



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 : 06-10-2016

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

Subject: **FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2016**

Dear Sir,

We have to inform you that the Board of Directors of our company in their Meeting held on October 6, 2016 at 11:00 a.m. at A-601/B, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore recommended **Nil Cash Dividend, Bonus or Right Issue of the Shares.**

The financial results of the Company are as follows:

	<u>(RUPEES IN THOUSAND)</u>	
	<u>Year Ended</u>	<u>Year Ended</u>
	<u>30-06-2016</u>	<u>30-06-2015</u>
SALES	142,492	2,051,787
COST OF SALES	(204,711)	(2,081,792)
GROSS LOSS	(62,219)	(10,005)
DISTRIBUTION COST	(1,610)	(30,375)
ADMINISTRATIVE EXPENSES	(28,903)	(47,075)
OTHER EXPENSES	(25,757)	(8,872)
	(56,270)	(86,322)
OTHER INCOME	(118,489)	(96,327)
	52,376	10,829
LOSS FROM OPERATIONS	(66,113)	(85,498)
FINANCE COST	(30,046)	(40,246)
LOSS BEFORE TAXATION	(96,159)	(125,744)
TAXATION	37,218	(21,002)
LOSS AFTER TAXATION	(58,941)	(146,746)
LOSS PER SHARE – BASIC AND DILUTED (RUPEES)	(1.89)	(4.70)

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 58.941 million during the year ended 30 June 2016. Equity of the company stands at a negative balance of Rupees 103.309 million due to accumulated losses of Rupees 428.975 million as on June 30, 2016. At the balance sheet date, the company's current liabilities exceeded its current assets by Rupees 380.004 million. The company is facing problems in timely repayment of financing. During the year, manufacturing activities of the company have been closed due to shortage of working capital and heavy losses. 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 statements have been prepared on the going concern basis."

MILLS: 8-k.m, Sargodha Road Faisalabad.

Ph. No. 0092-41-8868132-35, Fax: 0092-41-8868139 E-mail: sargo@fsd.paknet.com.pk



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The Annual General Meeting of the Company will be held at 10:30 a.m. on October 31, 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 25-10-2016 to 31-10-2016 (both days inclusive). Transfers received at Corpink (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 October 24, 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

(Mian Farrukh Naseem)
Chief Executive