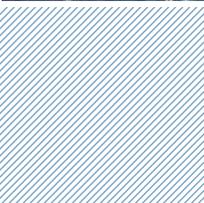


Half Yearly Report

31 December 2022



Sapphire Textile Mills Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mohammad Abdullah - Chairman
Mr. Nadeem Abdullah - Chief Executive
Mr. Shahid Abdullah
Mr. Amer Abdullah
Mr. Yousuf Abdullah
Mr. Nabeel Abdullah
Mr. Umer Abdullah
Mr. Nadeem Karamat
Mr. Shahid Shafiq
Ms. Mashmooma Zehra Majeed

AUDIT COMMITTEE

Mr. Nadeem Karamat - Chairman
Mr. Amer Abdullah - Member
Mr. Yousuf Abdullah - Member
Mr. Shahid Shafiq - Member

HUMAN RESOURCE &

REMUNERATION COMMITTEE

Mr. Nadeem Karamat - Chairman
Mr. Nadeem Abdullah - Member
Mr. Umer Abdullah - Member
Ms. Mashmooma Zehra Majeed - Member
Mr. Shahid Shafiq - Member

SHARES REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd

CHIEF FINANCIAL OFFICER

Mr. Abdul Sattar

COMPANY SECRETARY

Mr. Zeeshan

TAX CONSULTANTS :

Yousuf Adil,
Chartered Accountants

AUDITORS

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

LEGAL ADVISOR

A. K. Brohi & Company

BANKERS

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Ltd.
The Bank of Punjab
United Bank Limited

REGISTERED OFFICE

212, Cotton Exchange Building
I. I. Chundrigar Road, Karachi.
Tel: +92 21 111 000 100

www.sapphire.com.pk/stml

MILLS

Spinning Units

A-17, SITE, Kotri.
A-84, SITE Area, Nooriabad.
63/64-KM, Multan Road, Jumber Khurd, Chunian,
District Kasur.
1.5-KM, Warburton Road, Feroze Wattoan, Sheikhpura.

Weaving Unit, Yarn Dyeing Unit, Printing & Processing Unit and Home Textile Unit

2-KM, Warburton Road, Feroze Wattoan, Sheikhpura.

Stitching Unit

1.5-KM, Off. Defence Road, Bhubtian Chowk,
Raiwind Road, Lahore.



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended December 31, 2022



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the half year ended December 31, 2022 duly reviewed by External Auditors, who have issued a review report, which is annexed to the financial statements.

Financial Review

The Summary of key financial numbers are presented below:

	December 31,	
	2022	2021
	Rupees in thousands	
Net turnover	34,661,358	27,730,545
Gross profit	4,702,566	5,999,981
Profit from operations	4,133,271	4,866,281
Other income	1,138,047	566,144
Finance cost	(1,800,502)	(1,003,150)
Profit before taxation	2,332,770	3,863,131
Profit after taxation	1,770,378	3,533,801

During the period under review the Company's net turnover increased from Rs.27.731 billion to Rs.34.661 billion. The gross profit as a percentage of sales decreased to 13.57% from 21.64% in the corresponding period. The finance cost during the period increased to Rs. 1.801 billion from Rs. 1.003 billion in the corresponding period. The Company's profit after tax decreased to Rs.1,770,378 million from Rs.3,533,801 million mainly due to decrease in margins of textile products. Slowdown in demand and high finance cost due to continuous increase in policy rate by State Bank of Pakistan put pressure on margins.

Earnings per Share

The earnings per share for the half year ended December 31, 2022 is Rs. 81.62 as compared to Rs. 162.92 for previous year's corresponding period.

Future Prospects

Textile industry is under pressure due to global recession and high inflation. Domestic environment in the form of political uncertainty as well as high cost of doing business including high financial cost and expected increase in energy prices is creating tremendous pressure. A substantial damage of cotton crop which is being substituted with expensive imports is also making the industry uncompetitive.

Management will keep striving to overcome ongoing challenges and is optimistic to achieve reasonable profitability.

Acknowledgment

The Management would like to place on record its appreciation for the support of Board of Directors, regulatory authorities, shareholders, customers, financial institutions, suppliers and dedication & hard work of the Staff and Workers.

On behalf of the Board



NADEEM ABDULLAH
CHIEF EXECUTIVE



MOHAMMAD ABDULLAH
CHAIRMAN / DIRECTOR

Lahore

Dated: February 23, 2023

Independent Auditor's Review Report To the Members of Sapphire Textile Mills Limited Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Sapphire Textile Mills Limited (the Company) as at December 31, 2022** and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated 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 unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of other comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

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.

Other Matters

The interim financial statements for the six months period ended December 31, 2021 and the annual financial statements for the Company for the year ended June 30, 2022 were reviewed and audited, by another firm of chartered accountants who expressed unmodified conclusion and opinion on those interim and annual financial statements on February 25, 2022 and October 03 2022, respectively.

The engagement partner on the review resulting in this independent auditors' review report is Osman Hameed Chaudhri.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,

Chartered Accountants

Lahore: February 24, 2023

UDIN: RR202210104w6EiMJTcP

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At December 31 2022

	Note	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	21,253,134,271	19,921,336,858
Investment property		31,750,000	31,750,000
Intangible assets		-	8,333
Long term investments	6	13,613,641,973	13,504,254,466
Long term loans and advances		348,092,126	292,698,547
Long term deposits		88,301,892	87,931,092
		35,334,920,262	33,837,979,296
CURRENT ASSETS			
Stores, spares and loose tools		591,934,907	507,491,851
Stock in trade		21,385,833,824	23,145,128,677
Trade debts		7,524,329,866	5,656,162,973
Loans and advances		165,236,629	135,320,162
Trade deposits and short term prepayments		90,988,650	36,878,751
Other receivables		1,061,054,862	1,106,540,602
Short term investments		2,920,999,888	2,988,280,554
Tax refunds due from Government		2,810,581,744	3,130,211,673
Cash and bank balances		46,967,313	98,630,045
		36,597,927,683	36,804,645,288
		71,932,847,945	70,642,624,584
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		216,897,910	216,897,910
Reserves		26,599,462,457	25,892,774,923
		26,816,360,367	26,109,672,833
NON-CURRENT LIABILITIES			
Long-term loans and other payables		16,166,874,521	15,060,906,546
Lease liabilities		49,459,085	56,576,868
Deferred liabilities		723,767,816	743,865,045
		16,940,101,422	15,861,348,459
CURRENT LIABILITIES			
Current portion of long-term liabilities		3,197,437,868	3,209,096,949
Accrued mark-up		826,102,682	657,223,949
Contract liabilities		1,379,161,731	1,563,208,589
Current portion of lease liabilities		13,982,145	13,484,324
Short-term borrowings		17,626,207,766	16,943,231,195
Unclaimed dividend		1,998,909	2,230,552
Trade and other payables		5,131,495,055	6,283,127,734
		28,176,386,156	28,671,603,292
CONTINGENCIES AND COMMITMENTS			
	7		
		71,932,847,945	70,642,624,584

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

For The Six Months Period Ended December 31, 2022

	Note	Six months period ended		Three months period ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
Net turnover	8	34,661,358,399	27,730,544,955	16,364,554,424	14,775,526,485
Cost of sales	9	(29,958,792,100)	(21,730,563,649)	(14,341,656,581)	(11,496,796,481)
Gross profit		4,702,566,299	5,999,981,306	2,022,897,843	3,278,730,004
Distribution cost		(1,180,106,760)	(1,080,180,382)	(558,138,889)	(563,838,739)
Administrative expenses		(359,647,158)	(288,975,282)	(188,277,192)	(153,308,234)
Other operating expenses		(167,588,239)	(330,688,442)	(74,260,293)	(171,903,030)
Other income		1,138,047,152	566,143,617	965,152,091	382,483,365
		(569,295,005)	(1,133,700,489)	144,475,717	(506,566,638)
Profit from operations		4,133,271,294	4,866,280,817	2,167,373,560	2,772,163,366
Finance cost		(1,800,501,702)	(1,003,149,806)	(899,912,305)	(579,718,819)
Profit before taxation		2,332,769,592	3,863,131,011	1,267,461,255	2,192,444,547
Taxation	10	(562,391,614)	(329,330,356)	(330,802,072)	(186,680,114)
Profit after taxation for the period		1,770,377,978	3,533,800,655	936,659,183	2,005,764,433
Earnings per share - basic and diluted		81.62	162.92	43.18	92.48

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

For The Six Months Period Ended December 31, 2022

	Six months period ended		Three months period ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	1,770,377,978	3,533,800,655	936,659,183	2,005,764,433
Other comprehensive income:				
Items to be reclassified to statement of profit or loss in subsequent period:				
Forward foreign currency contracts				
Gain / (loss) on remeasurement / settlement of forward foreign currency contracts - net	66,100,629	(35,574,099)	(25,970,888)	10,553,215
Items that will not be reclassified to profit or loss in subsequent period:				
(Loss) / gain on equity instruments at fair value through other comprehensive income - net	(912,893,163)	(303,938,441)	(32,185,678)	184,273,580
Other comprehensive (loss) / income for the period	(846,792,534)	(339,512,540)	(58,156,566)	194,826,795
Total comprehensive income for the period	923,585,444	3,194,288,115	878,502,617	2,200,591,228

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For The Six Months Period Ended December 31, 2022

	Capital Reserves			Revenue Reserves			Total Equity	
	Share Capital	Share Premium	Fixed Assets Replacement	Fair value reserve of financial asset at fair value through OCI	Cash flow hedge reserve	General reserves		Unappropriated profit
	Rupees							
Balance as at July 01, 2021 (Audited)	216,897,910	782,796,090	65,000,000	(897,844,224)	(18,518,642)	1,330,000,000	19,630,254,655	21,018,585,789
Total comprehensive income for the period ended December 31, 2021								
Profit after taxation for the period				-	-	-	3,533,800,655	3,533,800,655
Other comprehensive loss for the period				(303,938,441)	(35,574,099)	-	-	(339,512,540)
Transaction with owners:				(303,938,441)	(35,574,099)	-	3,533,800,655	3,194,288,115
Final dividend for the year ended June 30, 2021 @ Rs.15 per share				-	-	-	-	(325,346,865)
Balance as at December 31, 2021 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,291,782,665)	(54,092,741)	1,330,000,000	22,898,708,445	23,867,527,039
Balance as at July 01, 2022 (Audited)	216,897,910	782,796,090	65,000,000	(2,555,865,941)	(66,407,981)	1,330,000,000	26,337,652,635	26,109,672,833
Total comprehensive income for the period ended December 31, 2022								
Profit after taxation for the period				-	-	-	1,770,377,978	1,770,377,978
Other comprehensive (loss) / income for the period				(912,893,163)	66,100,629	-	-	(846,792,534)
Transaction with owners:				(912,893,163)	66,100,629	-	1,770,377,978	823,585,444
Final dividend for the year ended June 30, 2022 @ Rs.10 per share				-	-	-	-	(216,897,910)
Balance as at December 31, 2022 (Un-audited)	216,897,910	782,796,090	65,000,000	(3,468,759,004)	(307,332)	1,330,000,000	27,890,732,703	26,816,360,387

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Chairman/Director



Chief Financial Officer



Chief Executive

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For The Six Months Period Ended December 31, 2022

	Note	Six months period ended December 31,	
		2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	2,661,025,354	(4,792,910,762)
Long term loans, advances and deposits		(55,764,379)	936,305
Finance cost paid		(1,662,663,034)	(845,938,663)
Staff retirement benefits - gratuity paid		(77,300,491)	(42,987,407)
Taxes paid		(291,364,782)	(1,990,594,525)
		<u>(2,087,092,686)</u>	<u>(2,878,584,290)</u>
Net cash generated from / (used in) operating activities		573,932,668	(7,671,495,052)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,223,204,657)	(3,766,626,739)
Long term investment in equity instruments		-	(150,000,000)
Investments in subsidiary companies		(955,000,000)	(10,000,000)
Proceeds from disposal of property, plant and equipment		40,808,803	59,565,930
Dividend received		931,563,150	415,339,934
Interest received		732,448	1,165,379
Rental income received		39,168,196	32,012,766
Net cash used in investing activities		<u>(2,165,932,060)</u>	<u>(3,418,542,730)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		682,976,571	10,645,966,009
Proceeds from long term loans		2,369,092,000	2,247,438,620
Repayment of long term loans		(1,285,534,348)	(1,459,969,175)
Repayment of lease liabilities		(9,068,010)	-
Dividend paid		(217,129,553)	(324,675,795)
Net cash generated from financing activities		1,540,336,660	11,108,759,659
Net (decrease) / increase in cash and cash equivalents		<u>(51,662,732)</u>	<u>18,721,877</u>
Cash and cash equivalents at the beginning of the period		98,630,045	75,392,550
Cash and cash equivalents at the end of the period		<u>46,967,313</u>	<u>94,114,427</u>
Cash and cash equivalents			
Cash and bank balances		46,967,313	94,436,122
Book overdrafts - unsecured		-	(321,695)
Cash and cash equivalents at the end of the period		<u>46,967,313</u>	<u>94,114,427</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal Status and Nature of Business

Sapphire Textile Mills Limited (the Company) was incorporated in Pakistan on March 11, 1969 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange.

The Company is principally engaged in manufacturing and sale of yarn, fabrics, home textile products, finishing, stitching and printing of fabrics. Following are the business units of the Company along with their respective locations:

BUSINESS UNIT	LOCATION
Registered Office	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi
Lahore office	4th Floor Tricon Corporate Center, 73-E Main Jail Road, Gulberg II, Lahore.
Production Plants	
Spinning	A-17,SITE, Kotri
Spinning	A-84,SITE Area, Nooriabad
Spinning	63/64-KM, Multan Road, Jumber Khurd,Chunian, District Kasur
Spinning	1.5-KM, Warburton Road, Feroze Wattoan, Sheikhupura
Weaving, Yarn Dyeing, Printing, Processing and Home Textile	2-KM, Warburton Road, Feroze Wattoan, Sheikhupura
Stitching	1.5-KM Off, Defence Road, Bhubtian Chowk, Raiwind Road, Lahore

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These unconsolidated condensed 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 Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This unconsolidated condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

2.2 The unconsolidated condensed interim financial statements do not include all the information and disclosures as required in an annual financial statements and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022.

2.3 The unconsolidated condensed interim financial statements have been prepared under the historical cost convention. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

2.4 These are separate financial statements, where the investment in subsidiaries and associates is shown at cost less impairment (if any); consolidated financial statements are separately presented.

2.5 The figures of the unconsolidated condensed interim statement of profit or loss, un-consolidated condensed interim statement of comprehensive income and related notes for three months ended December 31, 2022 and December 31, 2021 have not been reviewed.

2.6 Initial application of standards, amendments or interpretation to existing standards

a) **Standards, amendments and interpretations to accounting standards that are effective in the current period**

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

b) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

3. ACCOUNTING POLICIES

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2022.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

	Note	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	18,158,150,689	16,354,989,270
Capital work-in-progress	5.2	3,037,123,805	3,500,222,129
Right-of-use asset		57,859,777	66,125,459
		21,253,134,271	19,921,336,858

	Note	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
5.1 Operating fixed assets			
Opening book value		16,354,989,270	13,432,407,958
Cost of additions during the period/year	5.1.1	2,686,302,981	4,487,938,340
Book value of disposals during the period/year	5.1.1	(24,169,849)	(90,185,907)
		2,662,133,132	4,397,752,433
Depreciation during the period/year		(858,971,713)	(1,475,171,121)
Closing book value		18,158,150,689	16,354,989,270

5.1.1 The cost of additions to and book value of disposals in the operating fixed assets during the six months period ended December 31, 2022 and year ended June 30, 2022 are as follows.

	(Un-Audited) December 31, 2022		(Audited) June 30, 2022	
	Addition	Disposal	Addition	Disposal
	Cost	Book Value	Cost	Book Value
	Rupees			
Free hold land	2,903,440	-	304,364,104	-
On Freehold land:				
Factory building	146,113,215	-	246,263,812	-
Labour, staff colony and others	124,860,737	-	133,741,937	-
Building on lease hold land:				
Factory building	3,139,779	-	8,950,000	-
Labour, staff colony and others	29,028,651	-	-	-
Plant and machinery	2,308,674,590	18,825,927	3,451,252,054	82,223,883
Electric installation	23,117,633	-	78,621,256	248,130
Electric equipment	4,858,004	118,074	5,928,333	3,426,241
Computer	9,631,642	463,508	29,761,853	961,432
Office equipment	-	30,714	11,601,652	39,268
Mills equipment	14,601,484	35,310	29,716,368	-
Furniture & fixtures	5,142,387	-	11,464,739	-
Vehicles	14,231,419	4,696,316	176,272,232	3,286,953
	2,686,302,981	24,169,849	4,487,938,340	90,185,907

	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
5.2 Capital work-in-progress		
Civil works and buildings	1,127,666,642	1,126,629,471
Plant and machinery	1,828,558,686	2,326,866,270
Electric installation	34,444,914	21,376,195
Mills equipment	46,453,563	25,350,193
	3,037,123,805	3,500,222,129

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

6. LONG TERM INVESTMENTS

During the period, the Company has made investment amounting to Rs.120 million in Sapphire Chemicals (Private) Limited (a Subsidiary Company) by subscribing 12 million ordinary shares and Rs.835 million in Sapphire Real Estate (Private) Limited (a Subsidiary Company), by subscribing 83.5 million ordinary shares of the Company.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There are no contingencies to be reported as at December 31, 2022 and June 30, 2022.

	(Un-audited) December 31, 2022 Rupees	(Audited) June30, 2022 Rupees
7.2 Commitments		
7.2.1 Guarantees issued by banks on behalf of the Company	1,453,100,379	1,283,100,379

7.2.2 Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2022 the value of these cheques amounted to Rs.6,144.984 million (June 30, 2022: Rs.5,643.272 million).

7.2.3 A commercial bank has issued a guarantee amounting Rs.45 million in favour of excise and taxation department of Government of Sindh on behalf of Sapphire Wind Power Company Limited (a Subsidiary Company) against charge of Rs.60 million on fixed assets of the Company.

	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
7.2.4 Commitments in respect of:		
Commitments in respect of:		
- confirmed letter of credit	7.2.5 4,371,623,410	3,141,386,530
- capital expenditure	7.2.6 142,088,038	274,821,374
- forward foreign currency contracts	11,918,880	674,285,322
	<u>4,525,630,328</u>	<u>4,090,493,226</u>
7.2.5 Letter of credit in respect of:		
- plant and machinery	1,260,562,530	2,478,648,338
- raw material	3,062,957,991	614,957,664
- stores and spares	48,102,889	47,780,528
	<u>4,371,623,410</u>	<u>3,141,386,530</u>

7.2.6 This includes commitments for payments to be made to various construction companies for the construction and extension on existing building at multiple production plants of the Company.

8. NET TURNOVER

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Export Sales		Local Sales		Total	
	Un-audited		Un-audited		Un-audited	
	Six months period ended		Six months period ended		Six months period ended	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
	Rupees					
Yarn	5,855,042,606	6,788,199,444	8,658,008,139	5,763,586,312	14,513,050,745	12,551,785,756
Fabric	11,355,831,407	7,944,481,783	1,913,541,105	1,238,603,596	13,269,372,512	9,183,085,379
Home textile products	4,863,950,064	5,095,627,282	90,288,440	92,271,327	4,954,238,504	5,187,898,609
Raw material	-	-	213,581,972	29,474,330	213,581,972	29,474,330
Waste	134,100,328	161,358,619	383,704,707	213,622,816	517,805,035	374,981,435
Processing income	-	-	1,149,025,395	358,765,417	1,149,025,395	358,765,417
	22,208,924,405	19,989,667,128	12,408,149,758	7,696,323,798	34,617,074,163	27,685,990,926
Export rebate	44,284,236	44,554,029	-	-	44,284,236	44,554,029
	22,253,208,641	20,034,221,157	12,408,149,758	7,696,323,798	34,661,358,399	27,730,544,955

8.1 Revenue is recognized at point in time as per the terms and conditions of underlying contracts with customers.

	Note	(Un-audited)		(Un-audited)	
		Six months period ended		Three months period ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
9		COST OF SALES			
Finished goods - Opening stock		4,753,464,625	2,224,766,537	4,673,586,353	2,753,639,441
Cost of goods manufactured	9.1	29,766,009,331	22,747,246,415	14,434,104,770	11,990,671,967
Cost of raw material sold		227,809,110	28,761,849	22,456,424	22,696,225
		34,747,283,066	25,000,774,801	19,130,147,547	14,767,007,633
Finished goods - Closing stock		(4,788,490,966)	(3,270,211,152)	(4,788,490,966)	(3,270,211,152)
		29,958,792,100	21,730,563,649	14,341,656,581	11,496,796,481
9.1		Cost of goods manufactured			
Work in process - opening stock		1,253,998,582	872,742,200	1,268,459,350	1,083,441,291
Raw material consumed		22,436,922,195	16,869,795,777	10,677,930,162	8,852,687,357
Overheads		7,389,114,922	6,105,230,447	3,801,741,626	3,155,065,328
		31,080,035,699	23,847,768,424	15,748,131,138	13,091,193,976
Work in process - closing stock		(1,314,026,368)	(1,100,522,009)	(1,314,026,368)	(1,100,522,009)
		29,766,009,331	22,747,246,415	14,434,104,770	11,990,671,967

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

10. PROVISION FOR TAXATION

The provision for taxation for the six month period ended and quarter ended December 31, 2022 has been made using the best possible estimate of total annual tax liability of the Company.

		(Un-audited)	
		Six months period ended	
		December 31,	
Note		2022	2021
		Rupees	Rupees
11	CASH GENERATED FROM / (USED IN) OPERATIONS		
	Profit before taxation	2,332,769,592	3,863,131,011
	Adjustments for non-cash items:		
	Depreciation on operating fixed assets	858,971,713	686,804,432
	Depreciation on right-of-use asset	8,265,682	-
	Amortization of intangible assets	8,333	50,000
	Gain on sale of property, plant and equipment	(16,837,386)	(2,821,223)
	Interest income	(732,448)	(1,165,379)
	Dividend income	(931,563,150)	(360,451,850)
	Provision for gratuity	96,910,000	80,920,000
	Reversal of provision for stores, spares and loose tools	(1,560,843)	(10,571,789)
	Unwinding of liability related to GIDC	17,900,886	26,092,348
	Unwinding of Government grant	(51,388,999)	(24,720,313)
	Provision against doubtful sales tax refundable	48,603,097	64,356,826
	Unrealized exchange gain on receivable	(93,575,000)	(104,975,000)
	Finance cost	1,833,989,815	977,057,457
	Rental income	(38,828,900)	(32,517,960)
		<u>1,730,162,800</u>	<u>1,298,057,549</u>
	Operating cash flow before changes in working capital	4,062,932,392	5,161,188,560
	Changes in working capital		
	(Increase) / decrease in current assets		
	Stores, spares and loose tools	(82,882,213)	(46,385,137)
	Stock-in-trade	1,759,294,853	(9,286,426,427)
	Trade debts	(1,864,355,886)	(1,446,771,083)
	Loans and advances	(29,916,467)	(95,665,298)
	Trade deposits and short term prepayments	(54,109,899)	(80,198,777)
	Other receivables	138,919,872	(30,619,490)
		<u>(133,049,740)</u>	<u>(10,986,066,212)</u>
	Increase / (decrease) in current liabilities		
	Trade and other payables	(1,084,810,440)	980,590,219
	Contract liabilities	(184,046,858)	51,376,670
		<u>2,661,025,354</u>	<u>(4,792,910,762)</u>

12. TRANSACTIONS WITH RELATED PARTIES

12.1 The related parties comprise of Subsidiary Companies, Associated Companies (due to common directorship), directors, key management personnel and staff retirement fund. Transactions with related parties are as follows:

	(Un-audited)	
	Six months period ended	
	December 31,	
	2022	2021
	Rupees	Rupees
Subsidiary Companies:		
Sales / processing	3,921,652,801	2,028,756,111
Purchases	925,254	4,551,259
Investment made	955,000,000	10,000,000
Expenses charged to	14,689,696	262,631
Rental income	33,566,500	30,300,000
Dividend received	681,307,165	142,680,034
Received against technical services	211,755,000	-
Associated Companies:		
Sales / processing	3,420,290,044	1,979,267,220
Purchases	102,276,226	132,644,468
Expenses charged to	35,621,798	27,312,131
Mark-up charged by	51,020,302	44,686,885
Dividend received	20,371,173	10,581,373
Dividend paid	67,221,550	100,785,765
Loans (repaid) / obtained - net	(849,892,992)	823,084,075
Others:		
Contribution to provident fund	35,973,908	30,045,541
Dividend paid	71,659,040	131,281,215
Remuneration to key management personnel	54,563,965	45,254,625

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
13 FINANCIAL INSTRUMENTS		
13.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	88,301,892	87,931,092
Trade debts	7,524,329,866	5,656,162,973
Loan to employees	89,808,557	91,016,236
Trade deposits	30,335,000	31,325,000
Other receivables	998,038,034	1,048,952,481
Bank balances	35,021,991	96,794,643
	8,765,835,340	7,012,182,425
Equity instruments at fair value through OCI		
Quoted equity shares	5,280,742,515	6,193,635,674
Unquoted equity shares	150,500,000	150,500,000
	5,431,242,515	6,344,135,674
Total current	11,551,123,638	9,851,781,768
Total non current	2,645,954,217	3,504,536,331
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	3,693,041,170	4,817,514,173
Accrued mark-up	826,102,682	657,223,949
Unclaimed dividend	1,998,909	2,230,552
Secured bank loan	19,364,312,389	18,270,003,495
Lease liabilities	63,441,230	70,061,192
Short term finances from banks	17,626,207,766	16,943,231,195
	41,575,104,146	40,760,264,556
Total current	25,358,770,540	25,643,278,963
Total non current	16,216,333,606	15,116,985,593
13.2 Fair value of financial instruments		
Carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.		
13.3 Fair value hierarchy		
The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value.		
The table below analyze financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:		

- Level 1. Quoted market price (unadjusted) in an active market for identical instrument.
 Level 2. Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 Level 3. Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The main level of inputs used by the Company for its financial instruments that are stated at fair value and evaluated as follows:

	Level 1	Level 2	Level 3
	Rupees		
As at December 31, 2022			
Assets carried at fair value			
Equity instruments at fair value through OCI	5,280,742,515	-	150,500,000
As at June 30, 2022			
Assets carried at fair value			
Equity instruments at fair value through OCI	6,193,635,674	-	150,500,000

During the period ended December 31, 2022, there were no transfers amongst the levels. Further, there were no changes in the valuation techniques during the period.

14 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the unconsolidated condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2022, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the six months period ended December 31, 2021.

Comparative information has been re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation. However, no such significant rearrangements have been made in this unconsolidated condensed interim financial statements.

15 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorised for issue on February 23, 2023.



Chief Executive



Chief Financial Officer



Chairman/Director



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Period Ended December 31, 2022



DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of Board of Directors of Holding Company of, Sapphire Wind Power Company Limited, Sapphire Retail Limited, Triconboston Consulting Corporation (Private) Limited, Sapphire International APS, Sapphire Real Estate (Private) Limited, Sapphire Chemicals (Private) Limited and Designtex (SMC-Private) Limited, it is our pleasure to present Directors' Report with un-audited Consolidated Financial Statements for the Half year ended December 31, 2022.

Sapphire Wind Power Company Limited

The Company is 70% owned by Sapphire Textile Mills Ltd and 30% by Bank Alfalah Limited. The Company has set up a wind farm with capacity of 52.80 MW at Jhimpir which started Commercial operations in November 2015 – the project is operating following best industry practices and is yielding satisfactory results.

Sapphire Retail Limited

Sapphire Retail Limited (SRL) is a wholly owned subsidiary of Sapphire Textile Mills Limited. The principal business of SRL is to operate “Sapphire” brand retail outlets for the sale of textile and other products. SRL is principally engaged in manufacturing of textile products by processing the textile goods in outside manufacturing facilities and to operate retail outlets to sell the same in Pakistan and abroad through online stores. SRL operates 41 retail outlets throughout the country.

Tricon Boston Consulting Corporation (Private) Limited

Tricon Boston Consulting Corporation (Private) Limited is 57.125% owned by Sapphire Textile Mills Limited. The company was incorporated under the laws of Pakistan and operating 3 projects having capacity of 50 MW each in Jhimpir. All the three projects have successfully commenced commercial operation in September, 2018.

Sapphire International APS

Sapphire International APS is wholly owned subsidiary of Sapphire Textile Mills Limited and a limited liability Company incorporated in Denmark formed to strengthen exports.

Sapphire Real Estate (Private) Limited

Sapphire Real Estate (Private) Limited is a wholly owned subsidiary of Sapphire Textile Mills Limited and formed for the purpose of investment in real estate projects.

Sapphire Chemicals (Private) Limited

Sapphire Chemicals (Private) Limited is a wholly owned subsidiary and formed for the purpose of manufacture and sale of chemical products.

Designtex SMC-Private Limited

Designtex SMC-Private Limited (the company) was incorporated as SMC Private Company limited by shares under Companies Act, 2017. It is wholly owned subsidiary of Sapphire Retail Limited which is wholly owned subsidiary of Sapphire Textile Mills Limited. The principal business of the company is manufacturing of textile and ancillary products.

Sapphire Green Energy (Private) Limited

Sapphire Green Energy (Private) Limited a wholly owned subsidiary has been incorporated subsequent to half year ended December 2022 with the purpose to make investment in Renewable Energy Projects.

On behalf of the Board



NADEEM ABDULLAH
CHIEF EXECUTIVE



MOHAMMAD ABDULLAH
CHAIRMAN / DIRECTOR

Lahore

Dated: February 23, 2023

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT December 31, 2022

	Note	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	80,388,976,998	77,078,787,861
Investment property		31,750,000	31,750,000
Intangible assets		578,603,901	469,998,745
Long term investments		5,456,469,822	5,258,293,418
Long term loans and advances		348,092,126	292,698,547
Long term deposits		109,304,118	114,109,512
Deferred tax asset		60,803,097	125,242,689
		86,974,000,062	83,370,880,772
CURRENT ASSETS			
Stores, spares and loose tools		931,449,312	804,637,645
Stock in trade		29,465,003,201	29,176,060,624
Trade debts		17,741,556,460	19,669,449,405
Loans and advances		268,946,088	200,574,305
Trade deposits and short term prepayments		255,722,826	143,866,467
Other receivables		1,069,379,381	1,298,723,203
Short term investments		2,920,999,888	2,988,280,554
Tax refunds due from Government		4,112,222,765	4,022,097,531
Cash and bank balances		10,620,728,485	7,896,636,821
		67,386,008,406	66,200,326,555
TOTAL ASSETS		154,360,008,468	149,571,207,327
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital		216,897,910	216,897,910
Reserves		41,475,629,863	40,021,037,566
Equity attributable to equityholders of the parent		41,692,527,773	40,237,935,476
Non-controlling interest		13,321,332,207	12,893,807,201
Total Equity		55,013,859,980	53,131,742,677
NON-CURRENT LIABILITIES			
Long-term loans and other payables		51,749,962,970	50,713,253,403
Lease Liabilities		2,676,512,874	2,660,333,684
Deferred liabilities		781,821,723	792,196,534
		55,208,297,567	54,165,783,621
CURRENT LIABILITIES			
Current portion of long-term liabilities		10,751,112,864	9,956,691,061
Accrued mark-up		1,089,261,147	808,727,767
Contract liabilities		1,379,455,696	1,563,552,959
Current portion of lease liabilities		281,730,575	351,625,245
Short-term borrowings		19,420,339,107	18,212,581,522
Unclaimed dividend		1,998,909	2,230,552
Trade and other payables		11,213,952,623	11,378,271,923
		44,137,850,921	42,273,681,029
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		154,360,008,468	149,571,207,327

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

For The Six Months Period Ended December 31, 2022

	Note	Six months period ended		Three months period ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
Net turnover	7	48,526,421,458	40,329,679,091	20,307,857,255	20,537,336,946
Cost of sales	8	(37,283,363,154)	(27,577,336,022)	(15,904,972,630)	(15,012,546,938)
Gross profit		11,243,058,304	12,752,343,069	4,402,884,625	5,524,790,008
Distribution cost		(2,759,680,356)	(2,190,901,687)	(1,389,672,202)	(1,153,040,749)
Administrative expenses		(712,146,020)	(600,274,323)	(367,773,890)	(337,993,480)
Other operating expenses		(198,439,015)	(355,580,086)	(99,374,047)	(188,309,366)
Other income		469,445,454	374,339,173	260,816,043	225,796,158
		(3,200,819,937)	(2,772,416,923)	(1,596,004,096)	(1,453,547,437)
Profit from operations		8,042,238,367	9,979,926,146	2,806,880,529	4,071,242,571
Finance cost		(4,009,608,356)	(2,142,927,387)	(2,062,262,586)	(1,138,275,753)
Share of profit of associated companies		134,180,740	102,255,303	66,560,455	70,941,273
Profit before taxation		4,166,810,751	7,939,254,062	811,178,398	3,003,908,091
Taxation		(809,064,565)	(492,275,934)	(503,778,760)	(282,009,273)
Profit after taxation for the period		3,357,746,186	7,446,978,128	307,399,638	2,721,898,818
Attributable to:					
Equity holders of the parent		2,468,452,344	5,984,170,842	261,624,190	2,504,415,376
Non-controlling interest		889,293,842	1,462,807,286	45,775,448	217,483,442
		3,357,746,186	7,446,978,128	307,399,638	2,721,898,818
Earnings per share - basic and diluted		113.81	275.90	12.06	115.47

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

For The Six Months Period Ended December 31, 2022

	Six months period ended		Three months period ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Profit after taxation for the period	3,357,746,186	7,446,978,128	307,399,638	2,721,898,818
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent years:				
Forward foreign currency contracts				
Gain / (loss) on remeasurement / settlement of forward foreign currency contracts	66,100,629	(35,574,099)	(25,970,888)	10,553,215
Unrealised gain / (loss) on remeasurement of forward foreign currency contracts of associates	484,967	(51,356)	41,400	64,476
Exchange difference on translation of foreign operations	57,300,387	22,421,355	32,384,069	5,892,636
Items not be reclassified to profit or loss in subsequent years:				
(Loss) / gain on equity instruments at fair value through other comprehensive income	(912,893,163)	(303,938,442)	(32,185,678)	144,273,580
(Loss) / gain on equity instruments at fair value through other comprehensive income - associates	(7,971,935)	(3,918,155)	(810,210)	1,414,772
Other comprehensive (loss) / income for the period	(796,979,115)	(321,060,697)	(26,541,307)	162,198,679
Total comprehensive income for the period	2,560,767,071	7,125,917,431	280,858,331	2,884,097,497
Attributable to:				
Equity holders of the parent	1,671,473,229	5,663,110,145	235,082,883	2,666,614,055
Non-controlling interest	889,293,842	1,462,807,286	45,775,448	217,483,442
	2,560,767,071	7,125,917,431	280,858,331	2,884,097,497

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For The Six Months Period Ended December 31, 2022

	Share Capital		Share Premium		Fixed Assets Replacement		Fair value reserve of financial assets at fair value through OCI		Capital Reserves		Unrealized Gain on transition of foreign operation		Cash flow hedge reserves		Revenue Reserves		Total	Non-controlling Interest	Total Equity	
	Share Capital	Share Premium	Fixed Assets Replacement	Fair value reserve of financial assets at fair value through OCI	Unrealized Gain on transition of foreign operation	Cash flow hedge reserves	General reserves	Unappropriated profit	Total	Non-controlling Interest	Total Equity									
Balance as at July 01, 2021 (audited)	216,897,910	782,796,090	65,000,000	(1,002,685,997)	88,330,770	(18,250,046)	1,330,000,000	23,090,007,957	30,552,096,684	10,811,024,647	41,381,123,331									
Total comprehensive income for the six month period ended December 31, 2021	-	-	-	607,856,597	22,421,355	(85,625,455)	-	5,984,170,842	5,984,170,842	5,984,170,842	621,060,697	-	-	-	-	-	-	-	-	-
Profit after taxation for the period	-	-	-	607,856,597	22,421,355	(85,625,455)	-	5,984,170,842	5,984,170,842	5,984,170,842	621,060,697	-	-	-	-	-	-	-	-	-
Other comprehensive (loss) / income for the period	-	-	-	(307,856,597)	22,421,355	(35,625,455)	-	1,411,391	1,411,391	1,411,391	1,411,391	-	-	-	-	-	-	-	-	-
Share of increase in reserves of associated companies under equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2021 @ Rs.15 per share	-	-	-	-	-	-	-	(325,346,865)	(325,346,865)	(325,346,865)	(325,346,865)	-	-	-	-	-	-	-	-	(325,346,865)
Interim dividend @ Rs.0.61 per share-SWPCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,000,000)
Balance as at December 31, 2021 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,310,542,594)	110,752,125	(63,875,501)	1,330,000,000	34,750,243,325	35,891,271,355	12,213,831,833	46,105,103,288	-	-	-	-	-	-	-	-	
Balance as at July 01, 2022 (audited)	216,897,910	782,796,090	65,000,000	(2,587,900,529)	139,844,124	(66,126,276)	1,330,000,000	40,257,724,157	40,237,835,476	12,893,807,201	53,131,742,677	-	-	-	-	-	-	-	-	
Total comprehensive income for the period ended December 31, 2022	-	-	-	(920,865,088)	57,800,387	66,595,596	-	2,468,452,344	2,468,452,344	2,468,452,344	889,293,842	-	-	-	-	-	-	-	-	-
Profit after taxation for the period	-	-	-	(920,865,088)	57,800,387	66,595,596	-	2,468,452,344	2,468,452,344	2,468,452,344	889,293,842	-	-	-	-	-	-	-	-	-
Other comprehensive (loss) / income for the period	-	-	-	(920,865,088)	57,800,387	66,595,596	-	1,671,473,229	1,671,473,229	1,671,473,229	1,671,473,229	-	-	-	-	-	-	-	-	(796,979,115)
Share of increase in reserves of associated companies under equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2022 @ Rs.10 per share	-	-	-	-	-	-	-	(216,897,910)	(216,897,910)	(216,897,910)	(216,897,910)	-	-	-	-	-	-	-	-	(216,897,910)
1 st Interim dividend @ Rs.0.67476 per share-SWPCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,000,000)
1 st Interim dividend @ Rs.1.11 per share-TBCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(395,768,636)
Balance as at December 31, 2022 (Un-audited)	216,897,910	782,796,090	65,000,000	(3,508,765,617)	196,844,511	(459,320)	1,330,000,000	42,699,295,569	41,692,627,773	13,321,532,207	55,013,859,980	-	-	-	-	-	-	-	-	

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.

 Chief Executive

 Chief Financial Officer

 Chairman/Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For The Six Months Period Ended December 31, 2022

	Note	December 31,	
		2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	12,015,964,785	664,133,099
Long term loans, advances and deposits		(50,588,185)	936,305
Finance cost paid		(3,540,737,776)	(1,822,668,339)
Staff retirement benefits - gratuity paid		(77,300,491)	(42,987,407)
Taxes paid		(880,390,633)	(2,618,532,037)
		(4,549,017,085)	(4,483,251,478)
Net cash generated from / (used in) operating activities		7,466,947,700	(3,819,118,379)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,835,094,224)	(3,625,810,621)
Long term investment in equity instruments		(50,000,000)	(150,000,000)
Purchase of intangibles		(113,496,636)	(2,689,500)
Dividends received from associates		20,369,723	10,566,475
Proceeds from disposal of property, plant and equipment		69,269,430	78,892,783
Proceeds from disposal of right of use of assets		116,115,918	11,367,491
Dividend received - others		229,886,262	262,093,425
Rent received		5,451,259	1,712,766
Interest received		134,708,287	83,713,156
Net cash used in investing activities		(2,422,789,981)	(3,330,154,025)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		1,136,479,882	10,704,029,893
Proceeds from long term financing		2,656,991,124	2,967,438,620
Repayment of long term financing		(5,124,412,530)	(4,312,816,785)
Exchange gain on translation of foreign subsidiary		4,761,554	2,612,505
Lease obligation - net		(314,987,697)	(336,198,950)
Dividend paid		(678,898,388)	(384,675,796)
Net cash (used in) / generated from financing activities		(2,320,066,055)	8,640,389,487
Net increase in cash and cash equivalents		2,724,091,664	1,491,117,083
Cash and cash equivalents at the beginning of the period		7,896,636,821	8,769,532,457
Cash and cash equivalents at the end of the period		10,620,728,485	10,260,649,540
Cash and cash equivalents			
Cash and bank balances		10,620,728,485	10,260,971,235
Book overdrafts - unsecured		-	(321,695)
Cash and cash equivalents at the end of the period		10,620,728,485	10,260,649,540

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal Status and Nature of Business

Sapphire Textile Mills Limited (the Holding Company) was incorporated in Pakistan on 11 March 1969 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange.

The Holding Company is principally engaged in manufacturing and sale of yarn, fabrics, home textile products, finishing, stitching and printing of fabrics. Following are the business units of the Holding Company along with their respective locations:

BUSINESS UNIT	LOCATION
Registered Office	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi
Lahore office	4th Floor, Tricon Corporate Center, 73-E Jail Road, Gulberg II, Lahore.
Production Plants	
Spinning	A-17,SITE, Kotri
Spinning	A-84,SITE Area, Nooriabad
Spinning	63/64-KM, Multan Road, Jumber Khurd,Chunian, District Kasur
Spinning	1.5-KM, Warburton Road, Feroze Wattoan, Sheikhpura
Weaving, Yarn Dyeing, Printing, Processing and Home Textile	2-KM, Warburton Road, Feroze Wattoan, Sheikhpura
Stitching	1.5-KM Off, Defence Road, Bhutian Chowk, Raiwind Road, Lahore

1.2 The Group consists of:

- Sapphire Textile Mills Limited (the Holding Company)

Subsidiary Companies	% of shareholding
(i) Sapphire Retail Limited (SRL)	100%
(ii) Sapphire Wind Power Company Limited (SWPCL)	70%
(iii) Tricon Boston Consulting Corporation (Private) Limited (TBCL)	57.125%
(iv) Sapphire International ApS	100%
(v) Sapphire Real Estate (Private) Limited (SREPL)	100%
(vi) Sapphire Chemicals (Private) Limited	100%
(vii) Designtex (SMC-Private) Limited (Wholly owned subsidiary of SRL)	100%

- i) Sapphire Retail Limited (SRL) was incorporated in Pakistan as an unlisted public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on 11 June 2014. Its registered office is situated at 7 A/K Main Boulevard, Gulberg-II, Lahore. SRL is principally engaged in carrying out manufacturing of textile products by processing the textile goods in outside manufacturing facilities and to operate retail outlets to sell the same in Pakistan and abroad through E-store.
- ii) Sapphire Wind Power Company Limited (SWPCL) was incorporated in Pakistan as an unlisted public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on 27 December 2006. Its registered office is located at 212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi and the wind power plant has been set up at Jhimpir, District Thatta, Sindh on land that is leased to it by Alternative Energy Development Board ('AEDB'), Government of Pakistan.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

SWPCL's principal objective is to carry on the business of supplying general electric power and to setup and operate wind power generation projects to generate, accumulate, distribute and supply electricity.

It has set up a wind power station of 52.80 MW gross capacity at the above mentioned location and achieved Commercial Operations Date ('COD') on November 22, 2015. It has an Energy Purchase Agreement ('EPA') with its sole customer, Central Power Purchasing Agency Guarantee Limited ('CPPAGL') for twenty years which commenced from the COD.

- iii) Triconboston Consulting Corporation (Private) Limited (TBCL) was incorporated in Pakistan as a private Company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on 13 August 2012. Its principle objective is to carry on the business of supplying general electric power and to setup and operate wind power generation projects to generate, accumulate, distribute and supply electricity. Its registered office is located at 212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.
- TBCL has set up three wind power station of each 49.735 MW gross capacity at Deh, Kohistan 7/1 Tapo Jhimpir, Taluka and District Thatta in the province of Sindh measuring 3,852 acres. It has achieved Commercial Operations Date ('COD') on 16 August 2018, 14 December 2018 and 11 December 2018 by Project A, B and C respectively (collectively defined as 'Projects'). It has also signed three Energy Purchase Agreement ('EPA') with its sole customer for its Projects, Central Power Purchaser Agency (Guarantee) Limited ('CPGA-G') for twenty years which commenced from the COD.
- iv) Sapphire International APS a limited liability company incorporated in Denmark is formed to strengthen exports of the Holding Company and is engaged in selling textiles. The Company was incorporated on 27 August 2019. Its registered office is located at c/o Petersen Søgade 15, 1. th. 6000 Kolding, Denmark.
- v) Sapphire Real Estate (Private) Limited is 100% owned subsidiary incorporated under the Companies Act, 2017 on October 12, 2021 with the purpose of investment in real estate projects. The registered office of the Company is situated at 7-A/K, Main Boulevard, Gulberg II, Lahore.
- vi) Sapphire Chemicals (Private) Limited is a wholly owned subsidiary incorporated on 04 June, 2022 under the Companies Act, 2017. The principal line of business of the Company is to manufacture and sale of chemical products.
- vii) Designtex (SMC-Private) Limited was incorporated in Pakistan on 6 February 2020 as a single member private company and is wholly owned subsidiary of Sapphire Retail Limited. The company is principally engaged in manufacturing of textile and ancillary products. The head office of the Company is located at 1.5KM, Defence Road, Bhotbhan Chowk, Off Raiwind Road, Lahore.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These consolidated condensed interim financial information of the Group has 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 Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2022.

2.3 The consolidated condensed interim financial statements have been prepared under the historical cost convention. These financial statements are prepared in Pak Rupees, which is the functional currency of the group. Figures have been rounded off to the nearest Pak rupee unless otherwise stated.

2.4 Initial application of standards, amendments or interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2022, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group.

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

3. ACCOUNTING POLICIES

All the accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of consolidated audited annual financial statements for the year ended June 30, 2022.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this consolidated condensed interim financial information are the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended June 30, 2022.

	Note	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	74,629,643,692	70,591,084,199
Capital work-in-progress	5.3	3,040,368,856	3,672,796,973
Major spare parts and stand-by equipment		69,216,255	69,216,255
Right of use asset		2,649,748,195	2,745,690,434
		80,388,976,998	77,078,787,861
5.1 Operating fixed assets			
Opening book value		70,591,084,199	60,563,772,273
Cost of additions during the period / year	5.2	3,174,634,115	5,519,373,139
Net exchange loss capitalised during the period / year		3,627,286,422	9,201,539,388
Book value of disposals during the period / year	5.2	(43,338,350)	(112,586,978)
		6,758,582,187	14,608,325,549
Depreciation during the period/year		(2,720,022,694)	(4,581,013,623)
		4,038,559,493	10,027,311,926
Closing book value		74,629,643,692	70,591,084,199

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

5.2 The cost of additions and book value of disposals to operating fixed assets during the six months period ended December 31, 2022 and year ended June 30, 2022 are as follows:

	(Un-Audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Addition	Disposal	Addition	Disposal
	Cost	Book Value	Cost	Book Value
Rupees				
Freehold land	361,075,198	-	925,152,296	-
On Freehold land:				
Factory building	146,113,215	-	456,144,820	-
Labour, staff colony and others	124,860,737	-	133,741,937	-
On lease hold land:				
Factory building	3,139,779	-	8,950,000	-
Leased building improvements	1,554,382	5,874,193	96,399,324	11,340,346
Labour, staff colony and others	29,028,651	-	-	-
Plant and machinery	2,310,721,105	18,825,927	3,233,707,428	82,223,883
Electric installation	27,370,981	-	84,491,247	515,146
Electric equipment	21,275,447	6,291,206	76,688,714	4,366,176
Computer	51,597,696	1,407,115	97,706,798	2,274,604
Office equipment	550,901	267,775	13,417,692	39,302
Mills equipment	14,601,484	35,310	29,716,368	-
Furniture & fixtures	45,103,680	3,274,671	101,687,971	4,680,406
Vehicles	37,640,859	7,362,153	261,568,544	7,147,114
	3,174,634,115	43,338,350	5,519,373,139	112,586,978
			(Un-audited)	(Audited)
			December 31,	June 30,
			2022	2022
			Rupees	Rupees
5.3 Capital work-in-progress				
Civil works and buildings			1,127,666,642	1,299,204,315
Plant and machinery			1,831,803,736	2,326,866,270
Electric installations			34,444,914	21,376,195
Mills equipment			46,453,564	25,350,193
			3,040,368,856	3,672,796,973
6 CONTINGENCIES AND COMMITMENTS				
6.1 Contingencies				
6.2 Commitments				
6.2.1 Guarantees issued by banks on behalf of the Group			1,453,100,379	1,283,100,379

There are no contingencies to be reported as at period ended December 31, 2022 and June 30, 2022.

6.2.2 Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2022 the value of these cheques amounted to Rs.6,144.984 million (June 30, 2022: Rs.5,463.272 million)

6.2.3 A commercial bank has issued a guarantee amounting Rs.45 million in favour of excise and taxation department of Government of Sindh on behalf of Sapphire Wind Power Company Limited (subsidiary company) against charge of Rs.60 million on fixed assets of the Company.

	Note	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
6.2.4			
Commitments in respect of:			
- confirmed letter of credit	6.2.5	4,371,623,410	3,195,796,917
- capital expenditure	6.2.6	142,088,038	274,821,374
- forward foreign currency contracts		11,918,880	674,285,322
- Short term lease		120,959,000	76,557,714
		4,646,589,328	4,221,461,327
6.2.5			
Confirmed letter of credit in respect of:			
- plant and machinery		1,260,562,530	2,478,648,338
- raw material		3,062,957,991	669,368,051
- stores and spares		48,102,889	47,780,528
		4,371,623,410	3,195,796,917

6.2.6 This includes commitments for payments to be made for to various construction companies for the construction and extension on existing building at multiple plants of the Group.

7. NET TURNOVER

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	(Un-Audited)		(Un-Audited)		(Un-Audited)	
	Export Sales		Local Sales		Total	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
	Rupees					
Yarn	5,855,042,606	6,650,215,298	8,658,933,393	5,767,869,146	14,513,975,999	12,418,084,444
Fabric	11,885,456,225	8,274,397,867	1,312,648,645	1,009,418,792	13,198,104,870	9,283,816,659
Clothing items	355,282,056	451,674,148	10,782,142,283	6,745,748,759	11,137,424,339	7,197,422,907
Home textile products	4,255,611,576	4,906,317,263	333,108,366	192,254,920	4,588,719,943	5,098,572,183
Raw material	-	-	213,581,972	29,474,330	213,581,972	29,474,330
Accessories	-	-	456,763,839	252,531,435	456,763,839	252,531,435
Waste	134,100,328	161,358,619	383,704,707	213,622,816	517,805,035	374,981,435
Processing income	-	-	50,179,852	104,062,583	50,179,852	104,062,583
Power Generation	-	-	6,938,132,467	6,998,430,804	6,938,132,467	6,998,430,804
	22,485,492,791	20,443,963,195	29,129,195,524	21,313,413,585	51,614,688,315	41,757,376,780
Export rebate					44,284,236	44,554,029
Less: Discounts to customers					(3,132,551,093)	(1,472,251,718)
					48,526,421,458	40,329,679,091

7.1 Revenue is recognized at point in time as per the terms and conditions of underlying contracts with customers.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

	Note	(Un-audited) Six months period ended December 31,		(Un-audited) Three months period ended December 31,	
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
8	COST OF SALES				
	Finished goods - Opening stock	4,889,731,628	3,245,851,201	4,727,040,531	3,372,847,708
	Cost of goods manufactured	30,968,845,647	23,754,798,563	12,370,823,347	12,505,174,635
	Finished goods - Closing stock	(4,627,714,259)	(3,270,211,152)	(4,627,714,259)	(3,270,211,152)
	Cost of sales - owned manufactured	31,230,863,016	23,730,438,612	12,470,149,619	12,607,811,191
	Cost of raw material sold	227,809,110	28,761,849	22,456,424	22,696,224
	Cost of sales - purchased for resale	5,824,691,028	3,818,135,561	3,412,366,587	2,382,039,523
		37,283,363,154	27,577,336,022	15,904,972,630	15,012,546,938
8.1	Cost of goods manufactured				
	Work in process - opening stock	3,328,083,867	2,198,860,678	4,081,561,494	3,047,667,522
	Raw material consumed	17,957,901,043	13,505,384,771	5,356,964,162	6,662,662,197
	Overheads	14,282,373,752	11,187,840,766	7,531,810,706	5,932,132,568
		35,568,358,662	26,892,086,215	16,970,336,362	15,642,462,287
	Work in process - closing stock	(4,599,513,015)	(3,137,287,652)	(4,599,513,015)	(3,137,287,652)
		30,968,845,647	23,754,798,563	12,370,823,347	12,505,174,635

(Un-audited)
Six months period ended
December 31,

	2022 Rupees	2021 Rupees
9 CASH GENERATED FROM OPERATIONS		
Profit before taxation and share of profit of associates	4,032,630,011	7,836,998,759
Adjustments for non-cash items:		
Depreciation on operating fixed assets	2,720,022,694	2,198,298,907
Depreciation on right of use fixed assets	272,714,547	238,755,283
Amortization of intangible assets	4,891,479	1,395,740
Interest income	(134,708,287)	(83,713,156)
(Gain) / loss on sale of property, plant and equipment	(38,864,655)	8,116,950
Dividend income	(229,886,262)	(207,205,341)
Provision for gratuity	103,081,417	83,847,934
Amortization of transaction cost	32,271,330	32,271,330
Reversal of provision for stores, spares and loose tools	(1,560,843)	(10,571,787)
Provision against doubtful sales tax refundable	48,603,097	64,356,826
Unwinding of liability related to GIDC	17,900,886	26,092,349
Unwinding of Government grant	(51,388,999)	(24,720,313)
Waiver on lease payments	-	(7,667,555)
Rental Income	(5,111,963)	(2,217,960)
Finance cost	3,957,839,253	2,084,563,708
	6,695,803,694	4,401,602,915
Operating cash flow before changes in working capital	10,728,433,705	12,238,601,674
Changes in working capital		
Decrease / (increase) in current assets		
Stores, spare and loose tools	(123,689,982)	(53,889,971)
Stock-in-trade	(288,942,577)	(11,542,094,370)
Trade debts	1,931,361,520	(2,376,483,846)
Loans and advances	(68,371,783)	(163,753,568)
Trade deposits and short term prepayments	(111,856,359)	(71,269,469)
Other receivables	229,202,958	228,840,416
	1,567,703,777	(13,978,650,808)
(Decrease) / Increase in current liabilities		
Trade and other payables	(96,075,434)	2,355,022,369
Contract liabilities	(184,097,263)	49,159,864
	12,015,964,785	664,133,099

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

10. RELATED PARTY DISCLOSURES

The related parties comprise of Associated companies (due to common directorship), directors, key management personnel and staff retirement fund. Transactions with related parties are as follows:

	(Un-audited) Six months period ended December 31,	
	2022 Rupees	2021 Rupees
Associates:		
Sales / processing	3,420,290,044	1,979,267,220
Purchases	102,276,226	132,644,468
Expenses charged to	35,621,798	27,312,131
Markup charged by	51,020,302	44,686,885
Dividend received	20,371,173	10,581,373
Dividend paid	415,913,575	160,785,765
Loans (repaid) / obtained- net	(849,892,992)	823,084,075
Others:		
Contribution to provident fund	59,654,280	39,470,658
Dividend paid	71,659,040	131,281,215
Remuneration to key management personnel	98,282,284	66,535,947

11. SEGMENT ANALYSIS

11.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing, Home Textile, Textile Retail and Others	Power Generation	Total
	Rupees				
For the six months period ended December 31, 2022					
Revenue - external customers	14,334,320,949	8,509,519,225	18,744,448,818	6,938,132,466	48,526,421,458
Inter - segment sales	7,085,683,406	8,195,267,279	523,288,757	-	15,804,239,442
Segment results	1,850,185,088	1,033,397,882	1,031,439,895	3,856,209,063	7,771,231,928
For the six months period ended December 31, 2021					
Revenue - external customers	11,884,696,810	5,747,789,509	15,698,761,968	6,998,430,804	40,329,679,091
Inter - segment sales	4,200,544,909	5,034,733,138	235,530,394	-	9,470,808,441
Segment results	3,538,774,349	1,049,089,782	807,922,776	4,565,380,152	9,961,167,059

Reconciliation of operating results with profit after tax is as follows:

	(Un-audited) December 31,	
	2022 Rupees	2021 Rupees
Total results for reportable segments	7,771,231,928	9,961,167,059
Other operating expenses	(198,439,015)	(355,580,086)
Other income	469,445,454	374,339,173
Finance cost	(4,009,608,356)	(2,142,927,387)
Share of profit of associated companies	134,180,740	102,255,303
Profit before taxation	<u>4,166,810,751</u>	<u>7,939,254,062</u>
Taxation	(809,064,565)	(492,275,934)
Profit after tax for the period	<u>3,357,746,186</u>	<u>7,446,978,128</u>

11.2 SEGMENT ASSETS AND LIABILITIES

	Spinning	Weaving	Processing, printing, Home Textile, Textile Retail and Others	Power Generation	Total
	Rupees				
As at December 31, 2022 (Un-audited)					
Segment assets	<u>24,366,535,230</u>	<u>9,581,717,660</u>	<u>29,639,112,272</u>	<u>76,542,414,452</u>	<u>140,129,779,614</u>
Segment Liabilities	<u>24,170,776,330</u>	<u>6,565,451,304</u>	<u>23,458,279,228</u>	<u>43,999,370,680</u>	<u>98,193,877,542</u>
As at June 30, 2022 (Audited)					
Segment assets	<u>24,238,523,512</u>	<u>9,236,006,267</u>	<u>27,027,946,329</u>	<u>74,874,345,081</u>	<u>135,376,821,189</u>
Segment Liabilities	<u>16,942,629,921</u>	<u>6,843,364,624</u>	<u>20,453,804,894</u>	<u>43,618,782,749</u>	<u>87,858,582,188</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For The Six Months Period Ended December 31, 2022

Reconciliation of segment assets and liabilities with total assets and liabilities in the consolidated condensed interim statement of financial position is as follows:

	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
Total for reportable segments assets	140,129,779,614	135,376,821,189
Unallocated assets	14,230,228,854	14,194,386,138
Total assets as per consolidated condensed interim statement of financial position	154,360,008,468	149,571,207,327
Total for reportable segments liabilities	98,193,877,542	87,858,582,188
Unallocated liabilities	1,152,270,946	8,580,882,462
Total liabilities as per consolidated condensed interim statement of financial position	99,346,148,488	96,439,464,650
12 FINANCIAL INSTRUMENTS		
12.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	109,304,118	114,109,512
Trade debts	17,741,556,460	19,669,449,405
Loan to employees	120,100,663	112,696,136
Trade deposits	120,856,189	90,509,502
Other receivables	1,006,362,553	1,241,135,082
Bank balances	10,602,534,552	7,795,110,669
	29,700,714,535	29,023,010,306
Equity instruments at fair value through OCI		
Quoted equity shares	5,280,742,515	6,193,635,674
Unquoted equity shares	200,500,000	150,500,000
	5,481,242,515	6,344,135,674
Total current	32,465,000,607	31,836,431,229
Total non current	2,716,956,443	3,530,714,751
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	9,199,749,462	9,058,098,892
Accrued mark-up	1,089,261,147	808,727,767
Unclaimed dividend	1,998,909	2,230,552
Secured bank loan	61,428,347,991	59,607,967,862
Lease liabilities	2,958,243,449	3,011,958,929
Short term borrowings	19,420,339,107	18,212,581,522
	94,097,940,065	90,701,565,524
Total current	39,671,464,221	37,327,978,437
Total non current	54,426,475,844	53,373,587,087

12.2 Fair value of financial instruments

Carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

12.3 Fair value hierarchy

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value.

The table below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1.	Quoted market price (unadjusted) in an active market for identical instrument.
Level 2.	Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3.	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The main level of inputs used by the Group for its financial assets are derived and evaluated as follows:

	Level 1	Level 2	Level 3
	Rupees		
Financial assets			
As at December 31, 2022			
Assets carried at fair value			
Equity instruments at fair value through OCI	5,280,742,515	-	200,500,000
As at June 30, 2022			
Assets carried at fair value			
Equity instruments at fair value through OCI	6,193,635,674	-	150,500,000

During the period ended December 31, 2022, there were no transfers amongst the levels. Further, there were no changes in the valuation techniques during the period.

13 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the consolidated condensed interim statement of financial position comprise of balances as per the consolidated annual audited financial statements of the Group for the year ended June 30, 2022 and the Corresponding figures in the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity comprise of balances comparable period of the immediately preceding financial period i.e. six months period ended December 31, 2021.

Comparative information has been re-arranged or additionally incorporated in these consolidated interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation. However, no such significant rearrangements have been made in these consolidated condensed interim financial statements.

14 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 23, 2023.



Chief Executive



Chief Financial Officer



Chairman/Director

ڈائریکٹرز رپورٹ برائے حصص یافتگان

سیفنا ٹریڈنگ پاور کمپنی لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ، ٹرانسپورٹ لمیٹڈ، سیفنا ٹریڈنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفنا ٹریڈنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفنا ٹریڈنگ کارپوریشن (پرائیویٹ) لمیٹڈ اور ڈیزائننگ ایس ایس ایم سی پرائیویٹ لمیٹڈ کی بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2022ء کو مکمل ہونے والی ششماہی کے لیے ڈائریکٹرز رپورٹ معہ گروپ کے غیر آڈٹ شدہ کنسولیدیشنڈ اسٹیٹمنٹس اور آڈیٹرز رپورٹ پیش کر رہے ہیں۔

سیفنا ٹریڈنگ پاور کمپنی لمیٹڈ

کمپنی 70 فیصد سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی ملکیت اور 30 فیصد بینک الغلاف لمیٹڈ کی ملکیت ہے۔ کمپنی نے گھنچہ میں 52.80 میگا واٹ گھنچائی کے وولٹ فارم لگائے ہیں جنہوں نے نومبر 2015ء سے تجارتی سرگرمیاں شروع کر دی ہیں۔ پروجیکٹ بہترین صنعتی عمل انجام دے رہا ہے اور اطمینان بخش نتائج حاصل ہو رہے ہیں۔

سیفنا ٹریڈنگ ریٹیل لمیٹڈ

سیفنا ٹریڈنگ ریٹیل لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی مکمل ملکیت کی سوسائٹی ہے۔ اس سوسائٹی کی کاروبار بینکس اور دیگر مصنوعات کی فروخت کیلئے "سیفنا ٹریڈنگ ریٹیل آڈٹ ایس ایس ایم سی پرائیویٹ لمیٹڈ" کے تحت تشکیل پائی ہے۔ ایس ایس ایم سی پرائیویٹ لمیٹڈ کی طور پر بیرون زراعت سے بینکس کی پروجیکٹ کروا کے بینکس کی مصنوعات کی تیاری میں مصروف ہے۔ اور اس طرح پاکستان میں ریٹیل اسٹورز اور بیرون ملک آن لائن اسٹورز کے ذریعے بینکس کی مصنوعات کی فروخت میں مصروف ہے۔ ایس ایس ایم سی پرائیویٹ لمیٹڈ میں (41) ریٹیل اسٹورز چلا رہا ہے۔

ٹرانسپورٹ لمیٹڈ، سیفنا ٹریڈنگ کارپوریشن (پرائیویٹ) لمیٹڈ

ٹرانسپورٹ لمیٹڈ، سیفنا ٹریڈنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی 57.125% ملکیت کی سوسائٹی ہے۔ یہ کمپنی گھنچہ سندھ میں پاکستانی قوا زمین کے تحت تشکیل پائی ہے اور 3X50 میگا واٹ وولٹ انرجی کے (3) پروجیکٹس چلا رہی ہے۔ تینوں پروجیکٹس کی تجارتی سرگرمیاں ستمبر 2018ء سے کامیابی کے ساتھ شروع ہوئی ہیں۔

سیفنا ٹریڈنگ ریٹیل ایس ایس ایم سی

سیفنا ٹریڈنگ ریٹیل ایس ایس ایم سی، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی مکمل ملکیت کی سوسائٹی ہے اور یہ لمیٹڈ لائسنس کمپنی ڈنمارک میں وجود میں آئی، جس کا مقصد کمپنی کی برآمد اور استحکام دینا ہے۔

سیفنا ٹریڈنگ اسٹیٹ (پرائیویٹ) لمیٹڈ

سیفنا ٹریڈنگ اسٹیٹ (پرائیویٹ) لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی مکمل ملکیت کی سوسائٹی ہے جو کہ چائیداد کے منصوبہ میں سرمایہ کاری کے مقصد کے لئے قائم کی گئی ہے۔

سیفنا ٹریڈنگ ریٹیل (پرائیویٹ) لمیٹڈ

سیفنا ٹریڈنگ ریٹیل (پرائیویٹ) لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی مکمل ملکیت کی سوسائٹی ہے جو کہ یہاں بھی سرمایہ کاری کے مقصد کے لئے قائم کی گئی ہے۔

ڈیزائننگ ایس ایس ایم سی پرائیویٹ لمیٹڈ

ڈیزائننگ ایس ایس ایم سی پرائیویٹ لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی 2017ء کے تحت ایس ایم سی پرائیویٹ لمیٹڈ کے طور پر قائم ہوئی۔ یہ کمپنی سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی مکمل ملکیت کی سوسائٹی ہے اور سیفنا ٹریڈنگ ریٹیل لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی مکمل ملکیت کی سوسائٹی ہے۔ اس کمپنی کا بنیادی مقصد بینکس اور ذیلی مصنوعات کی تیاری ہے۔

سیفنا ٹریڈنگ انرجی (پرائیویٹ) لمیٹڈ

سیفنا ٹریڈنگ انرجی (پرائیویٹ) لمیٹڈ، سیفنا ٹریڈنگ ریٹیل لمیٹڈ کی مکمل ملکیت کی سوسائٹی ہے جو کہ ریٹیل واپس انرجی پروجیکٹس میں سرمایہ کاری کے مقصد کے لئے 31 دسمبر 2022ء ششماہی کے بعد قائم کی گئی ہے۔

بورڈ کی جانب سے



محمد عبداللہ
چیرمین ڈائریکٹرز



محمد عبداللہ
چیف ایگزیکٹو

لاہور

مورخہ: 23 فروری 2023ء

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران نہایت مسرت کے ساتھ 31 دسمبر 2022 کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ مالی تفصیلات پیش کر رہے ہیں۔ جس کا جائزہ حسب دستور یہ رپورٹ آڈیٹ کرنے کے لیے کراچی جائزہ رپورٹ مالیاتی تفصیلات کے ساتھ منسلک کر دی ہے۔

مالیاتی نتائج:

مالیاتی نتائج درج ذیل ہیں:

2021 دسمبر 31	2022 دسمبر 31	
رقم ہزاروں میں		
27,730,545	34,661,358	نیٹ کل فروخت
5,999,981	4,702,566	مجموعی منافع
4,866,281	4,133,271	کاروباری منافع
566,144	1,138,047	دیگر ذرائع سے آمدنی
(1,003,150)	(1,800,502)	مالیاتی لاگت
3,863,131	2,332,770	قبل از ٹیکس منافع
3,533,801	1,770,378	بعد از ٹیکس منافع

زیر جائزہ مدت کے دوران کمپنی کی نیٹ کل فروخت 27.731 بلین روپے سے بڑھ کر 34.661 بلین روپے ہو گئیں۔ بلحاظ فروخت خام منافع کی شرح 21.64 فیصد سے کم ہو کر 13.57 فیصد ہو گئی۔ زیر جائزہ مدت کے دوران مالیاتی لاگت 1.003 بلین روپے سے بڑھ کر 1.801 بلین روپے ہو گئی۔ نیٹ کل منافع مصنوعات کے مارجن میں کمی کی وجہ سے کمپنی کا منافع بعد از ٹیکس 3,533.801 ملین روپے سے کم ہو کر 1,770.378 ملین روپے ہو گیا۔ ماگک میں کمی اور اسٹیٹ بینک آف پاکستان کی سود کی پالیسی کی بنا پر مالیاتی لاگت میں اضافے کی وجہ سے مارجن میں کمی پر داؤد با۔

آمدنی فی حصص:

31 دسمبر 2022 کو ختم ہونے والے ششماہی کیلئے آمدنی فی حصص 81.62 روپے ہے جبکہ پچھلے سال کی اسی مدت میں یہ 162.92 روپے تھی۔

مستقبل کا منظر نامہ:

عالمی سدا بازی اور بلند افراط زر کی وجہ سے نیٹ کل صنعت داؤ کا شکار ہے۔ ملکی اندرونی حالات، سیاسی غیر یقینی صورتحال کے ساتھ ساتھ کاروبار کرنے کی زیادہ لاگت بشمول مالیاتی لاگت اور توانائی کی قیمت میں متوقع اضافہ زبردست داؤ پیدا کر رہا ہے۔ کپاس کی فصل کا نقصان جس کی جگہ مٹی کپاس درآمد کی جارہی ہے صنعت کو بھی غیر مسابقتی بنا رہی ہے۔ انتظامیہ جاری چیلجز پر قابو پانے کے لئے کوشاں ہے اور معقول منافع کے حصول کے لئے پرامید ہے۔

انتظار رکھو:

کمپنی اپنے ڈائریکٹران، ریگولیٹری اتھارٹیز، حصص یافتگان، کسٹمرز، مالیاتی اداروں، پلائیورز اور کارکنوں کی شراکت داری کو قدر کی نگاہ سے دیکھتی ہے۔

منجانب بورڈ



محمد عبداللہ
ڈائریکٹر ایگزیکٹو



نادیم عبداللہ
چیف ایگزیکٹو

لاہور

مورخہ 23 فروری 2023ء



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