



Interim Financial Report
Nine months ended
March 31, 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 | |

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 Half Yearly report of the Company for the period ended 31st March 2018.

Overview

There has been little reprieve for textile sector. The impact of supply of RLNG been passed on the industry in shape of continue power for production facilities. Stability in local and international yarn prices is also one of the reasons of improvement in spinning industry. Your company is focusing on improvement in operational efficiency and quality.

Performance review

Your company posted after tax loss of Rs. (72.212) million. The Company registered growth in sales turnover of Rs. 1,591.058 million as compared to Rs. 1,102.51 million for the same period last year. The Company posted gross Profit of Rs. 46.761 million as compared to Rs. 90.219 million during the corresponding period last year. The Directors of the company are committed to the business and in line with their commitment they have injected over Rs. 103.00 Million as additional sponsors loan to the company. The Directors are firm in their resolve to continue running the mill operations as evident from the injection of funds into this business.

The financial results in a summarized form are given hereunder:

| Description | Nine months ended March 31,2018 Rupees '000' | Nine months ended March 31, 2017 Rupees '000' |
|--------------------------|--|---|
| Turnover-net | 1,591,058 | 1,102,514 |
| Gross (loss)/Profit | 46,761 | 90,219 |
| Profit/(Loss) before tax | (52,324) | 6,148 |
| Profit/(Loss) after tax | (72,212) | (4,878) |

Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, technicians, staff and workers who have vigorously to meet the target. 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: **April 26, 2018**
Lahore.

ڈائریکٹر ان رپورٹ

معزز ممبران: اسلام و علیکم

آپ کی کمپنی صلی ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹر ان سال رواں کے نو ماہی بمطابق 31 مارچ 2018ء کے حسابات پیش کر رہے ہیں۔

عمومی جائزہ:

پاکستانی ٹیکسٹائل سیکٹر میں بہتری کے امکانات پیدا ہونے شروع ہو گئے ہیں جبکہ حکومت پاکستان نے (RLNG) کو بطور لگاتار ایندھن انڈسٹری کے لیے مہیا کرنا شروع کر دیا ہے۔ ملک اور غیر ملکی منڈی میں دھاگے کی قیمت میں اضافہ ایک مثبت قدم کے طور پر دیکھا جا رہا ہے آپ کی کمپنی کہ انتظامیہ کمپنی کی پیداواری صلاحیت پر تمام ذاتی صلاحیتیں مرکوز کیے ہوئے ہے۔

کارکردگی:

کمپنی کے متذکرہ دورانیہ 31 مارچ 2018 کے مطابق (72.212) ملین نقصان دیکھنے میں آ رہا ہے تاہم پچھلے سال اسی دورانیہ کی فروخت 1102.51 ملین کے مقابلے میں اس سال کے دورانیہ میں پیداوار 1591.058 ملین ریکارڈ کی گئی جسے ایک اچھی علامت کے طور پر محسوس کیا جاسکتا ہے۔ کمپنی کی مجموعی بہتری کو مد نظر رکھتے ہوئے ڈائریکٹر ان نے مزید 103 ملین اپنی گراہ خاص سے ادا کیے تاکہ کاروبار کو استحکام دیا جاسکے۔

نو ماہی مالیاتی نتائج درج ذیل ہیں:-

| Description | Nine months ended March 31, 2018 Rupees '000' | Nine months ended March 31, 2017 Rupees '000' |
|--------------------------|---|---|
| Turnover-net | 1,591,058 | 1,102,514 |
| Gross (loss)/Profit | 46,761 | 90,219 |
| Profit/(Loss) before tax | (52,324) | 6,148 |
| Profit/(Loss) after tax | (72,212) | (4,878) |

اظہار تشکر:

ڈائریکٹر ان و کمپنی کے دیگر 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 دینے والوں کو خراج تحسین پیش کرتے ہیں۔
والسلام

منجانب بورڈ



میاں اقبال صلاح الدین
چیف ایگزیکٹو آفیسر

لاہور

26 اپریل 2018

Condensed Interim Balance Sheet *(Un-audited)* as at March 31, 2018

| | March 31, 2018 | June 30, 2017 |
|--|-------------------------|-------------------------|
| | <i>Rupees '000</i> | <i>Rupees '000</i> |
| | (Un-audited) | (Audited) |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized share capital | | |
| 20,000,000 (June 30, 2016: 20,000,000) ordinary shares of Rs.10 each | <u>200,000</u> | <u>200,000</u> |
| Issued, subscribed and paid-up capital | <u>87,750</u> | 87,750 |
| Accumulated (Loss)/profit | <u>(290,997)</u> | (218,195) |
| TOTAL EQUITY | (203,247) | (130,445) |
| SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | 103,963 | 104,830 |
| LOAN FROM SPONSORS - UNSECURED | 503,678 | 409,066 |
| NON-CURRENT LIABILITIES | | |
| Long term finances | <u>160,833</u> | 222,917 |
| Employees retirement benefits | <u>99,369</u> | 97,129 |
| Deferred taxation | <u>78,403</u> | 78,403 |
| | 338,606 | 398,449 |
| CURRENT LIABILITIES | | |
| Trade and other payables | <u>431,934</u> | 598,179 |
| Short term borrowings - Secured | <u>723,443</u> | 718,728 |
| Accrued interest/mark-up | <u>36,763</u> | 21,960 |
| Current portion of non-current liabilities | <u>150,000</u> | 118,750 |
| | 1,342,140 | 1,457,617 |
| TOTAL LIABILITIES | 1,680,746 | 1,856,065 |
| CONTINGENCIES AND COMMITMENTS | - | - |
| TOTAL EQUITY AND LIABILITIES | <u>2,085,141</u> | <u>2,239,516</u> |

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

Lahore
Date : April 26, 2018


MIAN IQBAL SALAHUDDIN
Chief Executive

| | March 31, 2018 | June 30, 2017 |
|---|--------------------|--------------------|
| | <i>Rupees '000</i> | <i>Rupees '000</i> |
| | (Un-audited) | (Audited) |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 951,102 | 984,849 |
| Long term deposits - Unsecured, Considered good | 11,244 | 11,244 |
| | 962,346 | 996,093 |
| CURRENT ASSETS | | |
| Stores, spares and loose tools | 96,018 | 84,628 |
| Stock in trade | 908,193 | 992,221 |
| Trade debts | 63,252 | 85,179 |
| Advances, prepayments and other receivables | 37,455 | 46,184 |
| Current tax asset | 13,607 | 29,573 |
| Cash and bank balances | 4,271 | 5,639 |
| | 1,122,795 | 1,243,424 |
| TOTAL ASSETS | 2,085,141 | 2,239,516 |



MIAN YUSAF SALAHUDDIN
Director

Condensed Interim Profit and Loss Account (Un-audited)

for the nine months ended March 31, 2018

| | Nine Months Ended | | Quarter Ended | |
|--|-------------------|----------------|-----------------|----------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | Rupees '000 | Rupees '000 | Rupees '000 | Rupees '000 |
| Sales - net | 1,591,058 | 1,102,514 | 485,700 | 575,750 |
| Cost of sales | (1,544,297) | (1,012,295) | (478,681) | (529,191) |
| Gross Profit / (Loss) | 46,761 | 90,219 | 7,019 | 46,559 |
| Selling and distribution expenses | (7,371) | (6,357) | (2,045) | (1,877) |
| Administrative and general expenses | (39,022) | (37,608) | (14,614) | (14,239) |
| | (46,393) | (43,965) | (16,659) | (16,116) |
| Other income | 609 | 1,876 | 492 | 407 |
| Operating Profit / (Loss) | 977 | 48,130 | (9,148) | 30,850 |
| Finance cost | (61,639) | (60,887) | (20,023) | (18,558) |
| Notional Interest | 8,388 | 21,311 | 21,249 | 8,558 |
| Other expenses | (49) | (2,406) | 1,462 | (2,032) |
| Profit /(Loss) before taxation | (52,324) | 6,148 | (6,461) | 18,818 |
| Taxation | (19,888) | (11,025) | (6,071) | (5,757) |
| Profit / (Loss) after taxation | (72,212) | (4,878) | (12,532) | 13,060 |
| Profit / (Loss) per share - basic and diluted | (8.23) | (0.56) | (1.43) | 1.49 |

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

Lahore
Date : April 26, 2018


MIAN IQBAL SALAHUDDIN
Chief Executive


MIAN YOUSAF SALAHUDDIN
Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited) for the nine months ended March 31, 2018

| | Nine Months Ended | | Quarter Ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | <i>Rupees '000</i> | <i>Rupees '000</i> | <i>Rupees '000</i> | <i>Rupees '000</i> |
| Items that may be reclassified subsequently to profit or loss | - | - | - | - |
| Items that will not be reclassified to profit or loss | | | | |
| Incremental depreciation | (867) | (958) | (434) | (319) |
| Other comprehensive income before taxation | (867) | (958) | (434) | (319) |
| Taxation | (277) | (307) | (139) | (105) |
| Other comprehensive income after taxation | (590) | (651) | (295) | (214) |
| Loss after taxation | (72,212) | (4,878) | (12,532) | 13,060 |
| Total comprehensive Loss | (72,802) | (5,529) | (12,827) | 12,846 |

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



MIAN IQBAL SALAHUDDIN
Chief Executive



MIAN YUSAF SALAHUDDIN
Director

Lahore
Date : April 26, 2018

Condensed Interim Cash Flow Statement (Un-audited)

for the nine months ended March 31, 2018

| | March 31, 2018 | March 31, 2017 |
|--|--------------------|--------------------|
| | <i>Rupees '000</i> | <i>Rupees '000</i> |
| Loss before taxation | (52,324) | 6,148 |
| Adjustments for non-cash and other items | | |
| Interest/markup on borrowings | 61,069 | 60,627 |
| Notional interest | (8,388) | (21,311) |
| Provision for employees retirement benefits | 5,500 | 6,500 |
| Depreciation | 33,221 | 35,138 |
| | 91,402 | 80,954 |
| Operating profit/(loss) before changes in working capital | 39,078 | 87,102 |
| Changes in working capital | | |
| Stores, spares and loose tools | (11,390) | (3,400) |
| Stock in trade | 84,028 | 16,045 |
| Trade debts | 21,927 | 4,114 |
| Advances, deposits, prepayments and other receivables | 8,730 | (10,166) |
| Trade and other payables | (173,169) | (106,996) |
| | (69,874) | (100,403) |
| Net cash generated from/(used in) operations | (30,796) | (13,301) |
| Payments for: | | |
| Employees retirement benefits | (3,259) | (4,350) |
| Interest/markup on borrowings | (46,266) | (83,207) |
| Income tax | 3,922 | (13,917) |
| Net cash generated from/(used in) operating activities | (76,399) | (114,775) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure | (1,851) | (206) |
| Net cash used in investing activities | (1,851) | (206) |

March 31, 2018

March 31, 2017

Rupees '000

Rupees '000

CASH FLOWS FROM FINANCING ACTIVITIES

| | | |
|---|----------------|----------------|
| Long term finances obtained | - | 250,000 |
| Repayment of long term finances | (30,833) | (8,333) |
| Net (decrease)/increase in short term borrowings | 4,715 | (242,264) |
| Loan from sponsors obtained | 103,000 | 110,750 |
| Net cash (used in)/generated from financing activities | 76,882 | 110,152 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (1,368) | (4,829) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 5,639 | 8,062 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 4,271 | 3,233 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



MIAN IQBAL SALAHUDDIN
Chief Executive



MIAN YOUSAF SALAHUDDIN
Director

Lahore
Date : April 26, 2018

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

for the nine months ended March 31, 2018

| | Issued subscribed and paid-up-Capital <i>Rupees '000</i> | Accumulated profit <i>Rupees '000</i> | Total equity <i>Rupees '000</i> |
|--|---|---|---------------------------------------|
| Balance as at June 30, 2016-Audited | 87,750 | (178,786) | (91,036) |
| Comprehensive Loss | | | |
| Loss after taxation | - | (4,878) | (4,878) |
| Other comprehensive income | - | (958) | (958) |
| Total Comprehensive Loss | | (5,836) | (5,836) |
| Transaction with Owners | - | - | - |
| Balance as at March 31, 2017 Un-audited | 87,750 | (184,622) | (96,872) |
| Comprehensive Loss | | | |
| Loss after taxation | - | (32,880) | (32,880) |
| Other comprehensive income | - | (693) | (693) |
| Total Comprehensive Loss | - | (33,573) | (33,573) |
| Transaction with Owners | - | - | - |
| Balance as at June 30, 2017 Audited | 87,750 | (218,195) | (130,445) |
| Comprehensive Loss | | | |
| Loss after taxation | - | (72,212) | (72,212) |
| Other comprehensive income | - | (590) | (590) |
| Total Comprehensive Loss | - | (72,802) | (72,802) |
| Transaction with Owners | - | - | - |
| Balance as at March 31, 2018 Un-audited | 87,750 | (290,997) | (203,247) |

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



MIAN IQBAL SALAHUDDIN
Chief Executive



MIAN YUSAF SALAHUDDIN
Director

Lahore
Date : April 26, 2018

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

for the nine months ended March 31, 2018

1. REPORTING ENTITY

Sally Textuile Mills Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Companies Ordinance, 1984 and is listed on Karachi Stock Exchange Limited and Lahore 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 financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value/amortized cost. In these 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 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 this condensed interim financial information 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

This condensed interim financial information have been approved by the board of directors of the company and authorized for issue on April 26 2018.

7. Provision for Taxation

7.1 Provision for taxation has been made under section 113 of the Income Tax Ordinance, 2001.

Notes to the Condensed Interim Financial Information (Un-audited)
for the nine months ended March 31, 2018

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

8. GENERAL

8.1 There are no significant activities since June 30, 2016 affecting the interim financial information.

8.2 Corresponding 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

BOOK POST

UNDER POSTAL CERTIFICATE

REGISTERED OFFICE :

4 - F, Gulberg II, Lahore.

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