

# ***SAJJAD TEXTILE MILLS LIMITED***

***HALF YEARLY REPORT***

***DECEMBER 31, 2018***

**(Un-audited)**

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







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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Muhammad Asim Sajjad - Chief Executive  
 Mrs. Seema Sajjad - Chairperson  
 Mr. Salman Muhammad Aslam  
 Mrs. Ayesha Rahim  
 Miss Batool Zahra  
 Mr. Mehr Allah Yar  
 Mr. Maqsood Akbar

### **CHIEF FINANCIAL OFFICER**

Mr. Irfan Hamid

### **COMPANY SECRETARY**

Mr. Abdul Latif

### **AUDITORS**

M/s. Iqbal Yasir & Company,  
 Chartered Accountants

### **AUDIT COMMITTEE**

Mr. Maqsood Akbar - Chairman  
 Mr. Mehr Allah Yar - Member  
 Miss Batool Zahra - Member

### **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

Mr. Salman Muhammad Aslam – Chairman  
 Mr. Mehr Allah Yar - Member  
 Mrs. Seema Sajjad - Member  
 Mrs. Ayesha Rahim - Member

### **BANKERS**

Askari Bank Limited  
 Habib Bank Limited  
 Bank Alfalah Limited  
 Habib Metropolitan Bank Limited

### **COMPANY SHARE REGISTRARS**

Hameed Majeed Associates (Pvt) Ltd.

1st Floor, H.M. House,  
 7 - Bank Square, Lahore  
 TEL: 042-37235081-82  
 FAX: 042-37358817  
 e-mail: shares@hmaconsultants.com

### **REGISTERED OFFICE**

19-B, Off. Zafar Ali Road,  
 Gulberg-V, Lahore.  
 Tel: 042-35775501 & 02  
 Fax: 042-35711526  
 E-Mail: Info@sajjadtextile.com

### **MILLS ADDRESS**

64-KM, Multan Road, Jumber Kalan  
 Tehsil Chunian  
 District Kasur.  
 Tel: 04951-388102

**SAJJAD TEXTILE MILLS LIMITED****DIRECTORS' REPORT**

Dear Shareholders,  
Assalam-o-Alaikum,

The Directors are pleased to present the reviewed financial statements for the Half Year ended December 31, 2018.

**Financial Results**

The financial results are as under:

	<b>Oct, - Dec., 2018</b>	<b>July - Dec., 2018</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Sales - Net	-	-
Cost of Sales	-	-
Gross Profit/( Loss)	-	-
Loss Before Taxation	(8,738,784)	(19,048,405)
Loss After Taxation	(9,446,369)	(19,945,279)

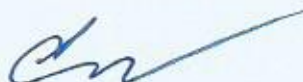
The Company incurred before tax loss of Rs. (8.739) million Rs. (19.048) million for the 2<sup>nd</sup> quarter and half year ended December 31, 2018 respectively, as against before tax loss of Rs. (20.64) million and Rs. (44.08) million for the corresponding periods last year.

**Earnings/ (Loss) per share**

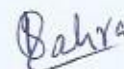
Loss after tax per share was Rs. (0.44) and Rs. (0.94) for the 2<sup>nd</sup> quarter and half year ended December 31, 2018 respectively, as against per share loss of Rs. (0.97) and Rs. (2.07) for the corresponding periods last year.

The manufacturing operations of the Company remained suspended during the period as per intimation sent to Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan on September 22, 2016. The Company obtained approval of its Members in the Extraordinary General Meeting held on February 18, 2019 to dispose off the land, building and other assets of the Company and to utilize their sale proceeds partially to meet the pressing liabilities of the Company and the remaining amount in trading activities along with the amount generated on account of renting/letting out of the Company's premises as permissible under the Memorandum of Association of the Company. An advertisement inviting tenders from prospective buyers of Land, Building and other assets was published and few prospective buyers have shown interest in the purchase of aforesaid assets and are being presently considered by the Company. All the relevant details with respect to disposal of assets including book value of assets sold, sale proceeds, gain/(loss) on disposal and utilization of sale proceeds along with book value of remaining assets to be sold are attached with this report.

For and on behalf of the Board



**Chief Executive Officer**



**Director**

27th February, 2019  
Lahore.



**SAJJAD TEXTILE MILLS LIMITED****Sale of Assets Detail as per SRO 1227(I)/2005****for the period 3rd Quarter ended: 31 December, 2018**

Sr. No.	SALE DATE	PARTICULARS OF ASSETS (MACHINERY)	QTY.	SALES AMOUNT	BUYING PARTY'S NAME
1	13-Apr-2017	Draw Frames-RSB D-22 (2013-+2015)	2	12,000,000	Asher Imran Spinning Mills
2	18-Apr-2017	Draw Frames-DYH 500C	3	900,000	Waqas Rafiq International
3	20-Apr-2017	Blowroom One Line Complete Set	1	2,900,000	Crescent Cotton Mills Ltd
4	20-Apr-2017	Dust Filter Plant	2	2,500,000	Crescent Cotton Mills Ltd
5	25-Apr-2017	Cone Winding-Murata 7-II	2	1,200,000	Anwar Spinning Mills Ltd
6	03-May-2017	Cone Winding-Murata 7-II	1	600,000	Combine Spinning Pvt. Ltd.
7	05-May-2017	Bale Breaker GBR1000-Complete Set	1	1,400,000	Shahzad Textile Mills Ltd.
8	05-May-2017	Draw Frames-DYH 500C	2	600,000	Shahzad Textile Mills Ltd.
9	11-May-2017	Murata Japan 7-II, Cone Winding	1	563,025	Anjum Tariq, Faisalabad
10	19-May-2017	Mono Axial Flow Opener, Multimixer & Dustex DX	3	1,000,000	Waqas Rafiq International
11	22-May-2017	Murata Japan 7-II, Cone Winding	1	563,025	Zeeshan Traders
12	24-May-2017	Schlafhorst 338-RM, Cone Winding	3	11,400,000	Crescent Cotton Mills Ltd
13	26-May-2017	EJM 1008 Ring Frame	1	210,882	Anjum Mehtab
14	16-Jun-2017	Used/ Damaged Cans & Bobbins	1 Lot	300,000	Crescent Cotton Mills Ltd
15	17-Jun-2017	Blendomat BDT-019, Auto Plucker FA-002, Krishner Beater RV	1 Lot	1,450,000	Crescent Cotton Mills Ltd
16	07-Jul-2017	Card Machines DK - 740 with FBK-533 feeder	4	1,560,000	Ideal Trading Co.
17	25-Jul-2017	Drawing Machine RSB D-22	1	6,800,000	Kohat Textile Mills Limited
18	27-Jul-2017	Laboratory Equipments	1 Lot	363,000	Crescent Cotton Mills Ltd
19	27-Jul-2017	Stores & Spare Parts	1 Lot	2,400,000	Crescent Cotton Mills Ltd
20	07-Aug-2017	Air Conditioned Plant - Luwa Switzerland	1	1,500,000	Zeeshan Traders
21	12-Aug-2017	Card Machines DK - 740 with FBK-533 feeder	6	2,340,000	Ideal Trading Co.
22	19-Aug-2017	Card Machines DK - 740 with FBK-533 feeder	12	4,680,000	Ideal Trading Co.
23	20-Aug-2017	Card Machines DK - 740 with FBK-533 feeder	2	780,000	Ideal Trading Co.
24	28-Aug-2017	Simplex FL16 Machine - 120 Spindles	1	1,378,000	National Spinning Mills
25	29-Aug-2017	Compressors: Comp Air L-22, SANCO VS-15C & Meiji SO-15C	5	275,000	Bahoo Cotton Corporation
26	29-Aug-2017	Lab. Equipments: Lee Strength Tester and Fibro Graph etc.	2	325,000	Bahoo Cotton Corporation
27	09-Sep-2017	Ring Frames RY-5 Toyoda Japan - 960 Spindles each	2	1,600,000	Qadri Textile Mills Ltd.
27	06-Oct-2017	Ring Frames RY-5 Toyoda Japan - 960 Spindles each	2	1,600,000	Qadri Textile Mills Ltd.
28	13-Sep-2017	Simplex FL16 Machine - 120 Spindles	4	5,385,283	Gulf Tex Machines
29	19-Oct-2017	Compressor L-55 with Air Dryer SD-0850A	1	725,000	ACT Air Compressor Tech.
30	16-Nov-2017	Ring Frame RY-5 Japan 960 spindles each	2	1,200,000	Ideal Trading Co.
31	17-Nov-2017	Drawing Frames Toyoda Japan DYH-2C	2	84,000	Mr. Muhammad Nawaz
32	22-Nov-2017	Simplex Roving Frames Huwa RME 93	2	1,400,000	Beacon Impex
33	05-Dec-2017	Ring Frame RY-5 Japan 960 spindles each	4	2,400,000	Ideal Trading Co.
34	07-Dec-2017	Ring Frames EJM-168	3	2,100,000	Crescent Cotton Mills Ltd
35	13-Dec-2017	Ring Frame RY-5 Japan 960 spindles each	2	1,200,000	Ideal Trading Co.
36	26-Dec-2017	Ring Frame RY-5 Japan 960 spindles each	4	2,400,000	Ideal Trading Co.
37	27-Dec-2017	Roving Frame Simplex FL-100 Toyoda Japan	1	2,500,000	Al-Nasr Textile Limited
38	03-Jan-2018	Ring Frames EJM-168	2	1,200,000	Ulfat textile Mills (Pvt) Ltd
39	05-Jan-2018	Draw Frames-DYH 500C	3	300,000	The Lahore Textile & Gen. Mills
40	16-Jan-2018	Ring Frames EJM-168	1	600,000	Ulfat textile Mills (Pvt) Ltd
41	10-Feb-2018	Draw Frames-DYH 500C	2	200,000	Ideal Trading Co.
42	02-Apr-2018	Ring Frame EJM-168	2	800,000	Nagra Spinning Mills (Pvt) Ltd.
43	04-Apr-2018	Workshop Equipments	1 Lot	134,500	Mr. Muhammad Pervaiz
<b>TOTAL</b>				<b>85,816,715</b>	



**SAJJAD TEXTILE MILLS LIMITED****Plant & Machinery's Disposal and Funds Utilization Upto 31 December, 2018**

Sr. No.	DESCRIPTION	COST/ REVALUED FIGURE	WRITTEN DOWN (BOOK) VALUE	SALE PROCEEDS (upto 30 June, 2017)	SALE PROCEEDS (01 July, 2017 - 30 June, 2018)	TOTAL SALE PROCEEDS (upto 30 September, 2018)	REMAINING ASSETS' BOOK VALUE (30 September, 2018)	GAIN / (LOSS) (upto 31 December, 2018)	REMARKS
1	P & M- Blow Room	5,625,000	5,484,375	6,750,000	-	6,750,000	-	1,265,625	COMPLETE SOLD
2	P & M- Drawing Machine	21,150,000	20,782,500	13,500,000	7,384,000	20,884,000	-	101,500	COMPLETE SOLD
3	P & M- Card Machine	14,400,000	14,268,750	-	9,360,000	9,360,000	-	(4,908,750)	COMPLETE SOLD
4	P & M- Drawing Simplex Frames	10,758,082	10,650,112	-	10,663,283	10,663,283	-	13,171	COMPLETE SOLD
5	P & M- Ring Spinning Frames	25,041,000	24,709,025	2,810,882	12,500,000	15,310,882	-	(9,398,143)	COMPLETE SOLD
6	P & M- Auto Cone Winder	14,250,000	13,893,750	14,326,050	-	14,326,050	-	432,300	COMPLETE SOLD
7	P & M- Air Conditioning and	4,125,000	4,071,875	2,500,000	1,500,000	4,000,000	-	(71,875)	COMPLETE SOLD
8	P & M- Laboratory Equipments	675,000	658,125	-	688,000	688,000	-	29,875	COMPLETE SOLD
9	P & M- Workshop Equipments, Spare Parts	130,000	126,750	-	134,500	134,500	-	7,750	COMPLETE SOLD
10	P & M- Compressor	1,020,000	994,500	-	1,000,000	1,000,000	-	5,500	COMPLETE SOLD
11	Store and Spares	4,988,552	4,988,552	300,000	2,400,000	2,700,000	-	(2,288,552)	COMPLETE SOLD
12	Transformer & Electrification	7,500,000	7,312,500	-	-	-	7,312,500	-	NOT SOLD

**HELD FOR SALE AFTER APPROVAL IN EOGM HELD ON FEBRUARY 18, 2019**

13	Free hold Land	86,500,000	86,500,000	-	-	-	86,500,000	-	NOT SOLD
14	Buildings (Production Hall, Godowns and Colony)	96,945,804	70,549,480	-	-	-	70,549,480	-	NOT SOLD
15	Other related Assets	20,141,187	10,987,505	-	-	-	10,987,505	-	NOT SOLD
	<b>TOTAL</b>	<b>313,249,625</b>	<b>275,977,798</b>	<b>40,186,932</b>	<b>45,629,783</b>	<b>85,816,715</b>	<b>175,349,484</b>	<b>(14,811,599)</b>	

**Utilization of Funds Detail**

Sr. No	PAYMENTS DETAIL	AMOUNT (Rs.)
1	Creditors and Other Payables	42,056,695
2	Salaries & Wages	18,174,367
3	Electricity/ Gas / Utilities Bills	3,610,468
4	Repair & Maint./Travelling/Conveyance/Legal & Professional/ Fees/ Advertisement/ Repair & Maintenance/ Postage/ Printing & Stationery/ Other Expenses/ Insurance & Taxes	11,581,241
6	Sponsor Loan Repayment	5,650,000
7	Investment in Al-Meezan Funds & NAFA Stock Funds	4,743,944
	<b>TOTAL</b>	<b>85,816,715</b>

## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،  
السلام علیکم،

ڈائریکٹرز 31 دسمبر، 2018 دوسری سہ ماہی اور نصف سال کے اختتام پر کمپنی کا (ڈائریکٹرز کے محدود جائزہ پر مشتمل) مالیاتی جائزہ آپ کو پیش کرتے ہیں

مالیاتی نتائج  
مالیاتی نتائج حسب ذیل ہیں:

Jul. - Dec. 2018 (Rupees)	Oct. - Dec., 2018 (Rupees)	
-	-	سیلز - نیٹ
-	-	فروخت کی مالیت
-	-	مجموعی نقصان کے
(19,048,405)	(8,738,784)	قبل از ٹیکسیشن نقصان
(19,945,279)	(9,446,369)	ٹیکسیشن کے بعد نقصان

کمپنی کا قبل از ٹیکس نقصان (8.739) ملین روپے اور (19.048) ملین روپے بالترتیب برائے زیر بحث دوسری سہ ماہی اور نصف سال میں ہوا جبکہ گزشتہ سال اسی مدت میں کمپنی کا قبل از ٹیکس نقصان بالترتیب (20.636) ملین روپے اور (44.079) ملین روپے رہا۔

کمپنی کا بعد از ٹیکس نقصان فی حصص (0.44) روپے اور (0.94) روپے بالترتیب برائے زیر بحث دوسری سہ ماہی اور نصف سال میں رہا جبکہ گزشتہ سال اسی مدت میں کمپنی کا بعد از ٹیکس نقصان فی حصص بالترتیب (0.97) روپے اور (2.07) روپے رہا۔

کمپنی کی مینوفیکچرنگ آپریشنز کے nd2 کی سہ ماہی میں 31 دسمبر، 2018 کے، ستمبر 22، 2016 پر پاکستان اسٹاک ایکسچینج اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو بھیجے اطلاع کے مطابق دوران معطل رہے۔ 18 فروری، 2019 کو منعقد غیر معمولی جنرل اجلاس میں اراکین نے کمپنی کی زمین، بلڈنگ اور کمپنی کے دیگر اثاثوں کو فروخت کرنے اور متبادل کاروباری منصوبہ کو نافذ کرنے کے ذریعے کمپنی کی بحالی کی منظوری دے دی۔ زمین، بلڈنگ اور دیگر اثاثوں کے ممکنہ خریداروں کو مدعو کرنے کے لئے ایک اشتہار شائع کیا گیا ہے۔ پلانٹ اور مشینری کی فروخت اور تصرف کا مالیاتی جائزہ آپ کو پیش کیا جا رہا ہے۔

ڈائریکٹرز کمپنی کے ایگزیکٹوز، اسٹاف اور کارکنوں کی لگن اور محنت کے لئے ان کی تہ دل سے تعریف کرتے ہیں۔

برائے اور بحکم بورڈ

ڈائریکٹر

محمد عاصم سجاد  
چیف ایگزیکٹو آفیسر  
27 فروری، 2019  
لاہور





# **IQBAL YASIR & COMPANY**

CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of **SAJJAD TEXTILE MILLS LIMITED**

Report on review of Interim Financial Statements for the period ended **December 31, 2018**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Sajjad Textile Mills Limited** (the Company) as at **December 31, 2018** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and condensed interim notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and statement of comprehensive income for the three months period ended 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2018.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Emphasis of matter**

We draw attention to note 1.2 to the interim financial statements which indicates that the company has suspended its operations and intends to dispose of its entire assets to settle liabilities and to initiate new business, the company has accumulated losses of Rs. 581.49 million and the current liabilities of the company have exceeded its current assets by Rs. 456.5 million. Further, the company has a negative equity balance of Rs. 243.29 million. These factors, along with other matters as set forth in the said note indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Our report is not qualified in respect of this matter.





# IQBAL YASIR & COMPANY

CHARTERED ACCOUNTANTS

## Other matter

The condensed interim financial statements for the half year ended December 31, 2017 and financial statements for the year ended June 30, 2018 were reviewed and audited by Mudassar Ehtisham & Co., another firm of Chartered Accountants who expressed an unmodified conclusion and opinion thereon vide their reports dated February 26, 2018 and October 01, 2018 respectively. However, their reports contained an emphasis of matter paragraph and material uncertainty related to going concern paragraph with regard to going concern assumption.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Yasir Riaz**.

Signature: IQBAL YASIR RIAZ

Lahore.

Date: February 26, 2019



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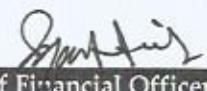


**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

	Note	Unaudited 31- Dec-18	Audited 30- Jun-18
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	8,739,775	9,199,763
Long term deposits		11,826,813	11,826,813
Available for sale investments	5	3,342,285	3,806,462
Deferred tax asset	6	-	-
		23,908,873	24,833,038
<b>Current assets</b>			
Trade debts		-	-
Loans and advances		62,520	66,520
Trade deposits, prepayments and other receivables		23,252,094	24,904,233
Cash and bank balances		2,310,026	2,761,765
		25,624,640	27,732,518
Assets classified as held for sale	7	189,436,110	189,436,110
<b>Total assets</b>		<b>238,969,623</b>	<b>242,001,666</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital		300,000,000	300,000,000
30,000,000 Ordinary shares of Rs. 10 each.			
Issued, subscribed and paid up share capital	8	212,678,000	212,678,000
Revaluation reserves		127,010,314	127,010,314
Fair value loss on remeasurement of investments classified as available for sale		(1,496,462)	(1,032,285)
Accumulated losses		(581,489,795)	(561,544,516)
		(243,297,943)	(222,888,487)
<b>Non-current liabilities</b>			
Deferred liabilities		217,000	-
		217,000	-
<b>Current liabilities</b>			
Trade and other payables		75,178,441	70,933,558
Short term loan from directors and sponsors - unsecured		353,015,746	348,377,550
Unclaimed dividend		166,942	166,942
Accrued mark-up		52,333,002	44,742,542
Provision for taxation		1,356,435	669,561
		482,050,566	464,890,153
Contingencies and commitments	9	-	-
<b>Total equity and liabilities</b>		<b>238,969,623</b>	<b>242,001,666</b>

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
 Chief Executive

  
 Chief Financial Officer

  
 Director

**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Quarter ended		Six months ended	
	Unaudited 31- Dec-18	Unaudited 31- Dec-17	Unaudited 31- Dec-18	Unaudited 31- Dec-17
Note	----- Rupees -----			
Revenue - net	-	-	-	-
Cost of revenue	-	-	-	-
Gross profit	-	-	-	-
Selling and distribution expenses	-	-	-	-
Administrative expenses	(7,859,889)	(11,240,202)	(16,036,091)	(23,896,328)
	(7,859,889)	(11,240,202)	(16,036,091)	(23,896,328)
Operating loss	(7,859,889)	(11,240,202)	(16,036,091)	(23,896,328)
Other operating expenses	-	(6,991,750)	-	(14,835,319)
Other income	3,326,235	522,016	4,588,160	523,579
Finance cost	(4,205,130)	(2,925,748)	(7,600,474)	(5,871,314)
	(878,895)	(9,395,483)	(3,012,314)	(20,183,055)
Loss before tax	(8,738,784)	(20,635,685)	(19,048,405)	(44,079,383)
Taxation	(707,585)	-	(896,874)	-
Loss after tax	(9,446,369)	(20,635,685)	(19,945,279)	(44,079,383)
Earnings per share - basic	10 (0.44)	(0.97)	(0.94)	(2.07)

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director



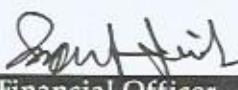
**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Quarter ended		Six months ended	
	Unaudited 31-Dec-18	Unaudited 31- Dec-17	Unaudited 31-Dec-18	Unaudited 31- Dec-17
	----- Rupees -----			
Loss after tax	(9,446,369)	(20,635,684)	(19,945,279)	(44,079,382)
Fair value loss on remeasurement of investments classified as available for sale	(374,294)	(230,014)	(464,177)	(469,993)
<b>Total comprehensive loss for the period</b>	<b>(9,820,663)</b>	<b>(20,865,698)</b>	<b>(20,409,456)</b>	<b>(44,549,375)</b>

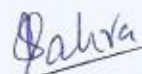
The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Unaudited 31- Dec-18	Unaudited 31- Dec-17
	----- Rupees -----	
Cash flows from operating activities		
Loss before tax	(19,048,405)	(44,079,382)
Adjustments for:		
- depreciation	459,988	2,649,195
- finance cost	7,600,474	5,871,314
- provision for staff retirement benefits	217,000	510,000
- loss on disposal of fixed assets	-	14,835,319
	8,277,462	23,865,829
Operating loss before working capital changes	(10,770,943)	(20,213,554)
Effect of working capital changes		
(Increase) / decrease in current assets		
Trade debts	-	(207,262)
Loans and advances	4,000	(1,367,351)
Trade deposits, prepayments and other receivables	1,652,139	(1,153,061)
Increase / (decrease) in current liabilities		
Trade and other payables	4,244,883	(17,374,702)
Cash used in operations	(4,869,921)	(40,315,930)
Staff gratuity paid	-	(792,930)
Interest paid	(10,014)	(15,230)
Income tax paid	(210,000)	(4,454,612)
	(220,014)	(5,262,772)
Net cash outflows from operating activities	(5,089,935)	(45,578,702)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(351,000)
Sale proceeds from disposal of fixed assets	-	51,266,792
Net cash inflows from investing activities	-	50,915,792
Cash flows from financing activities		
Short term loan from directors and sponsors - unsecured	4,638,196	(1,650,000)
Net cash inflows / (outflows) from financing activities	4,638,196	(1,650,000)
Net (decrease) / increase in cash and cash equivalents	(451,739)	3,687,090
Cash and cash equivalents at the beginning of the period	2,761,765	980,636
Cash and cash equivalents at end of the period	2,310,026	4,667,726

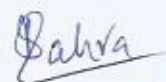
The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director



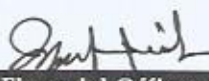
**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Issued, subscribed and paid up share capital	Revaluation reserves	Fair value loss on remeasurement of investments classified as available for sale	Accumulated losses	Total
	----- Rupees -----				
Balance as at July 01, 2017 (Audited)	212,678,000	128,041,735	(746,322)	(499,010,250)	(159,036,837)
Loss for the period	-	-	-	(44,079,382)	(44,079,382)
Other comprehensive income for the period	-	-	(469,993)	-	(469,993)
Revaluation surplus on account of incremental depreciation current period - net of deferred tax	-	(1,019,345)	-	1,019,345	-
<b>Balance as at December 31, 2017 (Unaudited)</b>	<b>212,678,000</b>	<b>127,022,390</b>	<b>(1,216,315)</b>	<b>(542,070,287)</b>	<b>(203,586,212)</b>
Balance as at July 01, 2018 (Audited)	212,678,000	127,010,314	(1,032,285)	(561,544,516)	(222,888,487)
Loss for the period	-	-	-	(19,945,279)	(19,945,279)
Other comprehensive income for the period	-	-	(464,177)	-	(464,177)
<b>Balance as at December 31, 2018 (Unaudited)</b>	<b>212,678,000</b>	<b>127,010,314</b>	<b>(1,496,462)</b>	<b>(581,489,795)</b>	<b>(243,297,943)</b>

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director



**SAJJAD TEXTILE MILLS LIMITED****CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS****FOR THE HALF YEAR ENDED DECEMBER 31, 2018****1 Company and its operations****1.1 Status and nature of business**

Sajjad Textile Mills Limited (the Company) was incorporated in Pakistan as a public limited Company on June 12, 1988 under the repealed Companies Ordinance, 1984 now Companies Act, 2017 and got listed on Pakistan Stock Exchange on December 31, 1990. The Company is principally engaged in manufacturing, selling, buying and dealing in all types of yarn. The registered office of the Company is situated at 19-B, Off Zafar Ali Road, Gulberg-V, Lahore. The manufacturing facility of the company is situated at 65 Km Multan Road, Jhambar Klan, Distt Kasur.

**1.2 Material uncertainty related to going concern**

The Company has suspended its operations and intends to dispose of its entire assets including land, building, plant & machinery and other assets to settle its liabilities and to initiate new business of trading/investing activities. At the balance sheet date the Company's accumulated losses stand at Rs. 581.49 million and a negative equity balance of Rs. 243.29 million and its current liabilities exceed its current assets by Rs. 456.50 million. Further, at present, there is new formal approved business plan for future periods as trading business of man made fibers (including but not limited to polyester, viscose and/or tencel), cotton, yarn and investment in listed securities. The management of the company is confident that the above actions and steps shall enable the company to attract revenue streams that will result in improved liquidity.

**2 Basis of preparation****2.1 Statement of compliance**

This condensed interim financial information is unaudited and has been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Companies Act, 2017. Approved accounting standards comprise of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Wherever, the requirements of the Companies Act, 2017 or directives issued by the Securities and Exchange Commission of Pakistan differs with the requirements of IAS 34, the requirements of the Companies Act, 2017 or the requirements of the said directives shall prevail.

**2.2 Critical accounting estimates and judgments**

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that apply to the financial statements for the year ended June 30, 2018.

**3 Summary of significant accounting policies**

**3.1** The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements for the year ended June 30, 2018.

**3.2** There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on January 1, 2019. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

**3.3** Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.





**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	Unaudited 31-Dec-18	Audited 30- Jun-18
		----- Rupees -----	
<b>4 Property, plant and equipment</b>			
Tangible operating fixed assets - at net book value	4.1	8,739,775	9,199,763
		<u>8,739,775</u>	<u>9,199,763</u>
<b>4.1 Tangible operating fixed assets - at net book value</b>			
Description			
Opening net book value		9,199,763	22,082,068
Additions during the period / year			
Electric installations		-	351,000
Vehicles		-	2,857,500
		-	3,208,500
Disposals during the period / year			
Vehicles		-	(5,565,840)
		-	(5,565,840)
Transfers			
Assets classified as held for sale		-	(9,153,682)
		-	(9,153,682)
Depreciation charged thereon		(459,988)	(1,371,283)
Closing net book value		<u>8,739,775</u>	<u>9,199,763</u>

**5 Available for sale investments**

31-Dec-18	30-Jun-18	Name of Scripts	Unaudited 31-Dec-18		Audited 30-Jun-18	
No. of Shares / Units			Average Cost	Market Value	Average Cost	Market Value
			----- Rupees -----			
347	347	Allied Bank Ltd.	5,000	37,292	5,000	35,793
1,000	1,000	International Steels Ltd.	104,988	65,770	104,988	101,700
2,000	2,000	Pak Elektron Ltd.	122,319	49,800	122,319	70,920
1,000	1,000	Systems Ltd.	73,131	109,870	73,131	101,220
1,700	1,000	The General Tyre & Rubber Co.	184,330	137,411	184,330	166,200
2,000	2,000	The Hub Power Co. Ltd.	209,175	171,580	209,175	184,320
29,598	29,598	Al Meezan Islamic Fund	2,486,017	1,642,073	2,486,017	1,874,590
86,969	86,969	Nafa Stock Fund	1,653,788	1,128,489	1,653,788	1,271,719
<u>124,615</u>	<u>123,915</u>		<u>4,838,748</u>	<u>3,342,285</u>	<u>4,838,748</u>	<u>3,806,462</u>
Unrealised loss on re-measurement of investments classified as "available for sale"			(1,496,463)		(1,032,285)	
			<u>3,342,285</u>	<u>3,342,285</u>	<u>3,806,462</u>	<u>3,806,462</u>

**6 Deferred tax asset**

A deferred tax asset is recognized for unused tax losses and unused tax credits when it is probable that future taxable profits will be available. Since the company has not been in operation for the past few years and it is expected that there will be no taxable profits in foreseeable future to utilize such unused tax losses and unused tax credits, therefore, no deferred tax asset has been recognized in these financial statements.



**SAJJAD TEXTILE MILLS LIMITED****CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS****FOR THE HALF YEAR ENDED DECEMBER 31, 2018****7 Assets classified as held for sale**

Opening balance

Transfer during the period

Disposed during the period

Fair value adjustment

Unaudited 31-Dec-18	Audited 30-Jun-18
----- Rupees -----	

189,436,110	72,995,839
-	187,613,611
-	(65,683,339)
-	(5,490,002)
<b>189,436,110</b>	<b>189,436,110</b>

**8 Issued, subscribed and paid up share capital**

Unaudited 31-Dec-18	Audited 30-Jun-18	Unaudited 31-Dec-18	Audited 30-Jun-18
Number of shares		----- Rupees -----	

Ordinary shares of Rs. 10 each.

- Fully paid in cash

21,267,800	21,267,800	212,678,000	212,678,000
<b>21,267,800</b>	<b>21,267,800</b>	<b>212,678,000</b>	<b>212,678,000</b>

**9 Contingencies and commitments****Contingencies****9.1 Notice from taxation authorities**

The company has been selected for Sales Tax Audit u/s 25 of The Sales Tax Act, 1990 for the Tax Year 2016 and 2017. The proceedings under the said section are still open as at the date of statement of financial position.

The Deputy Commissioner Inland Revenue issued notice u/s 138(1) of the Income Tax Ordinance, 2001 to pay overdue tax payable amounting to Rs. 3,112,536/- for Tax Year 2014. The company has filed an appeal against the said case in Appellate Tribunal, the proceedings of which are still open as at the date of statement of financial position.

The Deputy Commissioner Inland Revenue issued notice u/s 48 of the Sales Tax Act, 1990 for recovery of sales tax amounting to Rs. 8,216,439/- and penalty of Rs. 410,822/- along with default surcharge (to be calculated at the time of deposit). The company has filed an appeal against the said notice in Appellate Tribunal, the proceedings of which are still open as at the date of statement of financial position.

**9.2 Pending litigations**

National Bank of Pakistan (NBP) has filed a suit against the Company amounting to Rs 206.12 million which has been challenged before the Honourable Lahore High Court. The proceeding of the case are pending in the court and an injunctive order has also been passed. No provision has been made in these financial statements for the said amount as the management of the Company, based on the advice of its legal counsel handling the subject case, is of the opinion that matter shall be settled in the Company's favour.

**9.3 Commitments**

There were no capital commitments as at the statement of financial position date.

**10 Earnings per share - basic (Unaudited)**

	Loss after tax		Total shares in issue		Earnings per share	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	----- Rupees -----		Number of shares		----- Rupees -----	
Earnings per share - basic	(19,945,279)	(44,079,382)	21,267,800	21,267,800	(0.94)	(2.07)
	<b>(19,945,279)</b>	<b>(44,079,382)</b>	<b>21,267,800</b>	<b>21,267,800</b>	<b>(0.94)</b>	<b>(2.07)</b>



**11 Financial risk management - objectives and policies****11.1 Financial risk factors**

The Company's activities expose it to a variety of financial risk including capital risk, credit risk, liquidity risk and market risk.

There have been no changes in the risk management policies during the period, consequently this condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements.

**11.2 Fair value of financial assets and liabilities**

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values.

**12 Transactions with related parties**

The related parties comprise of associated undertakings, related entities under common directorship and key management personnel.

Significant transactions with related parties are as follows:

Nature of relationship	Nature of transactions	Unaudited 31-Dec-18	Unaudited 31- Dec-17
		----- Rupees -----	
Directors / Sponsors	Loans advanced / (paid back) during the period	4,638,196	(1,650,000)
Directors / Sponsors	Mark-up cost on loan from directors and sponsors	7,590,460	5,856,084
		<u>12,228,656</u>	<u>4,206,084</u>

**13 Events after the reporting period**

There are no other significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

**14 Date of authorization for issue**

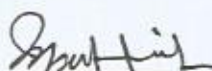
These financial statements have been approved and authorized for issue on February 27, 2019 by the Board of Directors of the company.

**15 General**

- Figures have been rounded off to the nearest rupee.
- In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual financial position of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.



Chief Executive



Chief Financial Officer



Director