



Sally Textile Mills Limited



**Interim Financial Report
Quarter ended
September 30, 2019
(Un-audited)**

CONTENTS

Company Information	02
Directors' Review	03
<i>Condensed Interim Balance Sheet</i>	04
<i>Condensed Interim Profit and Loss Account</i>	06
<i>Condensed Interim Statement of Other Comprehensive Income</i>	07
<i>Condensed Interim Cash Flow Statement</i>	08
<i>Condensed Interim Statement of Changes in Equity</i>	10
<i>Notes to the Condensed Interim Financial Information</i>	11

Company Information

Board Of Directors

Mian Iqbal Salahuddin
Mst. Munira Salahuddin
Mian Yousaf Salahuddin
Mian Asad Salahuddin
Mian Sohail Salahuddin
Muhammad Khalil Latif
Syed Abid Raza Zaidi
Usman Shahid

Chief Executive Officer

Audit Committee

Muhammad Khalil Latif
Mian Asad Salahuddin
Mian Sohail Salahuddin
Syed Abid Raza Zaidi

Chairman
Member
Member
Secretary

Human Resources & Remuneration Committee

Muhammad Khalil Latif
Mst. Munira Salahuddin
Mian Sohail Salahuddin

Chairman
Member
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
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 2019.

Overview - Performance review

During the period under review, mill operations had been shut down due to negative viability. As evident from our accounts, there was no business conducted.

The financial results in a summarized form are given hereunder:

Description	Quarter ended September 30, 2019 Rupees '000'	Quarter ended September 30, 2018 Rupees '000'
Turnover-net	-	114,651
Gross profit / (Loss)	(10,104)	(36,503)
Loss before tax	(67,701)	(76,338)
Loss after tax	(67,701)	(77,484)

Loss per share

Loss per share of your company for ended September 30, 2019 is Rs. (7.72) as compared to Rs. (8.83) for the comparative period ended September 30, 2018.

Acknowledgement

Yours directors record with appreciation the resolve of company's limited staff members who are continuing their efforts to manage this present predicament. Your directors also extend their appreciation to all company's stakeholders for their cooperation.

For and on behalf of the board



MIAN IQBAL SALAHUDDIN
Chief Executive Officer

Date: **October 25, 2019**

Lahore.

Condensed Interim Balance Sheet (Un-audited)
as at September 30, 2019

	Un-Audited	Audited
	September 30 2019	June 30 2019
	Rupees '000	Rupees '000
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	222,616	222,616
Accumulated Loss	(1,120,108)	(1,052,407)
	(809,742)	(742,041)
Loan from sponsors - Unsecured	637,826	617,899
Non-current liabilities		
Long term finances - Secured	-	-
Employees retirement benefits	101,907	101,907
Deferred taxation	63,192	63,192
	165,099	165,099
Current liabilities		
Trade and other payables	459,697	459,033
Unclaimed Dividend	1,010	1,010
Short term borrowings - Secured	722,647	722,659
Accrued interest/mark-up	219,898	181,558
Current portion of non current liabilities	310,833	310,833
	1,714,086	1,675,093
Contingencies and commitments	-	-
TOTAL LIABILITIES	<u>1,707,269</u>	<u>1,716,050</u>



MIAN IQBAL SALAHUDDIN
Chief Executive

Un-Audited	Audited
September 30 2019	June 30 2019
Rupees '000	Rupees '000

ASSETS

Non-current assets

Property, plant and equipment	890,308	899,999
Long term deposits - Unsecured, Considered good	11,244	11,244
	901,551	911,242

Current assets

Stores, spares and loose tools	80,623	80,623
Stock in trade	565,440	565,440
Trade debts	96,564	96,583
Advances, prepayments and other receivables	48,037	47,862
Current taxation	11,797	11,797
Cash and bank balances	3,257	2,502
	805,718	804,807

TOTAL ASSETS

	1,707,269	1,716,050
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The annexed notes from 1 to 8 form an integral part of this condensed interim financial information



MIAN YUSAF SALAHUDDIN
Director

Condensed Interim Profit and Loss Account (Un-audited)
for the quarter ended September 30, 2019

	September 30 2019	September 30 2018
	Rupees '000 (Un-Audited)	Rupees '000 (Un-Audited)
Turnover - net	-	114,651
Cost of sales	(10,104)	(151,153)
Gross Profit / (Loss)	(10,104)	(36,503)
Selling and distribution expenses	-	(1,225)
Administrative and general expenses	(4,449)	(8,399)
	(4,449)	(9,624)
Other operating income	-	-
Operating Profit / (Loss)	(14,553)	(46,127)
Finance cost	(38,341)	(20,095)
Notional interest	(14,807)	(9,941)
Other charges	-	(175)
Loss before taxation	(67,701)	(76,338)
Taxation	-	(1,147)
Loss after taxation	(67,701)	(77,484)
Loss per share - basic and diluted	(7.72)	(8.83)

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

Lahore
Date : October 25, 2019


MIAN IQBAL SALAHUDDIN
Chief Executive


MIAN YUSAF SALAHUDDIN
Director

Condensed Interim Statement of Other Comprehensive Income (Un-audited) for the quarter ended September 30, 2019

	September 30 2019	September 30 2018
	Rupees '000 (Un-Audited)	Rupees '000 (Audited)
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified to profit or loss		
Incremental depreciation		396
Other comprehensive income before taxation	-	396
Taxation	-	119
Other comprehensive income after taxation	-	277
Loss after taxation	(67,701)	(77,484)
Total comprehensive Loss	(67,701)	(77,207)

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 25, 2019

Condensed Interim Cash Flow Statement (Un-audited)

for the quarter ended September 30, 2019

September 30 2019	September 30 2018
Rupees '000 (Un-Audited)	Rupees '000 (Un-Audited)

CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation	(67,701)	(76,338)
Adjustments for non-cash and other items		
Interest / markup on borrowings	38,341	19,888
Notional interest	14,807	9,941
Provision for employees retirement benefits	-	1,180
Depreciation	9,691	10,494
	62,839	41,503
Operating Cashflow before changes in working capital	(4,862)	(34,835)
Changes in working capital		
Stores, spares and loose tools	-	6,065
Stock in trade	-	34,044
Trade debts	19	18,170
Advances, prepayments and other receivables	(1,054)	(3,795)
Trade and other payables	664	(54,343)
	(371)	142
Cash generated from operations	(5,233)	(34,693)
Payments for:		
Employees retirement benefits	-	-
Interest/markup on borrowings	-	-
Income tax	-	(1,147)
Net cash flow from operating activities	-	(1,147)



MIAN IQBAL SALAHUDDIN
Chief Executive

Lahore
Date : October 25, 2019

	September 30 2019	September 30 2018
	Rupees '000 (Un-Audited)	Rupees '000 (Un-Audited)
CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase /(decrease) in short term borrowings	(12)	(9)
Loan from sponsors repaid	6,000	35,000
Net cash used in financing activities	5,988	34,991
Net increase/(decrease) in cash and cash equivalents	755	(849)
Cash and cash equivalents as at beginning of the year	2,502	2,222
Cash and cash equivalents as at end of the year	3,257	1,373

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



MIAN YUSAF SALAHUDDIN
Director

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

for the quarter ended September 30, 2019

	Issued subscribed and Paid-up Capital	revaluation of property, plant & equipments	Accumulated Profit / (Losses)	Total equity
Rupees in thousand				
Blance as at July 01, 2018 - Audited	87,750	226,965	(740,979)	(426,264)
Comprehensive income				
Loss after taxation	-		(77,484)	(77,484)
Other comprehensive income	-			-
Total comprehensive Loss	-	-	(77,484)	(77,484)
Transaction with owners	-	-	-	-
Blance as at Sep 30, 2018 Un-audited	87,750	226,965	(818,463)	(503,748)
Comprehensive income				
Loss after taxation	-	-	(238,293)	(238,293)
Other comprehensive Loss	-		-	-
Total comprehensive Loss	-	-	(238,293)	(238,293)
Incremental deprecation		(4,348)	4,348	-
Transaction with owners	-	-	-	-
Blance as at June 30, 2019- Audited	87,750	222,616	(1,052,407)	(742,041)
Comprehensive income				
Loss after taxation	-	-	(67,701)	(67,701)
Other comprehensive income	-	-		-
Total comprehensive Loss	-	-	(67,701)	(67,701)
Transaction with owners	-	-	-	-
Balance as at September 30, 2019	87,750	222,616	(1,120,108)	(809,742)

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 25, 2019

Notes to the Condensed Interim Financial Information (Un-audited) *for the quarter ended September 30, 2019*

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, 2019.

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 30, 2019.

7. PROVISION FOR TAXATION

7.1 No 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, 2019*

8. GENERAL

- 8.1 There are no other significant activities since 30 June-2019 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 25, 2019

BOOK POST

UNDER POSTAL CERTIFICATE

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