

SARITOW SPINNING MILLS LIMITED

1st QUARTER REPORT

30-09-2021

(Un-Audited)

BOARD OF DIRECTORS

Mr. M. Naseem Saigol
Mr. Samir Iqbal Saigol
Mr. M. Murad Saigol
Mr. M. Zeid Yousuf Saigol
Mr. Muhammad Omer Farooq
Mrs. Sadaf Kashif
Mr. Jamal Nasim

Chairman
Chief Executive Officer

AUDIT COMMITTEE

Mr. Jamal Nasim
Mr. M. Zeid Yousuf Saigol
Mr. Muhammad Omer Farooq
Mrs. Sadaf Kashif

Chairman/Member
Member
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Jamal Nasim
Mr. M. Zeid Yousuf Saigol
Mr. Samir Iqbal Saigol
Mr. Muhammad Omer Farooq

Chairman/Member
Member
Member
Member

COMPANY SECRETARY

Mr. Anees-ur-Rehman

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shamil, FCA

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

BANKERS

Bank Alfalah Limited
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
NIB Bank Limited
The Bank of Punjab
Summit Bank Limited
Meezan Bank Limited
Habib Metropolitan Bank Limited
Askari Bank Limited
Habib Bank Limited
JS Bank Limited
Sindh Bank Limited

SHARE REGISTRAR

M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel: 042-35916714-19, 35839182 Fax: 042-35869037
E-mail: shares@corplink.com.pk

REGISTERED OFFICE

17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 042-35717364-65 & 35715029-30 Fax: 042-35715105
E-mail: shares@saigols.com

MILLS

51-KM, Multan Road,
Phool Nagar, District Kasur



SARITOW SPINNING MILLS LIMITED

17 – Aziz Avenue, Canal Bank, Gulberg-V, Lahore (Pakistan), Phone: (042) 35715029-31, Fax: 35715105

Email: azamsaritow@saigols.com

ISO 9001:2008 Certified

DIRECTORS' REPORT

The Directors of M/s. Saritow Spinning Mills Limited are please to present Financial Results for the 1st quarter ended September 30, 2021 along with Director Report thereupon.

Financial High Lights

| | <u>Quarter Ending Sept 30, 2021</u> | <u>Quarter Ending Sept 30, 2020</u> |
|------------------------|--|--|
| Net Sales | 916.909 | 876.182 |
| Gross Profit | 88.172 | 57.574 |
| Operating Profit | 72.210 | 42.392 |
| Profit before Tax | 62.751 | 21.876 |
| Profit after Tax | 51.290 | 8.733 |
| Gross Profit Ratio | 9.62% | 6.57% |
| Operating Profit Ratio | 7.87% | 4.84% |
| Net Profit Ratio | 5.59% | 1.00% |
| Earning Per Share | 1.72 | 0.29 |

Operating Financial Results

During the period under review Alhamdulillah, your Company had performed well as compared to same period last year. Your Company recorded net sales of Rs. 916.909 million as compared to Rs. 876.182 million during same period last year. Net Profit after tax was Rs. 51.290 million against net profit after tax of Rs. 8.734 million in corresponding period. Increase in net profit of the company can be attributed to increased sales which were supported by running appropriate yarn counts at right time.

The period under review is very tough for raw materials. Local cotton crop is expected to fetched only 8.000 million bales, which shows continuous reduction in local crop increasing reliance on expensive import substitute. As the price of cotton goes up all over the Globe the price of manmade fibers also shows huge increase in price as compared to last year. In spite of all these factors combine our Company was able to perform well due to timely procurement of Raw Materials and efficient running of the mills.

Future Outlook

The major risk factor remains the availability of raw cotton at competitive prices. In local market cotton is being traded at the rate of Rs. 15,500/- per maund. The New York future which determine imported cotton prices is traded at life time high of 108.93 Cents, creating unprecedented increase in imported cotton. Imported cotton availability is also affected by the ongoing shipping crises. Cotton shipments are delayed due to non availability of cargo ships. At the moments huge cargo's are piled up at transit ports like Singapore awaiting vessel for destination ports. Shipping crises have also affected exporters very badly. Their finished cargo's are lying awaiting shipment resulted in reduction in local yarn sales. At the moment local yarn market is very sluggish due to delay in lifting of export cargo's and prevailing liquidity crunch in local market.

We hope that in coming days liquidity of the mills will improve resulting in better results during remain period of this year.



SARITOW SPINNING MILLS LIMITED

17 – Aziz Avenue, Canal Bank, Gulberg-V, Lahore (Pakistan), Phone: (042) 35715029-31, Fax: 35715105

Email: azamsaritow@saigols.com

COMPOSITION OF BOARD

Composition of the Board of Directors is as under.

| Names | Category |
|---------------------------------|---------------------------------------|
| Mr. Jamal Nasim | Independent Director |
| Mrs. Sadaf Kashif | Female Director/ Independent Director |
| Mr. M. Naseem Saigol | Non-Executive Directors |
| Mr. Muhammad Zeid Yousuf Saigol | |
| Mr. Muhammad Murad Saigol | |
| Mr. Muhammad Omer Farooq | |
| Mr. Samir Iqbal Saigol | Executive Director |

COMMITTEE'S

Detail of Committee's of Board is as under.

AUDIT COMMITTEE

| | |
|---------------------------------|-----------------|
| Mr. Jamal Nasim | Chairman/Member |
| Mr. Muhammad Zeid Yousuf Saigol | Member |
| Mr. Muhammad Omer Farooq | Member |
| Mrs. Sadaf Kashif | Member |


HR & REMUNERATION COMMITTEE

| | |
|---------------------------------|-----------------|
| Mr. Jamal Nasim | Chairman/Member |
| Mr. Samir Iqbal Saigol | Member |
| Mr. Muhammad Zeid Yousuf Saigol | Member |
| Mr. Muhammad Omer Farooq | Member |

We wish to thank to the shareholders for their support. We are pleased to record our appreciation of the services rendered by the employees of the company and hope that the same spirit of devotion will continue in future.

For and on behalf of the Boards

Lahore
October 28, 2021



Chief Executive



Director

ڈائریکٹرز رپورٹ

سارینو پمپنگ ملز لینڈ کے ڈائریکٹرز پہلے تین ماہ کی رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں ساتھ میں 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے ڈائریکٹرز کی رپورٹ بھی پیش کی گئی ہے۔

آپریٹنگ مالیاتی نتائج

آپ کی کمپنی نے زیرِ نظر عرصہ کے دوران 916.909 ملین روپے کا دھاکہ فروخت کیا جو کہ پچھلے عرصہ میں 876.182 ملین روپے تھا مال کی فروخت میں اضافے کی وجہ سے کمپنی کا خالص منافع بڑھ کر 51.290 ملین روپے ہو گیا جو کہ پچھلے سال اسی عرصے کے دوران 8.734 ملین روپے تھا کمپنی کے خالص منافع میں اضافے کو فروخت میں اضافے سے منسوب کیا جاسکتا ہے جو مناسب وقت پر مناسب یارن کی پیداوار کی وجہ سے ممکن ہوئی۔

زیرِ نظر سال خام مال کی دستیابی کے لئے بہت مشکل تھا۔ مقامی کپاس کی فصل کی کل پیداوار (8.000 ملین) اسی لاکھ ٹنوں میں متوقع ہے جو کہ مقامی کپاس کی پیداوار میں متواتر کی کوٹا ہر کرتی ہے۔ اس کی وجہ سے درآمدی کپاس پر انحصار بہت بڑھ گیا پوری دنیا میں خام کپاس کی قیمتوں میں اضافے کی وجہ سے مصنوعی ریشے کی قیمتوں میں بہت اضافہ دیکھا گیا ان تمام عوامل کے یکجا ہونے کے باوجود ہماری کمپنی خام مال کی بروقت خریداری اور ملوں کو موثر انداز میں چلانے کی وجہ سے اچھی کارکردگی کا مظاہرہ کرنے میں کامیاب رہی۔

مستقبل کا نظریہ

سب سے اہم ریسک عنصر مسابقتی قیمتوں پر خام کپاس کی دستیابی ہے مقامی مارکیٹ میں کپاس کی رواں مالی سال کے دوران قیمت فروخت 15,500 روپے فی من ہے نیو یارک کا مستقبل جو کپاس کی درآمدی قیمتوں کا تعین کرتا ہے وہ 108.93 سینٹ ہے درآمد شدہ کپاس میں بے مثال اضافہ درآمد شدہ کپاس کی دستیابی اور جاری شیٹنگ بحرانوں سے متاثر ہوتی ہے کارگو جہازوں کی عدم دستیابی کی وجہ سے کپاس کی ترسیل تاخیر کا شکار ہے اس وقت بہت زیادہ مال درمیانی بندرگاہوں جیسے کہ سنگاپور میں جمع ہے اور اس کو منزل مقصود کے لئے بحری جہاز دستیاب نہیں۔ جہاز رانی کے بحران نے برآمد کنندگان کو بھی بری طرح متاثر کیا ہے ان کا تیار شدہ کارگو پشٹ کے انتظار میں پڑا ہے جس کے نتیجے میں مقامی یارن کی فروخت میں کمی واقع ہوئی ہے اس وقت مقامی یارن مارکیٹ ایک سپورٹ کارگو کو اٹھانے میں تاخیر کی وجہ سے بہت سست ہے۔

ہم امید کرتے ہیں کہ آنے والے والے دنوں میں حالات بہتر ہوں گے۔

بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

| کل ڈائریکٹرز کی تعداد | |
|-------------------------------|-------------------------|
| مرد | 6 |
| عورت | 1 |
| ساخت | |
| عورت ڈائریکٹر (آزاد ڈائریکٹر) | محترمہ صدف کاشف |
| آزاد ڈائریکٹر | جناب جمال نسیم |
| نان ایگزیکٹو ڈائریکٹرز | جناب محمد نسیم سہگل |
| | جناب محمد زید یوسف سہگل |
| | جناب محمد مراد سہگل |
| | جناب محمد عمر فاروق |
| ایگزیکٹو ڈائریکٹر | جناب سامرا اقبال سہگل |

کمیٹی

بورڈ کی کمیٹی کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی

| | |
|-------------------------|-----------------|
| جناب جمال نسیم | چیئر مین / ممبر |
| جناب محمد زید یوسف سہگل | ممبر |
| جناب محمد عمر فاروق | ممبر |
| محترمہ صدف کاشف | ممبر |

ایچ آر اینڈ مینجمنٹ کمیٹی

| | |
|-------------------------|-----------------|
| جناب جمال نسیم | چیئر مین / ممبر |
| جناب سامرا اقبال سہگل | ممبر |
| جناب محمد زید یوسف سہگل | ممبر |
| جناب محمد عمر فاروق | ممبر |

ہم تمام حصہ داران کے بھرپور تعاون کے تہہ دل سے مشکور ہیں۔ ہم یہ اعلان کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی اپنے ملازمین کو سراہتے ہوئے یہ امید کرتی ہے کہ وہ اسی انداز میں آئندہ بھی اپنے فرائض سرانجام دیتے رہیں گے۔

منجانب ویرائے بورڈ:

لاہور

28 اکتوبر، 2021

ڈائریکٹر

چیف ایگزیکٹو

Saritow Spinning Mills Limited

Condensed Interim Statement of Financial Position as at September 30, 2021

| | Note | September 30, 2021 | June 30, 2021 |
|--|------|----------------------|----------------------|
| | | Rupees | Rupees |
| | | (Un-Audited) | (Audited) |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Issued share capital | 4 | 298,406,070 | 298,406,070 |
| Revaluation reserve | | 61,050,060 | 61,392,820 |
| Retained earnings | | 430,888,233 | 379,255,709 |
| Total Equity | | 790,344,363 | 739,054,599 |
| Non-current liabilities | | | |
| Loan from directors and other shareholders | | 265,884,966 | 265,884,966 |
| Long term finances | | 96,248,005 | 108,256,455 |
| Long term deposits | | 6,010,000 | 6,010,000 |
| Employees retirement benefits | | 88,522,058 | 84,946,625 |
| Long term payables | | - | 2,154,409 |
| Deferred taxation | | 119,370,700 | 119,370,700 |
| Deferred grant | | 5,443,659 | 4,834,543 |
| | | 581,479,388 | 591,457,698 |
| Current liabilities | | | |
| Trade and other payables | | 422,432,835 | 368,873,330 |
| Unclaimed dividend | | 485,351 | 485,351 |
| Short term borrowings | | 453,986,032 | 385,770,183 |
| Accrued interest | | 10,539,575 | 11,977,202 |
| Current taxation | | 9,698,559 | 3,226,568 |
| Current portion of non-current liabilities | | 72,750,151 | 75,088,581 |
| | | 969,892,503 | 845,421,215 |
| Total Liabilities | | 1,551,371,891 | 1,436,878,913 |
| Contingencies and commitments | 5 | - | - |
| | | 2,341,716,254 | 2,175,933,512 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 1,291,411,145 | 1,281,002,831 |
| Long term deposits | | 21,027,386 | 21,027,386 |
| | | 1,312,438,531 | 1,302,030,217 |
| Current assets | | | |
| Stores and spares | | 23,849,080 | 22,990,126 |
| Stock in trade | | 764,331,684 | 616,136,635 |
| Trade receivables | | 53,347,496 | 18,912,007 |
| Short term deposits | | 86,577,832 | 86,577,832 |
| Advances and other receivables | | 46,052,567 | 25,769,031 |
| Cash and bank balances | | 55,119,064 | 103,517,664 |
| Total Assets | | 1,029,277,723 | 873,903,295 |
| | | 2,341,716,254 | 2,175,933,512 |

The annexed notes 1 to 11 form an integral part of this interim financial information.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

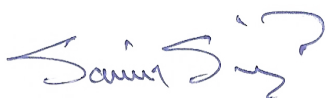
Saritow Spinning Mills Limited

Condensed Interim Statement of Profit Or Loss

for the Quarter ended September 30, 2021

| | Note | Quarter ended | |
|---|------|------------------------|------------------------|
| | | September 30, 2021 | September 30, 2020 |
| | | Rupees (Un-Audited) | Rupees (Un-Audited) |
| Revenue from contracts with customers-net | 7 | 916,909,300 | 876,181,613 |
| Cost of sales | 8 | 828,736,600 | 818,607,261 |
| Gross profit | | 88,172,700 | 57,574,352 |
| Selling and distribution expenses | | 1,267,246 | 1,429,666 |
| Administrative and general expenses | | 14,694,692 | 13,752,314 |
| | | 15,961,938 | 15,181,980 |
| | | 72,210,762 | 42,392,372 |
| Other income | | - | - |
| Operating profit | | 72,210,762 | 42,392,372 |
| Finance cost | | 9,459,631 | 20,515,820 |
| Other charges | | - | - |
| | | 9,459,631 | 20,515,820 |
| Profit before taxation | | 62,751,131 | 21,876,552 |
| Provision for taxation | 9 | (11,461,367) | (13,142,723) |
| Profit after taxation | | 51,289,764 | 8,733,829 |
| Earnings per share - basic and diluted | | 1.72 | 0.29 |

The annexed notes 1 to 11 form an integral part of this interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Saritow Spinning Mills Limited

Condensed Interim Statement of Comprehensive Income for the Quarter ended September 30, 2021

| | Quarter ended | |
|-----------------------------------|------------------------|------------------------|
| | September 30, 2021 | September 30, 2020 |
| | Rupees (Un-Audited) | Rupees (Un-Audited) |
| Other comprehensive income / loss | - | - |
| Profit after taxation | 51,289,764 | 8,733,829 |
| Total comprehensive income | <u>51,289,764</u> | <u>8,733,829</u> |

The annexed notes 1 to 11 form an integral part of this interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

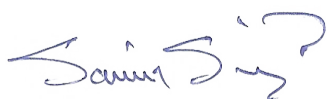
Saritow Spinning Mills Limited

Condensed Interim Cash Flow Statement

for the Quarter ended September 30, 2021

| | Quarter ended | |
|---|------------------------|------------------------|
| | September 30, 2021 | September 30, 2020 |
| | Rupees (Un-Audited) | Rupees (Un-Audited) |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) / profit before taxation | 62,751,131 | 21,876,552 |
| Adjustments for non-cash items | 30,668,197 | 40,429,976 |
| Operating profit before changes in working capital | 93,419,328 | 62,306,528 |
| Changes in working capital | (149,604,407) | (78,347,488) |
| Cash used in operations | (56,185,079) | (16,040,960) |
| Payments for: | | |
| Interest / mark-up | (10,897,258) | (13,958,437) |
| Employees retirement benefits | (2,736,570) | (5,463,770) |
| Income tax | (4,989,376) | (4,316,196) |
| | (18,623,204) | (23,738,403) |
| Net cash used in operating activities | (74,808,283) | (39,779,363) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure | (25,304,877) | (1,082,878) |
| Proceeds from disposal of assets | - | 21,476 |
| Long term deposits | - | 185,725 |
| Net cash used in investing activities | (25,304,877) | (875,677) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of long term finances | (14,346,880) | (10,151,655) |
| Repayment of long term payable | (2,154,409) | - |
| Liabilities against assets subject to finance lease - Secured | - | (2,241,160) |
| Net increase / (decrease) in short term borrowings | 68,215,849 | 40,605,250 |
| Net cash flow from financing activities | 51,714,560 | 28,212,435 |
| Net (decrease)/increase in cash and cash equivalents | (48,398,600) | (12,442,605) |
| Cash and cash equivalents as at beginning of the period | 103,517,664 | 53,438,899 |
| Cash and cash equivalents as at end of the period | 55,119,064 | 40,996,294 |

The annexed notes 1 to 11 form an integral part of this interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



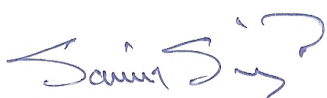
DIRECTOR

Saritow Spinning Mills Limited

Condensed Interim Statement of Changes in Equity for the Quarter ended September 30, 2021

| | Share capital | Capital reserves | Revenue reserves | |
|---|--------------------------------------|--|-----------------------|--------------|
| | subscribed and paid-up capital | revaluation of property, plant and equipment | Accumulated profit | Total equity |
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at July 1, 2020 | 298,406,070 | 57,755,154 | 204,588,957 | 560,750,181 |
| Profit after taxation for the year ended 30 June, 2021 | - | - | 174,426,806 | 174,426,806 |
| Other comprehensive loss for the year ended 30 June, 2021 | - | 4,526,815 | (649,203) | 3,877,612 |
| Total comprehensive loss | - | 4,526,815 | 173,777,603 | 178,304,418 |
| Incremental depreciation | - | (889,149) | 889,149 | - |
| Balance as at June 30, 2021 | 298,406,070 | 61,392,820 | 379,255,709 | 739,054,599 |
| Profit for the Quarter ended September 30, 2021 | - | - | 51,289,764 | 51,289,764 |
| Other comprehensive income / (loss) for the Quarter | - | - | - | - |
| Total comprehensive income | - | - | 51,289,764 | 51,289,764 |
| Incremental depreciation | - | (342,760) | 342,760 | - |
| Balance as at September 30, 2021 | 298,406,070 | 61,050,060 | 430,888,233 | 790,344,363 |

The annexed notes 1 to 11 form an integral part of this interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Saritow Spinning Mills Limited

Notes to and forming part of Condensed Interim Financial Statements for the Quarter ended September 30, 2021

1 REPORTING ENTITY

Saritow Spinning Mills Limited ("the Company") was incorporated in Pakistan on March 10, 1987 as Public Limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017) The registered office of the Company is situated at 17- Aziz Avenue, Canal Bank Gulberg - V, Lahore. The Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The Mill is located at Bhai Pheru, District Kasur in the Province of Punjab.

2 BASIS OF PREPARATION

The interim financial information report is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2021.

2.1 Statement of compliance

This condensed interim financial report of the Company for the Quarter ended September 30, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of or directives issued under the Companies Ordinance, 1984.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value or amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgements, estimates and assumptions

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

2.5 Date of authorization for issue

This financial information was authorized for issue on October 28, 2021 by the Board of Directors of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2021.

3.2 Corresponding figures have been re-arranged/re-classified where necessary to facilitate comparison. Appropriate disclosure has been given in the relevant note in case of any material re-arrangement/re-classification.

| | Note | September 30, 2021 | June 30, 2021 |
|--|------|--------------------|--------------------|
| | | Rupees | Rupees |
| 4 ISSUED SHARE CAPITAL | | | |
| Ordinary shares of Rs. 10 each: | | | |
| 13,275,000 (June 30, 2021: 13,275,000) ordinary shares issued for cash | | 132,750,000 | 132,750,000 |
| 16,565,607 (June 30, 2021: 16,565,607) ordinary shares issued as consideration on merger | | 165,656,070 | 165,656,070 |
| | | <u>298,406,070</u> | <u>298,406,070</u> |

Saritow Spinning Mills Limited

Notes to and forming part of Condensed Interim Financial Statements for the Quarter ended September 30, 2021

5 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in status and amount of contingencies since June 30, 2021

| | September 30, 2021 | June 30, 2021 |
|---|--------------------|--------------------|
| | Rupees | Rupees |
| Commitments | | |
| Payments under irrevocable letters of credit for import of: | | |
| Stores and spare | 8,886,483 | 17,391,946 |
| Raw material | 434,217,890 | 319,234,733 |
| | <u>443,104,373</u> | <u>336,626,679</u> |

6 Property, plant and equipment

| | | |
|--|----------------------|----------------------|
| Net book value at the beginning of the period/year | 1,204,171,770 | 1,143,274,680 |
| Additions during the period/year | | |
| Revaluation of fixed assets-net | - | 8,628,805 |
| Right-of- use-assets-net | - | 67,606,181 |
| Plant and machinery | - | 29,399,146 |
| Office equipment | - | 454,626 |
| Vehicles | 7,776,290 | 12,698,530 |
| | <u>7,776,290</u> | <u>118,787,288</u> |
| Net book value of assets disposed during the period/year | - | (1,614,054) |
| Depreciation for the period/year | (14,896,563) | (56,276,144) |
| | <u>1,197,051,497</u> | <u>1,204,171,770</u> |
| Capital work in progress | 6.1 | |
| | <u>94,359,648</u> | <u>76,831,061</u> |
| Net book value at the end of the period/year | <u>1,291,411,145</u> | <u>1,281,002,831</u> |

6.1 Capital work in progress

| | | |
|--|-------------------|-------------------|
| Book value as at beginning of the period | 76,831,061 | - |
| Additions during the period | 17,528,587 | 106,230,207 |
| Transfer during the year | - | (29,399,146) |
| Book value at the end of the period | <u>94,359,648</u> | <u>76,831,061</u> |

6.2 Right-of-use-assets

| | | |
|--|----------|-------------------|
| Net book value at the beginning of the period/year | - | 70,545,580 |
| Additions during the period/year | - | - |
| Depreciation for the period/year | - | (2,939,399) |
| Net book value at the end of the period/year | <u>-</u> | <u>67,606,181</u> |

| | Quarter ended | |
|--|--------------------|--------------------|
| | September 30, 2021 | September 30, 2020 |
| | Rupees | Rupees |
| | (Un-Audited) | (Un-Audited) |

7 RAVENUE FROM CONTRACTS WITH CUSTOMERS- NET

| | | |
|-----------|----------------------|----------------------|
| Yarn | 1,074,035,479 | 1,034,077,051 |
| Waste | 19,702,402 | 13,568,409 |
| | <u>1,093,737,881</u> | <u>1,047,645,460</u> |
| Sales tax | (176,828,581) | (171,463,847) |
| | <u>916,909,300</u> | <u>876,181,613</u> |

Saritow Spinning Mills Limited

Notes to and forming part of Condensed Interim Financial Statements for the Quarter ended September 30, 2021

| | Quarter ended | |
|---|------------------------|------------------------|
| | September 30, 2021 | September 30, 2020 |
| | Rupees (Un-Audited) | Rupees (Un-Audited) |
| 8 COST OF SALES | | |
| Raw material consumed | 702,731,209 | 522,162,469 |
| Stores, spares and loose tools consumed | 29,766,716 | 28,401,502 |
| Power and fuel | 130,579,280 | 106,581,134 |
| Salaries, wages and benefits | 92,862,229 | 87,101,132 |
| Insurance | 1,008,402 | 1,033,702 |
| Repair and maintenance | 10,692,500 | 8,773,624 |
| Depreciation | 13,488,113 | 13,785,622 |
| Vehicle running and maintenance | 464,071 | 418,421 |
| Other manufacturing overheads | 791,760 | 1,512,660 |
| | 982,384,280 | 769,770,266 |
| Work in process | | |
| Opening stock | 41,226,160 | 52,754,805 |
| Closing stock | (52,359,436) | (45,708,760) |
| | (11,133,276) | 7,046,045 |
| Cost of goods manufactured | 971,251,004 | 776,816,311 |
| Finished goods | | |
| Opening stock | 261,779,256 | 207,853,345 |
| Closing stock | (404,293,660) | (166,062,395) |
| | (142,514,404) | 41,790,950 |
| | 828,736,600 | 818,607,261 |

9 TAXATION

9.1 Provision for current tax has been made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001.

9.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and undertakings, key management personnel and sponsor directors and their family members. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

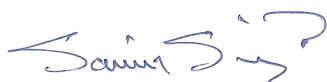
Transactions with key management personnel are limited to payment of short term and post employment benefits. Transactions with sponsors and their family members are limited to provision of interest free loans to the Company. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction.

Details of transactions and balances with related parties is as follows:

| | | Quarter ended | |
|--|-------------------------------|------------------------|------------------------|
| | | September 30, 2021 | September 30, 2020 |
| | | Rupees (Un-Audited) | Rupees (Un-Audited) |
| Transactions with related parties | | | |
| Nature of relationship | Nature of transaction | | |
| Key management personnel | Short term employee benefits | 1,650,000 | 1,395,000 |
| | Post employment benefits | 550,000 | 465,000 |
| Kohinoor Power Company Ltd | Generator Rent | 3,000,000 | 3,000,000 |
| Balances with related parties | | | |
| Sponsors and their family members | Interest free loan-long term | 265,884,966 | 265,884,966 |
| Sponsors and their family members | Interest free loan-short term | 102,000,000 | 102,000,000 |
| Kohinoor Power Company Ltd | Generator Rent | 7,959,122 | 5,875,476 |

11 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR