

SARITOW SPINNING MILLS LIMITED

3RD QUARTER REPORT

31-03-2023

(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. Muhammad 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. Muhammad 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



ISO 9001:2008 Certified

SARITOW SPINNING MILLS LIMITED

17 – Aziz Avenue, Canal Bank, Gulberg-V, Lahore (Pakistan), Phone: (042) 35715029-31, Fax: 35715105
Email: azamsaritow@saigols.com

DIRECTORS' REPORT

The Directors of M/s Saritow Spinning Mills Limited are please to present Financial Results for the third quarter ended March 31, 2023 along with director report thereon.

<u>Financial High Lights</u>	<u>Quarter Ending March 31, 2023</u>	<u>Quarter Ending March 31, 2022</u>
Net Sales	6,22.752	1,329.317
Gross (Loss) / Profit	(12.256)	109.673
Operating (Loss) / Profit	(32.090)	914.71
(Loss) / Profit before Tax	(71.866)	69.930
(Loss) / Profit after Tax	(79.650)	53.313

Operating Financial Results

During the period under review your Company recorded net sales of Rs. 6,22.752 million as compared to Rs. 1,329.317 million during same period last year. Net Loss after tax was Rs. (79.650) million against net profit after tax of Rs. 53.313 million in corresponding period. Main reason for reduction in sales and profit can be attributed to the closure of one production unit.

The period under review is very tough for raw materials. Local cotton crop is expected to fetch only 4.700 million bales, which shows continuous reduction in local crop increasing reliance on expensive import substitute.

Future Outlook

The major risk factor remains the availability of raw cotton and sale of yarn at competitive prices. In local market cotton is being traded at the rate of Rs. 19,500/- per maund. During the period under review Yarn Price gone down quite considerably. The world is going through recession. Present economic and political scenario will also affect the future profitability of the company.

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 Murad Saigol	
Mr. Muhammad Omer Farooq	
Mr. Muhammad Zeid Yousuf Saigol	Executive Directors
Mr. Samir Iqbal Saigol	



ISO 9001:2008 Certified

SARITOW SPINNING MILLS LIMITED

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Email: azamsaritow@saigols.com

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
April 28, 2023


M. Zeid Yousuf Saigol
Chief Executive


M. Murad Saigol
Director

SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Note	March 31, 2023 Rupees (Un-Audited)	June 30, 2022 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized capital</i>			
35,000,000 (June 30, 2020: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued share capital		298,406,070	298,406,070
Loan from director	5	102,000,000	-
Revaluation reserve		59,442,515	60,419,382
Retained earnings		165,763,881	459,708,048
TOTAL EQUITY		625,612,466	818,533,500
NON-CURRENT LIABILITIES			
Loan from directors and family members	6	265,884,966	265,884,966
Long term finances	7	45,584,598	63,954,583
Long term deposits		6,010,000	6,010,000
Employees retirement benefits		85,483,175	106,848,193
Deferred grant	8	-	2,102,530
Deferred taxation		108,773,194	108,773,194
		511,735,933	553,573,466
CURRENT LIABILITIES			
Trade and other payables		480,725,699	535,626,440
Unclaimed dividend		485,351	485,351
Short term borrowings		753,908,538	548,252,220
Accrued interest		35,466,769	17,029,466
Current taxation		1,825,384	13,074,338
Current portion of non-current liabilities	9	27,179,847	48,983,181
		1,299,591,588	1,163,450,996
TOTAL LIABILITIES		1,811,327,521	1,717,024,462
CONTINGENCIES AND COMMITMENTS	10		
		2,436,939,987	2,535,557,962

The annexed notes 1 to 18 form an integral part of these interim financial statements.



CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER




DIRECTOR

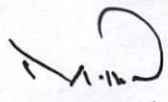
SARITOW SPINNING MILLS LIMITED

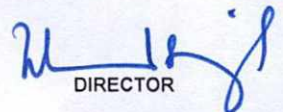
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Note	March 31, 2023 Rupees (Un-Audited)	June 30, 2022 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,227,101,018	1,270,574,480
Long term deposits		21,172,886	21,172,886
		1,248,273,904	1,291,747,366
CURRENT ASSETS			
Stores, spares and loose tools		27,182,161	26,723,767
Stock in trade		898,221,158	820,325,025
Trade receivables		25,261,100	241,843,909
Short term deposits		86,577,832	86,577,832
Advances and other receivables		84,114,506	21,300,033
Cash and bank balances		67,309,326	47,040,030
		1,188,666,083	1,243,810,596
TOTAL ASSETS		2,436,939,987	2,535,557,962

The annexed notes 1 to 18 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 NINE MONTHS ENDED MARCH 31, 2023

	Note	Nine months ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net	12	2,760,155,852	3,451,979,768	622,752,694	1,329,316,716
Cost of sales	13	(2,814,166,928)	(3,206,117,952)	(635,008,405)	(1,219,644,177)
Gross profit		(54,011,076)	245,861,816	(12,255,711)	109,672,539
Selling and distribution expenses		(16,784,823)	(6,901,845)	(3,971,738)	(2,662,922)
Administrative and general expenses		(53,833,256)	(47,325,233)	(15,862,927)	(15,837,746)
		(70,618,079)	(54,227,078)	(19,834,665)	(18,500,668)
Other income		-	1,386,199	-	300,016
Operating profit		(124,629,155)	193,020,937	(32,090,376)	91,471,887
Finance cost		(101,841,684)	(43,710,952)	(39,775,165)	(21,541,677)
Profit/(loss) before taxation		(226,470,839)	149,309,985	(71,865,541)	69,930,210
Provision for taxation	14	(34,501,949)	(43,149,747)	(7,784,409)	(16,616,459)
Profit/(loss) after taxation		(260,972,788)	106,160,238	(79,649,950)	53,313,751
Earning/(loss) per share - basic and diluted		(8.75)	3.56	(2.67)	1.79

The annexed notes 1 to 18 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 NINE MONTHS ENDED MARCH 31, 2023

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Other comprehensive income	-	-	-	-
Profit/(loss) after taxation	(260,972,788)	106,160,238	(79,649,950)	53,313,751
Total comprehensive income/(loss)	(260,972,788)	106,160,238	(79,649,950)	53,313,751

The annexed notes 1 to 18 form an integral part of these interim financial statements.



CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER



DIRECTOR

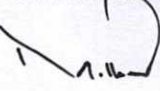
SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(226,470,839)	149,309,985
Adjustments for non-cash items		
Depreciation	46,042,831	47,325,637
Provision for employees retirement benefits	22,461,006	18,936,009
Interest/markup on borrowings	101,841,684	43,710,952
	170,345,521	109,972,598
Operating profit before changes in working capital	(56,125,318)	259,282,583
Changes in working capital		
Stores, spares and loose tools	(458,394)	(7,035,841)
Stock in trade	(77,896,133)	(181,668,381)
Trade receivables	216,582,809	(175,496,711)
Advances, prepayments and other receivables	(62,814,473)	(65,142,268)
Trade and other payables	(88,848,987)	167,017,156
	(13,435,178)	(262,326,045)
Net cash generated from/(used in) from operations	(69,560,496)	(3,043,462)
Payments for:		
Interest/markup on borrowings	(83,404,381)	(37,494,780)
Income tax	(45,750,903)	(25,499,897)
Employees retirement benefits	(43,826,024)	(10,848,560)
Net cash generated from/(used in) operating activities	(242,541,804)	(76,886,699)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,604,707)	(33,928,151)
Long term deposit	-	300,000
Proceeds from disposal of property, plant and equipment	35,338	5,188,159
Net cash used in investing activities	(2,569,369)	(28,439,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances	(40,121,440)	(40,428,903)
Repayment of long term payable	(2,154,409)	(20,312,149)
Net increase/(decrease) in short term borrowings	307,656,318	183,543,040
Net cash (used in)/generated from financing activities	265,380,469	122,801,988
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,269,296	17,475,297
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	47,040,030	103,517,664
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	67,309,326	120,992,961

The annexed notes 1 to 18 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

SARITOW SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Share capital	Capital reserves	Revenue reserves	Total
	Issued subscribed and paid-up capital Rupees	Surplus on revaluation of property, plant and equipment Rupees	Accumulated profit Rupees	
Balance as at July 01, 2021	298,406,070	61,392,820	379,255,709	739,054,599
Comprehensive loss				
Profit after taxation	-	-	106,160,238	106,160,238
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	106,160,238	106,160,238
Incremental depreciation	-	(1,028,280)	1,028,280	-
Transaction with owners	-	-	-	-
Balance as at March 31, 2022	<u>298,406,070</u>	<u>60,364,540</u>	<u>486,444,227</u>	<u>845,214,837</u>
Balance as at April 01, 2022	298,406,070	60,364,540	486,444,227	845,214,837
Comprehensive income				
Profit after taxation	-	-	(14,745,947)	(14,745,947)
Other comprehensive loss	-	-	(11,935,390)	(11,935,390)
Total comprehensive income	-	-	(26,681,337)	(26,681,337)
Incremental depreciation	-	54,842	(54,842)	-
Transaction with owners	-	-	-	-
Balance as at June 30, 2022	<u>298,406,070</u>	<u>60,419,382</u>	<u>459,708,048</u>	<u>818,533,500</u>
Balance as at July 01, 2022	298,406,070	60,419,382	459,708,048	818,533,500
Comprehensive income				
Profit after taxation	-	-	(260,972,788)	(260,972,788)
Adjustment of prior period charges	-	-	(33,948,246)	(33,948,246)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(294,921,034)	(294,921,034)
Incremental depreciation	-	(976,867)	976,867	-
Transaction with owners	-	-	-	-
Other transactions				
Loan from director transferred from short term borrowings	-	-	-	102,000,000
Balance as at March 31, 2023	<u>298,406,070</u>	<u>59,442,515</u>	<u>165,763,881</u>	<u>625,612,466</u>

The annexed notes 1 to 18 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 NINE MONTHS ENDED MARCH 31, 2023

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 2022.

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 29 April 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.

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

4 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, 2022.

5 LOAN FROM DIRECTOR

This represent loan from director transferred from short term borrowings. The loan is unsecured, interest free and payable at the discretion of the Company. The loan is presented as equity as per "Technical Release 32 - Accounting for Directors' Loan" issued by The Institute of Chartered Accountants of Pakistan.

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 2022: 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. 39.57 million (30 June 2022: Rs. 48.47 million) was waived by the lenders at their sole discretion.

	Note	March 31, 2023 Rupees (Un-Audited)	June 30, 2022 Rupees (Audited)
7 LONG TERM FINANCES			
From Banking companies			
As at beginning of the period/year		108,269,897	159,879,297
Accretion during the period/year		2,032,621	5,526,554
Repayments made during the period/year		(40,121,440)	(57,135,954)
As at end of the period/year		70,181,078	108,269,897
Current maturity presented under current liabilities		(24,596,480)	(44,315,314)
		45,584,598	63,954,583
8 DEFERRED GRANT			
As at beginning of the period/year		4,615,988	10,142,542
Amortized during the period/year		(2,032,621)	(5,526,554)
As at end of the period/year		2,583,367	4,615,988
Current maturity presented under current liabilities		(2,583,367)	(2,513,458)
		-	2,102,530
9 CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Long term finances	7	24,596,480	44,315,314
Deferred grant	8	2,583,367	2,513,458
Gas infrastructure development cess		-	2,154,409
		27,179,847	48,983,181

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no change in status and amount of contingencies since June 30, 2022.

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

10.2 Commitments

	Note	March 31, 2023	June 30, 2022
		Rupees	Rupees
		(Un-Audited)	(Audited)
10.2.1 Commitments under irrevocable letters of credit for import of:			
Purchase of raw material		43,894,570	324,695,705
Purchase of machinery, stores, spare and loose tools		-	5,037,074
		43,894,570	329,732,779

10.2.2 Commitments under operating leases:

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

	Note	March 31, 2023	June 30, 2022
		Rupees	Rupees
		(Un-Audited)	(Audited)
- payments not later than one year		3,746,126	2,617,218
- payments later than one year		-	-
		3,746,126	2,617,218

11 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	11.1	1,212,577,438	1,247,694,460
Capital work in progress	11.2	14,523,580	22,880,020
		1,227,101,018	1,270,574,480

11.1 Operating fixed assets

Net book value at the beginning of the period/year		1,247,694,460	1,204,171,770
Additions during the period/year			
Office equipment		-	-
Vehicles		-	9,327,155
Net book value of assets disposed during the period/year		-	9,327,155
Depreciation for the period/year		(35,338)	(5,188,159)
Transfer from capital work in progress		(46,042,831)	(63,599,227)
		10,961,147	102,982,921
Net book value at the end of the period/year		1,212,577,438	1,247,694,460

11.2 Capital work in progress

As at the beginning of the period/year		22,880,020	76,831,061
Additions during the period/year		2,604,707	49,031,880
Transfers to operating fixed assets		(10,961,147)	(102,982,921)
As at end of the period/year		14,523,580	22,880,020

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

Note	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
12 Revenue from contracts with customers - net				
Yarn	2,688,439,683	3,375,438,719	615,633,349	1,289,528,889
Waste	71,716,169	76,541,049	7,119,345	39,787,827
	2,760,155,852	3,451,979,768	622,752,694	1,329,316,716

Note	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
13 Cost of sales				
Raw material consumed	1,962,292,229	2,472,317,337	405,055,336	856,640,685
Stores, spares and loose tools consumed	66,943,812	96,918,498	17,109,210	34,851,240
Salaries, wages and benefits	230,097,927	287,460,091	55,084,144	99,628,606
Insurance	4,717,478	3,186,212	1,306,123	825,730
Repair and maintenance	15,410,192	24,851,263	3,987,847	6,300,737
Depreciation	42,176,031	42,898,636	14,134,798	14,579,482
Other manufacturing overheads	438,995,532	453,103,706	124,485,309	165,532,577
	2,760,633,201	3,380,735,743	621,162,767	1,178,359,057
Work in process				
as at beginning of the period	72,885,323	41,226,160	45,189,573	63,422,825
as at end of the period	(43,224,313)	(65,630,352)	(43,224,313)	(65,630,352)
	29,661,010	(24,404,192)	1,965,260	(2,207,527)
Cost of goods manufactured	2,790,294,211	3,356,331,551	623,128,027	1,176,151,530
Finished goods				
as at beginning of the period	485,497,220	261,779,256	473,504,881	455,485,502
as at end of the period	(461,624,503)	(411,992,855)	(461,624,503)	(411,992,855)
	23,872,717	(150,213,599)	11,880,378	43,492,647
	2,814,166,928	3,206,117,952	635,008,405	1,219,644,177

14 Provision for taxation

Provision for taxation				
Current taxation	14.1	(34,501,949)	(43,149,747)	(7,784,409)
Deferred taxation	14.2	-	-	-
		(34,501,949)	(43,149,747)	(7,784,409)

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

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

15 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	Director	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	Chief Executive Officer	8.39%
Arshad Ismail Khan	Key management personnel	Director	0.00%
Amber Haroon Saigol	Close family member of director	Spouse of director	16.93%

SARITOW SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

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:

		Nine months ended	
		March 31, 2023	March 31, 2022
		Rupees	Rupees
		(Un-Audited)	(Un-Audited)
15.1	Transactions with related parties		
	Nature of relationship		
	Nature of transaction		
	Key management personnel	6,045,000	6,030,000
		660,000	660,000
	Associated company	9,000,000	9,000,000
		March 31, 2023	June 30, 2022
		Rupees	Rupees
		(Un-Audited)	(Audited)

15.2 Balances with related parties

Nature of relationship	Nature of balance		
Close relative of KMP	Long term loans	63,534,966	63,534,966
Key management personnel	Long term loans	304,350,000	304,350,000
Associated company	Generator Rent payable	11,448,810	9,812,270

16 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.

17 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.

18 GENERAL

18.1 There are no other significant activities since June 30, 2022 affecting the interim financial statements.

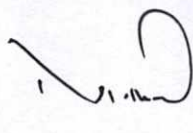
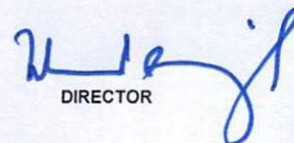
18.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

18.3 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR