

# SAJJAD TEXTILE MILLS LIMITED

QUARTERLY REPORT  
SEPTEMBER 30, 2019

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
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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. Muhammad Iqbal

### **AUDITORS**

M/s. Kamran & 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@hmacconsultants.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, 2019.

### **Financial Results**

The financial results are as under:

	September 30, 2019 (Rupees)	September 30, 2018 (Rupees)
Sales - Net	-	-
Cost of Sales	-	-
Gross Profit/( Loss)	-	-
Loss Before Taxation	(13,800,563)	(10,137,842)
Loss After Taxation	(13,849,452)	(10,345,459)

The Company incurred before tax loss of Rs. (13.849) million for 1<sup>st</sup> quarter ended September 30, 2019 as against before tax loss of Rs. (10.138) million for the corresponding period last year.


### **Earnings/ (Loss) per share**

Loss after tax per share was Rs. (0.65) for the 1st quarter then ended as against per share loss of Rs. (0.49) for the corresponding period last year.

The manufacturing operations of the Company remained suspended during the year 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 20, 2018 and subsequently 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 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. The Board of Directors in their meeting held on October 4, 2019 had approved the process of delisting of company through buy back of shares after approval of PSX.

The future operation of the company is mainly depends upon disposal of assets and repayments and settlements of outstanding liabilities.

For and on behalf of the Board

  
MUHAMMAD ASIM SAJJAD  
Chief Executive Officer

29th October, 2019  
Lahore

  
\_\_\_\_\_  
Director

## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،  
السلام علیکم،

ڈائریکٹرز ستمبر 30، 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے غیر آٹھ شدہ کردہ مالیاتی جائزہ آپ کو پیش کرتے۔

مالیاتی نتائج  
مالیاتی نتائج حسب ذیل ہیں

September 30, 2018 (Rupees)	September 30, 2019 (Rupees)	
-	-	سپلٹ - نیٹ
-	-	فروخت کی مالیت
-	-	مجموعی نقصان
(10,137,842)	(13,800,563)	قبل از ٹیکسیشن نقصان
(10,345,459)	(13,849,452)	ٹیکسیشن کے بعد نقصان

کمپنی کا ٹیکس کے بعد نقصان (13.849) ملین روپے برائے زیر بحث پہلی سہ ماہی میں رہا جبکہ گزشتہ سال اسی مدت میں کمپنی کا ٹیکس کے بعد نقصان (10.138) ملین روپے رہا۔

کمپنی کا بعداز ٹیکس نقصان فی حصص (0.65) روپے برائے زیر بحث پہلی سہ ماہی میں رہا جبکہ گزشتہ سال اسی مدت میں کمپنی کا بعد از ٹیکس نقصان فی حصص (0.49) روپے رہا۔

کمپنی کے مینوفیکچرنگ آپریشنز 22 ستمبر، 2016 کو پاکستان اسٹاک ایکسچینج اور سیکورٹیز اینڈ ایکسچینج کمیشن کمیشن کو اطلاع کے مطابق 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 تھا۔ چند ممکنہ خریداروں نے اثاثوں کی خریداری میں دلچسپی ظاہر کی ہے اور اس وقت کمپنی کی طرف سے اس پر غور کیا جا رہا ہے۔

بورڈ آف کٹری ڈائری نے 4 اکتوبر 2019 کو منعقدہ اجلاس میں پی سی اے سی اے کی منظوری کے بعد حصص کی واپس آئی کی کمپن کو سٹیبلٹیڈ کرنے کے عمل کے ایک منظوری دے دی ہے۔

برائے اور بحکم بورڈ

*Bahra*

ڈائریکٹر



محمد عاصم سجاد  
چیف ایگزیکٹو آفیسر  
29 اکتوبر، 2019  
لاہور

## **SAJJAD TEXTILE MILLS LIMITED**

### **Plant & Machinery's Disposal and Funds Utilization Upto 30 September, 2019**

Sr. No.	DESCRIPTION	COST/ REVALUED FIGURE	WRITTEN DOWN (BOOK VALUE)	SALE PROCEEDS (Upto 30 June, 2018)	TOTAL SALE PROCEEDS (upto 30 June, 2019)	REMAINING ASSETS' BOOK VALUE	GAIN / (LOSS) (upto 30 September, 2019)	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	20,884,000	20,884,000	-	101,500	COMPLETE SOLD
3	P & M- Card Machine P & M-Drawing Simplex	14,400,000	14,268,750	9,360,000	9,360,000	-	(4,908,750)	COMPLETE SOLD
4	Frames P & M-Ring Spinning	10,758,082	10,650,112	10,663,283	10,663,283	-	13,171	COMPLETE SOLD
5	Frames	25,041,000	24,709,025	15,310,882	15,310,882	-	(9,398,143)	COMPLETE SOLD
6	P & M-Auto Cone Winder P & M-Air Conditioning	14,250,000	13,893,750	14,326,050	14,326,050	-	432,300	COMPLETE SOLD
7	and P & M-Laboratory	4,125,000	4,071,875	4,000,000	4,000,000	-	(71,875)	COMPLETE SOLD
8	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 Transformer &	4,988,552	4,988,552	2,700,000	2,700,000	-	(2,288,552)	COMPLETE SOLD
12	Electrification	7,500,000	7,312,500	-	-	7,312,500	-	NOT SOLD
<b>HELD FOR SALE AFTER APPROVAL IN EOGM HELD ON FEBRUARY 18, 2019</b>								
13	Free hold Land Buildings (Production Hall, Godowns and Colony)	86,500,000	86,500,000	-	-	86,500,000	-	NOT SOLD
14		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>85,816,715</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>

**SAJJAD TEXTILE MILLS LIMITED****Sale of Assets Detail as per SRO 1227(I)/2005  
for the Quarter ended: 30 September, 2019**

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	Schlofhorst 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	Nagro 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>	

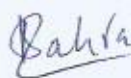


**SAJJAD TEXTILE MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2019**

	Note	September 30, 2019	June 30, 2019
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	8,072,792	8,279,786
Long term investments	7	2,751,955	2,928,410
		10,824,747	11,208,196
<b>Current assets</b>			
Trade debts		-	-
Advances, prepayments and other receivables		26,182,707	26,120,341
Tax refunds due from government		4,859,008	4,779,516
Cash and cash equivalents		536,994	189,123
		31,578,709	31,088,980
Non-current assets classified as held for sale	10	173,220,970	173,220,970
<b>Total assets</b>		<b>215,624,425</b>	<b>215,518,146</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	4	212,678,000	212,678,000
Surplus on revaluation of property, plant and equipment		118,586,946	118,586,946
Fair value loss on remeasurement of investments		(2,239,479)	(2,050,974)
Accumulated losses		(631,220,440)	(617,370,987)
		(302,194,973)	(288,157,015)
<b>Current liabilities</b>			
Trade and other payables		85,241,672	81,497,295
Deferred liability - staff gratuity	9	585,100	393,100
Short term loan from directors and sponsors - unsecured	8	363,432,961	357,796,461
Accrued mark-up	11	68,343,835	62,248,853
Unclaimed dividend		166,942	166,942
Provision for taxation		48,889	1,572,510
		517,819,398	503,675,161
Contingencies and commitments		-	-
<b>Total equity and liabilities</b>		<b>215,624,425</b>	<b>215,518,146</b>



Chief Executive



Director



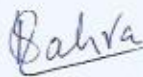
Chief Financial Officer

**SAJJAD TEXTILE MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Note	September 30, 2019	September 30, 2018
----- Rupees -----			
Revenue - net	13	-	-
Cost of revenue	14	-	-
<b>Gross profit</b>		-	-
Administrative expenses	15	(8,028,245)	(8,168,894)
Other operating expenses		-	-
		(8,028,245)	(8,168,894)
<b>Operating loss</b>		(8,028,245)	(8,168,894)
Other income		325,925	1,384,110
Finance costs	11	(6,098,243)	(3,353,058)
		(5,772,318)	(1,968,948)
<b>Loss before tax</b>		(13,800,563)	(10,137,842)
Taxation		(48,889)	(207,617)
<b>Loss after tax</b>		(13,849,452)	(10,345,459)
Loss per share - basic and diluted		(0.65)	(0.49)



Chief Executive



Director



Chief Financial Officer

**SAJJAD TEXTILE MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Note	September 30,	September 30,
		2019	2018
		----- Rupees -----	
Loss after tax		(13,849,452)	(10,345,459)
<b>Other comprehensive loss</b>			
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Fair value loss on remeasurement of investments classified at fair value through other comprehensive income	7-	(188,505)	(89,883)
<b>Total comprehensive loss for the year</b>		<b>(14,037,956)</b>	<b>(10,435,342)</b>



Chief Executive



Director



Chief Financial Officer

**SAJJAD TEXTILE MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Note	September 30, 2019	September 30, 2018
----- Rupees -----			
<b>Cash flows from operating activities</b>			
Loss before tax		(13,800,563)	(10,137,842)
Adjustments for:			
Depreciation	15	206,995	229,994
Provision for gratuity		192,000	192,000
Impairment loss on non current assets held for sale		-	-
Provision for doubtful receivables		-	-
Finance cost	11	6,098,243	3,353,058
Dividend Income		-	-
		6,497,237	3,775,051
<b>Operating loss before working capital changes</b>		<b>(7,303,326)</b>	<b>(6,362,791)</b>
<b>Effect of working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Trade Debts		-	-
Advances, prepayments and other receivables		(62,366)	644,934
		(62,366)	644,934
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		2,129,214	1,437,611
		2,129,214	1,437,611
<b>Cash used in operations</b>		<b>(5,236,478)</b>	<b>(4,280,246)</b>
Finance costs paid		(3,261)	(4,867)
Gratuity paid		-	-
Income tax paid		(48,889)	(103,522)
		(52,151)	(108,389)
<b>Net cash outflows from operating activities</b>		<b>(5,288,629)</b>	<b>(4,388,634)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	-
Dividend income received		-	-
<b>Net cash inflows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from short term loan from directors and sponsors	11	5,636,500	3,823,196
<b>Net cash inflows from financing activities</b>		<b>5,636,500</b>	<b>3,823,196</b>
Net increase / (decrease) in cash and cash equivalents		347,871	(565,438)
Cash and cash equivalents at the beginning of the period		189,123	2,761,765
<b>Cash and cash equivalents at end of the period</b>		<b>536,994</b>	<b>2,196,327</b>

  
 Chief Executive

  
 Director

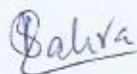
  
 Chief Financial Officer

**SAJJAD TEXTILE MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

Note	Issued, subscribed and paid up share capital	Surplus on revaluation of property, plant and equipment	Fair value loss on remeasurement of investments	Accumulated losses	Total share capital and reserves
Rupees					
Balance as at July 01, 2017	212,678,000	128,041,735	(746,322)	(499,010,251)	(159,036,838)
Effect of rectification of prior period error	-	(8,123,457)	-	15,325,346	7,201,889
<b>Restated balance as at July 01, 2017</b>	<b>212,678,000</b>	<b>119,918,278</b>	<b>(746,322)</b>	<b>(483,684,905)</b>	<b>(151,834,949)</b>
Effect of error wrongly recognised in 2018	-	-	-	19,576,627	19,576,627
Loss for the year	-	-	-	(83,171,710)	(83,171,710)
Other comprehensive loss for the year	-	-	(426,600)	-	(426,600)
Revaluation surplus on account of incremental depreciation current period - net of deferred tax	-	(1,331,332)	-	1,331,332	-
<b>Balance as at June 30, 2018</b>	<b>212,678,000</b>	<b>118,586,946</b>	<b>(1,172,922)</b>	<b>(545,948,657)</b>	<b>(215,856,633)</b>
Effect of rectification of error	-	-	-	(19,576,627)	(19,576,627)
<b>Restated balance as at July 01, 2018</b>	<b>212,678,000</b>	<b>118,586,946</b>	<b>(1,172,922)</b>	<b>(565,525,284)</b>	<b>(235,433,260)</b>
Loss for the year	-	-	-	(51,845,703)	(51,845,703)
Other comprehensive loss for the year	-	-	(878,052)	-	(878,052)
<b>Balance as at June 30, 2019</b>	<b>212,678,000</b>	<b>118,586,946</b>	<b>(2,050,974)</b>	<b>(617,370,987)</b>	<b>(288,157,015)</b>
<b>Balance as at July 01, 2019</b>	<b>212,678,000</b>	<b>118,586,946</b>	<b>(2,050,974)</b>	<b>(617,370,987)</b>	<b>(288,157,015)</b>
Profit for the period	-	-	-	(13,849,452)	(13,849,452)
Other comprehensive income for the period	-	-	(188,505)	-	(188,505)
<b>Balance as at September 30, 2019</b>	<b>212,678,000</b>	<b>118,586,946</b>	<b>(2,239,479)</b>	<b>(631,220,440)</b>	<b>(302,194,971)</b>



Chief Executive



Director



Chief Financial Officer

**SAJJAD TEXTILE MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**1- The Company and its Operations**

The company intends to dispose of a parcel of its production facility including freehold land, building and other assets. The facility was previously used in the production of textile products. A search is underway for a buyer. No impairment loss was recognised on reclassification of the land and building from investment properties to held for sale, as at June 30, 2018 and June 30, 2019 as the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount. An impairment loss was recognised on remeasurement of other assets as held for sale amounting to Rs. 3.61 million and 5.49 million as at June 30, 2019 and 2018 respectively. The impairment loss has been charged in statement of profit or loss.

**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, 2019.

**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.

Note	September 30, 2019	June 30, 2019
	----- Rupees -----	
<b>4- Issued, subscribed and paid up share capital</b>		
21,267,800 Ordinary Shares of Rs. 10 each Fully paid in cash.	212,678,000	212,678,000
	<u>212,678,000</u>	<u>212,678,000</u>
The company has one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the company. All shares rank equally with regard to the company's residual assets.		
<b>5- Capital Reserve</b>		
Opening Balance - Net of Tax	(2,050,974)	(1,172,922)
Other long term deposits	(188,505)	(878,052)
	<u>(2,239,479)</u>	<u>(2,050,974)</u>
<b>6- Property, Plant and Equipment</b>		
Opening Balance	8,279,786	9,199,763
Depreciation	(206,995)	(919,976)
	<u>8,072,792</u>	<u>8,279,786</u>
<b>7- Long term investments</b>		
<b>Investments at fair value through other comprehensive income</b>		
Opening balance	2,928,410	3,806,462
Investment made during the period	-	-
Unrealised loss on re-measurement of investments	(188,505)	(878,052)
	<u>2,739,905</u>	<u>2,928,410</u>

**SAJJAD TEXTILE MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

## 7.1- Investments at fair value through other comprehensive income

September 30, 2019	June 30, 2019	Name of Scripts	September 30, 2019		June 30, 2019	
			Average Cost	Market Value	Average Cost	Market Value
No. of Shares / Units			----- Rupees -----			
347	347	Allied Bank Ltd.	5,000	30,109	5,000	36,504
1,000	1,000	International Steels Ltd.	104,988	39,740	104,988	39,710
2,000	2,000	Pak Elektron Ltd.	122,319	33,680	122,319	40,040
1,100	1,000	Systems Ltd.	73,131	91,575	73,131	105,567
1,700	1,000	The General Tyre & Rubber Co. of Pak. Ltd.	184,330	77,418	184,330	87,567
2,241	2,000	The Hub Power Co. Ltd.	221,225	158,551	209,175	157,500
29,598	29,598	Al Meezan Islamic Fund	2,625,842	1,328,135	2,625,842	1,418,637
86,969	86,969	Nafa Stock Fund	1,653,788	992,747	1,653,788	1,042,885
<b>124,955</b>	<b>123,914</b>		<b>4,990,623</b>	<b>2,751,955</b>	<b>4,978,573</b>	<b>2,928,410</b>
Unrealised loss on re-measurement of investments			(2,238,668)		(2,050,163)	
			<b>2,751,955</b>	<b>2,751,955</b>	<b>2,928,410</b>	<b>2,928,410</b>

Note

September 30, 2019	June 30, 2019
----- Rupees -----	

8- Short term loan from directors and sponsors - unsecured

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

199,437,447	199,437,447
163,995,514	158,359,014
<b>363,432,961</b>	<b>357,796,461</b>

8.1- The above loans are unsecured and are repayable to directors and sponsors on demand.

8.2- These loans are unsecured and repayable on demand. The loan carries markup @ 3 months KIBOR + 2%.

9- Deferred liability - staff gratuity

Opening balance  
Charge for the period

393,100	-
192,000	393,100
585,100	393,100

Payments made during the period

Closing balance

<b>585,100</b>	<b>393,100</b>
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**SAJJAD TEXTILE MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	September 30, 2019	June 30, 2019
	----- Rupees -----	
<b>10- Non-current assets classified as held for sale</b>		
Opening balance	173,220,970	176,891,338
Transferred during the period	-	-
Disposed off during the period	-	-
	173,220,970	176,891,338
Impairment loss for the period	-	(3,670,368)
	<u>173,220,970</u>	<u>173,220,970</u>

**11- Transactions with related parties**

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

Significant transactions with related parties are as follows:

Nature of relationship	Nature of transactions	September 30, 2019	June 30, 2019
		----- Rupees -----	
Directors / Sponsors	Short term loan received during the period	5,636,500	9,418,912
Directors / Sponsors	Mark-up cost on loan from directors and sponsors	6,094,982	17,506,311
		<u>11,731,482</u>	<u>26,925,223</u>

All transactions with related parties have been carried out on commercial terms and conditions.

**12- Contingencies and commitments****Contingencies****12.1- Pending litigations**

National Bank of Pakistan (NBP) has lodged a claim against the company amounting to Rs. 206.12 million based on LC facility settled about 7/8 years back. National Accountability Bureau (NAB) has also taken up this matter. The act of the Bank and NAB has been challenged by the company in Writ Petition No. 221750/2018 before the Honourable Lahore High Court. The legal advisor is of the view that the case shall be in favour of the company.

**12.2- Notice from taxation authorities**

The company has been selected for Income Tax Audit u/s 161/205 of the Income Tax Ordinance, 2001 for the Tax Year 2016, 2017 and 2018. The proceedings under the said section are still open as at the date of statement of financial position.

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.

For Tax Year 2014, 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. The tax advisor of the company is of the view that the decision would likely be in the favour of the company.

**12.3- Commitments**

There were no capital commitments as at the statement of financial position date. (2018: Nil)



**SAJJAD TEXTILE MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

Note	September 30,	September 30,
	2019	2018
	----- Rupees -----	

**13- Sales**

Production operations of Mills has been suspended and no commercial operations were possible during the period under discussion.

**14- Cost of Sales**

Production operations of Mills has been suspended, hence no cost incurred during the period under discussion.

**15- Administrative expenses**

Salaries and other benefits	4,021,762	4,471,793
Vehicle running and maintenance	416,332	215,672
Traveling and conveyance	55,390	51,350
Printing and stationery	60,878	46,890
Entertainment	9,485	7,785
Rent, rate and taxes	154,850	61,734
Fee and subscription	654,657	510,682
Legal and professional	136,670	127,060
Postage and courier	8,822	23,143
Communication	104,897	104,617
Utilities	1,902,508	2,030,932
Repair and maintenance	59,395	54,205
Newspapers and periodicals	2,047	1,780
Insurance	233,557	224,649
Advertisement	-	-
Auditors' remuneration	-	-
Miscellaneous Expenses	-	6,607
Depreciation	206,995	229,994
	<b>8,028,245</b>	<b>8,168,893</b>

**16- Events after the reporting period**

There are no significant events after the reporting period which may require adjustment of and/or disclosure.

**17- Date of authorization for issue**

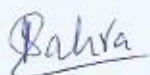
These financial statements were authorized for issue on **October 29, 2019** by the Board of Directors of the company.

**18- General**

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.



Chief Executive



Director



Chief Financial Officer