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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 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 : +92-51-2342176
 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: +92-42-7235081-7235082
 Fax : +92-42-7358817
 Email : info@hmaconsultants.com

MILLS

Industrial Estate, Gadoon Amazai,
 District Swabi
 Telephone: +92-0938-270313, 270429
 Fax : +92-0938-270514
 Email : stmugd@saifgroup.com

CYBER

www.saiftextile.com

Draft Directors' Review Report

Saif Textile Mills Limited

The un-audited financial statements of the company for the First Quarter ended on September 30, 2015 are being presented to you with the following observations.

FINANCIAL HIGHLIGHTS

During the first quarter, your company has managed to earn a gross profit of Rs. 151.795 million on sales of Rs. 1.641 billion (Gross profit margin: 9.25%) as compared to gross profit of Rs. 243.491 million on sales of Rs. 1.962 billion (Gross profit margin: 15.9%) for the corresponding period last year. The decrease in gross profit is mainly due to depressed local market conditions, stock losses and increase in operational costs.

Your Company closed the period with a loss of Rs. 25.697 million as compared to Pre tax profit of Rs 33.221 million for the corresponding period of last year;.

GENERAL MARKET CONDITIONS AND FUTURE OUTLOOK

The market conditions have been stagnant during the first quarter of current financial year as reflected in the results of your company. However the prices of new Pakistani cotton crop are volatile and buyers are waiting on the sidelines. This price volatility and the rise in cotton price are not reflected in yarn prices, and operational cost pressures continue unabated. In these challenging times, the management will double its efforts to restore the Company to profitability.

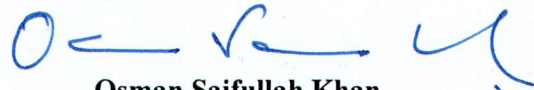
The management will continue to strive to ensure growth and better results. Our most recent capital expenditure will be completed in the coming quarters and will start generating ROI.

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of our bankers and our valued customers. 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.

for and on behalf of the Board



Osman Saifullah Khan

Chief Executive

Place : Islamabad

Dated : 30 October, 2015

**CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER, 2015**

Note	Un-audited September 30, 2015	Audited June 30, 2015
Rupees in thousand		
SHARE CAPITAL AND RESERVES		
Authorised capital		
30,000,000 ordinary shares of Rs. 10 each	<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid-up capital	264,129	264,129
Reserves	265,981	265,981
Unappropriated profit	<u>1,004,199</u>	<u>1,028,010</u>
	<u>1,534,309</u>	<u>1,558,120</u>
 Surplus on revaluation of property, plant and equipment	 123,271	 125,158
NON-CURRENT LIABILITIES		
Sub-ordinated loan	522,000	508,500
Long term financing	1,055,868	936,401
Long term deposits	4,396	3,882
Deferred liability- staff retirement benefits	166,171	159,611
	<u>1,748,435</u>	<u>1,608,394</u>
CURRENT LIABILITIES		
Trade and other payables	730,215	740,185
Accrued mark-up and financial charges	169,928	129,980
Short term borrowing	2,642,504	2,340,107
Current portion of :- - long term financing	<u>298,204</u>	<u>340,265</u>
	<u>3,840,851</u>	<u>3,550,537</u>
CONTINGENCIES AND COMMITMENTS		
	<u>7,246,866</u>	<u>6,842,209</u>
NON-CURRENT ASSETS		
Property, plant and equipment	3,543,580	3,521,737
Intangible assets	293	337
Long term loans	17,400	19,392
Long term deposits and prepayments	10,756	9,979
Deferred taxation	164,972	164,972
CURRENT ASSETS		
Stores, spare parts and loose tools	152,654	162,285
Stock-in-trade	1,767,468	1,581,043
Trade debts	1,043,099	870,427
Loans and advances	93,575	94,536
Trade deposits and short term prepayments	10,009	8,150
Other receivables	18,065	30,705
Investments	5,475	5,667
Deposit for shares	-	-
Taxation	273,835	250,911
Taxes refundable	133,838	86,254
Cash and bank balances	<u>11,847</u>	<u>35,814</u>
	<u>3,509,865</u>	<u>3,125,792</u>
	<u>7,246,866</u>	<u>6,842,209</u>



Chief Executive



Director

**PROFIT AND LOSS ACCOUNT (UN - AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER, 2015**

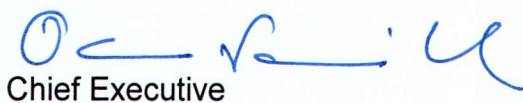
**Jul- Sep
2015**

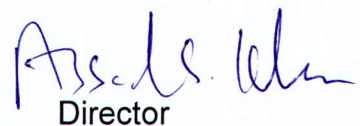
**Jul- Sep
2014**

Rupees in thousand

Sales	1,641,182	1,962,827
Cost of Sales	1,489,387	1,728,336
Gross profit	151,795	234,491
Administrative expenses	52,941	50,679
Distribution cost	36,922	38,744
Other operating expenses	193	2,701
	90,056	92,124
	61,739	142,367
Other operating income	80	266
	61,819	142,633
Finance cost	74,042	91,238
	(12,223)	51,395
Exchange fluctuation loss - net	13,474	18,174
(Loss) / profit before taxation	(25,697)	33,221
Taxation		
- current	16,412	19,628
- BMR Credit	(16,412)	(19,628)
- deferred	-	13,835
	-	13,835
(Loss) / profit after taxation	(25,697)	19,386
(Loss) / earning per share	(0.97)	0.73

Rs.


Chief Executive



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN - AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER, 2015

	Note	2015	2014
		Rupees in thousand	
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	A	(369,165)	285,528
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances - net		77,406	(7,500)
Short term borrowing - Net		302,397	(197,344)
Dividend paid		0	(115)
Financial charges paid		39,948	(84,855)
CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		419,751	(289,814)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment		(74,553)	(11,106)
Sale proceeds of fixed assets		0	250
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(74,553)	(10,856)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(23,967)	(15,142)
CASH AND CASH EQUIVALENTS:			
- At the beginning of the period		35,814	24,854
- At the end of the period		<u>11,847</u>	<u>9,712</u>

The annexed notes 1 to 10 form an integral part of these financial statements.


Chief Executive


Director

Note 'A'

2015

2014

Rupees in thousand

CASH FLOW FROM OPERATING ACTIVITIES

(Loss) / profit for the period - before taxation	(25,697)	35,683
Add adjustments for:		
Depreciation & amortization	52,754	56,006
Deferred liability -staff retirement benefits - net	6,560	9,154
Gain on disposal of fixed assets - net	0	(45)
Loss on revaluation of long term loan	13,500	19,750
(Gain) / loss on investments - net	191	239
Financial charges (excluding bank charges)	0	88,598
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	47,308	209,385
(increase) / decrease in current assets:		
Store, spare parts and loose tools	9,631	18,109
Stock-in-trade	(186,425)	11,977
Trade debtors	(172,672)	171,107
Loans and advances	961	(27,189)
Trade deposits and short term prepayments	(1,859)	(3,883)
Taxes refundable	(47,584)	(975)
Other receivables	12,640	1,076
Decrease in trade and other payables (excluding unclaimed dividend)	(9,970)	(81,246)
	(395,278)	88,976
CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES		
- Before taxation	(347,970)	298,361
Taxes paid	(22,924)	(14,366)
CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES		
- After taxation	(370,894)	283,995
Long term loans - net	1,992	1,315
Long term deposits	514	448
Long term deposits and advance rentals	(777)	(230)
	1,729	1,533
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	(369,165)	285,528

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN - AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER, 2015**

Share Capital	Reserves			Unappro- priated profit	Total
	Capital	Revenue	Sub - total		

----- Rupees in thousand -----

Balance as at 30 June, 2015	264,129	115,981	150,000	265,981	1,028,010	1,558,120
Total comprehensive income for the quarter ended 01 July, 2015 to 30 September, 2015	0	0	0	0	(25,697)	(25,697)
Surplus on revaluation of property, plant & equipment realised during the period of nine months - net of deferred taxation: - on account of incremental depreciation for the year	0	0	0	0	1,886	1,886
Balance as at 30 September, 2015	264,129	115,981	150,000	265,981	1,004,199	1,534,309

Chief Executive

Director

**SELECTED NOTES TO THE CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER, 2015**

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.

3. LONG TERM FINANCES - Secured

Balance at the beginning of the period / year

Add: obtained during the period / year

Less: repaid during the period / year

Add: adjustment of exchange fluctuation loss

Less: Current portion grouped under current liabilities

(Un-audited) 30 September, 2015	(Audited) 30 June, 2015
(Rupees in thousand)	
1,276,666	1,164,828
96,761	326,306
1,373,427	1,491,134
19,355	214,468
1,354,072	1,276,666
-	-
1,354,072	1,276,666
298,204	340,265
1,055,868	936,401

4. CONTINGENCIES AND COMMITMENTS

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

(Un-audited)
30 September,
2015(Audited)
30 June,
2015

(Rupees in thousand)

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	3,470,063	3,189,963
Capital work-in-progress		52,692	40,044
Store held for capital expenditure		20,825	291,730
		<u>3,543,580</u>	<u>3,521,737</u>
5.1 Operating Fixed Assets			
Opening written down value		3,189,963	3,057,466
Add: Additions made during the period / year		338,374	354,145
		<u>3,528,337</u>	<u>3,411,611</u>
Less: Written down value of disposals made during the period / year		(145)	(9,992)
		<u>3,528,482</u>	<u>3,421,603</u>
Less: Depreciation charged during the period / year		58,419	231,640
		<u>3,470,063</u>	<u>3,189,963</u>

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- Sep 2015	Jul- Sep 2014
- purchase of goods and services	6,388	148,733


(Rupees in thousand)

7. DATE OF AUTHORISATION FOR ISSUE

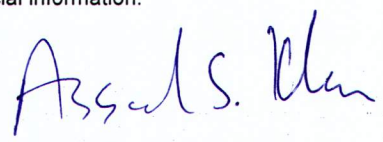
These financial statements were authorised for issue on 28 October, 2014 by the board of directors of the Company.

8. FIGURES

- 8.2 Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- 8.3 Corresponding figures, have been rearranged and reclassified, wherever necessary, for the purpose of comparison; no significant rearrangeents reclassifications have been made in this condensed interim financial information.



Chief Executive



Director