

FIRST QUARTER REPORT
(UNAUDITED)
SEPTEMBER 30, 2024



SAIF GROUP

SAIF TEXTILE MILLS LIMITED

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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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Rashid Ibrahim	Chairman
Assad Saifullah Khan	Member
Abdul Rehman Qureshi	Member

HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi	Chairman
Hoor Yousafzai	Member
Assad Saifullah Khan	Member

CHIEF FINANCIAL OFFICER

Muhammad Luqman

COMPANY SECRETARY

Sajjad Hussain

HEAD OF INTERNAL AUDIT

Sami Ullah

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' REVIEW

Dear shareholders,

We are pleased to present the un-audited financial statements of the Company along with the key financial highlights for the 1st Quarter ended Sep 30, 2024.

Financial Highlights

The Company achieved a Gross Profit of Rs. 547 million during the 1st Quarter ended September 30, 2024 (1st Quarter 2023: Rs. 433 million). The Company's Gross Margins improved from 13% to 18% due to an increase in demand. Finance costs declined by 5% to Rs. 401 million, compared to Rs. 422 million during the same period last year, primarily due to the reduction in KIBOR rates. Despite the challenging business environment, the company reported a Profit After Tax of Rs. 11 million as compared to the Loss After Tax of Rs. 134 million in the corresponding period of the previous year.

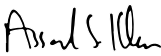
Future Outlook

The textile industry in Pakistan is experiencing significant challenges, including rising production costs driven by inflation, alongside higher energy cost. To address these issues, our company is planning to install solar power, which will reduce reliance on conventional energy sources and lower operational costs in the long run. A potential reduction in interest rates is also expected to ease financial pressure, helping to improve liquidity and stabilize cash flow in the coming months.

Acknowledgment

The Board places on record its appreciation for the support of our regulatory authorities and members of our corporate family especially financial institutes.

We look forward to the same dedication and cooperation in the days ahead.



ASSAD SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive

Place: Islamabad

Dated : October 29 2024

ڈائریکٹرز کی جائزہ رپورٹ

محترم شیئر ہولڈرز

ہم 30 ستمبر، 2024 کو جنسٹم ہونے والی پہلی سرمایہ کے لیے سبجی کی غیر آڈٹ شدہ مالیاتی رپورٹ بشمول سبجی کی کارکردگی کے اہم مالی نکات پیش کرتے ہیں۔

مالیاتی اہم نکات

سبجی نے پہلی سرمایہ کے دوران جو کہ 30 ستمبر، 2024 کو اختتام پذیر ہوئی، 547 ملین کا مجموعی منافع حاصل کیا (پہلی سرمایہ 2023:433 ملین)۔ بڑھتی ہوئی ڈیمانڈ کی وجہ سے سبجی کے مجموعی ماہانہ منافع 13 فیصد سے 18 فیصد تک کا اضافہ ہوا ہے۔ بنیادی طور پر کاہر میں کمی کے باعث فنڈس کی قیمت پچھلے سال کے اسی دورانیے کی قیمت 422 ملین کی نسبت 5 فیصد کم ہو کر 401 ملین ہو گئی ہے۔ کاروباری ماحول میں مشکلات کے باوجود سبجی نے 11 ملین کا نیکس ادا کرنے کے بعد منافع حاصل کیا ہے جبکہ پچھلے سال کے اسی دورانیے میں 134 ملین کا نیکس ادا کرنے کے بعد خسارہ تھا۔

مستقبل کا نقطہ نظر

پاکستان میں ٹیکسٹائل کی صنعت کو کئی مشکلات کا سامنا ہے، جیسا کہ مہنگائی کی وجہ سے پیداواری لاگت میں اضافہ، توانائی اور مالی استحباب میں اضافہ ہماری سبجی کو مزید چیلنڈر لگانے کا باعث بنتی ہے جس سے سبجی کے حصول کے لیے روایتی ذرائع پر انحصار میں کمی آئے گی اور موجودہ قیمتوں میں طویل مدت کے لیے کمی آئے گی۔ شرح سود میں مزید کمی سے آنے والے ہفتوں میں سبجی کی نقد ادائیگیوں کی روایتی میں استحکام آئے گا

اختلاف

بورڈ ہذا ہماری ریگولیشنری اختیارات اور رپورٹ فیملی کے ارکان، خصوصاً مالیاتی ادارے کی معاونت کو خسارہ تخمینہ پیش کرتا ہے

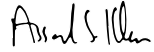
ہم مستقبل میں بھی ان کی اسی گن اور تصادم کے منتظر رہیں گے

بورڈ آف ڈائریکٹرز کی جانب سے



سعید حسین حیدری

چیف ایگزیکٹو آفیسر



اسد سیف اللہ خان

ڈائریکٹر

مقام اسلام آباد

بتاریخ 29 اکتوبر، 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

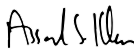
AS AT SEPTEMBER 30, 2024

		Un-audited September 30, 2024	Audited June 30, 2024
		(Rupees in thousand)	
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital			
30,000,000 ordinary shares of Rs. 10 each		300,000	300,000
Issued, subscribed and paid-up capital		264,129	264,129
Reserves		265,867	265,867
Unappropriated profit		1,179,965	1,144,442
Surplus on revaluation of property, plant and equipment		2,449,451	2,474,112
Total Shareholders' equity		4,159,412	4,148,550
Non-current Liabilities			
Long term financing	5	1,236,194	1,294,619
Deferred income - government grant		7,496	8,603
Long term deposits		14,264	14,233
Staff retirement benefits-gratuity		223,537	226,139
Deferred taxation-net		763,052	759,930
		2,244,544	2,303,524
Current Liabilities			
Trade and other payables		1,273,064	1,201,169
Contract liabilities		70,121	78,358
Unpaid dividend		473	473
Unclaimed dividend		8,579	8,586
Accrued mark-up and interest		500,351	430,154
Short term borrowings		5,583,352	5,567,518
Current portion of non current liabilities		370,145	403,814
Provision for tax levies		38,059	152,189
		7,844,143	7,842,261
Contingencies and Commitments	6	-	-
		14,248,099	14,294,335
Assets			
Non-current Assets			
Property, plant and equipment	7	7,847,507	7,923,952
Long term investments		14,886	14,886
Long term loans		4,940	2,688
Long term deposits		30,615	30,570
		7,897,948	7,972,096
Current Assets			
Stores, spare parts and loose tools		268,917	299,718
Stock-in-trade		3,601,110	3,675,635
Trade debts		2,163,998	1,801,804
Loans and advances		26,205	18,549
Trade deposits and short term prepayments		3,666	1,907
Other receivables		51,505	51,258
Deposit for shares	8	-	-
Prepaid tax levies		1,778	4,951
Taxation - net		213,921	336,433
Tax refunds due from Government		5,034	111,261
Cash and bank balances		14,017	20,723
		6,350,151	6,322,239
		14,248,099	14,294,335

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



MUHAMMAD LUQMAN
Chief Financial Officer



ASSAD SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

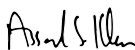
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

	Jul- Sep 2024	Jul- Sep 2023
	(Rupees in thousand)	
Sales	3,039,674	3,385,755
Cost of Sales	2,492,394	2,952,887
Gross profit	547,280	432,868
Administrative expenses	56,375	68,149
Distribution cost	53,441	76,370
Other expenses	-	1,870
	109,817	146,389
Other income	15,825	9,924
Profit from operations	453,288	296,402
Finance cost - net	401,245	421,831
Profit / (Loss) before taxation minimum and final tax levies	52,043	(125,428)
Minimum and final tax levies	(38,059)	(42,049)
Profit / (Loss) before taxation	13,985	(167,477)
Taxation	(3,123)	33,742
Profit / (Loss) after taxation	10,862	(133,735)
Other comprehensive income / (loss)	-	-
Total comprehensive income / (loss) for the period	10,862	(133,735)
	(Rupees)	
Earnings / (Loss) per share - basic and diluted	0.41	(5.06)

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



MUHAMMAD LUQMAN
Chief Financial Officer



ASSAD SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

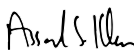
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Note	Three months period ended	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
Cash generated from operating activities	A	400,561	521,527
Cash flow from financing activities			
Long term financing - net		(93,201)	(136,235)
Lease liabilities		-	(925)
Short term borrowings - net		15,835	(17,373)
Finance cost paid		(316,724)	(346,038)
Dividend paid		(7)	(2)
Net cash used in financing activities		(394,098)	(500,573)
Cash flow from investing activities			
Additions to property, plant and equipment		(13,985)	(10,102)
Sale proceeds of operating fixed assets		816	438
Net cash used in investing activities		(13,169)	(9,664)
Net (decrease) / increase in cash and cash equivalents		(6,706)	11,290
Cash and cash equivalents - at beginning of the period		20,723	16,195
Cash and cash equivalents - at end of the period		14,017	27,485

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



MUHAMMAD LUQMAN
Chief Financial Officer



ASSAD SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

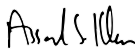
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Three months period ended	
	September 30, 2024	September 30, 2023
	(Rupees in thousand)	
Note "A"		
Cash flow from operating activities		
Profit / (Loss) for the period - before taxation		
minimum and final tax levies	52,043	(125,429)
Adjustments for non-cash charges and other items:		
Depreciation & amortization	89,614	94,251
Staff retirement benefits - gratuity (net)	(2,602)	(11,976)
Loss on sale of operating fixed assets - net	-	10
Finance cost	386,921	387,743
Profit before working capital changes	525,977	344,599
Effect on cash flow due to working capital changes		
(increase) / decrease in current assets:		
Store, spare parts and loose tools	30,801	55,478
Stock-in-trade	74,525	218,972
Trade debtors	(362,194)	(279,170)
Loans and advances	(7,656)	29,322
Trade deposits and short term prepayments	(1,759)	2,528
Tax refunds due from Government	106,227	-
Other receivables	(247)	11,918
(Decrease) / increase in current liabilities:		
Trade and other payables	71,895	203,202
Contract liabilities	(8,238)	(33,553)
	(96,647)	208,698
Cash generated from operating activities	429,330	553,297
Taxes and levies paid	(26,504)	(33,428)
Long term loans	(2,252)	548
Long term deposits from employees	31	591
Long term deposits	(45)	518
Net cash generated form operating activities	400,561	521,527

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



MUHAMMAD LUQMAN
Chief Financial Officer



ASSAD SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

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

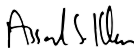
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	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 thousand)							
Balance as at July 01, 2023	264,129	115,981	150,000	1,036,355	(114)	2,578,834	4,145,185
Total comprehensive income							
Loss for the quarter ended Sep 30, 2023	-	-	-	(133,735)	-	-	(133,735)
Other comprehensive income / (loss)	-	-	-	-	-	-	-
	-	-	-	(133,735)	-	-	(133,735)
Surplus on revaluation of property, plant & equipment realised during the year (net of deferred taxation):							
- on account of incremental depreciation	-	-	-	25,896	(25,896)		-
Balance as at September 30, 2023	264,129	115,981	150,000	928,516	(114)	2,552,938	4,011,450
Balance as at July 01, 2024	264,129	115,981	150,000	1,144,442	(114)	2,474,112	4,148,550
Total comprehensive income							
Profit for the quarter ended Sep 30, 2024	-	-	-	10,862	-	-	10,862
Other comprehensive income / (loss)	-	-	-	-	-	-	-
	-	-	-	10,862	-	-	10,862
Surplus on revaluation of property, plant & equipment realised during the period (net of deferred taxation):							
- on account of incremental depreciation	-	-	-	24,661	(24,661)		-
Balance as at September 30, 2024	264,129	115,981	150,000	1,179,965	(114)	2,449,451	4,159,412

The annexed notes form an integral part of these 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 FIRST QUARTER ENDED SEPTEMBER 30, 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.

Sawabi	Purpose
Industrial Estate, Gadoon Amazai	Mills / factory
Peshawar	
APTMA House, Tehkal Payan, Jamrud Road	Registered office
Islamabad	
4th floor, Kashmir Commercial Complex, Fazal-e-haq road, Blue Area	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 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 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 Act have been followed.

2.2 The condensed interim financial information do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024. This condensed interim financial information are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

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, 2024.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements require 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 these condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2024.

5. LONG TERM FINANCING - Secured

Balance at the beginning of the period / year

Add: obtained during the period / year

Less: repaid during the period / year

Balance at the end of the period / year

Less: Current portion grouped under current liabilities

	Un-audited	Audited
	September 30,	June 30,
	2024	2024
	(Rupees in thousand)	
	1,692,700	1,180,485
	-	1,101,981
	(93,202)	(589,766)
	1,599,499	1,692,700
	(363,305)	(398,081)
	1,236,194	1,294,619

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

6. CONTINGENCIES AND COMMITMENTS

There have been no significant changes in status of contingencies and commitments as disclosed in note 18 of the audited annual financial statements of the Company for the year ended June 30, 2024.

		Un-audited September 30, 2024	Audited June 30, 2024
7. PROPERTY, PLANT AND EQUIPMENT	Note	(Rupees in thousand)	
Operating fixed assets	7.1	7,743,169	7,819,614
Capital work-in-progress		2,202	2,202
Stores held for capital expenditure		102,136	102,136
		<u>7,847,507</u>	<u>7,923,952</u>
7.1 Operating fixed assets			
Book value at beginning of the period / year		7,819,614	8,192,688
Add: Additions made during the period / year		13,985	22,504
Add: Transfer from right of use to owned assets		-	9,600
Less: Book value of operating fixed assets disposed-off during the period / year		(816)	(30,883)
Less: Depreciation charged for the period / year		(89,614)	(374,295)
Book value at end of the period / year		<u>7,743,169</u>	<u>7,819,614</u>

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, 2024.

	Un-audited September 30, 2024	Audited June 30, 2024
9. TRANSACTIONS WITH RELATED PARTIES	(Rupees in thousand)	
9.1 Period / year end balances are as follows:		
Long term loan	999,981	999,981
Short term borrowing	1,480,442	968,614
Other payables	604,999	439,200
Other receivables	2,494	2,068

9.2 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
Associated Company and Undertakings	Sale of raw material	20,753	-
	Purchase of raw material	81,450	-
	Loan obtained	511,828	-
	Markup on loan	125,521	-
	Donations	-	1,860
Related Party	Sui gas expenses accrued	587,591	-
Key management personnel	Remuneration and other benefits	2,565	3,318

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

10. FINANCIAL RISK MANAGEMENT

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 have been no significant changes in the risk management policies since the year ended June 30, 2024.

These condensed interim financial statements do not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2024.

11. FAIR VALUE ESTIMATION

The carrying values of financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

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].

There was no transfers amongst the levels and any change in valuation techniques during the period.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2024 and the corresponding figures in the condensed interim profit or loss account & other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the three months period ended September 30, 2023.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison.

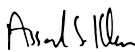
Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been approved and authorized for issue on October 29, 2024 by the Board of Directors of the Company.



MUHAMMAD LUQMAN
Chief Financial Officer



ASSAD SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer



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