



Interim Financial Report | nine months ended March 31, 2016  
(Un-audited)



Saritow Spinning Mills Limited

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## ***Company Information***

### **BOARD OF DIRECTORS**

Mr. M. Azam Saigol	Chief Executive
Mr. M. Naseem Saigol	
Mr. M. Zeid Yousuf Saigol	
Mr. Muhammad Athar Rafiq	
Mr. Muhammad Omer Farooq	
Mr. Samir Iqbal Saigol	
Mr. Syed Haroon Rashid	NIT Nominee

### **AUDIT COMMITTEE**

Mr. Syed Haroon Rashid	Chairman/Member
Mr. Muhammad Omer Farooq	Member
Mr. Muhammad Athar Rafiq	Member

### **HR & REMUNERATION COMMITTEE**

Mr. M. Zeid Yousuf Saigol	Chairman/Member
Mr. Samir Iqbal Saigol	Member
Mr. Muhammad Omer Farooq	Member

### **COMPANY SECRETARY**

Mr. Anees-ur-Rehman

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Shamil, FCA

### **AUDITORS**

Rahman Sarfraz 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

### **SHARES REGISTRAR**

M/s. CORPLINK (PVT) LTD.  
Wings Arcade, 1-K Commercial, Model Town, Lahore.  
Tel: 042-35839182, 35887262, 35916719  
Fax: 042-35869037

### **REGISTERED OFFICE**

17-Aziz Avenue, Canal Bank,  
Gulberg-V, Lahore.  
Tel: 042-35717364-65, 35718274-75  
Fax: 042-35715105  
E-mail: shares@saigols.com

### **MILLS**

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

## Directors' Report

The Directors of M/s Saritow Spinning Mills Limited are please to present Financial Results for the Nine months ended March 31, 2016 along with director report thereon.

Financial High Lights	Nine Months ending March 31, 2016 <i>Rupees in Million</i>	Nine Months ending March 31, 2015 <i>Rupees in Million</i>
Net Sales	1,835.460	1,841.179
Gross Profit	25.068	127.572
Pre Tax Profit / ( Loss )	(70.540)	(20.143)
After Tax Profit / ( Loss )	(70.540)	(38.555 )
Gross Profit Ratio	1.37%	6.93%
After Tax Profit Ratio	(3.84)%	( 2.09)%
Debt : Equity Ratio	27 : 73	25:75
Current Ratio	1:0.97	1:1.05

### Operating Financial Results

During the period of nine months under review, our Company was able to achieve turnover of Rs 1,835.460 million as compared to Rs 1,841.179 million during same period last year.

Textile industry is going through worst crises due to badly damaged Cotton Crop of 2015-16 and heavy imports of Yarn from neighboring countries. The current raw Cotton Crop has been reduced by 33% in comparison to last year forcing the local cotton prices to soar to un precedent high. Reduced local Cotton crop have forced local Spinners to import expensive raw material from abroad which resulted in higher in put cost. On the other hand exports have gone down and heavy subsidized imports of Yarns have made the local spinners unviable.

### Future Outlook

Yarn prices have started picking up from 15th of the March 2016 onward. Government of Pakistan have ensured round the clock gas supply in the shape of LNG ensuring 24/7 operation of the mills. These two factors combine will have positive impact on the profitability of last quarter and we hope to close the year on better note.

### Acknowledgment

The Directors of your company take this opportunity to thank the entire stakeholders for their continued support. Your directors also placed on record their appreciation for the contribution made by the employees at all levels.

For and on behalf of the Board

Lahore : April 29, 2016

Chief Executive

# Condensed Interim Balance Sheet

## As at March 31, 2016

	Note	March 31, 2016 <i>Rupees</i> (Un-Audited)	June 30, 2015 <i>Rupees</i> (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized share capital</i>			
35,000,000 (June 30, 2015: 35,000,000) ordinary shares of Rs. 10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital		298,406,070	298,406,070
Accumulated profit		<u>209,815,974</u>	<u>279,019,563</u>
		<b>508,222,044</b>	<b>577,425,633</b>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		<b>71,815,747</b>	<b>73,152,077</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan from directors and family members - <i>Unsecured, subordinate</i>	6	265,884,966	265,884,966
Long term finances - <i>Secured</i>		302,835,465	275,078,475
Liabilities against assets subject to finance lease		18,004,003	28,823,530
Long term deposits - <i>Unsecured</i>		8,000,000	8,000,000
Employees retirement benefits		49,540,862	44,661,798
Deferred taxation		<u>210,115,055</u>	<u>210,115,055</u>
		<b>854,380,351</b>	<b>832,563,824</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		267,061,569	232,070,683
Accrued interest/mark-up		17,694,989	18,961,997
Short term borrowings - <i>Secured</i>		474,729,311	191,431,131
Current portion of non-current liabilities		<u>39,753,025</u>	<u>120,358,400</u>
		<b>799,238,894</b>	<b>562,822,211</b>
<b>TOTAL LIABILITIES</b>		<b>1,653,619,245</b>	<b>1,395,386,035</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<u>2,233,657,036</u>	<u>2,045,963,745</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,434,658,700	1,432,050,470
Long term deposits		<u>20,913,886</u>	<u>20,913,886</u>
		<b>1,455,572,586</b>	<b>1,452,964,356</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		22,981,261	19,262,902
Stock in trade		549,304,539	403,723,410
Trade receivables		67,812,997	69,862,997
Advances, deposits, prepayments and other receivables		63,751,288	41,607,045
Current tax assets		62,403,654	34,000,037
Cash and bank balances		<u>11,830,711</u>	<u>24,542,998</u>
		<b>778,084,450</b>	<b>592,999,389</b>
<b>TOTAL ASSETS</b>		<b>2,233,657,036</b>	<b>2,045,963,745</b>

The annexed notes 1 to 16 form an integral part of this interim financial information.

## Condensed Interim Profit and Loss Account (*Un-audited*) for the nine months ended March 31, 2016

	Note	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		Rupees	Rupees	Rupees	Rupees
<b>Sales - net</b>	9	<b>1,835,459,671</b>	1,841,179,058	<b>629,201,119</b>	638,981,435
Cost of sales	10	<b>(1,810,391,199)</b>	(1,713,606,564)	<b>(608,829,832)</b>	(595,827,861)
<b>Gross profit/(loss)</b>		<b>25,068,472</b>	127,572,494	<b>20,371,287</b>	43,153,574
Selling and distribution expenses		<b>(4,957,820)</b>	(4,391,690)	<b>(2,278,812)</b>	(2,213,791)
Administrative and general expenses		<b>(34,410,652)</b>	(34,048,553)	<b>(8,480,122)</b>	(11,078,581)
		<b>(39,368,472)</b>	(38,440,243)	<b>(10,758,934)</b>	(13,292,372)
Net other (expenses)/income		<b>(2,590,071)</b>	-	<b>23,924</b>	-
<b>Operating (loss)/profit</b>		<b>(16,890,071)</b>	89,132,251	<b>9,636,277</b>	29,861,202
Finance cost		<b>(53,649,848)</b>	(75,256,560)	<b>(20,784,291)</b>	(28,277,544)
Other charges		-	(11,749,728)	-	-
		<b>(53,649,848)</b>	(87,006,288)	<b>(20,784,291)</b>	(28,277,544)
Notional interest expense		-	(22,268,943)	-	(7,422,979)
<b>Loss before taxation</b>		<b>(70,539,919)</b>	(20,142,980)	<b>(11,148,014)</b>	(5,839,321)
Provision for taxation	11	-	(18,411,788)	-	(6,389,814)
<b>Loss after taxation</b>		<b>(70,539,919)</b>	(38,554,768)	<b>(11,148,014)</b>	(12,229,135)
<b>Loss per share - basic and diluted</b>					
<b>before notional interest</b>		<b>(2.36)</b>	(0.55)	<b>(0.37)</b>	(0.16)
<b>after notional interest</b>		<b>(2.36)</b>	(1.29)	<b>(0.37)</b>	(0.41)

The annexed notes 1 to 16 form an integral part of this interim financial information.

## Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (*Un-audited*)

for the nine months ended March 31, 2016

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that may not be reclassified to profit or loss				
Incremental depreciation	2,055,893	2,158,860	1,123,888	2,158,860
<b>Other comprehensive income before taxation</b>	<b>2,055,893</b>	2,158,860	<b>1,123,888</b>	2,158,860
Taxation	(719,563)	(755,601)	-	(755,601)
<b>Other comprehensive income after taxation</b>	<b>1,336,330</b>	1,403,259	<b>1,123,888</b>	1,403,259
<b>Loss after taxation</b>	<b>(70,539,919)</b>	(38,554,768)	<b>(11,148,014)</b>	<b>(12,229,135)</b>
<b>Total comprehensive loss</b>	<b>(69,203,589)</b>	(37,151,509)	<b>(10,024,126)</b>	(10,825,876)

The annexed notes 1 to 16 form an integral part of this interim financial information.

## Condensed Interim Cash Flow Statement (*Un-audited*)

for the nine months ended March 31, 2016

	March 31, 2016	March 31, 2015
	<i>Rupees</i>	<i>Rupees</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(70,539,919)	(20,142,980)
<b>Adjustments for non-cash items</b>		
Depreciation	51,495,831	48,119,764
Provision for employees retirement benefits	13,903,065	12,301,900
(Gain)/loss on disposal of property, plant and equipment	2,598,995	11,749,729
Imputed interest	-	22,268,943
Interest/mark-up on borrowings	53,649,848	75,256,560
	<b>121,647,739</b>	<b>169,696,896</b>
<b>Operating profit before changes in working capital</b>	<b>51,107,820</b>	<b>149,553,916</b>
<b>Changes in working capital</b>		
Stores, spares and loose tools	(3,718,359)	880,396
Stock in trade	(145,581,129)	(156,302,408)
Trade debts	2,050,000	(28,105,983)
Advances, deposits, prepayments and other receivables	(22,144,243)	6,917,794
Trade and other payables	35,093,132	42,206,648
	<b>(134,300,599)</b>	<b>(134,403,553)</b>
<b>Net cash used in operations</b>	<b>(83,192,779)</b>	<b>15,150,363</b>
Payments for:		
Interest/mark-up on borrowings	(54,916,856)	(57,919,380)
Income tax	(28,403,617)	(18,998,117)
Worker's profit participation fund	(102,246)	(4,182,958)
Employees retirement benefits	(9,024,001)	(5,831,242)
<b>Net cash used in operating activities</b>	<b>(175,639,499)</b>	<b>(71,781,334)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(64,259,773)	(56,195,580)
Proceeds from disposal of property, plant and equipment	7,556,717	7,620,980
<b>Net cash generated from/(used in) investing activities</b>	<b>(56,703,056)</b>	<b>(48,574,600)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances	(63,667,912)	(18,569,695)
Net increase in short term borrowings	283,298,180	130,023,909
<b>Net cash generated from financing activities</b>	<b>219,630,268</b>	<b>111,454,214</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(12,712,287)</b>	<b>(8,901,720)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>24,542,998</b>	<b>32,996,477</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>11,830,711</b>	<b>24,094,757</b>

The annexed notes 1 to 16 form an integral part of this interim financial information.

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

for the nine months ended March 31, 2016

	Issued subscribed and paid-up capital <i>Rupees</i>	Accumulated profit <i>Rupees</i>	Total <i>Rupees</i>
<b>Balance as at July 01, 2014</b>	298,406,070	332,663,678	631,069,748
<b>Comprehensive loss</b>			
Loss after taxation	-	(38,554,768)	(38,554,768)
Other comprehensive income	-	1,403,259	1,403,259
<b>Total comprehensive loss</b>	-	(37,151,509)	(37,151,509)
<b>Transaction with owners</b>	-	-	-
<b>Balance as at March 31, 2015</b>	<u>298,406,070</u>	<u>295,512,169</u>	<u>593,918,239</u>
<b>Balance as at April 01, 2015</b>	298,406,070	295,512,169	593,918,239
<b>Comprehensive income</b>			
Profit after taxation	-	21,056,156	21,056,156
Other comprehensive income	-	(363,286)	(363,286)
<b>Total comprehensive income</b>	-	20,692,870	20,692,870
<b>Unamortized notional interest derecognized</b>	-	(37,185,476)	(37,185,476)
<b>Transaction with owners</b>	-	-	-
<b>Balance as at June 30, 2015</b>	<u>298,406,070</u>	<u>279,019,563</u>	<u>577,425,633</u>
<b>Balance as at July 01, 2015</b>	<b>298,406,070</b>	<b>279,019,563</b>	<b>577,425,633</b>
<b>Comprehensive loss</b>			
Loss after taxation	-	(70,539,919)	(70,539,919)
Other comprehensive income	-	1,336,330	1,336,330
<b>Total comprehensive loss</b>	-	(69,203,589)	(69,203,589)
<b>Transaction with owners</b>	-	-	-
<b>Balance as at March 31, 2016</b>	<u><b>298,406,070</b></u>	<u><b>209,815,974</b></u>	<u><b>508,222,044</b></u>

*The annexed notes 1 to 16 form an integral part of this interim financial information.*

## Notes to the Condensed Interim Financial Information (*Un-audited*) for the nine months ended March 31, 2016

### 1 REPORTING ENTITY

Saritow Spinning Mills Limited (the Company) was incorporated in Pakistan on March 10, 1987 as Public Limited Company under the Companies Ordinance, 1984. 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 financial information contained in this interim financial report is un-audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2015.

### 2.1 Statement of compliance

This condensed interim financial report has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

### 2.2 Basis of measurement

The financial information contained in this interim report has been prepared under the historical cost convention except for certain financial instruments at fair value/amortized cost, certain items of property, plant and equipment at revalued amounts and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

### 2.3 Judgements, estimates and assumptions

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

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

### 2.4 Functional currency

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

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

The following new/revised standards/interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the interim financial information of the Company.

#### *IFRS 10 - Consolidated Financial Statements (2011)*

The standard replaces those parts of IAS 27 - Consolidated and Separate Financial Statements, that address when and how an investor should prepare consolidated financial statements and supersedes SIC 12 - Consolidation: Special Purpose Entities.

#### *IFRS 11 - Joint Arrangements (2011)*

The standard supersedes IAS 31 - Interest in Joint Ventures and SIC 13 - Jointly Controlled Entities: Non-monetary Contributions by Venturers.

#### *IFRS 12 - Disclosure of Interests in Other Entities (2011)*

The standard introduces disclosure requirements relating to interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

#### *IFRS 13 - Fair Value Measurement (2011)*

The standard establishes a single framework for measuring fair value where that is required by other standards.

#### *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities)*

The amendments provide transitional relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

## Notes to the Condensed Interim Financial Information (*Un-audited*) for the nine months ended March 31, 2016

### *Investment Entities (Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statement)*

The amendments provide exemption from consolidation of particular subsidiaries by certain entities defined as "Investment Entities" and require additional disclosures where such subsidiaries are excluded from consolidation pursuant to exemption.

#### 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.

	<b>Effective date (annual periods beginning on or after)</b>
Equity method in Separate Financial Statements (Amendments to IAS 27 - Separate Financial Statements)	January 01, 2016
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 – Joint Arrangements)	January 01, 2016
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
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets)	January 01, 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities, IAS 28 - Accounting for Investments in Associates and Joint Ventures)	January 01, 2016
Agriculture: Bearer Plants (Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture)	January 01, 2016
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income Taxes)	January 01, 2017
Disclosure initiative (Amendments to IAS 1 - Presentation of Financial Statements)	January 01, 2016
Disclosure initiative (Amendments to IAS 7 - Statement of Cash Flows)	January 01, 2017
Annual Improvements 2012-2014 cycle	January 01, 2016
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no 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 this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2015.

	<i>Note</i>	<b>March 31, 2016</b>	June 30, 2015
		<i>Rupees</i>	<i>Rupees</i>
<b>6 LOAN FROM DIRECTORS AND FAMILY MEMBERS - UNSECURED, SUBORDINATE</b>			
Face value of loan		<b>265,884,966</b>	265,884,966
Unamortized notional interest	<i>6.1</i>	-	-
		<b><u>265,884,966</u></b>	<b><u>265,884,966</u></b>
<b>6.1 Unamortized notional interest</b>			
As at beginning of the period/year		-	66,877,404
Amortized during the period/year		-	(29,691,928)
Derecognized during the period/year		-	(37,185,476)
As at end of the period/year		<b><u>-</u></b>	<b><u>-</u></b>



## Notes to the Condensed Interim Financial Information (*Un-audited*) for the nine months ended March 31, 2016

Note	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
<b>10 COST OF GOODS SOLD</b>				
Raw material consumed	1,239,659,234	1,102,025,046	419,951,531	399,828,587
Stores, spares and loose tools consumed	54,486,533	49,288,642	20,146,226	18,647,351
Salaries, wages and benefits	214,787,498	188,414,913	72,227,800	68,585,774
Insurance	2,321,266	2,244,674	902,592	844,810
Repair and maintenance	13,384,337	9,656,392	2,938,537	3,305,102
Depreciation	51,495,828	48,119,764	19,913,347	17,509,485
Other manufacturing overheads	262,257,788	314,137,962	64,410,832	80,798,160
	<b>1,838,392,484</b>	<b>1,713,887,393</b>	<b>600,490,865</b>	<b>589,519,269</b>
Work in process				
as at beginning of the period	27,347,422	36,739,040	28,812,990	31,446,967
as at end of the period	(29,019,938)	(29,659,223)	(29,019,938)	(29,659,223)
	<b>(1,672,516)</b>	<b>7,079,817</b>	<b>(206,948)</b>	<b>1,787,744</b>
Cost of goods manufactured	<b>1,836,719,968</b>	<b>1,720,967,210</b>	<b>600,283,917</b>	<b>591,307,013</b>
Finished goods				
as at beginning of the period	101,544,768	102,241,716	136,419,452	114,123,210
as at end of the period	(127,873,537)	(109,602,362)	(127,873,537)	(109,602,362)
	<b>(26,328,769)</b>	<b>(7,360,646)</b>	<b>8,545,915</b>	<b>4,520,848</b>
	<b>1,810,391,199</b>	<b>1,713,606,564</b>	<b>608,829,832</b>	<b>595,827,861</b>
<b>11 TAXATION</b>				
Provision for taxation				
Current taxation	11.1	-	18,411,788	-
Deferred taxation	11.2	-	-	-
		<b>-</b>	<b>18,411,788</b>	<b>-</b>
		<b>18,411,788</b>	<b>-</b>	<b>6,389,814</b>
<b>11.1</b>	Provision for current tax has been in accordance with section 113 of the Income Tax Ordinance, 2001. Due to availability of tax credits in access of provision, the provision for current tax amounting to Rs. 18.35 million for the nine months ended March 31, 2016 and Rs. 6.29 million for the quarter ended March 31, 2016 have been reduced to nil.			
<b>11.2</b>	No provision for deferred tax has been made as the impact of the same is considered immaterial.			
<b>12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES</b>				
Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.				
Transactions with key management personnel are limited to payment of short term employee benefits and dividend on ordinary shares. 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 orderly transaction between market participants.				
<b>13 EVENTS AFTER THE REPORTING PERIOD</b>				
There are no significant events after the reporting period that may require adjustment of and/or disclosure in this condensed interim financial report.				
<b>14 RECOVERABLE AMOUNTS AND IMPAIRMENT</b>				
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 this condensed interim financial information.				

## **Notes to the Condensed Interim Financial Information (*Un-audited*) for the nine months ended March 31, 2016**

### **15 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on April 29, 2016.

### **16 GENERAL**

**16.1** There are no other significant activities since June 30, 2015 affecting the interim financial information.

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

**16.3** Figures have been rounded off to the nearest rupee.

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