



Interim Financial Report  
Nine Months ended  
**March 31, 2022**  
*(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	

### 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

2-S, Gulberg II, Lahore.  
Phones : (042) 35759002  
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 31<sup>st</sup> March 2022.

### Overview - Performance review

During the period under review, mill operations had been shut down. As evident from our accounts, there was no business conducted. The financial results in a summarized form are given hereunder:

Description	Nine months ended March 31, 2022 Rupees '000'	Nine months ended March 31, 2021 Rupees '000'
Turnover-net	-	-
Gross Profit/(Loss)	(26,463)	(28,670)
Loss before tax	(94,435)	(106,887)
Loss after tax	(94,435)	(106,887)

The Company has closed its operations since August 2018 owing to non-availability of sufficient working capital lines. During the period; the Company has incurred loss after taxation of Rupees 94 million primarily attributed towards administrative expenses and depreciation on property, plant and equipment. The sponsors of the Company are making their fullest efforts to revive the Company and is also considering to evaluate all available options including to let out and sale of property, plant and equipment to revive the Company and at the same time to settle the obligations towards lenders of the Company and other creditors.

### 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: **April 25, 2022**  
Lahore.

## ڈائریکٹران رپورٹ

معزز ممبران: اسلام و علیکم

آپ کی کمپنی صلی ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹران سال رواں کے نو ماہی بمطابق 31 مارچ 2022ء 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 اکتوبریز 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, 2022 Rupees '000'	Nine months ended March 31, 2021 Rupees '000'
Turnover-net	-	-
Gross Profit/(Loss)	(26,463)	(28,670)
Loss before tax	(94,435)	(106,887)
Loss after tax	(94,435)	(106,887)

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

منجانب بورڈ

لاہور

25 اپریل 2022ء



میاں اقبال صلاح الدین  
چیف ایگزیکٹو آفیسر

## Condensed Interim Statement of Financial Position as at March 31, 2022

	March 31, 2022	June 30, 2021
	<i>Rupees '000</i> (Un-audited)	<i>Rupees '000</i> (Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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	<b>87,750</b>	87,750
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	<b>214,599</b>	214,599
Accumulated (Loss)/profit	<b>(1,521,677)</b>	(1,427,242)
<b>TOTAL EQUITY</b>	<b>(1,219,328)</b>	(1,124,893)
<b>LOAN FROM SPONSORS - UNSECURED</b>	<b>819,349</b>	759,112
<b>NON-CURRENT LIABILITIES</b>		
Long term finances	-	-
Employees retirement benefits	<b>101,907</b>	101,907
Deferred taxation	<b>45,443</b>	45,443
	<b>147,350</b>	147,350
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>462,860</b>	462,484
Short term borrowings - Secured	<b>722,545</b>	722,544
Unclaimed dividend	<b>1,010</b>	1,010
Accrued interest/mark-up	<b>367,553</b>	361,097
Current portion of non-current liabilities	<b>310,833</b>	310,833
	<b>1,864,801</b>	<b>1,857,968</b>
<b>TOTAL LIABILITIES</b>	<b>2,012,151</b>	<b>2,005,318</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,612,171</b></u>	<u><b>1,639,537</b></u>

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

Lahore  
Date : April 25, 2022

  
MIAN IQBAL SALAHUDDIN  
Chief Executive

  
HASAN SHAHNAWAZ  
Chief Financial Officer

  
MIAN YOUSAF SALAHUDDIN  
Director

## Condensed Interim Statement of Financial Position

*as at March 31, 2022*

	<b>March 31, 2022</b>	June 30, 2021
	<i>Rupees '000</i> <b>(Un-audited)</b>	<i>Rupees '000</i> <b>(Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>797,591</b>	823,482
Long term deposits - Unsecured, Considered good	<b>11,244</b>	11,244
	<b>808,834</b>	834,726
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	<b>80,623</b>	80,623
Stock in trade	<b>565,440</b>	565,440
Trade debts	<b>94,910</b>	96,588
Short term Deposit	1,613	1,613
Advances, prepayments and other receivables	46,470	46,470
Current taxation	<b>11,843</b>	11,765
Cash and bank balances	<b>2,438</b>	2,313
	<b>803,337</b>	804,811
<b>TOTAL ASSETS</b>	<b>1,612,171</b>	1,639,537

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

Lahore  
Date : April 25, 2022

  
**MIAN IQBAL SALAHUDDIN**  
Chief Executive

  
**HASAN SHAHNAWAZ**  
Chief Financial Officer

  
**MIAN YOUSAF SALAHUDDIN**  
Director

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

*for the nine month ended March 31, 2022*

	Nine Months Ended		Quarter Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	<i>Rupees '000</i>	<i>Rupees '000</i>	<i>Rupees '000</i>	<i>Rupees '000</i>
Sales - net	-	-	-	-
Cost of sales	<b>(26,463)</b>	(28,671)	<b>(9,116)</b>	(10,001)
<b>Gross Profit / (Loss)</b>	<b>(26,463)</b>	(28,671)	<b>(9,116)</b>	(10,001)
Selling and distribution expenses	-	-	-	-
Administrative and general expenses	<b>(7,930)</b>	(11,338)	<b>(4,487)</b>	(6,427)
	<b>(7,930)</b>	(11,338)	<b>(4,487)</b>	(6,427)
Other income	-	-	-	-
<b>Operating Profit / (Loss)</b>	<b>(34,393)</b>	(40,009)	<b>(13,603)</b>	(16,427)
Finance cost	<b>(6,455)</b>	(26,619)	<b>(2,521)</b>	(1,860)
Notional Interest	<b>(53,587)</b>	(40,260)	<b>(17,546)</b>	(7,698)
Other expenses	-	-	-	-
<b>Profit / (Loss) before taxation</b>	<b>(94,435)</b>	(106,887)	<b>(33,670)</b>	(25,985)
Taxation	-	-	-	-
<b>Profit / (Loss) after taxation</b>	<b>(94,435)</b>	(106,887)	<b>(33,670)</b>	(25,985)
<b>Profit / (Loss) per share - basic and diluted</b>	<b>(10.76)</b>	<b>(12.18)</b>	<b>(3.84)</b>	(2.96)

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

Lahore  
Date : April 25, 2022

  
MIAN IQBAL SALAHUDDIN  
Chief Executive

  
HASAN SHAHNAWAZ  
Chief Financial Officer

  
MIAN YOUSAF SALAHUDDIN  
Director

## Condensed Interim Statement of Cash Flows (Un-audited)

*for the nine month ended March 31, 2022*

	March 31, 2022	March 31, 2021
	<i>Rupees '000</i>	<i>Rupees '000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(94,435)	(106,887)
<b>Adjustments for non-cash and other items</b>		
Interest/markup on borrowings	6,455	26,619
Notional interest	53,587	40,260
Provision for employees retirement benefits	-	-
Depreciation	25,892	27,515
	85,934	94,393
<b>Operating profit/(loss) before changes in working capital</b>	<b>(8,501)</b>	<b>(12,494)</b>
<b>Changes in working capital</b>		
Stores, spares and loose tools	-	-
Stock in trade	-	-
Trade debts	1,678	(240)
Advances, deposits, prepayments and other receivables	-	3,617
Trade and other payables	376	1,005
	2,054	4,382
<b>Net cash generated from/(used in) operations</b>	<b>(6,448)</b>	<b>(8,112)</b>
<b>Payments for:</b>		
Employees retirement benefits	0	-
Interest/markup on borrowings	-	-
Income tax	(78)	(153)
<b>Net cash generated from/(used in) operating activities</b>	<b>(6,526)</b>	<b>(8,265)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	-	-
<b>Net cash used in investing activities</b>	-	-

## Condensed Interim Statement of Cash Flows (Un-audited)

*for the nine month ended March 31, 2022*

	March 31, 2022	March 31, 2021
	<i>Rupees '000</i>	<i>Rupees '000</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	-	-
Repayment of long term finances	-	-
Net (decrease)/increase in short term borrowings	1	(152)
Loan from sponsors obtained	6,650	8,400
<b>Net cash (used in)/generated from financing activities</b>	<b>6,651</b>	<b>8,248</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>126</b>	<b>(17)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>2,313</b>	<b>2,493</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>2,438</b>	<b>2,477</b>

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

Lahore  
Date : April 25, 2022

  
MIAN IQBAL SALAHUDDIN  
Chief Executive

  
HASAN SHAHNAWAZ  
Chief Financial Officer

  
MIAN YOUSAF SALAHUDDIN  
Director

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

### for the nine month ended March 31, 2022

	Share Capital	Capital Reserve	Revenue Reserve	
	Issued subscribed and paid-up-Capital Rupees '000	Surplus on revaluation of property, plant and equipment Rupees '000	Accumulated profit Rupees '000	Total equity Rupees '000
<b>Balance as at June 30, 2020-Audited</b>	87,750	218,499	(1,302,874)	(996,625)
<b>Comprehensive Loss</b>				
Loss after taxation	-	-	(94,598)	(94,598)
Other comprehensive income	-	-		-
<b>Total Comprehensive Loss</b>	-	-	(94,598)	(94,598)
<b>Incremental depreciation</b>	-			-
<b>Transaction with Owners</b>	-		-	-
<b>Balance as at March 31, 2021 Un-audited</b>	<b>87,750</b>	<b>218,499</b>	<b>(1,397,472)</b>	<b>(1,091,223)</b>
<b>Comprehensive Loss</b>				
Loss after taxation	-	-	(33,670)	(33,670)
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Loss</b>	-	-	(33,670)	(33,670)
<b>Incremental depreciation</b>		(3,900)	3,900	-
<b>Transaction with Owners</b>	-	-	-	-
<b>Balance as at June 30, 2021 Audited</b>	<b>87,750</b>	<b>214,599</b>	<b>(1,427,242)</b>	<b>(1,124,893)</b>
<b>Comprehensive Loss</b>				
Loss after taxation	-	-	(94,435)	(94,435)
Other comprehensive income	-	-		-
<b>Total Comprehensive Loss</b>	-	-	(94,435)	(94,435)
<b>Incremental depreciation</b>				-
<b>Transaction with Owners</b>	-	-	-	-
<b>Balance as at March 31, 2022 Un-audited</b>	<b>87,750</b>	<b>214,599</b>	<b>(1,521,677)</b>	<b>(1,219,328)</b>

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

Lahore  
Date : April 25, 2022

  
MIAN IQBAL SALAHUDDIN  
Chief Executive

  
HASAN SHAHNAWAZ  
Chief Financial Officer

  
MIAN YOUSAF SALAHUDDIN  
Director

## **Notes to the Condensed Interim Financial Information (Un-audited)** *for the nine month ended March 31, 2022*

### **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, 2021.

### **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 22, 2022.

**Notes to the Condensed Interim Financial Information (Un-audited)**  
*for the nine month ended March 31, 2022*

**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, 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



HASAN SHAHNAWAZ  
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN  
Director

Lahore  
Date : April 25, 2022



# **BOOK POST**

**UNDER POSTAL CERTIFICATE**

**REGISTERED OFFICE :**

2 - S, Gulberg II, Lahore.

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