

SAIF TEXTILE MILLS LIMITED



SAIF GROUP



HALF YEARLY REPORT
(UNAUDITED)
DECEMBER 31, 2024

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 Waseem Aslam

COMPANY SECRETARY

Waseemullah

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: +92-51-2604730-32
Fax: +92-51-2604735
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 hereby present the Company's financial statements reviewed by the Auditors for the half year ended December 31, 2024. Key financial highlights are given below:

Financial Highlights

In the Current reporting period, the Company has successfully managed to sustain its Sales, Gross Profit, EBITDA and Operating profit as compared to the same period last year. This is even though there was a decrease in capacity utilization of 22% in this period and there was a 9% increase in gas tariffs in July 2024. Finance costs decreased by 14% to Rs. 726 million from Rs. 845 million in the corresponding period of the previous year, primarily due to a reduction in KIBOR rates. As a result, the Company reported a loss before tax of Rs. 110 million (1.78%) an improvement from the Rs. 235 million (3.64%) loss recorded in the prior year's corresponding period.

Future Outlook

(a) External:

The company is expecting positive measures from the Government like further reduction in policy rates, decrease in electricity prices and proper management and handling of EFS facilities. Both external and internal demand is likely to increase as more liquidity may come into the industry and into the market. Generally, the economy is a little more stable now and, it is expected that there will a general relief to common men along with some relief to the industry as well.

(b) Internal:

Capacity utilization will be nearly 85% by the end of February and will increase to around 88% in March 2025 (90,000 spindles is the benchmark for 100% capacity). In addition to the above, the company will be investing in CAPEX for Solar plant installation; BMR (new machines); increase and diversification in dyeing capacity. The BMR will increase the spinning capacity to 100% or more. A consortium of banks will lend money to the company on a long-term basis for the above investments. The company expects to achieve reasonable profits after installation of Solar power; after an increase in dyeing capacity and after installation of new machines. A detailed financial model study has been conducted and submitted to banks which confirms and reiterates the above position of profits and liquidity.

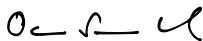
The Company saw very strong sales and despatches of finished goods in December that will eventually lead to strong cash inflow from accounts receivable.

Acknowledgment

The Board places on record its appreciation for the support given by the regulatory authorities and by the financial institutions.

The company would also like to thank all employees and management for their hard work.

For and on behalf of the board



OSMAN SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

Place: Islamabad
Dated : 27 February, 2025

ڈائیکٹرز کا جائزہ

ہم 31 دسمبر 2024 کو مکمل ہونے والے ششماہی دورانیے کے لیے کمپنی کے آئیٹرز کی جانب سے نظر ثانی شدہ رپورٹ پیش کرتے ہیں۔ جس کے اہم مالیاتی نکات درج ذیل ہیں۔

مالیاتی نکتہ۔

موجودہ رپورٹنگ کے دورانیہ میں کمپنی گزشتہ سال کے اسی دورانیہ کے مقابلے میں اپنی سیلز، مجموعی منافع، ای-بی-ای-ٹی-ڈی-اے اور آپریٹنگ منافع برقرار رکھنے میں کامیاب رہی ہے۔ اگرچہ اس دورانیہ میں کیپیکلٹی کے استعمال میں 22 فیصد کمی واقع ہوئی تھی اور گیس کے نرخ میں 9 فیصد اضافہ ہوا تھا۔ اسی مدت میں مالیاتی لاگت کے-ای-بی-او-ار کی شرح میں کمی کی وجہ سے 14 فیصد کمی کے ساتھ 845 ملین سے کم ہو کر 726 ملین ہو گئی ہے۔ جس کے نتیجے میں کمپنی نے (1.78 فیصد) ٹیکس کی ادائیگی سے پہلے 110 ملین کے نقصان کی اطلاع دی جو کہ پچھلے سال کے اسی دورانیہ کے 235 ملین (3.64 فیصد) کے ریکارڈ شدہ نقصان کے مقابلے میں قدرے بہتر ہے۔

مستقبل کا آؤٹ لک

(a) بیرونی جائزہ

کمپنی حکومت کی طرف سے پالیسی ریٹ، بجلی کے نرخ میں کمی اور ای-ایف-ایس سہولیات کی مینجمنٹ میں مثبت اقدامات کی توقع رکھتی ہے۔ صنعت اور مارکیٹ میں مزید لیکویڈٹی آنے سے بیرونی اور اندرونی سطح پر ڈیمانڈ میں اضافے کا امکان ہے۔ عام طور پر معیشت اب قدرے مستحکم ہے۔ اس لیے امید کی جاتی ہے کہ صنعت کو کچھ ریلیف ملنے کے ساتھ ساتھ عام آدمی کو بھی ریلیف ملے گا۔

(b) اندرونی جائزہ

فروری کے آخر تک کیپیکلٹی کا استعمال 85 فیصد ہوگا جو کہ مارچ 2025 میں بڑھ کر 88 فیصد تک ہو جائے گا (100 فیصد کیپیکلٹی بینچ مارک ہے 90 ہزار سپینڈل کی)۔ مذکورہ بالا کے علاوہ کمپنی CAPEX میں سولر پلانٹ کی تنصیب، بی ایم آر (نئی مشینوں)، ڈائینگ کی صلاحیت اور تنوع کے لیے سرمایہ کاری کرے گی۔ بی ایم آر سپننگ کی صلاحیت میں 100 فیصد تک یا اس سے بھی زیادہ اضافہ کرے گی۔ مذکورہ بالا سرمایہ کاری کے لیے کمپنی کو کنسورشیم بینک طویل مدتی بنیاد پر قرض دے گا۔ کمپنی توقع رکھتی ہے کہ وہ سولر پاور کی تنصیب، ڈائینگ کی صلاحیت میں اضافے اور نئی مشینوں کی تنصیب کے بعد معقول منافع حاصل کرے گی۔ تنصیبی مطالعے کے بعد مالیاتی ماٹل تیار کیا گیا اور بینکوں کو جمع کرایا گیا جو کہ منافع اور لیکویڈٹی کی پوزیشن کا اعادہ کرتا ہے اور اس کی تصدیق بھی کرتا ہے۔ کمپنی نے دسمبر میں تیار شدہ سامان کی اچھی سیل اور ترسیل دیکھی ہے۔ جو کہ اکاؤنٹس وصولی میں تیزی لائے اور مضبوط آمدن کا باعث بنے گی۔

اعتراف

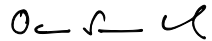
بورڈ ریگولٹری اتھارٹی اور مالیاتی اداروں کی طرف سے مہیا کی گی سپورٹ پر خراج تحسین پیش کرتا ہے۔

کمپنی تمام ملازمین اور انتظامیہ کا ان کی محنت پر شکریہ ادا کرنا چاہے گی۔

بورڈ کے لیے اور اس کی جانب سے



سہیل حسین حیسری
چیف ایگزیکٹو آفیسر



عثمان سیف اللہ خان
ڈائریکٹر

بتاریخ: 27 فروری 2025

مقام: اسلام آباد

INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Saif Textile Mills Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Saif Textile Mills Limited as at December 31, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2024.

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 statements 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Nafees ud din.

ShineWing Hameed Chaudhri & co.

SHINEWING HAMEED CHAUDHRI & CO.,

CHARTERED ACCOUNTANTS

Place: Lahore

Date: February 27, 2025

UDIN:RR202410195r5fuFpHDe

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

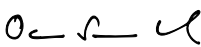
AS AT DECEMBER 31, 2024

		Un-audited December 31, 2024	Audited June 30, 2024
		--- Rupees in '000 ---	
Assets	Note		
Non-Current Assets			
Property, plant and equipment	6	7,780,086	7,923,952
Long term investments		14,886	14,886
Long term loans		4,477	2,688
Long term deposits		30,615	30,570
		7,830,064	7,972,096
Current assets			
Stores, spare parts and loose tools		296,925	299,718
Stock-in-trade	7	3,165,889	3,675,635
Trade debts		2,659,769	1,801,804
Loans and advances		76,428	18,549
Short term prepayments		3,723	1,907
Other receivables		51,909	51,258
Deposit for shares	8	0	0
Prepaid tax levies		0	4,951
Taxation		240,749	336,433
Tax refunds due from Government		5,034	111,261
Cash and bank balances		16,219	20,723
		6,516,645	6,322,239
		14,346,709	14,294,335
Equity and liabilities			
Share capital and reserves			
Authorised capital		300,000	300,000
Issued, subscribed and paid up capital		264,129	264,129
Reserves		265,867	265,867
Unappropriated profit		1,036,831	1,144,442
Surplus on revaluation of property, plant and equipment		2,424,774	2,474,112
Total shareholders' equity		3,991,601	4,148,550
Non-current liabilities			
Long term financing	9	1,099,508	1,294,619
Deferred income - government grant		6,204	8,603
Long term deposits		14,329	14,233
Staff retirement benefits - gratuity		221,615	226,139
Deferred taxation		730,235	759,930
		2,071,891	2,303,524
Current liabilities			
Trade and other payables		1,243,300	1,201,169
Contract liabilities		49,585	78,358
Unpaid dividend		0	473
Unclaimed dividend		9,052	8,586
Accrued mark-up and interest		547,784	430,154
Short term borrowings	10	5,969,919	5,567,518
Current portion of non-current liabilities	11	386,817	403,814
Provision for tax levies	12	76,760	152,189
		8,283,217	7,842,261
Contingencies and commitments	13	14,346,709	14,294,335

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



OSMAN SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

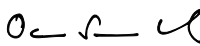
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Note	Quarter ended		Six months period ended	
		December 31, 2024	December 31, 2023 Restated	December 31, 2024	December 31, 2023 Restated
		--- Rupees in '000 ---			
Sales - net	14	3,096,734	2,988,982	6,136,408	6,374,738
Cost of sales		(2,838,424)	(2,574,271)	(5,330,818)	(5,527,158)
Gross profit		258,310	414,711	805,590	847,580
Distribution cost		(48,453)	(38,995)	(101,894)	(115,365)
Administrative expenses		(54,642)	(65,831)	(111,017)	(133,980)
Other income		8,328	9,743	24,153	19,667
Other expenses		0	(2,978)	0	(4,848)
Profit from operations		163,543	316,650	616,832	613,054
Finance cost		(325,112)	(423,306)	(726,357)	(845,137)
		(161,569)	(106,656)	(109,525)	(232,083)
Exchange fluctuation loss		(136)	(2,604)	(136)	(2,604)
Loss before taxation, minimum and final tax levies		(161,705)	(109,260)	(109,661)	(234,687)
Minimum and final tax levies 12		(38,924)	(37,492)	(76,983)	(79,541)
Loss before taxation		(200,629)	(146,752)	(186,644)	(314,228)
Deferred taxation		32,817	32,148	29,695	65,890
Loss after taxation		(167,812)	(114,604)	(156,949)	(248,338)
Other comprehensive income		0	0	0	0
Total comprehensive loss		(167,812)	(114,604)	(156,949)	(248,338)
----- Rupees -----					
Loss per share - basic and diluted		(6.35)	(4.34)	(5.94)	(9.40)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



OSMAN SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

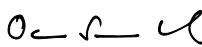
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six months period ended	
		December 31, 2024	December 31, 2023
		--- Rupees in '000 ---	
Loss before taxation, minimum and final tax levies		(109,661)	(234,687)
Adjustments for non-cash charges and other items:			
Depreciation and amortisation	6.1	179,253	191,702
Staff retirement benefits - gratuity (net)		(4,524)	(4,761)
(Gain) / loss on sale of operating fixed assets - net		(3,315)	2,988
Finance cost		726,357	845,137
Exchange fluctuation gain - net		136	2,604
Profit before working capital changes		788,246	802,983
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		2,793	61,060
Stock-in-trade		509,746	(205,949)
Trade debts		(858,101)	(12,257)
Loans and advances		(57,879)	40,706
Short term prepayments		(1,816)	4,069
Other receivables		(651)	25,703
(Decrease) / increase in current liabilities:			
Trade and other payables		42,131	289,264
Contract liabilities		(28,773)	(77,950)
		(392,550)	124,646
Cash generated from operating activities		395,696	927,629
Taxes and levies paid		54,450	(59,967)
Long term deposits from employees		96	(5,531)
Long term loans		(1,789)	776
Long term deposits		(45)	1,626
Net cash flows from operating activities		448,408	864,533
Cash flows from investing activities			
Additions to property, plant and equipment		(37,062)	(9,191)
Sale proceeds of operating fixed assets		4,991	17,561
Net cash (used in) / generated from investing activities		(32,071)	8,370
Cash flows from financing activities			
Long term financing			
- obtained		0	492,300
- repaid		(214,508)	(263,296)
Short term loan from an Associated Company		0	(170,000)
Lease liabilities		0	(4,111)
Short term borrowings - net		402,401	(14,308)
Dividend paid		(7)	(2)
Finance cost paid		(608,727)	(857,911)
Net cash used in financing activities		(420,841)	(817,328)
Net (decrease) / increase in cash and cash equivalents		(4,504)	55,575
Cash and cash equivalents - at beginning of the period		20,723	16,195
Cash and cash equivalents - at end of the period		16,219	71,770

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



OSMAN SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

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

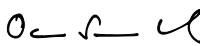
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	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 '000 ---						
Balance as at June 30, 2024 (audited)	264,129	115,981	150,000	1,144,442	(114)	2,474,112	4,148,550
Total comprehensive loss for the six months period ended December 31, 2024	0	0	0	(156,949)	0	0	(156,949)
Surplus on revaluation of property, plant and equipment for the six months realised during the period on account of incremental depreciation (net of deferred taxation)	0	0	0	49,338	0	(49,338)	0
Balance as at December 31, 2024 (un-audited)	<u>264,129</u>	<u>115,981</u>	<u>150,000</u>	<u>1,036,831</u>	<u>(114)</u>	<u>2,424,774</u>	<u>3,991,601</u>
Balance as at June 30, 2023 (audited)	264,129	115,981	150,000	1,036,355	(114)	2,578,834	4,145,185
Total comprehensive loss for the six months period ended December 31, 2023	0	0	0	(248,338)	0	0	(248,338)
Surplus on revaluation of property, plant and equipment for the six months realised during the period on account of incremental depreciation (net of deferred taxation)	0	0	0	51,764	0	(51,764)	0
Balance as at December 31, 2023 (un-audited)	<u>264,129</u>	<u>115,981</u>	<u>150,000</u>	<u>839,781</u>	<u>(114)</u>	<u>2,527,070</u>	<u>3,896,847</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



OSMAN SAIFULLAH KHAN
Director



SOHAIL HUSSAIN HYDARI
Chief Executive Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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.

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	
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 Statement of compliance

These condensed interim financial statements (the 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 International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act, differ with the requirements of IAS 34 or IFASs, the provisions of and directives issued under the Act have been followed.

2.2 These interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2024. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six months period ended December 31, 2024 have, however, been subjected to limited scope review by the external Auditors.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

2.4 Functional and presentation currency

These interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Material accounting policy information

The material accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2024, except as detailed in note 3.1:

3.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) has issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, contingent liabilities and contingent assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior periods' net sales, profit after taxes and levies, equity and cash flows. Impact as of July 01, 2022 is not material to these interim financial statements. In accordance with the requirements of IAS 1 (Presentation of financial statements), the balances as at June 30, 2023 have been restated and third statement of financial position as of July 01, 2022 has not been presented due to immaterial impact.

In the condensed statement of profit or loss for the six months period ended December 31, 2023, in terms of the requirements of IFRIC 21 / IAS 37, minimum and final tax levies aggregating Rs.79.541 million, which were previously presented as taxation have now been reclassified as "minimum and final tax levies".

4. Changes In accounting standards, interpretations and pronouncements

4.1 Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting periods which began on July 01, 2024. However, these do not have any significant impact on the Company's financial reporting.

4.2 Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2025. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these interim financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

5. Accounting estimates and judgements

The preparation of these 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.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2024.

		Un-audited December 31, 2024	Audited June 30, 2024
6. Property, plant and equipment	Note	--- Rupees in '000 ---	
Operating fixed assets	6.1	7,663,644	7,819,614
Capital work-in-progress		2,202	2,202
Stores held for capital expenditure		114,240	102,136
		<u>7,780,086</u>	<u>7,923,952</u>
6.1 Operating fixed assets - tangible			
Book value at beginning of the period / year		7,819,614	8,192,688
Additions during the period / year	6.1.1	24,958	22,504
Transfer from right of use to owned		0	9,600
Disposals at net book value [cost Rs.6.713 million (June 30, 2024: Rs.100.655 million)]		(1,675)	(30,883)
Depreciation charge for the period / year		(179,253)	(374,295)
Book value at end of the period / year		<u>7,663,644</u>	<u>7,819,614</u>
6.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on leasehold land		2,470	2,202
Plant & machinery		0	9,386
Generators		21,796	3,211
Furniture & fixtures		0	19
Office equipment		402	1,382
Telephone installations		290	162
Vehicles		0	6,142
		<u>24,958</u>	<u>22,504</u>
7. Stock-in-trade			
Raw materials		934,721	1,187,523
Work-in-process		249,895	340,073
Finished goods		1,981,273	2,148,039
		<u>3,165,889</u>	<u>3,675,635</u>

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

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 audited financial statements of the Company for the year ended June 30, 2024.

9. Long term financing - secured

	Un-audited December 31, 2024	Audited June 30, 2024
--- Rupees in '000 ---		
Balance at beginning of the period / year	1,692,700	1,180,485
Add:		
- disbursements made during the period / year	0	1,101,981
- unwinding impact of government grant	3,018	6,844
	3,018	1,108,825
Less: repayments made during the period / year	214,508	596,610
Balance at end of the period / year	1,481,210	1,692,700
Less: current portion grouped under current liabilities	381,702	398,081
	<u>1,099,508</u>	<u>1,294,619</u>

9.1 All the terms and conditions of long term financing are materially the same as disclosed in the audited financial statements of the Company for the year ended June 30, 2024. Effective mark-up rates charged, during the period, ranged from 3.00% to 23.72% (June 30, 2024: 3.00% to 25.44%) per annum.

10. Short term borrowings

		Un-audited December 31, 2024	Audited June 30, 2024
--- Rupees in '000 ---			
	Note		
Running and cash finances - secured	10.1	4,508,137	4,598,904
Loan from an Associated Company	10.2	1,461,782	968,614
		<u>5,969,919</u>	<u>5,567,518</u>

10.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.4.605 billion (June 30, 2024: Rs.5.183 billion) and are secured against pledge of stocks, charge on fixed and current assets of the Company and lien over underlying export documents. These finance facilities, during the period, carried mark-up at the rates ranging from 13.06% to 24.44% (June 30, 2024: 18.05% to 25.96%) per annum and are expiring on various dates by October, 2025. Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs.2.513 billion (June 30, 2024: Rs.3.598 billion) of which the amount remained unutilised at the reporting date was Rs.2.055 billion (June 30, 2024: Rs.2.935 billion). These facilities are secured against lien over import documents and charge on fixed assets of the Company and are expiring on various dates by June, 2026.

10.2 The Company, during the preceding financial year, has entered into a loan agreement with Saif Power Limited (an Associated Company) to obtain an unsecured running finance facility upto Rs.1.500 billion for debt servicing and meeting its working capital requirements. The loan carries mark-up at rate of 0.1% above the lender's average borrowing cost or KIBOR for the relevant period whichever is higher; the effective mark-up rates charged by the lender during the period ranged from 15.60% to 21.96% (June 30, 2024: 22.93%) per annum.

**SELECTED NOTES TO THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Un-audited December 31, 2024	Audited June 30, 2024
	--- Rupees in '000 ---	
11. Current portion of non-current liabilities		
Long term financing	310,275	398,081
Government grant	5,115	5,733
Loan from an Associated Company	71,427	0
	<u>386,817</u>	<u>403,814</u>
		2024
12. Provision for tax levies - net		"Rupees in '000"
Balance as at June 30, 2024		152,189
Add : provision made during the period		76,983
Less : adjustment made against completed assessment		(152,412)
Balance as at December 31, 2024		<u>76,760</u>

13. Contingencies and commitments

13.1 Contingencies

There has been no significant change during the period in the contingencies reported in the audited financial statements of the Company for the year ended June 30, 2024.

13.2 Commitments

13.2.1 Commitments against irrevocable letters of credit outstanding at the period-end were for Rs.146.325 million (June 30, 2024: Rs.48.870 million).

13.2.2 The Company has entered into Ijarah arrangements for twenty-nine (June 30, 2024: thirty) vehicles with Bank Alfalah Limited, Meezan Bank Limited and First Habib Modaraba. Aggregate commitments for rentals under Ijarah arrangements at the reporting dates were as follows:

	Un-audited December 31, 2024	Audited June 30, 2024
	--- Rupees in '000 ---	
Not later than one year	29,932	28,625
Later than one year but not later than five years	24,425	37,796
	<u>54,357</u>	<u>66,421</u>

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

14. SALES - Net

14.1 Details of the Company's revenues from contracts with customers are as follows:

	Quarter ended		Six months period ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	--- Rupees in '000 ---			
Own manufactured goods (local)				
Local				
- yarn	3,017,456	2,832,072	5,846,544	5,637,076
- surgical cotton	37,065	31,830	48,176	68,922
- waste	17,163	13,961	75,440	41,650
	3,071,684	2,877,863	5,970,160	5,747,648
Export				
- yarn	0	16,874	16,681	69,976
- surgical cotton	11,088	81,411	47,728	186,417
	11,088	98,285	64,409	256,393
Trading activities:				
Raw materials	13,962	12,834	101,839	370,697
	3,096,734	2,988,982	6,136,408	6,374,738

14.2 All the contacts with the customers were under one performance obligation and the revenue was recognised at the point in time when the goods were transferred to the customers.

	Un-audited December 31, 2024	Audited June 30, 2024
	--- Rupees in '000 ---	

15. Transactions with related parties

15.1 Period / year end balances were as follows:

Long term loan	999,981	999,981
Short term borrowings	1,461,782	968,614
Other receivables	2,895	2,068
Accrued expenses	476,066	422,816
Trade and other payables	3,155	16,383

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

15.2 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited Six months period ended	
		December 31,	
		2024	2023
		--- Rupees in '000 ---	
Associated Companies & Undertakings			
	Purchase of goods and services	81,450	0
	Sale of goods and services	34,998	0
	Loan obtained	493,168	492,300
	Loan repaid	0	170,000
	Mark-up accrued on loan	221,830	98,510
	Mark-up paid on loan	0	130,000
	Donations made	0	1,860
Related party	Gas purchased	1,017,437	434,190
Key management personnel	Remuneration and other benefits	4,952	5,535

16. Financial risk management

16.1 Financial risk factors

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.

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

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2024.

16.2 Fair value estimation


During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

17. Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of audited financial statements of the Company for the year ended June 30, 2024, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

18. Date of authorisation for issue

These interim financial statements were authorised for issue on February 27, 2025 by the Board of Directors of the Company.


MUHAMMAD WASEEM ASLAM
Chief Financial Officer


OSMAN SAIFULLAH KHAN
Director


SOHAIL HUSSAIN HYDARI
Chief Executive Officer



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