



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.
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E-mail : sallytex@hotmail.com
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Mills

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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.

ڈائریکٹران رپورٹ

معزز ممبران: اسلام و علیکم

آپ کی کمپنی صلی ٹیکسٹائل ملز لمیٹیڈ کے ڈائریکٹران سال رواں کے نو ماہی برطابق 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۔ ملکی 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 2018ء 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 ڈائریکٹران 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:

ڈائریکٹران 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
	<i>Rupees '000</i>	<i>Rupees '000</i>	<i>Rupees '000</i>	<i>Rupees '000</i>
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.



MIAN IQBAL SALAHUDDIN
Chief Executive



MIAN YUSAF SALAHUDDIN
Director

Lahore
Date : April 26, 2018

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
	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	(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	<u>(72,802)</u>	<u>(5,529)</u>	<u>(12,827)</u>	<u>12,846</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


MIAN YUSAF SALAHUDDIN
 Director

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
	<i>Rupees '000</i>	<i>Rupees '000</i>

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 YUSAF 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	<u>87,750</u>	<u>(184,622)</u>	<u>(96,872)</u>
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	<u>87,750</u>	<u>(218,195)</u>	<u>(130,445)</u>
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	<u>87,750</u>	<u>(290,997)</u>	<u>(203,247)</u>

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 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

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