

SAJJAD TEXTILE MILLS LTD.

**Quarterly Report
September 30, 2015
(Un-Audited)**










Company Information	3
Directors' Report	4
Balance Sheet	5
Profit & Loss Account	6
Statement of Comprehensive Income	7
Cash Flow Statement	8
Statement of Changes in Equity	9
Notes to the Accounts	10-11










**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

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. Sultan Mehmood

CFO/COMPANY SECRETARY

Mr. Irfan Hamid

AUDITORS

M/s. Mudassar Ehtisham & Co.
 Chartered Accountants

AUDIT COMMITTEE

Mr. Sultan Mehmood - 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

DIRECTORS' REPORT

Dear Shareholders,
Assalam-o-Alaikum,

The Directors are pleased to present the un-audited accounts for the first quarter ended September 30, 2015.

Financial Results

The financial results are as under:

	September 30, 2015 (Rupees)	September 30, 2014 (Rupees)
Sales - Net	306,320,703	276,184,307
Cost of Sales	(319,496,980)	262,351,185
Gross Profit/(Loss)	(13,176,277)	13,833,121
Profit/(Loss) Before Taxation	(29,007,768)	2,161,234
Profit/(Loss) After Taxation	(29,757,642)	1,610,465

The Company incurred before tax loss of Rs. (29.008) million for 1st quarter ended September 30, 2015 as against before tax profit of Rs. 2.161 million for the corresponding period last year.

Earnings/ (Loss) per share

Loss after tax per share was Rs. (1.40) for the 1st quarter then ended as against per share profit of Rs. 0.08 for the corresponding period last year.

The period under review proved to be difficult in terms of financial results. Although, the Management has successfully increased its production efficiency by installing new machinery in Card, Drawing and Ring Departments in the preceding quarter along with rationalization of related costs, the disparity between cotton and yarn rates, mainly attributable to unplanned influx of yarn from India, along with increased energy cost compensated the Management's efforts in terms of numbers.

Future Outlook:

We have been conscious of the issues that are affecting our profitability and are committed to plans to turn the Company into consistent long term profit earning entity by further strengthening our operations through proficient acumen, improving manufacturing processes and offering better services to our customers. The Management is ever poised in putting its best efforts to ensure continued growth, operational efficiency and optimum results for the Company and its valued stakeholders.

The Directors take opportunity to place on record their appreciation for the devotion and hard work of the Company's Executives, Staff and Workers.

For and on behalf of the Board

28th October, 2015
Lahore

MUHAMMAD ASIM SAJJAD
Chief Executive Officer

BALANCE SHEET (Un-audited)**AS AT SEPTEMBER 30, 2015**

	NOTE	September 30, 2015 (Rupees) (Un-audited)	JUNE 30, 2015 (Rupees) (Audited)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment		463,930,268	466,158,167
Long term deposits		11,368,938	11,368,938
		475,299,206	477,527,105
CURRENT ASSETS			
Stores and spares		14,893,792	15,773,514
Stock-in-trade		50,136,887	85,545,333
Trade debts		48,544,554	34,948,707
Loans and advances		7,723,462	6,128,390
Trade deposits, prepayments & other receivables		54,759,109	41,664,161
Financial asset		19,925	22,333
Cash and bank balances		25,437,449	19,657,625
		201,515,178	203,740,063
TOTAL ASSETS		676,814,384	681,267,168
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 30,000,000 Ordinary Shares of Rs.10/- each		300,000,000	300,000,000
Issued, subscribed and paid-up capital	4	212,678,000	212,678,000
Capital reserve	5	14,113	16,521
Accumulated loss		(177,376,369)	(148,606,248)
		35,315,744	64,088,273
Surplus on revaluation of fixed assets		156,796,374	157,783,894
NON-CURRENT LIABILITIES			
Deferred liabilities	7	1,522,146	2,494,057
		1,522,146	2,494,057
CURRENT LIABILITIES			
Trade and other payables		204,966,797	211,083,865
Accrued mark-up	9	17,418,551	16,154,622
Short term loan from sponsors		258,019,447	222,019,447
Provision for taxation		2,775,326	7,643,010
		483,180,121	456,900,944
CONTINGENCIES & COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		676,814,384	681,267,168

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

CHIEF EXECUTIVE**DIRECTOR**

PROFIT AND LOSS ACCOUNT (Un-audited)**FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	NOTE	JUL 1-SEPT. 30, 2015 (Rupees)	JUL 1-SEPT. 30, 2014 (Rupees)
Sales - net	11	306,320,703	276,184,307
Cost of Sales	12	(319,496,980)	(262,351,185)
Gross Profit/ (Loss)		(13,176,277)	13,833,121
Distribution costs		(2,349,070)	(1,822,337)
Administrative expenses		(12,028,606)	(8,545,670)
Other operating expenses		-	(160,178)
		(14,377,676)	(10,528,185)
		(27,553,954)	3,304,936
Other operating income/(loss)		(131,210)	(422,904)
Operating profit/ (Loss) before finance costs		(27,685,164)	2,882,033
Finance cost		(1,322,604)	(720,798)
Profit/ (Loss) before taxation		(29,007,768)	2,161,234
Taxation		(749,874)	(550,769)
Profit / (Loss) after taxation		(29,757,642)	1,610,465
Basic & Diluted Earning per share / (Loss)		(1.40)	0.08

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

CHIEF EXECUTIVE**DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	<div> <div>Note</div> <div> JULY 1, - SEPT. 30, 2015 (Rupees) </div> </div>	<div> JULY 1, - SEPT. 30, 2014 (Rupees) </div>
Profit/(Loss) for the Quarter after taxation	(29,757,642)	775,612
Other comprehensive income/(loss) for the Quarter		
Surplus on re-measurement of investment available for sale to fair value	(2,408)	-
Income tax relating to component of other comprehensive income	-	-
Total other comprehensive income/(Loss) for the Quarter	(2,408)	-
Total comprehensive income / (loss)	(29,760,050)	775,612

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

CHIEF EXECUTIVE

DIRECTOR

CASH FLOW STATEMENT (Un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	NOTE	JUL 1-SEPT. 30, 2015 (Rupees)	JUL 1-SEPT. 30, 2014 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		(29,007,768)	2,161,234
Adjustment for:			
Depreciation		5,369,069	4,640,311
Amortization of Intangible Assets		-	-
Gratuity provision		1,530,400	82,494
Financial Charges		1,322,604	720,798
Operating Loss before working capital changes		(20,785,695)	7,604,838
Adjustments for working capital changes:			
(Increase) / Decrease in Current Assets			
Stores and Spares		879,722	(404,059)
Stock in Trade		35,408,446	(41,412,564)
Trade Debts		(13,595,847)	(21,383,693)
Loans and Advances		(1,595,072)	(4,941,026)
Deposits and Other Receivables		(13,094,948)	3,658,267
Provision for Taxation		(2,775,326)	(2,265,259)
		5,226,975	(66,748,334)
(Decrease) / Increase In Current Liabilities			
Short Term Finances		-	-
Trade and Other Payables		(6,117,068)	45,275,358
		(6,117,068)	-
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized) in operations		(21,675,788)	(13,868,138)
Finance costs paid		(58,675)	(58,675)
Gratuity paid		(474,450)	(82,494)
Income tax paid		(4,870,093)	(9,908,472)
Net cash (utilized in) operating activities		(27,079,006)	(23,917,779)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,141,170)	(5,189,529)
Proceeds from disposal of property, plant & equipment		-	-
Net cash (out flow) / in flow from investing activities		(3,141,170)	(5,189,529)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from directors and sponsors - disbursements		-	-
Short term loan from sponsors - disbursements		36,000,000	10,000,000
Net cash in flow from financing activities		36,000,000	10,000,000
Net increase in cash and cash equivalents		5,779,824	(19,107,308)
Cash and cash equivalents at beginning of the Quarter		19,657,625	30,280,796
Cash and cash equivalents at end of the Quarter		25,437,449	11,173,488

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	SHARE CAPITAL	CAPITAL RESERVES	ACCUMULATED LOSS	TOTAL
	Paid up ordinary share capital	Unrealized gain on re- measurement of available for sale investment		
	----- Rupees -----			
Balance as at June 30, 2013	212,678,000	11,920	(95,828,509)	116,861,411
Total comprehensive income for the year ended June 30, 2014				
- Loss for the year after taxation	-	-	(4,396,063)	(4,396,063)
- Other Comprehensive income	-	15,636	-	15,636
	-	15,636	(4,396,063)	(4,380,427)
Final Dividend for the year ended June 30, 2013 @ Rupees 0.5 Per Ordinary Share of Rs.10/- each	-	-	(10,633,900)	(10,633,900)
			(10,633,900)	(10,633,900)
Revaluation surplus realized on account of:				
- Incremental Depreciation current year - net off Tax	-	-	4,312,454	4,312,454
- Disposal of property, plant & equipment- net off Tax	-	-	123,698	123,698
	-	-	4,436,152	4,436,152
Balance as at June 30, 2014	212,678,000	27,556	(106,422,321)	106,283,236
Total comprehensive income/(loss) for the year ended June 30, 2015				
- Loss for the year after taxation	-	-	(46,280,759)	(46,280,759)
- Other Comprehensive loss	-	(11,035)	-	(11,035)
	-	(11,035)	(46,280,759)	(46,291,794)
Revaluation surplus realized on account of:				
- Incremental Depreciation current year - net off Tax	-	-	4,096,832	4,096,832
- Disposal of property, plant & equipment- net off Tax	-	-	-	-
	-	-	4,096,832	4,096,832
Balance as at June 30, 2015	212,678,000	16,521	(148,606,248)	64,088,274
Total comprehensive income/(loss) for the Quarter ended September 30, 2015				
- Loss for the Quarter after taxation	-	-	(29,757,642)	(29,757,642)
- Other Comprehensive loss	-	(2,408)	-	(2,408)
	-	(2,408)	(29,757,642)	(29,760,050)
Revaluation surplus realized on account of:				
- Incremental Depreciation current Quarter - net off Tax	-	-	987,520	987,520
	-	-	-	-
	-	-	987,520	987,520
Balance as at September 30, 2015	212,678,000	14,113	(177,376,369)	35,315,744

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

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE ACCOUNTS (Un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

1- THE COMPANY AND ITS OPERATIONS

The company is incorporated as a public limited company in Pakistan under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges. The Company is principally engaged in manufacturing, selling, buying and dealing in yarn of all types. The registered office of the company is situated at 19-B, Off Zafar Ali Road, Gulberg-V, Lahore.

2- BASIS OF PREPARATION

The accounting policies adopted for preparation of these quarterly un-audited accounts are the same as adopted in the preceding annual accounts of the Company for the year ended June 30, 2015.

3- ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the requirements of International Accounting Standard IAS 34 "Interim Financial Reporting". The financial statements are un-audited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

4- ISSUED, SUBSCRIBED AND PAID UP CAPITAL

21,267,800 (2015: 21,267,800) Ordinary shares of Rs.10/- each fully paid in cash.

SEPTEMBER 30, 2015	JUNE 30, 2015
Rupees	Rupees
212,678,000	212,678,000

5- RESERVE

Capital Reserve
Revenue Reserve

14,113	16,521
(177,376,369)	(148,606,248)
(177,362,256)	(148,589,726)

6- SPONSORS' LOAN - Unsecured

These are comprised of:

Interest free loan from directors and sponsors
Short Term Interest bearing loan from sponsors

199,437,447	199,437,447
58,582,000	22,582,000
258,019,447	222,019,447

7- DEFERRED LIABILITIES

Gratuity - Defined benefit plan
Deferred Taxation

1,677,550	621,600
(155,404)	1,872,457
1,522,146	2,494,057

8- TANGIBLE FIXED ASSETS:

Following are the major additions/(deletions) in operating fixed assets:

Land
Plant & Machinery
Computers
Vehicles

-	467,500
3,141,170	45,234,894
-	23,800
-	8,592,440

9- TRANSACTION WITH RELATED PARTIES:

Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the terms of their employment are as under:

- The company purchased from associated undertaking material of aggregate sum of Rs. Nil (2015: Rs. Nil) during the Quarter.
- Interest free loan provided by directors and sponsors Rs. Nil (June 30, 2015 Rs. Nil)
- Interest bearing short term loan provided by sponsors Rs. 36.000 million (June 30, 2015 Rs. 5.327 million)
- Short term interest free loan payable to sponsors Rs. 258.019 million (June 30, 2015 Rs. 222.019 million)
- Markup payable to directors and sponsors Rs. 17.419 million (June 30, 2015 Rs. 16.154 million)

31.1 All related party transactions are approved by the audit committee and the Board of directors of the Company. Directors' interest is limited to the interest on these loans.

NOTES TO THE ACCOUNTS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

10- CONTINGENCIES AND COMMITMENTS

10.1 The company had filed suit in Honorable Lahore High Court against the levy of gas infrastructure development cess (GIDC). The Honorable Court has granted an interim stay and restraining the Sui Northern Gas Company Limited from Charging any amount of GIDC over and above Rs.13 per MMBTU. The Honorable Islamabad High Court in a case declared the GIDC as unconstitutional and asked the distribution companies to return the amount already collected. The Honourable Supreme Court of Pakistan declared the levy GIDC as unconstitutional. Therefore, The Company has not provided any provision of GIDC amounted to Rs. 18.795 Millions after The Honourable Supreme Court of Pakistan declared the levy GIDC as unconstitutional. the management of the Company is confident that the payment of GIDC are highly improbable, therefore, no liability is likely to arise in this regard.

10.2 There were no commitments as at September 30, 2015.

		JULY 1, - SEPT. 30, 2015 Rupees	JULY 1, - SEPT. 30, 2014 Rupees
11- SALES - Net			
Local Sale		175,515,875	179,187,463
Export Sale		129,374,947	95,164,447
Waste Sale		4,053,500	4,069,235
		<u>308,944,322</u>	<u>278,421,145</u>
Less: Commission		(2,623,619)	(2,236,838)
		<u>306,320,703</u>	<u>276,184,307</u>
12- COST OF SALES			
Raw material consumed	12.1	221,730,700	201,626,671
Salaries, wages and benefits		24,829,017	15,581,213
Packing material		5,561,899	3,756,337
Fuel and power		50,840,052	29,556,829
Repair and maintenance		281,323	441,982
Other manufacturing overheads		5,314,706	1,605,021
Rent, Rates & Taxes		314,401	100,000
Cotton cess duty		493,639	230,760
Store consumed		4,025,904	6,746,354
Insurance		1,230,587	374,024
Miscellaneous expenses		-	22,564
Depreciation		4,630,436	4,282,346
		<u>319,252,664</u>	<u>264,324,101</u>
Opening stock of work in process		7,974,828	10,528,125
Closing stock of work in process		(6,527,667)	(8,151,132)
		<u>1,447,161</u>	<u>2,376,993</u>
Cost of goods manufactured		<u>320,699,825</u>	<u>266,701,094</u>
Opening stock of finished goods		25,376,603	6,225,232
Closing Stock of Finished Goods		(25,539,265)	(10,395,065)
		<u>(162,662)</u>	<u>(4,169,833)</u>
Opening stock of waste		2,582,220	1,162,145
Closing stock of waste		(3,622,403)	(1,342,221)
		<u>(1,040,183)</u>	<u>(180,076)</u>
		<u>319,496,980</u>	<u>262,351,185</u>
12.1 Raw Material Consumed			
Opening Raw Material		49,611,682	19,563,809
Add: Purchases		186,566,570	241,066,318
Less: closing stock		(14,447,552)	(59,003,457)
		<u>221,730,700</u>	<u>201,626,671</u>

13- NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

There were no post balance sheet events that required adjustments or disclosures.

14- DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 28, 2015 by the Board of Directors of the Company.

15- GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR