



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

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COMPANY INFORMATION

BOARD OF DIRECTORS	Anwar Saifullah Khan - Chairman Javed Saifullah Khan Osman Saifullah Khan - Chief Executive Jehangir Saifullah Khan Hoor Yousafzai Assad Saifullah Khan Arif Saeed
AUDIT COMMITTEE	Javed Saifullah Khan - Chairman Jehangir Saifullah Khan - Member Assad Saifullah Khan - Member
HR & REMUNERATION COMMITTEE	Arif Saeed - Chairman Osman Saifullah Khan - Member Assad Saifullah Khan - 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	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 : +92-51-2823924, 2829415 Fax : +92-51-2277843, 2822564 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 Amazai, District Sawabi Telephone : +92-938-270313, 270429 Fax : +92-938-270514 E-mail : stmgn@saifgroup.com
CYBER	www.saiftextile.com

Director's Review Report

The un-audited financial statements of the Company for the third quarter and nine months ended on March 31, 2016 are being presented to you with the following observations.

During the period under review, your Company has posted a gross profit of Rs 344 million (2015: Rs 522 million). The gross profit margin of the company has declined to 7.2% from 9.1% compared to corresponding period of last year.

The period closed with a loss before tax of Rs 162.4 million (2015: Loss Rs 65.2 million). The losses are primarily driven by deteriorating yarn demand in both international and local markets. While the economic slowdown in China has dampened the global commodity price, the over-supply of imported yarn in the local market, due to insufficient Government policy response, impacted the local yarn prices. Government insistence on keeping an overvalued PKR against US\$ caused further dent to exports. Raw material costs were also affected by volatile international oil prices and their ensuing impact on synthetic fiber. However, despite poor market conditions, specialized products segment continued to perform well which helped contain the losses.

Lately, the increased activity in the cotton market causing sharp rise in cotton prices has been a cause of optimism for yarn manufacturers. In the coming quarter, we expect the demand of fine cotton counts to pick up. We also expect better rates of synthetic fiber counts on the back of relatively stable global oil prices. We are focusing on specialized products for niche markets to diversify our product mix. We believe this will not only help us get immune to the volatility in commodity prices but will also help us fetch better margins for our premium products. We are also hopeful that Government of Pakistan will be more responsive to the issues faced by the textile industry.

The Management of your Company remains committed to business growth and putting efforts to increase your Company's efficiency and profitability despite the given challenges.

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.

Place: Islamabad
Dated: 28 April, 2016

Director

**CONDENSED INTERIM BALANCE SHEET AS AT
31 MARCH, 2016**

	Note	Un-audited 31 Mar, 2016	Audited 30 June, 2015
(Rupees in thousand)			
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		265,981	265,981
Unappropriated profit		875,914	1,028,010
		1,406,024	1,558,120
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		119,497	125,158
NON-CURRENT LIABILITIES			
Sub-ordinated loan		524,000	508,500
Long term financing	3	1,192,632	936,401
Long term deposits		5,843	3,882
Deferred liability- staff retirement benefits		155,201	159,611
		1,877,676	1,608,394
CURRENT LIABILITIES			
Trade and other payables		894,699	740,185
Accrued mark-up and financial charges		186,048	129,980
Short term borrowings		2,202,767	2,340,107
Current portion of : - long term financing		309,528	340,265
		3,593,042	3,550,537
CONTINGENCIES AND COMMITMENTS			
	4	6,996,239	6,842,209
NON-CURRENT ASSETS			
Property plant and equipment	5	3,580,769	3,521,737
Intangible assets		3,201	337
Long term loans		20,004	19,392
Long term deposits		3,323	9,979
Deferred taxation - net		217,536	164,972
CURRENT ASSETS			
Stores, spare parts and loose tools		122,508	162,285
Stock-in-trade		1,652,535	1,581,043
Trade debts		761,590	870,427
Loans and advances		188,263	94,536
Trade deposits and short term prepayments		6,180	8,150
Other receivables		9,761	30,705
Investments		5,488	5,667
Deposit for shares		0	0
Taxation - net		254,563	250,911
Taxes refundable		140,689	86,254
Cash and bank balances		29,829	35,814
		3,171,406	3,125,792
		6,996,239	6,842,209

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

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.

Director

Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH, 2016
(UN-AUDITED)**

	Quarter Ended		Nine Months Ended	
	31, March 2016	31, March 2015	31, March 2016	31, March 2015
	(Rupees in thousand)			
SALES				
Local	1,314,033	1,480,842	4,218,384	4,446,285
Export	114,488	298,573	575,104	1,322,221
	<u>1,428,521</u>	<u>1,779,415</u>	<u>4,793,488</u>	<u>5,768,506</u>
LESS:				
COST OF SALES	1,376,669	1,660,856	4,449,277	5,246,442
GROSS PROFIT	<u>51,852</u>	<u>118,559</u>	<u>344,211</u>	<u>522,064</u>
DISTRIBUTION COST	26,175	46,932	107,992	136,395
ADMINISTRATIVE EXPENSES	50,235	47,383	153,988	149,575
OTHER OPERATING EXPENSES	(2,103)	(1,096)	247	0
	<u>74,307</u>	<u>93,219</u>	<u>262,227</u>	<u>285,970</u>
	<u>(22,455)</u>	<u>25,340</u>	<u>81,984</u>	<u>236,094</u>
OTHER OPERATING INCOME	17,927	408	19,240	1,764
OPERATING (LOSS) / PROFIT	<u>(4,528)</u>	<u>25,748</u>	<u>101,224</u>	<u>237,858</u>
FINANCE COST	89,342	100,613	248,232	288,786
	<u>(93,870)</u>	<u>(74,865)</u>	<u>(147,008)</u>	<u>(50,928)</u>
EXCHANGE FLUCTUATION LOSS - Net	4,154	5,121	15,378	14,276
LOSS BEFORE TAXATION	<u>(98,024)</u>	<u>(79,986)</u>	<u>(162,386)</u>	<u>(65,204)</u>
TAXATION				
- current	14,258	20,042	47,935	53,345
- deferred	(18,914)	32,861	(52,564)	7,704
	<u>(4,629)</u>	<u>52,903</u>	<u>(4,629)</u>	<u>61,049</u>
LOSS AFTER TAXATION	<u>(93,395)</u>	<u>(132,889)</u>	<u>(157,757)</u>	<u>(126,253)</u>
OTHER COMPREHENSIVE INCOME	0	0	0	0
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	<u>(93,395)</u>	<u>(132,889)</u>	<u>(157,757)</u>	<u>(126,253)</u>
	(Rupees)			
LOSS PER SHARE	<u>(3.54)</u>	<u>(5.03)</u>	<u>(5.97)</u>	<u>(4.78)</u>

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

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.

Director

Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH, 2016
(UN-AUDITED)**

	Note	2016	2015
		(Rupees in thousand)	
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	A	341,941	<u>(176,527)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances - net		225,616	(21,954)
Short term borrowings - net		(137,340)	582,477
Dividend paid		0	(64,831)
Finance cost paid		(192,164)	(252,874)
NET CASH INFLOW FROM FINANCING ACTIVITIES		(103,888)	<u>242,818</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(244,038)	(74,016)
Held-for-trading investment -net		0	(159)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(244,038)	<u>(74,175)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,985)	<u>(7,884)</u>
CASH AND CASH EQUIVALENTS:			
- At the beginning of the period		35,814	24,854
- At the end of the period		29,829	<u>16,970</u>

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Director



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Director

SAIF TEXTILE MILLS LIMITED *Third Quarterly Report 2015-2016*

Note 'A'	2016	2015
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit for the period - before taxation	(162,386)	(65,204)
Add adjustments for non-cash charges and other items:		
Depreciation and amortization	182,142	171,166
Deferred liability -staff retirement benefits - net	(4,410)	4,476
(Gain) / loss on disposal of property plant and equipment - net	0	(346)
Exchange fluctuation loss of long term financing	15,378	8,776
Adjustment on re-measurement of investments - net	179	(747)
Finance cost (excluding bank charges)	248,232	279,928
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	279,135	398,049
(increase) / decrease in current assets:		
Store, spare parts & loose tools	39,777	9,087
Stock-in-trade	(71,492)	(205,449)
Trade debts	108,837	(211,364)
Loans and advances	(93,727)	(17,145)
Trade deposits and short term prepayments	1,970	8,625
Taxes refundable	(54,435)	4,413
Other receivables	20,944	3,896
Increase in trade and other payables (excluding unclaimed dividend)	154,514	(91,348)
	106,388	(499,285)
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		
- Before taxation	385,523	(101,236)
Taxes paid	(51,587)	(58,619)
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		
- After taxation	333,936	(159,855)
Long term loans - net	(612)	(15,876)
Long term deposits from employees	1,961	(232)
Long term deposits	6,656	(564)
	8,005	(16,672)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	341,941	(176,527)

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Director

Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH, 2016
(UN-AUDITED)**

	Share Capital	Reserves			Unappropriated (loss) / profit	Total equity
		Capital	Revenue	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
For cash dividend for the Year ended 30 June, 2014 at the rate of Rs.2 per share	0	0	0	0	(66,032)	(66,032)
Loss for nine month ended 31 March, 2015	0	0	0	0	(126,253)	(126,253)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the nine month ended- net of deferred taxation	0	0	0	0	5,914	5,914
Balance as at 31 March, 2015	264,129	115,981	150,000	265,981	957,129	1,487,239
Total comprehensive income for the quarter ended 30 June, 2015	0	0	0	0	68,755	68,755
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the quarter ended- net of deferred taxation	0	0	0	0	2,126	2,126
Balance as at 30 June, 2015	264,129	115,981	150,000	265,981	1,028,010	1,558,120
Balance as at July 01, 2015	264,129	115,981	150,000	265,981	1,028,010	1,558,120
Loss for the nine months ended 31 March, 2016	0	0	0	0	(157,757)	(157,757)
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the nine month ended- net of deferred taxation	0	0	0	0	5,661	5,661
Balance as at 31 March, 2016	264,129	115,981	150,000	265,981	875,914	1,406,024

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

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.

Director

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 31 MARCH, 2016
(UN-AUDITED)**

1. LEGAL STATUS AND OPERATIONS

Saif Textile Mills Limited (the Company) is a Public Limited Company incorporated in Pakistan on 24 December, 1989 under the Companies Ordinance, 1984 and its shares are quoted on all Stock Exchanges of Pakistan. The Company is principally engaged in manufacture and sale of yarn. The Company's Mills are located in Industrial Estate, Gadoon Amazai, District Swabi and the Registered Office of the Company at APTMA House, Tehkal Payan, Jamrud Road, Peshawar.

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting).

These financial information are being circulated to shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the preceding published annual financial statements of the Company for the year ended 30 June, 2015.

The accounting policies, significant judgment, estimates and assumptions used by the management in preparation of this condensed interim financial information are the same as those applied to the preceding published annual financial statements of the Company for the year ended 30 June, 2015.

(Un-audited)	(Audited)
31 March, 2016	30 June, 2015
(Rupees in thousand)	

3. LONG TERM FINANCING - Secured

Balance at the beginning of the period / year	1,785,166	1,164,828
Add: obtained during the period / year	215,800	326,306
	2,000,966	1,491,134
Less: repaid during the period / year	454,185	214,468
	1,546,781	1,276,666
Less: Current portion grouped under current liabilities	354,149	340,265
	1,192,632	936,401

4. CONTINGENCIES AND COMMITMENTS

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

	(Un-audited)	(Audited)
	31 March, 2016	30 June, 2015
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	3,189,963	3,057,466
Add: Additions made during the period / year	572,948	703,356
	3,762,911	3,760,822
Less: Written down value of disposals made during the period / year	0	7,445
	3,762,911	3,753,377
Less: Depreciation charged during the period / year	182,142	231,640
	3,580,769	3,521,737

6. TRANSACTIONS WITH RELATED PARTIES

Related parties include associated companies, major shareholders, directors and key management personnel. Transactions with related parties during the period are as follows.

	Jul - Mar 2016	Jul - Mar 2015
	(Rupees in thousand)	
- sale of goods and services	25,621	68,147
- purchase of goods and services	405,124	469,577
- purchase of fixed assets	0	0
- dividend paid	0	32,743
- sale of fixed assets	0	0

7. CORRESPONDING FIGURES

7.1 In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet have been compared with the balances of annual audited financial statements of the preceding financial year, 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 the immediately preceding financial year.

7.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made.

8. GENERAL

8.1 This condensed interim financial information was approved by the Board of Directors and authorised for issue on 28 April, 2016.

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

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Director

Director