



Jubilee Spinning & Weaving Mills Ltd.

Annual Report 2016



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Company Information

Board of Directors

Mr. Shaukat Shafi (Chief Executive)
Mr. Tariq Shafi
Mr. Jahanzeb Shafi
Mr. Usman Shafi
Mr. Aurangzeb Shafi
Mr. Umer Shafi
Mr. Masood A. Sheikh

Audit Committee

Mr. Usman Shafi (Chairman)
Mr. Jahanzeb Shafi (Member)
Mr. Masood A. Sheikh (Member)

Company Secretary

Mr. Masood A. Sheikh

Auditors

Riaz Ahmed & Company
Chartered Accountants

Legal Advisor

Ghani Law Associate
Mr. AnserMukhtar

Bankers

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

Registered Office

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

Mills

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



Notice of Annual General Meeting

Notice is hereby given that the 43rd Annual General Meeting of the shareholders of Jubilee Spinning & Weaving Mills Limited (the "Company") will be held on Monday, the October 31, 2016 at 9.30 a.m. at the registered office of the company at 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.
2. To appoint Auditors of the Company and fix their remuneration.

Special Business

3. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities & Exchange Commission of Pakistan, for the transmission of the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution as an Ordinary Resolution, with or without modification:

Resolved that consent & approval of the members of Jubilee Spinning & Weaving Mills Limited (the "Company") be and is hereby accorded for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for future years commencing from the year ended on June 30, 2017 through CD or DVD or USB instead of transmitting the same in hard copies.

Resolved Further that Chief Executive or Corporate Secretary of the Company be and is hereby authorised to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.

4. To consider and if deemed fit, to pass the following resolution as a special resolution with or without modification for alteration in the Memorandum of Association of the Company:

Resolved unanimously that object clause III of the memorandum of association of the company be altered by inserting the following sub clause (3A) immediately after existing sub clause 3 subject to confirmation by Securities and Exchange Commission of Pakistan.

3A. To carry on the business of renting out the buildings and / or open area of the company's premises to institutions, corporations, companies, other entities and individuals.

Resolved Further that a petition be filed with the SECP under Sections 21 to 24 of the Companies Ordinance, 1984, read with Rules 3 and 30 of the Companies (General Provisions and Rules) 1985, along with all requisite documents, affidavits, statements, etc. for confirmation of alteration of Memorandum of Association for which purpose, Mr. Shaukat Shafi, Chief Executive Officer and Mr. Tariq Shafi, Director and Mr. Masood A. Sheikh, Director and Corporate Secretary of the company be and are hereby jointly and severally authorized to fulfil all legal, corporate and procedural formalities for accomplishing alteration of the Company's Memorandum of Association.

5. To consider and, if deemed fit, pass the following resolution as a Special resolution with or without modification for alterations in the Articles of Association of the Company:

Resolved that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), Articles of Association of the Company be and are hereby amended by inserting



a new Article 44A immediately after the existing Article 44 to read as under:

44A. **EELECTRONIC VOTING:** The Company shall comply with the mandatory e-voting requirements as may be prescribed by the Securities & Exchange Commission of Pakistan from time to time and members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article.

Resolved Further that the Chief Executive Officer or Corporate Secretary be and is hereby authorised to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution

Statement under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to the shareholders with notice of the meeting.

By Order of The Board

Masood A. Sheikh
Corporate Secretary

Registered Office:
45-A, Off: Zafar Ali Road,
Gulberg-V, Lahore:
T:+92-42-111-245-245
F:+92-42-111-222-245
Dated: October 05, 2016

Notes:

1. The Members' Register will remain closed from October 21, 2016 to October 31, 2016 (both days inclusive). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 20, 2016.
2. A member eligible to attend and vote in this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting. A proxy must be a member of the Company.
3. Shareholders are requested to immediately notify the change in address, if any.
4. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
 - a. For attending the meeting:
 - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
 - b. For Appointing Proxies
 - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit



the proxy form as per the above requirement.

- ii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv). The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

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

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

6. Dividend Mandate Option

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

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

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2016 along with Auditors and Directors Reports thereon on its website: [www. www.jsw.com.pk](http://www.jsw.com.pk)

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

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

Statement under Section 160(1)(b) of the Companies Ordinance, 1984.

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on October 31, 2016.

Circulations of Annual Reports through CD/DVD/USB

Securities and Exchange Commission of Pakistan has vide S.R.O. 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings



and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Corporate Secretary/Share Registrar to whom such requests shall be made. Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The directors are not interested, directly or indirectly, in the above business except of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.

Alteration of Memorandum of Association

The board of directors in their meeting held on October 03, 2016 considered the benefits of alteration in the memorandum of association of the company. The proposed alteration will enlarge the area of operation of the Company and will conveniently and advantageously be combined with the business of the Company. No directors of the company have any interest in the aforesaid special business to be transacted at the meeting. The Memorandum of Association of the company has been kept at the Registered Office and can be inspected from 09.00 to 11:00 a.m. on all working days up to October 31, 2016.

Alteration in the Articles of Association

Securities and Exchange Commission of Pakistan has issued the Companies E-Voting Regulation 2016 on January 22, 2016 vide S.R.O. 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 44A therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. Accordingly, it has been proposed to pass the resolution as a Special Resolution for alteration in the Articles of Association of the Company, as specified in the notice of meeting.

The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.



Director's Report To The Shareholders

Dear Shareholders,

The Directors of your Company feel pleasure in presenting audited accounts and annual report of the company for the year ended June 30, 2016 along with Auditors' Report thereon.

Financial Results

During the year, the company earned net profit of Rs. 5,746,537 after charging costs, expenses and provisions for the year as compared to previous year's net loss of Rs. (40,361,827). The financial results of the company are summarized as follows:

Year ended on	Rupees	Rupees
	June 30, 2016	June 30, 2015
Sales	17,894,825	14,876,824
Cost of sales	(11,043,138)	(29,513,498)
Gross loss	6,851,687	(14,636,674)
Gross loss rate %	38%	-98%
Selling, admin and other operating cost	(25,771,915)	(61,393,139)
Other income	32,912,380	38,530,867
Finance Charges	(98,896)	(177,427)
Provision for tax	(8,146,719)	(2,685,454)
Loss after tax	5,746,537	(40,361,827)
Basic loss per share	0.18	(1.24)

Review of Operations and future prospects

The company earned profit before tax Rs. 13.89 million in the year 2015-16. We are confident that the company will overcome existing temporary factors that are negatively affecting its bottom line. During the period we have rented out a major portion of JSWML on rent with services charges to earn maximum revenue in this difficult time of Textile sector. Sponsor directors may also support the company in future, if the need arises.

Reservations in auditors' report

The auditors' report for the year carries the adverse opinion on the matter of going concern assumption used in the preparation of financial statements as reproduced below:

Quote

As on 30 June 2016, accumulated loss of the Company was Rupees 538.282 million due to which its equity stood negative by Rupees 119.257 million. As at 30 June 2016, its current assets exceed its current liabilities by Rupees 28.506 million. Effective from March 2014, the company has closed its textile operations. During the year, the company has disposed of all of its operating fixed assets except for leasehold land, building on leasehold land and power plant. 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. These 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 these financial statements and the future financial projections indicating the economic viability of the company. These facts indicate that going concern assumption used in preparation of the financial statements is inappropriate;



Unquote

Accumulated losses pertain to prior periods. The main reason of the losses in past were shortage of working capital resulting in under-utilization of plant capacity, and some other adverse economic conditions.

Now your company is in rental business and earned profit before tax Rs. 13.89 million in the year 2015-16. Current liability has reduced from 200m to 165m reflecting that company is discharging its liability and is going concern because it is generating its own revenue and paying exiting vendors and employees on timely basis.

On the basis of factors mentioned earlier together with the strong assets base and healthy financial position, the directors strongly believe that the company will shortly be resuming its profitable operations, and therefore, the company continues to be a going concern.

Quote

Operating fixed assets having net book value of Rupees 16.387 million have been disposed of during the year. However, supporting documents substantiating the disposal and receipt of disposal proceeds pertaining to disposal of operating fixed assets amounting to Rupees 12.439 million have not been provided to us for verification. Further, the disclosure eliciting details of disposal of operating fixed assets during the year (Note 13.2) has not been prepared in accordance with the requirements of Companies Ordinance, 1984;

Unquote

Company disposed of its non-operating fixed assets which was obsolete and outdated and were not in use and lying as scrap so that proceeds will be used for strengthening of working capital and/or repayments of liabilities.

Quote

Fair value of investment property (Note 14) has not been determined as at 30 June 2016;

Unquote

Valuation was done in June 2014 and there is no significant change in market value since the date of last revaluation therefore valuation was not conducted. However it will be done in next year and valuation report will be provided to auditors.

Quote

Trade debts, loans and advances and other receivables as at 30 June 2016 include Rupees 22.120 million, Rupees 26.900 million and Rupees 14.755 million respectively receivable from an associated company. We were unable to satisfy ourselves as to the recoverability of such balances;

Unquote

Management is continuously following up to recover its receivables which were outstanding for many years. During the year company has successfully recovered 121.753 million and expect to receive remaining amount in next year.

Quote

The company has written back liabilities amounting to Rupees 7.501 million (Note 26) for which no proper justification and satisfactory explanation has been provided to us;



Unquote

These were old unadjusted liabilities which were lying in books from many years. These old liabilities have been written back to comply with Income tax Ordinance 2001.

Pattern of Shareholding

The statement of pattern of shareholding of the company as at June 30, 2015 is annexed. This statement is prepared in accordance with Code of Corporate Governance.

Earning per Shares

The basic profit per share for the period under review is Rs.0.18 (2015: Loss per share Rs. 1.24).

Corporate Governance Compliance

As required by the Code of Corporate Governance, directors are pleased to report that:

- a) The financial statements of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements except for those disclosed in financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International accounting standards as applicable in Pakistan have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and is being consistently and effectively reviewed by the internal audit department and will continue to be reviewed and any weakness in the system will be eliminated.
- f) There are no significant doubts upon the company's ability to continue as a going concern. The auditors' reservation regarding going concern matter has been duly addressed above.
- g) There has been no material departure from the best practices of Corporate Governance as detailed in listing regulations.
- h) The company did not declare dividend because of loss sustained during the year. Accumulated losses have prevented the company declaring dividend or issuance of bonus shares.
- i) Transactions with Related Parties have been approved by the Audit Committee and the Board.
- j) Value of gratuity was Rupees 35.259 million as on June 30, 2016 as per audited accounts.
- k) Attendance at 4 meetings of the Board of Directors held during the year under review were as under:



Name of Director	Meetings attended
Mr. Shaukat Shafi	4
Mr. Masood A. Sheikh	4
Mr. Tariq Shafi	4
Mr. Jahanzeb Shafi	4
Mr. Usman Shafi	4
Mr. Umer Shafi	-
Mr. Aurangzeb Shafi	-

Mr. Aurangzeb Shafi and Mr. Umer Shafi had expressed their inability to attend the meetings and requested for leave of absence which the Board granted.

- l) During the period from July 01, 2015 to 30th June 2016 change in the holding of Directors, CEO, CFO and Company Secretary and their spouses as under:

	Opening Balance As on 30-06-2016	Change	Closing Balance As on 30-6-2015
Mr. Shaukat Shafi	2,400,529	-	2,400,529
Mr. Tariq Shafi	5,285,231	-	5,285,231
Mr. Jahanzeb Shafi	204,218	-	204,218
Mr. Umer Shafi	1,206,073	-	1,206,073
Mr. Usman Shafi	1,198,434	-	1,198,434
Mr. Masood A. Sheikh	3,725	-	3,725

- m) Following associated companies have the investments as under:

Crescent Sugar and Distillery Limited	474,323
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- o) The holdings of NIT and ICP are as under:

Investment Corporation of Pakistan	1891
II	90


Shaukat Shafi
Chief Executive

Karachi
October 05, 2016



شیئر ہولڈرز کو ڈائریکٹری رپورٹ

محترم شیئر ہولڈرز،

آپ کی کمپنی کے ڈائریکٹرز آڈٹ اکاؤنٹس اور سالانہ رپورٹ اور اس کے ساتھ ساتھ ختم ہونے والے سال 30 جون 2016 کو کمپنی کی سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی نتائج

سال کے دوران، کمپنی کے روپے کا خالص منافع 5,746,537 روپے کے گزشتہ سال کے نقصان کے مقابلے میں چارج کے، اخراجات اور دفعات کے بعد (40,361,827)۔ کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

2015	2016
14,876,824	17,894,825
(29,513,498)	(11,043,138)
(14,636,674)	6,851,687
98 فیصد	38 فیصد
(61,393,139)	(25,771,915)
38,530,867	32,912,380
(177,427)	(98,896)
(2,685,454)	(8,146,719)
(40,361,827)	5,746,537
(1.24)	0.18

آپریٹنگ اور مستقبل کے امکانات کا جائزہ: کمپنی کے ٹیکس کی رو سے پہلے سال کا 2016-15 میں 13.89 ملین منافع کمایا۔ ہمیں یقین ہے کہ کمپنی پر منہی کے نیچے لائن کو متاثر رہے ہیں کہ موجودہ عارضی عوامل پر قابو پالے گا۔ مدت کے دوران ہم نے ٹیکسٹائل سیکٹر کے اس مشکل وقت میں زیادہ سے زیادہ آمدنی حاصل کرنے کی خدمات کے ساتھ کرایہ پر بے ایس ڈی بیو ایم ایل کا بڑا حصہ ہیں۔ اسپانسر ڈائریکٹرز بھی اگر ضرورت پڑی تو، مستقبل میں کمپنی کی حمایت کر سکتے ہیں۔

سالانہ رپورٹ میں بلیک: جیسا کہ ذیل میں پیش کئے گئے سال کے آڈیٹری رپورٹ مالی بیانات کی تیاری میں استعمال کیا تھا تو مفروضہ کے میٹر پر منہی رائے کی جاتی ہیں۔

اقتباس: سال کی رپورٹ کے لئے اس کی ایکویٹی روپے 119.257 ملین منہی کھڑا تھا جس کی وجہ سے 30 جون 2016 کمپنی میں جمع روپے 538.282 ملین تھی۔ 30 جون 2016 کے موجودہ اثاثوں میں روپے 28.506 ملین اس کی موجودہ قرضوں کی حد سے تجاوز کر گیا ہے۔ مارچ 2014 سے مؤثر، کمپنی اس کی ٹیکسٹائل کارروائیوں کو بند کر دیا گیا ہے۔ سال کے دوران، کمپنی، چادرتی زمین کے لئے سوائے اس کے آپریٹنگ فیکٹری اثاثوں کی سب سے نمٹا گیا ہے چادرتی زمین اور بجلی گھر کی تعمیر پر صرف ہوا کاروبار کے عام نصاب میں اس کے واجبات، ای ٹی ایس کے واقعات جاتھویش کے طور پر جاری رکھنے کے لئے کمپنی کی صلاحیت پر اہم شکوک جس سکتا ہے اور اس وجہ سے یہ احساس کرنے کے قابل نہیں ہو سکتا ہے ایک مواد کی غیر یقینی صورتحال کی طرف اشارہ ہے۔ یہ مالیاتی بیانات اور نوٹس اس حقیقت کو ظاہر نہیں کرتے۔ کمپنی کی انتظامیہ بھی ہمیں ان کی مالی بیانات اور مستقبل مالیاتی تخمینوں کمپنی کی اقتصادی و پورا ہونا کا اشارہ کی تیاری میں استعمال کیا جاتا تھا تو مفروضہ جا کے اس تشخیص فراہم نہیں کیا۔ ان حقائق کی نشاندہی مالی بیانات کی تیاری میں استعمال کیا گیا تھا تو مفروضہ نامناسب ہے کہ:

ادوار سے متعلق ماضی میں نقصانات کی بنیاد کی وجہ کام کی پلانٹ کی صلاحیت کے زیر استعمال کے نتیجے میں دارالحکومت کی کمی، اور کچھ دیگر منہی اقتصادی حالات تھے۔ کمپنی کے ٹیکس روپے سے پہلے ریٹیل کاروبار اور منافع میں ہے 13.89 ملین سال 2015-16 میں موجودہ ذمہ داری 165 ملین کی عکاسی کرتی ہے کہ کمپنی اس کی ذمہ داری لے رہی ہے اور تھویش کی جاری ہے کہ یہ اس کی اپنی آمدنی پیدا کی جاتی ہے کیونکہ بروقت بنیاد پر باہر نکلنے کے دکانداروں اور ملازمین کی ادائیگی کرنے کے لئے 200 ملین سے کم کر دیا گیا ہے۔ مضبوط اثاثہ جات کی بنیاد اور صحت مند کی مالی پوزیشن کے ساتھ پہلے ایک دوسرے کے ساتھ ذکر کیا عوامل کی بنا پر، ڈائریکٹرز کی سختی نے کمپنی سے جلد ہی اس منافع بخش آپریشن کو شروع کر دیا جائے گا، اور اس وجہ سے، کمپنی اس پر یقین رکھتے ہیں۔



تشخیص: آپریٹنگ فکسڈ اثاثوں کی سال کے 16,387 روپے ملین کے ٹیٹ بک ویلیو ہونے کے دوران نمٹائے جاسکے ہیں۔ تاہم، رفع فضلات اور روپوں 12,439، ملین کی رقم آپریٹنگ فکسڈ اثاثوں کی تلفی سے متعلق اشیاء کو ضائع کرنے آمدنی کی وصولی کو ثابت حمایت کی دستاویزات کی تصدیق کے لئے ہمیں فراہم نہیں کیا گیا ہے۔ اس کے علاوہ، سال کے دوران انکشاف کے آپریٹنگ فکسڈ اثاثوں کی تلفی کی تفصیلات (نوٹ 13.2) کمپنیز آرڈیننس، 1984 کی ضروریات کے مطابق میں تیار نہیں کیا گیا ہے؛ تشخیص: کمپنی اپنے غیر آپریٹنگ فکسڈ اثاثوں متروک اور فرسودہ استعمال میں آمدنی ورکنگ کیپٹل کی مضبوطی کے لیے استعمال کیا جائے گا تاکہ سکرپ کے طور پر چھوٹ بول نہیں سکتے جس سے نمٹا اور/یا واجبات کی ادائیگی کرنا۔

تشخیص: سرمایہ کاری کی جائیداد (نوٹ 14) کی مناسب قدر 30 جون 2016 کے طور پر تعین نہیں کیا گیا ہے؛ تشخیص: تشخیص جون 2014 میں کیا گیا تھا اور آخری پیمولین کی تاریخ لہذا تشخیص منعقد نہیں کیا گیا تھا اس کے بعد سے مارکیٹ کی قیمت میں کوئی قابل ذکر تبدیلی نہیں آئی۔ تاہم یہ اگلے سال میں کیا جائے گا اور تشخیص کی رپورٹ آڈیٹرز کو فراہم کی جائے گی۔

تشخیص: ٹریڈ قرض، قرضوں اور ایڈوانسز 30 جون 2016 کے طور پر دوسرے وصولی روپے 22.120 ملین، ایک وابستہ کمپنی سے 26.900 ملین روپے 14.755 ملین بالترتیب وصولی روپے شامل ہیں۔ ہم اس طرح کے توازن کی صلاحیت کی وصولی کے لئے کے خود کو مطمئن کرنے کے قابل نہیں تھے؛ تشخیص: بیجمنٹ مسلسل اس وصولی کئی سالوں کے لئے بقایا تھے جس کی وصولی کے لئے اپ پر عمل پیرا ہے۔ سال کمپنی کے دوران کامیابی سے 121.753 ملین برآمد اور اگلے سال میں رقم باقی حاصل کرنے کی توقع کی ہے۔

تشخیص: کمپنی کے روپے 7.501 ملین (نوٹ 26) جس کے لئے کوئی مناسب جواز اور تسلی بخش وضاحت ہمارے لئے فراہم کی گئی ہے جو رقم کے واجبات پر واپس لکھا ہے؛ تشخیص: یہ پرانے اسائیڈت واجبات جس نے کئی سالوں سے کتابوں میں چھوٹ بول رہے تھے۔ یہ ایک ٹیکس کے پرانے واجبات آرڈیننس 2001 کے ساتھ عمل کرنے کے لئے واپس لکھا گیا ہے۔ شیئر ہولڈنگ کے پیٹرن 30 جون 2015 میں میں کمپنی کی تازہ ہولڈنگ کی طرز کے بیان پر قبضہ کر لیا جاتا ہے۔ یہ بیان کارپوریٹ گورننس کے ضابطہ کے مطابق تیار کیا جاتا ہے۔ فی شیئر کی کمائی: زیر جائزہ مدت کے لئے فی شیئر کی بنیادی منافع 0.18 روپے، (2015: میں فی شیئر خسارہ 1.24)۔ کارپوریٹ گورننس تعمیل: کارپوریٹ گورننس کے کوڈ کی طرف سے، ڈائریکٹرز رپورٹ پیش کرنے کے لئے خوش ہیں: (ا) موجودہ کمپنی کی مالی بیانات کافی امور کے اس کی ریاست، ایکویٹی میں اپنے آپریٹرز، نقدی بہاؤ اور تبدیلیوں کے نتائج، (ب) کمپنی کے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے۔

پ) مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کے مالی بیانات اور اکاؤنٹنگ اندازوں میں انکشاف سے ان لوگوں کے لئے چھوڑ کر مالی بیانات کی تیاری میں لاگو کیا گیا ہے مناسب اور دانشمندانہ فیصلے پر مبنی ہیں۔

ت) مناسب طور پر انکشاف کیا گیا ہے کہ پاکستان کی طرف سے لاگو کئے گئے بین الاقوامی اکاؤنٹنگ کے معیارات نے مالی بیانات اور کسی بھی رواں کی تیاری میں بیرونی کی گئی ہیں۔ ث) اندرونی کنٹرول کے نظام کے ڈیزائن میں اور مسلسل موثر طریقے سے اندرونی آڈٹ ڈپارٹمنٹ جائزہ لے رہا ہے اور اس پر نظر ثانی کی جائے اور نظام میں کسی بھی کمزوری کا خاتمہ کیا جائے گا اس کو جاری رکھیں گے۔

ج) تشویش کے طور پر جاری رکھنے کے لئے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔ تشویش کے معاملے سالانہ ریزرویشن و دوت مندرجہ بالا خطاب کیا گیا ہے۔

ح) اندراج کے ضابطے میں تفصیلی طور پر کارپوریٹ کے بہترین طریقوں میں سے کوئی مادی رواں کی تیاری ہوئی ہے۔

خ) کمپنی نے گھائے کی وجہ سے ڈیویڈنڈ کا اعلان نہیں کیا تھا۔ گھائے کمپنی کے بونس حصص کے ڈیویڈنڈ کے جاری کرنے کے اعلان میں رکاوٹ ہیں۔

د) متعلقہ پارٹیز کے ساتھ معاملات کرنے کے لئے آڈٹ کمیٹی اور بورڈ کی طرف سے منظوری دے دی گئی ہے۔

ز) گریجویٹ کی قدر برطبق آڈٹ اکاؤنٹ 30 جون 2016 کو 35.259 ملین تھی۔



(ر) بورڈ آف ڈائریکٹرز کی چار اجلاسوں میں حاضری کا جائزہ مندرجہ ذیل ہے۔

اجلاسوں میں شرکت	ڈائریکٹر کے نام
4	جناب شوکت شفیع
4	جناب مسعود اے۔ شیخ
4	جناب طارق شفیع
4	جناب جہانزیب شفیع
4	جناب عثمان شفیع
-	جناب عمر شفیع
-	جناب اورنگزیب شفیع

جناب اورنگزیب شفیع اور جناب عمر شفیع اجلاسوں میں شرکت میں نہ آنے کی ناکامی خود اظہار کیا اور جس میں بورڈ غیر موجودگی کی اجازت کی درخواست کی ہے۔

1 جولائی 2015 کے تحت طور ڈائریکٹرز سی ای او، سی ایف او اور کپتی سیکریٹری اور ان کے میاں بیوی کے انعقاد میں 30 جون 2016 میں مدت میں تبدیلی کی ہے:

اختتامی	تبدیل	افتتاحی	
بیلنس		بیلنس	
اوپر دیا گیا		اوپر دیا گیا	
30-6-2015		30-06-2016	
2,400,529	-	2,400,529	جناب شوکت شفیع
5,285,231	-	5,285,231	جناب طارق شفیع
204,218	-	204,218	جناب جہانزیب شفیع
1,206,073	-	1,206,073	جناب عمر شفیع
1,198,434	-	1,198,434	جناب عثمان شفیع
3, 725	-	3, 725	جناب مسعود اے۔ شیخ

ایم) کمپنیوں کے بعد متعلقہ کے تحت سرمایہ کاری کی ہے:

474,323

کریسنٹ شکر اور میٹانے لمیٹڈ

او) این آئی ٹی کے ہولڈنگز اور آئی سی پی علاقوں کے تحت:

1891

پاکستان کی سرمایہ کاری کارپوریشن

90

آئی ڈی بی پی

شوکت شفیع

چیف ایگزیکٹو

کراچی

اکتوبر 2016، 05



Key Operating and Financial Ratios For The Period From 2010 To 2016

Operating Information		2016	2015	2014	2013	2012	2011	2010
					(restated)	(restated)	(restated)	(restated)
Sales - Net	Rs. In Mln	17.89	14.87	332.94	394.45	217.25	783.74	703.59
Cost of sales	Rs. In Mln	(11.04)	29.51	361.58	399.23	230.47	792.22	665.91
Gross profit / (loss)	Rs. In Mln	6.85	(14.64)	(28.64)	(4.78)	(13.21)	(8.48)	37.68
Profit / (loss) from operations	Rs. In Mln	14.00	(37.50)	(39.15)	0.09	5.17	(25.18)	6.47
Profit / (loss) before taxation	Rs. In Mln	13.90	(37.68)	(41.49)	(5.08)	(107.60)	(105.16)	29.44
Profit / (loss) after taxation	Rs. In Mln	5.75	(40.36)	(37.91)	(6.71)	(109.92)	(113.76)	24.69
Financial Information								
Paid up Capital	Rs. In Mln	324.91	324.91	324.91	324.91	324.91	324.91	324.91
Equity Balance	Rs. In Mln	(119.26)	(114.62)	(71.78)	(39.03)	(51.27)	42.68	147.07
Fixed Assets	Rs. In Mln	657.69	681.32	643.43	627.50	638.00	763.04	859.13
Current Assets	Rs. In Mln	137.22	242.81	270.74	307.22	158.49	107.43	106.96
Current Liabilities	Rs. In Mln	165.72	200.84	252.65	273.50	160.06	172.84	137.08
Total Assets	Rs. In Mln	801.38	924.13	914.17	934.72	796.49	870.47	966.09
Key Ratios								
Gross Margin percent	percent	38.29	(98.45)	(8.60)	(1.21)	(6.08)	(1.08)	5.36
Operating Margin percent	percent	78.26	(252.19)	(11.76)	0.02	2.38	(3.21)	0.92
Net Profit/(Loss)	percent	32.14	(271.42)	(11.39)	(1.70)	(50.60)	(14.52)	3.51
Return on Capital Employed	percent	0.02	(0.05)	(0.06)	0.0001	0.01	(0.04)	0.01
Current Ratio	times	0.83	1.21	1.07	1.12	0.99	0.62	0.78
Earnings Per Share	Rs.	0.18	(1.24)	(1.17)	(0.21)	(3.38)	(3.50)	0.76
Production Statistics								
Number of Spindle	Numbers	-	-	9,000	9,000	9,000	9,000	8,840
Production converted into 20/s Count	Kgs	-	-	750,277	793,510	362,011	990,769	1,506,193



Vision statement

Jubilee Spinning & Weaving Mills Limited is a manufacturing concern and renting and service providers. The company is committed to make sustained efforts towards optimum utilization of its resources and intends to play a pivotal role in the economic and social development of Pakistan thereby improving the quality of life of its people.

Mission Statement

To achieve a leadership position in providing high quality services.

To be recognized as an organization that delivers on its commitments with integrity.

To be an equal opportunity employer and to motivate every employee to strive for excellence in meeting and exceeding customers' needs to ensure the company's future prosperity.

To be a responsible corporate citizen and contribute to our community by participating in social and environmental causes.



Statement of Compliance With The Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi Stock Exchange Limited, Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The board encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

CATEGORY	NAME
Independent directors	
Executive directors	Mr. Shaukat Shafi (Chief Executive) Mr. Masood A. Sheikh Mr. Aurangzeb Shafi
Non-executive directors	Mr. Tariq Shafi Mr. Jahanzeb Shafi Mr. Umer Shafi Mr. Usman Shafi

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

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board.
5. The Company is still in the process of preparing a "Code of Conduct" and will take appropriate steps during the next year to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement; and the overall corporate strategy and significant policies are being developed having regard to the level of materiality.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board / shareholders.
8. The meetings of the Board were presided over by the Chairman. Board meets at least once in every quarter. The Board held four meetings during the year. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. Orientation courses:
All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through in-house briefings and information package to acquaint them with the CCG, applicable laws, their duties and responsibilities.



Directors Training Program:

Two directors of the company are exempt due to 14 years of education and 15 years of experience on the Board of listed companies. No director attended the directors' training program during the year. All remaining directors will fulfill the directors' training program's requirement in due course.

10. No new appointment of Chief Financial Officer (CFO), Company secretary and Head of internal Audit were made.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises 03 members, of whom 02 are non-executive directors.
16. The meetings of the audit committee were held once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has set-up an effective internal audit department with qualified and experienced persons and they are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a full time basis.
18. The board will form HR and Remuneration Committee during the next financial year.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enriched in the CCG have been complied with except for the following, toward which progress is being made by the company to seek earliest compliance.
 - Representation of independent director on the Board will be fulfilled at the time of next election of directors.
 - The company is in the process of formulating the "Code of Conduct" and appropriate steps will be taken to disseminate it throughout the Company along with its supporting policies and procedures.
 - Overall corporate strategy and significant policies are being developed having regard to level of materiality.
 - The board will establish Human Resource and Remuneration Committee during the next financial year.
 - Remaining directors will fulfill the directors' training program's requirement in due course

Shaukat Shafi
Chief Executive



Review Report To The Members On Statement of Compliance With The Best Practices of Code of Corporate Governance

We have reviewed the enclosed statement of Compliance with the best practices contained in the code of Corporate Governance ("the Code") prepared by the Board of Director of JUBILEE SPINNING & WEAVING MILL LIMITED ("the company") for the year ended 30 June 2016 to comply with the requirements of listing regulations No.5.19 of Pakistan Stock Exchange Limited where the company is listed.

The responsibility for compliance with the code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflect the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transaction were undertaken at arm's length price or not.

Based on our review, we report that:

- One member of the audit committee is not a non-executive director and chairman of the audit committee is not an independent director in contravention of clause xxiv of the Code;
- The positions of the Chairman of the Board of Directors and Chief Executive Officer of the Company are held with same person in contravention of clause vi of the Code;
- The internal audit function of the Company is ineffective in contravention of clause xxxi of the Code;
- The Company Secretary is also a member of the audit committee and secretary to the audit committee; and
- The Company has not complied with the corporate and financial reporting requirements of the Code. The financial statement of the Company have not been prepared in according with approved accounting standards as applicable in Pakistan. Therefor, the financial statement do not give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the profit, its comprehensive profit, its cash flows and changes in equity for the year then ended.

Based on our review, with the exception of the matters describe in the preceding paragraphs, nothing has come to over attention which causes us to believe that the statement of Compliance does not appropriately reflect the Company's compliance in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

We draw attention to note 23 of the statement of Compliance with the Code of Corporate Governance which describe following significant instance of non-compliance with the requirement of the Code; (i). There is no independent director on the board of directors ;(ii). The Code of conduct along with its supporting policies and procedures has not been develop and disseminated; (iii).overall corporate strategy and significant policies having regards to level of materiality have not been developed; (iv).The Human Resources and remuneration Committee has not been established; and (v) no director attended any director training program during the year. Our report is not qualified in respect of these matters.

Riaz Ahmed & Company
Chartered Accountant

Name of Engagement Partner:
Muhammad Hamid Jan

Karachi
October 5, 2016



Auditors' Report To The Members of Jubilee Spinning & Weaving Mills Limited

We have audited the annexed balance sheet of JUBILEE SPINNING & WEAVING MILLS LIMITED ("the company") as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that, except mentioned in paragraphs (i) to (v) below, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (i) As on 30 June 2016, accumulated loss of the Company was Rupees 538.282 million due to which its equity stood negative by Rupees 119.257 million. As at 30 June 2016, its current assets exceed its current liabilities by Rupees 28.506 million. Effective from March 2014, the company has closed its textile operations. During the year, the company has disposed of all of its operating fixed assets except for leasehold land, building on leasehold land and power plant. 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. These 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 these financial statements and the future financial projections indicating the economic viability of the company. These facts indicate that going concern assumption used in preparation of the financial statements is inappropriate;
- (ii) Operating fixed assets having net book value of Rupees 16.387 million have been disposed of during the year. However, supporting documents substantiating the disposal and receipt of disposal proceeds pertaining to disposal of operating fixed assets having net book value of Rupees 12.439 million and sale value of Rs 0.7 million have not been provided to us for verification. Further, the disclosure eliciting details of disposal of operating fixed assets during the year (Note 13.2) has not been prepared in accordance with the requirements of Companies Ordinance, 1984;
- (iii) Fair value of investment property (Note 14) has not been determined as at 30 June 2016;
- (iv) Trade debts, loans and advances and other receivables as at 30 June 2016 include Rupees 22.120 million, Rupees 26.900 million and Rupees 14.755 million respectively receivable from an associated company. We were unable to satisfy ourselves as to the recoverability of such balances; and
- (v) The company has written back liabilities amounting to Rupees 7.501 million (Note 26) for which no proper justification and satisfactory explanation has been provided to us;
- (a) Except for the effects of the matters stated in paragraphs (i) to (v) above, in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) Except for the effects of the matters stated in paragraphs (i) and (v) above, in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters stated in paragraphs (i) to (v) above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the profit, its comprehensive profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Riaz Ahmed & Company
Chartered Accountant

Name of Engagement Partner:
Muhammad Hamid Jan

Karachi
Date: October 5, 2016

**BALANCE SHEET**

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
34,000,000 (2015: 34,000,000) ordinary shares of Rupees 10 each		<u>340,000,000</u>	<u>340,000,000</u>
Issued, subscribed and paid up share capital	3	324,912,050	324,912,050
Reserves	4	(444,169,316)	(439,536,131)
Total equity		<u>(119,257,266)</u>	<u>(114,624,081)</u>
Surplus on revaluation of property, plant and equipment - net of tax	5	287,720,168	622,140,754
Surplus on revaluation of investment property - net of tax	6	422,459,195	88,935,022
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	-	81,687,366
Deferred income tax	8	9,473,330	10,058,031
Employees' retirement benefits	9	35,259,509	35,100,695
		<u>44,732,839</u>	<u>126,846,092</u>
CURRENT LIABILITIES			
Trade and other payables	10	116,861,975	166,255,064
Current portion of long term financing		8,386,191	-
Accrued mark-up		24,517,429	24,517,429
Provisions	11	9,928,940	9,928,940
Provision for taxation		6,029,220	133,742
		<u>165,723,755</u>	<u>200,835,175</u>
TOTAL LIABILITIES		<u>210,456,594</u>	<u>327,681,267</u>
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		<u>801,378,691</u>	<u>924,132,962</u>

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

Shaukat Shafi
Chief Executive

Tariq Shafi
Director

**AS AT JUNE 30, 2016**

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating assets	13	211,778,436	582,288,844
Investment property	14	445,911,887	95,715,059
Long term investments	15	839,358	884,068
Long term loans	16	1,682,278	1,724,278
Long term deposits		3,949,009	3,793,032
		<u>664,160,968</u>	<u>684,405,281</u>
CURRENT ASSETS			
Stores and spares	17	-	1,778,935
Trade debts	18	24,982,606	147,251,189
Loans and advances		27,437,554	18,500,597
Short term deposits and prepayments		500,000	-
Other receivables		24,868,500	13,851,687
Advance income tax and refund		10,080,767	7,645,827
Short term investments	19	47,748,374	49,594,308
Cash and bank balances	20	1,599,922	1,105,138
		<u>137,217,723</u>	<u>239,727,681</u>
TOTAL ASSETS		<u><u>801,378,691</u></u>	<u><u>924,132,962</u></u>

Shaukat Shafi
Chief ExecutiveTariq Shafi
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Sales	21	17,894,825	14,876,824
Cost of sales	22	<u>(11,043,138)</u>	<u>(29,513,498)</u>
Gross profit / (loss)		6,851,687	(14,636,674)
Distribution cost	23	-	(78,810)
Administrative expenses	24	(14,731,718)	(19,397,002)
Other operating expenses	25	<u>(11,037,197)</u>	<u>(41,917,327)</u>
		<u>(25,768,915)</u>	<u>(61,393,139)</u>
		(18,917,228)	(76,029,813)
Other income	26	<u>32,912,380</u>	38,530,867
Profit / (loss) from operations		13,995,152	(37,498,946)
Finance cost	27	<u>(98,896)</u>	<u>(177,427)</u>
Profit / (loss) before taxation		13,896,256	(37,676,373)
Provision for taxation	28	<u>(8,149,719)</u>	<u>(2,685,454)</u>
Profit / (loss) after taxation		<u>5,746,537</u>	<u>(40,361,827)</u>
Earnings / (loss) per share- basic and diluted (Rupees)	29	<u>0.18</u>	<u>(1.24)</u>

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

Shaukat Shafi
Chief Executive

Tariq Shafi
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	2016 Rupees	2015 Rupees
Profit / (loss) after taxation	5,746,537	(40,361,827)
Items that will not be reclassified to profit or loss		
- Actuarial gain on remeasurement of employees retirement benefits	266,723	187,732
- Related deferred tax	(82,684)	(60,074)
	184,039	127,658
Items that may be reclassified subsequently to profit or loss		
- Fair value reserve reclassified on disposal of available for sale investments	(386,161)	-
- Fair value adjustment on available for sale investments	1,886,776	(3,265,890)
	1,500,615	(3,265,890)
	1,684,654	(3,138,232)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR	7,431,191	(43,500,059)

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

Shaukat Shafi
Chief Executive

Tariq Shafi
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	30	86,162,703	(7,152,021)
Cash generated from / (used in) operations			
Finance cost paid		(98,896)	(177,427)
Income tax paid		(9,829,877)	(3,919,738)
Gratuity paid		(61,200)	(16,752,352)
Net decrease in long term loans to employees		42,000	74,473
Net cash flow from / (used in) operating activities		<u>76,214,730</u>	<u>(27,927,065)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		5,700,023	8,354,000
Proceeds on disposal of short-term investment		4,456,762	-
Dividends received		565,771	1,337,422
Net cash flow from investing activities		<u>10,722,556</u>	<u>9,691,422</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(86,442,502)	-
Long term loan obtained		-	17,000,000
Repayment of finance lease liabilities		-	-
Net cash (used in) / flow from financing activities		<u>(86,442,502)</u>	<u>17,000,000</u>
Net increase in / (decrease) cash and cash equivalents		<u>494,784</u>	<u>(1,235,643)</u>
Cash and cash equivalents at the beginning of the year		1,105,138	2,340,781
Cash and cash equivalents at the end of the year	31	<u>1,599,922</u>	<u>1,105,138</u>

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

Shaukat Shafi
Chief Executive

Tariq Shafi
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

Share capital	RESERVES						Total	TOTAL EQUITY
	CAPITAL			REVENUE				
	Fair value reserve on 'available for sale' investments	Equity portion of shareholders' loans	Sub Total	General reserve	Accumulated loss	Sub Total		

-----Rupees-----

Balance as at 30 June 2014 324,912,050 38,677,408 20,487,188 59,164,596 51,012,000 (506,868,294) (455,856,294) (396,691,698) (71,779,648)

Transfer from surplus on revaluation of property, plant and equipment on

account of incremental depreciation

Related deferred tax

-	-	-	-	-	2,666,174	2,666,174	2,666,174	2,666,174
-	-	-	-	-	(853,176)	(853,176)	(853,176)	(853,176)
-	-	-	-	-	1,812,998	1,812,998	1,812,998	1,812,998

Loss for the year

Other comprehensive loss for the year

Total comprehensive loss for the year

-	-	-	-	-	(40,361,827)	(40,361,827)	(40,361,827)	(40,361,827)
-	(3,265,890)	-	(3,265,890)	-	127,658	127,658	(3,138,232)	(3,138,232)
-	(3,265,890)	-	(3,265,890)	-	(40,234,169)	(40,234,169)	(43,500,059)	(43,500,059)

Fair value adjustments on interest free loan from sponsor's shareholder - net

Balance as at 30 June 2015

-	-	(1,157,372)	(1,157,372)	-	-	-	(1,157,372)	(1,157,372)
324,912,050	35,411,518	19,329,816	54,741,334	51,012,000	(545,289,465)	(494,277,465)	(439,536,131)	(114,624,081)

Transfer from surplus on revaluation of property, plant and equipment

on account of incremental depreciation

Related deferred tax

-	-	-	-	-	1,560,798	1,560,798	1,560,798	1,560,798
-	-	-	-	-	(483,847)	(483,847)	(483,847)	(483,847)
-	-	-	-	-	1,076,951	1,076,951	1,076,951	1,076,951

Profit for the year

Other comprehensive income for the year

Total comprehensive income for the year

-	-	-	-	-	5,746,537	5,746,537	5,746,537	5,746,537
-	1,500,615	-	1,500,615	-	184,039	184,039	1,684,654	1,684,654
-	1,500,615	-	1,500,615	-	5,930,576	5,930,576	7,431,191	7,431,191

Fair value adjustments on interest free loan from sponsor's shareholder

- net

-	-	(13,141,327)	(13,141,327)	-	-	-	(13,141,327)	(13,141,327)
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Balance as at 30 June 2016

324,912,050	36,912,133	6,188,489	43,100,622	51,012,000	(538,281,938)	(487,269,938)	(444,169,316)	(119,257,266)
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The annexed notes form an integral part of these financial statements.

Shaukat Shafi
Chief Executive

Tariq Shafi
Director



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2016

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Jubilee Spinning & Weaving Mills Limited (the Company) was incorporated in Pakistan as a public limited company on 12 December 1973 under the Companies Act, 1913 (Now the Companies Ordinance, 1984). The Company obtained certificate of commencement of business in January 1974. Shares of the Company are listed on all Stock Exchanges in Pakistan. Its registered office is situated at 40-A, Off: Zafar Ali Khan Road, Gulberg V, Lahore whereas the production facilities are located at B-28, Manghopir Road, S.I.T.E, Karachi. The principal objective of the Company is to engaged 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 primarily to meet the inhouse requirement.

Due to intermittent availability of raw materials owing to shortage of working capital and contineous losses, the Company's has closed its core operations since 2014. The Company has rented out its premises to earn rental income and service revenue from use of inhouse power plant.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of Preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

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

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Post employment gratuity - defined benefit plan

The provision for gratuity has been accounted for based on independent actuarial valuation as at the reporting date which depends upon certain actuarial assumptions and judgments made by the actuary.



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

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Current taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

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

Impairment of investments in associated companies

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

Classification of investments

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

Inventories

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

d) Functional and presentation currency

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

e) Amendments to published approved standards that are effective in current year and are relevant to the Company

The following amendments to published approved standards and interpretation are mandatory for the Company's accounting periods beginning on or after 01 July 2015:

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015) is mandatory for the Company's accounting periods beginning on or after 01 July 2015. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities,



including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

Securities and Exchange Commission of Pakistan vide circular no.14 of 2016 "Implementation of Mandatory Disclosure for Listed Companies for All Shares Islamic Index Screening" issued on 21 April 2016 directed all listed companies under section 506B of the Companies Ordinance, 1984 (XLVII of 1984) read with section 505 thereof and Section 40B of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) to disclose all Islamic related transactions and balances in their annual and half yearly financial statements. Accordingly, additional disclosures have been presented as per circular no.14.

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

There are other amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2016 or later periods:

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

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

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 10 and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated



investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 - 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 'Interim Financial Reporting', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. The amendment is unlikely to have a significant impact on the Company's financial statements and has therefore not been analyzed in detail.

h) Standard and amendments to published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee Benefits

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

2.3 Taxation

a) Current

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

b) Deferred

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

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

2.4 Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date.



All non monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchange differences to profit and loss account.

2.5 Property, plant, equipment and depreciation

a) Owned

Initial recognition

An item of property, plant and equipment is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Measurement subsequent to initial recognition

Revaluation model

Leasehold Land, Building on Leasehold Land and Plant and Machinery, are stated at revalued amounts, being the fair values at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment loss (if any). Surplus on revaluation is credited to "surplus on revaluation of property, plant and equipment"; net of related deferred tax liability, except in case of surplus on leasehold land where deferred tax is not recognized. Revaluation is carried out by independent valuers with sufficient regularity so that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment net of related deferred tax is transferred directly to retained earnings (accumulated loss account) in statement of changes in equity.

Cost model

Property, plant and equipment other than those mentioned above are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the year in which these are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates given in Note 13. The Company charges the depreciation on a proportionate basis from the date when the asset is available for use till the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.



b) Capital Work in progress

Capital work-in-progress is stated at cost less impairment loss (if any) and represents expenditure incurred on property, plant and equipment in the course of construction and installation. These expenditures are transferred to relevant fixed assets category as and when the assets are available for intended use.

2.6 Investments

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

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

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

a) Investment at fair value through profit or loss

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

b) Held-to-maturity

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

c) Investment in associates - (with significant influence)

Investments in associates where the company has a significant influence are recorded under equity method as required by International Accounting Standard (IAS)-28 'Investments in Associates'.

d) Available-for-sale

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

Quoted

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



Unquoted

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

e) De-recognition of investments

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

2.7 Inventories

Inventories, except for stock in transit and waste stock/rags are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon till the reporting date.

Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

- | | |
|--------------------------|--|
| (i) For raw materials | Weighted average cost |
| (ii) For work-in-process | Weighted average cost of raw material plus proportion of the factory overhead expenses |
| (iii) Finished goods | Weighted average manufacturing cost. |

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon.

Waste stock/rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.8 Borrowing cost

The borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) is capitalized as part of the cost of that asset. All other interest, mark-up and other charges are recognized in profit and loss account.

2.9 Revenue recognition

Revenue and income from different sources is recognized as under:

- Sales are recognized on the basis of dispatch of goods to customers, which is invoice date.
- Profit on bank deposits is recognized on accrual basis.
- Dividend income is recognized when the Company's right to receive the dividend has been established.
- Rental income is recognized on accrual basis.



- Services income is recognized when the services are rendered.
- In case of investments in associates stated using equity method under IAS-28, Company's share in the post acquisition profits of the associates is recognized in profit and loss account there-by adjusting the carrying amounts of related investments. The dividend received from such associates is deducted from the carrying value of the related investments.

2.10 Share Capital

Ordinary shares are classified as equity.

2.11 Financial instruments

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

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

a) Trade and other receivables

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

b) Borrowings

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

c) Trade and other payables

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

2.12 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.13 Impairment

a) Financial assets

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



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

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

b) Non financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account except in case of revalued property, plant and machinery in which case these are first adjusted against related revaluation surplus and remaining loss, if any, is taken to profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account except where revaluation surplus was previously reduced in which case such reversal is credited to revaluation surplus.

2.14 Off setting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

2.15 Investment properties

Properties comprising leasehold land and building which are not occupied by the Company and are held for capital appreciation or to earn rental income are classified as investment property in accordance with the requirements of International Accounting Standard (IAS)-40 'Investment Property'. These properties are carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or losses arising from a change in fair value of investment property are included in the profit and loss account currently.

2.16 Cash and cash equivalents

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

2.17 Segment reporting

Segment reporting is based on the operating segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.



Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

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

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

2.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated if there is any potential dilutive effect on the Company's reported net profits.

2.19 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved and other appropriations are recognized in the period in which these are approved by the Board of Directors.



3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2016 (NUMBER OF SHARES)	2015		2016 Rupees	2015 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 3.1)	15,000,000	15,000,000
5,516,167	5,516,167	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	55,161,670	55,161,670
16,500,000	16,500,000	Ordinary shares of Rupees 10 each issued against conversion of loan from directors and associates (Note 3.2)	165,000,000	165,000,000
8,974,338	8,974,338	Ordinary shares of Rupees 10 each issued to shareholders of Jubilee Energy Limited under the Scheme of Amalgamation (Note 3.3)	89,743,380	89,743,380
<u>32,491,205</u>	<u>32,491,205</u>		<u>324,912,050</u>	<u>324,912,050</u>

- 3.1 Issue of shares for consideration other than cash represents shares issued to shareholders of the Crescent Textile Mills Limited on bifurcation in the year 1974.
- 3.2 These represent the ordinary shares issued to directors and associates against their loan after obtaining approval from shareholders in an Extra Ordinary General Meeting and from Securities and Exchange Commission of Pakistan (SECP).
- 3.3 These represent the ordinary shares issued to the shareholders of Jubilee Energy Limited pursuant to approval of scheme of amalgamation by the honorable Lahore High Court.
- 3.4 As at 30 June 2016, Crescent Cotton Mills Limited (associated company) held 474,323 (2015: 474,323) ordinary shares of Rupees 10 each of the company.
- 3.5 Capital risk management policies and procedures

The Company's objective when managing the capital are:

- to safeguard its ability to continue as a going concern so that it can continue to provide return to shareholders and benefits other stakeholders; and
- to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends to shareholders, issue new shares and adopt other means commensurating to the circumstances.



4. RESERVES

	2016 Rupees	2015 Rupees
Composition of reserves is as follows:		
Capital		
Fair value reserve on 'available for sale' investments	36,912,133	35,411,518
Equity portion of shareholders' loan (Note 4.1)	6,188,489	19,329,816
	<u>43,100,622</u>	<u>54,741,334</u>
Revenue		
General	51,012,000	51,012,000
Accumulated loss	(538,281,938)	(545,289,465)
	<u>(487,269,938)</u>	<u>(494,277,465)</u>
	<u>(444,169,316)</u>	<u>(439,536,131)</u>

4.1 Equity portion of shareholders' loan

Opening balance	19,329,816	20,487,188
Add: Amortization portion on loan obtained during the year	-	6,934,988
Less: Fair value adjustment for the year	(13,141,327)	(8,092,360)
Closing balance	<u>6,188,489</u>	<u>19,329,816</u>

Loan from Sponsor shareholder have been recognized at amortized cost using discount rate ranging from 9.47% to 11.90% per annum (2015: 9.47% to 11.90% per annum). The resulting change has been charged to equity portion of shareholders loan.

5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED TAX

This represents the surplus resulting from revaluation of certain property, plant and equipment (Leasehold Land, Buildings and Plant and Machinery) , net of deferred tax and incremental depreciation arising out of revaluation.

Balance as at 01 July	551,469,365	526,960,335
Addition to surplus due to revaluation (Note 5.2)	-	120,464,859
Transferred to surplus on revaluation of investment property	(340,702,318)	(70,175,758)
Impairment loss	-	(23,113,897)
Incremental depreciation charged during the year transferred to equity	(1,560,798)	(2,666,174)
	<u>(342,263,116)</u>	<u>24,509,030</u>
	209,206,249	551,469,365
Less: Related deferred tax liability (Note 8)		
Opening balance	7,842,530	17,278,910
Increase in deferred tax on revaluation	-	20,755
Effect of transferred to surplus on revaluation of investment property	(7,358,683)	(963,082)
Effect of impairment loss charged during the year	-	(7,396,447)
Effect of incremental depreciation charged during the year	(483,847)	(853,176)
Effect of change in tax rate	-	(244,430)
	<u>-</u>	<u>7,842,530</u>
	209,206,249	543,626,835
Surplus on revaluation of associated company accounted for under equity method (Note 5.4)		
	78,513,919	78,513,919
	<u>287,720,168</u>	<u>622,140,754</u>



5.1 Surplus attributable to incremental depreciation taken to statement of changes in equity (net of deferred tax) amount to Rupees 1,076,951 (2015: 1,812,998).

	2016 Rupees	2015 Rupees
Revaluation surplus transferred to equity on account of incremental depreciation - gross	1,560,798	2,666,174
Less: Related deferred tax {Note 2.5(a)}	<u>(483,847)</u>	<u>(853,176)</u>
	<u>1,076,951</u>	<u>1,812,998</u>

5.2 The latest revaluation of Lease hold land, Building on leasehold land and Plant and Machinery has been carried out by an independent valuer 'Danish Enterprises' as at 05 April 2015 based upon fair values.

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

	2016			2015	
	COST	ACCUMULATED DEPRECIATION	ACCUMULATED IMPAIRMENT	WRITTEN DOWN VALUE	WRITTEN DOWN VALUE
	Rupees	Rupees	Rupees	Rupees	Rupees
Leasehold land	-	-	-	-	-

5.4 This represents the Company's share of the surplus on revaluation of property, plant and equipment of the associated company {Cresox (Private) Limited} accounted for in previous years as a result of amalgamation of the associated company with its wholly owned subsidiary. The last revaluation of leasehold land was carried out as at 30 June 2010. Before this revaluation, the lease hold land was also revalued as at 30 September 1995, 30 September 2002, 30 September 2004, 30 June 2008, and 30 June 2009 respectively.

6 SURPLUS ON REVALUATION OF INVESTMENT PROPERTY - NET OF DEFERRED TAX

Balance as at 01 July	88,935,022	19,664,538
Transferred from surplus on revaluation of property, plant and equipment - net of tax	333,343,635	69,212,676
Effect of change in tax rate	<u>180,538</u>	<u>57,808</u>
	<u>422,459,195</u>	<u>88,935,022</u>

7 LONG TERM FINANCING

From sponsor shareholders of the Company:

Opening Balance	81,687,366	63,529,994
Loan obtained during the year (Note 7.1)	-	10,065,012
Add: Fair value adjustment under IAS-39	<u>13,141,327</u>	<u>8,092,360</u>
	94,828,693	81,687,366
Less: Paid during the year	<u>(86,442,502)</u>	-
	8,386,191	81,687,366
Less: Current portion	<u>(8,386,191)</u>	-
Total (Note 7.2)	<u>-</u>	<u>81,687,366</u>



	2016 Rupees	2015 Rupees
7.1 From sponsor shareholder of the Company		
As at 30 June	-	17,000,000
Fair value adjustment under IAS-39	-	(6,934,988)
	-	10,065,012
7.2		
These represent unsecured interest free loans obtained from the sponsor directors of the Company and are repayable on after 30 June 2017. These have been recognized at amortized cost under IAS-39 "Financial Instruments: Recognition and Measurement" using discount rate ranging from 9.47% to 11.90% per annum. The resulting difference has been transferred to equity and is being amortized over the remaining term of the loan as referred to in note 4.1.		
8 DEFERRED INCOME TAX		
Deferred tax liability on revaluation of property, plant and equipment (Note 5 & 28.2)	-	7,842,530
Deferred tax liability on revaluation of investment property (Note 8.1 & 28.2)	8,757,850	1,579,705
Deferred tax liability on remeasurement of employees retirement benefits (Note 2.2)	718,480	635,796
	9,473,330	10,058,031
8.1 Deferred tax liability on revaluation of investment property		
Opening	1,579,705	674,431
Transferred from deferred tax liability on revaluation of property, plant and equipment	7,358,683	963,082
Effect of change in tax rate	(180,538)	(57,808)
	8,757,850	1,579,705
9 EMPLOYEES RETIREMENT BENEFITS		
Staff gratuity scheme -unfunded		
Present value of defined benefit obligation	35,259,509	35,100,695

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 2016.

9.2 Movement in present value of defined benefit obligation

Balance at beginning of the year	35,100,695	43,381,029
Current service cost	168,834	6,123,305
Interest cost	317,903	2,536,445
Benefits paid during the year	(61,200)	(16,752,352)
Actuarial gain - experience adjustments	(266,723)	(187,732)
Balance as at end of the year	35,259,509	35,100,695



	2016 Rupees	2015 Rupees
9.3 Movement in balances		
Balance at beginning of the year	35,100,695	43,381,029
Charge for the year (Note 9.4)	<u>220,014</u>	<u>8,472,018</u>
	35,320,709	51,853,047
Benefits paid during the year	<u>(61,200)</u>	<u>(16,752,352)</u>
Balance at the end of the year	<u><u>35,259,509</u></u>	<u><u>35,100,695</u></u>
9.4 Charge for the year		
In profit and loss account:		
Current service cost	168,834	6,123,305
Interest cost	<u>317,903</u>	<u>2,536,445</u>
	486,737	8,659,750
In statement of comprehensive income:		
Actuarial gain due to change in:		
Experience adjustments	(266,723)	(187,732)
Demographic assumptions	-	-
Financial assumptions	-	-
	<u>(266,723)</u>	<u>(187,732)</u>
	<u><u>220,014</u></u>	<u><u>8,472,018</u></u>
	2016	2015
	Per annum	Per annum

9.5 Principal actuarial assumption

Following principal actuarial assumptions were used for the valuation:

Estimated rate of increase in salary of the employees	6.25%	8.5%
Discount rate	7.25%	9.5%

9.6 Sensitivity analysis for actuarial assumptions:

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

	Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount Rate	1	3,482,152	3,595,173
Salary Increase	1	3,595,173	3,482,212

10. TRADE AND OTHER PAYABLES

	2015 Rupees	2014 Rupees
Creditors	12,450,434	69,126,373
Accrued liabilities	6,802,530	9,589,006
Advances from customers	32,555,651	16,110,366
Income tax deducted at source	14,685,039	15,109,420
Security deposits	7,750,000	6,250,000
Unclaimed dividend	577,737	577,737



	2016 Rupees	2015 Rupees
Unclaimed balance of Workers' profit participation fund	1,673	1,673
Due to director, associates and others	1,820,620	1,820,620
Other liabilities	40,218,291	47,669,869
	<u>116,861,975</u>	<u>166,255,064</u>

11. 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.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

Bank Guarantee from:

Faysal Bank Limited (Note 12.1.1)	8,600,000	8,600,000
Standard Chartered Bank (Pakistan) Limited (Note 12.1.2)	793,800	793,800
Habib Bank Limited (Note 12.1.3)	2,000,000	2,000,000
	<u>11,393,800</u>	<u>11,393,800</u>

12.1.1 This represents a guarantee issued by Faysal Bank Limited to the collector of customs on behalf of the Company against the custom duty on imports.

12.1.2 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.

12.1.3 This represents a guarantee issued by Habib Bank Limited in favor of Sui Southern Gas Company Limited on behalf of the Company for payment of gas bills. The guarantee is secured against hypothecation charge over current assets of Rupees 12 million (2015: Rupees 12 million).

12.2 Commitments

There were no capital or other commitments as at 30 June 2016 (2015: Nil).



13 OPERATING ASSETS

	Owned								Total	
	Lease hold land	Building on lease hold land	Plant and machinery	Installations and equipment	Office machines and electrical appliances	Vehicles	Office equipment	Furniture and fixtures		Factory tools and equipment
Rupees										
Carrying value as at 01 July 2014										
Opening net book amount	474,600,000	41,735,510	89,634,858	1,862,484	76,704	2,014,090	376,002	73,642	545,822	610,919,112
Additions / Transfer in	-	-	5,000,000	-	-	-	-	-	-	5,000,000
Surplus / deficit on revaluation during the year	120,400,000	64,859	(23,113,897)	-	-	-	-	-	-	97,350,962
Impairment loss	-	-	(37,508,244)	-	-	-	-	-	-	(37,508,244)
Transferred to investment property / Disposal:										
Cost / re-assessed value	67,166,126	12,851,499	19,943,432	-	-	4,894,950	-	-	-	104,856,007
Accumulated depreciation	-	(8,536,224)	(8,313,067)	-	-	(4,638,459)	-	-	-	(21,487,750)
Transfer / disposals - net	67,166,126	4,315,275	11,630,365	-	-	256,491	-	-	-	83,368,257
Depreciation charge	-	(3,693,531)	(5,690,518)	(186,248)	(11,506)	(377,289)	(56,400)	(7,364)	(81,873)	(10,104,729)
	527,833,874	33,791,563	16,691,834	1,676,236	65,198	1,380,310	319,602	66,278	463,949	582,288,844
Carrying value as at 30 June 2015										
Cost / Re-assessed value	527,833,874	111,507,609	213,820,502	8,613,452	452,842	6,908,184	1,514,899	841,301	8,735,261	880,227,924
Accumulated depreciation	-	(77,716,046)	(159,620,424)	(6,937,216)	(387,644)	(5,527,874)	(1,195,297)	(775,023)	(8,271,312)	(260,430,836)
Accumulated impairment	-	-	(37,508,244)	-	-	-	-	-	-	(37,508,244)
Net book amount	527,833,874	33,791,563	16,691,834	1,676,236	65,198	1,380,310	319,602	66,278	463,949	582,288,844
Rate of depreciation (%)	10	10	10	15	20	15	10	15		
Carrying value as at 01 July 2015										
Opening net book amount	527,833,874	33,791,563	16,691,834	1,676,236	65,198	1,380,310	319,602	66,278	463,949	582,288,844
Additions / Transfer in	-	-	-	-	-	-	-	-	-	-
Surplus / deficit on revaluation during the year	-	-	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-	-	-	-
Transferred to investment property / Disposal:										
Cost / re-assessed value	318,627,625	111,507,611	155,650,803	8,613,452	452,842	5,447,450	1,514,899	841,301	8,735,261	611,391,244
Accumulated depreciation	-	(79,938,408)	(142,572,812)	(7,084,174)	(396,218)	(4,465,158)	(1,237,327)	(780,834)	(8,332,324)	(244,807,255)
Transfer / disposals - net	318,627,625	31,569,203	13,077,991	1,529,278	56,624	982,292	277,572	60,467	402,937	366,583,989
Depreciation charge	-	(2,222,360)	(1,192,983)	(146,958)	(8,574)	(246,691)	(42,030)	(5,811)	(61,012)	(3,926,419)
	209,206,249	-	2,420,860	-	-	151,327	-	-	-	211,778,436
Carrying value as at 30 June 2016										
Cost / Re-assessed value	209,206,249	-	25,056,923	-	-	1,460,734	-	-	-	235,723,906
Accumulated depreciation	-	-	(18,240,595)	-	-	(1,309,407)	-	-	-	(19,550,002)
Accumulated impairment	-	-	(4,395,468)	-	-	-	-	-	-	(4,395,468)
Net book amount	209,206,249	-	2,420,860	-	-	151,327	-	-	-	211,778,436
Rate of depreciation (%)		10	10	10	15	20	15	10	15	



	2016 Rupees	2015 Rupees
13.1 Depreciation charge for the year has been allocated as follows:		
Owned		
Cost of sales (Note 22.1)	3,623,313	9,652,170
Administrative expenses (Note 24)	<u>303,106</u>	<u>452,559</u>
	<u>3,926,419</u>	<u>10,104,729</u>

13.2 Detail of operating assets disposed of during the year is as follows:

Description	Cost	Net Book Value	Sale Proceeds	Gain / (Loss)
Operating fixed assets	181,256,008	16,387,161	5,700,023	(10,687,138)

14. INVESTMENT PROPERTY

Investment property - at revalued amount (Note 14.2)	<u>445,911,887</u>	<u>95,715,059</u>
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14.1 Investment property represents the leasehold land and building comprising a storage godowns leased out by the Company to multiple tenants. The fair value of investment property was determined by an independent valuer "Danish Enterprises" as at 30 June 2014. The fair value was determined from market based evidence in accordance with the market values of similar land and building existing in the near vicinity. The subsequent transfers to the investment property during the preceding and current year have been made on respective carrying values at the date of transfer which represents the revalued amounts as at 30 June 2014 and 30 June 2015. There is no significant change in the market value since the date of last revaluations. No expense directly related to investment property has been incurred during the year.

14.2 Movement during the year

Opening balance	95,715,059	24,233,658
Transferred from operating fixed assets	<u>350,196,828</u>	<u>71,481,401</u>
Closing balance	<u>445,911,887</u>	<u>95,715,059</u>

15. LONG TERM INVESTMENTS
Available for sale - Associated company (without significant influence)

Taxmac (Private) Limited (Note 15.1)	520,000	520,000
Premier Insurance Limited - quoted (Note 15.2)	319,358	364,068
	839,358	884,068

Associated companies (with significant influence) - Under equity method

Cresox (Private) Limited (Note 15.4)	-	-
Crescent Industrial Chemical Limited (Note 15.5)	-	-
	<u>839,358</u>	<u>884,068</u>

15.1 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.



15.2 Upto year ended 30 June 2013 Premier Insurance Limited (PIL) was accounted for under equity method of accounting being associated company due to common directorship which ceased to exist during the year. On ceasing to be an associate, the investment in PIL was initially measured at fair value and the resulting difference between the carrying value under equity method and the fair value was charged to profit and loss account. Subsequent to initial recognition, investment is being measured at fair value in accordance with applicable accounting standards.

	2016 Rupees	2015 Rupees
Fair value on ceasing to be an associate	291,989	291,989
Fair value adjustment:		
Opening	72,079	(42,619)
For the year	(44,710)	114,698
	27,369	72,079
	<u>319,358</u>	<u>364,068</u>

15.3 Name of Associate

Basis of significant influence

Crescent Industrial Chemical Limited	Common directorship creating significant influence
Cresox (Private) Limited	Shareholding 24.93% creating significant influence

15.4 Cresox (Private) Limited (CSPL)

The movement is as follows:

Opening balance of investment	-	-
Share of loss of associate for the year	(70,472,706)	(94,356,154)
Share of loss of previous years - unrecognized	(296,536,167)	(202,180,013)
	(367,008,873)	(296,536,167)
Unrecognized loss	367,008,873	296,536,167
	<u>-</u>	<u>-</u>

15.4.1 Summarized financial position of CSPL on the basis of unaudited financial statements:

Total assets	1,733,935,456	1,862,017,901
Total liabilities	2,899,449,765	3,088,686,541
Net assets	(1,165,514,309)	(1,226,668,640)
Gross turnover	785,824,212	753,087,296
Loss after tax	(282,682,334)	(378,484,372)
Cost of investment	89,821,600	89,821,600
Ownership interest	24.93%	24.93%

Number of ordinary shares held 8,982,160 (2015: 8,982,160) of Rupees 10 each.

Market value	Un-quoted	Un-quoted
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15.5 This represents investment of 184,000 shares in Crescent Industrial Chemical Limited which was fully impaired in previous years.



16 LONG TERM LOANS	2016 Rupees	2015 Rupees
Due from employees	1,946,278	2,000,278
Less: Current portion	<u>(264,000)</u>	<u>(276,000)</u>
	<u><u>1,682,278</u></u>	<u><u>1,724,278</u></u>

16.1 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.

17 STORES AND SPARES		
Stores	773,941	773,941
Spare parts	<u>1,004,994</u>	<u>1,004,994</u>
	1,778,935	1,778,935
Stores and spares written off	<u>(1,778,935)</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>1,778,935</u></u>

18 TRADE DEBTS				
Considered good:				
Unsecured (Note 18.1, 18.2 & 18.3)	24,982,606	147,251,189		
Considered doubtful:				
Others - unsecured	8,942	8,942		
Less: Provision for doubtful debts				
As at 01 July	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">8,942</td></tr></table>	8,942	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">8,942</td></tr></table>	8,942
8,942				
8,942				
Less: Reversal due to recovery	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">-</td></tr></table>	-
-				
-				
As at 30 June	<u>8,942</u>	<u>8,942</u>		
	<u><u>24,982,606</u></u>	<u><u>147,251,189</u></u>		

18.1 This include amount of Rupees 22,119,988 (2015: Rupees 143,872,759) receivable from Cresox (Private) Limited - a related party.

18.2 As at 30 June 2016, trade debt due from related party amounting to Rupees 22,119,988 (30 June 2015: Rupees 143,872,762) were past due but not impaired. The ageing analysis of is as follows:

Upto 6 months	-	-
6 months to 1 year	200,000	2,509,672
more than 1 year	<u>21,919,988</u>	<u>141,363,090</u>
	<u><u>22,119,988</u></u>	<u><u>143,872,762</u></u>

18.3 As at 30 June 2016, trade debt due from other than related party amounting to Rupees 2,892,618 (30 June 2015: Rupees 3,378,427) were past due but not impaired. The ageing analysis of is as follows:

Upto 6 months	-	-
6 months to 1 year	306,052	-
more than 1 year	<u>2,556,566</u>	<u>3,378,427</u>
	<u><u>2,862,618</u></u>	<u><u>3,378,427</u></u>

18.4 Trade debts of Rupee Nil (2015: Rupees Nil) were recovered that were provided in previous years.



19. SHORT TERM INVESTMENTS

	2016 Rupees	2015 Rupees
Available for sale (Note 19.1)	47,748,374	46,654,670
Investment at fair value through profit or loss in listed securities (Note 19.2)	-	2,939,638
	<u>47,748,374</u>	<u>49,594,308</u>
19.1 Investments available for sale		
Related parties - Quoted		
The Crescent Textile Mills Limited Nil (2015: 827) fully paid ordinary shares of Rupees 10 each (bonus shares)	-	-
Crescent Cotton Mills Limited 510,600 (2015: 510,600) fully paid ordinary shares of Rupees 10 each	3,150,402	3,150,402
Other than related parties - Quoted		
Samba Bank Limited 1,917,545 (2015: 1,917,545) fully paid ordinary shares of Rupees 10 each	24,211,563	24,211,563
Crescent Jute Products Limited 1,716,683 (2015: 1,716,683) fully paid ordinary shares of Rupees 10 each	13,732,069	13,732,069
Crescent Spinning Mills Limited 290,000 (2015: 290,000) fully paid ordinary shares of Rupees 10 each	362,500	362,500
Shakarganj Mills Limited 39,138 (2015: 39,138) fully paid ordinary shares of Rupees 10 each	228,175	228,175
Shakarganj Mills Limited (Prefer. Shares) Nil (2015: 184,335) fully paid preference shares of Rupees 10 each	-	1,843,350
PICIC Insurance Company Limited 11,658 (2015: 11,658) fully paid ordinary shares of Rupees 10 each	116,580	116,580
	<u>41,801,289</u>	<u>43,644,639</u>
Opening impairment loss	(32,329,408)	(32,329,408)
Impairment loss on investment disposed of during the year	1,391,729	-
Closing balance of impairment loss	(30,937,679)	(32,329,408)
Carrying cost net of impairment loss	10,863,610	11,315,231
Opening balance of fair value reserve	35,339,439	38,720,027
Fair value adjustment for the year	1,931,486	(3,380,588)



	2016 Rupees	2015 Rupees
Fair value reserve transferred to profit and loss account on disposal of investment	(386,161)	-
	<u>36,884,764</u>	<u>35,339,439</u>
	<u>47,748,374</u>	<u>46,654,670</u>
19.2 Investment at fair value through profit or loss in listed securities		
Nishat Mills Limited	-	745,351
Nil (2015: 6,525) fully paid ordinary shares of Rupees 10 each		
Oil & Gas Development Company Limited	-	681,112
Nil (2015: 3,800) fully paid ordinary shares of Rupees 10 each		
Pakistan Oilfield Limited	-	678,418
Nil (2015: 1,680) fully paid ordinary shares of Rupees 10 each		
Pakistan Petroleum Limited	-	815,222
Nil (2015: 4,963) fully paid ordinary shares of Rupees 10 each		
Fatima Fertilizer Company Limited	-	19,535
Nil (2015: 500) fully paid ordinary shares of Rupees 10 each		
	<u>-</u>	<u>2,939,638</u>
20 CASH AND BANK BALANCES		
Cash in hand	370,632	-
Cash at bank at current account (Note 20.1)	<u>1,229,290</u>	<u>1,105,138</u>
	<u>1,599,922</u>	<u>1,105,138</u>
20.1 This includes an amount of Rupees. 0.793 million (2015: Rupees 0.793 million) under lien with Standard Chartered Bank (Pakistan) Limited against the guarantees issued on behalf of the Company.		
21 SALES		
Gross		
Yarn	-	796,100
Waste	-	254,580
Service revenue	17,894,825	13,864,735
	17,894,825	14,915,415
Less: Sales tax	-	(38,591)
	<u>17,894,825</u>	<u>14,876,824</u>
22 COST OF SALES		
Finished stock - opening	-	1,019,548
Add: Cost of goods manufactured / service rendered (Note 22.1)	11,043,138	28,493,950
	<u>11,043,138</u>	<u>29,513,498</u>
Less: Finished stock - closing	-	-
	<u>11,043,138</u>	<u>29,513,498</u>
22.1 Cost of goods manufactured / service rendered		
Packing materials consumed	-	230,308
Salaries, wages and other benefits	-	6,250,023
Repair and maintenance	5,370,323	1,639,979
Rent, rates & taxes	444,104	951,360



	2016 Rupees	2015 Rupees
Fuel and power	768,790	7,174,396
Insurance	-	1,750,878
Depreciation (Note 13.1)	3,623,313	9,652,170
Other factory overheads	836,608	844,836
Cost of goods manufactured / service rendered	<u>11,043,138</u>	<u>28,493,950</u>
23 DISTRIBUTION COST		
Salaries and other benefits	-	42,990
Outward freight and handling	-	35,820
	<u>-</u>	<u>78,810</u>
24 ADMINISTRATIVE EXPENSES		
Salaries, allowances and benefits	4,891,425	14,948,931
Travelling, conveyance and entertainment	96,458	337,080
Printing stationery	297,132	266,801
Communication	188,366	216,388
Insurance	-	296,073
Subscription and periodicals	667,225	378,440
Repair and maintenance	4,418,528	72,160
Stores and spares written off	1,778,935	-
General expenses	593,443	221,020
Auditors' remuneration (Note 24.1)	537,750	472,750
Advertisement	94,300	192,500
Legal and professional charges	865,050	1,542,300
Depreciation (Note 13.1)	303,106	452,559
	<u>14,731,718</u>	<u>19,397,002</u>
24.1 Auditors' remuneration		
Audit fee	325,000	275,000
Half yearly review	70,000	70,000
Out of pocket expenses	142,750	127,750
	<u>537,750</u>	<u>472,750</u>
25 OTHER OPERATING EXPENSES		
Loss on disposal of operating fixed assets	10,687,138	3,532,856
Unrealized loss on re-measurement of investments at fair value through profit or loss	-	876,227
Impairment loss	-	37,508,244
Loss on disposal of short term investment at fair value through profit or loss	350,059	-
	<u>11,037,197</u>	<u>41,917,327</u>
26 OTHER INCOME		
Income from financial assets		
Dividend income (Note 26.1)	565,771	1,337,422
Gain on disposal of available for sale investments	1,407,507	-
Liabilities written back (Note 26.2)	7,500,709	26,426,079
	<u>9,473,987</u>	<u>27,763,501</u>



	2016 Rupees	2015 Rupees
Income from non financial assets		
Commission income	202,835	201,650
Rental income	23,235,558	10,565,716
	<u>23,438,393</u>	<u>10,767,366</u>
	<u>32,912,380</u>	<u>38,530,867</u>

26.1 Included therein is dividend income from Crescent Cotton Mills Limited of Rupees Nil (2015: 1.021 million).

26.2 These old liabilities have been written back to comply with section 34(5) of the Income Tax Ordinance, 2001.

27 FINANCE COST

Bank charges	<u>98,896</u>	<u>177,427</u>
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28 PROVISION FOR TAXATION

Current (Note 28.1)	6,029,220	133,742
Prior year	2,604,346	3,404,888
Deferred (Note 5.1)	(483,847)	(853,176)
	<u>8,149,719</u>	<u>2,685,454</u>

28.1 Current

The tax liability of the company for the year has been calculated under the normal provisions of the Income Tax Ordinance, 2001. The income tax assessments of the company have been finalized up to and including tax year 2009. Due to available tax losses of Rupees 122.012 million, no provision for tax is required except for income chargeable to tax under separate head of income, final tax and minimum tax. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of final and minimum taxation.

28.2 Deferred

Deferred tax asset of Rupees 99.993 million (2015: Rupees 43.721 million) arising from excess of deductible temporary differences and accumulated tax losses over taxable temporary differences chargeable to profit and loss account has not been accounted for in these financial statements. The management expects that it is not probable that taxable profits / taxable temporary differences would be available in near future against which the deferred tax asset can be utilized. However, the deferred tax liability arising on surplus on revaluation of property, plant and equipment, the surplus on revaluation of investment property, and on remeasurement of employees retirement benefits respectively, has been fully recognized in these financial statements (Note 8).

29 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings / (loss) per share which is based on:

Profit / (loss) attributable to ordinary shares	(Rupees)	<u>5,746,537</u>	<u>(40,361,827)</u>
Weighted average number of ordinary shares	(Numbers)	<u>32,491,205</u>	<u>32,491,205</u>
Earnings / (loss) per share	(Rupees)	<u>0.18</u>	<u>(1.24)</u>



30 CASH GENERATED FROM OPERATIONS	2016 Rupees	2015 Rupees
Profit / (loss) before taxation	13,896,256	(37,676,373)
Adjustments for non-cash charges and other items:		
Depreciation	3,926,419	10,104,729
Impairment loss	-	37,508,244
Provision for gratuity	486,737	8,659,750
Dividend income	(565,771)	(1,337,422)
Liabilities written back	(7,500,709)	(26,426,079)
Unrealized loss on remeasurement of investments	-	876,227
Loss on disposal of property, plant and equipment	10,687,138	3,532,856
Loss on disposal of short term investments	350,059	-
Finance cost	98,896	177,427
	<u>7,482,769</u>	<u>33,095,732</u>
Net cash flow from / (used in) operating activities before working capital	<u>21,379,025</u>	<u>(4,580,641)</u>
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	1,778,935	-
Stock in trade	-	1,249,856
Trade debts	122,268,583	34,578,721
Loans and advances	(8,936,957)	(16,744,140)
Short term deposits and prepayments	2,582,310	(2,428,201)
Other receivables	(11,016,813)	6,263,380
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(41,892,380)	(25,490,996)
Working capital changes	<u>64,783,678</u>	<u>(2,571,380)</u>
Net cash generated from / (used in) operations after working capital changes	<u><u>86,162,703</u></u>	<u><u>(7,152,021)</u></u>
31 CASH AND CASH EQUIVALENTS		
Cash and bank balance	<u><u>1,599,922</u></u>	<u><u>1,105,138</u></u>



	2016 Rupees	2015 Rupees
33. CHIEF EXECUTIVE OFFICER'S, DIRECTORS' AND EXECUTIVES' REMUNERATION		
Chief Executive Officer		
Managerial remuneration and other benefits	-	-
House rent and utilities	-	-
Gratuity	-	-
	<u>-</u>	<u>-</u>
Number of executive	<u>1</u>	<u>1</u>
Directors		
Managerial remuneration	-	-
Housing and utilities	-	-
Gratuity	-	-
	<u>-</u>	<u>-</u>
Number of directors	<u>6</u>	<u>1</u>
Executives		
Managerial remuneration	-	934,400
Housing and utilities	-	469,600
Gratuity	-	99,450
	<u>-</u>	<u>1,503,450</u>
Number of executives	<u>-</u>	<u>1</u>

32.1 The chief executive officer and directors of the Company are working without remuneration.

32.2 The chief executive officer is provided with free use of Company maintained cars. one (2015: one) other executive is also provided with the Company maintained car.

32.3 No meeting fee was paid to any director during the year (2015: Nil).

32.4 No remuneration was paid to any directors of the Company (2015: Nil).

33 PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

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

Power plant		
Generation Capacity (KW)	1,053	1,053
Actual generation (KW)	747	453

33.1 Reasons for low production

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

**34 TRANSACTION WITH RELATED PARTIES**

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

Relationship with the Company	Nature of transaction	2016 Rupees	2015 Rupees
i. Associated Companies	Sale of yarn	-	796,100
	Service revenue	-	1,679,972
	Dividend received	-	1,021,200
	Collections	(121,752,774)	-
	Advance payment	36,296,200	-
	Advance recovered	(26,686,930)	-
ii. Staff Retirement Funds	Expense charged for retirement benefit plans	220,014	8,472,018
	Payment to retirement benefit plans	61,200	16,752,352
	Receivable / (Payable)		
i. Associated Companies	Trade debts	22,119,988	143,872,762
	Loans and advances	26,900,000	17,290,730
	Other Receivable	14,754,675	14,754,675
ii. Directors	Due to director, associates and others	1,820,620	1,820,620

35. SEGMENT INFORMATION

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

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

Power Generation: Generation and distribution of power.

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



36.1.1 Segment results	Spinning		Power Generation		Elimination of Inter-segment transactions		Total - Company	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Sales	-	2,725,660	17,894,825	12,151,164	-	-	17,894,825	14,876,824
Cost of sales	-	(28,493,874)	(11,043,138)	(1,019,624)	-	-	(11,043,138)	(29,513,498)
Gross (loss) / profit	-	(25,768,214)	6,851,687	11,131,540	-	-	6,851,687	(14,636,674)
Distribution cost	-	(78,810)	-	-	-	-	-	(78,810)
Administrative expenses	-	(19,397,002)	(14,731,718)	-	-	-	(14,731,718)	(19,397,002)
	-	(19,475,812)	(14,731,718)	-	-	-	(14,731,718)	(19,475,812)
Loss before taxation and Unallocated expenses and income	-	(45,244,026)	(7,880,031)	11,131,540	-	-	(7,880,031)	(34,112,486)
Unallocated income and expenses:								
Finance cost							(98,896)	(177,427)
Fair value adjustment on interest free loan							-	-
Other operating expenses							(11,037,197)	(41,917,327)
Other operating income							32,912,380	38,530,867
Taxation							(8,149,719)	(2,685,454)
Loss after taxation							<u>5,746,537</u>	<u>(40,361,827)</u>

35.2 Segment Assets	Spinning		Power Generation		Total - Company	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	-	910,270,968	23,003,518	13,861,994	23,003,518	924,132,962
Unallocated assets					778,375,173	-
					<u>801,378,691</u>	<u>924,132,962</u>
Segment liabilities	138,674,836	325,715,179	36,522,249	1,966,088	175,197,085	327,681,267
Unallocated liabilities					35,259,509	-
					<u>210,456,594</u>	<u>327,681,267</u>

**36. FINANCIAL RISK MANAGEMENT****36.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and manages financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, and investment of excess liquidity.

(a) Market risk**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The company is not exposed to this risk because there were no receivables and payables in any foreign currency as at the reporting date.

Sensitivity analysis

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and financial liabilities at the reporting date.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Statement of other comprehensive income (fair value reserve)	
	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees
KSE 100 (5% increase)	-	146,982	2,403,387	2,350,937
KSE 100 (5% decrease)	-	(146,982)	(2,403,387)	(2,350,937)



(iii) Interest rate risk

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

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

(b) Credit risk

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

	2016 Rupees	2015 Rupees
Investments	48,587,732	50,478,376
Loans and advances	29,119,832	20,224,875
Deposits	4,449,009	6,875,342
Trade debts	24,982,606	147,251,189
Other receivables	20,985,820	11,306,513
Bank balances	1,229,290	1,105,138
	<u>129,354,289</u>	<u>237,241,433</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		2016 Rupees	2015 Rupees
	Short Term	Long term	Agency		
Banks					
National Bank of Pakistan	A1+	AAA	JCR-VIS	40,658	40,658
Allied Bank Limited	A1+	AA+	PACRA	19,040	19,040
Faysal Bank Limited	A1+	AA	JCR-VIS	4,251	21,241
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	35,341	56,463
Standard Chartered Bank (Pakistan) Ltd	A1+	AAA	PACRA	816,600	829,164
United Bank Limited	A1+	AAA	JCR-VIS	-	128,198
Habib Bank Limited	A1+	AAA	JCR-VIS	4,494	5,000
Al-Barka Bank Limited	A1	A	JCR-VIS	-	1,055
Soneri Bank Limited	A1+	AA-	PACRA	308,906	4,319
				<u>1,229,290</u>	<u>1,105,138</u>



	Short Term	Rating Long term	Agency	2016 Rupees	2015 Rupees
Samba Bank Limited		A1	AA JCR-VIS	14,668,454	10,258,331

Investments

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 19.

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

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and cash and bank balances. At 30 June 2015, the Company had Rupees Nil (2014: Rupees Nil) available unused borrowing limits from financial institutions and Rupees 1.105 million (2014: Rupees 2.341 million) cash and bank balances. Management believes the liquidity risk to be low considering the nature of individual items in the networking capital position and their realizability pattern. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2016.

	Carrying Amount Rupees	Contractual Cash Flows Rupees	6 month or less Rupees	6-12 month Rupees	1-2 Year Rupees	More than 2 Years Rupees
Long term financing	8,386,191	14,574,680	-	14,574,680	-	-
Trade and other payables	69,621,285	69,621,285	34,810,643	34,810,642	-	-
Accrued Markup	24,517,429	24,517,429	24,517,429	-	-	-
	<u>102,524,905</u>	<u>108,713,394</u>	<u>59,328,072</u>	<u>49,385,322</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 30 June 2015

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Long term financing	81,687,366	101,017,182	-	42,008,591	42,008,591	17,000,000
Trade and other payables	135,035,278	135,035,278	67,517,639	67,517,639	-	-
Accrued markup	24,517,429	24,517,429	24,517,429	-	-	-
	<u>241,240,073</u>	<u>260,569,889</u>	<u>92,035,068</u>	<u>109,526,230</u>	<u>42,008,591</u>	<u>17,000,000</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 6 and note 10 to these financial statements.

**36.2 Recognized fair value measurements - financial assets****(i) Fair value hierarchy**

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

Recurring fair value measurements As at 30 June 2016	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Investments - available for sale	48,067,732	-	520,000	48,587,732
As at 30 June 2015				
Investments - available for sale	47,018,738	-	520,000	47,538,738
Investments at fair value through profit or loss	2,939,638	-	-	2,939,638
	49,958,376	-	520,000	50,478,376

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

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

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

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

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

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

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

**(ii) Valuation techniques used to determine fair values**

Valuation technique used to value financial instruments includes the use of quoted market prices.

36.3 Recognized fair value measurements - non-financial assets**(i) Fair value hierarchy**

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

As at 30 June 2016	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Operating fixed assets	-	211,627,109	-	211,627,109
Investment property	-	445,911,887	-	445,911,887
	-	657,538,996	-	657,538,996
As at 30 June 2015				
Operating fixed assets	-	578,317,271	-	578,317,271
Investment property	-	95,715,059	-	95,715,059
	-	674,032,330	-	674,032,330

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

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

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

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

(iii) Valuation processes

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



**36.4 Financial instruments by categories
as at 30 June 2016
assets as per balance sheet**

	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
	Rupees	Rupees	Rupees	Rupees
Investments	-	-	48,587,732	48,587,732
Loans and advances	29,119,832	-	-	29,119,832
Deposits	4,449,009	-	-	4,449,009
Trade debts	24,982,606	-	-	24,982,606
Other receivables	20,985,820	-	-	20,985,820
Cash and bank balances	1,599,922	-	-	1,599,922
	<u>81,137,189</u>	<u>-</u>	<u>48,587,732</u>	<u>129,724,921</u>

**Financial liabilities at
amortized cost
Rupees**

Liabilities as per balance sheet	
Long term financing	-
Current portion of long term financing	8,386,191
Accrued mark-up	24,517,429
Trade and other payables	98,535,606
	<u>131,439,226</u>

**As at 30 June 2015
Assets as per balance sheet**

	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
	Rupees	Rupees	Rupees	Rupees
Investments	-	2,939,638	47,538,738	50,478,376
Loans and advances	20,224,875	-	-	20,224,875
Deposits	3,793,032	-	-	3,793,032
Trade debts	147,251,189	-	-	147,251,189
Other receivables	11,306,513	-	-	11,306,513
Cash and bank balances	1,105,138	-	-	1,105,138
	<u>183,680,747</u>	<u>2,939,638</u>	<u>47,538,738</u>	<u>234,159,123</u>

**Financial liabilities at
amortized cost
Rupees**

Liabilities as per balance sheet	
Long term financing	81,687,366
Accrued mark-up	24,517,429
Trade and other payables	135,035,278
	<u>241,240,073</u>



37 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

Description	Note	2016		2015	
		Carried Under		Carried Under	
		Non-Shariah agreements Rupees	Shariah agreements Rupees	Non-Shariah agreements Rupees	Shariah agreements Rupees
Assets					
Trade debts	18		24,982,606		147,251,189
Long term loans	16	-	1,682,278	-	1,724,278
Deposits		3,949,009	-	3,793,032	-
Loans and advances		-	500,000	-	18,500,597
Cash and bank balances	20	1,599,922	-	1,105,138	-
Liabilites					
Long term financing	7	-	-	-	81,687,366
Income					
Loss on sale of short term investment at fair value through	25	(350,059)	-	-	-
Gain on disposal of available for sale investments	26	1,407,507	-		
Unrealized loss on re-measurement of investments at fair value through profit or loss	25	-	-	(876,227)	-
			Note 26	2016 Rupees	2015 Rupees

37.2 Dividend income earned from

Pakistan Oil Fields		67,200	79,800
Crescent Steel & Allied Products Limited		87,975	108,521
Crescent Cotton Mills Limited		-	1,021,200
Pakistan Petroleum Limited		31,019	59,557
Nishat Mills Limited		29,363	26,100
Shakarganj Limited		313,370	-
Oil & Gas Development Company Limited		22,610	28,500
Fatima Fertilizer		-	1,375
Crescent Textile Mills Limited		1,199	1,034
Premier Insurance Limited		13,035	11,335
		565,771	1,337,422

37.3 Sources of other income

Dividend income		565,771	1,337,422
Liabilities written back		7,500,709	26,426,079
Commission income		202,835	201,650
Rental income		23,235,558	10,565,716
		31,504,873	38,530,867



37.4 Relationship with banks

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

	2016		2015	
	At year end	Average	At year end	Average
Number of employees	8	9	9	153

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on october 5, 2016 by the Board of Directors of the Company.

40 CORRESPONDING FIGURES

During the year no significant reclassification or rearrangements of corresponding figures have been made except for following:

From	To	Reason	Amount
Short term deposits and prepayments	Long term deposits	For better presentation	<u>3,082,310</u>

41 GENERAL

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


Shaukat Shafi
 Chief Executive


Tariq Shafi
 Director



Form 34
Pattern of Share Holding
As on June 30, 2016

Shareholders	From	To	Total Shares
460	1	100	15,489
403	101	500	105,200
110	501	1,000	85,346
169	1,001	5,000	404,361
33	5,001	10,000	247,154
18	10,001	15,000	223,963
9	15,001	20,000	160,229
7	20,001	25,000	159,047
16	25,001	30,000	456,014
8	30,001	35,000	257,873
1	35,001	40,000	38,500
5	40,001	45,000	213,564
5	45,001	50,000	231,399
4	50,001	55,000	211,367
1	55,001	60,000	57,464
2	65,001	70,000	137,971
4	70,001	75,000	284,625
4	75,001	80,000	311,250
1	80,001	85,000	80,630
1	85,001	90,000	88,673
1	95,001	100,000	98,500
1	115,001	120,000	116,462
1	145,001	150,000	150,000
1	160,001	165,000	163,450
1	175,001	180,000	179,921
1	180,001	185,000	182,629
1	200,001	205,000	204,218
1	225,001	230,000	225,855
1	265,001	270,000	270,000
1	285,001	290,000	285,357
1	390,001	395,000	393,350
2	470,001	475,000	948,574
1	510,001	515,000	512,462
1	685,001	690,000	689,348
1	1,055,001	1,060,000	1,056,073
1	1,195,001	1,200,000	1,198,434
1	2,390,001	2,395,000	2,391,204
1	2,400,001	2,405,000	2,400,529
1	2,420,001	2,425,000	2,422,162
1	2,595,001	2,600,000	2,598,012
1	2,745,001	2,750,000	2,747,852
1	4,200,001	4,205,000	4,201,463
1	5,285,001	5,290,000	5,285,231
1,285			32,491,205



Categories of Shareholders	Numbers	Shares held	% age
Individual	1,235	16,993,951	52.3
More than 5%	5	14,388,152	44.3
Joint Stock companies	35	1,098,122	3.4
Insurance Companies	2	5,130	0.0
Financial Institution	5	3,742	0.0
NIT & ICP	2	1,981	0.0
Modaraba	1	127	0.0
Total	1,285	32,491,205	100



Pattern of Share Holding As on June 30, 2016

Categories of Shareholder

	Number of shares held	%
1 Directors, Chief Executive Officer, their spouse and minor children		
Chief Executive/Director		
Shaukat Shafi	2,400,529	7.4
Directors		
Tariq Shafi	5,285,231	16.3
Umer Shafi	1,206,073	3.7
Usman Shafi	1,198,434	3.7
Aurangzeb Shafi	225,855	0.7
Jahanzeb Shafi	204,218	0.6
Masood A. Sheikh	3,725	0.0
Directors' Spouse and their minor children		
Zahida Shaukat	42,859	0.1
Naryman Tariq	14,165	0.0
	10,581,089	33
2 NIT & ICP		
Investment Corporation Of Pakistan	1,891	0.0
Idbl (Icp Unit)	90	0.0
	1,981	0
3 Banks, DFI, NBFIs	3,742	0.0
4 Insurance Companies	5,130	0.0
5 Modaraba and Mutual Funds	127	0.0
6 Shareholders More than 5%	14,388,152	44.3
7 Other companies, Corporate Bodies, Trust etc.	1,098,122	3.4
8 General Public	6,412,862	19.7
Grand Total	32,491,205	100
Shareholders more than 5% shareholding		
Tariq Shafi	5,285,231	16.3
Mohammad Rafi	4,228,922	13.0
Rizwan Shafi	2,747,852	8.5
Shoaib Shafi	2,598,012	8.0
Ahmad Shafi	2,422,162	7.5
Shaukat Shafi	2,400,529	7.4
Muhammad Anwar	2,391,204	7.4
	22,073,912	68

