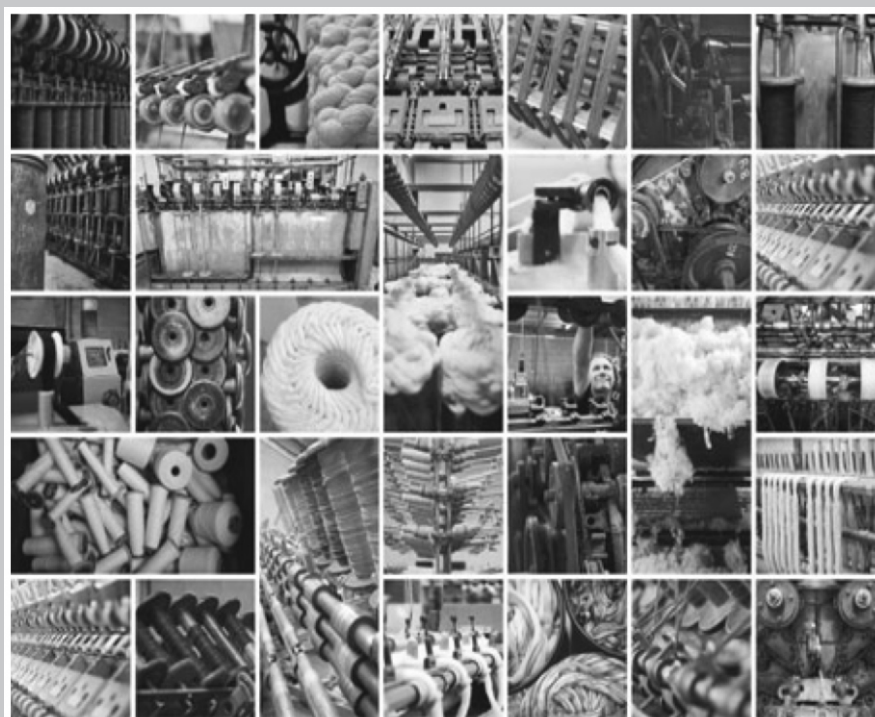


# **SAJJAD TEXTILE MILLS LIMITED**



**Quarterly Report  
September 30, 2017  
(Un-Audited)**

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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. Sultan Mehmood

### **BANKERS**

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

### **CFO/COMPANY SECRETARY**

Mr. Irfan Hamid

### **AUDITORS**

M/s. Mudassar Ehtisham & Company,  
 Chartered Accountants

### **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

### **AUDIT COMMITTEE**

Mr. Sultan Mehmood - Chairman  
 Mr. Mehr Allah Yar - Member  
 Miss Batool Zahra - Member

### **REGISTERED OFFICE**

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

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

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

### **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, 2017.

**Financial Results**

The financial results are as under:

	<b>September 30, 2017 (Rupees)</b>	<b>September 30, 2016 (Rupees)</b>
Sales- Net	-	138,328,488
Cost of Sales	-	(147,667,829)
Gross Loss	-	(9,339,341)
Loss Before Taxation	<b>(23,443,698)</b>	(21,242,104)
Loss After Taxation	<b>(23,443,698)</b>	(12,689,599)

The Company incurred before tax loss of Rs. (23.444) million for 1<sup>st</sup> quarter ended September 30, 2017 as against before tax loss of Rs. (21.242) million for the corresponding period last year.

**Earnings/ (Loss) per share**

Loss after tax per share was Rs. (1.10) for the 1st quarter then ended as against per share loss of Rs. (0.60) for the corresponding period last year.

The manufacturing operations of the Company remained suspended during the period under discussion, as per intimation sent to Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange Limited on September 22, 2016. The Company obtained approval of its Members in the Extraordinary General Meeting held on April 06, 2017 to dispose off the entire Plant and Machinery of the Company to settle partially the overdue trade creditors and to utilize 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. The Company is making all its efforts for effective execution of the aforesaid plan.

30th October, 2017  
Lahore

**MUHAMMAD ASIM SAJJAD**  
Chief Executive Officer

محترم حصص یافتگان،

السلام علیکم،

ڈائریکٹرز 30 ستمبر، 2017 کے اختتام پر کمپنی کی پہلی سہ ماہی کا غیر آڈٹ شدہ مالیاتی جائزہ آپ کو پیش کرتے ہیں۔  
مالیاتی نتائج

مالیاتی نتائج حسب ذیل ہیں:

September 30, 2016 (Rupees)	September 30, 2017 (Rupees)	
138,328,488	-	سیلز - نیٹ
(147,667,829)	-	فروخت کی مالیت
(9,339,341)	-	مجموعی نقصان کے
(21,242,104)	(23,443,698)	قبل از ٹیکسیشن نقصان
(12,689,599)	(23,443,698)	ٹیکسیشن کے بعد نقصان

کمپنی کا قبل از ٹیکس نقصان (23.444) ملین روپے برائے زیر بحث مالیاتی مدت میں رہا جبکہ گزشتہ سال اسی مدت میں کمپنی کا بالترتیب قبل از ٹیکس نقصان (21.242) ملین روپے رہا۔

کمپنی کا بعد از ٹیکس نقصان فی حصص (1.10) روپے برائے زیر بحث مالیاتی مدت میں رہا جبکہ گزشتہ سال اسی مدت میں کمپنی کا بالترتیب بعد از ٹیکس فی حصص (0.60) روپے رہا۔

کمپنی کو زیر بحث سالانہ مالیاتی مدت کے دوران پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو اطلاع کے مطابق کمپنی کے مینوفیکچرنگ آپریشنز معطل رہے۔ اپریل 2017ء کو منعقد غیر معمولی جنرل میٹنگ میں کمپنی کی پوری پلانٹ اور مشینری کی فروخت سے واجب تجارت قرض کی جزوی طور پر ادائیگی اور کمپنی کے احاطے کا کرایہ پردینے کے ساتھ ساتھ ٹریڈنگ کی سرگرمیوں میں باقی رقم کا استعمال کرنے کی اراکین سے منظوری حاصل کی ہے۔ کمپنی اس منصوبے کے مؤثر عمل درآمد کیلئے اپنی پوری کوشش کر رہی ہے

برائے اور بحکم بورڈ

محمد عامر سجاد

چیف ایگزیکٹو آفیسر

30 اکتوبر، 2017ء لاہور

**BALANCE SHEET (Un-audited)**

AS AT SEPTEMBER 30, 2017

	NOTE	SEPTEMBER 30, 2017 (Rupees)	JUNE 30, 2017 (Rupees)
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment		21,806,042	22,082,068
Long term deposits		11,826,813	11,826,813
Investment Properties	6	158,524,000	159,460,000
Available for sale investments	7	3,299,140	3,538,283
		<u>195,455,995</u>	<u>196,907,164</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		-	-
Stock-in-trade		-	-
Trade debts		7,724,644	7,550,133
Loans and advances		4,289,836	4,056,791
Trade deposits, prepayments & other receivables		24,999,892	23,905,785
Cash and bank balances		3,026,644	980,636
		<u>40,041,016</u>	<u>36,493,345</u>
Assets classified as held for sale	10	34,297,685	72,995,839
<b>TOTAL ASSETS</b>		<u><b>269,794,696</b></u>	<u><b>306,396,348</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital		300,000,000	300,000,000
Issued, subscribed and paid-up capital	4	212,678,000	212,678,000
Capital reserve	5	(986,302)	(746,322)
Accumulated loss		(521,944,276)	(499,010,250)
		<u>(310,252,577)</u>	<u>(287,078,572)</u>
Surplus on revaluation of property, plant and equipment		127,532,063	128,041,735
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities	9	16,000	-
		<u>16,000</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		73,505,030	87,487,840
Accrued mark-up		35,883,631	32,945,052
Short term loan from directors and sponsors- unsecured	8	343,110,550	344,760,550
Provision for taxation		-	239,743
		<u>452,499,210</u>	<u>465,433,185</u>
<b>CONTINGENCIES &amp; COMMITMENTS</b>	12	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>269,794,696</b></u>	<u><b>306,396,348</b></u>

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, 2017

	NOTE	SEPT. 30, 2017 (Rupees)	SEPT. 30, 2016 (Rupees)
Sales - net	13	-	138,328,488
Cost of Sales	14	-	(147,667,829)
<b>Gross Loss</b>		-	(9,339,341)
Distribution costs		-	(556,334)
Administrative expenses		(12,656,126)	(9,076,508)
Other operating expenses		(7,843,569)	(56,978)
		(20,499,695)	(9,689,820)
		(20,499,695)	(19,029,161)
Other Operating Income		1,563	8,232
<b>Loss from operations</b>		(20,498,132)	(19,020,929)
Finance cost		(2,945,566)	(2,221,175)
<b>Loss before taxation</b>		(23,443,698)	(21,242,104)
Taxation		-	8,552,505
<b>Loss after taxation</b>		(23,443,698)	(12,689,599)
<b>Basic &amp; Diluted loss per share</b>		(1.10)	(0.60)

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, 2017**

Note	JULY 1, - SEPT. 30, 2017	JULY 1, - SEPT. 30, 2016
	(Rupees)	(Rupees)
Loss after taxation	(23,443,698)	(12,689,599)
Other comprehensive income/loss		
Items that will not be classified to profit and loss account		
Other comprehensive income/loss - transferred to equity		
Deficit on re-measurement of available for sale investments to fair value.	(239,979)	1,889
	(239,979)	1,889
<b>Total comprehensive loss</b>	<b>(23,683,677)</b>	<b>(12,687,710)</b>

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, 2017

NOTE	JULY 1, - SEPT. 30, 2017	JULY 1, - SEPT. 30, 2016
	(Rupees)	(Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(23,443,698)	(21,242,104)
Adjustment for:		
Depreciation	1,212,026	2,742,011
Gratuity provision	510,000	-
Impairment loss on revaluation of plant & machinery	-	90,188
Loss from Sale of Assets	7,843,569	-
Finance cost	2,945,566	2,221,175
Operating Loss before working capital changes	(10,932,537)	(16,188,730)
Adjustments for working capital changes:		
(Increase) / Decrease in Current Assets		
Stores and Spares	-	4,910,787
Stock in Trade	-	58,217,141
Trade Debts	(174,511)	15,232,483
Loans and Advances	(233,045)	(1,272,300)
Trade deposits, prepayments and other receivables	327,260	(5,597,711)
	(80,296)	71,490,400
(Decrease) / Increase In Current Liabilities		
Trade and Other Payables and accrued markup	(13,315,663)	(69,224,256)
	(13,315,663)	(69,224,256)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from / (utilized) in operations	(24,328,496)	(13,922,586)
Finance costs paid	(6,987)	(14,134)
Gratuity paid	(494,000)	(44,079)
Income & Sales tax paid	(860,792)	(1,757,073)
<b>Net cash (utilized in) operating activities</b>	<b>(25,690,275)</b>	<b>(15,737,872)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	(657,832)
Proceeds from disposal of property, plant & equipment	29,386,283	200,000
Short term investments	-	-
<b>Net cash (out flow) / in flow from investing activities</b>	<b>29,386,283</b>	<b>(457,832)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term loan from directors and sponsors - disbursements	(1,650,000)	10,400,000
<b>Net cash in flow from financing activities</b>	<b>(1,650,000)</b>	<b>10,400,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,046,008</b>	<b>(5,795,704)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>980,636</b>	<b>10,022,975</b>
<b>Cash and cash equivalents at end of the year</b>	<b>3,026,644</b>	<b>4,227,271</b>

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, 2017**

	SHARE CAPITAL	CAPITAL RESERVES	REVENUE RESERVE	
	Paid up ordinary share capital	Unrealized gain on re-measurement of available for sale investment	ACCUMULATED LOSSES	TOTAL EQUITY
	Rupees			
<b>Balance as at June 30, 2015</b>	<b>212,678,000</b>	<b>16,521</b>	<b>(148,606,248)</b>	<b>64,088,273</b>
Total comprehensive loss for the year ended June 30, 2016				
Loss for the year ended June 30, 2016	-	-	(282,103,487)	(282,103,487)
Other Comprehensive income for the year ended	-	(3,463)	-	(3,463)
	-	(3,463)	(282,103,487)	(282,106,950)
Revaluation surplus realized on account of:				
- Incremental Depreciation current year - net off Tax	-	-	4,008,169	4,008,169
- Disposal of property, plant & equipment- net off Tax	-	-	-	-
	-	-	4,008,169	4,008,169
<b>Balance as at June 30, 2016</b>	<b>212,678,000</b>	<b>13,058</b>	<b>(426,701,566)</b>	<b>(214,010,508)</b>
Total comprehensive loss for the year ended June 30, 2017				
Loss for the year ended June 30, 2017	-	-	(74,424,016)	(74,424,016)
Other Comprehensive income for the year ended	-	(759,380)	-	(759,380)
	-	(759,380)	(74,424,016)	(75,183,396)
Revaluation surplus realized on account of:				
Incremental Depreciation current year - net off Tax	-	-	2,115,332	2,115,332
Disposal of property, plant & equipment- net off Tax	-	-	-	-
	-	-	2,115,332	2,115,332
<b>Balance as at June 30, 2017</b>	<b>212,678,000</b>	<b>(746,322)</b>	<b>(499,010,250)</b>	<b>(287,078,572)</b>
Total comprehensive (loss) for the Quarter ended September 30, 2017				
- Loss for the Quarter after taxation	-	-	(23,443,698)	(23,443,698)
- Other Comprehensive loss	-	(239,979)	-	(239,979)
	-	(239,979)	(23,443,698)	(23,683,677)
Revaluation surplus realized on account of:				
- Incremental Depreciation current Quarter - net off Tax	-	-	509,672	509,672
	-	-	-	-
	-	-	509,672	509,672
<b>Balance as at September 30, 2017</b>	<b>212,678,000</b>	<b>(986,301)</b>	<b>(521,944,276)</b>	<b>(310,252,577)</b>

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, 2017

**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 quarterly un-audited accounts are same as adopted in the preceding annual accounts of the Company for the year ended June 30, 2017.

**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.

	SEPTEMBER 30, 2017	JUNE 30, 2017
	Rupees	Rupees
<b>4- ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
21267800 ordinary shares of Rs.10/- each fully paid in cash (2017: 21,267,800)	212,678,000	212,678,000
<b>5- CAPITAL RESERVE</b>		
<u>Un-realized gain on re-measurement of available for sale investments</u>		
Opening balance - net off tax	(746,322)	13,058
(Deficit) / Surplus on re-measurement of available for sale investments to fair value - net off tax	(239,979)	(759,380)
	(986,302)	(746,322)
<b>6- INVESTMENT PROPERTIES</b>		
Opening Balance	159,460,000	-
Depreciation	(936,000)	-
Closing Balance	158,524,000	-
<b>7- AVAILABLE FOR SALE INVESTMENTS</b>		
<u>Al Meezan Islamic Fund</u>		
- 29598.1079 Units @ 67.94 as at 30-09-2017 (2017: 29598.1079 Units @ 71.30)	2,110,345	2,500,000
- Nil Units (Re-investment of Dividend, 2017: 1633.2493 Units )	-	125,842
- Loss on Investment	(99,450)	(515,497)
- 29598.1079 Total Units @ 67.94 as at 30-09-2017 (2017: 29598.1079 Units @ 71.30)	2,010,895	2,110,345
<u>Nafa Stock Fund</u>		
- 86912.7351 Units @14.5970 as at 30-09-2017 (2017: 80593.4244 Units @16.2138)	1,409,186	1,550,000
- 56.6951 Units @14.7549 (Re-investment of Dividend, 2017: 6319.3107 Units)	837	102,951
- Loss on Investment	(140,529)	(243,765)
- 86969.4302 Total Units @14.5970 as at 30-09-2017 (2017: 80593.4244 Units @16.2138)	1,269,493	1,409,186
<u>Allied Bank Limited</u>	18,752	18,752
- 347 (June, 2017: 347) fully paid ordinary shares of Rs. 10/- each		
<b>8- SHORT TERM LOAN FROM DIRECTORS AND SPONSORS - UNSECURED</b>		
These are composed of :		
Interest free Short term loan from directors and sponsors	199,437,447	199,437,447
Interest bearing Short term loan from directors and sponsors	143,673,103	145,323,103
	343,110,550	344,760,550
<b>9- DEFERRED LIABILITIES</b>		
Gratuity - Defined benefit plan	16,000	-
Deferred Taxation	-	-
	16,000	-
<b>10- ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Opening balance	72,995,839	-
Transfer during the period	-	72,995,839
Disposed during the period	(38,698,154)	-
Closing balance	34,297,685	72,995,839
On 06 April 2017 the company announced its intention to dispose of its plant and machinery. The associated assets were consequently presented as held for sale.		

**NOTES TO THE ACCOUNTS (Un-audited)**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

**11- TRANSACTION WITH RELATED PARTIES:**

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

- i) The company purchased from associated undertaking material of aggregate sum of Rs. Nil (2017: Rs. Nil) during the period.
- ii) Interest free short term loan repaid Rs. Nil and provided by sponsors Rs. Nil (June 30, 2017 Rs. Nil)
- iii) Interest bearing short term loan repaid Rs. 1.600 million and provided by sponsors Rs. Nil (June 30, 2017 Rs. 4.000 million & Rs. 38.716 million)
- iv) Markup payable to directors and sponsors Rs. 2.938 million (June 30, 2017 Rs.32.945 million)

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

**12- CONTINGENCIES AND COMMITMENTS**

There were no contingencies as at September 30, 2017. (June, 2017: Nil).

There were no commitments as at September 30, 2017. (June, 2017: Nil).

		JULY 1 - SEPT. 30 2017	JULY 1 - SEPT. 30 2016
		Rupees	Rupees
<b>13- SALES - Net</b>			
Local Sale		-	138,151,928
Waste Sale		-	176,560
		<u>-</u>	<u>138,328,488</u>
<b>14- COST OF SALES</b>			
Raw material consumed	14.1	-	43,326,247
Salaries, wages and benefits		-	14,131,913
Packing material		-	2,244,817
Fuel and power		-	21,177,414
Repair and maintenance		-	223,295
Other manufacturing overheads		-	4,878,641
Rent, Rates & Taxes		-	100,000
Cotton cess duty		-	30,262
Store consumed		-	2,378,922
Insurance		-	850,165
Depreciation		-	2,393,366
		<u>-</u>	<u>91,735,042</u>
Opening stock of work in process		-	8,322,990
Closing stock of work in process		-	-
		<u>-</u>	<u>8,322,990</u>
Cost of goods manufactured		-	100,058,032
Opening stock of finished goods		-	47,334,621
Closing Stock of Finished Goods		-	-
		<u>-</u>	<u>47,334,621</u>
Opening stock of waste		-	1,179,273
Closing stock of waste		-	(904,097)
		<u>-</u>	<u>275,176</u>
		<u>-</u>	<u>147,667,829</u>
14.1 Raw Material Consumed			
Opening Raw Material		-	2,284,354
Add: Purchases		-	41,726,292
Less: closing stock		-	(684,399)
		<u>-</u>	<u>43,326,247</u>

**15- NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE**

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

**16- DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 30th October, 2017 by the Board of Directors of the Company.

**17- GENERAL**

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

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