



Saif Group

SAIF TEXTILE MILLS LIMITED

Third Quarter Report
(Un-Audited)
March 31, 2023



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

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COMPANY INFORMATION

BOARD OF DIRECTORS

Osman Saifullah Khan	Chairman
Hoor Yousafzai	Director
Assad Saifullah Khan	Director
Rana Muhammad Shafi	Director
Muhammad Danish	Director
Rashid Ibrahim	Director
Sohail H Hydari	Director
Nadia Bilal	Chief Executive

AUDIT COMMITTEE

Rashid Ibrahim	Chairman
Rana Muhammad Shafi	Member
Sohail H Hydari	Member

HR & REMUNERATION COMMITTEE

Muhammad Danish	Chairman
Hoor Yousafzai	Member
Assad Saifullah Khan	Member

CHIEF FINANCIAL OFFICER

Muhammad Faisal Raza

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
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

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' 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, 2023. Key financial highlights of the company's performance are given below:

During the period under review, the company recorded turnover of Rs. 8,337 million against Rs. 9,057 million for the same period last year; a decrease of Rs. 720 million (8%) over the same period last year. The overall sales volume of yarn has declined mainly on account of global economic slowdown. Gross margins declined significantly due to increased raw material prices and conversion costs. The finance cost for the period increased significantly by 91% from Rs. 556 million to Rs. 1,064 million mainly due to abrupt increase in KIBOR and additional working capital requirements. The company incurred loss after tax Rs. 825 million as compared to Profit after tax of Rs. 481 million of corresponding period of last year.

General Market Review and Future Prospects

Economic environment has become extremely challenging. The product margins are stressed in local as well as in global markets, widespread inflation and global recession have further exacerbated the situation. Abnormal fluctuation of raw material prices, unstable local currency, substantial increase in energy prices and restrictions on import of requisite raw materials have compounded problems by significantly increasing the cost of business especially for textile industry. Import restrictions are now easing out and market is also reacting positively after the news about revival of China & US markets which will have a positive effect on the business.

Acknowledgment

The 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

On behalf of the Board



NADIA BILAL

Chief Executive Officer

Place: Islamabad

Dated: April 27, 2023



RANA MUHAMMAD SHAFI

Director

ڈائریکٹر رپورٹ برائے شیئر ہولڈرز

محترم شیئر ہولڈرز

ہم آپ کے سامنے کمپنی ہذا کی غیر آڈیٹ شدہ نو ماہ کی اختتامی مالیاتی رپورٹ برائے 31 مارچ 2023 پیش کر رہے ہیں۔ کمپنی کی کارکردگی کی اہم مالی خصوصیات درج ذیل ہیں:-

زیر جائزہ سال کے دوران، گزشتہ سال کے اسی تقابلی مدت میں مبلغ 9,057 ملین روپے کی نسبت اس سال کمپنی ہذا کا کاروباری حجم مبلغ 8,337 ملین روپے رہا یعنی گزشتہ سال کے اسی تقابلی مدت کے دوران میں مجموعی کاروباری حجم میں مبلغ 720 ملین روپے (8%) کی کمی ہوئی۔ مجموعی طور پر سوت کی فروخت کے حجم میں کمی کی وجہ عالمی معاشی سست روی تھی۔ گراس مارجن میں بہت زیادہ کمی کی وجہ خام مال اور روپے کے ایکسیچج کی قیمتوں میں اضافہ ہے۔ جاری سال میں مالیاتی لاگت میں نمایاں 91% کا اضافہ یعنی مبلغ 556 ملین روپے سے مبلغ 1,064 ملین روپے کا ہوا۔ جس کی اہم وجہ کیبور (KIBOR) اور اضافی ورکنگ سرمایہ کاری مطلوبات میں اچانک اضافہ تھا۔ کمپنی کو گزشتہ سال کے اسی تقابلی مدت کے مقابلے میں بعد از ٹیکس کٹوتی منافع مبلغ 481 ملین روپے کی نسبت مبلغ 825 ملین روپے کا نقصان ہوا۔


مارکیٹ کی عمومی صورت حال اور پیش نظر برائے مستقبل:


اقتصادی ماحول بہت زیادہ چیلنجنگ بن چکا ہے۔ مقامی اور اس کے ساتھ ساتھ عالمی مارکیٹوں میں پیداوری / پروڈکٹ مارجن کم ہے، وسیع پیمانے پر افراط زر (مہنگائی) اور عالمی کساد بازاری نے صورت حال میں مزید شدت پیدا کر دی ہے۔ خام مال کی قیمتوں میں غیر معمولی اتار چڑھاؤ، غیر مستحکم مقامی کرنسی، توانائی کی قیمتوں میں متواتر اضافہ اور مطلوب خام مال کی درآمد پر پابندیاں مشترکہ مسائل بن چکے ہیں جو کاروباری لاگت خاص طور پر ٹیکسٹائل صنعت کی لاگت میں واضح اضافہ کر رہا ہے۔ درآمدی پابندیاں اب نرم ہو رہی ہیں جبکہ چین اور امریکہ کی مارکیٹوں کی بحالی سے متعلق خبروں کے بعد مارکیٹ بھی مثبت رد عمل کا اظہار کر رہی ہے جس کے کاروبار پر مثبت اثرات مرتب ہو گئے۔

اقرا تشکر:

انتظامیہ ہذا بورڈ آف ڈائریکٹرز، ریگولیٹری اتھارٹی، شیئر ہولڈرز، صارفین، مالیاتی اداروں، سپلائرز اور پراگن اور مخفی شاف اور وکروں کو بخیر اچ تشہین پیش کرتی ہے۔

بورڈ ہذا کی جانب سے:


رانا محمد شفیع
ڈائریکٹر


نادیہ بلال
چیف ایگزیکٹو آفیسر

تاریخ: 27 اپریل 2023

بمقام: اسلام آباد

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

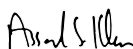
	Note	Un-audited March 31, 2023	Audited June 30, 2022
(Rupees in thousand)			
SHARE CAPITAL AND RESERVES			
Authorized capital			
30,000,000 ordinary shares of Rs. 10 each		300,000	300,000
Issued, subscribed and paid-up capital			
26,412,880 ordinary shares of Rs. 10 each		264,129	264,129
Reserves		265,887	265,856
Unappropriated profit		1,347,455	2,131,038
Surplus on revaluation of property, plant and equipment		1,229,062	1,270,734
		3,106,533	3,931,757
NON-CURRENT LIABILITIES			
Long term financing	4	708,376	1,128,064
Lease liabilities		438	8,852
Deferred income - government grant		26,702	22,218
Long term deposits		17,662	13,154
Staff retirement benefits - gratuity		220,092	251,868
Deferred taxation-net		432,863	674,622
		1,406,134	2,098,778
CURRENT LIABILITIES			
Trade and other payables		883,336	1,711,994
Unpaid dividend		486	486
Unclaimed dividend		8,597	8,597
Accrued mark-up and interest		335,810	179,966
Short term borrowings		5,738,574	5,198,125
Sponsors' loan (Convertible)	5	770,000	-
Current portion of non-current liabilities		602,105	741,646
		8,338,908	7,840,814
CONTINGENCIES AND COMMITMENTS	6	-	-
		12,851,576	13,871,349
NON-CURRENT ASSETS			
Property plant and equipment	7	6,463,120	6,513,614
Long term investments		14,906	12,375
Long term loans		22,247	20,719
Long term deposits		35,496	32,472
		6,535,769	6,579,180
CURRENT ASSETS			
Stores, spare parts and loose tools		359,019	308,449
Stock-in-trade		3,738,986	3,970,056
Trade debts		1,674,429	2,541,097
Loans and advances		55,906	99,918
Trade Deposits and short term prepayments		2,998	5,920
Other receivables		107,969	96,180
Short term investments		-	3,002
Deposit for shares	8	-	-
Taxation-net		222,508	219,432
Tax refunds due from Government		145,458	5,034
Cash and bank balances		8,533	43,081
		6,315,807	7,292,169
		12,851,576	13,871,349

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



NADIA BILAL

Chief Executive Officer



ASSAD SAIFULLAH KHAN

Director



MUHAMMAD FAISSAL RAZA

Chief Financial Officer

Saif Textile Mills Limited


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME(UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH, 2023

	Quarter ended		Nine months period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousand)			
Sales - Net	2,786,014	3,046,056	8,336,676	9,057,117
Cost of Sales	2,652,112	2,467,503	7,971,554	7,111,676
Gross profit	133,902	578,552	365,122	1,945,440
Distribution cost	37,785	59,483	129,443	184,048
Administrative expenses	84,886	85,532	259,562	237,585
Other expenses	2,102	36,617	6,300	94,161
	124,773	181,632	395,305	515,794
	9,129	396,920	(30,183)	1,429,646
Other income	5,040	10,099	123,753	46,825
Profit from operations	14,169	407,019	93,570	1,476,471
Finance cost	373,185	199,449	1,064,352	555,863
	(359,016)	207,570	(970,782)	920,608
Exchange fluctuation gain	-	-	44	4,738
(Loss) / Profit before taxation	(359,016)	207,570	(970,738)	925,346
Taxation				
Current	34,808	34,073	96,275	157,947
Deferred	(100,111)	65,025	(241,759)	286,096
	(65,303)	99,098	(145,483)	444,043
(Loss) / Profit after taxation	(293,713)	108,472	(825,255)	481,303
Other comprehensive income/ (loss)	-	-	31	150
Total comprehensive (loss) / income	(293,713)	108,472	(825,224)	481,453
-----Rupees-----				
(Loss) / earnings per share				
- basic and diluted	(11.12)	4.11	(31.24)	18.22

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



NADIA BILAL
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



MUHAMMAD FAISAL RAZA
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

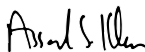
FOR THE NINE MONTHS ENDED 31 MARCH, 2023

		Nine months period ended	
		March 31, 2023	March 31, 2022
		(Rupees in thousand)	
	Note		
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	317,354	510,106
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances - net		(554,744)	(387,659)
Short term borrowings - net		540,450	744,293
Sponsors' loan (Convertible)		770,000	-
Dividend paid		-	4
Lease liabilities		(8,414)	(8,818)
Finance cost paid		(908,508)	(529,014)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(161,216)	(181,193)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(199,262)	(386,880)
Sale proceeds of fixed assets		8,376	32,459
Long term investment made		(2,500)	-
Sale of short term investment		2,700	22,096
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(190,686)	(332,325)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(34,548)	(3,412)
CASH AND CASH EQUIVALENTS:			
- At the beginning of the period		43,081	44,278
- At the end of the period		8,533	40,866

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



NADIA BILAL
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



MUHAMMAD FAISAL RAZA
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

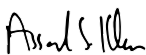
FOR THE NINE MONTHS ENDED 31 MARCH, 2023

Note 'A'	Nine months period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit for the period - before taxation	(970,738)	925,346
Add adjustments for non-cash charges and other items:		
Depreciation and amortization	241,111	246,087
Staff retirement benefits - net	(31,776)	18,467
Loss / (Gain) on disposal of property plant and equipment - net	269	(14,622)
Loss on remeasurement of short term investments to fair value - net	301	679
Finance cost	1,064,352	555,863
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	303,520	1,731,819
(Increase) / decrease in current assets:		
Store, spare parts & loose tools	(50,570)	(2,551)
Stock-in-trade	231,070	(1,134,900)
Trade debts	866,668	42,593
Loans and advances	44,012	16,617
Trade deposits and short term prepayments	2,922	(2,792)
Taxes refunds due from Government	(140,424)	(71,442)
Other receivables	(11,789)	(28,716)
Decrease in trade and other payables	(828,658)	80,806
	113,230	(1,100,386)
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before taxation	416,749	631,434
Taxes paid	(99,351)	(115,775)
CASH INFLOW FROM OPERATING ACTIVITIES		
- After taxation	317,398	515,659
Long term loans - net	(1,528)	(1,412)
Long term deposits	1,484	(4,141)
	(44)	(5,553)
NET CASH INFLOW FROM OPERATING ACTIVITIES	317,354	510,106

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



NADIA BILAL
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



MUHAMMAD FAISAL RAZA
Chief Financial Officer

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

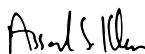
FOR THE NINE MONTHS ENDED 31 MARCH, 2023

Share capital	Reserves			Unrealised loss on financial assets at fair value through other comprehensive income	Surplus on revaluation of property, plant and equipment	Total
	Capital reserve	Revenue reserve	Unappropriated profit			
(Rupees in thousand)						
264,129	115,981	150,000	1,809,617	(150)	1,330,535	3,670,112
-	-	-	481,303	150	-	481,453
-	-	-	43,994	-	(43,994)	-
264,129	115,981	150,000	2,334,914	-	1,286,541	4,151,565
-	-	-	(219,683)	(125)	-	(219,808)
-	-	-	15,807	-	(15,807)	-
264,129	115,981	150,000	2,131,038	(125)	1,270,734	3,931,757
264,129	115,981	150,000	2,131,038	(125)	1,270,734	3,931,757
-	-	-	(825,255)	31	-	(825,224)
-	-	-	41,672	-	(41,672)	-
264,129	115,981	150,000	1,347,455	(94)	1,229,062	3,106,533

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



NADIA BILAL
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



MUHAMMAD FAISAL RAZA
Chief Financial Officer

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

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
Islamabad	
4 th floor, Kashmir Commercial Complex, Fazal Ul Haq Road	Head office
Karachi	
Plot No. 36, New Karachi Cooperative Housing Society Near Dolmen Mall Tariq Road	Marketing & sales office
Faisalabad	
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.

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

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, 2022. 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

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2022 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, 2022.

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, 2022.

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

		Un-audited March 31, 2023	Audited June 30, 2022
		(Rupees in thousand)	
4. LONG TERM FINANCING - Secured			
Balance at the beginning of the period / year		1,849,105	2,431,876
Add: obtained during the period / year		69,803	267,856
		1,918,908	2,699,732
Less: repaid during the period / year		629,032	850,627
		1,289,876	1,849,105
Less: current portion grouped under current liabilities		581,500	721,041
		708,376	1,128,064
5. SPONSORS' LOAN (CONVERTIBLE)			
<p>The Company has entered into a loan agreement with Saif Holdings Ltd. (an Associated Company that holds 49.58% share capital of the Company) to obtain an unsecured short term loan(convertible to equity) upto an amount of Rs.770 million for working capital requirements. The loan carry mark-up at the rate of 0.1% + average local borrowing cost of the lender. The effective mark-up rate charged by the lender, during the current financial period, ranged from 16.63% to 19.84% per annum. The loan is repayable by December 31, 2023.</p>			
6. CONTINGENCIES AND COMMITMENTS			
<p>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, 2022.</p>			
		Un-audited March 31, 2023	Audited June 30, 2022
		(Rupees in thousand)	
7. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	7.1	6,282,851	6,384,015
Capital work-in-progress		51,036	12,993
Right-of-use assets	7.2	23,060	32,407
Stores held for capital expenditure		106,173	84,199
		6,463,120	6,513,614
7.1 Operating fixed assets - tangible			
Book value at beginning of the period / year		6,384,015	6,364,189
Add: Additions during the period / year		139,411	362,364
Add: Transfer from right of use to owned		2,740	3,248
Less: Book value of operating fixed assets disposed-off during the period / year		(8,645)	(31,699)
Less: Depreciation charged during the period / year		(234,670)	(314,087)
Book value at end of the period / year		6,282,851	6,384,015

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

	Un-audited March 31, 2023	Audited June 30, 2022
7.2 Right-of-use assets	(Rupees in thousand)	
Book value at beginning of the period / year	32,407	49,240
Reassessment due to mark-up rate change	(166)	63
Depreciation for the period / year	(6,441)	(11,658)
Transferred to own assets	(2,740)	(3,248)
Derecognized during the period / year	-	(1,990)
	23,060	32,407

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, 2022.

9. TRANSACTIONS WITH RELATED PARTIES

9.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited Nine months period ended March 31, 2023	
		March 31, 2022	
		(Rupees in thousand)	
Associated Companies & Undertakings	Purchase of goods and services	3,126	6,468
	Purchase of fixed assets	65,151	5,000
	Sale of goods and services	174,464	11,805
	Sale of fixed assets	97	-
	Loan obtained	770,000	-
	Mark-up accrued on loan	45,941	-
	Donations	5,580	5,499
Key management personnel	Remuneration and other benefits	28,067	25,685
Others	Remuneration / Consultancy Charges	10,000	18,000
	Sale of fixed assets	1,281	-
		Un-audited March 31, 2023	Audited June 30, 2022
9.2 Period / year end balances are as follows:		(Rupees in thousand)	
Other receivables		58,950	46,027

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

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, 2022, 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, 2022.

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.

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

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, 2022, 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, 2022.


13. GENERAL

13.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on April 27 2023.

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



NADIA BILAL
Chief Executive Officer



ASSAD SAIFULLAH KHAN
Director



MUHAMMAD FAISAL RAZA
Chief Financial Officer



Saif Group
.....



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