Jubilee Spinning & Weaving Mills Ltd.

Annual Report 2015

Contents

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

Notice of Annual General Meeting

Notice is hereby given that the 42nd Annual General Meeting of the shareholders of Jubilee Spinning & Weaving Mills Limited (the "Company") will be held on Saturday, the October 31, 2015 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:-

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' Reports thereon.
2. To appoint Auditors of the Company and fix their remuneration.

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 08, 2015

Notes:

1. The Members' Register will remain closed from October 21, 2015 to October 31, 2015 (both days inclusive). Physical / CDC transfers received at the Registered Office of the Company by the close of business on October 20, 2015.

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.

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, 2015 along with Auditors and Directors Reports thereon on its website: www. www.jsw.com.pk

8. Deduction of Income Tax from Dividend @ Revised Rates

Pursuant to the amendment in section 150 of the Income Tax Ordinance, 2001 through Finance Act 2015, the revised Income Tax Rates on Dividend Income are as follows:

Income Tax Return Filer	12.5%
Income Tax Return Non Filer	17.5%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking exemption from deduction of income tax or are eligible for deduction at reduce tax are requested to provide us valid tax certificate or documentary evidence as the case may be. Members desiring non deduction of Zakat are also requested to submit a valid declaration for non-deduction of Zakat, if not provided earlier.

The FBR has clarified that shareholders accounts jointly held by filers and Non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated individually as either a filer or a non-filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the close of business on October 22, 2015.

Folio/CDC Account No.	Name of Shareholders	CNIC	Shareholding	Total Shares	Principal/Joint Shareholders

9. 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

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, 2015 along with Auditors' Report thereon.

Financial Results

During the year, the company suffered net loss of Rs. 40,361,827 after charging costs, expenses and provisions for the year as compared to previous year's net loss of Rs. 37,910,786.

The financial results of the company are summarized as follows:

	Rupees	Rupees
Year ended on	**June 30, 2015**	**June 30, 2015**
Sales	14,876,824	332,942,054
Cost of sales	(29,513,498)	(361,576,224)
Gross loss	(14,636,674)	(28,634,170)
Gross loss rate %	(98.38)%	(8.60)%
Selling, admin and other operating cost	(61,393,139)	(22,145,868)
Other income	38,530,867	11,628,827
Finance Charges	(177,427)	(2,335,499)
Provision for tax	(2,685,45)	3,575,924
Loss after tax	(40,361,827)	(37,910,786)
Basic loss per share	(1.24)	(1.17)

Review of Operations and future prospects

The company has suffered losses due to shortage of working and resulting decreased output, suspended its operations, energy & marketing crises prevalent in Pakistan and high inflation costs during the year. However, the company has successfully repaid its overdue obligations to the lenders during the year. The balance sheet depicts a healthy financial position regardless of the losses, and the liquid and current ratios are considerably positive. 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

The company sustained net loss of Rupees 40.362 million for the year ended 30 June 2015 and as of that date its accumulated loss was Rupees 545.289 million due to which its equity stood negative by Rupees 114.624 million. Effective from March 2014, the company also closed its operations due to shortage of working capital and could not resume operations till the date of this report. The company has been unable to arrange fresh financing for working capital and other purposes from banks. Salaries and wages amounting to Rupees 3.281 million could not be paid to the employees and were outstanding at the year end. Most of the employees have left their job during the year. The management of the company did not provide us its assessment of going concern assumption used in preparation of these financial statements, the future financial projections indicating the economic viability of the company and evidence of future commitment of sponsors to support the company financially. These events indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements and notes thereto do not fully disclose this fact along with definitive mitigating factors and approved future plan, if any. These financial statements have been prepared on the going concern basis.

Unquote

The losses have occurred due to shortage of working capital resulting in under-utilization of plant capacity, suspended its operations and some other adverse economic conditions. 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

The company has written back liabilities amounting to Rupees 26.426 million (Note 27.2) to comply with Income Tax Ordinance, 2001 for which no satisfactory evidence has been provided to us

Unquote

Liabilities amounting to Rupees 26.426 million has written off which were more than 3 years as per Income Tax Ordinance, 2001

Key Operating and Financial Data

A statement summarizing key operating and financial data for the last six years is attached.
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 loss per share for the period under review is Rs.1.24 (2014: Rs. 1.17).

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) New appointment of Chief Financial Officer (CFO) was made during the year.

j) Transactions with Related Parties have been approved by the Audit Committee and the Board.

k) Value of gratuity was Rupees 35.10 million as on June 30, 2015 as per audited accounts.

l) 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.

m) During the period from July 01, 2014 to 30th June 2015 change in the holding of Directors, CEO, CFO and Company Secretary and their spouses as under:

	Opening Balance As on 30-06-2014	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

n) Following associated companies have the investments as under:

Crescent Sugar and Distillery Limited	474,323

o) The holdings of NIT and ICP are as under:

Investment Corporation of Pakistan	1891
IDBP	90

Shaukat Shafi
Chief Executive

Karachi
October 08, 2015

Key Operating and Financial Ratios

For The Period From 2009 To 2015

Operating Information		2015	2014	2013 (restated)	2012 (restated)	2011 (restated)	2010 (restated)
Sales - Net	Rs. In Mln	14.87	332.94	394.45	217.25	783.74	703.59
Cost of Goods Sold	Rs. In Mln	29.51	361.58	399.23	230.47	792.22	665.91
Gross Profit/(Loss)	Rs. In Mln	(14.64)	(28.64)	(4.78)	(13.21)	(8.48)	37.68
Operating Profit/(Loss)	Rs. In Mln	(37.50)	(39.15)	0.09	5.17	(25.18)	6.47
Profit/(Loss) befor taxation	Rs. In Mln	(37.68)	(41.49)	(5.08)	(107.60)	(105.16)	29.44
Profit/(Loss) after taxation	Rs. In Mln	(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
Equity Balance	Rs. In Mln	(114.62)	(71.78)	(39.03)	(51.27)	42.68	147.07
Fixed Assets	Rs. In Mln	681.32	643.43	627.50	638.00	763.04	859.13
Current Assets	Rs. In Mln	242.81	270.74	307.22	158.49	107.43	106.96
Current Liabilities	Rs. In Mln	200.84	252.65	273.50	160.06	172.84	137.08
Total Assets	Rs. In Mln	924.13	914.17	934.72	796.49	870.47	966.09
Key Ratios							
Gross Margin	percent	(98.45)	(8.60)	(1.21)	(6.08)	(1.08)	5.36
Operating Margin	percent	(252.19)	(11.76)	0.02	2.38	(3.21)	0.92
Net Profit/(Loss) after tax	percent	(271.42)	(11.39)	(1.70)	(50.60)	(14.52)	3.51
Return on Capital Employed	percent	(0.05)	(0.06)	0.0001	0.01	(0.04)	0.01
Current Ratio	Times	1.21	1.07	1.12	0.99	0.62	0.78
Earning Per Share	Rs.	(1.24)	(1.17)	(0.21)	(3.38)	(3.50)	0.76
Production Statistics							
Number of Spindle		-	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 produces high quality of cotton and polyester carded and combed yarn. 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 products in all sector of operations.

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 NBFI 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 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. New appointments of Chief Financial Officer (CFO) was made during the year however no new appointments of Company Secretary and Head of Internal Audit were made during the year. Remuneration of CFO was duly approved by the Board.

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 Exective

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 Directors of JUBILEE SPINNING & WEAVING MILLS LIMITED ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No. 35 of the Karachi, Lahore and Islamabad Stock Exchanges 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 reflects 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 systems 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 risks 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 the 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 transactions 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 statements of the Company have not been prepared in accordance with approved accounting standards as applicable in Pakistan. Therefore, the financial statements do not give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended.

Based on our review, with the exception of the matters described in the preceding paragraphs, nothing has come to our 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 2015.

We draw attention to note 23 of the Statement of Compliance with the Code of Corporate Governance which describes following significant instances of non-compliance with the requirements 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 developed and disseminated; (iii) overall corporate strategy and significant policies having regard to level of materiality have not been developed; (iv) the Human Resource and Remuneration Committee has not been established; and (v) no director attended any directors' training program during the year. Our report is not further qualified in respect of these matters.

Riaz Ahmed & Company
Chartered Accountant

Name of Engagement Partner:
Mubasher Mehmood

Karachi
October 8, 2015

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 2015 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 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) The company sustained net loss of Rupees 40.362 million for the year ended 30 June 2015 and as of that date its accumulated loss was Rupees 545.289 million due to which its equity stood negative by Rupees 114.624 million. Effective from March 2014, the company also closed its operations due to shortage of working capital and could not resume operations till the date of this report. The company has been unable to arrange fresh financing for working capital and other purposes from banks. Salaries and wages amounting to Rupees 3.281 million could not be paid to the employees and were outstanding at the year end. Most of the employees have left their job during the year. The management of the company did not provide us its assessment of going concern assumption used in preparation of these financial statements, the future financial projections indicating the economic viability of the company and evidence of future commitment of sponsors to support the company financially. These events indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements and notes thereto do not fully disclose this fact along with definitive mitigating factors and approved future plan, if any. These financial statements have been prepared on the going concern basis;

(ii) The company has written back liabilities amounting to Rupees 26.426 million (Note 27.2) to comply with Income Tax Ordinance, 2001 for which no satisfactory evidence has been provided to us;

(iii) Fair value of investment property (Note 14) has not been determined as at 30 June 2015;

(a) Except for the effects of the matters stated in paragraphs (i), (ii) and (iii) 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), (ii) and (iii) 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), (ii) and (iii) 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 2015 and of the loss, its comprehensive loss, 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:
Mubasher Mehmood

Karachi
Date: October 8, 2015

BALANCE SHEET

	Note	2015 Rupees	2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
34,000,000 (2014: 34,000,000) ordinary shares of Rupees 10 each		**340,000,000**	340,000,000
Issued, subscribed and paid up share capital	3	**324,912,050**	324,912,050
Reserves	4	**(439,536,131)**	(396,691,698)
Total equity		**(114,624,081)**	(71,779,648)
Surplus on revaluation of property, plant and equipment - net of tax	5	**622,140,754**	588,195,344
Surplus on revaluation of investment property - net of tax	6	**88,935,022**	19,664,538
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	**81,687,366**	63,529,994
Deferred income tax	8	**10,058,031**	18,529,063
Employees' retirement benefits	9	**35,100,695**	43,381,029
		126,846,092	125,440,086
CURRENT LIABILITIES			
Trade and other payables	10	**166,255,064**	218,172,139
Accrued mark-up		**24,517,429**	24,517,429
Provisions	11	**9,928,940**	9,928,940
Provision for taxation		**133,742**	29,641
		200,835,175	252,648,149
TOTAL LIABILITIES		**327,681,267**	378,088,235
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		**924,132,962**	914,168,469

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

Shaukat Shafi
Chief Executive

Tariq Shafi
Director

AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating assets	13	**582,288,844**	610,919,112
Capital work in progress - plant and machinery		**-**	5,000,000
Investment property	14	**95,715,059**	24,233,658
Long term investments	15	**884,068**	769,370
Long term loans	16	**1,724,278**	1,798,751
Long term deposits		**710,722**	710,722
		681,322,971	643,431,613
CURRENT ASSETS			
Stores and spares	17	**1,778,935**	1,778,935
Stock in trade	18	**-**	1,249,856
Trade debts	19	**147,251,189**	181,829,910
Loans and advances		**18,500,597**	1,756,457
Short term deposits and prepayments		**3,082,310**	654,109
Other receivables		**13,851,687**	20,115,067
Advance income tax and refund		**7,645,827**	7,160,618
Short term investments	20	**49,594,308**	53,851,123
Cash and bank balances	21	**1,105,138**	2,340,781
		242,809,991	270,736,856
TOTAL ASSETS		**924,132,962**	914,168,469

Shaukat Shafi
Chief Executive

Tariq Shafi
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Sales	22	**14,876,824**	332,942,054
Cost of sales	23	**(29,513,498)**	(361,576,224)
Gross loss		**(14,636,674)**	(28,634,170)
Distribution cost	24	**(78,810)**	(1,393,832)
Administrative expenses	25	**(19,397,002)**	(20,298,658)
Other operating expenses	26	**(41,917,327)**	(453,378)
		(61,393,139)	(22,145,868)
		(76,029,813)	(50,780,038)
Other income	27	**38,530,867**	11,628,827
Loss from operations		**(37,498,946)**	(39,151,211)
Finance cost	28	**(177,427)**	(2,335,499)
		(37,676,373)	(41,486,710)
Share of loss in associated companies	15.5	**-**	-
Loss before taxation		**(37,676,373)**	(41,486,710)
Provision for taxation	29	**(2,685,454)**	3,575,924
Loss after taxation		**(40,361,827)**	(37,910,786)
Loss per share- basic and diluted (Rupees)	30	**(1.24)**	(1.17)

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 2015

	2015 Rupees	2014 Rupees
Loss after taxation	**(40,361,827)**	(37,910,786)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
- Actuarial gain on remeasurement of employees retirement benefits	**187,732**	594,880
- Related deferred tax	**(60,074)**	(196,310)
	127,658	398,570
Items that may be reclassified subsequently to profit or loss		
- Fair value reserve reclassified on disposal of available for sale investments	**-**	(1,582,406)
- Fair value adjustment on available for sale investments	**(3,265,890)**	8,531,565
	(3,265,890)	6,949,159
	(3,138,232)	7,347,729
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(43,500,059)**	(30,563,057)

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, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	31	(7,152,021)	49,819,771
Cash (used in) / generated from operations			
Finance cost paid		(177,427)	(8,340,815)
Income tax paid		(3,919,738)	(1,892,997)
Gratuity paid		(16,752,352)	(3,477,543)
Net decrease / (increase) in long term loans to employees		74,473	(793,445)
Net cash (used in) / flow from operating activities		(27,927,065)	35,314,971
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		8,354,000	363,000
Proceeds on disposal of short-term investment		-	10,488,173
Dividends received		1,337,422	296,408
Net cash flow from investing activities		9,691,422	11,147,581
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(25,483,808)
Long term loan obtained		17,000,000	-
Repayment of finance lease liabilities		-	-
Net cash flow from / (used in) financing activities		17,000,000	(25,483,808)
Net (decrease) / increase in cash and cash equivalents		(1,235,643)	20,978,744
Cash and cash equivalents at the beginning of the year		2,340,781	(18,637,963)
Cash and cash equivalents at the end of the year	32	1,105,138	2,340,781

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, 2015

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

	Share capital	Fair value reserve on 'available for sale' investments	Equity portion of shareholders' loans	Sub Total	General reserve	Accumulated loss	Sub Total	Total	TOTAL EQUITY
	---Rupees---								
Balance as at 30 June 2013	**324,912,050**	**31,728,249**	**27,243,282**	**58,971,531**	**51,012,000**	**(473,591,052)**	**(422,579,052)**	**(363,607,521)**	**(38,695,471)**
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	6,416,627	6,416,627	6,416,627	6,416,627
Related deferred tax	-	-	-	-	-	(2,181,653)	(2,181,653)	(2,181,653)	(2,181,653)
	-	-	-		-	4,234,974	4,234,974	4,234,974	4,234,974
Loss for the year	-	-	-	-	-	(37,910,786)	(37,910,786)	(37,910,786)	(37,910,786)
Other comprehensive income for the year	-	6,949,159	-	6,949,159	-	398,570	398,570	7,347,729	7,347,729
Total comprehensive loss for the year	-	6,949,159	-	6,949,159	-	(37,512,216)	(37,512,216)	(30,563,057)	(30,563,057)
Transactions with the owners of the Company:									
Fair value adjustment on interest free loans from sponsor shareholders	-	-	(6,756,094)	(6,756,094)	-	-	-	(6,756,094)	(6,756,094)
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	-	-	-	-	-	2,666,174	2,666,174	2,666,174	2,666,174
Related deferred tax	-	-	-	-	-	(853,176)	(853,176)	(853,176)	(853,176)
	-	-	-	-	-	1,812,998	1,812,998	1,812,998	1,812,998
Profit for the year	-	-	-	-	-	(40,361,827)	(40,361,827)	(40,361,827)	(40,361,827)
Other comprehensive income for the year	-	(3,265,890)	-	(3,265,890)	-	127,658	127,658	(3,138,232)	(3,138,232)
Total comprehensive loss for the year	-	(3,265,890)	-	(3,265,890)	-	(40,234,169)	(40,234,169)	(43,500,059)	(43,500,059)
Transactions with the owners of the Company:									
Fair value adjustment on interest free loans from sponsor shareholders - net	-	-	(1,157,372)	(1,157,372)	-	-	-	(1,157,372)	(1,157,372)
Balance as at 30 June 2015	**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)**

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, 2015

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

During the year, the Company incurred a net loss of Rupees 40.362 million resulting in an accumulated loss of Rupees 545.289 million as at 30 June 2015 (2014: Rupees 506.868 million). The plant capacity also remained un-utilized due to intermittent availability of raw materials owing to shortage of working capital and closure of the Company's core operations due to losses and lack of resources since March 2014.

However, the management of the Company is confident to overcome existing temporary factors that are negatively affecting its bottom line. The sponsor shareholders are fully committed to the profitable operations of the Company and have provided an interest-free loan aggregating to Rupees 101.017 million during the current and previous years. Sponsor directors have also expressed their continuing commitment to support the Company financially, if the need arises. Moreover, in order to cover the fixed administrative expenses and to generate cash flows until the core operations are abandoned, the Company has rented out its premises. This not only reflects their commitment to ensuring the success of the Company but also their positive outlook on the Company.

The sponsor directors and the management are confident to resume the operations of the company and achieve profitability going forward. Accordingly, these financial statements have been prepared on a going concern basis.

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 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 - 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IAS 24 'Related Party Disclosures', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. The amendments to IFRS 8 require an entity to disclose the judgments made by the management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. Further, the amendment to IFRS 8 clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of the above amendments and interpretation does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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 2014 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 2015 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.

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 is not expected to have a material impact on the Company's financial statements.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 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 is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) 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.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1. However, the amendments are not expected to have a material impact on 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 that is based on revenue that is generated by an activity that includes the use 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.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

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 sand 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.
- 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, liabilities against assets subject to finance lease, 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

2015 (NUMBER OF SHARES)	2014 (NUMBER OF SHARES)		2015 Rupees	2014 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
32,491,205	**32,491,205**		**324,912,050**	**324,912,050**

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 2015, Crescent Cotton Mills Limited (associated company) held 474,323 (2014: 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

	2015 Rupees	2014 Rupees
Composition of reserves is as follows:		
Capital		
Fair value reserve on 'available for sale' investments	35,411,518	38,677,408
Equity portion of shareholders' loan (Note 4.1)	19,329,816	20,487,188
	54,741,334	59,164,596
Revenue		
General	51,012,000	51,012,000
Accumulated loss	(545,289,465)	(506,868,294)
	(494,277,465)	(455,856,294)
	(439,536,131)	(396,691,698)

4.1 Equity portion of shareholders' loan

	2015 Rupees	2014 Rupees
Opening balance	20,487,188	27,243,282
Add: Amortization portion on loan obtained during the year	6,934,988	-
Less: Fair value adjustment for the year	(8,092,360)	(6,756,094)
Closing balance	19,329,816	20,487,188

Loan from Sponsor shareholder have been recognized at amortized cost using discount rate ranging from 9.47% to 11.90% per annum (2014: 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.

	2015 Rupees	2014 Rupees
Balance as at 01 July	526,960,335	504,634,378
Addition to surplus due to revaluation (Note 5.2)	120,464,859	28,742,584
Transferred to surplus on revaluation of investment property	(70,175,758)	-
Impairment loss	(23,113,897)	-
Incremental depreciation charged during the year transferred to equity	(2,666,174)	(6,416,627)
	24,509,030	22,325,957
	551,469,365	526,960,335
Less: Related deferred tax liability (Note 8)		
Opening balance	17,278,910	15,412,033
Increase in deferred tax on revaluation	20,755	5,012,478
Effect of transferred to surplus on revaluation of investment property	(963,082)	-
Effect of impairment loss charged during the year	(7,396,447)	-
Effect of incremental depreciation charged during the year	(853,176)	(2,181,653)
Effect of revaluation surplus realized on disposal	-	-
Effect of change in tax rate	(244,430)	(963,948)
	7,842,530	17,278,910
	543,626,835	509,681,425
Surplus on revaluation of associated company accounted for under equity method (Note 5.4)	78,513,919	78,513,919
	622,140,754	588,195,344

5.1 Surplus attributable to incremental depreciation taken to statement of changes in equity (net of deferred tax) amount to Rupees 1,812,998 (2014: 4,234,974).

	2015 Rupees	2014 Rupees
Revaluation surplus transferred to equity on account of incremental depreciation - gross	2,666,174	6,416,627
Less: Related deferred tax {Note 2.5(a)}	(853,176)	(2,181,653)
	1,812,998	4,234,974

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:

	2015				2014
	COST	ACCUMULATED DEPRECIATION	ACCUMULATED IMPAIRMENT	WRITTEN DOWN VALUE	WRITTEN DOWN VALUE
	Rupees	Rupees	Rupees	Rupees	Rupees
Leasehold land	-	-	-	-	-
Building on leasehold land	33,512,362	23,453,141	-	10,059,221	12,627,627
Plant and machinery	112,746,318	63,546,240	37,508,244	11,691,834	66,382,406
	146,258,680	86,999,381	37,508,244	21,751,055	79,010,033

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

	2015	2014
Balance as at 01 July	19,664,538	19,664,538
Transferred from surplus on revaluation of property, plant and equipment - net of tax	69,212,676	-
Effect of change in tax rate	57,808	-
	88,935,022	19,664,538

7. LONG TERM FINANCING

	2015	2014
From sponsor shareholders of the Company:		
Opening Balance	63,529,994	56,773,900
Loan obtained during the year (Note 7.1)	10,065,012	-
Add: Fair value adjustment under IAS-39	8,092,360	6,756,094
	81,687,366	63,529,994
Less: Paid during the year	-	-
	81,687,366	63,529,994
Less: Current portion	-	-
Subtotal	81,687,366	63,529,994
Total (Note 7.2)	81,687,366	63,529,994

	2015 Rupees	2014 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 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

	2015 Rupees	2014 Rupees
Deferred tax liability on revaluation of property, plant and equipment (Note 5 & 29.2)	7,842,530	17,278,910
Deferred tax liability on revaluation of investment property (Note 8.1 & 29.2)	1,579,705	674,431
Deferred tax liability on remeasurement of employees retirement benefits (Note 2.2)	635,796	575,722
	10,058,031	18,529,063

8.1 Deferred tax liability on revaluation of investment property

	2015 Rupees	2014 Rupees
Opening	674,431	674,431
Transferred from deferred tax liability on revaluation of property, plant and equipment	963,082	-
Effect of change in tax rate	(57,808)	-
	1,579,705	674,431

9. EMPLOYEES RETIREMENT BENEFITS
Staff gratuity scheme -unfunded

	2015 Rupees	2014 Rupees
Present value of defined benefit obligation	35,100,695	43,381,029

9.1 General description

The scheme provides for retirement benefits for all permanent employees who complete qualifying period of services with the Company at varying percentages of last drawn salary. The percentage depends on the number of service years with the Company. Annual provision is based on actuarial valuation, which was carried out as on 30 June 2015.

9.2 Movement in present value of defined benefit obligation

	2015 Rupees	2014 Rupees
Balance at beginning of the year	43,381,029	39,276,602
Current service cost	6,123,305	4,235,378
Interest cost	2,536,445	3,941,472
Benefits paid during the year	(16,752,352)	(3,477,543)
Actuarial gain - experience adjustments	(187,732)	(594,880)
Balance as at end of the year	35,100,695	43,381,029

	2015 Rupees	2014 Rupees

9.3 Movement in balances

	2015 Rupees	2014 Rupees
Balance at beginning of the year	43,381,029	39,276,602
Charge for the year (Note 9.4)	8,472,018	7,581,970
	51,853,047	46,858,572
Benefits paid during the year	(16,752,352)	(3,477,543)
Balance at the end of the year	35,100,695	43,381,029

9.4 Charge for the year

	2015 Rupees	2014 Rupees
In profit and loss account:		
Current service cost	6,123,305	4,235,378
Interest cost	2,536,445	3,941,472
	8,659,750	8,176,850
In statement of comprehensive income:		
Actuarial gain due to change in:		
Experience adjustments	(187,732)	(594,880)
Demographic assumptions	-	-
Financial assumptions	-	-
	(187,732)	(594,880)
	8,472,018	7,581,970

9.5 Principal actuarial assumption

Following principal actuarial assumptions were used for the valuation:

	2015 Per annum	2014 Per annum
Estimated rate of increase in salary of the employees	8.5%	12.25%
Discount rate	9.5%	13.25%

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	3,326,381	3,434,092
Salary Increase	1	3,434,092	3,325,496

10. TRADE AND OTHER PAYABLES

	2015 Rupees	2014 Rupees
Creditors	69,126,373	97,179,354
Accrued liabilities	9,589,006	26,770,278
Advances from customers	16,110,366	23,616,946
Income tax deducted at source	15,109,420	17,541,402
Security deposits	6,250,000	-
Unclaimed dividend	577,737	577,737

	2015 Rupees	2014 Rupees
Unclaimed balance of Workers' profit participation fund	1,673	1,672
Due to director, associates and others	1,820,620	1,820,620
Other liabilities	47,669,869	50,664,130
	166,255,064	218,172,139

11. PROVISIONS

Provision for penalty on account of non-deposition of withholding tax	9,928,940	9,928,940

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
	11,393,800	11,393,800

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 (2014: Rupees 12 million).

12.2 Commitments

There were no capital or other commitments as at 30 June 2015 (2014: Nil).

13 OPERATING ASSETS

	Owned									
	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	Total
	Rupees									
Carrying value as at 01 July 2013										
Opening net book amount	460,600,000	42,187,174	87,399,252	2,069,427	90,240	2,812,376	442,355	81,824	642,144	596,324,792
Additions / Transfer in	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation during the year	14,000,000	3,767,053	10,975,531	-	-	-	-	-	-	28,742,584
Transfer / Disposal:										
Cost	-	-	-	-	-	907,500	-	-	-	907,500
Accumulated depreciation	-	-	-	-	-	(666,777)	-	-	-	(666,777)
Disposals - net	-	-	-	-	-	240,723	-	-	-	240,723
Depreciation charge	-	(4,218,717)	(8,739,925)	(206,943)	(13,536)	(557,563)	(66,353)	(8,182)	(96,322)	(13,907,541)
	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
Carrying value as at 30 June 2014										
Cost / Re-assessed value	474,600,000	124,294,249	251,877,831	8,613,452	452,842	11,803,134	1,514,899	841,301	8,735,261	882,732,969
Accumulated depreciation	-	(82,558,739)	(162,242,973)	(6,750,968)	(376,138)	(9,789,044)	(1,138,897)	(767,659)	(8,189,439)	(271,813,857)
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
Rate of depreciation (%)		10	10	10	15	20	15	10	15	
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	

	2015 Rupees	2014 Rupees
13.1 Depreciation charge for the year has been allocated as follows:		
Owned		
Cost of sales (Note 23.1)	9,652,170	13,285,711
Administrative expenses (Note 25)	452,559	621,830
	10,104,729	13,907,541

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

Description	Cost	Net Book Value	Sale Proceeds	Gain	Mode of dispotsal	Particulars of Purchaser
Plant & Machinery						
Ring Frame	17,803,443	10,382,393	3,478,208	(6,904,185)	Negotiation	Abdul Majid & Sons
Blower Suction Fan	106,269	61,973	11,490	(50,483)	Negotiation	Abdul Majid & Sons
Invertor ABB, 22 KW	53,134	30,985	5,745	(25,240)	Negotiation	Abdul Majid & Sons
Overhead blower	892,656	520,568	96,515	(424,053)	Negotiation	Abdul Majid & Sons
Trollley for spindle tap	10,627	6,197	1,149	(5,048)	Negotiation	Abdul Majid & Sons
Grinding machine	63,761	37,183	6,893	(30,290)	Negotiation	Abdul Majid & Sons
Simplex Frames	1,013,542	591,065	3,600,000	3,008,935	Negotiation	Abdul Majid & Sons
	19,943,432	11,630,365	7,200,000	(4,430,365)		
Vehicle						
Shehzore KN-9886	1,461,950	97,424	670,000	572,576	Negotiation	Mr. Tajuddin
Honda City AGY-168	1,445,000	97,987	350,000	252,013	Negotiation	Syed Arif Hussain
Suzuki Mehran ACK-731	884,000	8,014	80,000	71,986	Negotiation	Muhammad Rafique
Suzuki Alto AHY - 661	1,104,000	53,066	54,000	934	Negotiation	Mehmood Ali
	4,894,950	256,491	1,154,000	897,509		
Total	**24,838,382**	**11,886,856**	**8,354,000**	**(3,532,856)**		

14. INVESTMENT PROPERTY

	2015 Rupees	2014 Rupees
Investment property - at revalued amount (Note 14.2)	95,715,059	24,233,658

14.1 Investment property represents the leasehold land and building comprising a storage godown leased out by the Company to its associated company Cresox (Private) Limited. 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. There is no significant change in the market value since the date of last revaluation. No expense directly related to investment property has been incurred during the year.

14.2 Movement during the year

	2015 Rupees	2014 Rupees
Opening balance	24,233,658	23,940,655
Add: Gain on remeasurement of fair value	-	293,003
Transferred from operating fixed assets	71,481,401	-
Closing balance	95,715,059	24,233,658

	2015 Rupees	2014 Rupees
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)	364,068	249,370
	884,068	769,370
Associated companies (with significant influence) - Under equity method		
Cresox (Private) Limited (Note 15.4)	-	-
Crescent Industrial Chemical Limited (Note15.5)	-	-
	-	-
	884,068	769,370

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.

	2015 Rupees	2014 Rupees
Fair value on ceasing to be an associate	291,989	291,989
Fair value adjustment:		
Opening	(42,619)	-
For the year	114,698	(42,619)
	72,079	(42,619)
	364,068	249,370

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)

	2015 Rupees	2014 Rupees
The movement is as follows:		
Opening balance of investment	-	-
Share of loss of associate for the year	(94,356,154)	(98,706,868)
Share of loss of previous years - unrecognized	(202,180,013)	(103,473,145)
	(296,536,167)	(202,180,013)
Unrecognized loss	296,536,167	202,180,013
	-	-

	2015 Rupees	2014 Rupees

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

	2015 Rupees	2014 Rupees
Total assets	1,862,017,901	1,886,690,598
Total liabilities	3,088,686,541	2,718,293,094
Net assets	(1,226,668,640)	(831,602,496)
Gross turnover	753,087,296	1,133,799,445
Loss after tax	(378,484,372)	(395,936,094)
Cost of investment	89,821,600	89,821,600
Ownership interest	24.93%	24.93%
Number of ordinary shares held 8,982,160 (2014: 8,982,160) of Rupees 10 each.		
Market value	Un-quoted	Un-quoted

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

	2015 Rupees	2014 Rupees
Due from employees	2,000,278	2,149,906
Less: Current portion	(276,000)	(351,155)
	1,724,278	1,798,751

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

	2015 Rupees	2014 Rupees
Stores	773,941	773,941
Spare parts	1,004,994	1,004,994
	1,778,935	1,778,935

18. STOCK IN TRADE

	2015 Rupees	2014 Rupees
Finished goods	-	784,016
Waste stock	-	235,532
Packing material	-	230,308
	-	1,249,856

19. TRADE DEBTS

Considered good:

	2015 Rupees	2014 Rupees
Unsecured (Note 19.1, 19.2 & 19.3)	147,251,189	181,829,910
Considered doubtful:		
Others - unsecured	8,942	8,942
Less: Provision for doubtful debts		
As at 01 July	8,942	138,468
Less: Reversal due to recovery (Note 19.4)	-	(129,526)
As at 30 June	8,942	8,942
	-	-

19.1 This include amount of Rupees 143,872,759 (2014:Rupees 178,429,203) receivable from Cresox (Private) Limited - a related party.

19.2 As at 30 June 2015, trade debt due from related party amounting to Rupees 143,872,759 (30 June 2014 : Rupees 178,429,203) were past due but not impaired. The ageing analysis of is as follows:

	2015 Rupees	2014 Rupees
Upto 6 months	-	159,983,037
6 months to 1 year	2,509,672	18,446,166
more than 1 year	141,363,090	-
	143,872,762	178,429,203

19.3 As at 30 June 2015, trade debt due from other than related party amounting to Rupees 3,378,427 (30 June 2014 : Rupees 3,400,707) were past due but not impaired. The ageing analysis of is as follows:

Upto 6 months	-	-
6 months to 1 year	-	44,085
more than 1 year	3,378,427	3,356,622
	3,378,427	3,400,707

19.4 Trade debts of Rupee Nil (2014: Rupees 0.129 million) were recovered that were provided in previous years.

20. SHORT TERM INVESTMENTS

Available for sale (Note 20.1)	46,654,670	50,035,258
Investment at fair value through profit or loss in listed securities (Note 20.2)	2,939,638	3,815,865
	49,594,308	53,851,123

20.1 Investments available for sale

Related parties - Quoted		
The Crescent Textile Mills Limited 827 (2014: 827) fully paid ordinary shares of Rupees 10 each (bonus shares)	-	-
Crescent Cotton Mills Limited 510,600 (2014: 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 (2014: 1,917,545) fully paid ordinary shares of Rupees 10 each	24,211,563	24,211,563
Crescent Jute Products Limited 1,716,683 (2014: 1,716,683) fully paid ordinary shares of Rupees 10 each	13,732,069	13,732,069

	2015 Rupees	2014 Rupees
Crescent Spinning Mills Limited		
290,000 (2014: 290,000) fully paid ordinary shares of Rupees 10 each	362,500	362,500
Crescent Steel and Allied Products Limited		
36,253 (2014: 36,253) fully paid bonus ordinary shares of Rupees 10 each	-	-
Shakarganj Mills Limited		
39,138 (2014: 39,138) fully paid ordinary shares of Rupees 10 each	228,175	228,175
Shakarganj Mills Limited (Prefer. Shares)		
184,335 (2014: 184,335) fully paid preference shares of Rupees 10 each	1,843,350	1,843,350
PICIC Insurance Company Limited		
11,658 (2014: 11,658) fully paid ordinary shares of Rupees 10 each	116,580	116,580
	43,644,639	43,644,639
Opening impairment loss	(32,329,408)	(42,282,958)
Impairment loss on investment disposed of during the year	-	9,953,550
Closing balance of impairment loss	(32,329,408)	(32,329,408)
Carrying cost net of impairment loss	11,315,231	11,315,231
Opening balance of fair value reserve	38,720,027	31,728,249
Fair value adjustment for the year	(3,380,588)	8,574,184
Fair value reserve reversed on disposal of investment	-	(1,582,406)
	35,339,439	38,720,027
	46,654,670	50,035,258

20.2 Investment at fair value through profit or loss in listed securities

	2015 Rupees	2014 Rupees
Nishat Mills Limited	745,351	730,278
6,525 (2014: 6,525) fully paid ordinary shares of Rupees 10 each		
Oil & Gas Development Company Limited	681,112	992,864
3,800 (2014: 3,800) fully paid ordinary shares of Rupees 10 each		
Pakistan Oilfield Limited	678,418	964,824
1,680 (2014: 1,680) fully paid ordinary shares of Rupees 10 each		
Pakistan Petroleum Limited	815,222	1,113,399
4,963 (2014: 4,963) fully paid ordinary shares of Rupees 10 each		
Fatima Fertilizer Company Limited	19,535	14,500
500 (2014: 500) fully paid ordinary shares of Rupees 10 each	2,939,638	3,815,865

21. CASH AND BANK BALANCES

	2015 Rupees	2014 Rupees
Cash in hand	-	1,666,872
Cash at bank at current account (Note 21.1)	1,105,138	673,909
	1,105,138	2,340,781

21.1 This includes an amount of Rupees. 0.763 million (2014: Rupees 0.763 million) under lien with Standard Chartered Bank (Pakistan) Limited against the guarantees issued on behalf of the Company.

	2015 Rupees	2014 Rupees
22. SALES		
Yarn	796,100	299,603,060
Waste	254,580	6,844,120
Service revenue	13,864,735	26,415,321
Scrap	-	357,111
	14,915,415	333,219,612
Less: Sales tax	(38,591)	(277,558)
	14,876,824	332,942,054
23. COST OF SALES		
Finished stock - opening	1,019,548	1,234,650
Add: Cost of goods manufactured (Note 23.1)	28,493,950	361,361,122
	29,513,498	362,595,772
Less: Finished stock - closing	-	(1,019,548)
	29,513,498	361,576,224
23.1 Cost of goods manufactured		
Raw material consumed (Note 23.2)	-	229,828,029
Packing materials consumed	230,308	2,418,474
Stores and spares	-	6,001,810
Salaries, wages and other benefits	6,250,023	64,974,448
Repair and maintenance	1,639,979	134,805
Rent, rates & taxes	951,360	956,132
Fuel and power	7,174,396	33,324,113
Insurance	1,750,878	1,945,551
Depreciation (Note 13.1)	9,652,170	13,285,711
Other factory overheads	844,836	1,974,396
	28,493,950	354,843,469
Work-in-process		
Opening stock	-	6,517,653
Closing stock	-	-
	-	6,517,653
Cost of goods manufactured	28,493,950	361,361,122

23.2 Raw material consumed

	2015 Rupees	2014 Rupees
Opening stock	-	33,318,877
Add: Purchased during the year	-	196,509,152
	-	229,828,029
Less: Closing stock	-	-
	-	229,828,029

24. DISTRIBUTION COST

	2015 Rupees	2014 Rupees
Salaries and other benefits	42,990	547,097
Outward freight and handling	35,820	829,035
Commission Yarn	-	17,700
	78,810	1,393,832

25. ADMINISTRATIVE EXPENSES

	2015 Rupees	2014 Rupees
Salaries, allowances and benefits	14,948,931	15,222,738
Travelling, conveyance and entertainment	337,080	1,182,398
Printing stationery	266,801	345,385
Communication	216,388	614,944
Insurance	296,073	306,594
Subscription and periodicals	378,440	777,689
Repair and maintenance	72,160	7,560
General expenses	221,020	488,310
Auditors' remuneration (Note 25.1)	472,750	445,000
Advertisement	192,500	192,500
Legal and professional charges	1,542,300	93,710
Depreciation (Note 13.1)	452,559	621,830
	19,397,002	20,298,658

25.1 Auditors' remuneration

	2015 Rupees	2014 Rupees
Audit fee	275,000	275,000
Half yearly review	70,000	70,000
Out of pocket expenses	127,750	100,000
	472,750	445,000

26. OTHER OPERATING EXPENSES

	2015 Rupees	2014 Rupees
Loss on disposal of operating fixed assets	3,532,856	-
Unrealized loss on re-measurement of investments at fair value through profit or loss	876,227	-
Impairment loss	37,508,244	-
Late payment penalties	-	453,378
	41,917,327	453,378

		2015 Rupees	2014 Rupees
27.	**OTHER INCOME**		
	Income from financial assets		
	Dividend income (27.1)	1,337,422	296,408
	Liabilities written back	26,426,079	-
	Gain on sale of short term investment	-	7,341,761
	Unrealized gain on loss of significant influence over associate (Note 15.2 & 15.4)	-	291,989
	Unrealized gain on re-measurement of investments at fair value through profit or loss	-	608,803
		27,763,501	8,538,961
	Income from non financial assets		
	Commission income	201,650	202,640
	Rental income	10,565,716	1,617,420
	Gain on disposal of operating fixed assets	-	122,277
	Gain on remeasurement of investment property	-	293,003
	Reversal of provision for doubtful trade debts	-	129,526
	Others	-	725,000
		10,767,366	3,089,866
		38,530,867	11,628,827

27.1 Included therein is dividend income from Crescent Cotton Mills Limited of Rupees 1.021 million (2014: Nil).

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

28.	**FINANCE COST**		
	Mark-up on:		
	Long term financing	-	823,162
	Short term borrowings	-	1,152,321
	Bank charges and commission	177,427	360,016
		177,427	2,335,499
29.	**PROVISION FOR TAXATION**		
	Current (Note 29.1)	133,742	29,641
	Prior year	3,404,888	(1,423,912)
	Deferred (Note 5.1)	(853,176)	(2,181,653)
		2,685,454	(3,575,924)

29.1 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 145.549 million, no provision for tax is required except for income chargeable to final taxation and minimum taxation on turnover. 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.

29.2 Deferred

Deferred tax asset of Rupees 43.721 million (2014: Rupees 51.591 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).

30. LOSS PER SHARE - BASIC AND DILUTED

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

		2015	2014
Loss attributable to ordinary shares	(Rupees)	(40,361,827)	(37,910,786)
Weighted average number of ordinary shares	(Numbers)	32,491,205	32,491,205
Loss per share	(Rupees)	(1.24)	(1.17)

31. CASH GENERATED FROM OPERATIONS

	2015 Rupees	2014 Rupees
Loss before taxation	(37,676,373)	(41,486,710)
Adjustments for non-cash charges and other items:		
Depreciation	10,104,729	13,907,541
Impairment loss	37,508,244	-
Provision for gratuity	8,659,750	8,176,850
Dividend income	(1,337,422)	(296,408)
Liabilities written back	(26,426,079)	-
Unrealized loss / (gain) on remeasurement of investments	876,227	(900,792)
Loss / (gain) on disposal of property, plant and equipment	3,532,856	(122,277)
Gain on remeasurement of investment property	-	(293,003)
Gain on disposal of short term investments	-	(7,341,761)
Finance cost	177,427	2,335,499
	33,095,732	15,465,649
Net cash used in operating activities before working capital	(4,580,641)	(26,021,061)

	2015 Rupees	2014 Rupees
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	-	739,244
Stock-in-trade	1,249,856	39,829,594
Trade debts	34,578,721	3,920,196
Loans and advances	(16,744,140)	(319,590)
Short term deposits and prepayments	(2,428,201)	(18,360)
Other receivables	6,263,380	(2,667,670)
Increase / (decrease) in current liabilities		
Trade and other payables	(25,490,996)	34,357,418
Working capital changes	(2,571,380)	75,840,832
Net cash (used in) / generated from operations after working capital changes	(7,152,021)	49,819,771

32. CASH AND CASH EQUIVALENTS

Cash and bank balance	1,105,138	2,340,781

33. CHIEF EXECUTIVE OFFICER'S, DIRECTORS' AND EXECUTIVES' REMUNERATION

Chief Executive Officer		
Managerial remuneration and other benefits	-	3,630,000
House rent and utilities	-	1,996,500
Gratuity	-	398,544
	-	6,025,044
Number of executive	1	1,1
Directors		
Managerial remuneration	-	1,598,400
Housing and utilities	-	797,700
Gratuity	-	170,000
	-	2,566,100
Number of directors	1	1
Executives		
Managerial remuneration	934,400	2,692,800
Housing and utilities	469,600	1,343,400
Gratuity	99,450	286,450
	1,503,450	4,322,650
Number of executives	1	2

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

33.2 The chief executive officer is provided with free use of Company maintained cars. one (2014: Two) other executive is also provided with the Company maintained car.

33.3 No meeting fee was paid to any director during the year (2014: Nil).

33.4 No remuneration was paid to non-executive directors of the Company (2014: Nil).

34. TRANSACTIONS WITH RELATED PARTIES

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

	2015		2014	
	Associates	Other related parties	Associates	Other related parties
Transactions	Rupees	Rupees	Rupees	Rupees
Sale of yarn	796,100	-	292,163,700	-
Service revenue	1,679,972	-	26,415,321	-
Dividend income	-	1,021,200	-	-
Balances as at 30 June				
Receivable from customer	143,872,762	-	178,429,203	-

35. PLANT CAPACITY AND ACTUAL PRODUCTION Spinning	**2015 Rupees**	**2014 Rupees**
Total number of spindles available for production	-	9,000
Total number of spindles worked during the year	-	4,734
Number of shifts per day	-	3
Plant capacity of yarn (Kg.) on the basis of total number of spindles worked	-	1,965,435
Actual production of yarn (Kg.)	-	1,521,664
Actual production in 20 / s (Kg.)	-	750,277
Total shifts worked	-	813
Power plant		
Generation Capacity (KW)	1,053	1,053
Actual generation (KW)	453	648

35.1 Reasons for low production

From March 2014 onwards, production is stopped due to the shortage of working capital. Under utilization of power plant capacity is due to normal maintenance and intermittent supply of the raw material as stated in note 1.2.

36. SEGMENT INFORMATION

36.1 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 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Sales	2,725,660	332,942,054	12,151,164	28,356,128	-	(28,356,128)	14,876,824	332,942,054
Cost of sales	(28,493,874)	(363,007,320)	(1,019,624)	(26,925,032)	-	28,356,128	(29,513,498)	(361,576,224)
Gross (loss) / profit	(25,768,214)	(30,065,266)	11,131,540	1,431,096	-	-	(14,636,674)	(28,634,170)
Distribution cost	(78,810)	(1,393,832)	-	-	-	-	(78,810)	(1,393,832)
Administrative expenses	(19,397,002)	(20,097,202)	-	(201,456)	-	-	(19,397,002)	(20,298,658)
	(19,475,812)	(21,491,034)	-	(201,456)	-	-	(19,475,812)	(21,692,490)
Loss before taxation and Unallocated expenses and income	(45,244,026)	(51,556,300)	11,131,540	1,229,640	-	-	(34,112,486)	(50,326,660)
Unallocated income and expenses:								
Finance cost							(177,427)	(2,335,499)
Fair value adjustment on interest free loan							-	-
Other operating expenses							(41,917,327)	(453,378)
Other operating income							38,530,867	11,628,827
Share of loss in associated companies							-	-
Taxation							(2,685,454)	3,575,924
Loss after taxation							(40,361,827)	(37,910,786)

36.2 The sales of yarn to a single customer amounts to Rupees 292.163 million (2013: Rupees 292.163 million) out of the total revenue/sales of the company. All the reported segments operate in same geographical location.

37.3 Segment Assets

	Spinning		Power Generation		Total - Company	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	910,270,968	900,455,942	13,861,994	13,712,527	924,132,962	914,168,469
Unallocated assets					-	-
					924,132,962	914,168,469
Segment liabilities	325,715,179	375,819,706	1,966,088	2,268,529	327,681,267	378,088,235
Unallocated liabilities					-	-
					327,681,267	378,088,235

37. FINANCIAL RISK MANAGEMENT

37.1 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 manges 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)	
	2015 Rupees	2014 Rupees	2015 Rupees	2014 Rupees
KSE 100 (5% increase)	146,982	190,793	2,350,937	2,514,231
KSE 100 (5% decrease)	(146,982)	(190,793)	(2,350,937)	(2,514,231)

(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:

	2015 Rupees	2014 Rupees
Investments	50,478,376	54,620,493
Loans and advances	20,224,875	3,555,208
Deposits	3,793,032	1,210,722
Trade debts	147,251,189	181,829,910
Other receivables	11,306,513	15,428,860
Bank balances	1,105,138	673,909
	234,159,123	257,319,102

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 Short Term	Long term	Agency	2015 Rupees	2014 Rupees
Banks					
National Bank of Pakistan	A1+	AAA	JCR-VIS	40,658	40,658
Allied Bank Limited	A1+	AA+	PACRA	19,040	19,110
Faysal Bank Limited	A1+	AA	JCR-VIS	21,241	21,241
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	56,463	(181,947)
Standard Chartered Bank (Pakistan) Ltd	A1+	AAA	PACRA	829,164	829,164
United Bank Limited	A1+	AA+	JCR-VIS	128,198	34,053
Habib Bank Limited	A1+	AAA	JCR-VIS	5,000	-
Al-Barka Bank Limited	A1	A	PACRA	1,055	1,055
Soneri Bank Limited	A1+	AA-	PACRA	4,319	-
				1,105,138	763,334

	Rating Short Term	Long term	Agency	2015 Rupees	2014 Rupees
Investments					
Samba Bank Limited	A1	AA	JCR-VIS	10,258,331	12,770,184

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 net-wroking 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 2015.

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term financing	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	-	-	-
	241,240,073	260,569,889	92,035,068	109,526,230	42,008,591	17,000,000

Contractual maturities of financial liabilities as at 30 June 2014

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
Long term financing	63,529,994	84,017,182	-	-	-	84,017,182
Trade and other payables	177,013,791	177,013,791	88,506,896	88,506,895	-	-
Accrued markup	24,517,429	24,517,429	24,517,429	-	-	-
	265,061,214	285,548,402	113,024,325	88,506,895	-	84,017,182

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.

37.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

Financial assets As at 30 June 2015	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Available for sale financial assets	47,018,738	-	520,000	47,538,738
Financial assets at fair value through profit or loss	2,939,638	-	-	2,939,638
	49,958,376	-	520,000	50,478,376
As at 30 June 2014				
Available for sale financial assets	50,284,628	-	520,000	50,804,628
Financial assets at fair value through profit or loss	3,815,865	-	-	3,815,865
	54,100,493	-	520,000	54,620,493

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The Company has no such type of financial instruments as on 30 June 2015.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3.The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments. The Company has no such type of financial instruments as on 30 June 2015.

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.

37.3 Financial instruments by categories

as at 30 june 2015

asset s 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
	183,680,747	2,939,638	47,538,738	234,159,123

	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
	241,240,073

As at 30 June 2014

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	-	3,815,865	50,804,628	54,620,493
Loans and advances	3,555,208	-	-	3,555,208
Deposits	1,210,722	-	-	1,210,722
Trade debts	181,829,910	-	-	181,829,910
Other receivables	15,428,860	-	-	15,428,860
Cash and bank balances	2,340,781	-	-	2,340,781
	204,365,481	3,815,865	50,804,628	258,985,974

	Financial liabilities at amortized cost
	Rupees
Liabilities as per balance sheet	
Long term financing	63,529,994
Accrued mark-up	24,517,429
Trade and other payables	177,013,791
	265,061,214

38. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:	2014		2013	
	At year end	Average	At year end	Average
Number of employees	**9**	**153**	**297**	**249**

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on October 08, 2015 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.

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, 2015

Shareholders	From	To	Total Shares
461	1	100	15,629
416	101	500	109,152
106	501	1,000	81,260
185	1,001	5,000	438,224
32	5,001	10,000	233,785
19	10,001	15,000	234,463
9	15,001	20,000	162,729
8	20,001	25,000	184,047
16	25,001	30,000	455,514
8	30,001	35,000	257,873
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
1	65,001	70,000	68,411
4	70,001	75,000	284,625
5	75,001	80,000	390,810
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	240,001	245,000	240,500
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
1,311			32,491,205

Categories of Shareholders	Numbers	Shares held	% age
More than 5%	5	14,388,152	44.3
Individual	1,260	16,993,918	52.3
Joint Stock companies	36	1,098,155	3.4
Modaraba	1	127	0.0
Insurance Companies	2	5,130	0.0
Financial Institution	5	3,742	0.0
NIT & ICP	2	1,981	0.0
Total	1,311	32,491,205	100

Pattern of Share Holding
As on June 30, 2015

Categories of Shareholder

	Directors, Chief Executive Officer, their spouse and minor children	**Number of shares held**
	Chief Executive/Director	
	Shaukat Shafi	2,400,529
	Directors	
	Tariq Shafi	5,285,231
	Usman Shafi	1,198,434
	Jahanzeb Shafi	204,218
	Umer Shafi	1,206,073
	Aurangzeb Shafi	225,855
	Masood A. Sheikh	3,725
	Directors' Spouse and their minor children	
	Zahida Shaukat	42,859
	Naryman Tariq	14,165
		10,581,089
2	NIT & ICP	
	Investment Corporation Of Pakistan	1,891
	Idbl (Icp Unit)	90
		1,981
3	Banks, DFI, NBFIs	3,742
4	Insurance Companies	5,130
5	Modaraba and Mutual Funds	127
6	Shareholders More than 5%	14,388,152
7	Other companies, Corporate Bodies, Trust etc.	1,098,155
8	General Public	6,412,829
	Grand Total	32,491,205
	Shareholders more than 5% shareholding	
	Tariq Shafi	5,285,231
	Mohammad Rafi	4,228,922
	Shaukat Shafi	2,400,529
	Rizwan Shafi	2,747,852
	Shoaib Shafi	2,598,012
	Ahmad Shafi	2,422,162
	Muhammad Anwar	2,391,204
		22,073,912

42nd Annual General Meeting
Form of Proxy

I/We ______________________________ of __________________ a member/members of Jubilee Spinning & Weaving Mills Limited and holder of ______________ shares as per Registered Folio/CDC # ___________________________ do hereby appoint ____ of __________________ or failing him ____ of __________________ who is also member of the Company vide Registered Folio/CDC # ___________________ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Saturday the October 31, 2015 at 9.30 AM at Registered Office, 45-A, Off Zafar Ali Road, Gulberg-V, Lahoreand at any adjournment thereof.

As witness my hand this _______________ day of ____________________2015.

Witness's Signature
Name: ________________________
Address: ______________________
____
CNIC # _______________________

Please

Affix Here

Revenue Stamp.

Witness's Signature
Name: ________________________
Address: ______________________
____
CNIC # _______________________

Date:
Place:
Note:

CNIC | | | | | | | | | | | | | | |

1. The Form of Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.
2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their national Identity Cards/Passport in original to provide his/her identity, and in case of Proxy, must enclosed an attested copy of his/her NIC or Passport. Representatives of corporate members should bring the usual documents for such purpose.