</u>	<u>11,431,192</u>

9.2 The company has entered into lease agreements to acquire vehicles. Payments under leases include financial charges ranging from 13 percent to 16 percent per annum (2008: 8 percent to 10.23 percent per annum), approximately, which are used as discounting factors. Taxes, repairs, replacements and insurance costs are to be borne by the lessee. The company can exercise the buying option at the end of the lease which is certain at the inception of lease.

9.3 The company has entered into lease agreements to acquire generator. Payments under leases include financial charges at the rate of 15% (2008: 18%) per annum, approximately, which is used as discounting factor. Taxes, repairs, replacements and insurance costs are to be borne by the lessee. The company can exercise the buying option at the end of the lease which is certain at the inception of lease.

10. DEFERRED LIABILITY	2009	2008
	Rupees	Rupees
		(Restated)
Provision for gratuity (Note 10.1)	26,309,063	23,031,286
Deferred tax liability on revaluation of property, plant and equipment	40,345,044	43,473,681
Deferred tax liability on revaluation of investment property	1,130,241	1,130,241
	<u>67,784,348</u>	<u>67,635,208</u>
10.1 Provision for gratuity		
Balance at beginning of the year	23,031,286	18,874,216
Add: Provided during the year	5,772,088	6,401,776
	<u>28,803,374</u>	<u>25,275,992</u>
Less: Paid during the year	(2,493,611)	(2,244,706)
Balance at end of the year	<u>26,309,763</u>	<u>23,031,286</u>
11. TRADE AND OTHER PAYABLES		
Creditors	8,475,336	1,263,807
Accrued liabilities	13,145,133	13,622,537
Advances from customers	27,579,957	18,526,783
Income tax deducted at source	12,453,208	12,331,887
Dividend payable	578,302	578,302
Workers' profit participation fund (Note 11.1)	1,182,840	541,114
Workers' welfare fund	239,074	-
Due to director, associates and others	2,820,620	2,844,840
Other liabilities	5,807,555	16,295,054
	<u>72,282,025</u>	<u>66,004,324</u>
11.1 Workers' profit participation fund		
Balance as on 01 July	541,114	491,922
Interest for the year (Note 32)	-	49,192
Add: Provision for the year (Note 30)	641,726	-
	<u>1,182,840</u>	<u>541,114</u>
11.1.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers. The balance as at 30 June 2008 represents the unclaimed balances of workers who left the company . Therefore the company has not provided any interest on the said balance during the year.		
12. SHORT TERM BORROWINGS		
From banking companies - secured		
Habib Bank Limited		
Cash finance	<u>8,720,243</u>	<u>-</u>
12.1 Cash finance		
Maximum limit under this facility is Rupees 50 million (2008: 50 million) with sublimit of cash in transit Rupees 12 million (2008: Rupees12 million). Unused credit facility as at the balance sheet date was Rupees 41.280 million.		

Details of this facility are as under:

Maximum limit	Rupees 50,000,000
Repayment of mark up	On quarterly basis
Rate of mark-up	1 month KIBOR + 250 bps with a floor of 5% per annum.
Security	Pledge of raw material and finished goods having value of Rupees 13.112 million.
Expiry	30 September 2009

13. CURRENT MATURITY OF LONG TERM LIABILITIES

	2009 Rupees	2008 Rupees (Restated)
Current maturity of long term financing:		
Habib Bank Limited	14,330,296	14,330,296
National Bank of Pakistan (including overdue installment)	12,783,934	25,567,859
Current maturity of liabilities against assets subject to finance lease	4,713,914	4,408,016
	<u>31,828,144</u>	<u>44,306,171</u>

14. PROVISIONS

Provision for penalty on account of non-deposition of withholding tax	<u>9,928,940</u>	<u>9,928,940</u>
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This represents provision made for penalty against non-deposition of withholding tax in prescribed time as per the Income Tax Ordinance, 2001.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

Bank Guarantee from:		
Royal Bank of Scotland (formerly ABN Amro Bank) (Note 15.1.1)	8,600,000	8,600,000
Faysal Bank Limited (Note 15.1.2)	3,000,000	3,000,000
	<u>11,600,000</u>	<u>11,600,000</u>

15.1.1 This represents a guarantee issued by Royal Bank of Scotland (formerly ABN Amro Bank) to the collector of customs on behalf of the company against the custom duty on imports.

15.1.2 This represents a guarantee issued by Faysal 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 a cash deposit of Rupees 1,500,000 (2008: Rupees 1,500,000).

15.2 Commitments

The commitments for capital or other than capital expenditure as at 30 June 2009 were Rupees Nil(30 June 2008: Nil).

16. PROPERTY, PLANT AND EQUIPMENT

	Owned										Leased			Total	
	Lease hold land	Building on lease hold land	Plant and machinery	Installations and equipment	Factory tools and equipment	Vehicles	Office equipment	Furniture and fixtures	Guns	Office machines and electrical appliances	Sub total	Vehicles	Generators		Sub total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
As at 30 June 2007															
Cost / Re-assessed value	335,589,000	128,565,228	211,625,210	8,613,452	925,150	2,490,667	1,269,333	1,576,250	2,608	9,116,108	699,773,006	4,449,500	20,844,998	25,294,498	725,067,504
Accumulated depreciation	-	(43,398,596)	(96,279,466)	(4,719,461)	(714,825)	(1,658,940)	(825,520)	(1,297,577)	(2,483)	(7,348,337)	(156,245,205)	(1,895,221)	(5,495,500)	(7,390,721)	(163,635,926)
	335,589,000	85,166,632	115,345,744	3,893,991	210,325	831,727	443,813	278,673	125	1,767,771	543,527,801	2,554,279	15,349,498	17,903,777	561,431,578
As at 30 June 2008															
Opening net book amount	335,589,000	85,166,632	115,345,744	3,893,991	210,325	831,727	443,813	278,673	125	1,767,771	543,527,801	2,554,279	15,349,498	17,903,777	561,431,578
Additions	-	1,425,386	1,580,306	-	-	3,461,779	255,241	-	-	-	6,722,712	2,680,000	-	2,680,000	9,402,712
Revaluation / (reversal of revaluation)	140,000,000	(8,737,687)	28,896,694	-	-	-	-	-	-	-	160,159,007	-	-	-	160,159,007
Write off	-	-	-	-	(574,873)	(257,287)	(219,823)	(734,949)	(125)	(380,847)	(2,167,904)	-	-	-	(2,167,904)
Accu. Dep on write off /adjustment	-	-	-	-	458,884	233,462	186,673	619,349	-	315,303	1,813,671	-	-	-	1,813,671
Adjustment of investment property	(18,239,950)	(4,950,000)	-	-	-	-	-	-	-	-	(23,189,950)	-	-	-	(23,189,950)
Disposals - net	-	-	(15,686,651)	-	-	(814,852)	-	-	-	-	(16,501,503)	(2,554,279)	-	(2,554,279)	(19,055,782)
Depreciation charge	-	(7,788,334)	(11,347,411)	(389,399)	(26,325)	(665,625)	(72,245)	(24,503)	-	(254,997)	(20,568,839)	(69,019)	(1,534,950)	(1,603,969)	(22,172,808)
Closing net book amount	457,349,050	65,115,997	118,788,682	3,504,592	68,011	2,789,204	593,659	138,570	-	1,447,230	649,794,995	2,610,981	13,814,548	16,425,529	666,220,524
As at 30 June 2008															
Cost / Re-assessed value	457,349,050	116,302,927	242,102,210	8,613,452	350,277	5,695,159	1,304,752	841,301	-	8,735,261	841,294,389	4,575,221	20,844,998	25,420,219	866,714,608
Accumulated depreciation	-	(51,186,930)	(123,313,528)	(5,108,860)	(282,266)	(2,905,955)	(711,093)	(702,731)	-	(7,288,031)	(191,499,394)	(1,964,240)	(7,030,450)	(8,994,690)	(200,494,084)
Net book amount (Rs.)	457,349,050	65,115,997	118,788,682	3,504,592	68,011	2,789,204	593,659	138,570	-	1,447,230	649,794,995	2,610,981	13,814,548	16,425,529	666,220,524
As at 30 June 2009															
Opening net book amount	457,349,050	65,115,997	118,788,682	3,504,592	68,011	2,789,204	593,659	138,570	-	1,447,230	649,794,995	2,610,981	13,814,548	16,425,529	666,220,524
Additions	-	-	4,612,078	-	-	517,804	145,000	-	-	-	5,274,882	-	-	-	5,274,882
Disposals - net	-	-	-	-	-	(77,279)	-	-	-	-	(77,279)	-	-	-	(77,279)
Depreciation charge	-	(6,511,600)	(11,974,900)	(350,459)	(10,201)	(588,122)	(113,433)	(13,857)	-	(217,085)	(19,779,657)	(522,196)	(1,381,455)	(1,903,651)	(21,683,308)
Closing net book amount	457,349,050	58,604,397	111,425,860	3,154,133	57,810	2,641,607	625,226	124,713	-	1,230,145	635,212,941	2,088,785	12,433,093	14,521,878	649,734,819
Cost / Re-assessed value	457,349,050	116,302,927	246,714,288	8,613,452	350,277	6,212,963	1,449,752	841,301	-	8,735,261	846,569,271	4,575,221	20,844,998	25,420,219	871,989,490
Accumulated depreciation	-	(57,698,530)	(135,288,428)	(5,459,319)	(292,467)	(3,571,356)	(824,526)	(716,588)	-	(7,505,116)	(211,356,330)	(2,486,436)	(8,411,905)	(10,898,341)	(222,254,671)
Net book amount (Rs.)	457,349,050	58,604,397	111,425,860	3,154,133	57,810	2,641,607	625,226	124,713	-	1,230,145	635,212,941	2,088,785	12,433,093	14,521,878	649,734,819
Rate of depreciation (%)		10	10	10	15	20	15	10		15		20	10		

16.1 The details of revolution are given in note 7.

16.2 Detail of operating assets, disposed of during the year:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchasers
		Rupees	Rupees	Rupees	Rupees		

Vehicle

Suzuki Pick up	1	377,500	300,221	77,279	100,000	Negotiation	Abdullah Khan, Karachi
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16.3 Depreciation charge for the year has been allocated as follows:	2009 Rupees	2008 Rupees (Restated)
Owned		
Cost of sales (Note 27 and 27.3)	19,347,508	20,592,321
Distribution cost (Note 27)	-	-
Administrative expenses (Note 29)	432,149	45,537
	19,779,657	20,637,858
Leased		
Cost of sales (Note 27.3)	1,381,455	1,534,950
Administrative expenses (Note 29)	522,196	-
	1,903,651	1,534,950
	21,683,308	22,172,808

17. INVESTMENT PROPERTY

Leasehold land and building, comprising a godown measuring 30,000 square yards, not being used by the company, was included in property, plant and equipment during the last year. This property was rented out to Renfro Crescent (Private) Limited (associate company) for inventories' storage purposes. During the year, this property has been reclassified as investment property under International Accounting Standard (IAS)-40 'Investment Property' retrospectively from the comparative year and stated using the fair value model. As required under IAS-40, the fair value of such property as at 30 June 2008 was determined by an independent valuer. Surplus of Rupees 19.208 million arising on the said revaluation (net of deferred tax) has been presented separately in the balance sheet. The fair value of investment property has also been determined by an independent valuer as at 30 June 2009 and the resultant fair value gain of Rupees 0.15 million has been recognized in profit and loss account. No expenses directly related to investment properties were incurred during the year.

This correction of prior year error has been recorded as prescribed in International Accounting Standard (IAS)-8 'Accounting Policies, Changes in Accounting Estimates and Errors' and balances of 30 June 2008 have been restated. Following is the impact of this correction:

	2009 Rupees	2008 Rupees
Increase in investment property	-	23,189,950
Decrease in property, plant and equipment	-	(23,189,950)
Increase in revaluation surplus	-	172,074
Increase in profit for the year	150,000	-
Increase in earnings per share - basic	Negligible impact	-

18. LONG TERM INVESTMENTS

	2009 Rupees	2008 Rupees (Restated)
Available for sale - Associated company (without significant influence)		
Taxmac (Private) Limited (Note 18.1)	520,000	520,000
Associated companies (with significant influence) - Under equity method		
Premier Insurance company Limited - quoted (Note 18.3)	-	45,062
Renfro Crescent (Private) Limited (Note 18.4)	113,383,143	101,133,736
Crescent Industrial Chemical Limited (Note 18.5)	-	-
	113,383,143	101,178,798
	113,903,143	101,698,798

18.1 Taxmac (Private) Limited is an associate under provisions of the Companies Ordinance, 1984. 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. All other investments have been carried using equity method.

18.2 Name of Associate

Premier Insurance Limited
Crescent Industrial Chemical Limited
Renfro Crescent (Private) Limited

Basis of significant influences

Common directorship
Common directorship
Shareholding

18.3 Premier Insurance Company Limited	2 009 Rupees	2 008 Rupees (Restated)
The movement is as follows:		
Opening balance of investment	45,062	134
Share of (loss) / profit of associate	(68,340)	50,913
Dividend income	(37,345)	(5,985)
Closing balance as at 30 June 2009	(60,623)	45,062
Unrecognised loss	60,623	-
Net closing balance	<u>-</u>	<u>45,062</u>
18.3.1	During the year Premier Insurance Company Limited sustained losses therefore the company recognise its portion of loss up to the nominal value of share capital.	
18.3.2	Summarized finance position of Premier Insurance company Limited	
Total assets	2,774,354,000	2,925,132,000
Total Liabilities	1,126,824,000	1,009,274,000
Net Assets	1,647,530,000	1,915,858,000
Revenue	157,797,000	167,613,000
(Loss) / Profit after tax	(73,467,000)	109,549,000
Cost of investment	134	134
Market value	117,181	215,489
Ownership interest	0.031%	0.015 %
Number of ordinary shares held 14,738 (30 June 2008: 7561) of Rupees 10 each.		
18.4 Renfro Crescent (Private) Limited		
The movement is as follows:		
Opening balance of investment	101,133,736	88,122,331
Share of profit of associate	12,249,407	13,011,405
	<u>113,383,143</u>	<u>101,133,736</u>
18.4.1	This investment is received due to amalgamation of Jubilee Energy Limited.	
18.4.2	Summarized financial statements of Renfro Crescent (Private) Limited	
Total assets	1,607,278,554	1,343,463,640
Total Liabilities	1,130,130,727	915,449,558
Net Assets	477,147,827	428,014,082
Revenue	1,828,230,617	1,326,449,442
Profit after tax	49,133,745	53,597,571
Cost of investment	89,821,600	89,821,600
Ownership interest	24.93%	24.93%
Number of ordinary shares held 8,982,160 (30 June 2008 : 8,982,160) of Rupees 10 each.		
Market value	Un-quoted	Un-quoted
18.5	This investment was fully impaired as on 30 June 2009.	
19. LONG TERM LOANS		
Due from executives/directors	486,250	486,250
Due from employees	2,661,870	1,752,566
	<u>3,148,120</u>	<u>2,238,816</u>
Less: Current portion	1,374,000	1,063,700
	<u>1,774,120</u>	<u>1,175,116</u>
19.1	Reconciliation of carrying amount of loans to executives:	
Opening balance as at 01 July	486,250	386,250
Add: Disbursements	-	100,000
	<u>486,250</u>	<u>486,250</u>
Less: Repayments	-	-
Closing balance as at 30 June	<u>486,250</u>	<u>486,250</u>
19.1.1	Maximum aggregate balance due from executives at the end of any month during the year was Rupees 486,250 (30 June 2008: Rupees 486,250).	

- 19.2 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

	2009	2008
	Rupees	Rupees
		(Restated)
20. LONG TERM DEPOSITS AND PREPAYMENTS		
Security deposits (Note 20.1)	2,210,722	2,210,722
Deposit against finance lease	1,895,000	1,895,000
	<u>4,105,722</u>	<u>4,105,722</u>
Less: Current portion shown under current assets	<u>(1,895,000)</u>	<u>-</u>
	<u><u>2,210,722</u></u>	<u><u>4,105,722</u></u>
20.1 This includes cash deposit of Rupees 1.5 million (30 June 2008: Rupees 1.5 million) given to Faysal Bank Limited against guarantee. (Note 15.1.2)		
21. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	1,719,545	1,545,422
Spare parts	354,589	378,064
	<u>2,074,134</u>	<u>1,923,486</u>
22. STOCK IN TRADE		
Raw materials	17,397,574	17,937,215
Work in process	4,923,713	5,035,029
Finished goods	5,220,195	5,745,048
Packing material	12,536	374,532
Waste stock	1,063,919	1,595,272
	<u>28,617,937</u>	<u>30,687,096</u>
23. TRADE DEBTS		
Considered good:		
Unsecured	<u>22,719,426</u>	<u>9,467,234</u>
Considered doubtful:		
Others - unsecured	21,163,577	21,163,577
Less: Provision for doubtful debts		
As at 01 July	21,163,577	21,428,660
Less: Write off during the year	-	(305,083)
Add: Provision for the year	-	40,000
As at 30 June	<u>21,163,577</u>	<u>21,163,577</u>
	<u>-</u>	<u>-</u>
23.1 As at 30 June 2009, trade debts of Rupees 0.0149 million (30 June 2008 : Rupees Nil million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:		
Upto 1 month	22,704,466	9,467,234
1 to 6 months	14,960	-
	<u>22,719,426</u>	<u>9,467,234</u>
23.2 Trade debts of Rupees 21.164 million (30 June 2008 : Rupees 21.164 million) were impaired and provided for in previous years. The ageing of these trade debts was more than one year.		

	2009 Rupees	2008 Rupees (Restated)
24. SHORT TERM INVESTMENTS		
Available for sale (Note 24.1)	24,001,648	70,585,352
Investment at fair value through profit or loss in listed securities (Note 24.3)	1,110,273	1,837,590
	<u>25,111,921</u>	<u>72,422,942</u>
24.1 Investments available for sale		
Related parties		
Crescent Jute Products Limited 1,716,683 (30 June 2008: 1,716,683) fully paid ordinary shares of Rupees 10 each.	13,732,069	13,732,069
The Crescent Textile Mills Limited 827 (30 June 2008: 827) fully paid ordinary shares of Rupees 10 each.	-	-
Crescent Spinning Mills Limited 290,000 (30 June 2008: 290,000) fully paid ordinary shares of Rupees 10 each.	362,500	362,500
Crescent Sugar Mills & Distillery Limited 510,600 (30 June 2008: 510,600) fully paid ordinary shares of Rupees 10 each.	3,150,402	3,150,402
Crescent Steel and Allied Products Limited 36,253 (30 June 2008: 36,253) fully paid bonus ordinary shares of Rupees 10	-	-
Other than related parties		
Samba Bank Limited-quoted 5,240,737 (30 June 2008: 5,240,737) fully paid ordinary shares of Rupees 10 each.	37,311,525	37,311,525
Shakarganj Mills Limited 39,138 (30 June 2008: 39,138) fully paid ordinary shares of Rupees 10 each.	228,175	228,175
Shakarganj Mills Limited (Prefer. Shares) 184,335 (30 June 2008: 184,335) fully paid preference shares of Rupees 10 each.	1,843,350	1,843,350
PICIC Insurance Company Limited 11,658 (30 June 2008: 11,658) fully paid ordinary shares of Rupees 10 each.	116,580	116,580
	<u>56,744,601</u>	<u>56,744,601</u>
Impairment loss charged to profit and loss account	<u>(21,437,767)</u>	<u>-</u>
	35,306,834	56,744,601
Closing balance of fair value adjustment reserve	<u>(11,305,186)</u>	<u>13,840,751</u>
	<u>24,001,648</u>	<u>70,585,352</u>

24.2 The Karachi Stock Exchange (Guarantee) Limited ("KSE") placed a 'Floor Mechanism' on the market value of securities based on the closing price of securities prevailing as at 27 August 2008. Under the 'Floor Mechanism', the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from 28 August 2008 and remained in place until 15 December 2008. Subsequently, there were lower floors on a number of securities.

International Accounting Standard (IAS) 39 'Financial Instruments: Recognition and Measurement' requires that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. Such impairment loss should be charged to profit and loss account. SECP issued SRO 150(1) 2009 dated 13 February 2009 which provided that impairment loss on available for sale investments as at 31 December 2008 may be shown under equity.

Accordingly, as at 31 December 2008, the impairment loss on account of fall in value of certain 'available for sale' listed equity investments amounting to Rupees 22.610 million was considered temporary and taken to equity. In accordance with the methodology prescribed under the above-referred notification, the company was required to recognize the aforesaid fall in value through the profit and loss account equally, during each calendar quarter of the year 2009, after adjusting for the relevant quarter's price movement.

Therefore, in compliance with the above notification, the portion of impairment loss amounting to Rupees 11.305 million relevant to the half year ended 30 June 2009, having been adjusted with the price fluctuation occurred during the two quarters, is recognized in the profit and loss account in these financial statements.

The remaining amount of unrecognized impairment loss as at 30 June 2009 shall be treated as a charge to profit and loss account for the purpose of distribution of dividend.

Had the entire impairment loss been recognized through profit and loss account as at the balance sheet date, the impact on these financial statements, would have been as follows:

		Rupees	
	Increase in the provision for impairment in profit and loss account		(11,305,186)
	Decrease in profit after tax during the year		(11,305,186)
	Decrease in the earnings per share – basic (there was no diluted effect on basic EPS)		-0.35
24.3	Investment at fair value through profit or loss in listed securities	2009	2008
		Rupees	Rupees
			Restated
	Nishat Mills Limited		
	4,500 (30 June 2008: 4,500) fully paid ordinary shares of Rupees 10 each	170,190	395,585
	Oil & Gas Development Company Limited		
	3,800 (30 June 2008: 3,800) fully paid ordinary shares of Rupees 10 each	298,832	454,106
	Pakistan Oilfield Limited		
	1,680 (30 June 2008: 1,680) fully paid ordinary shares of Rupees 10 each	245,112	482,412
	Pakistan Petroleum Limited		
	2090 (30 June 2008: 1900) fully paid ordinary shares of Rupees 10 each	396,139	505,487
		<u>1,110,273</u>	<u>1,837,590</u>
25.	CASH AND BANK BALANCES		
	Cash in hand	464,141	60,025
	Cash at bank	7,501,391	5,770,545
		<u>7,965,532</u>	<u>5,830,570</u>
	This includes an amount of Rupees. 793,800 (2008:Rupees. 793,800) under lien with Standard Chartered Bank Limited on account of guarantee issued.		
26.	SALES		
	Local sales		
	Yarn	546,190,365	498,745,558
	Cotton	205,700,559	245,064,268
	Waste	11,393,891	8,074,823
		<u>763,284,815</u>	<u>751,884,649</u>

27. COST OF SALES

	2009 Rupees	2008 Rupees (Restated)
Finished stock - opening	7,340,320	6,859,123
Add: Cost of goods manufactured	706,306,818	733,857,169
	<u>713,647,138</u>	<u>740,716,292</u>
Less: Finished stock - closing	6,284,114	7,340,320
	<u>707,363,024</u>	<u>733,375,972</u>
Cost of goods manufactured		
Raw material consumed (Note 27.1)	595,663,567	637,536,037
Packing materials consumed	3,589,823	3,117,642
Stores, spare parts and loose tools	5,371,331	3,126,193
Salaries, wages and other benefits	47,471,260	40,451,785
Repair and maintenance	350,978	165,239
Rent, rates and taxes	47,800	371,750
Fuel and power (Note 27.2)	31,832,956	27,923,816
Insurance	1,031,835	1,212,887
Depreciation (Note 16.3)	18,827,708	20,012,068
Other factory overheads	2,008,244	1,427,327
	<u>706,195,502</u>	<u>735,344,744</u>
Work-in-process		
Opening stock	5,035,029	3,547,454
Closing stock	(4,923,713)	(5,035,029)
	<u>111,316</u>	<u>(1,487,575)</u>
Cost of goods manufactured	<u>706,306,818</u>	<u>733,857,169</u>
27.1 Raw material consumed		
Opening stock	17,937,215	11,487,993
Add: Purchased during the year	595,123,926	643,985,259
	<u>613,061,141</u>	<u>655,473,252</u>
Less: Closing stock	17,397,574	17,937,215
	<u>595,663,567</u>	<u>637,536,037</u>
27.2 Fuel and power		
Salaries, wages and benefits	1,319,832	1,031,881
Gas and lubricants	17,455,861	17,069,225
Stores and spares	6,509,947	1,139,441
Depreciation (Note 16.3)	1,901,255	2,115,203
Other factory overheads	4,646,061	6,568,066
	<u>31,832,956</u>	<u>27,923,816</u>
28. DISTRIBUTION COST		
Salaries and other benefits	132,800	124,800
Outward freight and handling	1,090,373	915,155
Commission on sale	-	44,614
	<u>1,223,173</u>	<u>1,084,569</u>

29. ADMINISTRATIVE EXPENSES	2009 Rupees	2008 Rupees (Restated)
Salaries, allowances and benefits	12,542,845	9,299,755
Traveling, conveyance and entertainment	2,474,416	558,294
Rent, rates and taxes	50,000	285,687
Printing and stationery	362,466	262,031
Communication	614,887	477,008
Insurance	82,065	152,020
Subscription and periodicals	1,174,068	320,108
Repairs and maintenance	17,000	42,500
General expenses	1,491,538	364,721
Auditors' remuneration (Note 29.1)	395,000	395,000
Advertisement	486,650	289,505
Legal and professional charges	1,804,500	741,686
Depreciation (Note 16.3)	954,345	45,537
Amortization of intangibles assets	266,667	266,665
	<u>22,716,447</u>	<u>13,500,517</u>
29.1 Auditors' remuneration		
Audit fee	275,000	275,000
Half yearly review	70,000	70,000
Reimbursable expenses	50,000	50,000
	<u>395,000</u>	<u>395,000</u>
30. OTHER OPERATING EXPENSES		
Workers' profit participation fund (Note 11.1)	641,726	-
Workers' welfare fund	239,074	-
Reversal of provision for doubtful trade debts	-	(265,083)
Debtors written off	-	33,864
Assets written off	-	354,223
Provision for doubtful advances	-	525,304
Reversal of accrued mark-up	-	(595,412)
Creditors written back no longer payable	-	(29,979)
Other payables written back no longer payable	-	(4,388,163)
Loss on sale of property, plant and equipment	-	11,651,503
Provision for doubtful debts (Note 23)	-	(650,000)
Impairment loss on equity investments	21,437,767	1,842,500
Unrealized loss on remeasurement of investments	727,317	144,804
	<u>23,045,884</u>	<u>8,623,561</u>
31. OTHER OPERATING INCOME		
Income from financial assets		
Dividend income (31.1)	124,040	279,083
Gain on sale of investment	-	12,137,920
	<u>124,040</u>	<u>12,417,003</u>
Income from non financial assets		
Gain on sale of property, plant and equipment	22,721	-
Commission	6,394,232	5,348,129
Rental income	4,785,300	4,461,300
Gain on remeasurement of investment property	150,000	-
Creditors written back no longer payable	1,994,387	-
Others	275,979	121,376
	<u>13,622,619</u>	<u>9,930,805</u>
	<u>13,746,659</u>	<u>22,347,808</u>

31.1 Dividend income has been received from other than related parties.

	2009 Rupees	2008 Rupees (Restated)
32. FINANCE COST		
Mark-up on:		
Long term financing	8,802,740	11,380,463
Short term borrowings	331,102	169,170
Interest on workers' profit participation fund (Note 11.1)	-	54,111
Finance charges on lease liabilities	1,333,953	37,191
Bank charges and commission	298,785	338,456
	<u>10,766,580</u>	<u>11,979,391</u>
33. PROVISION FOR TAXATION		
Current	1,303,357	3,757,950
Prior year	-	(1,100,299)
	<u>1,303,357</u>	<u>2,657,651</u>
33.1 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 2008. Due to available tax losses Rupees 69.960 million, no provision for tax is required except for income changeable to final taxation.

33.2 Deferred

Deferred tax asset of Rupees 28.540 million (2008: Rupees 213.614 million) arising mainly due to accumulated tax losses has not been accounted for in these financial statements. The management expects that it is not probable that future taxable profits / taxable temporary differences would be available in near future against which the deferred tax asset can be utilized.

34. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit attributable to ordinary shares	(Rupees)	<u>22,854,699</u>	<u>16,022,200</u>
Weighted average number of ordinary shares	(Numbers)	<u>32,491,205</u>	<u>32,491,205</u>
Earnings per share	(Rupees)	<u>0.70</u>	<u>0.49</u>

35. CASH GENERATED FROM OPERATIONS	2009 Rupees	2008 Rupees (Restated)
Profit before taxation	24,158,056	18,679,851
Adjustments for non-cash charges and other items:		
Add / (Less) adjustments for:		
Depreciation	21,683,308	22,172,808
Provision for gratuity	5,771,388	6,487,209
Share of profit from associate	(12,241,690)	(13,062,317)
Dividend income	(124,040)	(285,068)
Unrealized loss on remeasurement of investments	727,317	144,804
Amortization of intangible assets	266,667	266,665
Impairment loss on available for sale investment	21,437,767	-
Provisions, write offs and write backs	(1,994,387)	(3,172,746)
Gain on disposal of property, plant and equipment	(22,721)	11,651,503
Gain on sale of investments	-	(12,137,920)
Gain on remeasurement of investment property	(150,000)	-
Finance cost	10,766,580	11,979,391
	<u>46,120,189</u>	<u>24,044,329</u>
Net cash from operating activities before working capital changes	70,278,245	42,724,180
Working capital changes		
<i>(Increase) / Decrease in current assets</i>		
Stores and spares	(150,648)	(485,627)
Stock-in-trade	2,069,159	(8,417,994)
Trade debts	(13,252,192)	(5,430,813)
Loans and advances	(12,759,275)	5,268,913
Short term deposits and prepayments	(956,350)	-
Other receivables	(687,816)	-
<i>Increase / (Decrease) in current liabilities</i>	-	-
Trade and other payables	8,272,088	(7,537,588)
Working capital changes	(17,465,034)	(16,603,109)
Net cash from operating activities after working capital changes	<u>52,813,211</u>	<u>26,121,071</u>
36 CASH AND CASH EQUIVALENTS		
Cash and bank balance	25	7,965,532
Short term borrowings	12	(8,720,243)
		<u>(754,711)</u>
		<u>5,830,570</u>

	2009	2008
	Rupees	Rupees
		Restated
37 CHIEF EXECUTIVE OFFICER'S, DIRECTORS' AND EXECUTIVES' REMUNERATION		
Chief Executive Officer		
Managerial remuneration and other benefits	3,000,000	1,479,000
House rent and utilities	1,650,000	660,000
Gratuity	310,000	124,000
	<u>4,960,000</u>	<u>2,263,000</u>
Number of executive	<u>1</u>	<u>1</u>
Directors/Executives		
Managerial remuneration	2,156,844	1,497,738
Housing and utilities	1,083,564	497,230
Gratuity	229,526	229,508
	<u>3,469,934</u>	<u>2,224,476</u>
Number of executives	<u>2</u>	<u>2</u>
37.1 The chief executive officer is provided with free use of company maintained cars. Two (2008: Two) other executives are also provided with the company maintained cars.		
38 DEFINED BENEFIT PLAN		
38.1 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 2009.		
38.2 Principal actuarial assumption		
Following principal actuarial assumptions were used for the valuation:	2009	2008
Estimated rate of increase in salary of the employees	11% per annum	11% per annum
Discount rate	12% per annum	12% per annum
	2009	2008
	Rupees	Rupees
		Restated
38.3 Movement in present value of defined benefit obligation		
Balance at beginning of the year	22,529,340	15,923,148
Current service cost	3,094,043	5,069,936
Interest cost	2,678,045	1,578,918
Benefits paid during the year	(2,493,611)	(2,251,662)
Actuarial (gain) / loss	(1,328,941)	2,209,000
Balance as at end of the year	<u>24,478,876</u>	<u>22,529,340</u>
38.4 Balance sheet liability as at 30 June 2009		
Present value of defined benefit obligation	24,478,876	22,529,840
Add: Unrecognized actuarial gain	1,830,187	501,246
	<u>26,309,063</u>	<u>23,031,086</u>
38.5 Movement in balances		
Balance at beginning of the year	23,031,286	18,874,216
Expense during the year	5,772,088	6,401,776
	<u>28,803,374</u>	<u>25,275,992</u>
Benefits paid during the year	(2,493,611)	(2,244,706)
Balance at the end of the year	<u>26,309,763</u>	<u>23,031,286</u>

	2009 Rupees	2008 Rupees (Restated)
38.6 Charge for the year		
Current service cost	3,094,043	4,984,498
Interest cost	2,678,045	1,578,918
Actuarial gain recognized	-	(161,640)
	5,772,088	6,401,776

38.7 Experience Adjustments

	2009 Rupees	2008 Rupees	2007 Rupees	2006 Rupees	2005 Rupees
Experience adjustment arising					
on plan liabilities (gains)/ losses	(1,329,000)	(2,209,000)	140,000	(496,000)	305,000
Present value of defined benefits obligation	24,478,876	22,818,287	22,529,840	15,923,148	13,984,000

39 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 financial statements are as follows:

	2009		2008	
	Associates	Other related parties	Associates	Other related parties
Transactions				
Insurance premium	2,209,731	-	1,364,907	-
Rental income	4,785,300	-	4,461,300	-
Sale of cotton	205,700,559	-	245,064,268	-
Sale of yarn	546,190,365	-	498,745,558	-
Service charges	250,000	-	250,000	-
Insurance commission	6,394,232	-	5,348,129	-
Dividend income	37,345	-	-	-
Purchase of machinery	4,411,710	-	-	-
Balances as at 30 June 2009				
Insurance premium payable	(51,272)	-	(1,812,700)	-
Advance from customers	(27,166,391)	-	(18,526,783)	-
Receivable from customer	22,093,500	-	9,456,875	-

40 PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

Total number of spindles available for production	8,840	8,840
Total number of spindles worked during the year	6,748	6,435
Number of shifts per day	3	3
Plant capacity of yarn (Kg.)	2,258,179	2,486,250
Actual production of yarn (Kg.)	3,281,958	3,505,153
Actual production in 20 / s (Kg.)	1,390,622	1,439,436
Total shifts worked	951	1,035

Power plant

Generation Capacity (KW)	1,053	1,053
Actual generation (KW)	654	715

40.1 Reasons for low production

Change of product mix towards courser counts resulted in utilization of less spindles keeping the production in bags almost same.

41. FINANCIAL RISK MANAGEMENT

41.1 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 financial performance.

Risk management is carried out by the Board of Directors (the Board). 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 and liquidity risk.

(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 balance sheet date.

Certain foreign currency transactions were carried out during the year which have been settled before the balance sheet date. Therefore, no currency risk regarding these transactions exist at the balance sheet. Following significant exchange rates were used during the year.

	2009	2008
	Rupees per dollar	
Average rate	79.09	62.77

Sensitivity analysis

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and liabilities at the balance sheet 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		Impact on other components of equity (fair value reserve)	
	2009 Rupees	2008 Rupees	2009 Rupees	2008 Rupees
KSE 100 (5% increase)	1,255,596	91,880	-	3,529,268
KSE 100 (5% decrease)	(1,255,596)	(91,880)	-	(3,529,268)

(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.

	2009 Rupees	2008 Rupees
Floating rate instruments		
Financial liabilities		
Long term financing	72,630,859	112,529,024
Liabilities against assets subject to finance lease	5,393,148	9,783,062
Short term borrowings	8,720,243	-

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 0.733 million (30 June 2008: Rupees 1.189 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at balance sheet dates were outstanding for the whole year.

(b) Credit risk

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

Investments	139,015,064	174,121,740
Loans and advances	27,820,751	14,462,472
Deposits	4,105,722	4,105,722
Trade debts	22,719,426	9,467,234
Other receivables	3,830,493	3,142,677
Bank balances	7,501,391	5,770,545
	<u>204,992,847</u>	<u>211,070,390</u>

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

	Rating			2009	2008
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	40,658	40,658
Allied Bank Limited	A1+	AA	PACRA	53,021	68,153
Faysal Bank Limited	A1+	AA	PACRA	5,392	5,167
Habib Bank Limited	A-1+	AA+	JCR-VIS	-	2,307,498
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	5,740,861	1,801,555
The Royal Bank of Scotland Limited	A1+	AA	PACRA	15,953	23,828
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	829,164	842,364
United Bank Limited	A-1+	AA+	JCR-VIS	705,264	562,922
Bank Al-Habib Limited	A1+	AA+	PACRA	47,748	104,353
Emirates Global Islamic Bank Limited	A2	A-	PACRA	63,330	14,047
				<u>7,501,391</u>	<u>5,770,545</u>
Investments					
Samba Bank Limited	A-1	A	JCR-VIS	15,617,396	55,080,146
				<u>23,118,787</u>	<u>60,850,691</u>

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 23.

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2009, the Company had Rupees 41.279 million available unused borrowing limits from financial institutions and Rupees 7.965 million cash and bank balances. In spite of the fact that the Company is in a negative working capital position at the year end, management believes the liquidity risk to be low. 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 2009

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term financing	72,630,859	102,538,985	14,760,668	14,320,369	20,276,824	53,181,124
Liabilities against assets subject to finance lease	5,393,148	6,919,003	3,788,382	2,396,558	734,063	-
Trade and other payables	72,242,034	72,242,034	55,007,981	17,168,912	-	-
Short term borrowings	8,720,243	9,407,398	9,407,398	-	-	-
	<u>158,986,284</u>	<u>191,107,420</u>	<u>82,964,429</u>	<u>33,885,839</u>	<u>21,010,887</u>	<u>53,181,124</u>

Contractual maturities of financial liabilities as at 30 June 2008

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term financing	277,529,024	298,366,902	180,636,481	15,191,396	29,081,037	73,457,988
Liabilities against assets subject to finance lease	9,783,062	11,431,192	2,784,860	2,803,140	5,109,129	734,063
Trade and other payables	66,004,324	66,004,324	49,708,181	16,296,143	-	-
	<u>353,316,410</u>	<u>375,802,418</u>	<u>233,129,522</u>	<u>34,290,679</u>	<u>34,190,166</u>	<u>74,192,051</u>

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. The rates of interest / mark up have been disclosed in note 8 and note 9 to these financial statements.

41.2 Fair values of financial assets and liabilities

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.

41.3 Financial instruments by categories

	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
	Rupees	Rupees	Rupees	Rupees
As at 30 June 2009				
Assets as per balance sheet				
Investments	-	1,110,273	137,904,791	139,015,064
Loans and advances	27,820,751	-	-	27,820,751
Deposits	6,000,722	-	-	6,000,722
Trade debts	22,719,426	-	-	22,719,426
Other receivables	3,830,493	-	-	3,830,493
Cash and bank balances	7,965,532	-	-	7,965,532
	<u>68,336,924</u>	<u>1,110,273</u>	<u>137,904,791</u>	<u>207,351,988</u>

	Financial liabilities at amortized cost
	Rupees
Liabilities as per balance sheet	
Long term financing	72,630,859
Liabilities against assets subject to finance lease	5,393,148
Accrued mark-up	27,331,793
Short term borrowings	8,720,243
Trade and other payables	72,242,034
	<u>186,318,077</u>

	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
	Rupees	Rupees	Rupees	Rupees
As at 30 June 2008				
Assets as per balance sheet				
Investments	-	1,837,590	172,284,150	174,121,740
Loans and advances	14,462,472	-	-	14,462,472
Deposits	4,105,722	-	-	4,105,722
Trade debts	9,467,234	-	-	9,467,234
Other receivables	3,142,677	-	-	3,142,677
Cash and bank balances	5,830,570	-	-	5,830,570
	<u>37,008,675</u>	<u>1,837,590</u>	<u>172,284,150</u>	<u>211,130,415</u>

	Financial liabilities at amortized cost
	Rupees
Liabilities as per balance sheet	
Long term financing	277,529,024
Liabilities against assets subject to finance lease	9,783,062
Short term borrowings	-
Trade and other payables	66,004,324
Accrued mark-up	23,792,440
	<u>377,108,850</u>

42. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

43. CORRESPONDING FIGURES

Significant re-arrangements and reclassifications include:

- Investment property of Rupees 23.340 million (30 June 2008: 23.190 million) has been segregated from property, plant and equipment and presented separately.
- Surplus on revaluation of Investment Property amounting to Rupees 19.209 million (30 June 2008: Rupees 19.209 million) has been separately presented.
- Deferred tax liability relating to Investment property amounting to Rupees 1.130 million (30 June 2008: Rupees 1.130 million) has been separately disclosed.
- 'Advances, deposits, prepayments and other receivables' have been presented separately as:
 - 'loans and advances' of Rupees 26.047 million (30 June 2008: 13.287 million)
 - 'Short term deposits and prepayments of Rupees 4.918 million (30 June 2008: 2.066 million)
 - 'Other receivable' of Rupees 3.830 million (30 June 2008: Rupees 3.143 million)

- Commission on sales amounting to Rupees Nil (30 June 2008: Rupees 0.045 million) has been included in 'Distribution Cost'
- Provisions, write offs and write backs of Rupees Nil (30 June 2008: Rupees 2.523 million) have been included in 'Other Operating Expenses'.

Apart from above, the corresponding figures of assets, liabilities, income and expenses have been restated and include amounts pertaining to Jubilee Energy Limited pursuant to its amalgamation with Jubilee Spinning & Weaving Mills Limited which is effective from 01 July 2008 (as more fully explained in note 4 to the financial statements).

44. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Shams Rafi
Chief Executive



Shaukat Shafi
Director