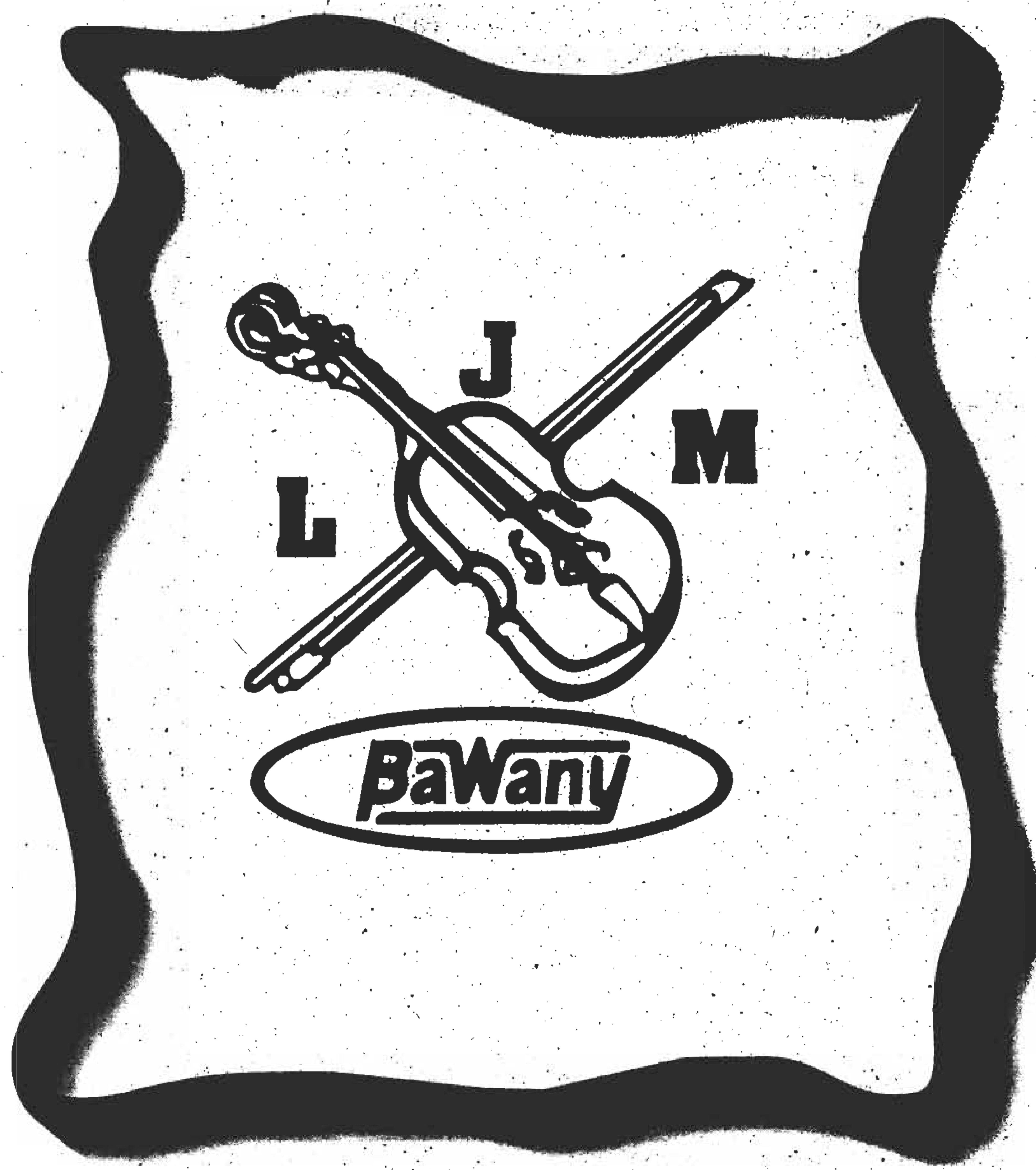


32nd ANNUAL REPORT 2008-2009



Latif Jute Mills Limited

NOTICE TO THE MEMBERS

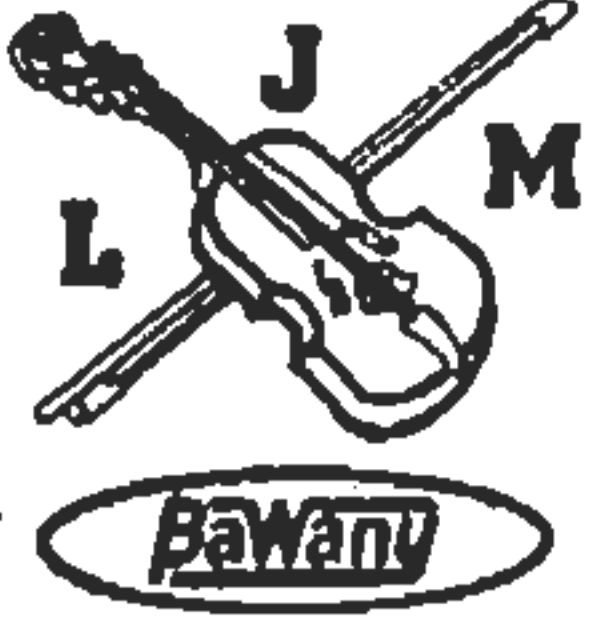
In terms of Securities & Exchange Commission of Pakistan Notification # SRO049(1) 2003 dated January 15, 2003 the Format of Form 'A' has been revised and have advised to print NIC Number of each shareholder.

We request you to send a photo copy of Computerized NIC (both sides) within 15 days from receipt of this notice to our address to enable us to comply with the Securities & Exchange Commission of Pakistan requirement, if not already supplied.

Your cooperation is solicited.

Dated: 14th September, 2009

M. Arif S/o. M. Ahmed
Director



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman & Chief Executive	: Mr. M. Tariq Bawany
Director	: Mr. Arif S. Ghazi
Director	: Mr. Arif Yousuf Jaliawala
Directors & Secretary	: Mr. Mohammad Arif Dalia
Director	: Mr. M. Arif S/o. M. Ahmed
Director	: Mr. M. Taufiq S/o. M. Moosa
Director	: Mr. M. Danish S/o. M. Amin

COMPANY SECRETARY

: Mr. Mohammad Arif Dalia

AUDIT COMMITTEE

: Mr. M. Tariq Bawany
: Mr. Mohammad Arif Dalia
: Mr. Mohd. Arif Mohd. Ahmed

AUDITORS

: M/s. Aslam Malik & Co.
: Chartered Accountants

BANKERS

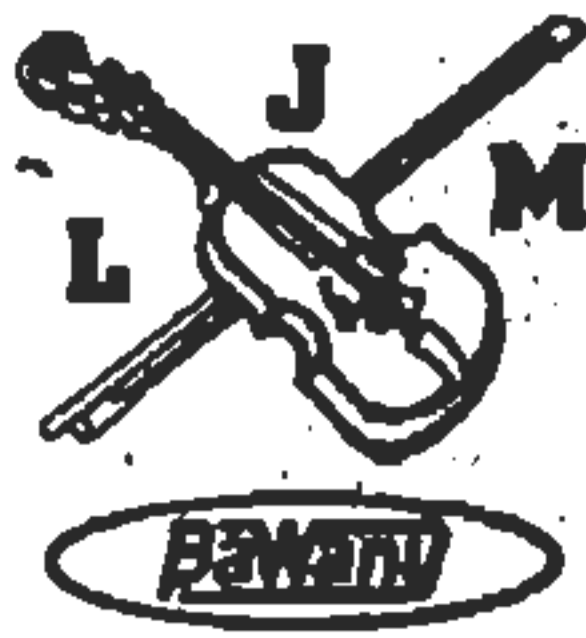
: United Bank Limited
: ABN-Amro Bank

REGISTERED OFFICE

: Hub Chowki, Vill Beirut Tehsil Hub
Lasbella District, Balochistan.

CITY OFFICE

: Mehran VIP Complex,
Ground Floor, Plot No. 18/3,
Dr. Dawood Pota Road,
Near Cantt Station, Karachi.
Phone : 35220383, 35220386



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of Shareholders of LATIF JUTE MILLS LIMITED will be held at the Registered Office at Hub Chowki, Village Beirut, Tehsil Hub, Lasbella District, Balochistan on Monday October 19, 2009 at 11.30 a.m to transact the following business:

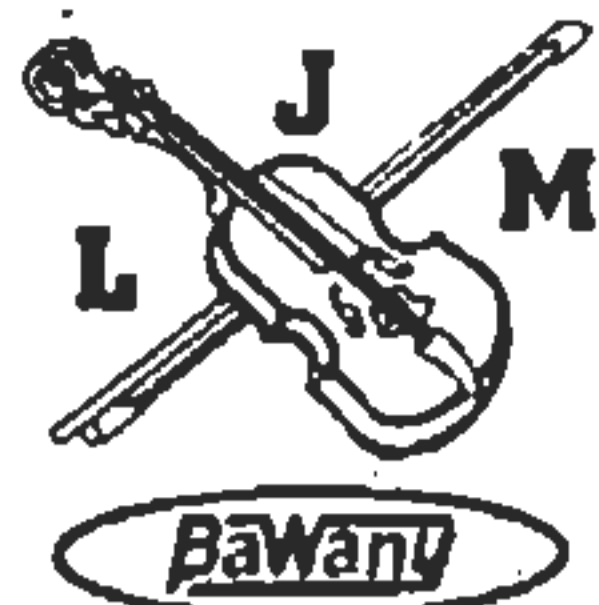
1. To confirm the minutes of the 31st Annual General Meeting held on 24th October, 2008.
2. To receive and consider the Audited Accounts of the Company for the year ended June 30, 2009 together with Directors' and Auditors' Report thereon.
3. To appoint Auditors for the year 2009-2010 and fix their remuneration.
4. To discuss about the Expansion Programme of the Weaving Unit and arrange finance for the project. Chief Executive had been authorized to take action.
5. To increase the remuneration of Directors.
6. To transact any other business as may be placed before the Meeting with the permission of the Chair.

KARACHI September 14, 2009

By Order of the Board
M. TARIQ BAWANY
Chief Executive

NOTES:

1. The Share Transfer Book of the Company will remain closed from Monday October 12th, 2009 to Monday October 19th, 2009 (both days inclusive).
2. Transport will be provided to the members of the Company. Pick-up point will be at Karachi Stock Exchange Building and departure time will be 10.30 a.m. sharp on Monday October 19th, 2009.
3. Proxies in order to be valid must be received at City Office at 18/3, G/F, Mehran VIP Complex, Dr. Daud Pota Road, Near Cantt Station, Karachi not later than 48 hours before the meeting.
4. Shareholders whose shares are deposited with Central Depository System (CDS) are requested to bring original Identity Card (CNIC) along with their account number in CDS for information.
5. Shareholders are requested to promptly notify the company of any change in their address and also send the attested photocopy of CNIC, if not already sent to the Company.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Board of the Company welcomes you at the 32nd Annual General Meeting and present before you the Audited Accounts of the Company for the year ended June 30, 2009.

Please note that the Accounts show a profit of Rs. 28,788,532/= from Rental Income and Gain on Re-valuation of Investment Property.

The Chief Executive will soon inform you about the progress in respect of the Weaving Unit.

We have to inform you about the sad demise of our Chairman Mr. Yahya Ahmed Bawany on 12-01-2009 and our Vice Chairman Mr. Abdul Karim M. Yahya also passed away on 10-03-2009. We may pray the Al-mighty Allah to bestow His Blessings upon them.

Details of attendance of Directors in the Board Meetings are given below:

<u>Name of Director</u>	<u>No. of Meetings</u>	<u>No. of Meeting Attended</u>
Mr. Yahya Ahmed Bawany (late)	2	2
Mr. Abdul Karim M. Yahya (late)	3	3
Mr. M. Tariq Bawany	7	7
Mr. Arif S. Gazi	7	7
Mr. Arif Yousuf Jaliawala	7	7
Mr. Mohammad Arif Dalia	7	7
Mr. M. Arif M. Ahmed	7	5
Mr. M. Taufiq M. Moosa	7	1
Mr. M. Danish M. Amin	7	2

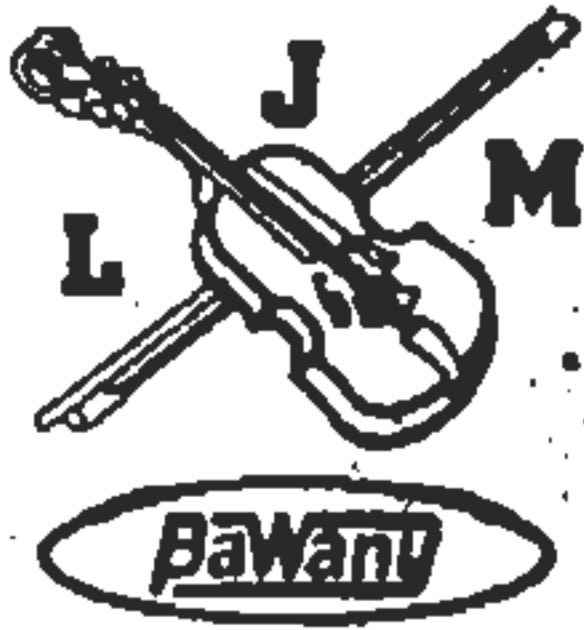
The Pattern of Shareholding is attached with the report.

M/s. Aslam Malik & Co., Chartered Accountants, the Auditors of the Company have retired.

The Management appreciates the cooperation by the staff members of the company.

By Order of the Board
M. TARIQ BAWANY
Chief Executive

KARACHI September 14, 2009



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **LATIF JUTE MILLS LIMITED** to comply with the listing Regulations of the Karachi Stock Exchanges respectively where the Company is listed.

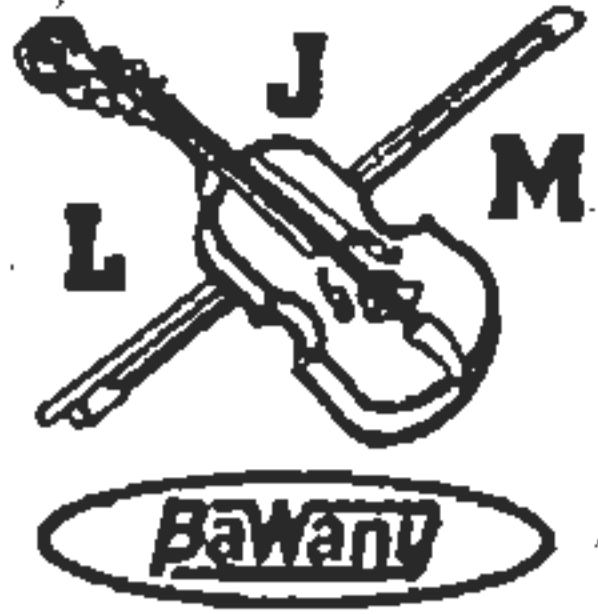
The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, 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 of Corporate Governance.

Karachi 14th September, 2009

ASLAM MALIK & COMPANY
Chartered Accounts



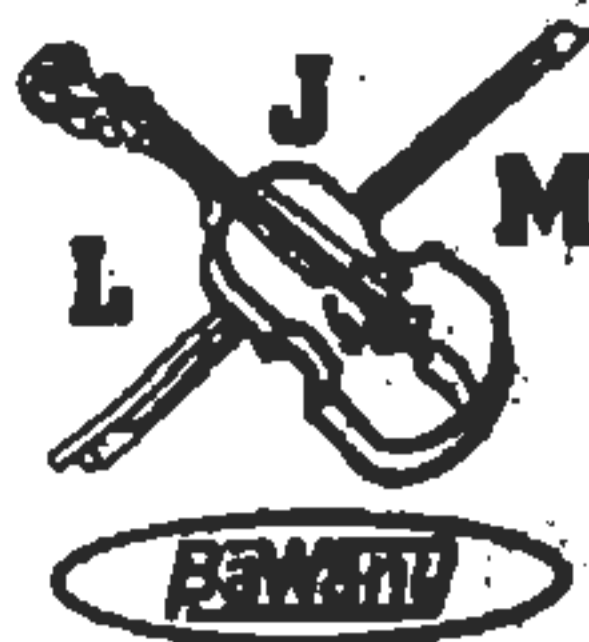
STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE AND BEST PRACTICES ON TRANSFER PRICING

A. 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 for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company had applied the principles contained in the code in the following manner :

1. The board comprises seven directors, including the CEO. The number of executive directors on the board is one including CEO.
2. The directors have confirmed that none of them is serving as a director in more than ten 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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year ended 30th June, 2009 our worthy Chairman Mr. Yahya Ahmed Bawany has passed away and Mr. Mohammad Taufiq S/o. Mohammed Moosa has been co-opted and Mr. Abdul Karim M. Yahya has resigned on 23-02-2009 and Mr. Mohammed Danish S/o. Amin has been co-opted as Director for the remaining term.
5. The company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Company.
6. The Board of Directors has adopted a vision / mission statement and overall corporate strategy of the company and has also formulated significant policies as mentioned in the Code. A complete record of particulars of significant policies alongwith the dates on which they were approved or ammended has been maintained.
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 Chief Executive Officer, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notice 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. The Directors of the company have given a declaration that they are aware of their duties, powers and responsibilities under the Companies Ordinance, 1984 and the listing regulations of the Stock Exchanges.



10. The Board of Directors has approved the appointment of CFO, Company Secretary and their remuneration and terms and conditions of employment, as determined by CEO.
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 statement of the Company were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, Chief Executive Officer and executives do not hold any interest in the shares of the company other than that enclosed 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 of 3 members, two (2) of whom are non-Executive Directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the code.
17. The Board has outsourced the scope of internal Audit work to M/s. Aslam Malik & Co., Chartered Accountants, a member firm of PricewaterhouseCoopers. The firm has set-up an effective internal audit function managed by suitable qualified and experienced personnel. They are involved in the internal audit function on full time basis.
18. The statutory auditors of the company have confirmed that have been given a satisfactory rating under the quality control review program of the institute of Chartered Accountants of Pakistan (ICAP), 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 ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the code have been complied.

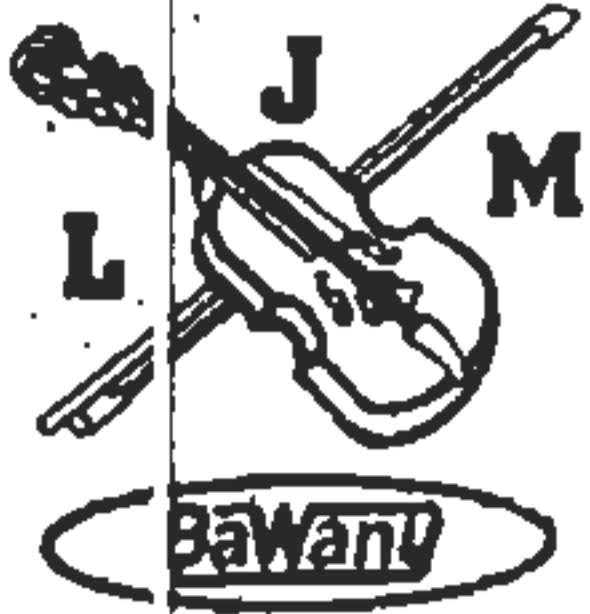
B. Statement of Compliance with the Best Practices on Transfer Pricing

The Company has fully complied with the Best Practices on Transfer Pricing as contained in the Listing Regulation of the Karachi Stock Exchange.

On Behalf of the Board of Directors.

M. TARIQ BAWANY
Chief Executive

MOHAMMAD ARIF M. AHMED
DIRECTOR



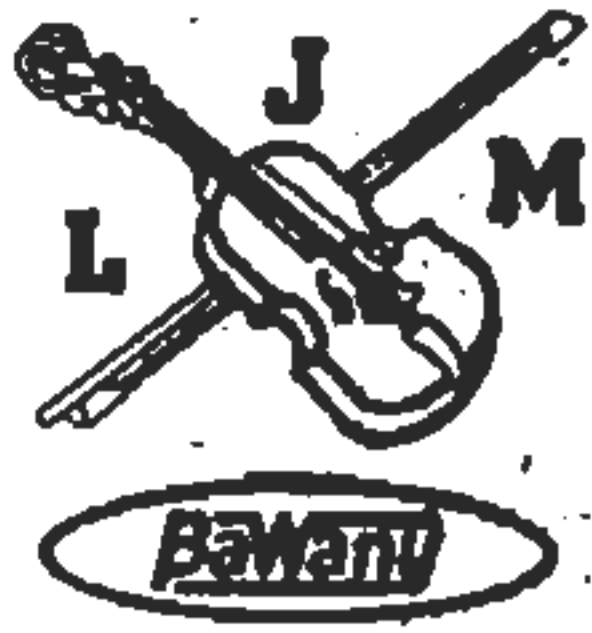
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Latif Jute Mills Limited** as at **June 30, 2009**, and the related Profit & Loss account, 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 amount and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the 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 :

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) 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 accounts 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, the Balance Sheet, Profit & Loss account, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at **June 30, 2009**, and of the **Profit**, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

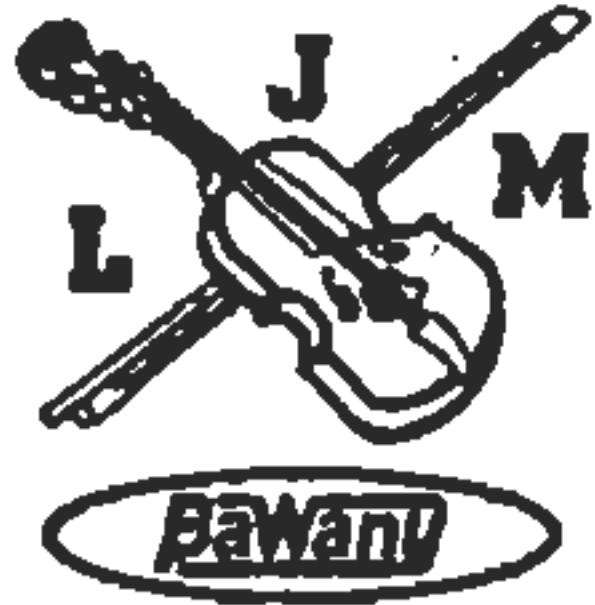
Karachi

Dated: September 14, 2009

Aslam Malik & Company

Chartered Accountants

Mohammad Aslam Malik



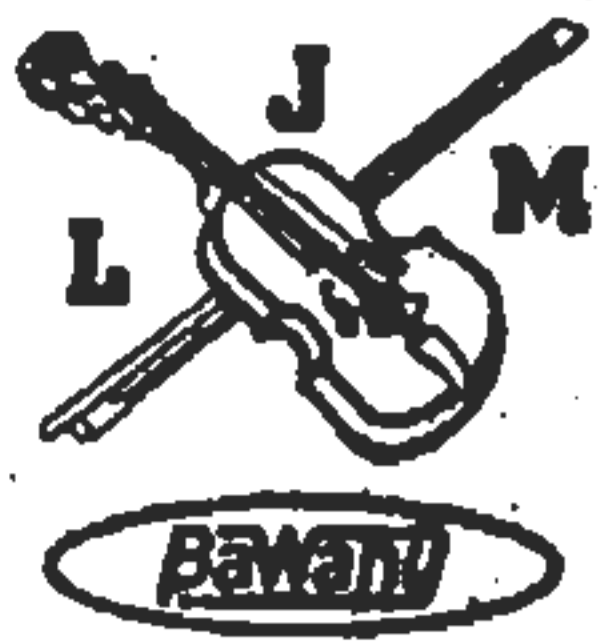
BALANCE SHEET
AS AT JUNE 30, 2009

	Notes	2009 Rupees	2008 Rupees		Notes	2009 Rupees	2008 Rupees
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorised 5,000,000 Ordinary shares of Rs. 10/= each		<u>50,000,000</u>	<u>50,000,000</u>	Property, plant and equipment		-	-
Issued, subscribed and paid up Accumulated (loss)	3	<u>35,574,000</u> <u>(22,062,515)</u> 13,511,485	<u>35,574,000</u> <u>(50,886,047)</u> (15,312,047)	Investment property	7	<u>89,960,000</u>	<u>62,764,000</u>
						89,960,000	62,764,000
SURPLUS ON REVALUATION OF LAND AND BUILDING		50,934,812	50,934,812	LONG TERM DEPOSITS	8	274,280	274,280
LOAN FROM ASSOCIATES	4	23,139,553		CURRENT ASSETS			
LONG TERM DEPOSIT-Rent security deposit		26,272	104,544	Loan and advances,		-	5,500
CURRENT LIABILITIES				Short term prepayments	9	-	6,280
Trade and other payable	5	<u>560,353</u>	<u>2,102,180</u>	Taxation		<u>113,943</u>	<u>136,249</u>
Short-term finance		<u>1,000,000</u>	<u>25,169,553</u>	Cash and bank balances	10	<u>190,926</u>	<u>38,458</u>
Unearned rent income		<u>130,410</u>	<u>52,694</u>			<u>304,869</u>	<u>186,478</u>
Provision for taxation		<u>236,264</u>	<u>173,031</u>				
		<u>1,927,027</u>	<u>27,497,458</u>				
CONTINGENCIES	6	-	-				
		<u><u>89,539,149</u></u>	<u><u>63,224,767</u></u>			<u><u>89,539,149</u></u>	<u><u>63,224,767</u></u>

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

M. TARIQ BAWANY
Chief Executive

MOHAMMAD ARIF M. AHMED
DIRECTOR



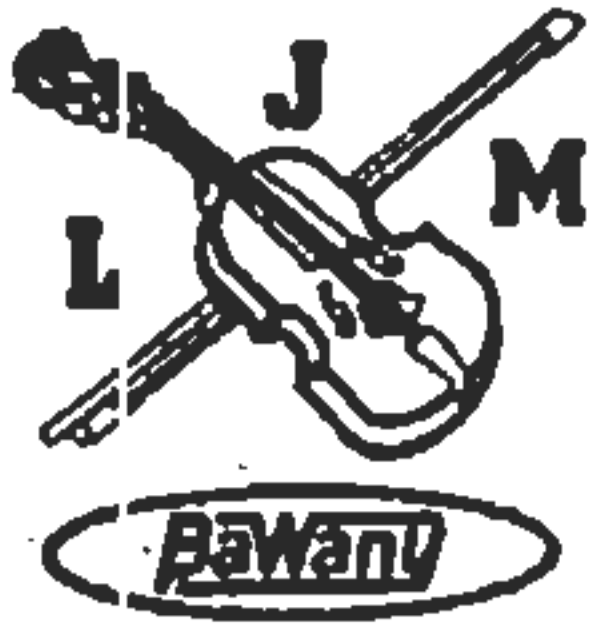
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009 Rupees	2008 Rupees
Rent income	11	4,725,284	3,460,617
Administrative expenses	12	(3,166,712)	(2,795,238)
Finance cost	13	(1,981)	(1,558)
		(3,168,693)	(2,796,796)
Other income	14	27,391,316	770,966
Profit before taxation		28,947,907	1,434,787
Taxation	15	(159,375)	(184,231)
Profit after taxation		28,788,532	1,250,556
Earning per share			
Basic and diluted	16	8.09	(0.35)
Earning per share excluding the income recognized as a result of measurement of investment property at fair value		0.73	0.35

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

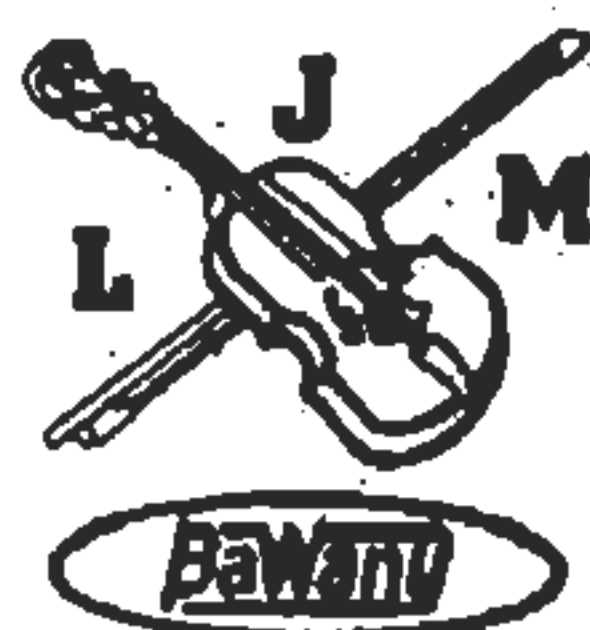
M. TARIQ BAWANY
Chief Executive

MOHAMMAD ARIF M. AHMED
DIRECTOR



**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009**

	2009 Rupees	2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	28,947,907	1,434,787
Adjustments for :		
Depreciation	-	-
Balances written off	-	89,226
Balances (written back)	-	(655,066)
Gain on fair value of investment property	(26,196,000)	-
Finance cost	1,981	1,558
Operating cash flows before movement in working capital	<u>2,753,888</u>	<u>870,505</u>
Changes in working capital		
(Increase) / decrease in current assets		
Loans and advances	5,500	25,000
Trade deposits and short term prepayments	6,280	(6,280)
Increase / (decrease) in current liabilities		
Unearned rent income	77,716	(551,247)
Trade and other payables	(1,506,827)	102,489
	<u>(1,417,331)</u>	<u>(430,038)</u>
Cash generated from operations	1,336,557	440,467
Financial charges paid	(1,981)	(1,558)
Taxation paid	(73,836)	(86,900)
Net cash flows generated from operating activities	<u>1,260,740</u>	<u>352,009</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of scrap	-	115,900
Security deposit	(78,272)	1,224,000
Net cash flows used in investing activities	<u>(78,272)</u>	<u>(1,108,100)</u>

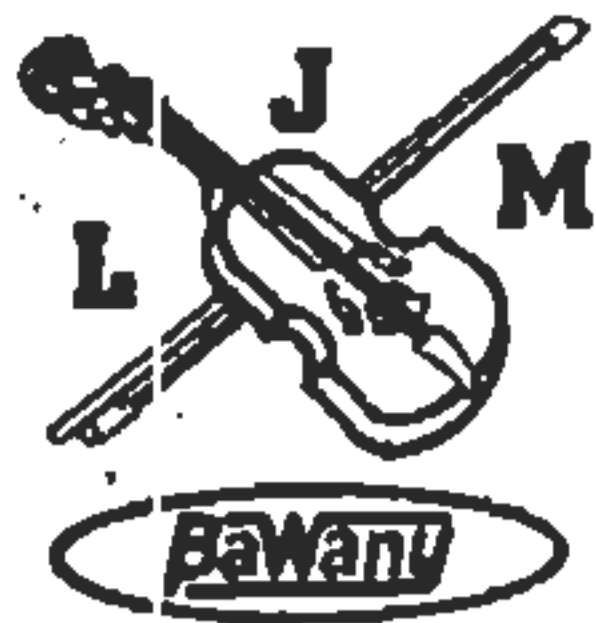


	2009 Rupees	2008 Rupees
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	1,075,000
Repayment of finance	(1,030,000)	(335,000)
Net cash flows (used in) / generated from financing activities	<u>(1,030,000)</u>	<u>740,000</u>
Net increase / (decrease) in cash and cash equivalents	152,468	(16,091)
Cash and cash equivalents at the beginning of the year	38,458	54,549
Cash and cash equivalents at the end of the year	<u><u>190,926</u></u>	<u><u>38,458</u></u>

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

M. TARIQ BAWANY
Chief Executive

MOHAMMAD ARIF M. AHMED
DIRECTOR

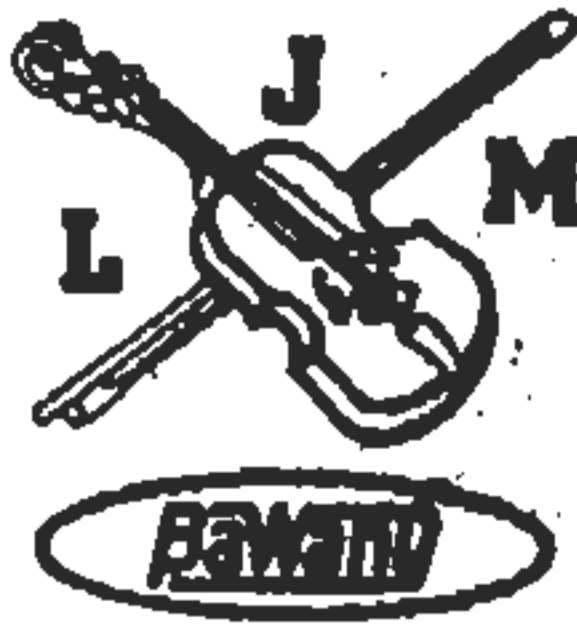
**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2009**

	<i>Issued Capital</i>	<i>Accumulated (loss) Rupees.</i>	<i>Total</i>
Balance at July 01, 2008	35,574,000	(52,136,603)	(16,562,603)
Profit for the year ended June 30, 2008	--	1,250,556	1,250,556
Balance at June 30, 2008	35,574,000	(50,886,047)	(15,312,047)
Profit for the year ended June 30, 2009	--	28,788,532	28,788,532
Balance at June 30, 2009	35,574,000	(22,097,515)	13,476,485

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

M. TARIQ BAWANY
Chief Executive

MOHAMMAD ARIF M. AHMED
DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

1 GENERAL INFORMATION

- 1.1 Latif Jute Mills Limited is a company limited by shares incorporated in Pakistan on July 14, 1977. The registered office of the company is situated at Hub Chowki, Tehsil Hub, Lasbella District, Balochistan. The company is listed on Karachi Stock Exchange.
- 1.2 The Company has ceased all its production activities from August 26, 2003 due to continuous losses and resultant financial constraints, it had disposed of all plant and machinery and relieved all its workers. The Company has also disposed off a portion of surplus freehold land.

During the year 2008, the Board of Directors of the company reversed their earlier decision taken for winding up of the company. It was permitted by SECP to make efforts for revival of the company latest by June 30, 2009 either through setting up a new project or enter into joint venture with any other organization. The management has been exploring avenues for new businesses and expect to start new ventures as soon as circumstances would permit. Meanwhile the management of the company has renovated the existing fixed assets of the company comprising of Land & Building for leasing it out to multinational companies to generate rental income. In view of the above these financial statements are prepared on going concern basis. The company has approached SECP with the new scheme for setting up a business before venturing ahead. It expects favorable response from the Commission and improvement in local conditions.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

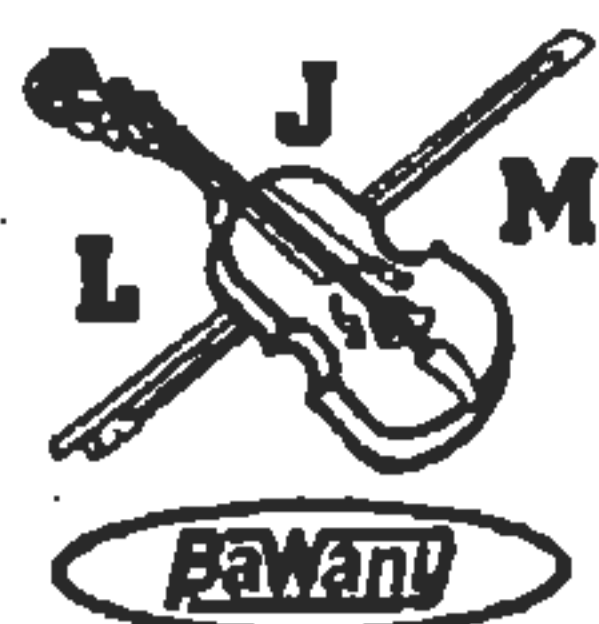
- 2.1.1 These financial statements have been prepared in accordance with the requirements of Companies Ordinance, 1984 (the Ordinance) and directions issued by the Securities and Exchange Commission of Pakistan, and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence.

2.1.2 New accounting standards and IFRIC interpretations and amendments that are not yet effective

The following standards, interpretations and amendments in approved accounting standards are effective for accounting periods beginning from the date specified below. These are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures.

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represent changes in equity during a period other than these changes resulting from transaction with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively commingling both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

IAS 16 (Amendment), Property plant and equipment (and consequential amendment to IAS 7,



'Statement of cash flows'). Equities whose ordinary activities comprise renting and subsequently selling assets presents proceeds from the sale of those assets as revenue and should transfer the carrying amount of the assets to inventories when the assets becomes held for sale. A consequential amendment to IAS 7 states the cash flows arising from purchases, rentals and sale of those assets are classified as cash flows from operating activities.

IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009)

The amendment clarifies that a plan amendment that results in a changes in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to negative pas service cost if it results in a reduction in the present value of the defined benefit obligation.

The definition of return on plan assets has been amended to state that plan administration cost are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.

The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 month of employee service being rendered.

IAS 37, 'Provisions, contingent liabilities and contingent asset's, requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

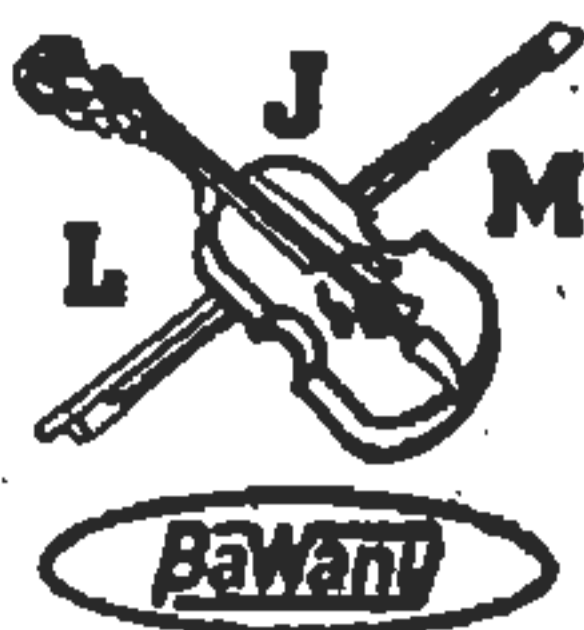
Revised IAS 23-Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Amended IAS 27-Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary. while maintaining control, to be recognised as an equity transaction. When the group loses control of subsidiary, any interest retained in the former a subsidiary will be measured at fair value with gain or loss recognised in the profit or loss.

IAS 28 (Amendment), 'Investment in associates' (and consequential amendment to IAS 32, 'Financial Instruction Presentation' and IFRS 7, 'Financail Instruments: Disclosures'). Where in investment in associate in accounted for in accordance with IAS 39 'Financial Instruments: recognition and measurement', only certain rather than all disclosure requirements in IAS 28 need to be made in addition to disclosure required by IAS 32, 'Financial Instruments: Presentation' and IFRS 7 'Financial Instruments : Disclosure'.

IAS 29 - Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008).

IAS 31 (Amendment) - 'Interest in joint ventures' (and consequential amendments to IAS 32 and IFRS 7). Where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32, 'Financial Instruments: Presentation', and IFRS 7 'Financial Instruments : Disclosure'.



Amendment to IAS 32 - Financial Instruments: Presentation and IAS 1-Presentation of Financial Statements (effective for annual periods beginning on or late 1 January 2009) - Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party pro rata share of the entity only on liquidation, to be classified as equity if certain conditions are met.

IAS 36 (Amendment), 'Impairment of assets'. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculations should be made.

IAS 38 (Amendment), 'Intangible assets'. A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to good or receipt of services.

Amendments to IAS 39 Financial Instruments: Recognition and measurement - Eligible hedged items (effective for annual periods beginning on or after 1 July 2009) clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship.

IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16). Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value.

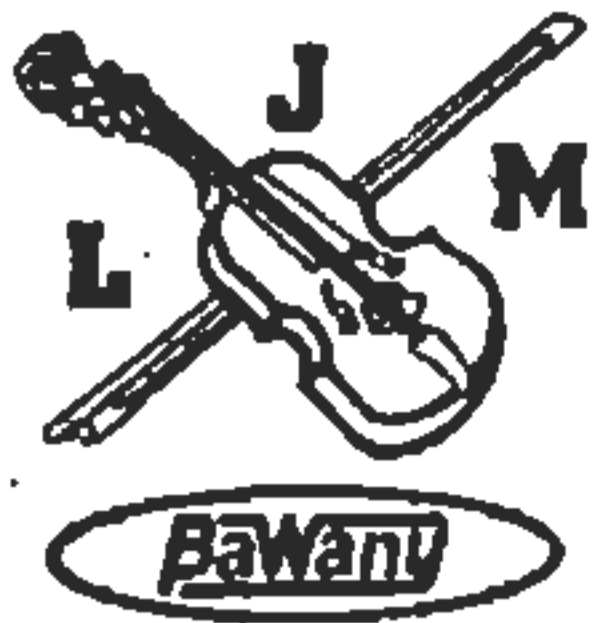
IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009). It require the use of market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value.

IFRS 2 (Amendment), 'Share-based payment'- Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting to be reflected in grant date fair value and provides the accounting treatment for non-vesting conditions and cancellation.

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent considerations to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquire to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interests in identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis.

IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (effective from 1 July 2009). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

IFRS 7 'Financial instruments: Disclosure' (effective for annual periods on or after 28 April 2008) supersedes IAS 30 - Disclosures in the Financial statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 - Financial Instruments: Disclosure and Presentation.



IFRS 8 'Operating segments' (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of its business segments.

IFRS 5 Amendment - Improvements to IFRSs - IFRS 5 Non-current Assets Held for sale and Discontinued Operations (effective for annual periods beginning on or after 1 July 2009) specify that: if an entity is committed to a sale plan involving the loss of control a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale when the held for sale criteria in paragraph 6 to 8 of IFRS 5 are met disclosures for discontinued operations would be required by the parent when a subsidiary meets the definition of a discontinued operation.

IFRIC 13-Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services.

IFRIC 15-Agreement for Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenues by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete.

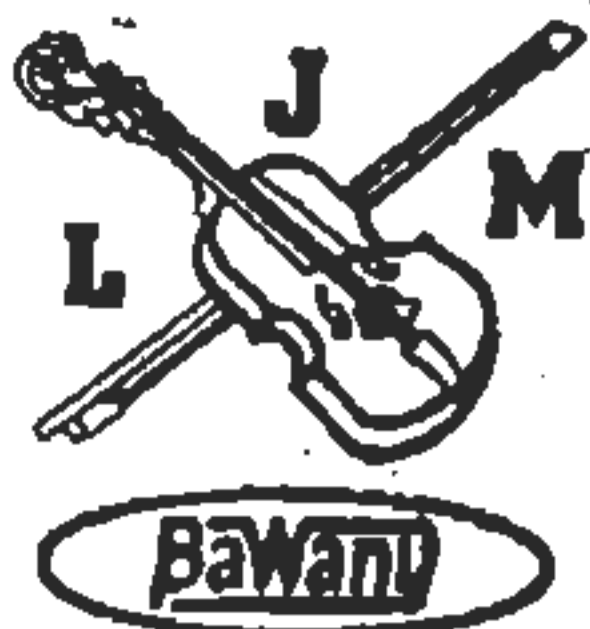
IFRIC 16-Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that use the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used.

IFRIC-17 Distributions of Non-cash Assets to Owners (effective annual periods beginning on or after 1 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement.

2.2 Basis of preparation

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 (IFRS) issued by the International Accounting Standard Board as



are notified under the Companies Ordinance, 1984 provisions or directives of the Companies Ordinance, 1984. In case requirements differ, the provision or directives of the Companies Ordinance, 1984 shall prevail

Basis of Measurement

The financial statements have been prepared under the historical cost convention.

Functional and Presentation Currency

These financial statements have been prepared under the historical cost convention.

Use of Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumption that effect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors than are believed to reasonable under the circumstances, the results of which from the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

2.3 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

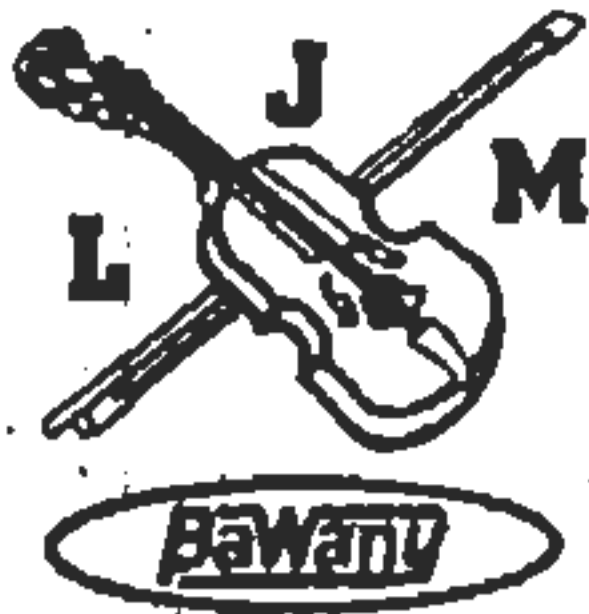
Assets held under finance leases are recognised as assets of the company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as liabilities against assets subject to finance lease. Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on borrowing costs.

2.4 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

2.5 Provisions

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

**2.6 Property, plant and equipment**

Property, plant and equipment except land and buildings are stated at cost less accumulated depreciation and impairment in value, if any.

Full year's depreciation is charged on additions during the year while no depreciation is charged on assets disposed off during the year.

Repair and maintenance costs are charged to income during the period in which they are incurred.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

Depreciation is charged to income applying the reducing balance method.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to the recoverable amount.

Surplus arising on revaluation is credited to surplus on revaluation of fixed assets. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred by the Company to unappropriated profit.

Assets subject to finance lease are depreciated on the same basis as owned assets.

2.7 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

2.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks.

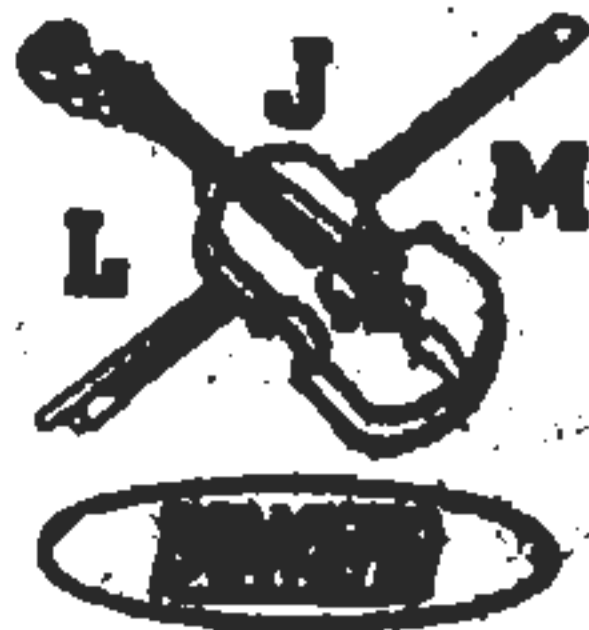
2.9 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

Other particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments

2.10 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**2.11 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

2.12 Taxation

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available if any or minimum taxation at the rate of one-half percent of the turnover whichever is higher. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

2.13 Foreign Currencies

Transactions in currencies other than Pakistani Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

2.14 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

2.15 Investment Property

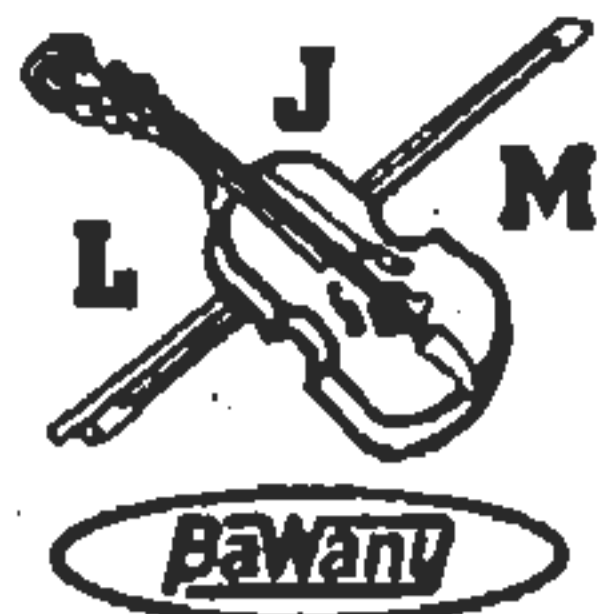
Investment property comprises freehold and leasehold properties that are held to earn rentals or for capital appreciation or both. It is stated at fair value using Fair Value Model. Rental income from investment property is recognised through profit and loss accounts.

Any gain or losses arising from change in the fair value of investment property is recognised in profit or loss for the period in which it arises.

Transfers are under to investment property when, and only when, there is change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfer are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

2.16 Critical judgments and accounting estimates in applying the accounting policies

In the process of applying the company's accounting policies, the management has not identified any area where critical judgments have been exercised which have significant impact on the financial statements. Further, there are no key assumptions concerning the future and other key sources of estimating uncertainty at the balance sheet date that have significant risks of causing a material adjustment within the next financial year.



3 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			2009 Rupees	2008 Rupees
2009 No. of Shares	2008 No. of Shares			
2,940,000	2,940,000	Ordinary shares of Rs.10/- each fully paid in cash	29,400,000	29,400,000
617,400	617,400	As bonus shares	6,174,000	6,174,000
<u>3,557,400</u>	<u>3,557,400</u>		<u>35,574,000</u>	<u>35,574,000</u>

4 LOAN FROM ASSOCIATES

Unsecured - Interest free From related parties	<u>23,139,553</u>	<u>24,169,553</u>
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These represent loans from related parties not payable before June 30, 2010

5 TRADE AND OTHER PAYABLES

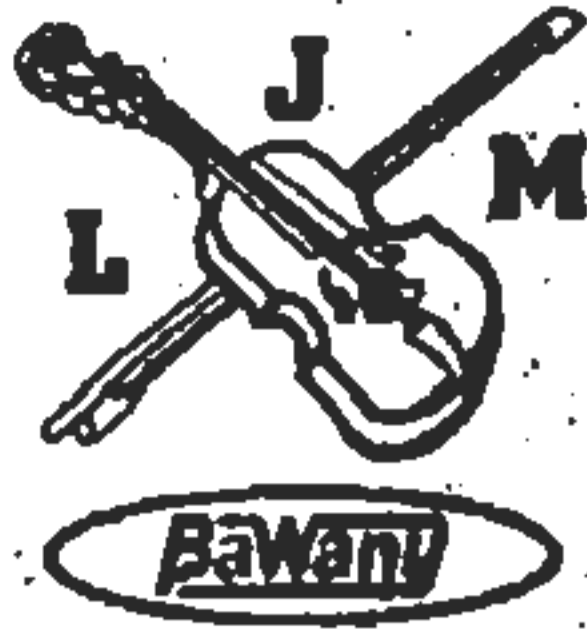
Creditors	2,000	5,952
Accrued liabilities	214,450	1,247,358
Sales tax payable	137,424	610,843
Workers' profit participation fund	241,979	241,979
	<u>595,853</u>	<u>2,102,180</u>

6 CONTINGENCIES

6.1 Investigation under section 265 of the Companies Ordinance, 1984 were carried out during the year by Director (enforcement) SECP as per investigation order dated march 28, 2005. The inspector has not yet provided the company with copy of its report. The company believe that it has been able to satisfy the inspector and there is no likelihood of any adverse action. No provision has been made in these financial statement in these report.

7 INVESTMENT PROPERTY

Opening balance as at July 01, 2008	62,764,500	62,764,500
Gain on remeasurement at fair value	26,196,000	-
Closing balance as at June 30, 2009	<u>88,960,500</u>	<u>62,764,000</u>

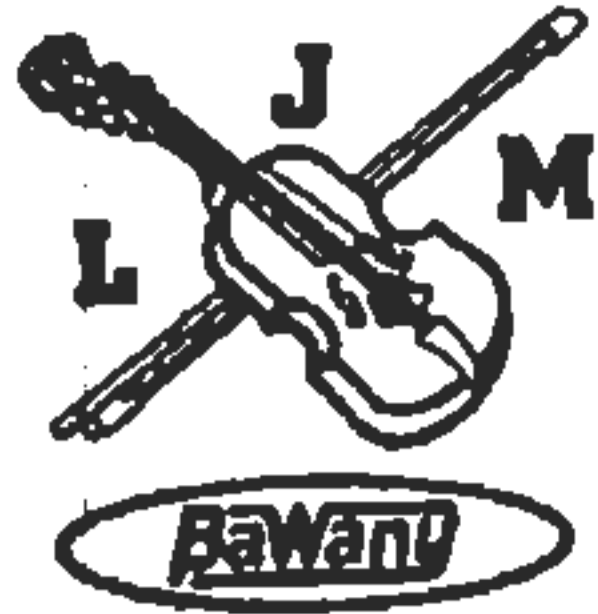


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The fair value of subject investment property is based on valuation carried out M/s. Surval Consulting Engineers, an independent valuer as on June, 30, 2009 and includes fair value of free hold land Rs. 22,625,700 2008: Rs. 10,837,500 (Reference Surval Certificate No. SK/PP/2009/RR/2398) and building on free hold land Rs. 66,334,300 (2008: Rs. 51,926,500) The valuer determined the fair value of Rs. 88,960,000 the effect of which has been incorporated in the financial statement.

	2009 Rupees	2008 Rupees
8 LONG TERM DEPOSITS		
CDC Deposits	12,500	12,500
KESE Deposits	261,780	261,780
	274,280	274,280
9 SHORT-TERM PREPAYMENTS		
Short-term prepayments		6,280
10 CASH AND BANK BALANCES		
Cash at bank - in current accounts	154,420	18,941
Cash in hand	36,506	19,517
	190,926	38,458
11 RENTAL INCOME		
Rent received from investment property	4,725,284	3,460,617
12 ADMINISTRATIVE EXPENSES		
Directors remuneration	18. 360,000	360,000
Meeting fee	3,500	3,500
Salaries, wages and benefits	988,660	1,141,367
Electricity, gas and water	92,868	100,953
Repairs and maintenance	1,165,884	763,848
Rent, rates and taxes	156,506	81,000
Traveling and entertainment	56,659	48,430
Communications	10,126	10,875
Printing and stationery	27,179	26,239
Auditors' remuneration	75,000	40,000
Legal and professional charges	12.1 75,000	75,000
Advertising	19,663	8,696
Fees and subscriptions	61,475	24,125
Balances written off	5,500	89,226
Other expenses	68,692	21,979
	3,166,712	2,795,238



12.1 Auditor's remuneration

Annual Audit fee

**2009
Rupees**

**2008
Rupees**

75,000

40,000

75,000

40,000

13 FINANCE COST

Bank charges and commission

1,981

1,558

14 OTHER INCOME

Gain on remeasurement of Investment Property
Sale of scrap
Balances written back

26,196,000

-

1,195,316

115,900
655,066

27,391,316

770,966

15 TAXATION

Current
Prior years

236,264

173,031

(76,889)

11,200

159,375

184,231

15.1 Relationship between tax expense and accounting profit

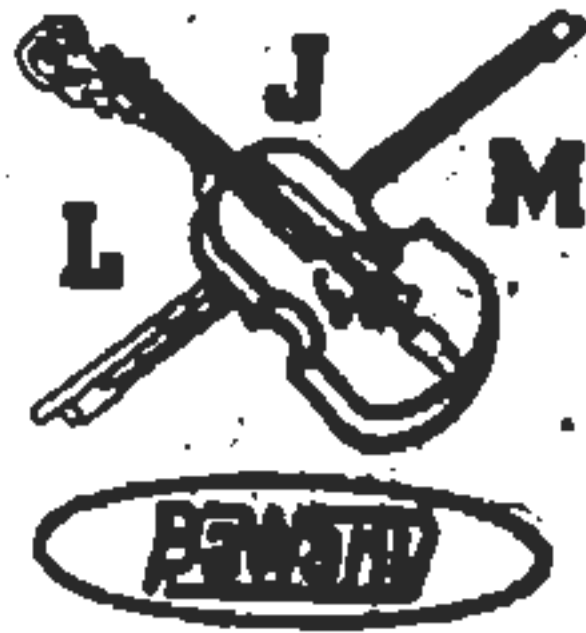
The relationship between tax expense and accounting profit has not been presented in these financial statements as the total income of the company attracts minimum tax under section 113 of the Income Tax Ordinance, 2001.

16 EARNING PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data: -

Net profit after tax	<u>28,788,532</u>	<u>1,250,556</u>
	(Number of Shares)	
Weighted average number of ordinary shares	<u>3,557,400</u>	<u>3,557,400</u>
	(Rupees)	
Basic and diluted earnings per share	<u>8.09</u>	<u>0.35</u>

There is no diluted affect on the basic eaming per share of the Company as the Company has no such commitments.



17. FINANCIAL INSTRUMENTS

17.1 Interest / mark-up rate risk management

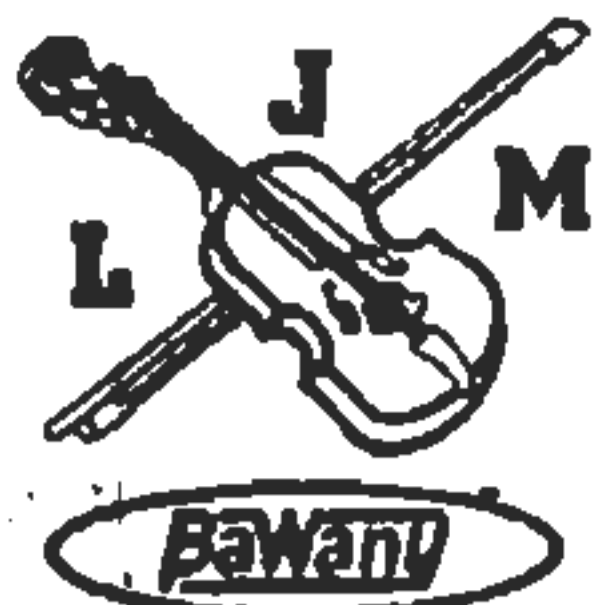
Interest / mark-up rate risk arise from the possibility that changes in interest / mark-up rates will affect the value of financial instruments.

	<i>Interest / markup bearing</i>		<i>Non-Interest / markup</i>		2009	2008
	<i>Maturity up to one year</i>	<i>Maturity after one year but not more than five year</i>	<i>Maturity up to one year</i>	<i>Maturity after one year but not more than five year</i>		
Financial assets						
Trade deposits	-	-	274,280	-	274,280	274,280
Cash and bank balances	-	-	190,926	-	190,926	38,458
			<u>465,206</u>	<u>-</u>	<u>465,206</u>	<u>312,738</u>
Financial liabilities						
Rent security deposit	-	-	-	26,272	-	104,544
Trade and other payables	-	-	595,853	-	595,853	2,102,180
Short - term borrowings	-	-	23,139,553	-	23,139,553	25,169,553
			<u>23,735,406</u>	<u>26,272</u>	<u>23,735,406</u>	<u>27,376,277</u>

17.2 The effective interest / mark up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

17.3 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of Rs.0.469 million (2008 : Rs.0.0.312) million, the financial assets which are subject to credit risk amounted to Rs.0.274 million (2008 : Rs.0.274) million.



17.4 Liquidity risk

Liquidity risk reflects the company's inability in raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

17.5 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The company is not exposed to any significant foreign currency risk.

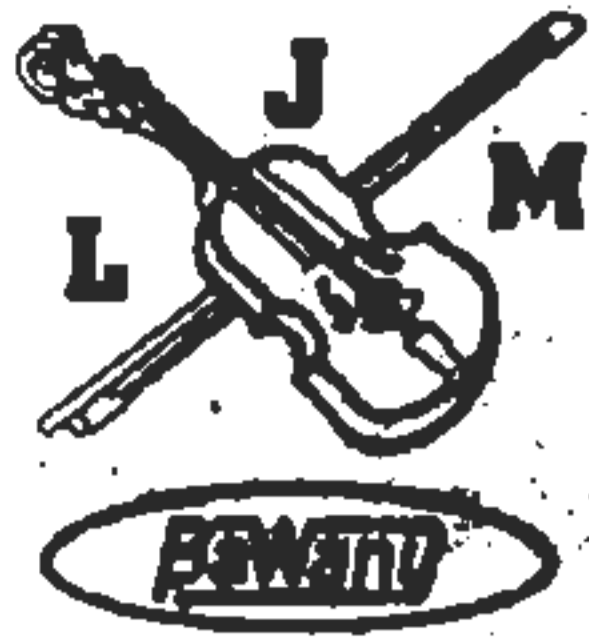
17.6 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**18 REMUNERATION OF CHIEF EXECUTIVE,
DIRECTORS AND EXECUTIVES**

	<i>Chief Executive</i>		<i>Directors</i>		<i>Total</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
Remuneration	300,000	300,000	60,000	60,000	360,000	360,000
	<u>300,000</u>	<u>300,000</u>	<u>60,000</u>	<u>60,000</u>	<u>360,000</u>	<u>360,000</u>
Number of persons	1	1	1	1	2	2

**19 TRANSACTION WITH RELATED PARTIES**

The related parties comprise associated undertakings, related group companies, directors of the company and key management personnel. The company in the normal course of business carries out transactions with various related parties. Amounts due to related parties are shown under short term borrowings (Note 6) and remuneration of directors and key management personnel are disclosed in Note 18. Other significant transactions with related parties are as follows: -

<i>Relationship with the Company</i>	<i>Nature of Transactions</i>	<i>2009 Rupees</i>	<i>2008 Rupees</i>
Associated undertakings	Loans repaid to associated undertakings	(1,030,000)	(335,000)
	Loan obtained from associate	-	1,075,000

20 DATE OF AUTHORISATION FOR ISSUE

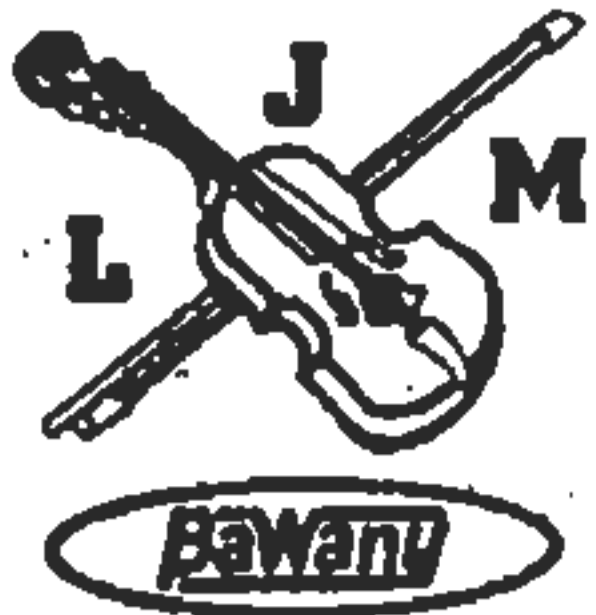
These financial statements were authorised for issue on 14-09-2009 by the Board of Directors of the Company.

21 GENERAL

Figures have been rounded off to the nearest rupee.

M. TARIQ BAWANY
Chief Executive

MOHAMMAD ARIF M. AHMED
DIRECTOR

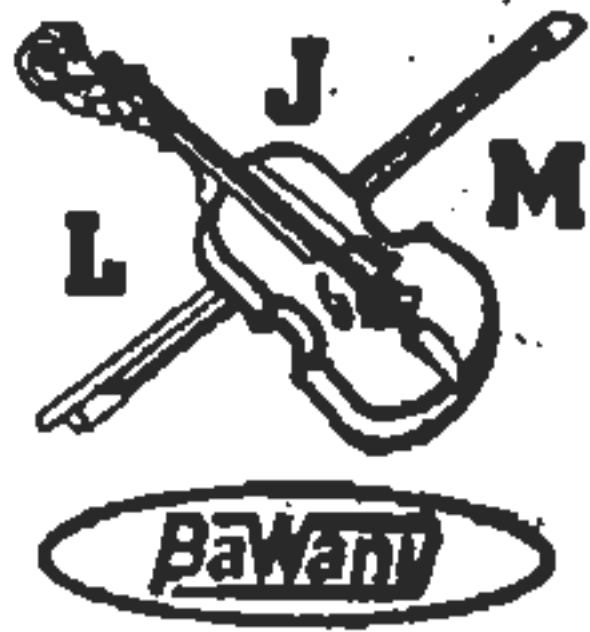


PATTERN OF SHAREHOLDING AS AT JUNE 30, 2009

No. of Shareholders	Size of Holding of Shares of Rs. 10/= each		Total Shares Held	Percentage
	From	To		
336	0001	0200	33343	0.9373
93	0201	0500	29782	0.8372
27	0501	1000	20053	0.5637
24	1001	2000	32775	0.9213
5	2001	3000	11059	0.3109
1	3001	4000	3025	0.0850
2	4001	5000	9235	0.2596
9	5001	10000	69009	1.9399
1	10001	20000	16940	0.4762
2	20001	30000	49263	1.3848
2	30001	40000	74051	2.0816
3	40001	50000	132678	3.7296
4	50001	75000	236896	6.6592
1	75001	100000	84458	2.3741
3	100001	150000	349733	9.8311
4	150001	250000	867280	24.3796
1	250001	350000	348195	9.7879
1	CDC A/C Various Holders		1189625	33.4409
519			3557400	100.0000

Detail of Pattern of Shareholding as per requirement of Code of Corporate Governance.

Categories of Shareholders	No. of Share Holders	No. of Shares held
Associated Companies		
AAL Bawanys Pvt. Ltd.	1	186,510
Ebrahimyan Co. Pvt. Ltd.	1	348,195
NIT	Nil	Nil
ICP	1	7,300
ICP A/c Holder	8	376
Directors, Chief Executives and their spouse		
Mr. M. Tariq Bawany Chief Executive (CDC 103500)	1	127,193
Mr. Arif S. Gazi Director	1	8,470
Mr. Arif Yousuf Jaliawala Director	1	1,596
Mr. Mohammad Arif Dalia Director & Secretary	1	1,169
Mr. M. Arif S/o. M. Ahmed Director	1	500
Mr. M. Taufiq S/o. M. Moosa Director	1	500
Mr. M. Danish S/o. M. Amin Director	1	102,540
	18	784,349



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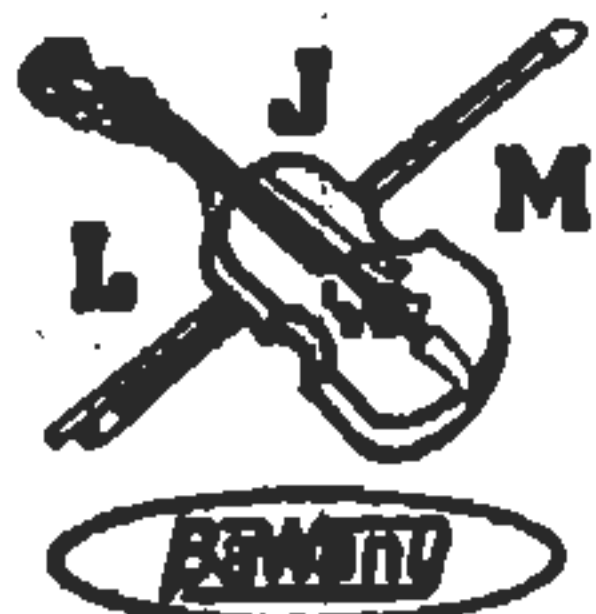
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Name	Members	Shares
INVESTMENT COMPANIES		
Investment Corporation of Pakistan	1	7,300
ICP A/c. Holders	8	376
JOINT STOCK COMPANIES		
Mirpur Khas Sugar Mills Ltd.	1	2,000
Starlite Co. Pvt. Ltd.	1	5,000
Ebrahimyan Co. Pvt. Ltd.	1	348,195
AAL Bawany Pvt. Ltd. (Formerly Bawany Pvt. Ltd.)	1	186,510
Al-Latifi Pvt. Ltd.	1	120,000
FOUNDATIONS		
Al-Rehman Foundation	1	246,074
AAL Bawany Foundation	1	247,989
MODARABA		
1st UDL Modaraba	1	121
CDC A/c. Various Holders	1	1,189,625
DIRECTORS CHIEF EXECUTIVES AND THEIR SPOUSES		
	7	241,968
INDIVIDUALS		
	494	962,242
	519	3,557,400

Shares transacted by the Chief Executive, Directors, Executives & their spouses and minor children from July 01, 2007 to June 30, 2008 in the shares of the Company

Name	Designation	No. of Shares purchased	No. of Shares sold
Mr. M. Tariq Bawany	Chief Executive	NIL	NIL

Shareholders Catagory	No. of Members	No. of Share	Percentage
Individuals	494	962,242	27.0490
Investment Companies	9	7,676	0.2158
Joint Stock Companies	5	661,705	18.6008
Modaraba Companies	1	121	0.0034
Others			
Charitable Institutions	1	247,989	6.9711
Foundations			
Al-Rehman Foundation	1	246,074	6.9172
CDC A/c Various	1	1,189,625	33.4409
Directors Chief Executive and their spouses	7	241,968	6.8018
	519	3,557,400	100.0000



FORM OF PROXY

The Directors
LATIF JUTE MILLS, LIMITED
City, Office,
Plot # 18/3, Grond Floor, Mehran VIP Complex,
Dr. Dawood Pota Road, Near Cantt Station,
Karachi.

Please quote Folio No.

No. of Shares _____

I/We _____

of _____

member(s) of LATIF JUTE MILLS LIMITED do hereby appoint _____

of _____

(or failing him) _____

of _____

Who is also a member of the Company as a proxy to vote on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Monday October 19, 2009 and at any adjournment thereof.

Signed this..... day of October 2009

Witness _____

**Signature Across
Revenue Stamp**

IMPORTANT : Instruments of Proxy will not be considered as valid unless they are deposited at the Company's city office at least 48 hours before the time of holding the Meeting.

THE HISTORY OF THE

REIGN OF

CHARLES THE FIRST

BY

JOHN BURNET

OF

SCOTLAND

IN

SEVEN VOLUMES

THE SECOND

VOLUME