

# **SARITOW SPINNING MILLS LIMITED**

**HALF YEAR REPORT**

**31-12-2021**

**(Un-audited)**

**BOARD OF DIRECTORS**

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

**AUDIT COMMITTEE**

Mr. Jamal Nasim	Chairman/Member
Mr. M. Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member
Mrs. Sadaf Kashif	Member

**HR & REMUNERATION COMMITTEE**

Mr. Jamal Nasim	Chairman/Member
Mr. M. Zeid Yousuf Saigol	Member
Mr. M. Murad Saigol	Member
Mr. Muhammad Omer Farooq	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 half year ended December 31, 2021 along with director report thereon.

<b><u>Financial Highlights</u></b>	<b>Half Year Ending December 31, 2021 Rs. in Million</b>	<b>Half Year Ending December 31, 2020 Rs. in Million</b>
Net Sales	2,122.633	1,757.967
Gross Profit	136.189	152.055
Operating Profit	101.549	29.338
Profit Before Tax	79.379	84.941
Profit / (loss) after Tax	52.846	58.572
Gross Profit Ratio	6.42	8.65%

### **Operating Financial Results**

During the period under review Alhamdulillah, your Company had performed well. Your Company was able to achieve all time high net sales of Rs. 2,122.663 million as compared to Rs. 1,757.967 million during the same period last year. Net Profit after tax is Rs. 52.846 million against net profit after tax of Rs. 58.572 million in corresponding period last year. Increase in sales was mainly due to increased unit price and quantity.

The period under review is very tough for raw materials. Local cotton crop fetched only 8.500 million bales, which shows slight improvement as compared to last year but we are still far away from achieving optimum production levels. Due to short fall in production of local raw cotton prices reached all time historical high of Rs. 20,000/- per mound level Shortage of local crop increased reliance of import substitute. Global uncertainty coupled with shipping crises pushed imported cotton price to unprecedented highest and at the moment New York future is traded at \$ 1.25. As the price of cotton goes up all over the Globe, prices of manmade fibers also show huge increase 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. 20,000/- per maund. Local crop for the ongoing season is expected to fetch only 8.5 million bales which is far less than the local mills consumption of 16 million bales. The New York future which determines imported cotton prices is traded at life time high of \$1.25. Causing 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. Further Govt of Pakistan have withdrawn subsidy on natural gas, causing huge increase in energy prices.

We hope that in coming days things will improve and raw materials and energy will be available at competitive prices otherwise future profitability of Industry will be affected badly in comparison to last year.



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## **COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

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

## **COMMITTEE'S**

Detail of Committee's of Board is as under.

### **AUDIT COMMITTEE**

Mr. Jamal Nasim	Chairman/Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member
Mrs. Sadaf Kashif	Member

### **HR & REMUNERATION COMMITTEE**

Mr. Jamal Nasim	Chairman/Member
Mr. Muhammad Zeid Yousuf Saigol	Member
Mr. Muhammad Murad 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  
February 28, 2022

  
Chief Executive

  
Director



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## ڈائریکٹرز رپورٹ:

بورڈ آف ڈائریکٹرز کو کھینچا ایکٹ 2017 کے تقاضوں کی تعمیل میں 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے لیے کھینچنے کے فیروز ڈاٹ شہدہ ایلیاتی گوشوارے پیش کرنے پر خوشی ہے۔

### آپریٹنگ نتائج

کھینچنے کی خالص فروخت 2,122,663 ملین روپے رہی جو کہ اب تک کی 6 ماہ کی سب سے زیادہ فروخت ہے جبکہ پچھلے سال اسی مدت کے دوران کھینچنے کی خالص فروخت 1,757,967 ملین روپے تھی کھینچنے کا نئے دینے کے بعد خالص منافع 52,846 ملین روپے رہا جو کہ پچھلے سال اسی مدت کے دوران 58,572 ملین روپے تھا خالص فروخت میں اضافے کا سبب قیمت فروخت میں اضافہ ہے۔

زیر نظر مدت خالص مال کے لیے بہت سخت ہے مقامی کپاس کی فصل سے صرف 8,500 ملین کاٹھن حاصل ہوئے جو کہ گزشتہ سال کے مقابلے میں معمولی بہتری کو ظاہر کرتی ہے لیکن ہم ابھی تک پیداوار کی بہترین سطح حاصل کرنے سے بہت دور ہیں مقامی کپاس کی پیداوار میں کمی کی وجہ سے قیمت 20,000/- روپے فی سن کی تاریخی بلند ترین سطح پر پہنچی مقامی فصل کی کمی نے درآمدی متبادل پر انحصار بڑھا دیا عالمی سطح پر فیبر پٹی صورت حال اور شپنگ کے بحران نے درآمدی روٹی کی قیمت کو فیبر معمولی بلندی پر دیکھل دیا اور اس وقت نیو یارک کا مستقبل 1.25 ڈالر پر فی پورہ رہا ہے جیسا کہ روٹی کی قیمت پوری دنیا میں بڑھ رہی ہے انسانی ساختہ ریٹوں کی قیمتوں میں بھی گزشتہ سال کے مقابلے میں بہت زیادہ اضافہ ہوا ہے ان تمام عوامل کے کچا ہونے کے باوجود ہماری کھینچنے کی خالص مال کی فروخت خریداری اور طوں کو مؤثر طریقے سے چلانے کی وجہ سے اچھی کارکردگی دکھانے میں کامیاب رہی۔

### مستقبل کا نقطہ نظر

اہم خطرے کا عنصر مسابقتی قیمتوں پر خالص مال کی دستیابی ہے مقامی مارکیٹ میں روٹی کا بھادہ 20,000/- فی سن ہو رہا ہے جاری میزان کے لیے مقامی فصل سے صرف 8.5 ملین کاٹھن کی آمد متوقع ہے جو کہ مقامی بلوں کی 16 ملین کاٹھنوں کی کھیت سے کہیں کم ہے نیو یارک کا مستقبل جو درآمد شدہ کپاس کی قیمتوں کا قہنہ کرتا ہے اس کی تجارت زندگی کے وقت کی بلند ترین 1.25 ڈالر پر ہوتی ہے درآمدی روٹی کی دستیابی بھی شپنگ کے جاری بحران سے متاثر ہے کارگو جہازوں کی عدم دستیابی کی وجہ سے کپاس کی ترسیل میں تاخیر ہو رہی ہے مزید غلطی پاکستان نے قدرتی گیس پر دی جانے والی سبسڈی واپس لے لی ہے جس کی وجہ سے توانائی کی قیمتوں میں زبردست اضافہ ہوا ہے۔

ہم امید کرتے ہیں کہ آگے والے دنوں میں حالات بہتر ہوں گے اور خالص مال اور توانائی مسابقتی قیمتوں پر دستیاب ہوگی دیگر مستقبل میں صنعت کا منافع گزشتہ سال کے مقابلے میں بری طرح متاثر ہوگا۔

### بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

کل ڈائریکٹرز کی تعداد	
6	مرد
1	عورت
ساخت	
عورت ڈائریکٹر (آزاد ڈائریکٹر)	محترمہ صدف کاشف
آزاد ڈائریکٹر	جناب جمال نسیم
ٹرانزیکٹو ڈائریکٹر	جناب محمد مراد سہیل
	جناب محمد مراد سہیل
	جناب محمد عمر فاروق
ایگزیکٹو ڈائریکٹر	جناب محمد زید یوسف سہیل
	جناب سامر اقبال سہیل

### کھینچ

بورڈ کی کھینچنے کی تفصیلی درج ذیل ہے۔

### آؤٹ سٹیل

جناب جمال نسیم	جنیئر مین / ممبر
جناب محمد مراد سہیل	ممبر
جناب محمد عمر فاروق	ممبر
محترمہ صدف کاشف	ممبر

### ایچ آر ایچ / ریٹائرمنٹ سہیل

جناب جمال نسیم	جنیئر مین / ممبر
جناب محمد زید یوسف سہیل	ممبر
جناب محمد مراد سہیل	ممبر
جناب محمد عمر فاروق	ممبر

ہم تمام حصہ داران کے بھرپور تعاون کے تبادلے سے مشکور ہیں۔ ہم یقین رکھتے ہیں کہ ہمارے ہر ایک حصہ داران کے لیے یہ امید کرنی ہے کہ وہ اسی انداز میں آئندہ بھی اپنے فرائض سرانجام دیتے رہیں گے۔

مخاطب: برائے بورڈ:

لاہور

28 فروری، 2022

ڈائریکٹر

چیف ایگزیکٹو

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the members of SARITOW SPINNING MILLS LIMITED Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **SARITOW SPINNING MILLS LIMITED** ['the Company'] as at **31 December 2021** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended **31 December 2021** of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **ZUBAIR IRFAN MALIK**

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Lahore: 28 February 2022

UDIN: RR202110185q49DgHAva



# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31-Dec-21 Rupees (Un-Audited)	30-Jun-21 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized share capital</i>			
Issued share capital		298,406,070	298,406,070
Revaluation reserve		60,707,301	61,392,820
Retained earnings		432,787,715	379,255,709
<b>TOTAL EQUITY</b>		<b>791,901,086</b>	<b>739,054,599</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loan from directors and other shareholders	6	265,884,966	265,884,966
Long term finances	7	76,539,994	108,256,455
Long term deposits		6,010,000	6,010,000
Employees retirement benefits		90,169,551	84,946,625
Long term payables		-	2,154,409
Deferred taxation		119,370,700	119,370,700
Deferred grant	8	2,931,787	4,834,543
		<b>560,906,998</b>	<b>591,457,698</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		606,183,015	368,873,330
Unclaimed dividend		485,351	485,351
Short term borrowings		582,659,872	385,770,183
Accrued interest		10,646,833	11,977,202
Current taxation		13,140,237	3,226,568
Current portion of non-current liabilities	9	78,631,083	75,088,581
		<b>1,291,746,391</b>	<b>845,421,215</b>
<b>TOTAL LIABILITIES</b>		<b>1,852,653,389</b>	<b>1,436,878,913</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,644,554,475</b>	<b>2,175,933,512</b>

The annexed notes from 1 to 21 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31-Dec-21 Rupees (Un-Audited)	30-Jun-21 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	1,261,833,067	1,281,002,831
Right-of-use assets	12	-	-
Long term deposits		20,727,386	21,027,386
		1,282,560,453	1,302,030,217
<b>CURRENT ASSETS</b>			
Stores and spares		29,652,314	22,990,126
Stock in trade		1,028,619,254	616,136,635
Trade receivables		94,284,596	18,912,007
Short term deposits		86,428,832	86,577,832
Advances and other receivables		58,199,127	25,769,031
Cash and bank balances		64,809,899	103,517,664
		1,361,994,022	873,903,295
<b>TOTAL ASSETS</b>		<b>2,644,554,475</b>	<b>2,175,933,512</b>

The annexed notes from 1 to 21 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director



# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

	Note	Six month ended		Three month ended	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net	13	2,122,663,052	1,757,966,983	1,205,753,752	881,785,370
Cost of sales	14	(1,986,473,775)	(1,605,911,350)	(1,157,737,175)	(787,304,089)
<b>Gross profit</b>		<b>136,189,277</b>	<b>152,055,633</b>	<b>48,016,577</b>	<b>94,481,281</b>
Selling and distribution expenses		(4,238,923)	(2,623,674)	(2,971,677)	(1,194,008)
Administrative expenses		(31,487,487)	(27,404,884)	(16,792,795)	(13,652,570)
		(35,726,410)	(30,028,558)	(19,764,472)	(14,846,578)
Other income		1,086,183	2,052,234	1,086,183	2,052,234
<b>Operating profit</b>		<b>101,549,050</b>	<b>124,079,309</b>	<b>29,338,288</b>	<b>81,686,937</b>
Finance cost		(22,169,275)	(39,137,801)	(12,709,644)	(18,621,981)
<b>Profit before taxation</b>		<b>79,379,775</b>	<b>84,941,508</b>	<b>16,628,644</b>	<b>63,064,956</b>
Provision for taxation	15	(26,533,288)	(26,369,504)	(15,071,921)	(13,226,781)
<b>Profit after taxation</b>		<b>52,846,487</b>	<b>58,572,004</b>	<b>1,556,723</b>	<b>49,838,175</b>
<b>Earnings per share - basic and diluted</b>		<b>1.77</b>	<b>1.96</b>	<b>0.05</b>	<b>1.67</b>

The annexed notes from 1 to 21 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

	Six month ended		Three month ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Rupees	Rupees	Rupees	Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income	-	-	-	-
Profit after taxation	52,846,487	58,572,004	1,556,723	49,838,175
Total comprehensive income	52,846,487	58,572,004	1,556,723	49,838,175

The annexed notes from 1 to 21 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

RSRIR  
*In identification only*

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

	Share capital	Capital reserves	Revenue reserves	
	Issued share capital	Revaluation reserve	Retained earnings	Total equity
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2020 - Audited	298,406,070	57,755,154	204,588,957	560,750,181
<b>Comprehensive income</b>				
Profit after taxation	-	-	58,572,004	58,572,004
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	58,572,004	58,572,004
Incremental depreciation	-	(626,162)	626,162	-
Transaction with owners	-	-	-	-
<b>Balance as at 31 December 2020 - Un-audited</b>	<b>298,406,070</b>	<b>57,128,992</b>	<b>263,787,123</b>	<b>619,322,185</b>
Balance as at 01 January 2021- Un-audited	298,406,070	57,128,992	263,787,123	619,322,185
<b>Comprehensive income</b>				
Profit after taxation	-	-	115,854,802	115,854,802
Other comprehensive income/(loss)	-	4,526,815	(649,203)	3,877,612
<b>Total comprehensive income</b>	-	4,526,815	115,205,599	119,732,414
Incremental depreciation	-	(262,987)	262,987	-
Transaction with owners	-	-	-	-
<b>Balance as at 30 June 2021 - Audited</b>	<b>298,406,070</b>	<b>61,392,820</b>	<b>379,255,709</b>	<b>739,054,599</b>
Balance as at 01 July 2021 - Audited	298,406,070	61,392,820	379,255,709	739,054,599
<b>Comprehensive income</b>				
Profit after taxation	-	-	52,846,487	52,846,487
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	52,846,487	52,846,487
Incremental depreciation	-	(685,519)	685,519	-
Transaction with owners	-	-	-	-
<b>Balance as at 31 December 2021 - Un-audited</b>	<b>298,406,070</b>	<b>60,707,301</b>	<b>432,787,715</b>	<b>791,901,086</b>

The annexed notes from 1 to 21 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

	Six month ended	
	31-Dec-21	31-Dec-20
	<i>Rupees</i>	<i>Rupees</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	79,379,775	84,941,508
Adjustments for non-cash items		
Depreciation	31,242,645	29,099,713
Provision for employees retirement benefits	12,624,006	12,746,830
(Gain)/loss on disposal of fixed assets	(1,285,940)	356,188
Interest on borrowings	22,169,275	39,137,801
	64,749,986	81,340,532
<b>Operating profit before changes in working capital</b>	<b>144,129,761</b>	<b>166,282,040</b>
Changes in working capital		
Stores and spares	(6,662,188)	(2,055,953)
Stock in trade	(412,482,619)	9,497,096
Trade receivables	(75,372,589)	16,478,435
Short term deposits	149,000	76,696,269
Advances and other receivables	(32,430,096)	(71,696,691)
Trade and other payables	237,309,685	9,692,275
Long term payables	(8,509,273)	-
	(297,998,080)	38,611,431
<b>Net cash (used in)/generated from from operations</b>	<b>(153,868,319)</b>	<b>204,893,471</b>
Payments for:		
Interest on borrowings	(23,499,644)	(43,933,539)
Income tax	(16,619,619)	(10,688,863)
Employees retirement benefits	(7,401,080)	(10,508,485)
<b>Net cash (used in)/generated from operating activities</b>	<b>(201,388,662)</b>	<b>139,762,584</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(17,261,039)	(6,963,567)
Long term deposits	300,000	-
Proceeds from disposal of property, plant and equipment	6,474,098	204,055
<b>Net cash used in investing activities</b>	<b>(10,486,941)</b>	<b>(6,759,512)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances	(23,721,851)	(80,000,000)
Repayment of lease liability	-	(4,981,147)
Net increase/(decrease) in short term borrowings	196,889,689	(66,590,529)
<b>Net cash generated from/(used in) financing activities</b>	<b>173,167,838</b>	<b>(151,571,676)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(38,707,765)</b>	<b>(18,568,604)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>103,517,664</b>	<b>63,150,875</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>64,809,899</b>	<b>44,582,271</b>

The annexed notes from 1 to 21 form an integral part of these interim financial statements.



Chief Executive



Chief Financial Officer



Director

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

### 1 LEGAL STATUS AND OPERATIONS

Saritow Spinning Mills Limited [‘the Company’] was incorporated in Pakistan on 10 March 1987 as Public Limited Company under the repealed Companies Ordinance, 1984. 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. 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 statements are un-audited and has been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2021.

This interim financial statements have been subjected to limited scope review by the auditors of the company, as required by the Companies Act, 2017 under section 237. The comparative condensed interim statement of financial position as at 30 June 2021 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended 31 December 2020 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2021 and 31 December 2020 are neither audited nor reviewed.

#### 2.1 Statement of compliance

These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Employee retirement benefits	Present value

#### 2.3 Judgments, estimates and assumptions

The preparation of interim financial statements requires management to make judgments, 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 judgments 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, 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

These interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

#### 2.5 Date of authorization for issue

This interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 28 February 2022.

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

### 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE PERIOD.

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

#### 3.1 Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS 16 - Leases)

The amendments in Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

#### 3.2 COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

### 4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	01 January 2023
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2023
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	01 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	01 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	01 January 2022
Annual Improvements to IFRS Standards 2018–2020.	01 January 2022
Amendments to IFRS 17	01 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	01 January 2023
Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17 - Insurance contracts)	01 January 2023

Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:

IFRS 1 - First Time Adoption of International Financial Reporting Standards  
IFRS 14 - Regulatory Deferral Accounts

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

### 5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended June 30, 2020.

### 6 LOAN FROM DIRECTORS AND OTHER SHAREHOLDERS

This represents loan obtained from directors of the Company and other shareholders. The loan is unsecured.

The loan is subordinate to long term finances and short term borrowings of the Company. Accordingly the loan matures on 29 October 2025 being the date before which the lenders cannot demand repayment of this loan under the subordination agreement.

The loan carries interest at one year KIBOR plus 2.5% (30 June 2021: one year KIBOR plus 2.5%) per annum, payable on maturity. The lenders may at their sole discretion waive the payment of interest. During the period, interest amounting to Rs. 19.01 million (30 June 2021: Rs. 28.13 million) was waived by the lenders at their sole discretion.

	Note	31-Dec-21 Rupees (Un-Audited)	30-Jun-21 Rupees (Audited)
<b>7 LONG TERM FINANCES</b>			
<b>From Banking companies</b>			
As at beginning of the period/year		159,879,297	269,287,154
Obtained during the period/year		-	85,669,000
Accretion during the period/year		3,767,477	5,812,172
Repayments made during the period/year		(23,721,851)	(192,668,437)
Deferred grant recognized during the period/year		-	(8,220,592)
As at end of the period/year		139,924,923	159,879,297
Current maturity presented under current liabilities		(63,384,929)	(51,622,842)
		<b>76,539,994</b>	<b>108,256,455</b>
<b>8 DEFERRED GRANT</b>			
As at beginning of the period/year		10,142,542	-
Recognized during the period/year		-	15,954,713
Amortized during the period/year		(3,767,477)	(5,812,171)
As at end of the period/year		6,375,065	10,142,542
Current maturity presented under current liabilities		(3,443,278)	(5,307,999)
		<b>2,931,787</b>	<b>4,834,543</b>
<b>9 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long term finances	7	63,384,929	51,622,842
Deferred grant	8	3,443,278	5,307,999
Long term payables		11,802,876	18,157,740
		<b>78,631,083</b>	<b>75,088,581</b>
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Contingencies</b>			
There is no significant change in status and amount of contingencies since 30 June 2021.			

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

### 10.2 Commitments

	31-Dec-21 <i>Rupees</i> <i>(Un-Audited)</i>	30-Jun-21 <i>Rupees</i> <i>(Audited)</i>
<b>10.2.1 Commitments under irrevocable letters of credit for :</b>		
- purchase of raw material	217,568,480	319,234,733
- purchase of stores and spares	11,430,492	17,391,946
	<b>228,998,972</b>	<b>336,626,679</b>
<b>10.2.2 Commitments for capital expenditure</b>	<b>-</b>	<b>5,000,000</b>

### 10.2.3 Commitments under short term leases:

#### (a) Rented office premises

The Company has rented office premises under short term leases arrangements. Lease agreement covers a period of one year and is renewable/extendable on mutual consent. Commitments for payments in future periods under the lease agreement are as follows:

	31-Dec-21 <i>Rupees</i> <i>(Un-Audited)</i>	30-Jun-21 <i>Rupees</i> <i>(Audited)</i>
- payments not later than one year	5,501,155	2,423,353
- payments later than one year	-	-
	<b>5,501,155</b>	<b>2,423,353</b>

#### (b) Rented generator

The Company has rented generator under short term leases arrangements. Lease agreement covers a period of one year and is renewable/extendable on mutual consent. Commitments for payments in future periods under the lease agreement are as follows:

	<i>Note</i>	31-Dec-21 <i>Rupees</i> <i>(Un-Audited)</i>	30-Jun-21 <i>Rupees</i> <i>(Audited)</i>
- payments not later than one year	11.1	2,000,000	8,000,000
- payments later than one year	11.2	-	-
		<b>2,000,000</b>	<b>8,000,000</b>

### 11 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	11.1	1,261,833,067	1,204,171,770
Capital work in progress	11.2	-	76,831,061
		<b>1,261,833,067</b>	<b>1,281,002,831</b>



# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

	31-Dec-21	30-Jun-21		
	<i>Rupees</i>	<i>Rupees</i>		
	<i>(Un-Audited)</i>	<i>(Audited)</i>		
<b>11.1 Operating fixed assets</b>				
Net book value at the beginning of the period/year	1,204,171,770	1,143,274,680		
Additions during the period/year				
Office equipment	-	454,626		
Vehicles	7,776,290	12,698,530		
	7,776,290	13,153,156		
Revaluations during the period/year				
Freehold land	-	1,951,875		
Buildings	-	3,626,676		
Plant and machinery	-	3,050,254		
	-	8,628,805		
Net book value of assets disposed during the period/year	(5,188,158)	(1,614,054)		
Depreciation for the period/year	(31,242,645)	(56,276,144)		
Transfer from right-of-use assets	-	67,606,181		
Transfer from capital work in progress	86,315,810	29,399,146		
<b>Net book value at the end of the period/year</b>	<b>1,261,833,067</b>	<b>1,204,171,770</b>		
<b>11.2 Capital work in progress</b>				
As at the beginning of the period/year	76,831,061	-		
Additions during the period/year	9,484,749	106,230,207		
Transfers to operating fixed assets	(86,315,810)	(29,399,146)		
<b>As at end of the period/year</b>	<b>-</b>	<b>76,831,061</b>		
<b>12 RIGHT-OF-USE ASSETS</b>				
Net book value at the beginning of the period/year	-	70,545,580		
Depreciation for the period/year	-	(2,939,399)		
Transfer to property, plant and equipment	-	(67,606,181)		
<b>Net book value at the end of the period/year</b>	<b>-</b>	<b>-</b>		
	<b>Six month ended</b>	<b>Three month ended</b>		
	<b>31-Dec-21</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
<b>13 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>				
Yarn	2,085,909,830	1,739,168,594	1,011,874,351	874,583,911
Waste	36,753,222	18,798,389	17,050,820	7,201,459
	2,122,663,052	1,757,966,983	1,028,925,171	881,785,370

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

	Note	Six month ended		Three month ended	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		Rupees	Rupees	Rupees	Rupees
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
<b>14 COST OF SALES</b>					
Raw material consumed		1,615,676,652	1,053,993,188	912,945,443	531,830,719
Stores and spares consumed		62,067,258	55,217,628	32,300,542	26,816,126
Salaries, wages and benefits		187,831,485	171,157,196	94,969,256	84,056,064
Insurance		2,360,482	2,257,073	1,352,080	1,223,371
Repair and maintenance		18,550,526	16,550,158	7,858,026	7,776,534
Depreciation		28,319,154	27,598,054	14,831,041	13,812,432
Other manufacturing overheads		287,571,129	238,472,618	155,736,018	129,960,403
<b>Manufacturing cost</b>		<b>2,202,376,686</b>	<b>1,565,245,915</b>	<b>1,219,992,406</b>	<b>795,475,649</b>
Work in process					
as at beginning of the period		41,226,160	52,754,805	52,359,436	45,708,760
as at end of the period		(63,422,825)	(45,470,785)	(63,422,825)	(45,470,785)
		(22,196,665)	7,284,020	(11,063,389)	237,975
<b>Cost of goods manufactured</b>		<b>2,180,180,021</b>	<b>1,572,529,935</b>	<b>1,208,929,017</b>	<b>795,713,624</b>
Finished goods					
as at beginning of the period		261,779,256	207,853,345	404,293,660	166,062,395
as at end of the period		(455,485,502)	(174,471,930)	(455,485,502)	(174,471,930)
		(193,706,246)	33,381,415	(51,191,842)	(8,409,535)
		<b>1,986,473,775</b>	<b>1,605,911,350</b>	<b>1,157,737,175</b>	<b>787,304,089</b>
<b>15 PROVISION FOR TAXATION</b>					
Current taxation	15.1	26,533,288	26,369,504	15,071,921	13,226,781
Deferred taxation	15.2	-	-	-	-
		<b>26,533,288</b>	<b>26,369,504</b>	<b>15,071,921</b>	<b>13,226,781</b>

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

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

### 16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated company, key management personnel and sponsors, 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. The details of Company's related parties, with whom the Company had transactions during the period or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Kohinoor Power Company Limited	Associated company	Common directorship	0.00%
Samir Iqbal Saigol	Key management personnel	Chief Executive Officer	0.004%
Naseem Saigol	Key management personnel	Director	27.27%
M. Azam Saigol	Key management personnel	Director(late)	0.00%
M. Murad Saigol	Key management personnel	Director	8.37%
M. Zeid Yousuf Saigol	Key management personnel	Director	8.39%
Arshad Ismail Khan	Key management personnel	Director	0.00%
Amber Haroon Saigol	Close family member of director	Spouse of director	16.93%

Transactions with directors and their family members are limited to provision of long term and temporary short term 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 are as follows:

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

		Six month ended	
		31-Dec-21	31-Dec-20
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
<b>16.1</b>	<b>Transactions with related parties</b>		
	<b>Nature of relationship</b>		
	<b>Nature of transaction</b>		
	Key management personnel		
	Short term employee benefits	4,020,000	3,300,000
	Post employment benefits	660,000	550,000
	Associated company		
	Generator rent	6,000,000	6,000,000
		<b>31-Dec-21</b>	<b>30-Jun-21</b>
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>16.2</b>	<b>Balances with related parties</b>		
	<b>Nature of relationship</b>		
	<b>Nature of balance</b>		
	Directors and their family members		
	Long term loans	265,884,966	265,884,966
	Short term borrowings	102,000,000	102,000,000
	Key management personnel		
	Short-term employee benefits payable	660,000	550,000
	Post employment benefits payable	14,520,000	11,020,520
	Associated company		
	Generator rent payable	8,544,201	7,566,750
<b>17</b>	<b>FINANCIAL INSTRUMENTS</b>		
	The carrying amounts of the Company's financial instruments by class and category are as follows:		
		<b>31-Dec-21</b>	<b>30-Jun-21</b>
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>17.1</b>	<b>Financial assets</b>		
	<b>Cash in hand</b>	4,068,839	413,122
	<b>Financial assets at amortized cost</b>		
	Long term deposits	20,727,386	21,027,386
	Trade receivables	94,284,596	22,442,395
	Advances to employees	4,970,011	5,542,583
	Short term deposits	86,428,832	86,577,832
	Bank balances	60,741,060	103,104,542
		<b>271,220,724</b>	<b>239,107,860</b>
<b>17.2</b>	<b>Financial liabilities</b>		
	<b>Financial liabilities at amortized cost</b>		
	Loan from directors and other shareholders	265,884,966	265,884,966
	Long term finances	139,924,923	159,879,297
	Long term deposits	6,010,000	6,010,000
	Short term borrowings	582,659,872	385,770,183
	Accrued interest	10,646,833	11,977,202
	Trade creditors	250,129,693	108,056,169
	Accrued liabilities	147,311,472	110,924,114
	Unclaimed dividend	485,351	485,351
		<b>1,403,053,110</b>	<b>1,048,987,282</b>

# SARITOW SPINNING MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

### 18 FAIR VALUE MEASUREMENTS

#### 18.1 Financial Instruments

##### 18.1.1 Financial instruments measured at fair value

The Company measures some of its financial assets at fair value. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

##### a) Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

##### b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

#### 18.2 Assets and liabilities other than financial instruments

##### 18.2.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	31-Dec-21	30-Jun-21
	Rupees	Rupees	Rupees	Rupees	Rupees
				(Un-Audited)	(Audited)
Freehold land	-	101,370,000	-	101,370,000	101,370,000
Buildings	-	136,611,942	-	136,611,942	139,100,000
Plant and machinery	-	994,940,604	-	994,940,604	938,975,000

For fair value measurements categorised into Level 2 the following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
<b>Freehold Land</b>	Market comparable approach that reflects recent transaction prices for similar properties	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of buildings by Rs. 5.07 million (30 June 2021: Rs. 5.07 million).
<b>Buildings</b>	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in an increase in fair value of buildings by Rs. 6.83 million (30 June 2021: Rs. 6.96 million).
<b>Plant and machinery</b>	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year.	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would result in an increase in fair value of plant and machinery by Rs. 49.75 million (30 June 2021: Rs. 46.95 million).

# SARITOW SPINNING MILLS LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

There were no transfers between fair value hierarchies during the period/year.

### 18.2.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

### 19 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

### 20 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

### 21 GENERAL

21.1 There are no other significant activities since 30 June 2021 affecting the interim financial statements.

21.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.



Chief Executive



Chief Financial Officer



Director