



Jubilee Spinning & Weaving Mills Ltd.

**Condensed Interim Financial Information
Nine Month Accounts (Un-audited)
31 March 2014**

BOOK POST

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Jubilee Spinning & Weaving Mills Ltd.
45-A, Off Zafar Ali Road, Gulberg-V,
Lahore-Pakistan.



Company Information

Board of Directors

Mr. Shams Rafi (Chief Executive)
Mr. Shaukat Shafi
Mr. Ahmed Shafi
Mr. Salman Rafi
Mr. Umer Shafi
Mr. Muhammad Arshad
Mr. Masood A. Sheikh

Audit Committee

Mr. Shaukat Shafi (Chairman)
Mr. Salman Rafi (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

Registered Office

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

Mills

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



Directors' Report To The Shareholders

On behalf of the Board of Directors of your Company, I am pleased to present the results for the Third Quarter ended March 31, 2014.

Cotton and yarn supply/demand showed a steady trend. However, installed capacity could not be fully utilized due to liquidity constraints, resultantly the company could not achieve positive bottom line. Management is striving to improve cash flows and expect to get better results.

Sales during this period were slightly lower as compared to same period of last year. Gross profit remained negative with 7%. Sales, admin and financial charges were slightly higher. Long-term financing obtained from banking companies were fully settled along with one installment of mark up.

However the company has full support from the banks and creditors and the Management is confident that we will meet these challenges head-on and 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 Board of Directors.

Shams Rafi
Chief Executive

Karachi: April 30, 2014



Jubilee Spinning & Weaving Mills Ltd.

Nine Month Accounts 31 March 2014

Balance Sheet - Un Audited

Note	Un-audited March 31, 2014 Rupees	Audited June 30, 2013 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
	34,000,000 (30 June 2013: 34,000,000)	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	
	32,491,205 (30 June 2013: 32,491,205) ordinary shares	32,491,205
	of Rupees 10 each	
	<u>324,912,050</u>	<u>324,912,050</u>
	Reserves	(363,938,383)
	<u>(393,133,898)</u>	<u>(363,938,383)</u>
	Total equity	(68,221,848)
	Surplus on revaluation of property, plant and equipment	567,736,264
	Surplus on revaluation of investment property	19,664,538
	565,589,588	567,736,264
	19,664,538	19,664,538
NON-CURRENT LIABILITIES		
	Long term financing	56,773,900
6	61,840,970	16,086,464
	Deferred taxation	39,986,876
	14,930,560	112,847,240
	Deferred liability for staff retirement benefits	
	42,910,146	
	119,681,676	
CURRENT LIABILITIES		
	Trade and other payables	183,814,721
	240,641,361	30,552,745
	Accrued markup	19,781,976
	24,433,158	25,483,808
	Short term borrowings	9,928,940
	-	3,964,909
	Current portion of long term liabilities	
5	9,928,940	
	Provisions	
	2,898,011	
	Provision for taxation	
	277,901,470	273,497,099
	<u>397,583,146</u>	<u>386,344,339</u>
	Total liabilities	
	CONTINGENCIES AND COMMITMENTS	
7	-	-
	TOTAL EQUITY AND LIABILITIES	934,718,808
	<u>914,615,424</u>	<u>934,718,808</u>

Shams Rafi
Chief Executive



Jubilee Spinning & Weaving Mills Ltd.

Nine Month Accounts 31 March 2014

As at March 31, 2014

Note	Un-audited March 31, 2014 Rupees	Audited June 30, 2013 Rupees
ASSETS		
NON-CURRENT ASSETS		
	Property, plant and equipment	601,324,792
8	590,890,469	23,940,655
	Investment property	520,000
	23,940,655	1,005,306
	Long term investments	710,722
	520,000	627,501,475
	Long term loans	
	1,121,171	
	Long term deposits	
	710,722	
	<u>617,183,017</u>	<u>627,501,475</u>
CURRENT ASSETS		
	Stores and spares	2,518,179
	2,050,048	41,079,450
	Stock-in-trade	185,750,106
	5,805,924	1,436,867
	Trade debts	635,749
	200,462,283	17,447,397
	Loans and advances	7,808,618
	758,345	49,396,954
	Short term deposits and prepayments	1,144,013
	726,500	307,217,333
	Other receivable	
	19,791,092	
	Advance income tax and refund	
	6,630,016	
	Short term investments	
	59,286,477	
	Cash and bank balances	
	1,921,722	
	297,432,407	
	<u>914,615,424</u>	<u>934,718,808</u>
TOTAL ASSETS		

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

Shaukat Shafi
Director



Jubilee Spinning & Weaving Mills Ltd.

Nine Month Accounts 31 March 2014

**Condensed Interim Profit & Loss Account (Un-audited)
For the Period Ended 31 March 2014**

	Note	NINE MONTH ENDED		QUARTER ENDED	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Rupees					
SALES		289,801,149	295,592,846	117,046,411	76,645,423
COST OF SALES	9	309,987,331	289,934,475	123,362,700	83,304,635
GROSS PROFIT/ (LOSS)		(20,186,182)	5,658,371	(6,316,289)	(6,659,212)
DISTRIBUTION AND SELLING COST		1,120,658	682,803	380,046	413,316
ADMINISTRATIVE EXPENSES		15,610,853	14,781,208	4,749,735	4,586,390
OTHER OPERATING EXPENSES		(510,851)	157,222	74,813	142,350
		16,220,660	15,621,233	5,204,594	5,142,056
		(36,406,842)	(9,962,862)	(11,520,883)	(11,801,268)
EFFECT OF FAIR VALUE ADJUSTMENT OF INTEREST FREE LONG TERM FINANCING FROM DIRECTORS		(5,067,071)	(3,213,717)	(1,689,024)	(1,482,912)
OTHER OPERATING INCOME		2,603,164	23,990,065	201,249	1,878,154
		(2,463,907)	20,776,348	(1,487,775)	395,242
PROFIT FROM OPERATIONS		(38,870,749)	10,813,486	(13,008,658)	(11,406,026)
FINANCE COST		2,100,662	1,810,412	475,331	846,450
		(40,971,411)	9,003,074	(13,483,989)	(12,252,476)
SHARE OF PROFIT IN ASSOCIATED COMPANIES		-	(2,376,493)	-	-
PROFIT/(LOSS) BEFORE TAXATION		(40,971,411)	6,626,581	(13,483,989)	(12,252,476)
TAXATION- Current		2,898,011	2,955,928	1,170,464	766,454
- Prior		(1,992,655)	-	(1,992,655)	-
		905,356	2,955,928	(822,191)	766,454
PROFIT AFTER TAXATION		(41,876,767)	3,670,653	(12,661,798)	(13,018,930)
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)		(1.29)	0.11	(0.39)	(0.40)

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

Shams Rafi
Chief Executive

Shaukat Shafi
Director



Jubilee Spinning & Weaving Mills Ltd.

Nine Month Accounts 31 March 2014

**Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Period Ended 31 March 2014**

	Note	NINE MONTH ENDED		QUARTER ENDED	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Rupees					
PROFIT AFTER TAXATION		(41,876,767)	3,670,653	(13,649,963)	(13,018,930)
Fair value adjustment on available for sale investment		9,378,673	8,272,215	7,417,749	8,272,215
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(32,498,094)	11,942,868	(6,232,214)	(4,746,715)

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

Shams Rafi
Chief Executive

Shaukat Shafi
Director



**Selected Notes To The Condensed
Interim Financial Information (Un-audited)
For the Period ended March 31, 2014**

1. THE COMPANY AND ITS OPERATIONS

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.

GOING CONCERN ASSUMPTION

During the period, the company's operational activities remained quite lesser than the corresponding period. The Company incurred a net loss of Rupees 41.87 million resulting in an accumulated loss of Rupees 485.25 million as at 31 March 2014 (June 2013: 446.67 million). The Company's current assets exceed its current liabilities by Rupees 19.53 million (June 2013: Rupees 33.72 million) and total liabilities exceeded total assets by Rupees 68.22 million as at the reporting date. The plant capacity also remained under-utilized due to intermittent availability of raw materials owing to hike in the prices and liquidity issues. These factors indicate the existence of material uncertainty which may cast significant doubts on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The company has fully repaid the principal amount of long-term financing to National Bank of Pakistan along with a markup installment. The company has a continuing support from its lenders and sponsors of the company had also backed the company and have will to continue the same.

On the basis of assessment of the going concern assumption, financial projections and the factors stated above, the management is confident to achieve improved profitability and easing of cash flow going forward.

Accordingly, these financial statements have 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

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2013.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the company for the year ended 30 June 2013.

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 2013.

	Unaudited 31 March 2014 Rupees	Audited 30 June, 2013 Rupees
5. LONG TERM FINANCING - SECURED		
Opening balance	25,483,808	25,483,808
Less: Repaid during the period / year	(25,483,808)	-
Closing balance	-	25,483,808
Less: Current portion shown under current liabilities	5.1 <u>-</u>	<u>(25,483,808)</u>
	<u>-</u>	<u>-</u>
5.1 During the period principal amount of long term financing have been fully paid.		
6. LONG TERM FINANCE - UNSECURED		
Loan from directors	6.1 61,840,970	56,773,900.00
6.1 This represents un-secured interest free ong term loan received from director.		
7. CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		
Bank Guarantee from:		
Royal Bank of Scotland (formerly ABN Amro Bank) (Note 7.1.1)	8,600,000	8,600,000
Standard Chartered Bank Limited (Note 7.1.2)	793,800	793,800
Habib Bank Limited (Note 7.1.3)	2,000,000	2,000,000
	<u>11,393,800</u>	<u>11,393,800</u>
7.1.1 This represents a guarantee issued by Royal Bank of Scotland (formerly ABN Amro Bank) to the collector of customs on behalf of the company against the custom duty on imports.		
7.1.2 This represents a guarantee issued by Standard Chartered Bank to the Honourable High Court, Sindh on account of cotton soft waste (carded and combed) fully paid		
7.1.3 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 Rupees 500,000.		
7.2 Commitments		
There were no capital or other commitments as at 31 March 2014		



Jubilee Spinning & Weaving Mills Ltd.

Nine Month Accounts 31 March 2014

	(Un-audited)	
	NINE MONTH ENDED	
	March 31, 2014 Rupees	March 31, 2013 Rupees
11. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(40,971,411)	6,626,581
Adjustments for non-cash charges and other items:		
Depreciation	10,434,340	11,326,161
Provision for Gratuity	4,834,550	7,145,118
Share of profit from associates	-	2,376,493
Dividend income	(264,888)	(857,626)
Impairment loss on available for sale investment - net	-	157,222
Unrealised gain on short-term investment through profit or loss imputed interest under IAS - 39	(510,851)	(456,580)
provision for write off & write backs	5,067,071	3,213,717
Finance cost	-	(19,019,924)
	<u>2,100,662</u>	<u>1,810,412</u>
Working capital changes	<u>(19,310,527)</u>	<u>12,321,574</u>
(Increase) / decrease in current assets:		
- Stores and spares	468,131	85,042
- Stock in trade	35,273,526	(10,014,044)
- Trade debts	(14,712,177)	(31,298,464)
- Loans and advances	678,522	427,955
- Other receivable	(2,665,268)	(2,827,877)
- Short term deposits and prepayments	(90,751)	373,967
Increase / (decrease) in current liabilities	18,951,983	(43,253,421)
Increase / (decrease) in trade and other payables	<u>56,826,640</u>	<u>22,914,323</u>
	<u>56,468,096</u>	<u>(8,017,524)</u>

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:



Jubilee Spinning & Weaving Mills Ltd.

Nine Month Accounts 31 March 2014

Associated companies	NINE MONTH ENDED		QUARTER ENDED	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Rupees			
Sale of yarn/black polyester and service revenue	269,914,000	259,178,436	116,663,000	43,279,036
Insurance premium expense	1,952,709	1,981,623	650,904	660,541
Rental income	1,595,100	3,655,935	-	1,196,325
Balance receivable from / (payable to)				
Premier Insurance Limited	(10,437,136)	(8,362,033)	(8,362,033)	(8,362,033)
Receivable from customer	206,130,846	151,133,330	151,133,330	151,133,330

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 30, 2014

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 June 30, 2013

15. GENERAL

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

Shams Rafi
Chief Executive

Shaukat Shafi
Director