

Interim Financial Report
Quarter ended
September 30, 2018
(Un-audited)



Sally Textile Mills Limited

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Company Information

Board Of Directors

Mian Iqbal Salahuddin	Chief Executive Officer
Mst. Munira Salahuddin	
Mian Yousaf Salahuddin	
Mian Asad Salahuddin	
Mian Sohail Salahuddin	
Sheikh Abdul Salam	
Syed Abid Raza Zaidi	
Usman Shahid	

Audit Committee

Sheikh Abdul Salam	Chairman
Mian Asad Salahuddin	Member
Mian Sohail Salahuddin	Member
Syed Abid Raza Zaidi	Secretary

Human Resources & Remuneration Committee

Sheikh Abdul Salam	Chairman
Mst. Munira Salahuddin	Member
Mian Sohail Salahuddin	Member

Chief Financial Officer

Mr. Hasan Shahnawaz

Company Secretary

Syed Abid Raza Zaidi

Auditors

M/s Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Bankers

National Bank Of Pakistan
Silk Bank Limited
The Bank of Punjab
Meezan Bank Limited
Habib Bank Limited

Registered Office

4-F, Gulberg II, Lahore.
Phones : (042) 35754371, 35754373
E-mail : sallytex@hotmail.com
Fax : (042) 35754394

Mills

Muzaffargarh Road, Jauharabad
Phones: (0454) 720645, 720546, 720311

Directors' Review

The Directors of Sally Textile Mills Limited ("the Company") present the 1st quarter report of the Company for the period ended 30th September 2018.

Overview

The Textile spinning industry in the Pakistan is facing severe difficulties. The government has not taken appropriate steps to improve the viability of this sector. Serious steps need to be implemented for true revival of spinning sector.

Performance review

In line with adversities being faced by this sector; the company posted net loss of Rs. (77.48) million. The Company posted sales turnover of Rs. 114.65 million as compared to Rs. 523.37 million in the corresponding period. The Company posted gross profit / (Loss) of Rs. (36.50) million as compared to profit of Rs. 17.79 million the corresponding period. Directors of the Company are considering all options for surviving this very crucial and difficult time.

The financial results in a summarized form are given hereunder:

Description	Quarter ended September 30, 2018 <i>Rupees '000'</i>	Quarter ended September 30, 2017 <i>Rupees '000'</i>
Turnover-net	114,651	523,375
Gross profit / (Loss)	(36,503)	17,794
Loss before tax	(76,338)	(25,634)
Loss after tax	(77,484)	(30,868)

Loss per share

Loss per share of your company for the 1st quarter ended September 30, 2018 is Rs. (8.83) as compared to Rs. (3.52) for the comparative quarter ended September 30, 2017.

Acknowledgement

Your directors record with appreciation, the efforts of its employees. Your directors also extend their appreciation to the company's banker, buyers and suppliers for their cooperation.

For and on behalf of the board



MIAN IQBAL SALAHUDDIN
Chief Executive Officer

Date: **October 26, 2018**
Lahore.

ڈائریکٹر ان رپورٹ

معزز ممبران کی خدمت میں اسلام علیکم!

آپ کی کمپنی صلی ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹر ان سال نو کی پہلی سہ ماہی کے 30 ستمبر 2018 تک کے غیر پڑتال شدہ حسابات پیش کر رہے

ہیں۔

مجموعی جائزہ:-

ملکی حالات اور کاروباری پستی کے سبب ٹیکسٹائل میں سپلنگ یونٹس بہت سی مشکلات کا شکار ہیں۔ حکومت پاکستان بھی اس سیکٹر کو ترقی دینے میں غیر سنجیدہ نظر آ رہی ہے۔ کیونکہ ملک میں درآمد شدہ ہندوستانی دھاگہ جو بڑی مقدار میں موجود ہے، اس صنعت کے سنبھلنے میں مشکل بنا ہوا ہے۔ اس کے علاوہ بجلی کا بار بار قطل بھی ایک بہت بڑی رکاوٹ ہے۔

کارکردگی:-

کمپنی ان بدترین موجودہ صورتحال سے نہر آزا ہوتے ہوئے اور اپنے وسائل کا بہترین استعمال کرتے ہوئے بقا کی جنگ میں مصروف عمل ہے۔ کمپنی کی ڈائریکٹر ان / ذمہ داران انتہائی محنت اور کوشش کے ساتھ آپ کی دعاؤں کے طفیل بارگاہ پروردگار سے پر امید ہیں کہ سختی کے موجودہ بادل ضرور چھٹ کر رہیں گے۔

پہلی سہ ماہی کے مالیاتی نتائج درج ذیل ہیں

تفصیل	30 ستمبر 2018	30 ستمبر 2017
خالص فروخت	114,651	523,375
خام منافع / نقصان	(36,503)	17,794
نقصان پیش تر ٹیکس	(76,338)	(25,634)
نقصان بعد از ٹیکس	(77,484)	(30,868)

نقصان فی حصہ:-

مندرجہ بالا نتائج کے مطابق آٹھ روپے تراسی پیسے (8.83) نقصان ٹھہرا۔ جب کہ یہ نقصان پچھلے سال کی پہلی سہ ماہی 30 ستمبر 2017 کو تین روپے باون پیسے (3.52) فی حصہ تھا۔

اظہار تشکر:-

ڈائریکٹر ان، کمپنی کے ذمہ داران، کارکنوں اور محنت کشوں کی کاوشوں کو تحسین کی نگاہ سے دیکھتے ہیں۔

دیگر کرم فرماؤں، مالیاتی اداروں، خام مال کے مہیا کنندگان، خریدار اور واسطہ یا بالواسطہ خدمات انجام دینے والوں کو خراج تحسین پیش کرتے ہیں۔

والسلام

منجانب بورڈ



میاں اقبال صلاح الدین

چیف ایگزیکٹو آفیسر

لاہور

26 اکتوبر 2018

Condensed Interim Balance Sheet *(Un-audited)* as at September 30, 2018

	September 30, 2018	June 30, 2018
	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Audited)</i>
EQUITY AND LIABILITIES		
Authorized share capital		
20,000,000 ordinary shares of Rs. 10 each	<u>200,000</u>	<u>200,000</u>
Share capital and reserves		
Issued, subscribed and paid-up capital	87,750	87,750
Surplus on revaluation of property, plant and equipment	226,965	226,965
Accumulated Loss	(818,186)	(740,979)
	(503,471)	(426,264)
Loan from sponsors - Unsecured	611,647	536,883
Non-current liabilities		
Long term finances - Secured	118,750	127,083
Employees retirement benefits	101,470	102,176
Deferred taxation	77,391	77,391
	297,612	306,650
Current liabilities		
Trade and other payables	360,075	405,775
Unclaimed dividend	1,010	1,010
Short term borrowings - Secured	723,634	723,643
Accrued interest/mark-up	84,070	64,104
Current portion of non current liabilities	192,083	183,750
	1,360,872	1,378,283
Contingencies and commitments	-	-
TOTAL LIABILITIES	<u>1,766,660</u>	<u>1,795,552</u>

Lahore
Date : October 26, 2018


MIAN IQBAL SALAHUDDIN
Chief Executive

	September 30, 2018	June 30, 2018
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Audited)</i>
ASSETS		
Non-current assets		
Property, plant and equipment	935,436	945,929
Long term deposits - Unsecured, Considered good	11,244	11,244
	946,679	957,173
Current assets		
Stores, spares and loose tools	74,658	80,723
Stock in trade	566,403	600,447
Trade debts	118,224	100,054
Advances, prepayments and other receivables	46,397	42,603
Current taxation	12,925	12,330
Cash and bank balances	1,373	2,222
	819,981	838,379

TOTAL ASSETS	1,766,660	1,795,552
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The annexed notes from 1 to 8 form an integral part of this condensed interim financial information



MIAN YOUSAF SALAHUDDIN
Director

Condensed Interim Profit and Loss Account (Un-audited)
for the quarter ended September 30, 2018

	September 30, 2018	September 30, 2017
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
Turnover - net	114,651	523,375
Cost of sales	(151,153)	(505,581)
Gross Profit / (Loss)	(36,503)	17,794
Selling and distribution expenses	(1,225)	(2,240)
Administrative and general expenses	(8,399)	(11,168)
	(9,624)	(13,409)
Other operating income	-	-
Operating Profit / (Loss)	(46,127)	4,386
Finance cost	(20,095)	(21,062)
Notional interest	(9,941)	(8,293)
Other charges	(175)	(665)
Loss before taxation	(76,338)	(25,634)
Taxation	(1,147)	(5,234)
Loss after taxation	(77,484)	(30,868)
Loss per share - basic and diluted	(8.83)	(3.52)

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information

Lahore
Date : October 26, 2018


MIAN IQBAL SALAHUDDIN
Chief Executive


MIAN YOUSAF SALAHUDDIN
Director

Condensed Interim Statement of Other Comprehensive Income (Un-audited)

for the quarter ended September 30, 2018

	September 30, 2018	September 30, 2017
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified to profit or loss		
Incremental depreciation	396	455
Other comprehensive income before taxation	396	455
Taxation	119	136
Other comprehensive income after taxation	277	319
Loss after taxation	(77,484)	(30,868)
Total comprehensive Loss	(77,207)	(30,549)

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information



MIAN IQBAL SALAHUDDIN
Chief Executive



MIAN YOUSAF SALAHUDDIN
Director

Lahore
Date : October 26, 2018

Condensed Interim Cash Flow Statement (Un-audited)

for the quarter ended September 30, 2018

	September 30, 2018	September 30, 2017
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(76,338)	(25,634)
Adjustments for non-cash and other items		
Interest / markup on borrowings	19,888	20,637
Notional interest	9,941	6,732
Provision for employees retirement benefits	1,180	3,350
Depreciation	10,494	11,720
	41,503	42,439
Operating Cashflow before changes in working capital	(34,835)	16,805
Changes in working capital		
Stores, spares and loose tools	6,065	(3,237)
Stock in trade	34,044	30,413
Trade debts	18,170	4,178
Advances, prepayments and other receivables	(3,795)	8,130
Trade and other payables	(54,343)	(60,063)
	142	(20,579)
Cash generated from operations	(34,693)	(3,774)
Payments for:		
Employees retirement benefits	-	(3,451)
Interest/markup on borrowings	-	(13,642)
Income tax	(1,147)	(4,105)
Net cash flow from operating activities	(1,147)	(21,199)



MIAN IQBAL SALAHUDDIN
Chief Executive

Lahore
Date : October 26, 2018

	September 30, 2018	September 30, 2017
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase /(decrease) in short term borrowings	(9)	3,679
Loan from sponsors repaid	35,000	20,000
Net cash used in financing activities	34,991	23,679
Net increase/(decrease) in cash and cash equivalents	(849)	(1,294)
Cash and cash equivalents as at beginning of the year	2,222	5,639
Cash and cash equivalents as at end of the year	1,373	4,345

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information



MIAN YOUSAF SALAHUDDIN
Director

Condensed Interim Statement of Changes In Equity (Un-audited)

for the quarter ended September 30, 2018

	Issued subscribed and Paid-up Capital	Surplus on revaluation of property, plant & equipments	Accumulated Profit / (Losses)	Total equity
	Rupees in thousand			
Blance as at July 01, 2017 - Audited	87,750	230,270	(343,634)	(25,615)
Comprehensive income				
Loss after taxation	-	-	(30,868)	(30,868)
Other comprehensive income	-	-	319	319
Total comprehensive Loss	-	-	(30,549)	(30,549)
Transaction with owners	-	-	-	-
Blance as at Sep 30, 2017 Un-audited	87,750	230,270	(374,183)	(56,164)
Comprehensive income				
Loss after taxation	-	-	(367,073)	(367,073)
Other comprehensive Loss	-	1,187	(4,214)	(3,027)
Total comprehensive Loss	-	1,187	(371,287)	(370,100)
Incremental deprication		(4,492)	4,492	-
Transaction with owners	-	-	-	-
Blance as at June 30, 2018- Audited	87,750	226,965	(740,979)	(426,264)
Comprehensive income				
Loss after taxation	-	-	(77,484)	(77,484)
Other comprehensive income	-	-	277	277
Total comprehensive Loss	-	-	(77,207)	(77,207)
Transaction with owners	-	-	-	-
Balance as at September 30, 2018	87,750	226,965	(818,186)	(503,471)

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information

Lahore
Date : October 26, 2018


MIAN IQBAL SALAHUDDIN
Chief Executive


MIAN YOUSAF SALAHUDDIN
Director

Notes to the Condensed Interim Financial Information (Un-audited)

for the quarter ended September 30, 2018

1. REPORTING ENTITY

Sally Textile Mills Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The Company is a spinning unit engaged in the manufacture and sale of yarn. The registered office of the Company is situated at 4 F, Gulberg II, Lahore. The manufacturing facility including power generation unit, is located at Joharabad District Khushab in the Province of Punjab.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as notified under the provisions of the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value/amortized cost. In these condensed interim financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

4. FUNCTIONAL CURRENCY

These condensed interim financial statements have been prepared in Pak Rupees which is the Company's functional currency.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are consistent with those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2017.

6. DATE OF AUTHORIZATION

These condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on Oct 26, 2018.

7. PROVISION FOR TAXATION

7.1 Provision for the current tax has been made under sec 113 of income tax ordinance 2001.

7.2 No provision of deferred tax has been made as the impact of the same is considered to be immaterial.

Notes to the Condensed Interim Financial Information (Un-audited) *for the quarter ended September 30, 2018*

8. GENERAL

- 8.1** There are no other significant activities since 30 June-2017 that may effect these condensed interim financial information.
- 8.2** Comparative figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.
- 8.3** Figures have been rounded off to the nearest thousand rupee.



MIAN IQBAL SALAHUDDIN
Chief Executive



MIAN YOUSAF SALAHUDDIN
Director

Lahore
Date : October 26, 2018

BOOK POST

UNDER POSTAL CERTIFICATE

REGISTERED OFFICE :

4 - F, Gulberg II, Lahore.

Phones : 042 - 35754371, 35754372, 35754373

Fax : 042 - 35754394

E-mail: sallytex@hotmail.com