

Annual Report 2012

SAPPHIRE HOLDING LIMITED

Annual Report 2012 SAPPHIRE HOLDING LIMITED

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT Annual General Meeting of Sapphire Holding Limited will be held on Tuesday the 30th day of October, 2012 at 07:00 p.m. at Trading Hall, Cotton Exchange Building, I.I.Chundrigar Road, Karachi to transact the following business:

1. To confirm the minutes of the last General Meeting.
2. To receive, consider and adopt the Audited Accounts together with Directors' and Auditors' Reports for the year ended June 30, 2012.
3. To appoint auditors for the year ending 30th June, 2013 and fix their remuneration. The present auditors, M/s Mushtaq & Company, Chartered Accountants retire and being eligible offer themselves for reappointment.
4. To transact any other business with the permission of the Chair.

By order of the Board

Karachi.
Dated : 05th October, 2012

(Mohammad Tariq Qureshi)
Secretary

NOTE

1. The share transfer books of the Company shall remain closed from 23rd October, 2012 to 30th October, 2012 (both days inclusive).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies in order, to be valid must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. Shareholders are requested to notify the Company of any change in their addresses.

DIRECTORS' REPORT

The Board of Directors of Sapphire Holding Limited have pleasure in presenting their Report together with Audited financial statements of the Company for the year ended June 30, 2012.

OPERATIONS

The Company earned dividend income of Rs.29,202,090 and interest on treasury bills of Rs.1,085,097 during the year. After meeting operational expenses and provision for taxation net profit after tax comes to Rs.27,015,223 for the year.

EARNING PER SHARE

The earning per share for the year ended June 30, 2012 were Rs.1.344 per share as compared to (Rs.0.107) in the comparable period of last year.

FUTURE PROSPECTS

Profitability of company depends during next year on the return on investments.

SUBSIDIARY OF SAPPHIRE HOLDING LIMITED

The Company acquired 100% shareholding of STM Corporation (Private) Limited during the year making it as a 100% subsidiary of the Company. STM Corporation (Private) Limited has not carried out any operational activity during the year.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the company as at 30th June, 2012 is annexed. The statement is prepared in accordance with the Companies Ordinance, 1984.

AUDITORS

The present Auditors, M/s.Mushtaq & Company (Chartered Accountants) retire and being eligible offer themselves for re-appointment for the year 2012-2013. Board of Director has also recommended their appointment as Auditor for the year ending June 30, 2013.

On behalf of the Board
NADEEM ABDULLAH
CHIEF EXECUTIVE

Karachi
Dated : 05th October, 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Sapphire Holding Limited as at June 30, 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion;
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2012 and of the profit, comprehensive income, changes in equity and its cash flows for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi :
Date : 05 October, 2012

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner
Shahabuddin A. Siddiqui
F.C.A

BALANCE SHEET AS AT JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
ASSETS			
NON CURRENT ASSETS			
Long term investments	4	364,186,923	364,086,923
CURRENT ASSETS			
Other financial assets	5	19,844,685	-
Other receivables	6	1,085,097	-
Tax refund due from Government	7	-	-
Cash and bank balances	8	3,996,576	17,340
		24,926,358	17,340
TOTAL ASSETS		389,113,281	364,104,263
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 20,100,000 (2011: 20,100,000) ordinary shares of Rs. 10 each		201,000,000	201,000,000
Issued, subscribed and paid up capital	9	200,931,400	200,931,400
Reserves	10	188,056,086	161,040,863
		388,987,486	361,972,263
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	125,795	75,000
Advances from Directors	12	-	2,057,000
		125,795	2,132,000
CONTINGENCIES AND COMMITMENTS	13		
		389,113,281	364,104,263

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

Chief Executive

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2012
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	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
INCOME:			
Dividend income		29,202,090	-
Interest income on Treasury Bills		1,085,097	-
		30,287,187	-
EXPENDITURE:			
Operating expenses	14	(351,754)	(2,154,580)
Profit/(loss) before taxation		29,935,433	(2,154,580)
Taxation	15	(2,920,210)	-
Profit/(loss) after taxation		27,015,223	(2,154,580)
Earnings/(loss) per share - basic and diluted	16	1.344	(0.107)

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

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2012
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	June 30, 2012 Rupees	June 30, 2011 Rupees
Note		
Profit/(loss) after taxation	27,015,223	(2,154,580)
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	27,015,223	(2,154,580)

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

Chief Executive

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2012
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	June 30, 2012 Rupees	June 30, 2011 Rupees
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	29,935,433	(2,154,580)
Effect on cash flows due to working capital changes		
Increase / decrease in current assets		
Other receivables	(1,085,097)	-
Increase / decrease in current liabilities		
Trade and other payables	50,795	15,200
Cash generated from/(used in) operations	28,901,131	(2,139,380)
Taxes paid	(2,920,210)	-
Net cash generated from/(used in) operating activities	25,980,921	(2,139,380)
CASH FLOW INVESTING ACTIVITIES		
Long term investments in subsidiary company	(100,000)	-
Other financial assets	(19,844,685)	-
Net cash (used in) investing activities	(19,944,685)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Advances from Directors (Repaid)/Received	(2,057,000)	2,057,000
Net cash (used in) financing activities	(2,057,000)	2,057,000
Net increase / (decrease) in cash and cash equivalents	3,979,236	(82,380)
Cash and cash equivalents at the beginning of the year	17,340	99,720
Cash and cash equivalents at the end of the year	8 3,996,576	17,340

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

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012

Particulars	Share capital	RESERVES			Total equity
		Reserve arising at de-merger	Unappropriated profit/(loss)	Sub total	
Rupees					
Balance as at July 01, 2010	100,000	-	-	-	100,000
(Loss) for the period ended June 30, 2010	-	-	(60,080)	(60,080)	(60,080)
Balance as at June 30, 2010	100,000	-	(60,080)	(60,080)	39,920
Balance as at July 01, 2011	100,000	-	(60,080)	(60,080)	39,920
Issue of shares pursuant to the scheme of arrangement for de-merger - note 3	200,831,400	-	-	-	200,831,400
Reserve arising on de-merger - note 3	-	163,255,523	-	163,255,523	163,255,523
(Loss) for the year ended June 30, 2011	-	-	(2,154,580)	(2,154,580)	(2,154,580)
Balance as at June 30, 2011	200,931,400	163,255,523	(2,214,660)	161,040,863	361,972,263
Balance as at July 01, 2011	200,931,400	163,255,523	(2,214,660)	161,040,863	361,972,263
Profit for the period ended June 30, 2012	-	-	27,015,223	27,015,223	27,015,223
Balance as at June 30, 2012	200,931,400	163,255,523	24,800,563	188,056,086	388,987,486

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1 LEGAL STATUS AND NATURE OF OPERATIONS

The company is a limited liability company incorporated in Pakistan on April 21, 2010 and registered under the Companies Ordinance, 1984. The address of its registered office is 212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Company is to invest in the shares of associated companies and other business as per the Memorandum of Association of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.1.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash with banks on current accounts.

2.4 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investment in subsidiary and associated companies

Investments in subsidiaries and associates are recognized at cost less impairment loss, if any. At each balance sheet date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit and loss account.

Investment - available for sale

Investments that are intended to be held for an indefinite period of time or may be sold in response to the need for liquidity are classified as available for sale.

Investments classified as available for sale are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are premeasured at fair value (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Unrealized gains and losses arising from the changes in the fair value are included in fair value reserves in the period in which they arise.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012
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At each balance sheet date, the company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense. In respect of available for sale investments, cumulative impairment loss less any impairment loss previously recognized in profit and loss account, is removed from equity and recognized in the profit and loss accounts. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss accounts.

All purchases and sales are recognized on the trade date which is the date that the company commits to purchase or sell the investment, except for sale and purchase of securities in future market which are accounted for at settlement date. Cost of purchase includes transaction cost.

2.5 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for services.

2.6 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3 De-merger of Sapphire Textile Mills Limited

During the year ended June 30, 2011, pursuant to approval by the High Court of Sindh to a scheme of arrangements of de-merger between Sapphire Textile Mills Limited (STML) and its shareholders and the Company and its shareholders, investments in associated group companies by STML were de-merged into the Company against issue of 20,083,140 shares @ Rs. 10 each of the Company to the shareholders of STML.

Shares issued under scheme has been recorded against issue of share capital (note 9) and the difference between the value of investments transferred and par value of shares issued has been taken to de-merger reserve account (note 10).

The details of associated companies shares transferred to the Company from STML, in pursuant of above mentioned scheme is as follows:

Company Name	No. of shares of Rs 10 each of De-merger
Sapphire Fibres Limited	2,942,243
SFL Limited	2,942,243
Diamond Fabrics Limited	5,699,000
Diamond Limited	5,699,000
Sapphire Finishing Mills Limited	29,468,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
4 LONG TERM INVESTMENTS			
Subsidiary company: at cost			
Unquoted companies	4.1	100,000	-
Associated companies: at cost			
In quoted company	4.2	19,928,236	19,928,236
Unquoted companies	4.3	344,158,687	344,158,687
		<u>364,086,923</u>	<u>364,086,923</u>
		<u>364,186,923</u>	<u>364,086,923</u>
4.1 Unquoted companies			
STM Corporation (Private) Limited			
1,000 (2011: Nil) fully paid ordinary shares of Rs. 100 each		100,000	-
[Break-up value per share Rs. 46.7 (2012) latest available Audited Accounts]			
		<u>100,000</u>	<u>-</u>
4.2 In quoted company			
Sapphire Fibres Limited			
2,942,243 (2011: 2,942,243) fully paid ordinary shares of Rs. 10 each		19,928,236	19,928,236
[Market value per share Rs. 123.48 (2011: Rs. 118)]			
		<u>19,928,236</u>	<u>19,928,236</u>
4.3 In unquoted associated companies			
SFL Limited			
3,001,087 (2011: 2,942,243) fully paid ordinary shares of Rs. 10 each		1,158,687	1,158,687
[Break-up value per share Rs. 18.51 (2011) latest available Audited Accounts]			
Sapphire Finishing Mills Limited			
29,468,500 (2011: 29,468,500) fully paid ordinary shares of Rs. 10 each		294,685,000	294,685,000
[Break-up value per share Rs. 15.10 (2011) latest available Audited Accounts]			
Diamond Fabrics Limited			
5,699,000 (2011: 5,699,000) fully paid ordinary shares of Rs. 10 each		43,554,949	43,554,949
[Break-up value per share Rs. 138.76 (2011) latest available Audited Accounts]			
Diamond Limited			
5,699,000 (2011: 5,699,000) fully paid ordinary shares of Rs. 10 each		4,760,051	4,760,051
[Break-up value per share Rs. 13.63 (2011) latest available Audited Accounts]			
		<u>344,158,687</u>	<u>344,158,687</u>
5 OTHER FINANCIAL ASSETS			
Held-to-maturity			
Treasury Bill		19,844,685	-
		<u>19,844,685</u>	<u>-</u>
5.1	This is held by company's banker for safe custody. The yield on this bill is 11.74% per annum (June 30, 2011: Nil) and this bill will mature in July 2012.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
6 OTHER RECEIVABLES			
Interest accrued on Treasury Bill		1,085,097	-
		<u>1,085,097</u>	<u>-</u>
7 TAX REFUND DUE FROM GOVERNMENT			
Income tax:			
Opening as at July 01,		-	-
Add: Deduction during the year			
- on cash dividend income		2,920,210	-
		<u>2,920,210</u>	<u>-</u>
Less: Tax deduction charged to profit and loss account		(2,920,210)	-
Closing as at June 30,		<u>-</u>	<u>-</u>
8 CASH AND BANK BALANCES			
Cash with bank on current account		1,699,950	16,909
Cash in hand		2,296,626	431
		<u>3,996,576</u>	<u>17,340</u>
		June 30, 2012	June 30, 2011
		Number of shares	Rupees
9 SHARE CAPITAL			
Authorised share capital			
<u>20,100,000</u>	<u>20,100,000</u>	<u>201,000,000</u>	<u>201,000,000</u>
Issued, subscribed and paid up capital			
10,000	10,000	100,000	100,000
20,083,140	20,083,140	200,831,400	200,831,400
<u>20,093,140</u>	<u>20,093,140</u>	<u>200,931,400</u>	<u>200,931,400</u>
		June 30, 2012	June 30, 2011
		Rupees	Rupees
10 RESERVES			
Reserves arising at de-merger - note 3		163,255,523	163,255,523
Unappropriated profit/(loss)		24,800,563	(2,214,660)
		<u>188,056,086</u>	<u>161,040,863</u>
11 TRADE AND OTHER PAYABLES			
Accrued liabilities		75,795	25,000
Audit fees		50,000	50,000
		<u>125,795</u>	<u>75,000</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
12 ADVANCES FROM DIRECTORS			
Mr. Muhammad Abdullah		-	1,157,000
Mr. Shahid Abdullah		-	200,000
Mr. Muhammad Younus		-	300,000
Mrs. Noshaba Nadeem		-	400,000
		-	2,057,000
		-	2,057,000
13 CONTINGENCIES AND COMMITMENTS			
13.1 Contingencies			
There were no contingencies as on balance sheet date.			
13.2 Commitments			
There were no capital commitments as on balance sheet date.			
14 OPERATING EXPENSES			
Legal and professional charges		88,350	25,000
Bank charges		705	1,024
Fees and subscription		13,100	891,477
Auditors remuneration		50,000	50,000
Printing and stationery		19,750	21,700
Postage charges		19,967	3,642
Advertisement expenses		73,700	-
Shares registrar fee		70,000	-
Handling charges		7,000	-
Others		9,182	1,161,737
		351,754	2,154,580
		351,754	2,154,580
15 TAXATION			
Income tax on cash dividend		2,920,210	-
		2,920,210	-
		2,920,210	-
16 EARNINGS/(LOSS) PER SHARE - Basic and diluted			
Profit/(loss) after taxation	Rupees	27,015,223	(2,154,580)
Number of ordinary shares	Numbers	20,093,140	20,093,140
Earnings/(loss) per share - basic	Rupees	1.344	(0.107)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

17 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities by category and their respective maturities

	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
	←			Rupees	→		
FINANCIAL ASSETS							
Other financial assets	19,844,685	-	19,844,685	-	-	-	19,844,685
Other receivables	-	-	-	1,085,097	-	1,085,097	1,085,097
Cash and bank balances	-	-	-	3,996,576	-	3,996,576	3,996,576
June 30, 2012	19,844,685	-	19,844,685	5,081,673	-	5,081,673	24,926,358
June 30, 2011	-	-	-	17,340	-	17,340	17,340
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	125,795	-	125,795	125,795
June 30, 2012	-	-	-	125,795	-	125,795	125,795
June 30, 2011	-	-	-	2,132,000	-	2,132,000	2,132,000

The carrying values of above financial assets and liabilities reflected in the financial statements approximate their fair values.

18 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies (due to common directorship), directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Significant balances and transactions with related parties are as follows:

Relationship	Nature of transactions		
Associated companies	Dividend received	29,202,090	-
Key management personnel	Advance repaid/received	2,057,000	2,057,000

19 GENERAL

Figures in these financial statements have been rounded off to the nearest rupees.

20 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue by the Board of Directors of the Company on 05 October, 2012.

Chief Executive

Director

PATTERN OF SHAREHOLDING
FOR THE YEAR ENDED JUNE 30, 2012

NUMBER OF SHAREHOLDERS	FROM	TO	TOTAL SHARES HELD
492	1	100	5,836
46	101	500	12,481
34	501	1,000	23,850
42	1,001	5,000	86,765
15	5,001	10,000	114,491
4	10,001	15,000	49,470
2	15,001	20,000	31,251
2	20,001	25,000	42,485
1	25,001	30,000	25,451
2	35,001	40,000	75,283
1	45,001	50,000	46,617
1	60,001	65,000	62,167
1	65,001	70,000	65,920
1	70,001	75,000	72,542
4	100,000	105,000	404,158
1	115,001	120,000	118,109
1	130,001	135,000	133,785
1	170,001	175,000	170,374
1	175,001	180,000	178,900
1	210,001	215,000	211,100
1	265,001	270,000	268,050
1	270,001	275,000	272,594
1	315,001	320,000	319,746
1	350,001	355,000	351,486
2	375,001	380,000	756,039
1	495,001	500,000	496,183
1	560,001	565,000	564,522
1	595,001	600,000	600,000
1	635,001	640,000	635,506
1	735,001	740,000	735,215
1	740,001	745,000	743,123
1	805,001	810,000	809,392
1	810,001	815,000	811,548
1	820,001	825,000	821,364
1	920,001	925,000	924,088
1	1,870,001	1,875,000	1,873,289
1	2,075,001	2,080,000	2,077,128
1	2,105,001	2,110,000	2,106,659
1	2,995,001	3,000,000	2,996,173
673			20,093,140

* Note: There is no shareholding in the slab not mentioned

PATTERN OF SHAREHOLDING FOR THE YEAR ENDED JUNE 30, 2012
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CATEGORIES OF SHAREHOLDERS
AS AT 30TH JUNE , 2012

Particulars	No. of Shares Held	Percentage
Directors, their spouse and minor children	14,772,354	73.52
Associated Companies, Undertakings and Related Parties	2,039,849	10.15
NIT & ICP	929,970	4.63
Banks, Development Finance Institutions, Non- Banking Finance Institutions	124,974	0.62
Others Companies	114,075	0.57
Modarabas & Mutual Funds	8,890	0.04
General Public (Local)	2,103,028	10.47
	20,093,140	100.00

**Annual Report
2012
SAPPHIRE HOLDING LIMITED
CONSOLIDATED**

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DIRECTORS' REPORT

The Directors of the Holding Company of STM Corporation (Private) Limited are pleased to place before you the Directors' report together with the Audited Consolidated Financial Accounts and the Auditors' Report thereon for the year ended 30th June, 2012. The accounts of STM Corporation (Private) Limited are for a period from October 7, 2011, the date of incorporation to June 30, 2012.

STM Corporation (Private) Limited was incorporated for purpose given in the object clause of the Memorandum of Association which includes purchase and holding shares in other company having objects altogether or in part similar to those of this company. The company has not carried out any operational activity since its incorporation.

On behalf of the Board

NADEEM ABDULLAH
CHIEF EXECUTIVE

Karachi
05 October, 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Sapphire Holding Limited as at June 30, 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion;
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2012 and of the profit, comprehensive income, changes in equity and its cash flows for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi :
Date : 05 October, 2012

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner
Shahabuddin A. Siddiqui
F.C.A

BALANCE SHEET AS AT JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
ASSETS			
NON CURRENT ASSETS			
Long term investments	4	3,667,001,517	364,086,923
CURRENT ASSETS			
Other financial assets	5	19,844,685	-
Other receivables	6	1,085,097	-
Tax refund due from Government	7	-	-
Cash and bank balances	8	4,093,276	17,340
		25,023,058	17,340
		3,692,024,575	364,104,263
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE S			
Authorized capital			
20,100,000 (2011: 20,100,000) ordinary shares of Rs. 10 each		201,000,000	201,000,000
Issued, subscribed and paid up capital	9	200,931,400	200,931,400
Reserves	10	3,343,537,816	161,040,863
		3,544,469,216	361,972,263
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred taxation	11	147,389,564	-
CURRENT LIABILITIES			
Trade and other payables	12	165,795	75,000
Advances from Directors	13	-	2,057,000
		165,795	2,132,000
CONTINGENCIES AND COMMITMENTS			
	14		
		3,692,024,575	364,104,263

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

Chief Executive

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2012
--

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
INCOME:			
Interest income on Treasury Bills		1,085,097	-
		1,085,097	-
EXPENDITURE:			
Operating expenses	15	(395,054)	(2,154,580)
		690,043	(2,154,580)
Share of profit of associates companies		557,017,881	-
Profit/(loss) before taxation		557,707,924	(2,154,580)
Taxation	16	(150,309,774)	-
Profit/(loss) for the year		407,398,150	(2,154,580)
Earnings/(loss) per share - basic and diluted	17	20.275	(0.107)

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

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2012
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	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
Profit/(loss) for the year		407,398,150	(2,154,580)
Other comprehensive income for the year:			
Unrealized (loss) on re-measurement of available for sale investments - associates companies		(32,392,121)	-
Unrealized gain on hedging instrument		1,156,871	-
Total comprehensive income/(loss) for the year		376,162,900	(2,154,580)

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

Chief Executive

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		690,043	(2,154,580)
Effect on cash flows due to working capital changes			
Increase / decrease in current assets			
Other receivables		(1,085,097)	-
Increase / decrease in current liabilities			
Trade and other payables		90,795	15,200
Cash generated from/(used in) operations		(304,259)	(2,139,380)
Taxes paid		(2,920,210)	-
Net cash generated from/(used in) operating activities		(3,224,469)	(2,139,380)
CASH FLOW INVESTING ACTIVITIES			
Dividend received		29,202,090	-
Other financial assets		(19,844,685)	-
Net cash (used in) investing activities		9,357,405	-
CASH FLOW FROM FINANCING ACTIVITIES			
Advances from Directors (Repaid)/Received		(2,057,000)	2,057,000
Net cash (used in) financing activities		(2,057,000)	2,057,000
Net increase / (decrease) in cash and cash equivalents		4,075,936	(82,380)
Cash and cash equivalents at the beginning of the year		17,340	99,720
Cash and cash equivalents at the end of the year	8	4,093,276	17,340

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

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012

Particulars	Share capital	RESERVES			OTHER COMPONENTS OF EQUITY			Total equity
		Reserve arising at de-merger	Unappropriated profit/(loss)	Sub total	Unrealized gain on available for sale investments	Unrealized gain on hedging instrument	Sub total	
Rupees								
Balance as at April 21, 2010	100,000	-	-	-	-	-	-	100,000
Total comprehensive (loss) for the period - 2010	-	-	(60,080)	(60,080)	-	-	-	(60,080)
Balance as at June 30, 2010	100,000	-	(60,080)	(60,080)	-	-	-	39,920
Balance as at July 01, 2010	100,000	-	(60,080)	(60,080)	-	-	-	39,920
Issue of shares pursuant to the scheme of arrangement for de-merger - note 3	200,831,400	-	-	-	-	-	-	200,831,400
Reserve arising on de-merger - note 3	-	163,255,523	-	163,255,523	-	-	-	163,255,523
Total comprehensive (loss) for the year - 2011	-	-	(2,154,580)	(2,154,580)	-	-	-	(2,154,580)
Balance as at June 30, 2011	200,931,400	163,255,523	(2,214,660)	161,040,863	-	-	-	361,972,263
Balance as at July 01, 2011	200,931,400	163,255,523	(2,214,660)	161,040,863	-	-	-	361,972,263
Items directly taken to the equity	-	-	-	-	2,806,334,053	-	2,806,334,053	2,806,334,053
Total comprehensive income for the year - 2012	-	-	407,398,150	407,398,150	(32,392,121)	1,156,871	(31,235,250)	376,162,900
Balance as at June 30, 2012	200,931,400	163,255,523	405,183,490	568,439,013	2,773,941,932	1,156,871	2,775,098,803	3,544,469,216

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**1 LEGAL STATUS AND NATURE OF OPERATIONS****1.1 THE GROUP AND ITS OPERATIONS**

The Group comprises of:

Sapphire Holding Limited - (the holding company)

The company is a limited liability company incorporated in Pakistan on April 21, 2010 and registered under the Companies Ordinance, 1984. The address of its registered office is 212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Company is to invest in the shares of associated companies and other business as per the Memorandum of Association of the Company.

STM Corporation (Private) Limited - (the subsidiary company)

The Company was incorporated as a private limited company in Pakistan on October 7th 2011 under the Companies Ordinance, 1984. The Company is a wholly owned subsidiary of Sapphire Holding Limited. The address of its registered office is 307, Cotton Exchange Building, I.I.Cundrigar Road, Karachi. The main business of the company is to invest in the shares and other business activities as per Memorandum of Association of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1.1 Statement of compliance**

These financial statements have been prepared in accordance with the requirements of The Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under The Companies Ordinance, 1984, provisions of and directives issued under The Companies Ordinance, 1984. Wherever the requirements of The Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of The Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.1.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary company.

Subsidiary are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiary are included in the consolidated financial statements from date of control commences. The financial statements of the subsidiary are consolidated on a line-by-line basis and the carrying value held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiary. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

All material inter-group balances, transactions and resulting unrealized profits / losses are eliminated.

Investments in associates

Entities in which the Group has significant influence but not control and which are neither subsidiary nor joint ventures of the members of the Group are associates and are accounted for under the equity method of accounting (equity accounted investees).

These investments are initially recognised at cost. The consolidated financial statements include the associates' share of profit or loss and movements in other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date it ceases. Share of post acquisition profit and loss of associates is recognised in the profit and loss account. Distributions received from associates reduce the carrying amount of investment. When the Group's share of losses exceeds its interest in an equity accounted Investee, the carrying amount of that investment is reduced to nil and the recognition of further losses is discontinued.

The carrying amount of investments in associates is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to profit and loss account. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of the investments. A reversal of impairment loss is recognised in the profit and loss account.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Investment - available for sale

Investments that are intended to be held for an indefinite period of time or may be sold in response to the need for liquidity are classified as available for sale.

Investments classified as available for sale are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are premeasured at fair value (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Unrealized gains and losses arising from the changes in the fair value are included in fair value reserves in the period in which they arise.

At each balance sheet date, the company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense. In respect of available for sale investments, cumulative impairment loss less any impairment loss previously recognized in profit and loss account, is removed from equity and recognized in the profit and loss accounts. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss accounts.

All purchases and sales are recognized on the trade date which is the date that the company commits to purchase or sell the investment, except for sale and purchase of securities in future market which are accounted for at settlement date. Cost of purchase includes transaction cost.

2.3 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.4 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash with banks on current accounts.

2.5 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for services.

2.6 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

3 De-merger of Sapphire Textile Mills Limited

During the year ended June 30, 2011, pursuant to approval by the High Court of Sindh to a scheme of arrangements of de-merger between Sapphire Textile Mills Limited (STML) and its shareholders and the Company and its shareholders, investments in associated group companies by STML were de-merged into the Company against issue of 20,083,140 shares @ Rs. 10 each of the Company to the shareholders of STML.

Shares issued under scheme has been recorded against issue of share capital (note 9) and the difference between the value of investments transferred and par value of shares issued has been taken to de-merger reserve account (note 10).

The details of associated companies shares transferred to the Company from STML, in pursuant of above mentioned scheme is as follows:

Company Name	No. of shares of Rs 10 each of De-merger
Sapphire Fibres Limited	2,942,243
SFL Limited	2,942,243
Diamond Fabrics Limited	5,699,000
Diamond Limited	5,699,000
Sapphire Finishing Mills Limited	29,468,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
4 LONG TERM INVESTMENTS			
Investments in associated companies - equity method	4.1	3,667,001,517	364,086,923
		<u>3,667,001,517</u>	<u>364,086,923</u>
4.1 Investments in associated companies - equity method			
Quoted Company			
Sapphire Fibres Limited	4.2	1,493,823,879	19,928,236
Unquoted Companies			
SFL Limited	4.3	286,327,719	1,158,687
Sapphire Finishing Mills Limited	4.4	638,039,666	294,685,000
Diamond Fabrics Limited	4.5	1,169,888,011	43,554,949
Diamond Limited	4.6	78,922,242	4,760,051
		<u>3,667,001,517</u>	<u>364,086,923</u>
4.2 Sapphire Fibres Limited			
2,942,243 (June 30, 2011: 2,942,243) fully paid ordinary shares of Rs. 10 each		19,928,236	19,928,236
Equity held 14.95% (June 30, 2011: 14.95%)			
Share of post acquisition profit		1,488,606,858	-
Less: Dividend received		(14,711,215)	-
		<u>1,493,823,879</u>	<u>19,928,236</u>
The financial year of Sapphire Fibres Limited ends on June 30. The latest audited financial results of Sapphire Fibres Limited as of June 30, 2012 have been used for the purpose of application of equity method. Summarized financial information is as follows:			
Total assets		13,100,346,647	
Total liabilities		3,927,642,641	-
Net assets		<u>9,172,704,006</u>	<u>-</u>
Revenue		<u>12,811,234,497</u>	
Profit for the year		<u>866,885,297</u>	<u>-</u>
Market value per share		<u>123.48</u>	<u>-</u>
4.3 SFL Limited			
3,001,087 (June 30, 2011: 2,942,243) fully paid ordinary shares of Rs. 10 each	4.3.1	1,158,687	1,158,687
Equity held 14.94% (June 30, 2011: 14.94%)			
Share of post acquisition profit		285,169,032	-
		<u>286,327,719</u>	<u>1,158,687</u>
4.3.1			
The Company received Bonus shares during the year.			
The financial year of SFL Limited ends on June 30. The latest audited financial results of SFL Limited as of June 30, 2012 have been used for the purpose of application of equity method. Summarized financial information is as follows:			
Total assets		374,800,290	-
Total liabilities		108,531	-
Net assets		<u>374,691,759</u>	<u>-</u>
Revenue		<u>12,255,460</u>	<u>-</u>
Profit for the year		<u>10,217,393</u>	<u>-</u>
Break-up value per share		<u>18.65</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
4.4 Sapphire Finishing Mills Limited			
29,468,500 (June 30, 2011: 29,468,500) fully paid ordinary shares of Rs. 10 each		294,685,000	294,685,000
Equity held 32.03% (June 30, 2011: 32.03%)			
Share of post acquisition profit		350,721,791	-
Less: Dividend received		(7,367,125)	-
		638,039,666	294,685,000
The financial year of Sapphire Finishing Mills Limited ends on June 30. The latest audited financial results of Sapphire Finishing Mills Limited as of June 30, 2012 have been used for the purpose of application of equity method. Summarized financial information is as follows:			
Total assets		5,986,515,160	-
Total liabilities		3,995,615,641	-
Net assets		1,990,899,519	-
Revenue		11,249,147,277	-
Profit for the year		455,781,805	-
Break-up value per share		21.64	-
4.5 Diamond Fabrics Limited			
5,699,000 (June 30, 2011: 5,699,000) fully paid ordinary shares of Rs. 10 each		43,554,949	43,554,949
Equity held 38.28% (June 30, 2011: 38.28%)			
Share of post acquisition profit		1,133,456,812	-
Less: Dividend received		(7,123,750)	-
		1,169,888,011	43,554,949
The financial year of Diamond Fabrics Limited ends on June 30. The latest audited financial results of Diamond Fabrics Limited as of June 30, 2012 have been used for the purpose of application of equity method. Summarized financial information is as follows:			
Total assets		4,726,774,511	-
Total liabilities		1,878,571,920	-
Net assets		2,848,202,591	-
Revenue		11,789,202,243	-
Profit for the year		345,575,158	-
Break-up value per share		191.30	-
4.6 Diamond Limited			
5,699,000 (June 30, 2011: 5,699,000) fully paid ordinary shares of Rs. 10 each		4,760,051	4,760,051
Equity held 38.25% (June 30, 2011: 38.25%)			
Share of post acquisition profit		74,162,191	-
		78,922,242	4,760,051
The financial year of Diamond Limited ends on June 30. The latest audited financial results of Diamond Limited as of June 30, 2012 have been used for the purpose of application of equity method. Summarized financial information is as follows:			
Total assets		206,417,461	-
Total liabilities		89,600	-
Net assets		206,327,861	-
Revenue		5,185,935	-
Profit for the year		3,311,427	-
Break-up value per share		13.85	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
5 OTHER FINANCIAL ASSETS			
Held-to-maturity			
Treasury Bill		19,844,685	-
		<u>19,844,685</u>	<u>-</u>
5.1 This is held by company's banker for safe custody. The yield on this bill is 11.74% per annum (June 30, 2011: Nil) and this bill will mature in July 2012.			
6 OTHER RECEIVABLES			
Interest accrued on Treasury Bill		1,085,097	-
		<u>1,085,097</u>	<u>-</u>
7 TAX REFUND DUE FROM GOVERNMENT			
Income tax:			
Opening as at July 01,		-	-
Add: Deduction during the year			
- on cash dividend income		2,920,210	-
		<u>2,920,210</u>	<u>-</u>
Less: Tax deduction charged to profit and loss account		(2,920,210)	-
Closing as at June 30,		<u>-</u>	<u>-</u>
8 CASH AND BANK BALANCES			
Cash with bank on current accounts		1,779,650	16,909
Cash in hand		2,313,626	431
		<u>4,093,276</u>	<u>17,340</u>
June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Number of shares		Rupees	Rupees
9 SHARE CAPITAL			
Authorised share capital			
<u>20,100,000</u>	<u>20,100,000</u>	<u>201,000,000</u>	<u>201,000,000</u>
Issued, subscribed and paid up capital			
10,000	10,000	100,000	100,000
20,083,140	20,083,140	200,831,400	200,831,400
<u>20,093,140</u>	<u>20,093,140</u>	<u>200,931,400</u>	<u>200,931,400</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012 Rupees	June 30, 2011 Rupees
10 RESERVES			
Reserves arising at de-merger - note 3		163,255,523	163,255,523
Unappropriated profit/(loss)		405,183,490	(2,214,660)
Unrealized gain on available for sale investments		2,773,941,932	-
Unrealized gain on hedging instrument		1,156,871	-
		3,343,537,816	161,040,863
11 DEFERRED TAXATION			
Deferred taxation on investment in associates		147,389,564	-
		147,389,564	-
12 TRADE AND OTHER PAYABLES			
Accrued liabilities		100,795	25,000
Audit fees		65,000	50,000
		165,795	75,000
13 ADVANCES FROM DIRECTORS			
Mr. Muhammad Abdullah		-	1,157,000
Mr. Shahid Abdullah		-	200,000
Mr. Muhammad Younus		-	300,000
Mrs. Noshaba Nadeem		-	400,000
		-	2,057,000
14 CONTINGENCIES AND COMMITMENTS			
14.1 Contingencies			
There were no contingencies as on balance sheet date.			
14.2 Commitments			
There were no capital commitments as on balance sheet date.			
15 OPERATING EXPENSES			
Legal and professional charges		96,850	25,000
Bank charges		1,005	1,024
Fees and subscription		30,600	891,477
Auditors remuneration		65,000	50,000
Printing and stationery		19,750	21,700
Postage charges		19,967	3,642
Advertisement expenses		73,700	-
Shares registrar fee		70,000	-
Handling charges		7,000	-
Others		11,182	1,161,737
		395,054	2,154,580
16 TAXATION			
Income tax on cash dividend		2,920,210	-
Deferred tax expense		147,389,564	-
		150,309,774	-
17 EARNINGS/(LOSS) PER SHARE - Basic and diluted			
Profit/(loss) for the year	Rupees	407,398,150	(2,154,580)
Number of ordinary shares	Numbers	20,093,140	20,093,140
Earnings/(loss) per share - basic	Rupees	20.275	(0.107)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

18 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities by category and their respective maturities:

	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
	←			Rupees	→		
FINANCIAL ASSETS							
Long term investments	-	-	-	-	3,667,001,517	3,667,001,517	3,667,001,517
Other financial assets	19,844,685	-	19,844,685	-	-	-	19,844,685
Other receivables	-	-	-	1,085,097	-	1,085,097	1,085,097
Cash and bank balances	-	-	-	4,093,276	-	4,093,276	4,093,276
June 30, 2012	19,844,685	-	19,844,685	5,178,373	3,667,001,517	3,672,179,890	3,692,024,575
June 30, 2011	-	-	-	17,340	364,086,923	364,104,263	364,104,263
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	165,795	-	165,795	165,795
June 30, 2012	-	-	-	165,795	-	165,795	165,795
June 30, 2011	-	-	-	2,132,000	-	2,132,000	2,132,000

The carrying values of above financial assets and liabilities reflected in the financial statements approximate their fair values.

Note	June 30, 2012 Rupees	June 30, 2011 Rupees
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19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies (due to common directorship), directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Significant balances and transactions with related parties are as follows:

Relationship	Nature of transactions		
Associated companies	Dividend received	29,202,090	-
Key management personnel	Advance repaid/received	2,057,000	2,057,000

20 GENERAL

Figures in these financial statements have been rounded off to the nearest rupees.

21 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue by the Board of Directors of the Company on _____.

Chief Executive

Director

PROXY FORM

I/we _____
of _____
a member(s) of **SAPPHIRE HOLDING LIMITED** and a holder of _____ Ordinary Shares,
do hereby appoint _____
of _____
or failing him/her _____
of _____

a member of **SAPPHIRE HOLDING LIMITED**, vide Registered Folio No. _____ as my/our Proxy to act on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday the October 30, 2012 at 07:00 p.m. at Trading Hall, Cotton Exchange Building, I.I.Chundrigar Road, Karachi and/or any adjournment thereof.

Signed this _____ day of _____, 2012

Signature _____

(Signature should agree with the specimen signature registered with the Company)



NOTICE

1. No proxy shall be valid unless it is duly stamped with a revenue stamp of Rs.5/-
2. In the case of Bank or Company, the proxy form must be executed under its Common seal and signed by its authorized person.
3. Power of attorney or other authority (if any) under which this proxy form is signed then a certified copy of that power of attorney must be deposited along with this proxy form.
4. This form of proxy duly completed must be deposited at the Registered Office of the Company atleast 48 hours before the time of holding the meeting.

Witness :

Name
Address
NIC No.

Name
Address
NIC No.

BOOK POST

Under Certificate of Posting

If undelivered please return to:

Sapphire Holding Limited

212, Cotton Exchange Building,
I.I.Chundrigar Road,
Karachi.