



Sally Textile Mills Limited



Interim Financial Report

Half Year ended

December 31, 2022

(Un-audited)

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Company Information

Board Of Directors

Mian Iqbal Salahuddin
Mst. Munira Salahuddin
Mian Yousaf Salahuddin
Mian Asad Salahuddin
Mian Sohail Salahuddin
Muhammad Khalil Latif
Syed Abid Raza Zaidi

Chief Executive Officer

Audit Committee

Muhammad Khalil Latif
Mian Asad Salahuddin
Mian Sohail Salahuddin
Syed Abid Raza Zaidi

Chairman
Member
Member
Secretary

Human Resources & Remuneration Committee

Muhammad Khalil Latif
Mst. Munira Salahuddin
Mian Sohail Salahuddin

Chairman
Member
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 half year report of the Company for the period ended 31st December 2022.

Overview - Performance review

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

The financial results in a summarized form are given hereunder:

Description	Six months ended December 31, 2022 Rupees '000'	Six months ended December 31, 2021 Rupees '000'
Turnover-net	-	-
Gross Profit / (Loss)	(16.74)	(17.35)
Loss before tax	(49.25)	(60.76)
Loss after tax	(49.25)	(60.76)

Loss per share

Loss per share of your company for ended December 31, 2022 is Rs. (5.61) as compared to Rs. (6.92) for the comparative period ended December 31, 2021.

Acknowledgement

The company had presented its accounts for review to the auditors; however, the auditors have delayed finalizing the financials. The matter has been taken up with the concerned firm. 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: **February 28, 2023**
Lahore.

ڈائریکٹران رپورٹ

معزز ممبران: اسلام و علیکم

آپ کی کمپنی صلی ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹران سال رواں کے چھ ماہی بمطابق 31 دسمبر 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 اکتواؤریز ابتدائی مراحل میں شروع ہو چکی ہیں۔ تاہم ابھی نتائج ظاہر نہیں ہو پارہے۔

روپے کی مالیت میں گراوٹ 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 دوسری 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	Six months ended December 31, 2022 Rupees '000'	Six months ended December 31, 2021 Rupees '000'
Turnover-net	-	-
Gross Profit / (Loss)	(16.74)	(17.35)
Loss before tax	(49.25)	(60.76)
Loss after tax	(49.25)	(60.76)

اظہار تشکر:

ڈائریکٹران، کمپنی کی ذمہ داران، کارگیروں اور محنت کشوں کی کاوشوں کو تحسین کی نگاہ سے دیکھتے ہیں۔

دیگر کرم فرماؤں، مالیاتی اداروں، خام مال کے مہیا کنندگان، خریدار اور واسطہ یا بالواسطہ خدمات دینے والوں کو خراج تحسین پیش کرتے ہیں۔

والسلام

منجانب بورڈ

لاہور

میاں اقبال صلاح الدین

28 فروری 2023

چیف ایگزیکٹو آفیسر

Financial Statements

Condensed Interim Statement of Financial Position

as at 31 December 2022

	Note	31-Dec-22	30-Jun-22
		Rupees	Rupees
		(Un-Audited)	(Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		200,000,000	200,000,000
Issued share capital		87,750,000	87,750,000
Revaluation reserve		210,905,293	210,905,293
Retained earnings		(1,381,978,487)	(1,332,733,307)
TOTAL EQUITY		(1,083,323,194)	(1,034,078,014)
LOAN FROM SPONSORS	6	649,115,744	623,244,886
NON-CURRENT LIABILITIES			
Long term finances		-	-
Employees retirement benefits		101,907,337	101,907,337
Deferred taxation		46,372,844	46,372,844
		148,280,181	148,280,182
CURRENT LIABILITIES			
Trade and other payables		463,038,084	463,083,094
Unclaimed dividend		1,010,033	1,010,033
Short term borrowings		722,540,181	722,571,947
Accrued interest/profit		377,465,033	370,386,494
Current portion of non-current liabilities		310,833,334	310,833,334
		1,874,886,665	1,867,884,902
TOTAL LIABILITIES		2,023,166,846	2,016,165,084
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		1,588,959,397	1,605,331,956

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Lahore
Date : 28 February 2023

MIAN IQBAL SALAHUDDIN
Chief Executive



HASSAN SHAHNAWAZ
Chief Financial Officer



MIAN YUSAF SALAHUDDIN
Director

Condensed Interim Statement of Financial Position

as at 31 December 2022

	Note	31-Dec-22	30-Jun-22
		Rupees	Rupees
		(Un-Audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	772,594,555	788,960,129
Long term deposits		11,243,604	11,243,604
		783,838,159	800,203,733
CURRENT ASSETS			
Stores and spares		80,622,599	80,622,598
Stock in trade		565,440,498	565,440,498
Trade receivables		96,588,056	96,587,770
Short term deposits		1,613,107	1,613,107
Advances and other receivables		46,466,604	46,470,042
Current taxation		11,767,906	11,764,760
Cash and bank balances		2,622,468	2,629,448
		805,121,238	805,128,223
TOTAL ASSETS		1,588,959,397	1,605,331,956

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Lahore
Date : 28 February 2023

MIAN IQBAL SALAHUDDIN
Chief Executive



HASSAN SHAHNAWAZ
Chief Financial Officer



MIAN YUSAF SALAHUDDIN
Director

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

for the six month period ended 31 December 2022

Note	Six month ended		Three month ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from contracts with customers - <i>net</i>	-	-	-	-
Cost of sales	9 (16,741,080)	(17,346,820)	(8,454,540)	(8,582,910)
Gross loss	(16,741,080)	(17,346,820)	(8,454,540)	(8,582,910)
Administrative expenses	(3,234,703)	(3,443,563)	(1,664,232)	(1,510,129)
Operating loss	(19,975,783)	(20,790,383)	(10,118,772)	(10,093,039)
Finance cost	(7,078,539)	(3,934,155)	(3,667,397)	(2,001,735)
Notional interest	(22,190,858)	(36,040,643)	(11,182,619)	(18,097,161)
Loss before taxation	(49,245,180)	(60,765,181)	(24,968,788)	(30,191,935)
Provision for taxation	10 -	-	-	-
Loss after taxation	(49,245,180)	(60,765,181)	(24,968,788)	(30,191,935)
Loss per share - <i>basic and diluted</i>	(5.61)	(6.92)	(2.85)	(3.44)

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



MIAN IQBAL SALAHUDDIN
Chief Executive



HASSAN SHAHNAWAZ
Chief Financial Officer



MIAN YUSAF SALAHUDDIN
Director

Lahore
Date : 28 February 2023

Condensed Interim Statement of Comprehensive Income (Un-audited)

for the six month period ended 31 December 2022

	Six month ended		Three month ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<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	-	-	-	-
Loss after taxation	(49,245,180)	(60,765,181)	(24,968,788)	(30,191,935)
Total comprehensive loss	(49,245,180)	(60,765,181)	(24,968,788)	(30,191,935)

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



MIAN IQBAL SALAHUDDIN
Chief Executive



HASSAN SHAHNAWAZ
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN
Director

Lahore
Date : 28 February 2023

Condensed Interim Statement of Cash Flows (Un-audited)

for the six month period ended 31 December 2022

	31-Dec-22	31-Dec-21
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(49,245,180)	(60,765,181)
Adjustments for non-cash and other items		
Interest/profit on borrowings	7,078,539	3,934,155
Notional interest	22,190,858	36,040,643
Depreciation	16,365,574	17,261,177
	45,634,971	57,235,975
Operating loss before changes in working capital	(3,610,209)	(3,529,206)
Changes in working capital		
Trade receivables	(286)	(293)
Advances and other receivables	3,438	3,439
Trade and other payables	(45,010)	(55,984)
	(41,858)	(52,838)
Net cash used in operations	(3,652,067)	(3,582,044)
Payments for:		
Income tax	(3,146)	(3,146)
Net cash used in operating activities	(3,655,213)	(3,585,190)
CASH FLOWS FROM INVESTING ACTIVITIES		
	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in short term borrowings	(31,766)	(4,933)
Loan from sponsors obtained	3,680,000	3,590,000
Net cash generated from financing activities	3,648,234	3,585,067
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,979)	(123)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,629,448	2,312,607
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,622,469	2,312,484

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Lahore
Date : 28 February 2023

MIAN IQBAL SALAHUDDIN
Chief Executive



HASSAN SHAHNAWAZ
Chief Financial Officer



MIAN YUSAF SALAHUDDIN
Director

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

for the six month period ended 31 December 2022

	Share capital	Capital reserve	Revenue reserves	
	Issued Share capital	Revaluation reserve	Retained earnings	Total equity
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2021 - Audited	87,750,000	214,598,966	(1,427,241,946)	(1,124,892,980)
Comprehensive loss				
Loss after taxation	-	-	(60,765,181)	(60,765,181)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(60,765,181)	(60,765,181)
Incremental depreciation	-	-	-	-
Transaction with owners	-	-	-	-
Balance as at 31 December 2021 - Un-audited	87,750,000	214,598,966	(1,488,007,127)	(1,185,658,161)
Balance as at 01 January 2022- Un-audited	87,750,000	214,598,966	(1,488,007,127)	(1,185,658,161)
Comprehensive loss				
Loss after taxation	-	-	151,374,252	151,374,252
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	151,374,252	151,374,252
Incremental depreciation	-	(3,899,568)	3,899,568	-
Transaction with owners	-	-	-	-
Balance as at 30 June 2022 - Audited	87,750,000	210,699,398	(1,332,733,307)	(1,034,283,909)
Balance as at 01 July 2022 - Audited	87,750,000	210,699,398	(1,332,733,307)	(1,034,283,909)
Comprehensive loss				
Loss after taxation	-	-	(49,245,180)	(49,245,180)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(49,245,180)	(49,245,180)
Incremental depreciation	-	-	-	-
Transaction with owners	-	-	-	-
Balance as at 31 December 2022 - Un-audited	87,750,000	210,699,398	(1,381,978,487)	(1,083,529,089)

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



Lahore
Date : 28 February 2023

MIAN IQBAL SALAHUDDIN
Chief Executive



HASSAN SHAHNAWAZ
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN
Director

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

for the six month period ended 31 December 2023

1 LEGAL STATUS AND OPERATIONS

Sally Textile Mills Limited [the Company] is incorporated in Pakistan as a Public Limited Company under the Companies Ordinance, 1984 and is listed on Pakistan 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 the power generation unit, is located at Joharabad District Khushab 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 2022.

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 2022 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 2021 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 2022 and 31 December 2021 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 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.

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

for the six month period ended 31 December 2023

2.4 Functional currency

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

2.5 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 24 February 2023.

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

Notes to the Condensed Interim Financial Statements (Un-audited) for the six month period ended 31 December 2023

**Effective date
(annual periods beginning
on or after)**

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.

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 financial statements of the Company for the year ended 30 June 2021.

	<i>Note</i>	31-Dec-22 <i>Rupees</i> <i>(Un-Audited)</i>	30-Jun-22 <i>Rupees</i> <i>(Audited)</i>
6 LOAN FROM SPONSORS			
Loan from sponsors	6.1	829,830,000	826,150,000
Less: unamortized notional interest		(180,714,256)	(202,905,114)
		649,115,744	623,244,886

6.1 This loan has been obtained from sponsors of the Company and is unsecured and interest free. The loan is payable by 30 June 2025. The loan has been carried at amortized cost which has been determined using a discount rate of 9.85%, being the average effective borrowing rate of the Company. This Loan subordinate to long term and short term finances obtained from various banking institutions.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in the status of contingencies since 30 June 2021.

7.2 Commitments

There is no significant change in the status of commitments since 30 June 2021.

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

for the six month period ended 31 December 2023

	<i>Note</i>	31-Dec-21	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
8	PROPERTY, PLANT AND EQUIPMENT		
	Net book value at the beginning of the period/year	788,960,129	823,482,481
	Depreciation for the period/year	(16,365,574)	(34,522,352)
	Net book value at the end of the period/year	772,594,555	788,960,129
		Six month ended	Three month ended
		31-Dec-22	31-Dec-21
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
9	COST OF SALES		
	Salaries, wages and benefits	600,000	332,000
	Vehicle running and maintenance	-	-
	Depreciation	16,141,080	16,999,820
	Others	-	15,000
		(15,000)	-
	Manufacturing cost	16,741,080	17,346,820
		8,454,540	8,582,910
	Finished goods		
	As at beginning of the period	108,894,900	108,895,000
	As at end of the period	(108,894,900)	(108,895,000)
		-	-
		16,741,080	17,346,820
		8,454,540	8,582,910
10	PROVISION FOR TAXATION		
10.1	No Provision for taxation has been made as the Company has nil income during the period.		
10.2	No provision for deferred tax has been made as the impact of the same is considered immaterial.		
11	TRANSACTIONS AND BALANCES WITH RELATED PARTIES		

Related parties from the Company's perspective comprise key management personnel and sponsors of the Company. 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
Mian Iqbal Salahuddin	Key management personnel	Chief executive officer	17.59%
Ms. Munira Salahuddin	Key management personnel	Director	18.38%
Mian Asad Salahuddin	Key management personnel	Director	17.71%
Mian Yousaf Salahuddin	Key management personnel	Director	17.59%
Mian Sohail Salahuddin	Key management personnel	Director	0.08%
Syed Abid Raza Zaidi	Key management personnel	Director	0.03%

Transactions with sponsors are limited to provision of interest free loans to the Company. Details of transactions and balances with related parties is as follows:

Notes to the Condensed Interim Financial Statements (Un-audited) for the six month period ended 31 December 2023

		Six month ended	
		31-Dec-22	31-Dec-21
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
11.1	Transactions with related parties		
	Nature of relationship Nature of transaction		
	Sponsors Long term loan	10,840,000	3,590,000
		31-Dec-22	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
11.2	Balances with related parties		
	Nature of relationship Nature of balances		
	Sponsors Long term loan	829,830,000	818,990,000
		-	1,148
	Short term borrowings		
12	FINANCIAL INSTRUMENTS		
	The carrying amounts of the Company's financial instruments by class and category are as follows:		
		31-Dec-22	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
12.1	Financial assets		
	Cash in hand	359,983	50,121
	Financial assets at amortized cost		
	Long term deposits	11,243,604	11,243,604
	Trade receivables	96,588,056	96,587,770
	Advances to employees	9,744,543	12,877,167
	Short term deposits	1,613,107	1,613,107
	Insurance claims receivable	1,922,460	1,922,460
	Bank balances	2,262,485	2,262,486
		123,734,238	126,556,715
12.2	Financial liabilities		
	Financial liabilities at amortized cost		
	Loan from sponsors	649,115,744	623,244,886
	Long term finances	310,833,334	83,333,334
	Short term borrowings	722,540,181	722,537,650
	Accrued interest/profit	377,465,033	370,386,494
	Trade creditors	141,542,665	141,542,670
	Accrued liabilities	184,462,173	187,661,593
	Unclaimed dividend	1,010,033	1,010,033
		2,386,969,163	2,129,716,660

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

for the six month period ended 31 December 2023

13 FAIR VALUE MEASUREMENTS

13.1 Financial Instruments

13.1.1 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 (i.e. derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (i.e. 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:

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

13.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

13.2 Assets and liabilities other than financial instruments.

13.2.1 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-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
				<i>(Un-Audited)</i>	<i>(Audited)</i>
Freehold land	-	142,835,000	-	142,835,000	142,835,000
Buildings on freehold land	-	156,228,517	-	156,228,517	160,234,376
Plant and machinery	-	436,907,702	-	436,907,702	448,110,464
Electric installation	-	30,223,793	-	30,223,793	30,998,762
Laboratory equipment	-	2,346,867	-	2,346,867	2,470,386
Fire fighting equipment	-	471,211	-	471,211	496,012

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

	Valuation technique	Significant inputs	Sensitivity
Freehold land	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. 7.142 million (30 June 2021: Rs. 7.142 million).

Notes to the Condensed Interim Financial Statements (Un-audited) for the six month period ended 31 December 2023

	Valuation technique	Significant inputs	Sensitivity
Buildings on freehold land	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 results in a significant increase in fair value of buildings by Rs. 8.223 million (30 June 2021: Rs. 8.433 million).
Plant and machinery	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 results in a significant increase in fair value of plant and machinery by Rs. 22.995 million (30 June 2021: Rs. 23.585 million).
Electric installation	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 results in a significant increase in fair value of electric installation by Rs. 1.591 million (30 June 2021: Rs. 1.632 million).
Laboratory equipment	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 results in a significant increase in fair value of laboratory equipment by Rs. 130,381 (30 June 2021: Rs. 137,244).
Fire fighting equipment	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 results in a significant increase in fair value of fire fighting equipment by Rs. 26,178 (30 June 2021: Rs. 27,556).

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

13.2.2 Non-recurring fair value measurements

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

14 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.

Notes to the Condensed Interim Financial Statements (Un-audited) *for the six month period ended 31 December 2023*

15 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.

16 GENERAL

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

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



MIAN IQBAL SALAHUDDIN
Chief Executive



HASSAN SHAHNAWAZ
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN
Director

Lahore
Date : 28 February 2023

Notes

BOOK POST

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