



# ENTITY RATING OF SAIF TEXTILE MILLS LIMITED

Long Term      A-

Short Term     A2

**CREDIT RATING AGENCY**



The Pakistan Credit Rating Agency Limited

# Contents

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02	Corporate Information
03	Directors' Report to the Shareholders
06	Condensed Interim Statement of Financial Position
07	Condensed Interim Statement of Profit or Loss & Other Comprehensive Income (Un-audited)
08	Condensed Interim Statement of Cash Flows (Un-audited)
09	Condensed Interim Statement of Changes in Equity (Un-audited)
10	Selected Notes to the Condensed Interim Financial Information (Un-Audited)

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Osman Saifullah Khan	Chairman
Hoor Yousafzai	Director
Assad Saifullah Khan	Director
Rana Muhammad Shafi	Director
Abdul Rehman Qureshi	Director
Rashid Ibrahim	Director
Asif Saifullah Khan	Director
Sohail Hussain Hydari	Chief Executive Officer

## AUDIT COMMITTEE

Rashid Ibrahim	Chairman
Rana Muhammad Shafi	Member
Assad Saifullah Khan	Member

## HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi	Chairman
Hoor Yousafzai	Member
Assad Saifullah Khan	Member

## CHIEF FINANCIAL OFFICER

Muhammad Luqman

## COMPANY SECRETARY

Sajjad Hussain

## LEGAL ADVISOR

Dr. Pervez Hassan  
Hassan & Hassan, Advocates  
Salahuddin Saif & Aslam  
(Attorney's at Law)

## AUDITORS

M/s Shinerwing Hameed Chaudhri & Co.  
Chartered Accountants  
HM House, 7-Bank Square, Lahore

## BANKERS

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
First Habib Modaraba Bank Limited  
First Women Bank Limited  
Habib Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Pak China Investment Company Limited  
Sindh Bank Limited  
Soneri Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
United Bank Limited

## HEAD OFFICE

4th Floor, Kashmir Commercial  
Complex 1032-E, Fazal-e-Haq Road,  
Blue Area Islamabad.  
Telephone: +92-51-2604733-35  
Fax: +92-51-2604732  
Email: [stm@saifgroup.com](mailto:stm@saifgroup.com)

## REGISTERED OFFICE

APTMA House, Tehkal Payan, Jamrud  
Road, Peshawar  
Telephone: +92-91-5843870, 5702941  
Fax: +92-91-5840273  
Email: [peshawar@saifgroup.com](mailto:peshawar@saifgroup.com)

## SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.  
HM House, 7-Bank Square, Lahore  
Telephone: +92-42-37235081-37235082  
Fax: +92-42-37358817  
Email: [info@hmaconsultants.com](mailto:info@hmaconsultants.com)

## MILLS

Industrial Estate, Gadoon Amazai, District Swabi  
Telephone: +92-0938-270313, 270429  
Fax: +92-0938-270514  
Email: [stmgdn@saifgroup.com](mailto:stmgdn@saifgroup.com)  
Email: [stmgdn@saifgroup.com](mailto:stmgdn@saifgroup.com)

## CYBER

[www.saiftextile.com](http://www.saiftextile.com)

# DIRECTORS' REPORT TO THE SHAREHOLDERS

## Dear shareholders,

We, hereby, present the Company's un-audited financial statements for the period of nine months ended March 31, 2024. Key financial highlights of the company's performance are given below:

During the period under review, despite facing a challenging business environment and encountering various barriers, your company achieved a turnover of Rs. 9,563 million compared to Rs. 8,337 million for the same period last year, marking an increase of Rs. 1,226 million (15%) over the previous year. This increase can be attributed to rising yarn prices. Additionally, our gross margins saw a significant improvement, increasing from 4% to 15% despite of historic increase in gas prices in the history of Pakistan.

The finance cost for the period also rose by 16%, from Rs. 1,064 million to Rs. 1,230 million, primarily due to the uptick in KIBOR rates and additional working capital requirements. The company's sponsor has demonstrated strong commitment to the business by granting a waiver of a Loan of Rs. 600 million thereby alleviating future finance costs and reducing the company's debt burden.

Despite these challenges, the company managed to achieve a Profit after tax of Rs. 74 million, a notable improvement compared to the Loss after tax of Rs. 825 million reported during the corresponding period of the previous year.

## General Market Review and Future Prospects

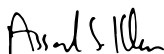
The textile industry in Pakistan is facing numerous challenges, including escalating production costs, increasing raw material prices, consistently rising energy costs, and exceedingly high interest rates. A notable development for the country's textile industry during the period has been the recovery of domestic cotton production, which holds promise for enhancing raw material availability. However, it is imperative for the current government to prioritize the development and implementation of robust strategies aimed at controlling inflationary pressures and reducing the cost of doing business. The company has successfully absorbed the abnormal increase in power costs. Additionally, there is anticipation that KIBOR rates will decrease by 2-3%, resulting in a reduction of finance costs.

The management is currently engaged in implementing a diverse array of initiatives aimed at enhancing cost-efficiency and bolstering the profitability metrics of the organization.

## Acknowledgment

The Company's management would like to place on record its appreciation for the support of Board of Directors, regulatory authorities, shareholders, customers, financial institutions, suppliers and dedication & hard work of the Staff and Workers.

For and on behalf of the board



ASSAD SAIFULLAH KHAN  
Director



SOHAIL HUSSAIN HYDARI  
Chief Executive

Place: Islamabad  
Dated : April 29, 2024

# ڈائریکٹر رپورٹ برائے شیئر ہولڈرز

پیارے شیئر ہولڈرز،

ہم 31 مارچ 2024 کو ختم ہونے والے نو ماہ کی مدت پر مشتمل کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہیں۔ کمپنی کی کارکردگی کی اہم مالی جھلکیاں ذیل میں دی گئی ہیں:

مندرجہ بالا مدت کے دوران، ایک مشکل کاروباری ماحول اور مختلف رکاوٹوں کا سامنا کرنے کے باوجود، آپ کی کمپنی نے 9,563 ملین روپے کا ٹرن اور حاصل کیا۔ جو کہ پچھلے سال کی مدت کے لیے 8,337 ملین روپے کے مقابلے میں 1,226 ملین (15%) کا اضافہ ہے۔ اس اضافے کی وجہ سوت کی بڑھتی ہوئی قیمتوں کو قرار دیا جاسکتا ہے۔ مزید برآں، پاکستان کی تاریخ میں گیس کی قیمتوں میں تاریخی اضافے کے باوجود ہمارے مجموعی مارجن میں نمایاں بہتری دیکھنے میں آئی، جو کہ 4% سے بڑھ کر 15% تک پہنچ گئی۔

اس مدت کے لیے مالیاتی لاگت بھی 16 فیصد بڑھ گئی، جو کہ 1,064 ملین روپے سے بڑھ کر 1,230 ملین ہو گئی ہے، جس کی بنیاد وجہ KIBOR کی شرح میں اضافے اور کام کے لیے سرمائے کی اضافی ضروریات کی وجہ ہے۔ کمپنی کے پاس 600 ملین روپے کے قرض کی معافی دے کر کاروبار سے مضبوط وابستگی کا مظاہرہ کیا ہے۔ اس طرح مستقبل کے مالیاتی اخراجات میں کمی اور کمپنی کے قرضوں کے بوجھ کو کم کرنے میں مدد ملے گی

## عام ہارکیٹ کا جائزہ اور مستقبل کے امکانات

پاکستان میں ٹیکسٹائل کی صنعت کو بے شمار چیلنجز کا سامنا ہے، جن میں پیداواری لاگت میں اضافہ، خام مال کی قیمتوں میں اضافہ، توانائی کی لاگت میں مسلسل اضافہ، اور انتہائی بلند شرح سود شامل ہیں۔ اس عرصے کے دوران ملک کی ٹیکسٹائل انڈسٹری کے لیے ایک قابل ذکر ترقی ملنی کیس کی پیداواری بحالی ہے، جس میں خام مال کی دستیابی کو بڑھانے کا وعدہ کیا گیا ہے۔ تاہم، موجودہ حکومت کے لیے ضروری ہے کہ وہ مضبوط حکمت عملیوں کی ترقی اور نفاذ کو ترجیح دے جس کا مقصد مہنگائی کے دباؤ کو کنٹرول کرنا اور کاروبار کرنے کی لاگت کو کم کرنا ہو۔ کمپنی نے بجلی کی قیمتوں میں غیر معمولی اضافے کو کامیابی کے ساتھ جذب کر لیا ہے۔ مزید برآں، یہ توقع ہے کہ KIBOR کی شرحیں 2-3% تک کم ہوں گی، جس کے نتیجے میں مالیاتی اخراجات میں کمی آئے گی۔

انتظامیہ فی الحال مختلف قسم کے اقدامات کو نافذ کرنے میں مصروف ہے جس کا مقصد لاگت کی کارکردگی کو بڑھانا اور تنظیم کے منافع کی بیانیٹس کو بڑھانا ہے۔

## اعتراف

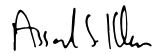
کمپنی کی انتظامیہ بورڈ آف ڈائریکٹرز، ریگولیٹری، انٹارڈینر، شیئر ہولڈرز، صارفین، مالیاتی اداروں، سپلائرز اور عملے اور کارکنوں کی لگن اور محنت کی حمایت کے لیے اپنی تعریف پیش کرنا چاہتی ہے۔

منجانب بورڈ



سمیل حسین حمیدی

چیف ایگزیکٹو آفیسر



اسد سیف اللہ خان

ڈائریکٹر

مقام: اسلام آباد

تاریخ: 29 اپریل 2024

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

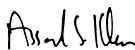
AS AT MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
		--- Rupees in '000 ---	
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
30,000,000 ordinary shares of Rs. 10 each		300,000	300,000
<b>Issued, subscribed and paid-up capital</b>			
26,412,880 ordinary shares of Rs. 10 each		264,129	264,129
Reserves		265,867	265,867
Unappropriated profit		1,187,622	1,036,355
Surplus on revaluation of property, plant and equipment		2,501,189	2,578,834
		4,218,807	4,145,185
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	4	1,267,363	611,987
Deferred income - government grant		11,040	14,336
Long term deposits		13,385	19,351
Staff retirement benefits - gratuity		219,275	230,624
Deferred taxation-net		676,121	643,634
		2,187,184	1,519,932
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,202,505	752,256
Contract liabilities		54,692	108,940
Unpaid dividend		473	477
Unclaimed dividend		8,586	8,591
Accrued mark-up and interest		419,617	414,485
Short term borrowings	5	4,951,727	5,929,231
Current portion of non-current liabilities		484,293	581,714
		7,121,894	7,795,694
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
		13,527,886	13,460,811
<b>NON-CURRENT ASSETS</b>			
Property plant and equipment	7	7,996,359	8,305,579
Long term investments		14,886	14,886
Long term loans		3,136	23,320
Long term deposits		32,961	35,241
		8,047,343	8,379,026
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		293,035	378,151
Stock-in-trade		3,070,096	2,793,847
Trade debts		1,787,221	1,526,627
Loans and advances		63,219	62,658
Trade Deposits and short term prepayments		3,946	8,053
Other receivables		49,011	74,854
Deposit for shares		-	-
Taxation-net	8	190,745	216,366
Tax refunds due from Government		5,034	5,034
Cash and bank balances		18,238	16,195
		5,480,543	5,081,785
		13,527,886	13,460,811

The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD LUQMAN  
Chief Financial Officer



ASSAD SAIFULLAH KHAN  
Director



SOHAIL HUSSAIN HYDARI  
Chief Executive Officer

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH, 2024

	Quarter ended		Nine months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Note	--- Rupees in '000 ---			
Sales - Net	3,188,020	2,786,014	9,562,758	8,336,676
Cost of Sales	2,834,487	2,652,112	8,361,645	7,971,554
<b>Gross profit</b>	353,533	133,902	1,201,113	365,122
Distribution cost	60,391	37,785	175,756	129,443
Administrative expenses	59,748	84,886	193,728	259,562
Other expenses	-	2,102	4,848	6,300
	120,139	124,773	374,331	395,305
	233,394	9,129	826,782	(30,183)
Other income	611,228	5,040	630,894	123,753
<b>Profit from operations</b>	844,622	14,169	1,457,676	93,570
Finance cost	384,767	373,185	1,229,904	1,064,352
	459,855	(359,016)	227,772	(970,782)
Exchange fluctuation (Loss)/Gain	-	-	(2,604)	44
<b>Profit / (Loss) before taxation</b>	459,855	(359,016)	225,168	(970,738)
<b>Taxation</b>				
Current	39,517	34,808	119,058	96,275
Deferred	98,378	(100,111)	32,488	(241,759)
	137,895	(65,303)	151,546	(145,483)
<b>Profit / (Loss) after taxation</b>	321,960	(293,713)	73,622	(825,255)
Other comprehensive income/ (loss)		-	-	31
<b>Total comprehensive Income / (Loss)</b>	321,960	(293,713)	73,622	(825,224)

----- Rupees -----

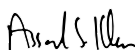
## Earnings / (Loss) per share

- basic and diluted	12.19	(11.12)	2.79	(31.24)
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD LUQMAN  
Chief Financial Officer



ASSAD SAIFULLAH KHAN  
Director



SOHAIL HUSSAIN HYDARI  
Chief Executive Officer



# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

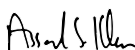
FOR THE NINE MONTHS ENDED 31 MARCH, 2024

	Note	Nine months period ended	
		March 31, 2024	March 31, 2023
		--- Rupees in '000 ---	
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	A	1,025,938	317,354
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term financing			
-Obtained		900,981	69,803
-repaid		(341,682)	(624,547)
Short term borrowings - net		(207,504)	540,450
Short term loan from an associated company		(170,000)	770,000
Dividend paid		(9)	-
Lease liabilities		(4,640)	(8,414)
Finance cost paid		(1,224,771)	(908,508)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		(1,047,624)	(161,216)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(6,622)	(199,262)
Sale proceeds of fixed assets		30,351	8,376
Long term investment made		-	(2,500)
Sale of short term investment		-	2,700
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		23,729	(190,686)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		2,043	(34,548)
<b>CASH AND CASH EQUIVALENTS:</b>			
- At the beginning of the period		16,195	43,081
- At the end of the period		18,238	8,533

The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD LUQMAN  
Chief Financial Officer



ASSAD SAIFULLAH KHAN  
Director



SOHAIL HUSSAIN HYDARI  
Chief Executive Officer

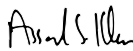
# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED 31 MARCH, 2024

Note 'A'	Nine months period ended	
	March 31, 2024	March 31, 2023
	--- Rupees in '000 ---	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) for the period - before taxation	225,168	(970,738)
<b>Add adjustments for non-cash charges and other items:</b>		
Depreciation and amortization	285,644	241,111
Staff retirement benefits - net	(11,349)	(31,776)
SHL loan written-back under an agreement	(600,000)	-
(Gain) / Loss on disposal of property plant and equipment - net	(154)	269
Exchange Fluctuation Loss- net	2,604	
Loss on remeasurement of short term investments to fair value - net	-	301
Finance cost	1,229,904	1,064,352
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
- Before working capital changes	1,131,816	303,520
<b>(Increase) / decrease in current assets:</b>		
Store, spare parts & loose tools	85,116	(50,570)
Stock-in-trade	(276,249)	231,070
Trade debts	(263,198)	866,668
Loans and advances	(561)	44,012
Trade deposits and short term prepayments	4,107	2,922
Taxes refunds due from Government	-	(140,424)
Other receivables	25,844	(11,789)
Increase/(Decrease) in trade and other payables		-
Trade and other Payables	450,250	(828,658)
Contract liabilities	(54,248)	
	(28,939)	113,230
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
- Before taxation	1,102,878	416,749
Taxes paid	(93,437)	(99,351)
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
- After taxation	1,009,440	317,398
Long term loans - net	20,184	(1,528)
Long term deposits	(3,686)	1,484
	16,498	(44)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	1,025,938	317,354



MUHAMMAD LUQMAN  
Chief Financial Officer



ASSAD SAIFULLAH KHAN  
Director



SOHAIL HUSSAIN HYDARI  
Chief Executive Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

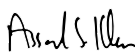
## FOR THE NINE MONTHS ENDED 31 MARCH, 2024

	Reserves				Surplus on revaluation of property, plant and equipment	Total	
	Share capital	Capital	Revenue	Unappropriated profit			unrealized loss on financial assets at FVTOCI
--- Rupees in '000 ---							
Balance as at July 01, 2022	264,129	115,981	150,000	2,131,038	(125)	1,270,734	3,931,757
<b>Total comprehensive loss for the nine months period ended March 31, 2023</b>	-	-	-	(825,255)	31	-	(825,224)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the nine month period ended- net of deferred taxation	-	-	-	41,672	-	(41,672)	-
<b>Balance as at March 31, 2023</b>	<b>264,129</b>	<b>115,981</b>	<b>150,000</b>	<b>1,347,455</b>	<b>(94)</b>	<b>1,229,062</b>	<b>3,106,533</b>
<b>Total comprehensive income for the quarter ended June 30, 2023</b>	-	-	-	(324,990)	(20)	1,363,662	1,038,652
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the nine month period ended- net of deferred taxation	-	-	-	13,890	-	(13,890)	-
<b>Balance as at June 30, 2023</b>	<b>264,129</b>	<b>115,981</b>	<b>150,000</b>	<b>1,036,355</b>	<b>(114)</b>	<b>2,578,834</b>	<b>4,145,185</b>
<b>Balance as at July 01, 2023</b>	<b>264,129</b>	<b>115,981</b>	<b>150,000</b>	<b>1,036,355</b>	<b>(114)</b>	<b>2,578,834</b>	<b>4,145,185</b>
<b>Total comprehensive income for the nine months period ended March 31, 2024</b>	-	-	-	73,622	-	-	73,622
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the nine month period ended- net of deferred taxation	-	-	-	77,645	-	(77,645)	-
<b>Balance as at March 31, 2024</b>	<b>264,129</b>	<b>115,981</b>	<b>150,000</b>	<b>1,187,622</b>	<b>(114)</b>	<b>2,501,189</b>	<b>4,218,807</b>

The annexed notes form an integral part of these condensed interim financial statements.



MUHAMMAD LUQMAN  
Chief Financial Officer



ASSAD SAIFULLAH KHAN  
Director



SOHAIL HUSSAIN HYDARI  
Chief Executive Officer

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Saif Textile Mills Limited (the Company) is a Public Limited Company incorporated in Pakistan on December 24, 1989 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn.

### 1.1 Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Sawabi</b>	<b>Purpose</b>
Industrial Estate, Gadoon Amazai	Mills / factory
<b>Peshawar</b>	
APTMA House, Tehkal Payan, Jamrud Road	Registered office
<b>Islamabad</b>	
4th floor, Kashmir Commercial Complex, Fazal-e-haq road, Blue Area	Head office
<b>Karachi</b>	
Plot No.36, New Karachi Cooperative Housing Society Near Dolmen Mall Tariq Road	Marketing & Sales office
<b>Faisalabad</b>	
P-17, Near Allied Bank Ltd, Montgomery Bazar	Marketing & Sales office

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

2.1.1 These condensed 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 comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; 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.

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

### 2.2 Standards, amendments to published standards, interpretations and guidelines that are effective in the current period

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed financial statements.

## 2.3 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

## 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Judgments and estimates made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2023.

	Un-audited March 31, 2024	Audited June 30, 2023
	--- Rupees in '000 ---	
<b>4. LONG TERM FINANCING - Secured</b>		
Balance at the beginning of the period / year	1,180,485	1,849,105
Add:		
- obtained during the period / year	-	65,150
- loan from associated company	900,981	-
- unwinding impact of government grant	4,080	10,066
	905,061	75,216
Less: repaid during the period / year	341,682	743,836
Balance at end of the period / year	1,743,864	1,180,485
Less: current portion grouped under current liabilities	476,501	568,498
	1,267,363	611,987

4.1 The Company, during the current period, has entered into a loan agreement with Saif Power Ltd. (an Associated Company due to common directorship) to obtain an unsecured long term loan upto an amount of Rs.1,000 million for debt servicing and working capital requirements. The lender against the said facility, disbursed Rs.900.981 millions till the reporting date. The principal balance is repayable in 28 equal quarterly installments commencing from September, 2025. The loan carries mark-up at the rate of 0.1% + the average borrowing cost of the lender. The effective mark-up rate charged by the lender, during the current period, ranged from 22.52% to 23.57% per annum.

4.2 Except for the above new facilities obtained by the Company, all other terms and conditions of long term financing are materially same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2023. Effective mark-up rates charged, during the current period, ranged from 3.00% to 25.12% (June 30, 2023: 2.50% to 24.05%) per annum.

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

5. SHORT TERM BORROWINGS		Un-audited March 31, 2024	Audited June 30, 2023
	Note	--- Rupees in '000 ---	
Loans from banking companies		4,937,860	5,159,231
Loans from Associated companies	5.1	-	770,000
		4,937,860	5,929,231

5.1 Saif Holdings Ltd. (an Associated Company that holds 49.58% share capital of the Company) has waived off outstanding principal balance of its short term loan of Rs.600 million with effect from January 02, 2024 (effective date) vide waiver agreement dated January 26, 2024. The Company is liable to pay outstanding amount of mark-up till effective date.

## 6. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as disclosed in note 11 of the interim financial statements for the period ended December 31, 2023.

7. PROPERTY, PLANT AND EQUIPMENT		Un-audited March 31, 2024	Audited June 30, 2023
	Note	--- Rupees in '000 ---	
Operating fixed assets	7.1	7,892,889	8,192,688
Capital work-in-progress		2,258	5,041
Right-of-use assets	7.2	11,747	16,563
Stores held for capital expenditure		89,465	91,287
		7,996,359	8,305,579
<b>7.1 Operating fixed assets - tangible</b>			
<b>Book value at beginning of the period / year</b>		8,192,688	6,384,015
Add: Additions during the period / year		11,204	205,847
Add: Transfer from right of use to owned		-	7,191
Less: Written down value of disposals			
Book value of operating fixed assets			
made during the period / year			
disposed-off during the period / year		(30,198)	(10,957)
Add: Revaluation Surplus		-	1,920,651
Less: Depreciation charged during the period / year		(280,804)	(314,059)
<b>Book value at end of the period / year</b>		7,892,889	8,192,688
<b>7.2 Right-of-use assets</b>			
Book value at beginning of the period / year		16,563	32,407
Reassessment due to mark-up rate change		23	395
Depreciation for the period / year		(4,839)	(9,048)
Transferred to own assets		-	(7,191)
Derecognized during the period / year		-	-
		11,747	16,563

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

## 8. DEPOSIT FOR SHARES

There has been no change in the status of the Company's complaint filed before the Wafaqi Muhtasib for recovery of this deposit along with penalty since the date of preceding annual audited financial statements of the Company for the year ended June 30, 2023.

**Un-audited**                      Audited  
**March 31,**                      June 30,  
**2024**                              2023

- - - Rupees in '000 - - -

## 9. TRANSACTIONS WITH RELATED PARTIES

**Period / year end balances are as follows:**

Long term Loan	900,981	-
Short term Borrowings	-	770,000
Other receivables	-	25,257
Other payables	(215,548)	-

### 9.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited Nine months period ended	
		2024	March 31, 2023
		- - - Rupees in '000 - - -	
<b>Associated Companies &amp; Undertakings</b>			
	Purchase of goods and services	-	3,126
	Purchase of fixed asset	-	65,151
	Sale of fixed asset	16,061	97
	Sale of goods and services	-	174,464
	Loan obtained	900,981	770,000
	Mark-up accrued on loan	79,733	45,941
	Mark-up paid on loan	143,867	-
	Loan repaid	170,000	-
	SHL loan waived off under an agreement	600,000	-
	Donations	1,860	5,580
<b>Related Party</b>	Gas purchased	1,016,925	-
<b>Key management personnel</b>	Remuneration and other benefits	10,618	28,067
<b>Others</b>	Remuneration / Consultancy Charges	-	10,000
	Sale of fixed assets	-	1,281

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

## 10. FINANCIAL RISK MANAGEMENT

- 10.1 The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since June 30, 2023, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

This condensed interim financial information does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2023.

## 11. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Fair values categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

## 12. CORRESPONDING FIGURES

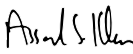
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2023, whereas, the condensed interim statement of profit or loss, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year i.e. nine months period ended March 31, 2023.

## 13. GENERAL

- 13.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 29 2024.
- 13.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



MUHAMMAD LUQMAN  
Chief Financial Officer



ASSAD SAIFULLAH KHAN  
Director



SOHAIL HUSSAIN HYDARI  
Chief Executive Officer







## Saif Textile Mills Limited

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