

Interim Financial Report
nine months ended
March 31, 2015
(Un-audited)



Sally Textile Mills Limited

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Company Information

Board Of Directors

Mian Iqbal Salahuddin
Mst. Munira Salahuddin
Mian Yousaf Salahuddin
Mian Asad Salahuddin
Mian Sohail Salahuddin
Sheikh Abdul Salam
Syed Abid Raza Zaidi

Chief Executive Officer

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
Habibmetropolitan Bank Limited
Meezan Bank Limited
Habib Bank Limited
The Bank of Punjab

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 present the un-audited interim condensed financial statements for the third quarter ended March 31, 2015.

Operating Results:

The company continued to face negative returns during the period under review. Energy issues coupled with declining textile sector exports have put local yarn rates under severe pressure. The Directors of your company are of the opinion that remainder of the financial year may continue with this sluggish trend.

Summary of operating result is as under:

Description	Nine months ended March 31, 2015 <i>Rupees '000'</i>	Nine months ended March 31, 2014 <i>Rupees '000'</i>
Turnover-net	2,414,779	2,932,173
Gross profit	97,394	135,150
(Loss) / Profit before tax	(54,322)	9,534
(Loss) / Profit after tax	(88,470)	(19,787)

Earning per Share

The earning per share of your company for the nine months ended March 31, 2015 is PKR. (10.08) as compared to nine months ended March 31, 2014 PKR. (2.25).

Future Prospects

Though raw material (cotton and man-made fiber) prices have been improving, its corresponding positive effect on yarn is yet to be seen. The directors of your company are of the view that stability in yarn rates is a positive development and future prospects may improve considerably if yarn rates start to improve both locally and internationally.

Acknowledgement

Your directors would like to take the opportunity for appreciating support of their shareholders, dedication of company's managers, technicians and workers who are continuously putting their best to achieve their goals. Your directors would also like to put on record the cooperation extended by the company's bankers as well as the reliability of their buyers and suppliers.

For and on behalf of the board



MIAN IQBAL SALAHUDDIN
Chief Executive Officer

Date: April 28, 2015
Lahore.

Condensed Interim Balance Sheet (Un-audited)

as at March 31, 2015

	Note	March 31, 2015 Rupees '000 (Un-audited)	June 30, 2014 Rupees '000 (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
20,000,000 ordinary shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid-up capital		87,750	87,750
Accumulated profit		170,049	248,278
TOTAL EQUITY		257,799	336,028
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		238,210	248,451
LOAN FROM SPONSORS - UNSECURED			
		179,636	163,678
NON-CURRENT LIABILITIES			
Employees retirement benefits		131,836	105,745
Deferred taxation		155,943	145,943
		287,779	251,688
CURRENT LIABILITIES			
Trade and other payables		460,588	434,952
Short term borrowings - Secured		934,553	519,649
Accrued interest/mark-up		27,904	14,417
Current taxation		4,420	-
		1,427,465	969,018
TOTAL LIABILITIES		1,715,244	1,220,706
CONTINGENCIES AND COMMITMENTS			
		-	-
TOTAL EQUITY AND LIABILITIES		2,390,889	1,968,863

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

Date: April 28, 2015
Place: Lahore


MIAN IQBAL SALAHUDDIN
Chief Executive

	<i>Note</i>	March 31, 2015	June 30, 2014
		<i>Rupees '000</i>	<i>Rupees '000</i>
		<i>(Un-audited)</i>	<i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,095,072	1,129,968
Long term deposits - Unsecured, Considered good		11,244	11,244
		1,106,316	1,141,212
CURRENT ASSETS			
Stores, spares and loose tools		50,434	53,685
Stock in trade		989,542	518,835
Trade debts		182,684	179,494
Advances, prepayments and other receivables		50,920	47,885
Current tax asset		-	3,954
Cash and bank balances		10,993	23,798
		1,284,573	827,651
TOTAL ASSETS			
		2,390,889	1,968,863



MIAN YOUSAF SALAHUDDIN
Director

Condensed Interim Profit and Loss Account (*Un-audited*) for the nine months ended March 31, 2015

	Nine Months Ended		Quarter Ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rupees '000	Rupees '000	Rupees '000	Rupees '000
Turnover - net	2,414,779	2,932,173	860,487	1,005,528
Cost of sales	(2,317,385)	(2,797,023)	(827,782)	(997,830)
Gross profit	97,394	135,150	32,705	7,698
Selling and distribution expenses	(22,227)	(25,898)	(7,870)	(4,842)
Administrative and general expenses	(41,373)	(39,729)	(14,265)	(15,039)
	(63,600)	(65,627)	(22,135)	(19,881)
Other income	5	781	-	70
Operating profit	33,799	70,305	10,570	(12,112)
Finance cost	(68,991)	(41,231)	(24,001)	(14,409)
Notional Interest	(15,958)	(14,123)	(5,319)	(4,708)
Other Charges	(3,172)	(5,417)	(905)	(165)
(Loss) / Profit before taxation	(54,322)	9,534	(19,655)	(31,394)
Taxation	(34,148)	(29,322)	(8,605)	(8,682)
Loss after taxation	(88,470)	(19,787)	(28,260)	(40,075)
Earnings per share - basic and diluted	(10.08)	(2.25)	(3.22)	(4.57)

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



MIAN IQBAL SALAHUDDIN
Chief Executive



MIAN YOUSAF SALAHUDDIN
Director

Date: April 28, 2015
Place: Lahore

Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Un-audited)
for the nine months ended March 31, 2015

	Nine Months Ended		Quarter Ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rupees '000	Rupees '000	Rupees '000	Rupees '000
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified to profit or loss				
Incremental depreciation	15,285	16,130	5,095	5,376
Other comprehensive income before taxation	15,285	16,130	5,095	5,376
Taxation	5,044	5,646	1,681	1,882
Other comprehensive income after taxation	10,241	10,485	3,414	3,495
Loss after taxation	(88,470)	(19,787)	(28,260)	(40,075)
Total comprehensive income	(78,229)	(9,303)	(24,846)	(36,581)

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

Date: April 28, 2015
Place: Lahore

Condensed Interim Cash Flow Statement (Un-audited)

for the nine months ended March 31, 2015

	March 31, 2015 Rupees '000	March 31, 2014 Rupees '000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(54,322)	9,534
Adjustments for non-cash and other items		
Interest / mark-up on borrowings	68,239	39,615
Notional Interest	15,958	14,123
Gain on disposal of operating fixed assets	-	(708)
Provision for employees retirement benefits	26,687	25,684
Depreciation	42,719	38,084
	153,603	116,798
Operating profit before changes in working capital	99,281	126,332
Changes in working capital		
Stores, spares and loose tools	3,251	(645)
Stock in trade	(470,707)	(26,271)
Trade debts	(3,190)	(30,973)
Advances, prepayments and other receivables	(3,035)	(3,758)
Trade and other payables	28,416	10,184
	(445,265)	(51,463)
Cash generated from operations	(345,984)	74,869
Payments for		
Employees retirement benefits	(597)	(3,516)
Interest / mark-up on borrowings	(54,752)	(33,910)
Income tax	(15,773)	(39,147)
Dividend on ordinary shares	(2,780)	(9,075)
Net cash (used in)/generated from operating activities	(419,886)	(10,779)



MIAN IQBAL SALAHUDDIN
Chief Executive

Date: April 28, 2015
Place: Lahore

	March 31, 2015 <i>Rupees '000</i>	March 31, 2014 <i>Rupees '000</i>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(7,823)	(24,340)
Proceeds from disposal of property, plant and equipment	-	2,250
Net cash used in investing activities	(7,823)	(22,090)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finances	-	(15,000)
Net Increase /(decrease) in short term borrowings	414,904	37,810
Loan from sponsors obtained	-	-
Net cash generated /(used in) financing activities	414,904	22,810
Net decrease in cash and cash equivalents	(12,805)	(10,059)
Cash and cash equivalents as at beginning of the period	23,798	20,849
Cash and cash equivalents as at end of the period	10,993	10,790

The annexed notes 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 nine months ended March 31, 2015

	Issued subscribed and paid- up-Capital Rupees '000	Accumulated profit Rupees '000	Total equity Rupees '000
Balance as at July 01, 2013-Audited	87,750	265,441	353,191
Comprehensive Income			
Loss after taxation	-	(19,787)	(19,787)
Other comprehensive income	-	10,485	10,485
Total Comprehensive Income	-	(9,303)	(9,303)
Transaction with Owners			
Final Dividend @ 10% i.e. Rs. 1 per ordinary share		(8,775)	(8,775)
Balance as at march 31, 2014 Un-audited	87,750	247,363	335,113
Comprehensive Income			
Loss after taxation - (restated)	-	(2,423)	(2,423)
Other comprehensive loss - (restated)	-	3,337	3,337
Total Comprehensive Income	-	915	915
Transaction with Owners			
Balance as at June 30, 2014 Audited	87,750	248,278	336,028
Comprehensive Income			
Loss after taxation	-	(88,470)	(88,470)
Other comprehensive income	-	10,241	10,241
Total Comprehensive Income	-	(78,229)	(78,229)
Transaction with Owners	-	-	-
Balance as at march 31, 2015 Un-audited	87,750	170,049	257,799

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

Date: April 28, 2015
Place: Lahore

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

for the nine months ended March 31, 2015

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, 2014

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 28 2015.

7. Provision for Taxation

Provision for current tax has been in accordance with section 113 of the income tax ordinance, 2001.

Notes to the Condensed Interim Financial Information (*Un-audited*) for the nine months ended March 31, 2015

8. GENERAL

- 8.1 There are no significant activities since June-2014 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

Date: April 28, 2015
Place: Lahore

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