



**In The Name Of Allah
The Merciful
The Compassionate**

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SAIF TEXTILE MILLS LIMITED *Half Yearly Report 2015-2016*

BOARD OF DIRECTORS	Anwar Saifullah Khan Javed Saifullah Khan Osman Saifullah Khan Jehangir Saifullah Khan Hoor Yousafzai Assad Saifullah Khan Arif Saeed	- Chairman - Chief Executive
AUDIT COMMITTEE	Javed Saifullah Khan Jehangir Saifullah Khan Assad Saifullah Khan	- Chairman - Member - Member
HR & REMUNERATION COMMITTEE	Arif Saeed Osman Saifullah Khan Assad Saifullah Khan	- Chairman - Member - Member
CHIEF FINANCIAL OFFICER	Noman Ahmad	
COMPANY SECRETARY	Sabir Khan	
HEAD OF INTERNAL AUDIT	Salman Shafiq	
LEGAL ADVISOR	Dr. Pervez Hassan Hassan & Hassan, Advocates Salahuddin Saif & Aslam (Attorney's at Law)	
AUDITORS	M/s Shining Hameed Chaudhri & Co., Chartered Accountants HM House, 7-Bank Square, Lahore	
BANKERS	Albaraka Bank (Pakistan) Limited Allied Bank Limited Askari Bank Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Industrial and Commercial Bank of China Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Soneri Bank Limited Summit Bank Limited The Bank of Punjab United Bank Limited	
HEAD OFFICE	Kulsum Plaza, 4th Floor, 2020 - Blue Area, Islamabad-44000 Telephone : +92-51-2342155-60 Fax : +92-51-22342176 E-mail : stm@saifgroup.com	
REGISTERED OFFICE	APTMA House, Tehkal Payan, Jamrud Road, Peshawar Telephone : +92-91-5843870, 5702941 Fax : +92-91-5840273 E-mail : peshawar@saifgroup.com	
SHARES REGISTRAR	M/s Hameed Majeed Associates (Pvt.) Ltd., HM House, 7-Bank Square, Lahore Telephone : +92-42-7235081-7235082 Fax : +92-42-7358817 E-mail : info@hmaconsultants.com	
MILLS	Industrial Estate, Gadoon Amzai, District Sawabi Telephone : +92-938-270313, 270429 Fax : +92-938-270514 E-mail : stmngdn@saifgroup.com	
CYBER	www.saiftextile.com	

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

On behalf of the Board, it gives me pleasure to present the Company's reviewed financial statements by the Auditors for the half year ended December 31, 2015. Our commentary on the salient features of the Company's performance follows below.

During the period under review the textile industry saw significant worsening of market conditions, primarily led by slowdown in demand from China, which adversely impacted our financial performance. The Company posted a gross profit of Rs 292.3 million (gross margin: 8.7 %) in the period as compared to a gross profit of Rs 403.5 million (gross margin: 10.1 %) for the corresponding period last year. This decline in profitability mimics the trend in the whole textile industry, which has suffered from Government's apathy at a time when Governments in competitor countries extended substantial support to the local industries.

The Company incurred a net loss of Rs 64.3 million compared to a net profit of Rs 6.64 million in the last corresponding period. The period under review saw significant increases in power and fuel cost due to the imposition of GIDC. Moreover, Government's reluctance in passing-through the complete impact of falling crude oil prices and its insistence on maintaining an overvalued PKR (vis-à-vis US\$) caused loss of export competitiveness of the whole industry. In the 7-month period ending January 30th 2016, the total textile sector exports shrank 9% YoY, while cotton yarn exports witnessed a 32% decrease on YoY basis. Meanwhile, in presence of a duty-free regime for synthetic yarn, the imposition of regulatory duty on yarn import too has failed to trigger any meaningful activity in the local spinning sector.

The results would have been far worse, had your Company not invested timely in diversifying the product range. We have also recently increased the dyeing capacity which is expected to augment revenue generation capacity of the Company.

We remain committed to the difficult task of generating economic activity in the Khyber Pakhtunkhwa province. We would like to conclude with the customary, but very much heartfelt, appreciation for the support of our valued customers and our banking partners. We would also like to highlight the hard work put in by the members of our corporate family. We look forward to the same dedication and cooperation in the days ahead. We will continue to look at ways to create value for all shareholders.

Place: Islamabad

Dated: 26 February, 2016

Anwar Saifullah Khan
Director

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Hoor Yousafzai
Director

**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Saif Textile Mills Limited** (the Company) as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half-year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Place: Lahore
Dated: 26, February 2016

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Osman Hameed Chaudhri

**CONDENSED INTERIM BALANCE SHEET
AS AT 31 DECEMBER, 2015**

	Note	Un-audited 31 Dec., 2015	Audited 30 June, 2015 (Rupees in thousand)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,483,190	3,521,737
Intangible assets		249	337
Long term loans		16,164	19,392
Long term deposits		9,979	9,979
Deferred taxation - net	6	200,397	164,972
		3,709,979	3,716,417
CURRENT ASSETS			
Stores, spare parts and loose tools		162,426	162,285
Stock-in-trade	7	2,070,111	1,581,043
Trade debts		752,599	870,427
Loans and advances		29,035	94,536
Trade deposits and short term prepayments		704	8,150
Other receivables		29,344	30,705
Investments		5,735	5,667
Deposit for shares	8	0	0
Taxation - net		252,815	250,911
Taxes refundable		119,232	86,254
Cash and bank balances		39,453	35,814
		3,461,454	3,125,792
		7,171,433	6,842,209
EQUITY AND LIABILITIES			
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		265,981	265,981
Unappropriated profit		967,422	1,028,010
		1,497,532	1,558,120
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		121,384	125,158
NON-CURRENT LIABILITIES			
Sub-ordinated loan		524,000	508,500
Long term financing	9	944,669	936,401
Long term deposits		5,054	3,882
Staff retirement benefits - gratuity		156,871	159,611
		1,630,594	1,608,394
CURRENT LIABILITIES			
Trade and other payables		832,978	740,185
Accrued mark-up		173,035	129,980
Short term borrowings		2,556,448	2,340,107
Current portion of long term financing	9	359,462	340,265
		3,921,923	3,550,537
CONTINGENCIES AND COMMITMENTS			
	10	7,171,433	6,842,209

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Anwar Saifullah Khan
Director

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Hoor Yousafzai
Director

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
QUARTER AND HALF-YEAR ENDED 31 DECEMBER, 2015**

	Quarter ended		Half-year ended		
	Note	31 Dec., 2015	31 Dec., 2014	31 Dec., 2015	31 Dec., 2014
		(Rupees in thousand)			
Sales - net		1,723,785	2,026,264	3,364,967	3,989,091
Cost of Sales		(1,583,221)	(1,857,250)	(3,072,608)	(3,585,586)
GROSS PROFIT		140,564	169,014	292,359	403,505
Distribution cost		(28,876)	(50,719)	(81,817)	(89,463)
Administrative expenses		(66,831)	(46,086)	(103,753)	(96,765)
Other income		1,233	1,090	1,313	1,356
Other expenses		(2,157)	(3,822)	(2,350)	(6,523)
PROFIT FROM OPERATIONS		43,933	69,477	105,752	212,110
Finance cost		(84,848)	(96,935)	(158,890)	(188,173)
		(40,915)	(27,458)	(53,138)	23,937
Exchange fluctuation gain / (loss)		2,250	9,019	(11,224)	(9,155)
(LOSS) / PROFIT BEFORE TAXATION		(38,665)	(18,439)	(64,362)	14,782
Taxation	6	0	5,690	0	(8,145)
(LOSS) / PROFIT AFTER TAXATION		(38,665)	(12,749)	(64,362)	6,637
Other comprehensive income		0	0	0	0
TOTAL COMPREHENSIVE (LOSS) / INCOME		(38,665)	(12,749)	(64,362)	6,637
		(Rupees)			
(LOSS) / EARNINGS PER SHARE					
- basic and diluted		(1.46)	(0.48)	(2.44)	0.25

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Anwar Saifullah Khan
Director

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Hoor Yousafzai
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2015**

	Note	Half-year ended (Rupees in thousand)	
		31 Dec., 2015	31 Dec., 2014
CASH FLOW FROM OPERATING ACTIVITIES	12	(44,531)	(549,340)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(79,780)	(52,410)
Sale proceeds of operating fixed assets / insurance claims received		0	1,716
Investments made		0	(158)
NET CASH USED IN INVESTING ACTIVITIES		(79,780)	(50,852)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term financing			
- obtained		171,760	0
- repaid		(144,295)	(89,528)
Short term borrowings - net		216,341	966,941
Dividend paid		(21)	(63,869)
Finance cost paid		(115,835)	(206,759)
Net cash generated from financing activities		127,950	606,785
Net increase in cash and cash equivalents		3,639	6,593
Cash and cash equivalents - at beginning of the period		35,814	24,854
Cash and cash equivalents - at end of the period		39,453	31,447

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Anwar Saifullah Khan
Director

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Hoor Yousafzai
Director

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2015**

Share Capital	Reserves			Unappropriated profit	Total
	Capital reserve	Revenue reserve	Sub-total		

(Rupees in thousand)

Balance as at July 01, 2014	264,129	115,981	150,000	265,981	1,143,500	1,673,610
Transaction with owners						
Cash dividend for the year ended June 30, 2014 at the rate of Rs.2.50 per share	0	0	0	0	(66,032)	(66,032)
Total comprehensive income for the half-year ended December 31, 2014	0	0	0	0	6,637	6,637
Surplus on revaluation of property, plant and equipment on account of incremental depreciation realised during the period - net of deferred taxation	0	0	0	0	3,961	3,961
Balance as at December 31, 2014	264,129	115,981	150,000	265,981	1,088,066	1,618,176
Balance as at July 01, 2015	264,129	115,981	150,000	265,981	1,028,010	1,558,120
Total comprehensive loss for the half-year ended December 31, 2015	0	0	0	0	(64,362)	(64,362)
Surplus on revaluation of property, plant and equipment on account of incremental depreciation realised during the period - net of deferred taxation	0	0	0	0	3,774	3,774
Balance as at December 31, 2015	264,129	115,981	150,000	265,981	967,422	1,497,532

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Anwar Saifullah Khan
Director

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Hoor Yousafzai
Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2015**

1. LEGAL STATUS AND NATURE OF BUSINESS

Saif Textile Mills Limited (the Company) was incorporated in Pakistan on December 24, 1989 as a Public Company under the Companies Ordinance, 1984 and its shares are quoted on Islamabad, Lahore and Karachi Stock Exchanges [Pakistan Stock Exchange Limited with effect from January 11, 2016]. The Company is principally engaged in manufacture and sale of yarn. The Company's Mills are located in Industrial Estate, Gadoon Amazai, District Sawabi and the registered office of the Company is located at APTMA House, Tehkal Payan, Jamrud Road, Peshawar.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the half year ended December 31, 2015 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half year ended December 31, 2015 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2015.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2015.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2015. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information 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.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2015.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited 31 Dec., 2015	Audited 30 June, 2015
(Rupees in thousand)			
Operating fixed assets	5.1	3,150,205	3,189,963
Capital work-in-progress	5.2	290,890	40,044
Stores held for capital expenditure		42,095	291,730
		3,483,190	3,521,737

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	Note	Un-audited 31 Dec., 2015	Audited 30 June, 2015
(Rupees in thousand)			
5.1 Operating fixed assets - tangible			
Book value at beginning of the period / year		3,189,963	3,057,466
Additions during the period / year	5.1.1	78,569	371,582
Book value of operating fixed assets disposed-off during the period / year		0	(7,445)
Depreciation charge for the period / year		(118,327)	(231,640)
Book value at end of the period / year		<u>3,150,205</u>	<u>3,189,963</u>
5.1.1 Additions during the period / year:			
Leasehold land		0	1,242
Buildings on leasehold land		0	91,350
Plant & machinery		61,322	176,027
Generators		0	67,093
Electric installations		0	1,135
Air conditioning equipment		0	5,489
Furniture & fixtures		0	872
Office equipment		339	4,060
Telephone installations		278	394
Weighing scales		0	144
Fire extinguishing equipment		0	395
Gas fittings		0	165
Vehicles		16,630	23,216
		<u>78,569</u>	<u>371,582</u>
5.2 Capital work-in-progress			
Factory buildings		12,630	2,587
Plant & machinery		1,148	0
Generators		230,444	0
Telephone installations		99	0
Computer software		7,081	0
Vehicles		22	0
		<u>251,424</u>	<u>2,587</u>
Advance payments			
- land		13,578	1,500
- factory buildings		7,960	5,963
- plant & machinery		9,418	19,881
- vehicles		3,709	6,019
- computer software		4,801	4,094
		<u>39,466</u>	<u>37,457</u>
		<u>290,890</u>	<u>40,044</u>

6. DEFERRED TAXATION - Net

The management as at December 31, 2015, has incorporated deferred tax asset upto the extent of current tax provision. Deferred tax asset amounting Rs.385.567 million has not been recognised based on the uncertainty of availability of future taxable profits.

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	Note	Un-audited 31 Dec., 2015	Audited 30 June, 2015
(Rupees in thousand)			
7. STOCK-IN-TRADE			
Raw materials:			
- at mills		814,576	704,176
- in transit		249,464	357,074
		<u>1,064,040</u>	<u>1,061,250</u>
Work-in-process		129,084	148,790
Finished goods		876,987	371,003
		<u>2,070,111</u>	<u>1,581,043</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, 2015.

9. LONG TERM FINANCING - Secured

Balance at beginning of the period / year		1,276,666	1,164,828
Add: disbursements during the period / year	9.1 to 9.3	171,760	326,306
Less: repayments made during the period / year		(144,295)	(214,468)
Balance at end of the period / year		<u>1,304,131</u>	<u>1,276,666</u>
Less: current portion grouped under current liabilities		<u>359,462</u>	<u>340,265</u>
		<u>944,669</u>	<u>936,401</u>

9.1 The Company, during the financial year ended June 30, 2015, obtained a demand finance facility of Rs.290 million from Habib Bank Limited. During the current period, the bank against the said facility, has further disbursed Rs.47 million in three tranches of different amounts. The principal balance of this loan is repayable in 78 equal monthly installments commencing January, 2016. This finance facility carries mark-up at the rates ranging from 7.49% to 8.00% (June 30, 2015: at the rate of 7.78%) per annum and is secured against joint first pari passu charge over all present and future moveable and immovable fixed and current assets of the Company and a ranking charge for Rs.386.660 million.

9.2 The Company, during the financial year ended June 30, 2015, obtained a term finance facility of Rs.100 million from Soneri Bank Limited. During the current period, the bank against the said facility, has further disbursed Rs.49.761 million. The principal balance of this loan is repayable in 10 equal half-yearly instalments commencing from January, 2016. This finance facility carries mark-up at the rates ranging from 8.05% to 10.31% (June 30, 2015: at the rate of 7.88%) per annum and is secured against joint pari passu charge over current and fixed assets of the Company for Rs.133.334 million.

9.3 The Company, during the current period, obtained a Musharakah finance facility of Rs.75 million from Askari Bank Limited. The principal balance of this loan is repayable in 48 monthly instalments commencing from September, 2016. This finance facility carries profit at the rates ranging from 7.42% to 7.91% per annum and is secured against first pari passu charge over current and fixed assets of the Company for Rs.100 million with 25% margin.

9.4 Except for the above, all other term and conditions of the long term financing are the same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2015.

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10. CONTINGENCIES AND COMMITMENTS

Contingencies

10.1 Guarantees aggregating Rs.252.379 million (June 30, 2015: Rs.192.698 million) have been issued by banks of the Company to different parties including Government institutions and Sui Northern Gas Pipeline Limited.

10.2 The Company, during the financial year ended June 30, 2015, has challenged the levy of Gas Infrastructure Development Cess (GIDC) by filing a petition before the Peshawar High Court, Peshawar (PHC). The PHC has stayed the levy / cess charged through GIDC Act, 2015 and the Respondents were directed to submit their comments. Earlier, the Supreme Court of Pakistan had dismissed the appeal of the Federation on the same matter on August 22, 2014, wherein it was held that the levy under the GIDC Act, 2011 was not covered under any entry relating to the imposition or levy of a tax as envisaged in the Constitution.

Sui Northern Gas Pipelines Limited, along with gas bill for the month of December, 2015, has raised GIDC demands aggregating Rs.375.064 million (June, 2015: Rs.267.587 million). This amount will become payable in case of an adverse judgement by the PHC. The petition before the PHC is pending adjudication.

10.3 There has been no significant change in the status of pending tax cases as reported in the preceding audited annual financial statements of the Company for the year ended June 30, 2015.

Un-audited	Audited
31 Dec., 2015	30 June, 2015
(Rupees in thousand)	

Commitments

- letters of credit for purchase of raw materials	60,603	478,160
- capital expenditure other than letters of credit	7,865	22,579

11. TRANSACTIONS WITH RELATED PARTIES

11.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited	
		Half-year ended	31 Dec., 2014
		31 Dec., 2015	31 Dec., 2014
(Rupees in thousand)			
Associated Companies	Purchase of fixed assets	0	70
	Sale of goods and services	25,621	1,316
	Purchase of goods and services	395,124	347,249
	Dividend paid	0	32,742
	Short term loan repaid	0	200,000
	Mark-up on short term loan	0	1,916
Key management personnel	Remuneration and other benefits	34,084	34,790

Un-audited	Audited
31 Dec., 2015	30 June, 2015
(Rupees in thousand)	

11.2 Period / year end balances are as follows:

Trade and other payables	132,110	129,699
Other receivables	4,212	1,911

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12. CASH USED IN OPERATIONS

	Un-audited	
	Half-year ended	
	31 Dec., 2015	31 Dec., 2014
	(Rupees in thousand)	
(Loss) / profit for the period - before taxation	(64,362)	14,782
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	118,415	112,776
Staff retirement benefits - gratuity (net)	(2,740)	11,709
Gain on sale of operating fixed assets - net	0	(173)
Finance cost	158,890	183,338
Exchange fluctuation loss on sub-ordinated loan	15,500	9,250
Adjustment on remeasurement of investments to fair value - net	(68)	(746)
Profit before working capital changes	225,635	330,936
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(141)	25,700
Stock-in-trade	(489,068)	(722,292)
Trade debts	117,828	(92,095)
Loans and advances	65,501	(21,469)
Trade deposits and short term prepayments	7,446	743
Other receivables	1,361	1,936
Taxes refundable	(32,978)	(3,790)
Increase / (decrease) in trade and other payables	92,814	(29,128)
	(237,237)	(840,395)
Cash used in operating activities	(11,602)	(509,459)
Income taxes paid	(37,329)	(36,027)
Long term deposits from employees	1,172	695
Long term loans	3,228	(4,064)
Long term deposits	0	(485)
Net cash used in operating activities	(44,531)	(549,340)

13. 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 has been no change in the Company's sensitivity to these risks since June 30, 2015, 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, 2015.

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14. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2015, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial information of the Company for the half year ended December 31, 2014.

15. GENERAL

This condensed interim financial information was approved by the Board of Directors and authorised for issue on 26, February 2016.

Anwar Saifullah Khan
Director

The Chief Executive is out of Pakistan and in his absence this financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Hoor Yousafzai
Director