



**Jubilee Spinning & Weaving Mills Ltd.**

**BOOK POST**

If undelivered please return to:  
**Jubilee Spinning & Weaving Mills Ltd.**  
45-A, Off Zafar Ali Road, Gulberg-V,  
Lahore-Pakistan.

**Half Yearly Accounts December 31,  
2015 (Un-Audited)**



## 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. Anser Mukhtar

### Bankers

Habib Bank Limited  
National Bank of Pakistan  
Bank Al-Habib Limited  
Standard Chartered Bank (Pakistan) Limited  
Habib Metropolitan Bank Limited  
NIB Bank Limited  
Emirates Global Islamic Bank Limited  
Faysal Bank Limited  
United Bank Limited  
Allied Bank Limited

### Registered Office

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

### Mills

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



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2015

## Directors' Report to the share holders

Dear Shareholders,

The Directors of your Company feel pleasure in presenting the results for the Half Yearly ended December 31, 2015 with Auditors' Review.

### Net Profit/(Loss)

During the year, the company gained net profit of Rs. 14,342,359 after charging costs, expenses and provisions for the year as compared to previous year's net loss of Rs. 14,007,345.

### Financial Results

The financial results of the company are summarized as follows:

Year ended on	Rupees December 31, 2015	Rupees December 31, 2014
Sales	12,105,291	18,603,022
Cost of sales	(4,064,816)	(10,158,872)
Gross profit / (loss)	8,040,475	8,444,150
Gross profit / (loss) rate %	66.4%	45.4%
Selling, admin and other operating cost	(5,518,741)	(29,835,365)
Other income	15,587,207	7,194,186
Finance Charges	(86,985)	(143,833)
Provision for tax	(2,882,060)	1,046,338
Profit / loss after tax	14,342,359	(14,007,345)
Basic loss per share	0.44	(0.43)

However the Management is confident that we will further improve results for the remaining period of this year.

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

For and on behalf of the Board of Directors.

**Shaukat Shafi**  
Chief Executive

February 25, 2016  
Karachi.



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2015

## شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

معزز شیئر ہولڈرز،

آپ کی کمپنی کے ڈائریکٹرز کو ششماہی اختتامی دسمبر 31، 2015 کے نتائج بمعہ نظر ثانی آڈیٹرز اعلان کرتے ہوئے انتہائی خوشی ہے۔

کل منافع / نقصان

سال کے دوران، کمپنی نے کل منافع Rs. 14,342,359 حاصل کیا لاگت، اخراجات اور سالانہ متفرقات کی ادائیگی کے گزشتہ سال کے مقابلے میں کل نقصان Rs. 14,007,345 کے۔

مالی نتائج:-

کمپنی کے مالی نتائج کا خلاصہ درج ذیل ہے۔

رقم	رقم	سال کے اختتام پر
دسمبر 31، 2014	دسمبر 15، 2015	
18,603,022	12,105,291	فروخت
(10,158,872) -	(4,064,816) -	لاگت فروخت
8,444,150	8,040,475	مجموعی منافع (نقصان)
45.4%	66.4%	مجموعی منافع (نقصان) ریٹ %
(29,835,365)	(5,518,741)	فروخت، انتظامی اور دیگر اخراجات
7,194,186	15,587,207	دیگر آمدنی
(143,833)	(86,985)	مالی ادائیگی
1,046,338	(2,882,060)	ٹیکس کے مندرجات کی مد میں
(14,007,345)	14,342,359	منافع / نقصان بعد از ٹیکس
(0.43)	0.44	بنیادی منافع / نقصان فی شیئر

تاہم انتظامیہ پر امید ہے کہ ہم اس سال کے بقایا عرصے کے نتائج میں مزید بہتری لائیں گے۔  
آخر میں، میں اپنے تمام شیئر ہولڈرز کے مسلسل تعاون کا شکریہ ادا کرتا ہوں۔

شوکت شفیع

چیف ایگزیکٹو

فروری ۲۵، ۲۰۱۶ء

کراچی



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

### Introduction

We have reviewed the accompanying condensed interim balance sheet of JUBILEE SPINNING & WEAVING MILLS LIMITED ("the Company") as at 31 December 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2015.

### Scope of Review

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

### Basis for Adverse conclusion

- i. The Company has net profit of Rupees 14.342 million for the half year ended 31 December 2015; however as of that date its accumulated loss was Rupees 530.14 million due to which its equity stood negative by Rupees 103.425 million. Effective from March 2014, the Company has closed its operations due to shortage of working capital and adverse market conditions. The Company has been unable to arrange fresh financing for working capital and other purposes from banks. Salaries and wages amounting to Rupees 1.982 million could not be paid to the employees and were outstanding at the period end. Most of the employees have left their job with the Company. Further, the Company has disposed of many items of its plant and machinery since the closure of operations. These conditions indicate a material uncertainty about the Company's ability to resume its core operations and to continue as going concern in the foreseeable future.

The management of the Company did not provide us its assessment of going concern assumption used in preparation of this condensed interim financial information, the future financial projections indicating the economic viability of the Company and evidence of future commitment of sponsors to support the Company financially.

- ii. During the period the Company has written back liabilities amounting to Rupees 7.611 million for which no satisfactory evidence has been provided to us;
- iii. As at 31 December 2015, the Company has long outstanding balance aggregating to Rupees 123.917 million receivable from an associated company. The Company has maintained slight provision of Rupees 0.165 million against the balance considered doubtful. In the absence of any verifiable basis, we remained unable to determine the appropriate amount of provision against this balance;



- iv. Fair valuation of investment property has not been carried out since last valuation as at 30 June 2014. In the absence of latest valuation we were remained unable to substantiate the balance of investment property as at 31 December 2015.

### Adverse Conclusion

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

### RIAZ AHMAD & COMPANY Chartered Accountants

Name of the engagement partner:  
**Muhammad Hamid Jan**

February 25, 2016

KARACHI



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2015

### Balance Sheet - Un Audited

	Note	UNAUDITED 31 DECEMBER 2015 Rupees	AUDITED 30 JUNE 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
34,000,000 (30 June 2014: 34,000,000) ordinary shares of Rupees 10 each		<u>340,000,000</u>	<u>340,000,000</u>
<b>Issued, subscribed and paid up share capital</b>			
32,491,205 (30 June 2014: 32,491,205) ordinary shares of Rupees 10 each		324,912,050	324,912,050
<b>Reserves</b>		<u>(428,336,681)</u>	<u>(439,536,131)</u>
<b>Total equity</b>		<u>(103,424,631)</u>	<u>(114,624,081)</u>
Surplus on revaluation of property, plant and equipment - Net of tax			
		621,333,854	622,140,754
Surplus on revaluation of investment property - Net of tax			
		88,935,022	88,935,022
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	<u>86,442,502</u>	<u>81,687,366</u>
Deferred income tax		9,678,314	10,058,031
Employees retirement benefits		<u>35,316,620</u>	<u>35,100,695</u>
		131,437,436	126,846,092
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>101,274,060</u>	<u>166,255,064</u>
Accrued markup		24,517,429	24,517,429
Provisions		9,928,940	9,928,940
Provision for taxation		<u>657,431</u>	<u>133,742</u>
		136,377,860	200,835,175
<b>TOTAL LIABILITIES</b>		<u>267,815,296</u>	<u>327,681,267</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>874,659,541</b></u>	<u><b>924,132,962</b></u>

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

  
Shaukat Shafi  
Chief Executive

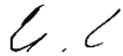


Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2015

### As at 31 December 2015

	Note	UNAUDITED 31 DECEMBER 2015 Rupees	AUDITED 30 JUNE 2015 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	575,726,968	582,288,844
Investment property		95,715,059	95,715,059
Long term investments	8	911,049	884,068
Long term loans		1,670,278	1,724,278
Long term deposits		<u>665,799</u>	<u>710,722</u>
		674,689,153	681,322,971
<b>CURRENT ASSETS</b>			
Stores and spares		1,778,935	1,778,935
Trade debts		111,958,713	147,251,189
Loans and advances		7,849,508	18,500,597
Short term deposits and prepayments		3,783,210	3,082,310
Other receivables		17,868,614	13,851,687
Advance income tax and refund		5,320,499	7,645,827
Short term investments		49,579,460	49,594,308
Cash and bank balances		<u>1,831,449</u>	<u>1,105,138</u>
		199,970,388	242,809,991
<b>TOTAL ASSETS</b>		<u><b>874,659,541</b></u>	<u><b>924,132,962</b></u>

  
Tariq Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2015

**Condensed Interim Profit & Loss Account**  
For the half year Ended December 31, 2015 (Un-audited)

Note	Half Year Ended		Quarter Ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees			
REVENUE	12,105,291	18,603,022	7,014,232	17,557,334
COST OF SALES	(4,064,816)	(10,158,872)	(1,971,496)	1,019,548
GROSS PROFIT	8,040,475	8,444,150	5,042,736	18,576,882
DISTRIBUTION AND SELLING COST	-	(78,810)	-	-
ADMINISTRATIVE EXPENSES	(5,518,741)	(29,756,555)	(3,566,873)	(20,866,565)
	(5,518,741)	(29,835,365)	(3,566,873)	(20,866,565)
	2,521,734	(21,391,215)	1,475,863	(2,289,683)
UNREALIZED LOSS ON INVESTMENT - AT FAIR VALUE THROUGH PROFIT AND LOSS	(797,537)	(712,821)	(797,537)	(712,821)
OTHER INCOME	15,587,207	7,194,186	4,250,197	357,543
PROFIT/ (LOSS) FROM OPERATIONS	17,311,404	(14,909,850)	4,928,523	(2,644,961)
FINANCE COST	(86,985)	(143,833)	8,061	(48,787)
PROFIT/(LOSS) BEFORE TAXATION	17,224,419	(15,053,683)	4,936,584	(2,693,748)
PROVISION FOR TAXATION				
TAXATION - Current	(657,431)	(186,030)	(657,431)	(186,030)
- Prior	(2,604,346)	-	(2,604,346)	-
- Deferred	379,717	1,232,368	379,717	1,232,368
	(2,882,060)	1,046,338	(2,882,060)	1,046,338
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>14,342,359</b>	<b>(14,007,345)</b>	<b>2,054,524</b>	<b>(1,647,410)</b>
<b>PROFIT/ (LOSS) PER SHARE</b> <b>- BASIC AND DILUTED (RUPEES)</b>	<b>0.44</b>	<b>(0.43)</b>	<b>0.06</b>	<b>(0.05)</b>

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



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2015

**Condensed Interim Statement Of Comprehensive Income**  
For The Half Year Ended 31 December 2015 (Un-audited)

	Half Year Ended		Quarter Ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees			
PROFIT/ (LOSS) AFTER TAXATION	14,342,359	(14,007,345)	2,054,524	(1,647,410)
OTHER COMPREHENSIVE INCOME				
<b>Items that will not be reclassified to profit or loss</b>	-	-	-	-
Items that may be reclassified subsequently to profit or loss :				
Fair value adjustment on available for sale investments	805,327	(3,309,163)	805,327	(3,206,516)
Other comprehensive income / (loss) for the period	805,327	(3,309,163)	805,327	(3,206,516)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>15,147,686</b>	<b>(17,316,508)</b>	<b>2,859,851</b>	<b>(4,853,926)</b>

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

Shaukat Shafi  
Chief Executive

Tariq Shafi  
Director

Shaukat Shafi  
Chief Executive

Tariq Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Yearly Accounts December 31, 2015

## Condensed Interim Cash Flow Statement For the half year Ended December 31, 2015 (Un-audited)

	Note	31 December 2015 Rupees	31 December 2014 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	11	(3,945,780)	14,485,220
Finance cost paid		(86,985)	(143,833)
Income tax paid		(412,760)	(17,331)
Gratuity paid		(61,200)	(16,872,613)
<b>Net cash used in operating activities</b>		<b>(4,506,725)</b>	<b>(2,548,557)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend received		138,456	238,878
Proceeds from disposal of fixed assets		5,000,000	1,019,996
Cost paid for exercise of right issue		(4,343)	-
Long term deposits		44,923	-
Long term loans received / (paid)		54,000	(166,527)
<b>Net cash flow from investing activities</b>		<b>5,233,036</b>	<b>1,092,347</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>726,311</b>	<b>(1,456,210)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,105,138</b>	<b>2,340,781</b>
<b>Cash and cash equivalents at the end of the period (Note 11.1)</b>		<b>1,831,449</b>	<b>884,571</b>

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

  
Shaukat Shafi  
Chief Executive

  
Tariq Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Nine Month Accounts 31 March 2015

## Condensed Interim Statement of Changes In Equity For the half year ended December 31, 2015 (Un-audited)

Share capital	RESERVES						TOTAL	TOTAL EQUITY	
	CAPITAL			REVENUE					
	Fair value reserve on available for sale investments	Equity portion of shareholders' loan	Sub-Total	General reserve	Accumulated loss	Sub total			
<b>Rupees</b>									
Balance as at 30 June 2014 - (audited)	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	-	-	-	-	-	3,624,613	3,624,613	3,624,613	3,624,613
Related deferred tax	-	-	-	-	-	(1,232,368)	(1,232,368)	(1,232,368)	(1,232,368)
	-	-	-	-	2,392,245	2,392,245	2,392,245	2,392,245	
Loss for the Period	-	-	-	-	-	(14,007,345)	(14,007,345)	(14,007,345)	(14,007,345)
Other comprehensive income for the period	-	(3,309,163)	-	(3,309,163)	-	-	-	(3,309,163)	(3,309,163)
Total comprehensive income/(loss) for the half year ended 31 December 2014	-	(3,309,163)	-	(3,309,163)	-	(14,007,345)	(14,007,345)	(17,316,508)	(17,316,508)
Transactions with the owners of the Company: Fair value adjustment on interest free loans from directors	-	-	(3,780,410)	(3,780,410)	-	-	-	(3,780,410)	(3,780,410)
<b>Balance as at 31 December 2014 - (un-audited) - restated</b>	<b>324,912,050</b>	<b>35,368,245</b>	<b>16,706,778</b>	<b>52,075,023</b>	<b>51,012,000</b>	<b>(518,483,394)</b>	<b>(467,471,394)</b>	<b>(415,396,371)</b>	<b>(90,484,321)</b>
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	-	-	(958,439)	(958,439)	(958,439)	(958,439)
Related deferred tax	-	-	-	-	-	379,192	379,192	379,192	379,192
	-	-	-	-	-	(579,247)	(579,247)	(579,247)	(579,247)
Loss for the period	-	-	-	-	-	(26,354,482)	(26,354,482)	(26,354,482)	(26,354,482)
Other comprehensive income for the period	-	43,273	-	43,273	-	127,658	127,658	170,931	170,931
Total comprehensive income / (loss) for the half year ended 30 June 2014	-	43,273	-	43,273	-	(26,226,824)	(26,226,824)	(26,183,551)	(26,183,551)
Transactions with the owners of the Company: Fair value adjustment on interest free loans from directors	-	-	2,623,038	2,623,038	-	-	-	2,623,038	2,623,038
<b>Balance as at 30 June 2015 - (audited)</b>	<b>324,912,050</b>	<b>35,411,518</b>	<b>19,329,816</b>	<b>54,741,334</b>	<b>51,012,000</b>	<b>(545,289,465)</b>	<b>(494,277,465)</b>	<b>(439,536,131)</b>	<b>(114,624,081)</b>
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	-	-	1,186,617	1,186,617	1,186,617	1,186,617
Related deferred tax	-	-	-	-	-	(379,717)	(379,717)	(379,717)	(379,717)
	-	-	-	-	806,900	806,900	806,900	806,900	
Loss for the period	-	-	-	-	-	14,342,359	14,342,359	14,342,359	14,342,359
Other comprehensive income for the period	-	805,327	-	805,327	-	-	-	805,327	805,327
Total comprehensive loss for the half year ended 31 December 2015	-	805,327	-	805,327	-	14,342,359	14,342,359	15,147,686	15,147,686
Transactions with the owners of the Company: Fair value adjustment on interest free loans from directors	-	-	(4,755,136)	(4,755,136)	-	-	-	(4,755,136)	(4,755,136)
<b>Balance as at 31 December 2015 - (un-audited)</b>	<b>324,912,050</b>	<b>36,216,845</b>	<b>14,574,680</b>	<b>50,791,525</b>	<b>51,012,000</b>	<b>(530,140,206)</b>	<b>(479,128,206)</b>	<b>(428,336,681)</b>	<b>(103,424,631)</b>

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

  
Shaukat Shafi  
Chief Executive

  
Tariq Shafi  
Director

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

For the half year ended December 31, 2015 (Un-audited)

**1. THE COMPANY AND ITS OPERATIONS**

1.1 Jubilee Spinning & Weaving Mills Limited (the Company) was incorporated in Pakistan as a public limited company on 12 December 1973 under the Companies Act, 1913 (Now The Companies 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 45-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 Company is 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 for the Company's own requirements.

**1.2 GOING CONCERN ASSUMPTION**

The Company incurred net profit of Rupees 14.342 million during the half year resulting in accumulated loss of Rupees 530.14 million as at 31 December 2015 (30 June 2015: Rupees 545.289 million). The plant capacity also remained under-utilized due to intermittent availability of raw materials owing to shortage of working capital. During the period, the core operations of spinning unit remained closed due to losses and lack of resources.

However, the management of the Company is confident to overcome existing temporary factors that are negatively affecting its bottom line. Accordingly, this condensed interim financial information has been prepared on going concern basis and do not include any adjustment relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

**2. BASIS OF PREPARATION****2.1 Statement of Compliance**

This condensed interim financial information of the Company for the half year ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information is un-audited but subject to the limited scope review by the statutory auditors and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2015.

**2.3 Basis of measurement**

This condensed interim financial information has 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 disclosed in the published financial statements of the preceding year ended 30 June 2015. Accrual basis of accounting has been used in this condensed interim financial information except for the cash flow information.

2.4 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

**3. ACCOUNTING POLICIES**

The accounting policies and the method of computation adopted in preparation of this condensed interim financial report are the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2015.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2015.

**5. LONG TERM FINANCING - UNSECURED****From directors:**

	Un-audited December 31, 2015 Rupees	Audited June 30, 2014 Rupees
Opening balance	81,687,366	63,529,994
Loan obtained during the year	-	10,065,012
Add: Fair value adjustments under IAS-39	4,755,136	8,092,360
	<u>86,442,502</u>	<u>81,687,366</u>
Less: Current portion	-	-
	<u><b>86,442,502</b></u>	<u><b>81,687,366</b></u>

**6. CONTINGENCIES AND COMMITMENTS****6.1 Contingencies****Bank Guarantee from:**

Faysal Bank Limited (Note 6.1.1)	8,600,000	8,600,000
Standard Chartered Bank (Pakistan) Limited (Note 6.1.2)	793,800	793,800
Habib Bank Limited (Note 6.1.3)	2,000,000	2,000,000
	<u><b>11,393,800</b></u>	<u><b>11,393,800</b></u>

6.1.1 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.

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

6.1.3 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 a cash deposit of 0.50 million and hypothecation charge over current assets of Rupees 12 million.

**6.2 Commitments**

There were no capital or other commitments as at 31 December 2015 (30 June 2015: Nil).



	Unaudited December 31, 2015	Audited June 30, 2015
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 7.1)	<u>575,726,968</u>	<u>582,288,844</u>
<b>7.1 Operating fixed assets</b>		
Opening book value	582,288,844	610,919,112
Add: Additions / Transfer in	-	5,000,000
Add: Surplus on revaluation during the period / year	-	97,350,962
Less: Impairment loss	-	(37,508,244)
	<u>582,288,844</u>	<u>675,761,830</u>
Less: Book value of assets disposed of during the period / year	(3,948,138)	(83,368,257)
	<u>578,340,706</u>	<u>592,393,573</u>
Less: Depreciation charged during the period / year	(2,613,738)	(10,104,729)
	<u>575,726,968</u>	<u>582,288,844</u>
<b>8. LONG TERM INVESTMENTS</b>		
<b>Available for sale - Associated company (without significant influence)</b>		
Taxmac (Private) Limited	520,000	520,000
52,000 (30 June 2015: 52,000) ordinary shares of Rupees 10 each		
Premier Insurance Company Limited (Note: 8.1)	391,049	364,067
11,335 (30 June 2015: 22,670) ordinary shares of Rupees 10 each		
	<u>911,049</u>	<u>884,067</u>
Associated compaies (with significant influence) - Under equity method		
Cresox (Private) Limited (Note: 8.2)	-	-
8,982,160 (30 June 2015: 8,982,160) ordinary shares of Rupees 10 each		
Crescent Industrial Chemical Limited (Note: 8.3)	-	-
	-	-
	<u>911,049</u>	<u>884,067</u>
<b>8.1 Premier Insurance Company Limited</b>		
Fair value on ceasing to be an associate	364,068	291,989
Fair value adjustment	(33,231)	72,079
	<u>330,837</u>	<u>364,068</u>
<b>8.2 Cresox (Private) Limited</b>		
Opening balance	-	-
Share of loss for the period / year	(77,582,703)	(94,356,154)
Share of loss of previous years - unrecognized	(296,536,167)	(202,180,013)
	<u>(374,118,870)</u>	<u>(296,536,167)</u>
Unrecognised loss	374,118,870	(296,536,167)
	<u>-</u>	<u>-</u>



8.3 This represents investment of 184,000 ordinary shares in Crescent Industrial Chemical Limited which was fully impaired in previous years.

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees	Rupees	Rupees	Rupees
<b>9. COST OF SALES</b>				
Packing materials	-	230,308	-	-
Repair and maintenance	888,375	-	702,743	-
Fuel and power	67,500	4,734,944	67,500	-
Other factory overheads	665,408	859,447	19,804	-
Depreciation	2,443,533	3,314,625	1,181,449	-
	<u>4,064,816</u>	<u>9,139,324</u>	<u>1,971,496</u>	<u>-</u>
Work-in-process:				
Opening stock	-	-	-	-
Closing stock	-	-	-	-
	-	-	-	-
Cost of goods manufactured	4,064,816	9,139,324	1,971,496	-
Finished goods:				
Opening stock	-	1,019,548	-	-
Closing stock	-	-	-	-
	-	1,019,548	-	-
	<u>4,064,816</u>	<u>10,158,872</u>	<u>1,971,496</u>	<u>-</u>

**10. SEGMENT INFORMATION**

10.1 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.



Segment Results	Spinning (Un-audited)		Power Generation (Un-audited)		Elimination of Inter-segment transactions (Un-audited)		Total Company (Un-audited)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Sales	-	917,688	12,105,291	17,685,334	-	-	12,105,291	18,603,022
Cost of sales	(3,902,379)	(5,423,928)	(1,02,437)	(4,734,944)	-	-	(4,064,816)	(10,158,872)
Gross (loss) / profit	(3,902,379)	(4,506,240)	11,992,854	12,950,390	-	-	8,040,475	8,444,150
Distribution cost	-	(78,810)	-	-	-	-	-	(78,810)
Administrative expenses	(5,518,741)	(29,756,555)	-	-	-	-	(5,518,741)	(29,756,555)
Profit / (loss) before taxation and unallocated expenses and income	(9,421,120)	(34,341,605)	11,992,854	12,950,390	-	-	2,521,734	(21,391,215)
Unallocated income and expenses:								
Finance cost	-	-	-	-	-	-	(86,985)	(443,833)
Unrealized loss on investment - held for trading	-	-	-	-	-	-	(797,537)	(712,821)
Other income	-	-	-	-	-	-	15,397,207	7,194,186
Taxation	-	-	-	-	-	-	(657,451)	(186,010)
- Current	-	-	-	-	-	-	(2,604,346)	1,232,865
- Prior	-	-	-	-	-	-	379,717	-
- Deferred	-	-	-	-	-	-	(2,882,060)	1,046,338
Profit / (loss) after taxation	-	-	-	-	-	-	14,342,359	(14,907,345)

10.2

10.2.1 All the reported segments operate in same geographical location.

Segment Assets	Spinning		Power Generation		Total Company	
	(Un-audited) 31 December 2015	Audited June 30, 2015	(Un-audited) 31 December 2015	Audited June 30, 2015	(Un-audited) 31 December 2015	Audited June 30, 2015
Segment assets	861,539,648	910,270,968	13,119,893	13,861,994	874,659,541	924,132,962
Unallocated assets	-	-	-	-	874,659,541	924,132,962
Segment liabilities	266,208,404	325,715,179	1,666,892	1,966,088	267,815,296	327,681,267
Unallocated liabilities	-	-	-	-	267,815,296	327,681,267

10.3

**11. CASH FLOW FROM OPERATING ACTIVITIES**

	HALF YEAR ENDED	
	Unaudited December 31, 2015	Unaudited December 31, 2014
Profit / (loss) before taxation	17,224,419	(15,053,683)
Adjustments for non-cash charges and other items:		
Depreciation	2,613,738	6,979,476
Provision for Gratuity	277,125	5,183,080
Dividend income	(138,456)	(238,878)
Liabilities written back	(7,611,039)	-
Unrealised loss on remeasurement of investments	797,537	712,821
Provision for doubtful debts	496,569	-
Gain on disposal of fixed assets	(1,051,862)	(824,511)
Finance cost	86,985	143,833
	<b>12,695,016</b>	<b>(3,097,862)</b>

**Working capital changes**

Decrease / (increase) in current assets:

- Stores and spares	-	(28,985)
- Stock in trade	-	1,249,856
- Trade debts	34,795,907	12,118,811
- Loans and advances	10,651,089	763,566
- Other receivables	(4,016,927)	(3,592,611)
- Short term deposits and prepayments	(700,900)	154,109
	40,729,169	10,664,746

Decrease / increase in trade and other payables

	(57,369,965)	6,918,336
	<b>(3,945,780)</b>	<b>14,485,220</b>

**11.1 Cash and cash equivalents include the following Cash and bank balances**

	<b>1,831,449</b>	<b>884,571</b>
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**12. TRANSACTIONS WITH RELATED PARTIES**

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

Associated companies	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees			
Sale of yarn/ black polyester and service revenue	-	2,348,072	-	-
Insurance premium expense	-	474,190	-	237,095
Balance receivable from / (payable to)				
Premier Insurance Limited	-	(11,587,778)	-	-
Cresco (Private) Limited	130,707,164	180,526,164	-	-



**13. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 25, 2016.

**14. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2015.

**15. GENERAL**

- No significant reclassification/ rearrangement of corresponding figures has been made in this condensed interim financial information.
- Figures have been rounded off to the nearest Rupee.

  
**Shaukat Shafi**  
Chief Executive

  
**Tariq Shafi**  
Director