



SAIF GROUP

Saif Textile Mills Limited

Third Quarter Report
(Un-Audited)
March 31, 2020



Certified ISO 9001:2008
Certified ISO 14001:2004



ENTITY RATING OF SAIF TEXTILE MILLS LIMITED

Long Term	A-
Short Term	A2

CREDIT RATING AGENCY



The Pakistan Credit Rating Agency Limited

Contents

02	Corporate Information
03	Directors' Review Report to the Shareholders
05	Condensed Interim Statement of Financial Position
06	Condensed Interim Statement of Profit or Loss & Other Comprehensive Income (Un-audited)
07	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/ Director
Hoor Yousafzai	Director
Assad Saifullah Khan	Director
Faisal Saifullah Khan	Director
Rana Muhammad Shafi	Director
Muhammad Danish	Director
Rashid Ibrahim	Director
Zaheen-ud-Din-Qureshi	Chief Executive

AUDIT COMMITTEE

Rashid Ibrahim	Chairman
Hoor Yousafzai	Member
Assad Saifullah Khan	Member

HR & REMUNERATION COMMITTEE

Muhammad Danish	Chairman
Hoor Yousafzai	Member
Assad Saifullah Khan	Member

CHIEF FINANCIAL OFFICER

Nouman Ahmad

COMPANY SECRETARY

Sajjad Hussain

HEAD OF INTERNAL AUDIT

Meesam Habib Butt

LEGAL ADVISOR

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

AUDITORS

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

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Soneri Bank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

HEAD OFFICE

City Centre Plaza
3rd Floor Plot # 40 Main Bank Road
Saddar Rawalpindi
Telephone: +92-51-5700824-5700825-26
Fax: +92-51-5700829
Email: 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

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

MILLS

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

CYBER

www.saiftextile.com

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

On behalf of Board, it gives me pleasure to present the financial statements of the Company for the third quarter and nine months ended on March 31, 2020. Our commentary on the salient features of the company's performance follows below.

During the period under review, your Company recorded turnover of Rs. 6,043 million against Rs. 6,247 million for the same period last year; a decrease of Rs. 204 million (3.27%) over the same period last year. The reduction in top line came on back of slowdown in economy and world wide spread of COVID-19 which has reduced the overall business activity. Despite the reduced topline, there was an 11% growth in gross profit- gross profit of Rs 793.18 million (Gross Margin: 13.13%) compared to Rs 712.09 million (Gross Margin: 11.40%) in the corresponding period last year. The improved operating profitability, however, was dampened by increased borrowing cost due to high KIBOR benchmark. Resultantly the company posted a loss before tax of Rs 162.46 million compared to a loss of Rs 62.43 million for the corresponding period last year.

Future Outlook

Due to spread of pandemic of COVID-19 and prevailing lock down of situation it is not possible to predict future with certainty. Even if the country-wide lock down is eased and businesses are allowed to resume, it will take time to revive the economic activity. Current steps taken by the Federal Government and SBP for release of pending tax refunds, rescheduling of existing loans and refinance scheme for wages/salaries will ease out cash flow pressure for the next quarter, however, the operating profitability will continue to suffer.

We would like to conclude with heartfelt appreciation for the support of our bankers and our valued customers. We would also like to highlight the hard work put in by the management and staff. We look forward to the same dedication and cooperation in the days ahead.

for and on behalf of the Board



ZAHEEN UD DIN QURESHI
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director

Place: Islamabad
Dated: April 30, 2020

ڈائریکٹر رپورٹ برائے شیئر ہولڈر

بورڈ ہذا کی جانب سے ہمارے لئے خوشی کا امر ہے کہ ہم تیسری اختتامی سال 31 مارچ 2020 کیلئے کمپنی ہذا کی مالیاتی رپورٹ پیش کر رہے ہیں۔ کمپنی کی کارکردگی کے اہم خصوصیات کے بارے میں ہماری تبصرہ درج ذیل ہیں:

زیر جائزہ مدت کے دوران، آپ کی کمپنی نے اسی مدت کے دوران گزشتہ سال کی مجموعی کاروباری حجم مبلغ 6,247 ملین روپے کے مقابلے میں مجموعی کاروباری حجم مبلغ 6,043 ملین روپے حاصل کیا، یعنی اس میں گزشتہ سال کے اسی مدت کے دوران مبلغ 204 ملین روپے (3.27%) کی کمی واقع ہوئی۔ اس کمی کی بڑی وجہ معاشی رفتار میں کمی اور دنیا بھر میں کوئیڈ-19 کا پھیلاؤ ہے جس سے مجموعی طور پر کاروباری سرگرمیوں میں کمی واقع ہوئی ہے۔ ٹاپ لائن (کاروباری سرگرمیوں) میں کمی کے باوجود گزشتہ تقابلی سال مجموعی منافع مبلغ 712.09 ملین روپے (مجموعی مارجن کی شرح %11.40) کی نسبت %11 اضافے کے ساتھ مجموعی منافع 793.18 ملین روپے (مجموعی مارجن کی شرح %13.13) حاصل کی۔ تاہم آپریٹنگ منافع کی شرح میں اضافہ میں رکاوٹ زیادہ کیو بور (KIBOR) شیئ مارک کی وجہ سے قرضے کی لاگت میں اضافہ ہے۔ اس کے نتیجے میں کمپنی ہذا کو ٹیکس کی کٹوتی سے قبل گزشتہ تقابلی سال میں نقصان مبلغ 62.43 ملین روپے کی نسبت اس سال نقصان مبلغ 162.46 ملین روپے کا سامنا کرنا پڑا۔

پیش نظر برائے مستقبل:

کوئیڈ-19 (Covid-19) کی وبائی بیماری کے پھیلنے کی وجہ اور جاری لاک ڈاؤن حالات کی وجہ سے یقینی مستقبل کی پیش گوئی کرنا ممکن نہیں ہے۔ اگر ملک بھر میں لاک ڈاؤن میں کمی بھی کی جاتی ہے اور کاروباری سرگرمیاں دوبارہ شروع (جاری) کرنے کی اجازت بھی دی جاتی ہے مگر پھر بھی معاشی سرگرمیوں کو بحال ہونے میں وقت درکار ہوگا (وقت لگے گا) وفاقی حکومت اور سٹیٹ بینک آف پاکستان کے حالیہ اٹھائے گئے اقدامات یعنی زیر التواء ٹیکس کی واپسی موجودہ قرضے کے واپسی کی ٹائم ٹیبل میں تبدیلی، اجرت / تنخواہوں کیلئے نئی مالیاتی سکیم کی وجہ سے اگلی سہ ماہی میں کیش (نقدی) کے بہاؤ (کے اضافے) میں کمی کرے گا تاہم آپریٹنگ منافع کی شرح میں نقصان کا سامنا کرے گا۔

ہم آخر میں اپنے بینکرز اور معزز صارفین کی معاونت کا تہہ دل سے شکرا ادا کرنا چاہتے ہیں۔ ہم اپنی انتظامیہ اور سٹاف کی ہمہ جہت محنت کو بھی حراج تحسین پیش کرتے ہیں۔ ہم آئندہ آنے والے دنوں میں اس لگن اور تعاون کی امید کرتے ہیں۔

منجانب بورڈ ہذا

سید

ذین الدین قریشی

چیف ایگزیکٹو

مقام: اسلام آباد

تاریخ: 30 اپریل 2020

Asad S. Khan

اسد سیف اللہ خان

ڈائریکٹر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

		Un-audited March 31, 2020	Audited June 30, 2019
		(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			
Authorized capital			
30,000,000 ordinary shares of Rs. 10 each		300,000	300,000
Issued, subscribed and paid-up capital		264,129	264,129
Capital reserves			
Share premium account		115,981	115,981
Revenue Reserves		150,000	150,000
Surplus on revaluation of property, plant and equipment		714,949	739,799
Unappropriated profit		1,691,688	1,928,513
		2,936,747	3,198,422
NON-CURRENT LIABILITIES			
Long term financing	4	1,726,680	1,419,379
Liabilities against assets subject to finance lease		31,517	40,322
Long term deposits		9,539	7,715
Deferred liability- staff retirement benefits		142,836	135,460
Deferred taxation-net		70,308	86,083
		1,980,881	1,688,959
CURRENT LIABILITIES			
Trade and other payables		599,889	759,926
Unpaid dividend		4,374	387
Unclaimed dividend		8,696	8,310
Accrued mark-up and financial charges		191,874	142,002
Short term borrowings		4,362,431	3,779,760
Current portion of non-current liabilities		473,483	424,982
		5,640,748	5,115,367
CONTINGENCIES AND COMMITMENTS	5	-	-
		10,558,375	10,002,748
NON-CURRENT ASSETS			
Property plant and equipment	6	5,581,455	5,400,232
Intangible assets		4,904	6,868
Long term investments		12,500	2,500
Long term loans		21,919	21,477
Long term deposits		14,182	10,426
		5,634,960	5,441,503
CURRENT ASSETS			
Stores, spare parts and loose tools		331,407	360,748
Stock-in-trade		2,571,469	2,340,074
Trade debts		1,518,632	1,211,286
Loans and advances		56,401	89,846
Short term prepayments		1,701	1,484
Other receivables		56,954	60,328
Investments		27,261	3,617
Deposit for shares	7	-	-
Taxation-net		316,074	330,991
Tax refunds due from Government		20,995	132,761
Cash and bank balances		22,522	30,110
		4,923,415	4,561,245
		10,558,375	10,002,748

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

ZAHEUN UD DIN QURESHI
Chief Executive Officer

ASSAD SAIFULLAH KHAN
Director

NOUMAN AHMAD
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME(UN-AUDITED)

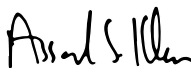
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Quarter ended		Nine months period ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees in thousand)			
SALES	1,860,716	2,309,038	6,042,792	6,247,075
COST OF SALES	1,625,292	2,080,231	5,249,608	5,534,986
GROSS PROFIT	235,423	228,807	793,183	712,089
DISTRIBUTION COST	50,168	37,640	137,177	112,665
ADMINISTRATIVE EXPENSES	53,537	59,858	177,813	164,344
OTHER OPERATING EXPENSES	2,011	1,847	5,061	6,730
	105,716	99,345	320,051	283,739
	129,707	129,463	473,132	428,351
OTHER OPERATING INCOME	1,998	3,547	8,979	15,023
PROFIT FROM OPERATIONS	131,705	133,010	482,111	443,374
FINANCE COST	246,725	160,778	644,566	410,661
	(115,021)	(27,768)	(162,456)	32,713
EXCHANGE FLUCTUATION				
LOSS - Net	17	12,673	-	95,144
LOSS BEFORE TAXATION	(115,038)	(40,441)	(162,456)	(62,431)
TAXATION	(27,171)	11,133	(72,807)	(12,952)
LOSS AFTER TAXATION	(142,209)	(29,307)	(235,263)	(75,382)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(142,209)	(29,307)	(235,263)	(75,382)
	-----Rupees-----			
LOSS PER SHARE	(5.38)	(1.11)	(8.91)	(2.85)

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



ZAHEEN UD DIN QURESHI
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



NOUMAN AHMAD
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

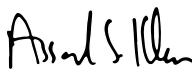
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

		2020 (Rupees in thousand)	2019
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	81,640	23,628
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances - net		355,172	138,667
Short term borrowings - net		582,671	487,654
Dividend paid		(22,040)	(19,046)
Liabilities against assets subject to finance lease		(8,175)	(3,323)
Finance cost paid		(594,695)	(298,696)
NET CASH INFLOW FROM FINANCING ACTIVITIES		312,934	305,256
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(394,508)	(326,311)
Sale proceeds of fixed assets		2,344	1,583
Long term Investment		(10,000)	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(402,163)	(324,728)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(7,589)	4,156
CASH AND CASH EQUIVALENTS:			
- At the beginning of the period		30,110	18,800
- At the end of the period		22,522	22,956

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



ZAHEEN UD DIN QURESHI
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



NOUMAN AHMAD
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

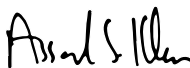
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

Note 'A'	2020 (Rupees in thousand)	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	(162,456)	(62,431)
Add adjustments for non-cash charges and other items:		
Depreciation and amortization	213,423	194,384
Deferred liability -staff retirement benefits - net	7,376	21,344
(Gain) / loss on disposal of property plant and equipment - net	(518)	(52)
Exchange fluctuation loss on foreign currency loan	-	95,500
Exchange fluctuation gain (others) - net	-	(356)
Adjustment on remeasurement of investments - net	(23,644)	930
Finance cost	644,566	392,793
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	678,747	642,113
(Increase) / decrease in current assets:		
Store, spare parts & loose tools	29,341	14,949
Stock-in-trade	(231,395)	(355,181)
Trade debts	(307,346)	(246,935)
Loans and advances	33,445	(8,471)
Trade deposits and short term prepayments	(217)	(1,497)
Taxes refunds due from Government	111,766	700
Other receivables	3,374	13,489
(Decrease) / Increase in trade and other payables	(160,037)	37,906
	(521,069)	(545,040)
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before taxation	157,678	97,073
Taxes paid	(73,664)	(73,183)
CASH INFLOW FROM OPERATING ACTIVITIES		
- After taxation	84,014	23,890
Long term loans - net	(442)	(1,457)
Long term deposits	(1,932)	1,195
	(2,374)	(262)
NET CASH INFLOW FROM OPERATING ACTIVITIES	81,640	23,628

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



ZAHEEN UD DIN QURESHI
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



NOUMAN AHMAD
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Share capital	Reserves		Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
		Capital reserve	Revenue reserve			
(Rupees in thousand)						
Balance as at July 01, 2018	264,129	115,981	150,000	1,097,183	774,625	2,401,918
Transaction with owners						
Cash dividend for the year ended June 30, 2018 at the rate of Rs.0.75 per share	-	-	-	(19,810)	-	(19,810)
Total comprehensive loss for the nine months ended March 31, 2019	-	-	-	(75,382)	-	(75,382)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the nine month ended- net of deferred taxation	-	-	-	26,119	(26,119)	-
Balance as at March 31, 2019	264,129	115,981	150,000	1,028,110	748,506	2,306,726
Total comprehensive income for the quarter ended June 30, 2019	-	-	-	891,696	-	891,696
Transfer from surplus on revaluation of property, plant & equipment on account o incremental depreciation for the nine month ended- net of deferred taxation	-	-	-	8,707	(8,707)	-
Balance as at June 30, 2019	264,129	115,981	150,000	1,928,513	739,799	3,198,422
Balance as at July 01, 2019	264,129	115,981	150,000	1,928,513	739,799	3,198,422
Cash dividend for the year ended June 30, 2019 at the rate of Rs.1.0 per share	-	-	-	(26,413)	-	(26,413)
Total comprehensive loss for the nine months ended March 31, 2020	-	-	-	(235,263)	-	(235,263)
Transfer from surplus on revaluation of property, plant & equipment on account o incremental depreciation for the nine month ended- net of deferred taxation	-	-	-	24,850	(24,850)	-
Balance as at March 31, 2020	264,129	115,981	150,000	1,691,688	714,949	2,936,747

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

ZAHEEN UD DIN QURESHI
Chief Executive Officer

ASSAD SAIFULLAH KHAN
Director

NOUMAN AHMAD
Chief Financial Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

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:

Sawabi	Purpose
Industrial Estate, Gadoon Amazai	Mills / factory
Peshawar	
APTMA House, Tehkal Payan, Jamrud Road	Registered office
Rawalpindi	
City Centre, Main Bank Road, Saddar Cantt	Head office
Karachi	
2nd Floor, The Plaza, Block-9, Clifton	Marketing 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.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

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 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, 2019 and as disclosed in half yearly financial statements for the period ended December 31, 2019.

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, 2019.

	Un-audited March 31, 2020	Audited June 30, 2019
	(Rupees in thousand)	
4. LONG TERM FINANCING - Secured		
Balance at the beginning of the period / year	1,830,991	1,534,606
Add: obtained during the period / year	606,138	750,380
	2,437,129	2,284,986
Less: repaid during the period / year	250,966	453,995
	2,186,163	1,830,991
Less: current portion grouped under current liabilities	459,483	411,612
	1,726,680	1,419,379

5. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies since the company's latest annual audited financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

		Un-audited March 31, 2020	Audited June 30, 2019
		(Rupees in thousand)	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	5,399,906	5,347,545
Capital work-in-progress		9,172	25,641
Right-of-use assets	6.2	53,837	-
Stores held for capital expenditure		118,540	27,046
		5,581,455	5,400,232
6.1 Operating fixed assets - tangible			
Book value at beginning of the period / year		5,347,545	4,908,370
Add: Additions made during the period / year		317,098	708,838
		5,664,643	5,617,208
Less: Written down value of disposals made during the period / year		1,826	4,982
Less: Written down value of disposals Right-of-use assets		60,765	-
Less: Depreciation charged during the period / year		202,146	264,681
Book value at end of the period / year		5,399,906	5,347,545
6.2 Right-of-use assets			
Opening Balance		-	-
Transferred from operating fixed assets		60,765	-
Additions during the period / year		2,385	-
Depreciation charge for the period / year		(9,313)	-
		53,837	-
7. 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, 2019.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

8. TRANSACTIONS WITH RELATED PARTIES

8.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited Nine months period ended	
		March 31, 2020	March 31, 2019
		(Rupees in thousand)	
Associated Companies & Undertakings	Purchase of fixed assets	-	1,398
	Purchase of goods and services	15,309	19,287
	Dividend paid	11,132	8,349
	Donations	4,500	4,500
Key management personnel	Remuneration and other benefits	22,918	19,024
Others	Consultancy Charges	15,000	13,500
		Un-audited March 31, 2020	Audited June 30, 2019
		(Rupees in thousand)	

8.2 Period / year end balances are as follows:

Trade and other payables	60,614	52,276
Other receivables	486	10,720

9. FINANCIAL RISK MANAGEMENT

9.1 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, 2019, 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, 2019.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

10. Fair value estimation

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.

11. 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, 2019, 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, 2019.

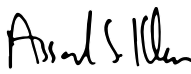
12. GENERAL

12.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 30, 2020.

12.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



ZAHEEN UD DIN QURESHI
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



NOUMAN AHMAD
Chief Financial Officer



SAIF GROUP

Saif Textile Mills Limited

3rd Floor, City Centre, Plot#40, Main Bank Road,
Saddar Cantt., Rawalpindi

Tel: +92-51-5700824-8, Cell: +92-300-5000395