



**Interim Financial
Half Year ended
December 31, 2023
(Un-audited)**



SALLY TEXTILE MILLS LIMITED

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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

Abid Ali Bajwa

Company Secretary

Syed Abid Raza Zaidi

Registered Office

2-S, Gulberg II, Lahore.
Phones : (042) 35759002
E-mail : sallytex@hotmail.com
Fax : (042) 35754394

Bankers

National Bank Of Pakistan
Silk Bank Limited
The Bank of Punjab
Meezan Bank Limited
Habib Bank Limited

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 2023.

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, 2023 Rupees '000'	Six months ended December 31, 2022 Rupees '000'
Turnover-net	-	-
Gross Profit / (Loss)	(15.76)	(16.74)
Loss before tax	(40.72)	(49.25)
Loss after tax	(40.72)	(49.25)

Loss per share

Loss per share of your company for ended December 31, 2023 is Rs. (4.64) as compared to Rs. (5.61) for the comparative period ended December 31, 2022.

Acknowledgement

Yours directors record with appreciation the resolve of company's limited staff members who are continuing their efforts to manage this present predicament. Your directors also extend their appreciation to all company's stakeholders for their cooperation.

For and on behalf of the board



MIAN IQBAL SALAHUDDIN
Chief Executive Officer

Date: **February 27, 2024**
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 2023ء 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, 2023 Rupees '000'	Six months ended December 31, 2022 Rupees '000'
Turnover-net	-	-
Gross Profit / (Loss)	(15.76)	(16.74)
Loss before tax	(40.72)	(49.25)
Loss after tax	(40.72)	(49.25)

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

27 فروری 2024



میاں اقبال صلاح الدین

چیف ایگزیکٹو آفیسر

Financial Statements



H.A.M.D & Co.
CHARTERED ACCOUNTANTS



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SALLY TEXTILE MILLS LIMITED Report on review of Interim Financial Statements

Introduction

We were engaged to review the accompanying condensed interim statement of financial position of SALLY TEXTILE MILLS LIMITED [‘the Company’] as at 31 December 2023 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 2023 of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we were 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. However, because of the matters described in the Disclaimer of Conclusion section of our report, we were unable to conduct significant review procedures that we considered necessary to express a conclusion on these interim financial statements.

Basis for Disclaimer of Conclusion

- a) The Company has not provided us access to its books of account, records and other information which were necessary for the purpose of our review. Consequently, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded elements making up the condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows.
- b) We draw attention to note 2.1 to the annexed financial statements, as more fully described in that note, the Company has incurred loss after tax of Rs. 40.718 million at the reporting date and its accumulated losses stood at Rs. 1,466.119 million at half year end which resulted in negative equity to Rs. 1,170.963. Its current liabilities exceeded its current assets by Rs. 1,089.08 million. The Company has also suspended its operations since August 2018. The company is also unable to pay its non-current liabilities. These conditions and events indicate material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The directors of the Company intend to liquidate its assets and the company in order to meet its obligations. However, as described in Note 2.1, these interim financial statements have been prepared under the going concern assumption basis which is an inappropriate basis.

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Other Offices: Karachi, Islamabad & Worldwide



Disclaimer of Conclusion

Due to the significance of the matters described in the 'Basis for Disclaimer of Conclusion' paragraph, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying interim financial statements. Accordingly, we do not express a conclusion on these interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Waseem Ashfaq.

H.A.M.D & CO.
Chartered Accountants
Lahore:
Date: 27 February 2024
UDIN: AR202310040UTCX3GwpA



Condensed Interim Statement of Financial Position

as at 31 December 2023

	<i>Note</i>	31-Dec-23	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized share capital</i>		200,000,000	200,000,000
Issued share capital		87,750,000	87,750,000
Revaluation reserve		207,406,125	207,406,125
Retained earnings		(1,466,119,781)	(1,425,401,171)
TOTAL EQUITY		(1,170,963,656)	(1,130,245,046)
LOAN FROM SPONSORS	6	695,048,303	680,110,410
NON-CURRENT LIABILITIES			
Long term finances		-	-
Employees retirement benefits		101,907,337	101,907,337
Deferred taxation		36,880,810	36,880,810
		138,788,147	138,788,147
CURRENT LIABILITIES			
Trade and other payables		463,247,709	463,279,965
Unclaimed dividend		1,010,033	1,010,033
Short term borrowings		722,537,650	722,544,931
Accrued interest/profit		396,579,668	386,279,029
Current portion of non-current liabilities		310,833,334	310,833,334
		1,894,208,394	1,883,947,291
TOTAL LIABILITIES		2,032,996,541	2,022,735,438
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		1,557,081,188	1,572,600,802

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



Lahore
Date : February 27, 2024

MIAN IQBAL SALAHUDDIN
Chief Executive



ABID ALI BAJWA
Chief Financial Officer



MIAN YUSAF SALAHUDDIN
Director

Condensed Interim Statement of Financial Position

as at 31 December 2023

	<i>Note</i>	31-Dec-23	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	740,709,366	756,228,980
Long term deposits		11,243,604	11,243,604
		751,952,970	767,472,584
CURRENT ASSETS			
Stores and spares		80,622,599	80,622,599
Stock in trade		565,440,498	565,440,498
Trade receivables		96,588,056	96,587,763
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		2,629,448	2,629,448
		805,128,218	805,128,218
TOTAL ASSETS		1,557,081,188	1,572,600,802

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



Lahore
Date : February 27, 2024

MIAN IQBAL SALAHUDDIN
Chief Executive



ABID ALI BAJWA
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN
Director

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

for the six month period ended 31 December 2023


Note	Six month ended		Three month ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from contracts with customers - <i>net</i>	-	-	-	-
Cost of sales	9 (15,758,151)	(16,741,080)	(7,471,611)	(8,454,540)
Gross loss	(15,758,151)	(16,741,080)	(7,471,611)	(8,454,540)
Administrative expenses	(3,145,424)	(3,234,703)	(1,729,143)	(1,664,232)
Operating loss	(18,903,575)	(19,975,783)	(9,200,754)	(10,118,772)
Finance cost	(10,300,639)	(7,078,539)	(5,183,014)	(3,667,397)
Notional interest	(11,514,396)	(22,190,858)	(6,396,771)	(11,182,619)
Loss before taxation	(40,718,610)	(49,245,180)	(20,780,539)	(24,968,788)
Provision for taxation	10 -	-	-	-
Loss after taxation	(40,718,610)	(49,245,180)	(20,780,539)	(24,968,788)
Loss per share - <i>basic and diluted</i>	(4.64)	(5.61)	(2.37)	(2.85)

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



Lahore
Date : February 27, 2024

MIAN IQBAL SALAHUDDIN
Chief Executive



ABID ALI BAJWA
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

for the six month period ended 31 December 2023

	Six month ended		Three month ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	<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	(40,718,610)	(49,245,180)	(20,780,539)	(24,968,788)
Total comprehensive loss	(40,718,610)	(49,245,180)	(20,780,539)	(24,968,788)

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



Lahore
Date : February 27, 2024

MIAN IQBAL SALAHUDDIN
Chief Executive



ABID ALI BAJWA
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN
Director

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

for the six month period ended 31 December 2023

	Issued Share capital	Revaluation reserve	Retained earnings	Total equity
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Balance as at 01 July 2022 - Audited	87,750,000	210,905,293	(1,332,733,307)	(1,034,078,014)
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	210,905,293	(1,381,978,487)	(1,083,323,194)
Balance as at 01 January 2023- Un-audited	87,750,000	210,905,293	(1,381,978,487)	(1,083,323,194)
Comprehensive loss				
Loss after taxation	-	-	(46,921,852)	(46,921,852)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(46,921,852)	(46,921,852)
Incremental depreciation	-	(3,499,168)	3,499,168	-
Transaction with owners	-	-	-	-
Balance as at 30 June 2023 - Audited	87,750,000	207,406,125	(1,425,401,171)	(1,130,245,046)
Balance as at 01 July 2023 - Audited	87,750,000	207,406,125	(1,425,401,171)	(1,130,245,046)
Comprehensive loss				
Loss after taxation	-	-	(40,718,610)	(40,718,610)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(40,718,610)	(40,718,610)
Incremental depreciation	-	-	-	-
Transaction with owners	-	-	-	-
Balance as at 31 December 2023 - Un-audited	87,750,000	207,406,125	(1,466,119,781)	(1,170,963,656)

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



Lahore
Date : February 27, 2024

MIAN IQBAL SALAHUDDIN
Chief Executive



ABID ALI BAJWA
Chief Financial Officer



MIAN YUSAF SALAHUDDIN
Director

Condensed Interim Statement of Cash Flows (Un-audited)

for the six month period ended 31 December 2023

	31-Dec-23	31-Dec-22
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(40,718,610)	(60,765,181)
Adjustments for non-cash and other items		
Interest/profit on borrowings	10,300,639	3,934,155
Notional interest	11,514,396	36,040,643
Depreciation	15,519,614	17,261,177
	37,334,649	57,235,975
Operating loss before changes in working capital	(3,383,961)	(3,529,206)
Changes in working capital		
Trade receivables	(293)	(293)
Advances and other receivables	3,438	3,439
Trade and other payables	(32,256)	(55,984)
	(29,110)	(52,838)
Net cash used in operations	(3,413,071)	(3,582,044)
Payments for:		
Income tax	(3,146)	(3,146)
Net cash used in operating activities	(3,416,217)	(3,585,190)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in short term borrowings	(7,281)	(4,933)
Loan from sponsors obtained	3,423,496	3,590,000
Net cash generated from financing activities	3,416,215	3,585,067
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2)	(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	2,629,446	2,312,484

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



Lahore
Date : February 27, 2024

MIAN IQBAL SALAHUDDIN
Chief Executive



ABID ALI BAJWA
Chief Financial Officer



MIAN YUSAF 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 2023.

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 2023 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 2022 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 2023 and 31 December 2022 are neither audited nor reviewed.

2.1 Going concern assumption

The Company has incurred loss after tax of Rs. 40.71 million at the reporting date and its accumulated losses stood at Rs. 1,466.119 million at half year end which resulted in negative equity to Rs. 1,170.963 million. Its current liabilities exceed its current assets by Rs. 1,089.08 million. The Company has also suspended its operations since July 2018. The company is also unable to pay its liabilities. These conditions and events indicate material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The directors of the Company intend to liquidate its assets and the company in order to meet its obligations. However, the Company has prepared these interim financial statements using the going concern basis.

2.2 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.

2.3 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.

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

for the six month period ended 31 December 2023

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

2.4 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.

2.5 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.

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

There are certain 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.

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

Certain 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. 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 2023.

	Note	31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
6 LOAN FROM SPONSORS			
Loan from sponsors	6.1	844,923,496	841,500,000
Less: unamortized notional interest		(149,875,193)	(161,389,589)
		695,048,303	680,110,411

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

- 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

There is no significant changes in the status of contingencies and any commitments since 30 June 2023.

	Note	31-Dec-23	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
		(Un-Audited)	(Audited)

8 PROPERTY, PLANT AND EQUIPMENT

Net book value at the beginning of the period/year	756,228,980	788,960,129
Depreciation for the period/year	(15,519,614)	(32,731,149)
Net book value at the end of the period/year	740,709,366	756,228,980

Six month ended		Three month ended	
31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
(Un-Audited)	<i>(Un-Audited)</i>	(Un-Audited)	<i>(Un-Audited)</i>

9 COST OF SALES

Salaries, wages and benefits	432,000	600,000	231,000	399,000
Depreciation	15,326,151	16,141,080	7,255,611	8,070,540
Others	-	-	(15,000)	(15,000)
Manufacturing cost	15,758,151	16,741,080	7,471,611	8,454,540
Finished goods				
As at beginning of the period	108,894,900	108,895,000	108,894,900	108,895,000
As at end of the period	(108,894,900)	(108,895,000)	(108,894,900)	(108,895,000)
	-	-	-	-
	15,758,151	16,741,080	7,471,611	8,454,540

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.

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

for the six month period ended 31 December 2023

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:

		Six month ended	
		31-Dec-23	31-Dec-22
		<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	3,423,496	3,590,000
		31-Dec-23	30-Jun-23
		<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	844,923,496	841,500,000
	Short term borrowings	3,496	7,281

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

12 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	31-Dec-23	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
12.1 Financial assets		
Cash in hand	366,962	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	2,262,486	2,262,486
	123,741,218	126,556,715
12.2 Financial liabilities		
Financial liabilities at amortized cost		
Loan from sponsors	695,048,303	680,110,410
Long term finances	83,333,334	83,333,334
Short term borrowings	722,537,650	722,537,650
Accrued interest/profit	396,579,668	386,279,029
Trade creditors	141,542,665	141,542,665
Accrued liabilities	184,562,173	187,961,594
Unclaimed dividend	1,010,033	1,010,033
	2,224,613,826	2,202,774,714

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:

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

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.

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.

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, 2023 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.

17 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 **27 February 2024**.



Lahore
Date : February 27, 2024

MIAN IQBAL SALAHUDDIN
Chief Executive



ABID ALI BAJWA
Chief Financial Officer



MIAN YOUSAF SALAHUDDIN
Director

BOOK POST

UNDER POSTAL CERTIFICATE

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