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Company Information

Board Of Directors

Mian Iqbal Salah-ud-din
Mst. Munira Salah-ud-din
Mian Yousaf Salah-ud-din
Mian Asad Salah-ud-din
Mian Sohail Salah-ud-din
Sheikh Abdul Salam
Syed Abid Raza Zaidi

Chief Executive Officer

Audit Committee

Sheikh Abdul Salam
Mst. Munira Salah-ud-din
Mian Asad Salah-ud-din
Syed Abid Raza Zaidi

Chairman
Member
Member
Secretary

Human Resources & Remuneration Committee

Sheikh Abdul Salam
Mian Yousaf Salah-ud-din
Mian Sohail Salah-ud-din

Chairman
Member
Member

Chief Financial Officer

Mr. Mehboob Usman

Company Secretary

Syed Abid Raza Zaidi

Auditors

M/s Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Bankers

National Bank Of Pakistan
KASB Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited

Registered Office

4-F, Gulberg II, Lahore.
Phones : (042) 35754371, 35754372, 35754373
E-mail : sallytex@hotmail.com
Fax : (042) 35754394

Mills

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

Directors' Review

The Board of Directors of Sally Textile Mills Limited is pleased to present the un-audited condensed interim financial information for the nine months ended March 31, 2013.

Operating Results

Despite of energy crises and un-certain conditions prevailed in the country, Alhamdulillah your Company has shown consistent and significant improvement, in net profit after tax comparing to comparative figure which is mainly due decrease in cost of productions resulted in increase in gross profit. If there had been no load shedding in Gas and Electricity this profit could have been further improved. In these circumstances achievement of best possible results shows better management of its operations.

Summary of operating results is as under

	Nine months ended March 31, 2013 <i>Rupees '000'</i>	Nine months ended March 31, 2012 <i>Rupees '000'</i>
Turnover-net	2,800,242	2,063,550
Gross profit	270,505	131,723
Profit/(loss) before tax	145,461	38,678
Profit/(loss) after tax	131,460	18,043

Earnings per Share

The earning per share of your company for the nine months ended March 31, 2013 is PKR. 14.98 as compared to nine months ended March 31, 2012 PKR. 2.06

Future Prospects

Textile industry in Pakistan is facing acute difficulties, in the period under review we had faced extended power outages, especially in the Punjab region and these challenging are still expected to be continued in the near future. However your management is confident to maintain the profitability in these conditions. We would like to mention here that we have procured our raw material at best possible prices that would help us further improvement in profits of the company in the last quarter also.

Keeping in view the present market situation and competition we are continuously investing in the balancing and modernization of our production facilities to enhance production capacity and improvement in quality.

Acknowledgement

Your directors would like to take the opportunity of appreciation for continuous support of their shareholders, dedication of company's managers, technicians and workers who worked hard to achieve their goals. Your directors also put on record the cooperation extended by the company banker 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 29, 2013
Lahore.

Condensed Interim Balance Sheet (Un-audited)
as at March 31, 2013

	March 31, 2013	June 30, 2012
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Audited)</i>
EQUITY AND LIABILITIES		
Authorized share capital		
20,000,000 (June 30, 2012: 20,0000,000) 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
Accumulated profit	256,746	123,007
	344,496	210,757
Surplus on revaluation of property, plant and equipment	266,165	277,219
Loan from sponsors - Unsecured	129,682	128,184
Non-current liabilities		
Long term finances - Secured	12,625	12,625
Employees retirement benefits	53,946	51,648
Deferred taxation	159,747	159,747
	226,318	224,020
Current liabilities		
Trade and other payables	308,114	289,244
Accrued interest/mark-up	22,739	16,902
Short term borrowings	488,101	491,759
Income tax Payable	3,614	3,234
Current portion of non-current liabilities	7,141	24,055
	829,709	825,194
Contingencies and commitments	-	-
	<u>1,796,369</u>	<u>1,665,374</u>

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

Date: April 29, 2013
Place: Lahore


MIAN IQBAL SALAH-UD-DIN
Chief Executive

	March 31, 2013	June 30, 2012
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Audited)</i>
ASSETS		
Non-current assets		
Property, plant and equipment	1,001,982	985,082
Long term deposits	11,223	10,598
	1,013,204	995,680
Current assets		
Stores, spares and loose tools	34,594	30,653
Stock in trade	565,777	455,882
Trade debts	101,988	97,452
Advances, prepayments and other receivables	72,273	69,698
Cash and bank balances	8,534	16,010
	783,165	669,694
	<u>1,796,369</u>	<u>1,665,374</u>



MIAN YOUSAF SALAH-UD-DIN
Director

Condensed Interim Profit and Loss Account (Un-audited)
for the nine months ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Un-audited)</i>
Sales - net	2,800,242	2,063,550	998,491	689,378
Cost of sales	(2,529,737)	(1,931,827)	(907,990)	(593,773)
Gross profit	270,505	131,723	90,501	95,605
Distribution cost	(29,555)	(16,072)	(6,913)	(6,628)
Administrative expenses	(30,166)	(30,535)	(10,547)	(10,116)
Other Operating expenses	(12,771)	(4,928)	(4,221)	(3,585)
	(72,491)	(51,535)	(21,681)	(20,329)
Other operating income	3,285	1,220	755	96
Operating profit	201,299	81,408	69,575	75,372
Finance cost	(43,340)	(42,730)	(13,098)	(22,745)
Notional Interest (Expense) / Income	(12,498)	-	(4,166)	
Profit before taxation	145,461	38,678	52,311	52,627
Provision for taxation	(14,001)	(20,635)	(4,992)	(6,893)
Profit after taxation	131,460	18,043	47,318	45,734
Earnings per share - basic and diluted	14.98	2.06	5.39	5.21

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



MIAN IQBAL SALAH-UD-DIN
Chief Executive



MIAN YOUSAF SALAH-UD-DIN
Director

Date: April 29, 2013
Place: Lahore

Condensed Interim Statement of Comprehensive Income (Un-audited)
for the nine months ended March 31, 2013

	Nine months ended March 31, 2013	Nine months ended March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Un-audited)</i>	<i>Rupees '000</i> <i>(Un-audited)</i>
Incremental depreciation	17,007	11,456	5,669	6,463
Other comprehensive income before taxation	17,007	11,456	5,669	6,463
Taxation	5,952	4,009	1,984	2,262
Other comprehensive income after taxation	11,055	7,446	3,685	4,201
Profit after taxation	131,460	18,043	47,318	45,734
Total comprehensive income	<u>142,515</u>	<u>25,489</u>	<u>51,003</u>	<u>49,935</u>

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



MIAN IQBAL SALAH-UD-DIN
Chief Executive



MIAN YUSAF SALAH-UD-DIN
Director

Date: April 29, 2013
Place: Lahore

Condensed Interim Cash Flow Statement (Un-audited)
for the nine months ended March 31, 2013

	March 31, 2013	March 31, 2012
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	145,461	38,678
Adjustments for non-cash and other items		
Depreciation	34,755	30,085
Provision for employees retirement benefits	10,760	7,830
(Gain)/Loss on disposal of property, plant and equipment	(737)	-
Imputed Interest	12,498	-
Interest / mark-up on borrowings	42,575	42,194
	99,851	80,109
Operating Cashflow before changes in working capital	245,312	118,787
Changes in working capital		
Stores, spares and loose tools	(3,941)	(10,442)
Stock in trade	(109,895)	(26,760)
Trade debts	(4,536)	(1,536)
Advances, prepayments and other receivables	(2,575)	(2,983)
Trade and other payables	10,095	25,823
	(110,852)	(15,899)
Cash generated from operations	134,460	102,888
Payments for:		
Interest / mark-up on borrowings	(36,738)	(65,453)
Income tax	(13,622)	(16,253)
Long Term deposits	(625)	-
Employees retirement benefits	(8,462)	(2,820)
Dividend on ordinary shares	-	(800)
Net cash flow from operating activities	75,013	17,562
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of propert, plant and equipment	(52,682)	(52,950)
Proceeds from disposal of property, plant and equipment	1,764	-
Net cash used in investing activities	(50,918)	(52,950)



MIAN IQBAL SALAH-UD-DIN
Chief Executive

Date: April 29, 2013
Place: Lahore

	March 31, 2013	March 31, 2012
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-audited)</i>	<i>(Un-audited)</i>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finances	(15,045)	(15,976)
Repayment of Loan from sponsors	(12,869)	-
Loan from sponsors obtained	-	37,748
Net Increase /(decrease) in short term borrowings	(3,657)	12,025
Net cash used in financing activities	(31,571)	33,797
Net increase/(decrease) in cash and cash equivalents	(7,477)	(1,591)
Cash and cash equivalents as at beginning of the year	16,010	5,446
Cash and cash equivalents as at end of the year	8,534	3,855

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



MIAN YOUSAF SALAH-UD-DIN
Director

Condensed Interim Statement of Changes in Equity (Un-audited)
for the nine months ended March 31, 2013

	Share Capital Rupees '000	Accumulated profit Rupees '000	Total Rupees '000
Balance as at July 01, 2011-Audited	87,750	78,385	166,135
Comprehensive Income			
Profit after taxation	-	18,043	18,043
Other comprehensive income	-	7,446	7,446
Total Comprehensive Income		25,489	25,489
Transaction with Owners	-	-	-
Final Dividend @ 5% i.e. 0.5 per ordinary share	-	(4,388)	(4,388)
Balance as at march 31, 2012 Un-audited	87,750	99,486	187,236
Comprehensive Income			
Profit after taxation	-	17,890	17,890
Other comprehensive income	-	5,630	5,630
Total Comprehensive Income	-	23,520	23,520
Transaction with Owners	-	-	-
Balance as at June 30, 2012 Audited	87,750	123,007	210,757
Comprehensive Income			
Profit after taxation	-	131,460	131,460
Other comprehensive income	-	11,055	11,055
Total Comprehensive Income	-	142,515	142,515
Transaction with Owners	-	-	-
Interim Dividend @ 10% i.e. Rs. 1 per ordinary share	-	(8,775)	(8,775)
Balance as at march 31, 2013 Un-audited	87,750	256,746	344,496

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

Date: April 29, 2013
Place: Lahore


MIAN IQBAL SALAH-UD-DIN
Chief Executive


MIAN YOUSAF SALAH-UD-DIN
Director

Notes to the Condensed Interim Financial Information (Un-audited)
for the nine months ended March 31, 2013

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 (Guarantee) Limited and Lahore Stock Exchange (Guarantee) 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 is located at Joharabad District Khushab in the Province of Punjab.

2. STATEMENT OF COMPLIANCE

These 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 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, 2012

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 29, 2013.

***Notes to the Condensed Interim Financial Information (Un-audited)
for the nine months ended March 31, 2013***

7. PROVISION FOR TAXATION

- 7.1** Provision for current tax has been in accordance with section 113 of the income tax ordinance, 2001.
- 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, 2012 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 SALAH-UD-DIN
Chief Executive



MIAN YOUSAF SALAH-UD-DIN
Director

Date: April 29, 2013
Place: Lahore