

# ***SAJJAD TEXTILE MILLS LIMITED***

***HALF YEARLY REPORT***

***DECEMBER 31, 2019***

***(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. Maqsood Akbar

### **CHIEF FINANCIAL OFFICER**

Mr. Irfan Hamid

### **COMPANY SECRETARY**

Mr. Abdul Latif

### **AUDITORS**

M/s. Iqbal Yasir & Company,  
 Chartered Accountants

### **AUDIT COMMITTEE**

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

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

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

### **BANKERS**

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

### **COMPANY SHARE REGISTRARS**

Hameed Majeed Associates (Pvt) Ltd.

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

### **REGISTERED OFFICE**

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

### **MILLS ADDRESS**

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

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

Dear Shareholders,  
Assalam-o-Alaikum,

The Directors are pleased to present the reviewed financial statements for the Half Year ended December 31, 2019.

**Financial Results**

The financial results are as under:

	<u>Oct, - Dec., 2019</u> <u>(Rupees)</u>	<u>July - Dec., 2019</u> <u>(Rupees)</u>
Sales - Net	-	-
Cost of Sales	-	-
Gross Profit/( Loss)	-	-
Loss Before Taxation	(12,399,313)	(26,199,876)
Loss After Taxation	(12,381,738)	(26,231,190)

The Company incurred before tax loss of Rs. (12.399) million Rs. (26.200) million for the 2<sup>nd</sup> quarter and half year ended December 31, 2019 respectively, as against before tax loss of Rs. (8.739) million Rs. (19.048) million for the corresponding periods last year.

**Earnings/ (Loss) per share**

Loss after tax per share was Rs. (0.58) and Rs. (1.23) for the 2<sup>nd</sup> quarter and half year ended December 31, 2019 respectively, as against per share loss of Rs. (0.44) and Rs. (0.94) for the corresponding periods last year.

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

For and on behalf of the Board



**Chief Executive Officer**



**Director**

27th February, 2020  
Lahore.



## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،  
السلام علیکم،

ڈائریکٹرز 31 دسمبر، 2019 دوسری سہ ماہی اور نصف سال کے اختتام پر کمپنی کا (آئیٹرز کے محدود جائزہ پر مشتمل) مالیاتی جائزہ آپ کو پیش کرتے ہیں

مالیاتی نتائج  
مالیاتی نتائج حسب ذیل ہیں

Jul. - Dec. 2019 (Rupees)	Oct. - Dec., 2019 (Rupees)	
-	-	سیلز - نیٹ
-	-	فروخت کی مالیت
-	-	مجموعی نقصان کے
(26,199,876)	(12,399,313)	قبل از ٹیکسیشن نقصان
(26,231,190)	(12,381,738)	ٹیکسیشن کے بعد نقصان

کمپنی کا قبل از ٹیکس نقصان (12.399) ملین روپے اور (26.200) 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 (8.739) ملین روپے اور (19.048) ملین روپے رہا۔

کمپنی کا بعد از ٹیکس نقصان فی حصص (0.58) روپے اور (1.23) روپے بالترتیب برائے زیر بحث دوسری سہ ماہی اور نصف سال میں رہا جبکہ گزشتہ سال اسی مدت میں کمپنی کا بعد از ٹیکس نقصان فی حصص بالترتیب (0.44) روپے اور (0.94) روپے رہا۔

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

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

برائے اور بحکم بورڈ

*Pahva*

ڈائریکٹر

*Dr*

محمد عاصم سجاد  
چیف ایگزیکٹو آفیسر  
27 فروری، 2020  
لاہور

**SAJJAD TEXTILE MILLS LIMITED****Plant & Machinery's Disposal and Funds Utilization Upto 31 December, 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 31 December, 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	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	15,310,882	15,310,882	-	(9,398,143)	COMPLETE SOLD
6	P & M-Auto Cone Winder	14,250,000	13,893,750	14,326,050	14,326,050	-	432,300	COMPLETE SOLD
7	P & M-Air Conditioning and	4,125,000	4,071,875	4,000,000	4,000,000	-	(71,875)	COMPLETE SOLD
8	P & M-Laboratory Equipments	675,000	658,125	688,000	688,000	-	29,875	COMPLETE SOLD
9	P & M- Workshop Equipments, Spare Parts	130,000	126,750	134,500	134,500	-	7,750	COMPLETE SOLD
10	P & M- Compressor	1,020,000	994,500	1,000,000	1,000,000	-	5,500	COMPLETE SOLD
11	Store and Spares 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	86,500,000	86,500,000	-	-	86,500,000	-	NOT SOLD
14	Buildings (Production Hall, Godowns and Colony)	96,945,804	70,549,480	-	-	70,549,480	-	NOT SOLD
15	Other related Assets	20,141,187	10,987,505	-	-	10,987,505	-	NOT SOLD
<b>TOTAL</b>		<b>313,249,625</b>	<b>275,977,798</b>	<b>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: 31 DECEMBER, 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	Nagra Spinning Mills (Pvt) Ltd.
43	04-Apr-2018	Workshop Equipments	1 Lot	134,500	Mr. Muhammad Pervaiz
<b>TOTAL</b>				<b>85,816,715</b>	



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SAJJAD TEXTILE MILLS LIMITED**

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Sajjad Textile Mills Limited** ("the Company") as at 31 December 2019 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with notes forming part thereof (here-in-after referred to as the interim financial information) for the half year period then ended. Management is responsible for the preparation and presentation of this interim financial in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures for the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2019.

**Scope of review**


We conducted our review in accordance with international standard on review engagement 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

**Emphasis of the matter**

We draw attention to note 1.2 to the interim financial statements which indicates that the company has suspended its operations and intends to dispose of its entire assets to settle liabilities and to initiate new business, the Company has accumulated losses of Rs. 643.569 million and negative equity balance of Rs. 274.774 million as at the date of condensed financial statements. Additionally the directors of the company have now planned to delist the company from the Pakistan Stock Exchange (PSX) and to buy back shares from the general public. As a result, now the company is not considered as a going concern.

  
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Therefore, these condensed financial statements have been prepared by the management on a non going bases (estimated realizable / settlement value of assets and liabilities respectively). Our conclusion is not modified in respect of this matter.

**Other matter**

The prior year financial statements were audited by another firm of Chartered Accountants whose report dated October 04, 2019 issued an unmodified opinion with an emphasis of the matter para related to prepration of financial statements on non going concern basis.

The engagement partner on the review resulting in this independent auditor's review report is Kamil Fatah (FCA).

*Kamran & Co*

KAMRAN & CO.  
CHARTERED ACCOUNTANTS



LAHORE  
27 FEBRUARY 2020




**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Un-Audited 31 Dec, 2019	Un-Audited 31 Dec, 2019	Audited 30 Jun, 2019	Audited 30 Jun, 2019
	Realizable / Settlement value	Book value	Realizable / Settlement value	Book value
Note	..... Rupees .....			
<b>ASSETS</b>				
Cash and cash equivalents	1,780,229	1,780,229	189,123	189,123
Tax refunds due from government	5,190,675	5,190,675	4,779,516	4,779,516
Advances, prepayments and other receivables	26,274,920	26,274,920	26,120,341	26,120,341
Long term investment	3,451,809	3,451,809	2,928,410	2,928,410
Non-current assets classified as held for sale	209,378,900	209,378,900	173,220,970	173,220,970
Property, plant and equipment	10,777,561	10,777,561	8,279,786	8,279,786
	<b>256,854,094</b>	<b>256,854,094</b>	<b>215,518,146</b>	<b>215,518,146</b>
<b>LIABILITIES</b>				
Provision for taxation	31,314	31,314	1,572,510	1,572,510
Accrued mark-up	75,031,968	75,031,968	62,248,853	62,248,853
Short term borrowings	367,941,461	367,941,461	357,796,461	357,796,461
Trade and other payables	87,846,635	87,846,635	81,497,295	81,497,295
Unclaimed dividend	166,942	166,942	166,942	166,942
Deferred liabilities	610,100	610,100	393,100	393,100
	<b>531,628,420</b>	<b>531,628,420</b>	<b>503,675,161</b>	<b>503,675,161</b>
<b>NET ASSETS</b>	<b>(274,774,326)</b>	<b>(274,774,326)</b>	<b>(288,157,015)</b>	<b>(288,157,015)</b>
<b>REPRESENTED BY:</b>				
Share capital	212,678,000	212,678,000	212,678,000	212,678,000
Surplus on revaluation of property, plant and equipment	157,656,399	157,656,399	118,586,946	118,586,946
Fair value loss on remeasurement of investments	(1,539,625)	(1,539,625)	(2,050,974)	(2,050,974)
Accumulated loss	(643,569,100)	(643,569,100)	(617,370,987)	(617,370,987)
	<b>(274,774,326)</b>	<b>(274,774,326)</b>	<b>(288,157,015)</b>	<b>(288,157,015)</b>
Contingencies and commitments	-	-	-	-
	<b>(274,774,326)</b>	<b>(274,774,326)</b>	<b>(288,157,015)</b>	<b>(288,157,015)</b>

The annexed notes 1 to 11 form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT /**  
**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019**

	Half year ended		Quarter ended	
	31 Dec, 2019	31 Dec, 2018	31 Dec, 2019	31 Dec, 2018
	..... Rupees .....		..... Rupees .....	
Other income	2,087,588	4,588,160	1,761,663	3,326,235
Operating expenses:				
Administrative expenses	(15,498,605)	(16,036,091)	(7,470,360)	(7,859,889)
Finance cost	(12,788,859)	(7,600,474)	(6,690,616)	(4,205,130)
	(28,287,464)	(23,636,565)	(14,160,976)	(12,065,019)
Loss before taxation	(26,199,876)	(19,048,405)	(12,399,313)	(8,738,784)
Taxation	(31,314)	(896,874)	17,575	(707,585)
Loss after taxation	(26,231,190)	(19,945,279)	(12,381,738)	(9,446,369)
<b>Other comprehensive loss</b>				
Fair value (loss) / gain on remeasurement of investments classified at fair value	511,349	(464,177)	699,854	(374,294)
<b>Total comprehensive loss</b>	<b>(25,719,841)</b>	<b>(20,409,456)</b>	<b>(11,681,884)</b>	<b>(9,820,663)</b>
<b>Loss per share - basic and diluted</b>	<b>(1.23)</b>	<b>(0.94)</b>	<b>(0.58)</b>	<b>(0.44)</b>

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019**

	Six months ended	
	31 Dec, 2019	31 Dec, 2018
	..... Rupees .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(26,199,876)	(19,048,405)
Adjustments for non-cash charges / items:		
Depreciation	446,825	459,988
Finance cost	12,788,859	7,600,474
Provision for gratuity	217,000	217,000
	<u>13,452,684</u>	<u>8,277,462</u>
Loss before working capital changes	(12,747,192)	(10,770,943)
Working capital changes :		
(Decrease) / increase in current assets		
Advances, prepayments and other receivables	(2,118,984)	1,656,139
(Decrease) in trade and other payables	6,349,340	4,244,883
	<u>4,230,356</u>	<u>5,901,022</u>
Cash used in operations	(8,516,836)	(4,869,921)
Income taxes paid	(31,314)	(210,000)
Finance cost paid	(5,744)	(10,014)
<b>Net cash used in operating activities</b>	<u>(8,553,894)</u>	<u>(5,089,935)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	-
(Increase) in long-term deposits	-	-
<b>Net cash out flow in investing activities</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short term loan from directors and sponsors	10,145,000	4,638,196
<b>Net cash inflow from financing activities</b>	<u>10,145,000</u>	<u>4,638,196</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	1,591,106	(451,739)
Cash and cash equivalents at beginning of period	189,123	2,761,765
Cash and cash equivalents at end of period	<u>1,780,229</u>	<u>2,310,026</u>



Chief Executive Officer



Director



Chief Financial Officer

**SAJJAD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019**

	Share capital	Surplus on revaluation of property, plant and equipment	Fair value loss on remeasurement of investment	Accumulated loss	Total Equity
	----- Rupees -----				
Balance as at June 30, 2018	212,678,000	118,586,946	(1,172,922)	(545,948,656)	(215,856,632)
Effect of rectification of error	-	-	-	(19,576,627)	(19,576,627)
Restated balance as at July 01, 2018	212,678,000	118,586,946	(1,172,922)	(565,525,283)	(235,433,259)
Loss for the year	-	-	-	(51,845,703)	(51,845,703)
Other comprehensive loss for the year	-	-	(878,052)	-	(878,052)
Balance as at June 30, 2019	212,678,000	118,586,946	(2,050,974)	(617,370,986)	(288,157,014)
<b>Balance as at July 01, 2019</b>	212,678,000	118,586,946	(2,050,974)	(617,370,986)	(288,157,014)
Loss for the period	-	-	-	(26,231,190)	(26,231,190)
Increase in Revaluation surplus on account of revaluation during the period	-	39,102,529	-	-	39,102,529
Other comprehensive income for the period	-	-	511,349	-	511,349
Revaluation surplus on account of incremental depreciation current period	-	(33,076)	-	33,076	-
<b>Balance as at 31 December 2019</b>	<b>212,678,000</b>	<b>157,656,399</b>	<b>(1,539,625)</b>	<b>(643,569,100)</b>	<b>(274,774,326)</b>

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer



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**SAJJAD TEXTILE MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019**

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**1 STATUS AND ACTIVITES**

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

**1.2 Material uncertainty related to going concern**

The Company suspended its operations in September 2016 and after obtaining approval from shareholder intended to dispose off its entire assets including freehold land, building, plant and machinery and other assets to settle its liabilities and to initiate new business of trading / investing activities. However, the proposed plan could not be implemented during the period ended December 31, 2019 and the Company's accumulated losses stand at Rs. 643.569 million and negative equity balance of Rs. 274.774 million as at December 31, 2019.

The Company obtained approval from shareholders to dispose off freehold land, building, plant and machinery and other assets installed at the production facility in an Extra Ordinary General Meeting held on April 6, 2017. Process of disposal of fixed assets of the Company and approved by the shareholders in the aforesaid Extra Ordinary General Meeting could not be completed within one year. Therefore, in accordance with the requirements of the Companies Act, 2017 the Company again obtain approval from shareholders for the said disposal in an Extra Ordinary General Meeting held on February 20, 2018 and on February 18, 2019.

The directors of the Company in its board meeting held on February 15, 2020 decided to delist the Company from Pakistan Stock Exchange and to buy back shares from the general public. In view of the aforesaid reasons, the Company is not considered as going concern. Therefore, these financial statements have been prepared on non- going concern basis (i.e on the basis of estimated realizable value / settlement values of the assets and liabilities).

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting' and provisions of directives issued under the Act. In the cases where the requirements differ, the provisions or directives issued under the Act have been followed. This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2019.



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**SAJJAD TEXTILE MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019**

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**3 BASIS OF MEASUREMENT**

Management of the company has decided to prepare these financial statements on the basis of estimated realizable/settlement value of the assets and liabilities respectively in addition to Historical cost invention. All assets and liabilities in these financial statements have been presented in order of liquidity.

**4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended 30 June 2019.

	<u>Un-Audited</u>	<u>Audited</u>
	<u>31 Dec 2019</u>	<u>30 June 2019</u>
	<u>..... Rupees .....</u>	
<b>5 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Opening balance	173,220,970	176,891,338
Add: Surplus on revaluation	36,157,930	-
Less: Impairment loss for the period	-	(3,670,368)
	<u>209,378,900</u>	<u>173,220,970</u>
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening balance	8,279,787	9,199,763
Surplus on revaluation	2,944,599	-
Depreciation for the period	(446,825)	(919,976)
Closing book value	<u>10,777,561</u>	<u>8,279,787</u>
<b>7 SHORT TERM BORROWINGS</b>		
Interest free loan from directors and sponsors - unsecured	199,437,447	199,437,447
Interest bearing loan from directors and sponsors - unsecured	168,504,014	158,359,014
	<u>367,941,461</u>	<u>357,796,461</u>
7.1 The above loans are unsecured and are repayable to directors and sponsors on demand.		
7.2 These loans are unsecured and repayable on demand. The loan carries markup @ 3 months KIBOR + 2%.		
<b>8 Trade and other payables</b>		
Creditors	22,432,309	24,432,294
Advances from customers	2,107,922	781,835
Withholding tax payables	236,543	239,884
Unearned income	348,247	52,599
Accrued liabilities	62,671,614	55,990,683
	<u>87,796,635</u>	<u>81,497,295</u>



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**SAJJAD TEXTILE MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019**

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	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019
	----- Number of shares -----		Rupees	Rupees
<b>9 Share capital</b>				
<b>Authorized capital</b>				
Ordinary shares of Rs.10 each	<u>30,000,000</u>	<u>30,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, subscribed and paid-up capital</b>				
Ordinary shares of Rs.10 each fully paid	<u>21,267,800</u>	<u>21,267,800</u>	<u>212,678,000</u>	<u>212,678,000</u>

**10 CORRESPONDING FIGURES**


Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-classification and re-arrangements were made in these financial statements.

**11 AUTHORIZATION FOR ISSUE**

These financial statements have been approved by the board of directors of the Company and authorized for issue on 27th February, 2020.



Chief Executive Officer



Director



Chief Financial Officer