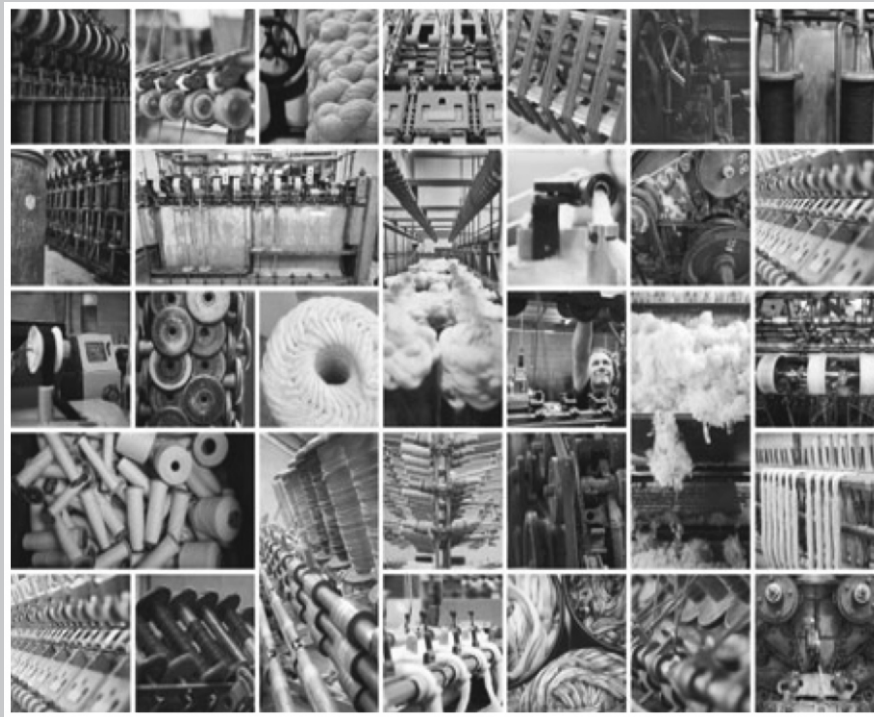


# **SAJJAD TEXTILE MILLS LIMITED**



**Half Yearly Report  
December 31, 2017  
(Un-Audited)**

Company Information	1
Directors' Report	2
Auditors' Review 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

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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 reviewed financial statements for the Half Year ended December 31, 2017.

### Financial Results

The financial results are as under:

	<b>Jul. - Dec. 2017 (Rupees)</b>	<b>Oct. - Dec. 2017 (Rupees)</b>
Sales - Net	0	0
Cost of Sales	0	0
Gross (Loss)	0	0
(Loss) Before Taxation	(44.079)	(20.636)
(Loss) After Taxation	(44.079)	(20.636)

The Company suffered before tax loss of Rs. (20.64) million and Rs. (44.08) million for the 2<sup>nd</sup> quarter and half year ended December 31, 2017 respectively, as against before tax loss of Rs. (17.45) million and Rs. (38.69) million for the corresponding periods last year.

### Earnings/ (Loss) per share

Loss after tax per share was Rs. (0.97) and Rs. (2.07) for the 2<sup>nd</sup> quarter and half year ended December 31, 2017 respectively, as against per share loss of Rs. (1.23) and Rs. (1.83) for the corresponding periods last year.

The Company obtained approval of its Members in the Extraordinary General Meeting held on April 06, 2017 for the disposal of Plant and Machinery of the Company to pay off partially its liabilities and to initiate new business of trading of cotton yarn, viscose and other fibers and investment in listed securities; however, the plan could not be fully implemented under the prevailing circumstances and the trade creditors pressurized hard for payment of higher amounts than expected/agreed and the remaining funds were insufficient to fully implement the plan. Complete details with respect to disposal of Plant and Machinery are attached herewith. Subsequently, the Management re-assessed the market conditions and proposed to dispose of the Land, Building and other assets of the Company and also suggested a Business Plan. The Members in the Extraordinary General Meeting held on February 20, 2018 approved the revival of Company through disposal of Land, Building and other assets of the Company and implementation of the alternate business plan. An advertisement inviting tenders from prospective buyers of Land, Building and other assets was published on February 22, 2018.

The Board avails the opportunity to appreciate the devoted work done by the executive, officers, staff and workers of the Company.

For and on behalf of the Board

26th February, 2018  
Lahore

MUHAMMAD ASIM SAJJAD  
Chief Executive Officer

# SAJJAD TEXTILE MILLS LIMITED

**Sale of Assets (Machinery) Detail as per SRO 1227(I)/2005  
for the period 2nd Quarter ended: December 31st, 2017**

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	12,500,000	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
TOTAL				82,582,215	

# SAJJAD TEXTILE MILLS LIMITED

## Utilization of Funds Detail

Sr. No	PAYMENTS' DETAIL	AMOUNT (Rs.)
1	Creditors and Other Payables	41,007,313
2	Salaries & Wages	15,438,767
3	Electricity/ Gas / Utilities Bills	3,197,110
4	Repair & Maint./Travelling/Conveyance/Legal & Professional/ Fees/ Advertistment/ Repair & Maintenance / Postage/ Priting & Stationery/ Other Expenses/ Insurance & Taxes	9,563,716
6	Sponsor Loan Repayment	5,650,000
7	Investment in Al-Meezan Funds & NAFA Stock Funds	4,743,944
8	Un-utilized funds with company	2,981,365
<b>TOTAL</b>		<b>82,582,215</b>

# SAJJAD TEXTILE MILLS LIMITED

## Plant & Machinery's Disposal and Funds Utilization

Upto 31 December, 2017

SR. NO.	DESCRIPTION	COST/ REVALUED FIGURE	WRITTEN DOWN (BOOK) VALUE	SALE PROCEEDS (upto June, 2017)	SALE PROCEEDS (July - Dec., 2017)	TOTAL SALE PROCEEDS (upto Dec., 2017)	REMAINING ASSETS' BOOK VALUE (Dec., 2017)	GAIN / (LOSS) (upto Dec., 2017)	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	6,884,000	20,384,000	1,395,000	996,500	ALMOST 98% 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	210,882	12,500,000	12,710,882	4,280,734	(7,717,409)	PARTIALLY 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	-	-	-	126,750	-	NOT SOLD
10	P & M- Compressor	1,020,000	994,500	-	1,000,000	1,000,000	-	5,500	COMPLETE SOLD
11	P & M- Transformer & Electrification	7,500,000	7,312,500	-	-	-	7,312,500	-	NOT SOLD
12	Store and Spares	4,988,552	4,988,552	300,000	2,400,000	2,700,000	-	(2,288,552)	COMPLETE SOLD
TOTAL		109,662,634	107,940,814	37,586,932	44,995,283	82,582,215	13,114,984	(12,243,615)	-

Note # 1: Plant and Machinery in above detailed list which does not show Sale Proceeds are still installed on Company Production Hall.



## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،  
السلام علیکم،

ڈائریکٹرز 31 دسمبر، 2017 دوسری سہ ماہی اور نصف سال کے اختتام پر کمپنی کا آڈیٹرز کے محدود جائزہ پر مشتمل مالیاتی جائزہ آپ کو پیش کرتے ہیں

مالیاتی نتائج  
مالیاتی نتائج حسب ذیل ہیں:

Jul. - Dec. 2017 (Rupees)	Oct. - Dec. 2017 (Rupees)	
0	0	سیلز نیٹ
0	0	فروخت کی مالیت
0	0	مجموعی نقصان کے
(44.079)	(20.636)	قبل از ٹیکسیشن نقصان
(44.079)	(20.636)	ٹیکسیشن کے بعد نقصان

کمپنی کا قبل از ٹیکس نقصان 20.64 ملین روپے اور 44.08 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 17.45 ملین روپے اور 38.69 ملین روپے رہا۔

کمپنی کا بعد از ٹیکس نقصان فی حصص 0.97 روپے اور 2.07 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 1.23 روپے اور 1.83 روپے رہا۔

کمپنی نے اپریل 2017ء کو کمپنی کے پلانٹ اور مشینری کو فروخت کرنے کے لئے غیر معمولی جنرل اجلاس میں پلانٹ اور مشینری کو فروخت کرنے، جزوی طور پر اپنی ذمہ داریوں کو پورا کرنے اور کپاس سوت، ویزکوز اور دیگر ریشوں کی تجارت اور فہرست سیکورٹی میں سرمایہ کاری کا نیا کاروبار شروع کرنے کے لئے اپنے اراکین کی منظوری حاصل کی، تاہم، تجارتی کریڈٹرز کے ادائیگی کے لئے توقع سے زیادہ سختی زور، اور موجودہ حالات کے تحت مکمل طور پر منصوبہ کو نافذ کرنے کے لئے باقی فنڈز ناکافی تھے اس لئے منصوبے کو مکمل طور پر لاگو نہیں کیا جاسکا۔ پلانٹ اور مشینری کی فروخت کی مکمل مالیاتی تفصیلات اس کے ساتھ منسلک ہیں اس کے بعد، مینجمنٹ نے مارکیٹ کے حالات کا دوبارہ جائزہ لیا اور زمین، بلڈنگ اور دیگر اثاثوں کی تصفیہ کرنے کی تجویز کی اور کاروباری منصوبہ کی بھی تجویز کی 20 فروری، 2018 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 22 فروری، 2018 کو شائع کیا گیا تھا 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

محمد عاصم سجاد  
چیف ایگزیکٹو آفیسر  
26 فروری، 2018  
لاہور

## Auditors' Review Report to the Members on Condensed Interim Financial Information

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **SAJJAD TEXTILE MILLS LIMITED** (the Company) as at December 31, 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof, for the six-months period then ended (herein-after referred to as "the condensed interim financial information").

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2017, have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2017.

### Management Responsibility

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of the persons responsible for the 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 condensed interim financial information as of and for the six months' period ended December 31, 2017 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 2 to the financial statements which indicate that Company's accumulated losses stand at Rs. 542.540 million. Its equity is eroded by Rs. 331.078 million and its current liabilities exceed its current assets by Rs. 409.117 million as at reporting date. These conditions along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

### Mudassar Ehtisham & Co.

Chartered Accountants  
Engagement Partner:  
Muhammad Ehtisham.

Lahore

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**

**AS AT DECEMBER 31, 2017**

	Notes	DEC 31, 2017 (Un-Audited)	JUNE 30, 2017 (Audited)
Rupees			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7.	19,366,126	22,082,068
Long term deposits		11,826,813	11,826,813
Available for sale investments	8.	3,763,070	3,538,283
Investment properties	9.	157,588,000	159,460,000
		192,544,009	196,907,164
CURRENT ASSETS			
Trade debts		7,757,395	7,550,133
Loans and advances		5,424,142	4,056,791
Trade deposits, prepayments & other receivables		25,058,846	23,905,785
Cash and bank balances		4,667,726	980,636
		42,908,109	36,493,345
Assets classified as held for sale	10.	13,114,984	72,995,839
TOTAL ASSETS		248,567,102	306,396,348
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorised capital			
30,000,000 ordinary shares of Rs. 10/- each		300,000,000	300,000,000
Issued, subscribed and paid up capital	11.	212,678,000	212,678,000
21,267,800 ordinary shares of Rs. 10/- each		-	-
Capital reserve	12.	(1,216,315)	(746,322)
Accumulated loss		(542,540,280)	(499,010,250)
		(331,078,595)	(287,078,572)
Surplus on revaluation of fixed assets		127,604,873	128,041,735
NON CURRENT LIABILITIES			
Deferred liabilities		16,000	-
		16,000	-
CURRENT LIABILITIES			
Trade and other payables		70,113,138	87,487,840
Accrued mark-up on sponsors' loans		38,801,136	32,945,052
Short term loan from directors - unsecured	13.	343,110,550	344,760,550
Provision for taxation		-	239,743
		452,024,825	465,433,185
Contingencies & commitments		-	-
TOTAL EQUITY AND LIABILITIES		248,567,102	306,396,348

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE SIX MONTHS & QUARTER PERIOD ENDED DECEMBER 31, 2017**

	Notes	Six months ended 31, December		Quarter ended 31, December	
		2017	2016	2017	2016
		----- Rupees -----			
Sales	16.	-	139,752,749	-	1,424,261
Less: cost of sales	17.	-	157,116,577	-	9,448,748
GROSS (LOSS)		-	(17,363,828)	-	(8,024,487)
Selling & distribution expenses		-	1,143,286	-	586,952
Administrative expenses		23,896,328	15,898,380	11,240,202	6,821,872
Other operating expenses		14,835,319	56,978	6,991,750	-
		38,731,647	17,098,644	18,231,952	7,408,824
		(38,731,647)	(34,462,472)	(18,231,952)	(15,433,311)
Other Income/(Loss)		523,579	457,408	522,016	449,176
OPERATING (LOSS) BEFORE FINANCE COST		(38,208,068)	(34,005,064)	(17,709,936)	(14,984,135)
Finance Cost		5,871,314	4,686,527	2,925,748	2,465,352
(LOSS) BEFORE TAXATION		(44,079,382)	(38,691,591)	(20,635,684)	(17,449,487)
TAXATION		-	242,176	-	8,794,681
(LOSS) AFTER TAXATION		(44,079,382)	(38,933,767)	(20,635,684)	(26,244,168)
BASIC (LOSS) PER SHARE - Rupees		(2.07)	(1.83)	(0.97)	(1.23)

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE SIX MONTHS & QUARTER PERIOD ENDED DECEMBER 31, 2017

	Six months ended 31, December		Quarter ended 31, December	
	2017	2016	2017	2016
	----- Rupees -----			
(LOSS) AFTER TAXATION	<b>(44,079,382)</b>	(38,933,767)	<b>(20,635,684)</b>	(26,244,168)
Other Comprehensive (Loss)				
(Deficit) \ Surplus on re-measurement of investment available for sale to fair value	<b>(469,993)</b>	-	<b>(230,014)</b>	-
Income tax relating to components of other comprehensive (loss)	-	-	-	-
	<b>(469,993)</b>	-	<b>(230,014)</b>	-
<b>TOTAL COMPREHENSIVE (LOSS)</b>	<b><u>(44,549,376)</u></b>	<u>(38,933,767)</u>	<b><u>(20,865,698)</u></b>	<u>(26,244,168)</u>

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT(UN-AUDITED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	DEC 31, 2017	DEC 31, 2016
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit(Loss) before taxation	(44,079,382)	(38,691,591)
Adjustments for:		
Depreciation and amortization	2,649,195	5,488,537
Financial charges	5,871,314	4,686,527
WPPF provision	-	-
WWF provision	-	-
Gratuity provision	510,000	193,404
Loss on Sale of Fixed Assets	14,835,319	56,978
Operating (Loss) before working capital changes	(20,213,554)	(28,266,144)
Adjustments for working capital changes:		
(Increase) / Decrease In Current Assets		
Stores & spares	-	7,266,678
Stock in trade	-	59,015,668
Trade debts	(207,262)	16,644,285
Loans and advances	(1,367,351)	2,071,458
Trade deposits, prepayments and other receivables	(1,153,061)	(293,561)
	(2,727,675)	84,704,529
Increase / (Decrease) In Current Liabilities		
Trade and Other Payables	(17,374,702)	(75,795,999)
	(17,374,702)	(75,795,999)
Cash generated from / (Utilized in) Operations	(40,315,930)	(19,357,615)
Financial charges paid	(15,230)	(19,161)
Gratuity Paid	(792,930)	(188,501)
Income tax paid	(4,454,612)	(6,664,236)
	(5,262,772)	(6,871,898)
Net cash generated / (utilized) in operating activities	(45,578,702)	(26,229,513)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditure in Property, Plant & Equipment	(351,000)	(657,832)
Sale Proceeds from disposal of Property, Plant & Equipment	51,266,792	200,000
Long Term Deposits	-	-
Net Cash (outflow) / inflow from investing activities	50,915,792	(457,832)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Sponsors' loan	-	-
Short term loan from directors - unsecured	(1,650,000)	18,350,730
Net Cash (outflow) / inflow from investing activities	(1,650,000)	18,350,730
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,687,090	(8,336,615)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	980,636	10,022,975
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,667,726	1,686,360

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

	Capital Reserve			
	Issued, subscribed & paid up capital	Reserve on re- measurement of available for sale investment to fair value	Accumulated (Loss)	Total
	Rupees			
BALANCE AS AT JUNE 30, 2016	212,678,000	13,058	(426,701,566)	(214,010,508)
Total comprehensive Income/(loss)				
(Loss) for the six months period ended December 31, 2016	-	-	(38,933,767)	(38,933,767)
Other comprehensive income/(loss)	-	-	-	-
			(38,933,767)	(38,933,767)
Revaluation surplus on account of:				
-on account of Incremental Depreciation current period - net of Tax	-	-	1,057,666	1,057,666
-Disposal of Property, Plant & Machinery - net of Tax	-	-	-	-
			1,057,666	1,057,666
BALANCE AS AT DECEMBER 31, 2016	212,678,000	13,058	(464,577,667)	(251,886,608)
Total comprehensive Income/(loss)				
(Loss) for the six months period ended June 30, 2017	-	-	(35,490,249)	(35,490,249)
Other comprehensive income/(loss)	-	(759,380)	-	(759,380)
	-	(759,380)	(35,490,249)	(36,249,629)
Revaluation surplus on account of:				
-on account of Incremental Depreciation current period - net of Tax	-	-	1,057,666	1,057,666
-Disposal of Property, Plant & Machinery - net of Tax	-	-	-	-
			1,057,666	1,057,666
BALANCE AS AT JUNE 30, 2017	212,678,000	(746,322)	(499,010,250)	(287,078,572)
Total comprehensive Income/(loss)				
(Loss) for the six months period ended December 31, 2017	-	-	(44,549,376)	(44,549,376)
Other comprehensive income/(loss)	-	(469,993)	-	(469,993)
	-	(469,993)	(44,549,376)	(45,019,369)
Revaluation surplus on account of:				
-on account of Incremental Depreciation current period - net of Tax	-	-	1,019,345	1,019,345
-Disposal of Property, Plant & Machinery - net of Tax	-	-	-	-
	-	-	1,019,345	1019345
BALANCE AS AT DECEMBER 31, 2017	212,678,000	(1,216,315)	(542,540,280)	(331,078,595)

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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. SIGNIFICANT MATTERS**

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. 542,540 million. Its equity is eroded by Rs. 331,078 million and its current liabilities exceed its current assets by Rs. 409,117 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.

**3. BASIS OF PREPARATION**

Effective date 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the period ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting and Provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the company is assessing the impact of these requirements on the financial statements it is expected that it will result in change in accounting treatment and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the company.

These interim financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2017

**4. BASIS OF ACCOUNTING**

The accounting policies adopted for preparation of these half year and quarterly un-audited accounts are same as adopted in annual accounts of

**5. ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding audited annual financial statements of the Company for the year ended June 30, 2017, except for changes resulting from initial application of standards, amendments or interpretations to existing standards.

However, amendments / improvements and new interpretations of approved accounting standards effective during the period, were not relevant to the Company's operations and did not have any material impact on the accounting policies of the Company.

**6. ACCOUNTING ESTIMATES AND JUDGEMENTS**

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 accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the company's accounting policies and key sources of estimation of uncertainty are the same as those were applied to the annual audited financial statements for the year ended June 30, 2017.

**7. PROPERTY, PLANT AND EQUIPMENT**

Tangible operating fixed assets - at net book value  
Intangible assets

7.1

December 31, 2017	June 30, 2017
----- Rupees -----	
19,366,126	22,082,068
-	-
<u>19,366,126</u>	<u>22,082,068</u>



**HALF YEARLY REPORT DECEMBER 31, 2017**
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

December 31, 2017    June 30, 2017  
----- Rupees -----

7.1 Detail of additions and disposals at net book value along with depreciation charged during the period / year are as follows:

**DESCRIPTION**

Opening net book value	22,082,068	292,882,540
<b>Additions during the period / year</b>		
Electric Installations	351,000	-
Plant and Machinery/Electric Installations	-	657,832
	351,000	657,832
<b>Disposals during the period / year</b>		
Plant and Machinery/Electric Installations	-	(36,309,975)
Vehicles	(2,289,747)	(600,200)
	(2,289,747)	(36,910,175)
<b>Transfers</b>		
Held for sale	-	(68,007,287)
Investment Properties	-	(161,380,000)
	-	(229,387,287)
Depreciation charged thereon- Net of disposal	777,195	5,160,842
Closing net book value	19,366,126	22,082,068

7.2 The above disposals represents assets costing Rs. 3.626 Million (June 2017: Rs. 67.824 million) which are disposed of for Rs. 2.340 million (June 2017: Rs 38.846 Million)

**8. AVAILABLE FOR SALE INVESTMENTS**

**Al Meezan Islamic Fund**

- 29598.1079 Units @ 67.94 as at 30-06-2017 (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	(244,480)	(515,497)
- 29598.1079 Total Units @ 67.94 as at 31-12-2017 (2017: 29598.1079 Units @ 71.30)	1,865,865	2,110,345

**Nafa Stock Fund**

- 86912.7351 Units @ 14.5970 as at 30-06-2017 (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	(187,876)	(243,765)
- 86969.4302 Total Units @ 14.0526 as at 31-12-2017 (2017: 80593.4244 Units @ 16.2138)	1,222,147	1,409,186

**Allied Bank Limited (ABL)**

- 347 shares of ABL (June, 2017: 347) fully paid ordinary shares of Rs. 10/- each	18,752	18,752
- Gain on Investment	10,736	-
- 347 shares of ABL (June, 2017: 347) fully paid ordinary shares of Rs. 10/- each	29,488	18,752

**INTERNATIONAL STEELS LTD. (ISL)**

- 1000 shares purchased @ 104.988 as at 31-12-2017 (June, 2017: Nil)	104,988	-
- Gain on Investment	1,382	-
- 1000 shares purchased as at 31-12-2017 (June, 2017: Nil)	106,370	-

**PAK ELEKTRON LTD. (PAEL)**

- 2000 shares purchased @ 61.160 as at 31-12-2017 (June, 2017: Nil)	122,319	-
- Loss on Investment	(27,339)	-
- 2000 shares purchased as at 31-12-2017 (June, 2017: Nil)	94,980	-

**SYSTEMS LIMITED (SYS)**

- 1000 shares purchased @ 73.161 as at 31-12-2017 (June, 2017: Nil)	73,131	-
- Gain on Investment	789	-
- 1000 shares purchased as at 31-12-2017 (June, 2017: Nil)	73,920	-

**THE GENERAL TYRE & RUBBER (GTJR)**

- 1000 shares purchased @ 184.330 as at 31-12-2017 (June, 2017: Nil)	184,330	-
- Gain on Investment	3,970	-
- 1000 shares purchased as at 31-12-2017 (June, 2017: Nil)	188,300	-

**THE HUB POWER CO LTD. (HUBC)**

- 2000 shares purchased @ 116.208 as at 31-12-2017 (June, 2017: Nil)	209,175	-
- Loss on Investment	(27,175)	-
- 2000 shares purchased as at 31-12-2017 (June, 2017: Nil)	182,000	-

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

9. INVESTMENT PROPERTIES

Opening Balance	159,460,000	161,380,000
Depreciation	(1,872,000)	(1,920,000)
Closing Balance	<u>157,588,000</u>	<u>159,460,000</u>

10. ASSETS CLASSIFIED AS HELD FOR SALE

Opening balance	72,995,839	-
Transfer during the period	-	72,995,839
Disposed during the period	(59,890,855)	-
Closing balance	<u>13,114,984</u>	<u>72,995,839</u>

11. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

21267800 ordinary shares of Rs.10/- each fully paid in cash (2017: 21,267,800)	<u>212,678,000</u>	<u>212,678,000</u>
--	--------------------	--------------------

12. CAPITAL RESERVE

Un-realized gain on re-measurement of available for sale investments

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	(469,993)	(759,380)
	<u>(1,216,315)</u>	<u>(746,322)</u>

13. SHORT TERM LOAN FROM DIRECTORS AND SPONSORS - UNSECURED

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
	<u>343,110,550</u>	<u>344,760,550</u>

13.1 This represents interest-free loan obtained from directors and sponsors. These loans are unsecured, and there is no fixed tenure for repayment of loan. Whereas interest bearing loan is unsecured and carries markup @ 3 months kibar plus 2%.

14. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

Transactions with related parties and associated undertakings are as under:

- There was no sale or purchase transactions with associated undertaking.
- Interest free short term loan repaid Rs. Nil and provided by sponsors Rs. Nil (June 30, 2017 Rs. Nil )
- 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)
- Markup payable to directors and sponsors Rs. 5.856 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.

15. CONTINGENCIES AND COMMITMENTS

There were no contingencies as at December 31, 2017. (June, 2017: Nil).

There were no commitments as at December 31, 2017. (June, 2017: Nil).

16. SALES

	Six months ended 31, December		Quarter ended 31, December	
	2017	2016	2017	2016
	----- Rupees -----			
-Sales of yarn - Local	-	138,820,178	-	668,250
-Sale of waste	-	1,236,335	-	1,059,775
	<u>-</u>	<u>140,056,513</u>	<u>-</u>	<u>1,728,025</u>
Less Commission on Sales of yarn - Local	-	(303,764)	-	(303,764)
	<u>-</u>	<u>139,752,749</u>	<u>-</u>	<u>1,424,261</u>

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

17. COST OF SALES

Raw material consumed	-	44,872,398	-	1,546,151
Salaries, wages & benefits	-	15,977,087	-	1,845,174
Fuel & power	-	22,034,932	-	857,518
Repair and maintenance	-	375,736	-	152,441
Other manufacturing overheads	-	4,878,641	-	-
Rent, Rates & Taxes	-	100,000	-	-
Cotton cess duty	-	50,470	-	20,208
Store consumed	-	3,231,435	-	852,513
Insurance	-	1,714,306	-	864,141
Packing material consumed	-	2,244,817	-	-
Depreciation	-	4,799,871	-	2,406,505
		<u>100,279,693</u>		<u>8,544,650</u>
Opening stock of work in process	-	8,322,990	-	8,322,990
Closing stock of work in process	-	-	-	-
		<u>8,322,990</u>		<u>8,322,990</u>
Cost of goods manufactured		<u>108,602,683</u>		<u>16,867,640</u>
Opening stock of finished goods	-	47,334,621	-	-
Closing stock of finished goods	-	-	-	-
		<u>47,334,621</u>		<u>-</u>
Opening stock of waste	-	1,179,273	-	904,097
Closing stock of waste	-	-	-	-
		<u>1,179,273</u>		<u>904,097</u>
		<u>157,116,577</u>		<u>17,771,737</u>
17.1 Raw Material Consumed				
Opening Raw Material	-	2,284,354	-	684,399
Add: Purchases	-	42,693,614	-	967,322
Less: Closing Stock	-	(105,570)	-	(105,570)
	-	<u>44,872,398</u>	-	<u>1,546,152</u>

18. FINANCIAL RISK MANAGEMENT

The companies financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the company as at and for the year ended June 30, 2017.

19. SUBSEQUENT EVENTS

The company in Extra Ordinary General Meeting held on February 20, 2018 at headoffice of the company decides to dispose off the entire land, building and other assets of the company in order to settle partially the pressing liabilities of the company and to initiate the trading business of man made fibers ( including but not limited to polyester, viscose and/or tencil), cotton, yarn and investment in listed securities under the prevailing circumstances. The management has also proposed to rent/let out the company premises till the disposal of the land, building and other assets of the company. The proposed business plan is approved by the Board of Directors and subsequently accorded by Members of the Company in above cited Extra Ordinary General Meeting.

20. DATE OF AUTHORIZATION

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on 26th February, 2018.

21. GENERAL

Figures have been rounded off to the nearest rupees.

CHIEF EXECUTIVE

DIRECTOR