

Interim Financial Report
nine months ended
March 31, 2019
(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	
Muhammad Khalil Latif	
Syed Abid Raza Zaidi	
Usman Shahid	

Audit Committee

Muhammad Khalil Latif	Chairman
Mian Asad Salahuddin	Member
Mian Sohail Salahuddin	Member
Syed Abid Raza Zaidi	Secretary

Human Resources & Remuneration Committee

Muhammad Khalil Latif	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 3rd quarter report of the Company for the period ended 31st March 2019.

Overview

The Textile spinning industry in the Pakistan is facing severe difficulties. The government has not taken appropriate steps to improve the viability of this sector; until and unless major steps are not taken, actual revival of this sector will not be possible.

Performance review

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

The financial results in a summarized form are given hereunder:

Description	Nine months ended March 31, 2019 Rupees '000'	Nine months ended March 31, 2018 Rupees '000'
Turnover-net	111,745	1,591,058
Gross Profit/(Loss)	(87,924)	46,761
Loss before tax	(206,308)	(52,324)
Loss after tax	(207,704)	(72,212)

Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, staff who are vigorously trying to find solution to the company's present predicament . 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 29, 2019**

Lahore.

ڈائریکٹران رپورٹ

معزز ممبران: اسلام و علیکم

آپ کی کمپنی صلی ٹیکسٹائل ملز لمیٹیڈ کے ڈائریکٹران سال رواں کے نو ماہی بمطابق 31 مارچ 2019ء کے نظر ثانی شدہ حسابات پیش کر رہے ہیں۔ پاکستانی ٹیکسٹائل سیکٹر میں بہتری کے امکانات محسوس کیے جا رہے ہیں اندرونی اور بیرونی خرید و فروخت کے بارے میں اکتواؤریز ابتدائی مراحل میں شروع ہو چکی ہیں۔ تاہم ابھی نتائج ظاہر نہیں ہو پارہے۔ روپے کی مالیت میں گراؤٹ بھی اسی سیکٹر میں بہتری کی توقع کا حامل ہو سکتی ہے تاہم سیاست کے بدترین حالات ملک کے مجموعی کاروبار پر اثر انداز ہو رہے ہیں۔

کارکردگی:

دوران تیسری سہ ماہی منفی رجحانات کی بنا پر کمپنی کی پیداوار اور کاروبار معطل کر دیا گیا ہے، جو موجودہ حسابات میں دیکھا جاسکتا ہے۔

چھ ماہی مالیاتی نتائج درج ذیل ہیں:-

Description	Nine months ended March 31, 2019 Rupees '000'	Nine months ended March 31, 2018 Rupees '000'
Turnover-net	111,745	1,591,058
Gross Profit/(Loss)	(87,924)	46,761
Loss before tax	(206,308)	(52,324)
Loss after tax	(207,704)	(72,212)

اظہار تشکر:

ڈائریکٹران کمپنی کی ذمہ کی کاوشوں کو تحسین کی نگاہ سے دیکھتے ہیں۔ دیگر کرم فرماؤں، مالیاتی ادارے، کمپنی کی بقا کیلئے مناسب حل کی تلاش میں ہیں۔

والسلام

لاہور

29 اپریل 2019

منجانب بورڈ



میاں اقبال صلاح الدین

چیف ایگزیکٹو آفیسر

Condensed Interim Statement of Financial Position as at March 31, 2019

	March 31, 2019	June 30, 2018
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
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	87,750	87,750
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	226,965	226,965
Accumulated (Loss)/profit	(948,683)	(740,979)
TOTAL EQUITY	(633,969)	(426,264)
LOAN FROM SPONSORS - UNSECURED	639,033	536,883
NON-CURRENT LIABILITIES		
Long term finances	73,333	127,083
Employees retirement benefits	96,421	102,176
Deferred taxation	77,391	77,391
	247,146	306,650
CURRENT LIABILITIES		
Trade and other payables	322,931	405,775
Short term borrowings - Secured	722,620	723,643
Unclaimed dividend	1,010	1,010
Accrued interest/mark-up	135,075	64,104
Current portion of non-current liabilities	237,500	183,750
	1,419,136	1,378,283
TOTAL LIABILITIES	1,666,282	1,684,933
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	<u>1,671,346</u>	<u>1,795,552</u>

Lahore
Date : April 29, 2019


MIAN IQBAL SALAHUDDIN
Chief Executive


MIAN YOUSAF SALAHUDDIN
Director

Condensed Interim Statement of Financial Position

as at March 31, 2019

	March 31, 2019	June 30, 2018
	<i>Rupees '000</i>	<i>Rupees '000</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	913,651	945,929
Long term deposits - Unsecured, Considered good	11,244	11,244
	924,895	957,173
CURRENT ASSETS		
Stores, spares and loose tools	24,567	80,723
Stock in trade	565,440	600,447
Trade debts	100,048	100,054
Advances, prepayments and other receivables	43,952	42,603
Current tax asset	11,022	12,330
Cash and bank balances	1,421	2,222
	746,451	838,379
TOTAL ASSETS	1,671,346	1,795,552

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

Lahore
Date : April 29, 2019

Condensed Interim Statement of Profit or Loss (Un-audited)

for the nine month ended March 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	<i>Rupees '000</i>	<i>Rupees '000</i>	<i>Rupees '000</i>	<i>Rupees '000</i>
Sales - net	111,745	1,591,058	-	485,700
Cost of sales	(199,669)	(1,544,297)	(11,237)	(478,681)
Gross Profit / (Loss)	(87,924)	46,761	(11,237)	7,019
Selling and distribution expenses	(1,742)	(7,371)	(0)	(2,045)
Administrative and general expenses	(24,953)	(39,022)	(4,691)	(14,614)
	(26,695)	(46,393)	(4,691)	(16,659)
Other income	10,037	609	89	492
Operating Profit / (Loss)	(104,581)	977	(15,838)	(9,148)
Finance cost	(76,476)	(61,639)	(27,300)	(20,023)
Notional Interest	(25,250)	8,388	(23,923)	21,249
Other expenses	-	(49)	-	1,462
Profit / (Loss) before taxation	(206,308)	(52,324)	(67,062)	(6,461)
Taxation	(1,397)	(19,888)	0	(6,071)
Profit / (Loss) after taxation	(207,704)	(72,212)	(67,061)	(12,532)
Profit / (Loss) per share - basic and diluted	(23.67)	(8.23)	(7.64)	(1.43)

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

Lahore
Date : April 29, 2019


MIAN IQBAL SALAHUDDIN
Chief Executive


MIAN YUSAF SALAHUDDIN
Director

Condensed Interim Statement of Cash Flows (Un-audited)

for the nine month ended March 31, 2019

	March 31, 2019	March 31, 2018
	<i>Rupees '000</i>	<i>Rupees '000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(206,308)	(52,324)
Adjustments for non-cash and other items		
Interest/markup on borrowings	76,365	61,069
Notional interest	25,250	(8,388)
Provision for employees retirement benefits	-	5,500
Depreciation	30,726	33,221
	132,341	91,402
Operating profit/(loss) before changes in working capital	(73,967)	39,078
Changes in working capital		
Stores, spares and loose tools	56,156	(11,390)
Stock in trade	35,007	84,028
Trade debts	6	21,927
Advances, deposits, prepayments and other receivables	(81,472)	8,730
Trade and other payables	(1,349)	(173,169)
	8,348	(69,874)
Net cash generated from/(used in) operations	(65,619)	(30,796)
Payments for:		
Employees retirement benefits	(5,755)	(3,259)
Interest/markup on borrowings	(5,394)	(46,266)
Income tax	89	3,922
Net cash generated from/(used in) operating activities	(76,678)	(76,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	-	(1,851)
Net cash used in investing activities	-	(1,851)

Condensed Interim Statement of Cash Flows (Un-audited)

for the nine month ended March 31, 2019

	March 31, 2019	March 31, 2018
	<i>Rupees '000</i>	<i>Rupees '000</i>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	-
Repayment of long term finances	-	(30,833)
Net (decrease)/increase in short term borrowings	(1,023)	4,715
Loan from sponsors obtained	76,900	103,000
Net cash (used in)/generated from financing activities	75,877	76,882
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(801)	(1,368)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,222	5,639
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,421	4,271

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

Lahore
Date : April 29, 2019


MIAN IQBAL SALAHUDDIN
Chief Executive


MIAN YUSAF SALAHUDDIN
Director

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

for the nine month ended March 31, 2019

	Share Capital	Capital Reserve	Revenue Reserve	
	Issued subscribed and paid- up-Capital	Surplus on revaluation of property, plant and equipment	Accumulated profit	Total equity
	Rupees '000	Rupees '000	Rupees '000	Rupees '000
Balance as at June 30, 2017-Audited	87,750	230,270	(343,634)	(25,615)
Comprehensive Loss				
Loss after taxation	-	-	(72,212)	(72,212)
Other comprehensive income	-	-	(590)	(590)
Total Comprehensive Loss	-	-	(72,802)	(72,802)
Incremental depreciation	-	(867)	867	-
Transaction with Owners	-	-	-	-
Balance as at March 31, 2018 Un-audited	87,750	229,403	(415,569)	(98,416)
Comprehensive Loss				
Loss after taxation	-	-	(325,729)	(325,729)
Other comprehensive income	-	1186.964	(3,306)	(2,119)
Total Comprehensive Loss	-	1,187	(329,035)	(327,848)
Incremental depreciation	-	(3,625)	3,625	-
Transaction with Owners	-	-	-	-
Balance as at June 30, 2018 Audited	87,750	226,965	(740,979)	(426,264)
Comprehensive Loss				
Loss after taxation	-	-	(207,704)	(207,704)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss	-	-	(207,704)	(207,704)
Incremental depreciation	-	-	-	-
Transaction with Owners	-	-	-	-
Balance as at March 31, 2019 Un-audited	87,750	226,965	(948,683)	(633,969)

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

Lahore
Date : April 29, 2019

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

for the nine month ended March 31, 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 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, 2018.

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, 2019.

Notes to the Condensed Interim Financial Information (Un-audited)
for the nine month ended March 31, 2019

7. Provision for Taxation

7.1 Provision for taxation has been made under 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, 2018 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

Lahore
Date : April 29, 2019

BOOK POST

UNDER POSTAL CERTIFICATE

REGISTERED OFFICE :

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