



Sargodha Spinning Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/B, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788758-59 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk NTN: 0657821-7

Ref : SSM/PSX/16

Date : 20-04-2016

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

Subject: **FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2015**

Dear Sir,

We have to inform you that the Board of Directors of our company in their Meeting held at 11:00 a.m. on Wednesday, April 20, 2016 recommended Nil Cash Dividend, Bonus or Right Issue of the Shares.

The financial results of the Company are as follows:

	(RUPEES IN THOUSAND)	
	Year Ended 30-06-2015	Year Ended 30-06-2014
SALES	2,051,787	3,053,261
COST OF SALES	<u>(2,061,792)</u>	<u>(2,914,308)</u>
GROSS PROFIT/(LOSS)	(10,005)	138,953
DISTRIBUTION COST	<u>(30,375)</u>	<u>(57,091)</u>
ADMINISTRATIVE EXPENSES	<u>(47,075)</u>	<u>(48,161)</u>
OTHER EXPENSES	<u>(8,872)</u>	<u>(1,708)</u>
	<u>(86,322)</u>	<u>(106,960)</u>
	<u>(96,327)</u>	<u>31,993</u>
OTHER INCOME	10,829	16,578
PROFIT/(LOSS) FROM OPERATIONS	<u>(85,498)</u>	<u>48,571</u>
FINANCE COST	<u>(40,246)</u>	<u>(54,280)</u>
LOSS BEFORE TAXATION	<u>(125,744)</u>	<u>(5,709)</u>
TAXATION	<u>(21,002)</u>	<u>(30,855)</u>
LOSS AFTER TAXATION	<u>(146,746)</u>	<u>(36,564)</u>
LOSS PER SHARE – BASIC AND DILUTED (RUPEES)	<u>(4.70)</u>	<u>(1.17)</u>

Auditors' observation is as under:

"As more fully explained in the note 1.2 to the financial statements, the company has incurred net loss of Rupees 146.746 million during the year ended 30 June 2015. Equity of the company stands at a negative balance of Rupees 57.796 million due to accumulated losses of Rupees 374.607 million as on June 30, 2015. At the balance sheet date, the company's current liabilities exceeded its current assets by Rupees 340.662 million. The company is facing problems in timely repayment of financing. A unit of the company closed during the year due to shortage of working capital and heavy losses. Subsequent to the reporting period, the other unit of the company also closed down. The mill could not resume operations till the date of this report. The management of the company did not provide us its assessment of going concern assumption used in preparation of these financial statements and the future financial projections indicating the economic viability of the company. These events coupled with management's plans for disposal of assets to settle liabilities indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial have been prepared on the going concern basis."

MILLS:
8-k.m, Sargodha Road Faisalabad.
Ph. No. 0092-41-8868132-35
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KARACHI OFFICE:
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Trade Avenue,
Hasrat Mohani Road,
Karachi.
Phone: 021-32472354



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The Annual General Meeting of the Company will be held at 11:00 a.m. on May 20, 2016 at the Registered Office of the Company at A-601/B, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.

The Share Transfer Books of the Company will be closed from 13-05-2016 to 20-05-2016 (both days inclusive). Transfers received at Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company by the close of business on May 12, 2016 will be treated in time.

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange 21 days before the date of AGM.

Yours faithfully,
for SARGODHA SPINNING MILLS LIMITED

(Mazhar Hussain)
Company Secretary

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