



Sapphire

3rd Quarterly Report  
31 March 2022

**Sapphire Textile Mills Limited**



# CONTENTS

Company Information	2
---------------------	---

## UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Directors' Report	4
Unconsolidated Condensed Interim Statement of Financial Position	5
Unconsolidated Condensed Interim Statement of Profit or Loss	6
Unconsolidated Condensed Interim Statement of Comprehensive Income	7
Unconsolidated Condensed Interim Statement of Changes in Equity	8
Unconsolidated Condensed Interim Statement of Cash Flows	9
Notes to the Unconsolidated Condensed Interim Financial Statements	10

## CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Directors' Report	22
Consolidated Condensed Interim Statement of Financial Position	23
Consolidated Condensed Interim Statement of Profit or Loss	24
Consolidated Condensed Interim Statement of Comprehensive Income	25
Consolidated Condensed Interim Statement of Changes in Equity	26
Consolidated Condensed Interim Statement of Cash Flows	27
Notes to the Consolidated Condensed Interim Financial Statements	28
Directors' Report Consolidated in Urdu	40
Directors' Report in Urdu	41

## 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

E. Y. Ford Rhodes  
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  
Industrial and Commercial Bank of China  
Habib Metropolitan Bank Limited  
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  
Fax: +92 21 32416705, 32410930

[www.sapphire.com.pk/stml](http://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 Nine Months Ended 31 March 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 nine months' period ended March 31, 2022.

## Financial Review

The Summary of key financial numbers are presented below:

	31 March	
	2022	2021
	Rupees in thousands	
Net turnover	43,119,924	27,881,849
Gross profit	9,294,950	4,286,821
Profit from operations	7,430,217	3,546,763
Other income	817,913	724,130
Finance cost	(1,756,064)	(1,167,084)
Profit before taxation	5,674,154	2,379,679
Profit after taxation	5,154,470	2,030,696

During the period under review the company's net turnover increased from Rs.27.882 billion to Rs.43.120 billion. Turnover increased due to increase in sale prices of products, volumetric growth in higher end products and benefit due to rupee devaluation. The gross profit as a percentage of sales increased to 21.56% from 15.37% in the corresponding period. The company's profit after tax increased to Rs.5.154 billion from Rs.2.031 billion. The increased profitability of the company can be attributed to robust demand of products, procurement of raw material in a timely way, economies of scale, cost efficiencies and diversified customer portfolio.

## Earnings per Share

The earnings per share for the nine months' period ended March 31, 2022 is Rs.237.65 as compared to Rs. 93.62 for previous year's corresponding period.

## Future Prospects

The company during the current period achieved remarkable growth in terms of revenue and profitability due to conducive business environment. However ongoing challenges in the form of high interest rate, energy prices and unsteady international demand for textile products may affect profitability in the future.

## 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: April 27, 2022

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 March 2022

	Note	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	18,653,175,907	14,714,164,784
Investment property		31,750,000	31,750,000
Intangible assets		33,333	108,333
Long term investments		14,095,360,508	14,273,157,115
Long term loans and advances		348,247,385	100,618,981
Long term deposits		92,465,097	87,684,092
		<b>33,221,032,230</b>	<b>29,207,483,305</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		860,337,785	438,188,678
Stock in trade		22,521,859,370	12,885,111,563
Trade debts		4,629,891,695	2,633,783,566
Loans and advances		177,039,020	58,794,821
Trade deposits and short term prepayments		73,165,577	107,725,031
Other receivables		1,060,692,458	985,183,946
Short term investments		3,336,101,427	3,487,399,522
Tax refunds due from Government		3,648,214,773	1,919,158,360
Cash and bank balances		93,284,691	75,583,304
		<b>36,400,586,796</b>	<b>22,590,928,791</b>
		<b>69,621,619,026</b>	<b>51,798,412,096</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		25,158,615,882	20,801,687,879
		25,375,513,792	21,018,585,789
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities		15,261,074,210	14,320,927,549
Deferred liabilities		371,020,373	337,641,141
		15,632,094,583	14,658,568,690
<b>CURRENT LIABILITIES</b>			
Trade and other payables		5,665,740,028	3,909,854,854
Contract liabilities		1,336,225,039	1,012,000,047
Accrued Interest / mark-up		390,430,681	234,325,938
Unclaimed dividend		2,282,044	1,629,755
Short term borrowings		18,006,049,294	7,679,189,290
Current portion of long term liabilities		3,213,283,565	3,284,257,733
		28,614,010,651	16,121,257,617
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>69,621,619,026</b>	<b>51,798,412,096</b>

The annexed notes from 1 to 12 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 Nine Months Ended 31 March 2022

	Note	Nine months ended		Three months ended	
		31 March		31 March	
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
Net turnover	7	43,119,924,344	27,881,848,475	15,389,379,389	9,733,762,128
Cost of sales	8	(33,824,974,844)	(23,595,027,686)	(12,094,411,195)	(8,048,087,428)
<b>Gross profit</b>		<b>9,294,949,500</b>	<b>4,286,820,789</b>	<b>3,294,968,194</b>	<b>1,685,674,700</b>
Distribution cost		(1,695,868,263)	(847,845,311)	(615,687,881)	(341,737,613)
Administrative expenses		(502,699,152)	(341,017,306)	(213,723,870)	(116,892,270)
Other operating expenses		(484,077,782)	(275,325,312)	(153,389,340)	(114,253,024)
Other income		817,912,945	724,130,063	251,769,328	315,776,037
		(1,864,732,252)	(740,057,866)	(731,031,763)	(257,106,870)
<b>Profit from operations</b>		<b>7,430,217,248</b>	<b>3,546,762,923</b>	<b>2,563,936,431</b>	<b>1,428,567,830</b>
Finance cost		(1,756,063,514)	(1,167,083,942)	(752,913,708)	(380,515,912)
<b>Profit before taxation</b>		<b>5,674,153,734</b>	<b>2,379,678,981</b>	<b>1,811,022,723</b>	<b>1,048,051,918</b>
Taxation		(519,683,339)	(348,982,967)	(190,352,983)	(138,083,646)
<b>Profit after taxation for the period</b>		<b>5,154,470,395</b>	<b>2,030,696,014</b>	<b>1,620,669,740</b>	<b>909,968,272</b>
<b>Earnings per share - basic and diluted</b>		<b>237.65</b>	<b>93.62</b>	<b>74.72</b>	<b>41.95</b>

The annexed notes from 1 to 12 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 Nine Months Ended 31 March 2022

	Nine months ended		Three months ended	
	31 March		31 March	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Profit after taxation for the period	5,154,470,395	2,030,696,014	1,620,669,740	909,968,272
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent period:				
Forward foreign currency contracts				
Gain on remeasurement of forward foreign currency contracts	16,899,180	146,099,171	52,473,279	126,320,247
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	(489,094,707)	968,521,495	(185,156,266)	(774,802,306)
Other comprehensive (loss) / income for the period	(472,195,527)	1,114,620,666	(132,682,987)	(648,482,059)
<b>Total comprehensive income for the period</b>	<b>4,682,274,868</b>	<b>3,145,316,680</b>	<b>1,487,986,753</b>	<b>261,486,213</b>

The annexed notes from 1 to 12 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 Nine Months Ended 31 March 2022

	Share Capital	Share Premium	Fixed Assets Replacement	Capital Reserves		Revenue Reserves		Total Equity
				Unrealized (loss) / gain on investments at fair value through OCI	Unrealized (loss) / gain on forward foreign currency contracts	General reserves	Unappropriated profit	
Balance as at 01 July 2020 (Audited)	216,897,910	782,796,090	65,000,000	(2,451,280,135)	(12,294,1707)	1,330,000,000	16,546,075,789	16,475,547,947
Total comprehensive income for the period ended 31 March 2021	-	-	-	-	-	-	2,030,096,014	2,030,096,014
Profit after taxation for the period	-	-	-	968,521,495	146,099,171	-	-	1,114,620,666
Other comprehensive income for the period	-	-	-	968,521,495	146,099,171	-	2,030,096,014	3,145,316,680
Transfer of loss on sales of investment at fair value through OCI to unappropriated profit	-	-	-	136,793,668	-	-	(136,793,668)	-
Balance as at 31 March 2021 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,345,964,972)	133,157,464	1,330,000,000	18,499,079,135	19,821,864,627
Balance as at 01 July 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 31 March 2022	-	-	-	-	-	-	5,154,470,395	5,154,470,395
Profit after taxation for the period	-	-	-	(488,094,707)	16,895,180	-	-	(472,199,527)
Other comprehensive (loss) / income for the period	-	-	-	(488,094,707)	16,895,180	-	5,154,470,395	4,682,274,868
Transaction with owners	-	-	-	-	-	-	(925,346,865)	(925,346,865)
Final dividend for the year ended 30 June 2021 @ Rs.15 per share	-	-	-	-	-	-	24,459,279,185	24,459,279,185
Balance as at 31 March 2022 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,476,938,931)	(1,619,462)	1,330,000,000	24,459,279,185	25,375,513,792

The annexed notes from 1 to 12 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 Nine Months Ended 31 March 2022

	Note	Nine months ended 31 March	
		2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	9	(2,081,151,328)	(348,201,623)
Long term loans, advances and deposits		(252,409,409)	30,284,565
Finance cost paid		(1,562,446,035)	(1,321,219,160)
Staff retirement benefits - gratuity paid		(80,268,157)	(107,787,784)
Taxes paid		(2,346,877,054)	(602,445,089)
		(4,242,000,655)	(2,001,167,468)
Net cash used in operating activities		(6,323,151,983)	(2,349,369,091)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(5,074,925,861)	(1,790,882,869)
Investment in subsidiary		(10,000,000)	-
Long term investment in equity instruments		(150,000,000)	-
Short term investment in equity instruments		-	(124,849,807)
Proceeds from disposal of property, plant and equipment		80,137,251	288,837,951
Proceeds from sale of investments		-	169,142,951
Dividend received		631,015,163	432,253,666
Interest received		1,165,379	1,041,639
Rental income received		29,636,253	15,345,000
Net cash used in investing activities		(4,492,971,815)	(1,009,111,469)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		10,327,050,758	1,549,205,765
Proceeds from long term financing		2,918,519,437	2,128,960,725
Repayment of long term financing		(2,086,859,680)	(264,776,726)
Dividend paid		(324,694,576)	-
Net cash generated from financing activities		10,834,015,939	3,413,389,763
<b>Net increase in cash and cash equivalents</b>		<b>17,892,141</b>	<b>54,909,203</b>
Cash and cash equivalents at the beginning of the period		75,392,550	33,602,278
<b>Cash and cash equivalents at the end of the period</b>		<b>93,284,691</b>	<b>88,511,481</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		93,284,691	117,688,309
Book overdrafts - unsecured		-	(29,176,828)
<b>Cash and cash equivalents at the end of the period</b>		<b>93,284,691</b>	<b>88,511,481</b>

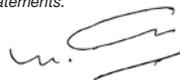
The annexed notes from 1 to 12 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Ended 31 March 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 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 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
<b>Registered Office</b>	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi
<b>Lahore office</b>	
	7-A/K, Main Boulevard, Gulberg II, Lahore
<b>Production Plants</b>	
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, Bhubtian Chowk, Raiwind Road, Lahore

## 2. BASIS OF PREPARATION

### 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.

2.2 The unconsolidated 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 Company for the year ended 30 June 2021.

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.

2.4 These are separate financial statements, where the investment in subsidiaries and associates is shown at cost; consolidated financial statements are separately presented.

### 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2021, except for as mentioned in note 3.2.

3.2 The Company adopted following new amendments to the approved accounting standards which became effective during the period, however these are not considered to be relevant or have any significant effect on the financial statements:

#### New Standards, Interpretations and Amendments

IFRS 16	COVID-19 Related Rent Concessions — (Amendments)
IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2 (Amendments)

The adoption of amendments applied for the first time in the year did not have any material impact on the financial statements of the Company.

#### Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)	
IFRS 3	Reference to conceptual framework — (Amendments)	01 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use — (Amendments)	01 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract — (Amendments)	01 January 2022
AIP IFRS 1	First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	01 January 2022
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
AIP IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IAS 1	Classification of liabilities as current or non-current — (Amendments)	01 January 2022
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by  Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and  Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	01 January 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	01 January 2023

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

For The Nine Months Ended 31 March 2022

Standard or Interpretation		Effective date (annual periods beginning on or after)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 - In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.	01 January 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture – (Amendments)	Not yet finalized

The Company expects that these amendments to the standards will not have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2022.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First Time Adoption of IFRS	1 July 2009
IFRS 17	Insurance Contracts	1 January 2023

The Company expects that above mentioned standards will not have any material impact on the Company's financial statements in the period of initial application.

#### 4. ACCOUNTING ESTIMATES, JUDGEMENTS 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 condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2021.

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 30 June 2021.

	Note	(Un-audited)	(Audited)
		31 March 2022 Rupees	30 June 2021 Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	15,373,757,457	13,432,407,958
Capital work-in-progress	5.2	3,279,418,450	1,281,756,826
		<b>18,653,175,907</b>	<b>14,714,164,784</b>

	Note	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
<b>5.1 Operating fixed assets</b>			
Opening book value		13,432,407,958	12,286,441,128
Cost of additions during the period/year	5.1.1	3,077,264,238	2,654,151,238
Book value of disposals during the period/year		(69,921,297)	(219,259,415)
		3,007,342,941	2,434,891,823
Depreciation during the period/year		(1,065,993,442)	(1,288,924,993)
		1,941,349,499	1,145,966,830
<b>Closing book value</b>		<b>15,373,757,457</b>	<b>13,432,407,958</b>

5.1.1 The cost of additions and book value of disposals from operating fixed assets during the nine months ended 31 March 2022 and year ended 30 June 2021 are as follows:

	(Un-Audited) 31 March 2022		(Audited) 30 June 2021	
	Addition	Disposal	Addition	Disposal
	Cost	Book Value	Cost	Book Value
	Rupees			
Land:				
Free - hold	300,846,492	-	357,010,858	80,392,936
Lease - hold	-	-	21,974,800	-
On freehold land:				
Factory building	213,704,120	-	172,819,741	-
Labour, staff colony and others	116,322,864	-	12,250,071	-
On leasehold land:				
Factory building	8,950,000	-	8,000,000	-
Leased building improvements	-	-	-	12,880,927
Plant and machinery	2,264,100,683	62,788,403	2,017,180,649	105,833,871
Electric installation	7,304,996	248,130	3,701,889	411,177
Fire fighting equipment	-	-	1,009,620	64,547
Electric equipment	652,949	3,426,240	1,740,886	2,163,320
Computer	22,538,977	640,737	15,944,091	3,054,756
Office equipment	11,413,652	-	2,773,944	1,813,445
Mills equipment	33,135,703	-	7,714,423	619,527
Furniture & fixtures	9,472,687	-	10,826,816	5,502,483
Vehicles	88,821,114	2,817,787	21,203,450	6,522,426
	<b>3,077,264,238</b>	<b>69,921,297</b>	<b>2,654,151,238</b>	<b>219,259,415</b>

	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
<b>5.2 Capital work-in-progress</b>		
Civil works and buildings	976,913,358	296,416,131
Plant and machinery	2,171,054,834	978,153,620
Electric installation	26,948,676	3,032,075
Electric equipment	27,757,777	-
Mills equipment	76,743,805	4,155,000
	<b>3,279,418,450</b>	<b>1,281,756,826</b>

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

For The Nine Months Ended 31 March 2022

## 6. CONTINGENCIES AND COMMITMENTS

	Note	(Un-audited)	(Audited)
		31 March 2022 Rupees	30 June 2021 Rupees
<b>6.1 Contingencies</b>			
6.1.1 Guarantees issued by banks on behalf of the Company		1,193,100,379	772,400,369
6.1.2 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 31 March 2022 the value of these cheques amounted to Rs. 4,148,464 million (30 June 2021: Rs.1,962.781 million).			
6.1.3 There is no change in status of the contingencies as disclosed in note 30.3 and 30.4 of the audited annual financial statements of the Company for the year ended 30 June 2021.			

	Note	(Un-audited)	(Audited)
		31 March 2022 Rupees	30 June 2021 Rupees
<b>6.2 Commitments</b>			
Commitments in respect of:			
- confirmed letter of credit	6.2.1	8,122,756,515	4,525,108,280
- capital expenditure	6.2.2	164,711,702	483,121,608
- forward foreign currency contracts		158,069,980	3,473,424,296
		<u>8,445,538,197</u>	<u>8,481,654,184</u>
<b>6.2.1 Letter of credit in respect of:</b>			
- plant and machinery		3,381,607,274	2,259,031,028
- raw material		4,645,954,805	2,228,287,845
- stores and spares		95,194,436	37,789,407
		<u>8,122,756,515</u>	<u>4,525,108,280</u>
6.2.2 This includes commitments for payments to be made to various construction companies for the construction and extension on existing building at multiple plants of the Company.			

## 7. NET TURNOVER

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

	Export Sales		Local Sales		Total	
	31 March		31 March		31 March	
	2022	2021	2022	2021	2022	2021
	Rupees					
Yarn	14,549,436,616	8,035,530,837	5,568,201,939	5,063,481,152	20,117,638,555	13,099,011,989
Fabric	12,343,096,941	7,369,704,866	1,702,316,525	1,290,216,224	14,045,413,466	8,659,921,090
Home textile products	7,395,163,417	3,877,646,826	194,026,185	134,958,363	7,589,189,602	4,012,605,189
Raw material	-	3,182,738	62,634,267	126,773,350	62,634,267	129,956,088
Waste	207,760,133	180,446,204	381,073,213	206,148,754	588,833,346	386,594,958
Processing income	-	-	652,825,384	1,498,299,143	652,825,384	1,498,299,143
	34,495,457,107	19,466,511,471	8,561,077,513	8,319,876,986	43,056,534,620	27,786,388,457
Export rebate and duty drawback	63,389,724	95,460,018	-	-	63,389,724	95,460,018
	34,558,846,831	19,561,971,489	8,561,077,513	8,319,876,986	43,119,924,344	27,881,848,475

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

	Note	(Un-audited)		(Un-audited)	
		Nine months ended		Three months ended	
		31 March		31 March	
		2022	2021	2022	2021
		Rupees		Rupees	
<b>8</b>		<b>COST OF SALES</b>			
Finished goods - Opening stock		2,224,766,537	1,968,661,976	3,270,211,152	1,670,504,792
Cost of goods manufactured	8.1	35,940,059,445	23,090,308,068	13,192,813,030	7,966,757,468
Cost of raw material sold		61,618,076	125,894,811	32,856,227	662,337
		38,226,444,058	25,184,864,855	16,495,880,409	9,637,924,597
Finished goods - Closing stock		(4,401,469,214)	(1,589,837,169)	(4,401,469,214)	(1,589,837,169)
		33,824,974,844	23,595,027,686	12,094,411,195	8,048,087,428
<b>8.1</b>		<b>Cost of goods manufactured</b>			
Work in process - opening stock		872,742,200	638,708,853	1,100,522,009	596,696,302
Raw material consumed		26,629,128,475	16,223,774,658	9,759,332,698	5,800,106,870
Overheads		9,723,873,756	6,902,277,523	3,618,643,309	2,244,407,262
		37,225,744,431	23,764,761,034	14,478,498,016	8,641,210,434
Work in process - closing stock		(1,285,684,986)	(674,452,966)	(1,285,684,986)	(674,452,966)
		35,940,059,445	23,090,308,068	13,192,813,030	7,966,757,468

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

For The Nine Months Ended 31 March 2022

		(Un-audited)	
		Nine months ended	
		31 March	
		2022	2021
		Rupees	Rupees
9	<b>CASH USED IN OPERATIONS</b>		
	Profit before taxation	5,674,153,734	2,379,678,981
	<b>Adjustments for non-cash items:</b>		
	Depreciation on operating fixed assets	1,065,993,442	945,497,592
	Amortization of intangible assets	75,000	75,000
	Gain on sale of property, plant and equipment	(9,247,106)	(112,915,871)
	Loss on sale of debt instruments - TFCs	-	4,868,766
	Interest income	(1,165,379)	(1,041,639)
	Dividend income	(647,301,116)	(523,770,358)
	Provision for gratuity	118,330,000	128,820,013
	(Reversal of provision) / provision for stores, spares and loose tools	(34,375,712)	6,239,967
	Provision against doubtful sales tax refundable	98,137,302	26,204,639
	Provision for Gas infrastructure development cess	37,512,736	40,384,192
	Unwinding of Government grant	(33,232,128)	(34,184,378)
	Finance cost	1,718,550,778	1,164,207,148
	Rental income	(51,158,753)	(15,450,000)
		<u>2,262,119,065</u>	<u>1,628,935,071</u>
	Operating cash flow before changes in working capital	7,936,272,799	4,008,614,052
	<b>Changes in working capital</b>		
	<b>(Increase) / decrease in current assets</b>		
	Stores, spares and loose tools	(387,773,395)	47,822,452
	Stock-in-trade	(9,636,747,807)	(3,977,573,394)
	Trade debts	(1,994,301,530)	(361,211,743)
	Loans and advances	(118,244,199)	(13,940,596)
	Trade deposits and short term prepayments	34,559,454	(106,850,401)
	Other receivables	(38,668,915)	(113,065,941)
		<u>(12,141,176,392)</u>	<u>(4,524,819,623)</u>
	<b>Increase in current liabilities</b>		
	Trade and other payables	1,799,527,273	71,854,872
	Contract liabilities	324,224,992	96,149,076
		<u>(2,081,151,328)</u>	<u>(348,201,623)</u>

## 10. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)	
	Nine months ended 31 March	
	2022 Rupees	2021 Rupees
<b>Subsidiaries:</b>		
Sales / processing	3,227,205,869	2,810,994,248
Purchases	4,753,179	-
Investment made	10,000,000	-
Expenses charged to subsidiary	393,945	301,406
Rental Income	46,650,000	15,450,000
Dividend received	142,680,034	107,899,383
<b>Associates:</b>		
Sales / processing	3,355,259,929	1,922,226,275
Purchases	262,640,929	102,259,929
Expenses charged by associates	-	3,132,410
Expenses charged to associates	39,841,864	35,783,442
Mark-up charged by associates	73,164,449	51,122,464
Dividend received	10,581,373	51,445,000
Dividend paid	100,785,765	-
Loans obtained - net	497,220,037	599,425,768
<b>Others:</b>		
Contribution to provident fund	45,739,590	37,897,355
Dividend paid	131,281,215	-
Donation	-	3,300,000
Remuneration to key management personnel	70,887,078	60,933,428

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

For The Nine Months Ended 31 March 2022

	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
<b>11 FINANCIAL INSTRUMENTS</b>		
<b>11.1 Financial instruments by Category</b>		
<b>FINANCIAL ASSETS</b>		
<b>Debt instruments at amortised cost</b>		
Long term deposits	92,465,097	87,684,092
Trade debts	4,629,891,695	2,633,783,566
Loan to employees	65,230,475	54,584,579
Trade deposits	32,489,000	102,789,000
Other receivables	942,239,709	841,140,543
Bank balances	84,970,416	73,510,198
	<b>5,847,286,392</b>	<b>3,793,491,978</b>
<b>Equity instruments at fair value through OCI</b>		
Quoted equity shares	7,272,562,589	7,761,657,291
Unquoted equity shares	150,500,000	500,000
	<b>7,423,062,589</b>	<b>7,762,157,291</b>
<b>Total current</b>	<b>9,183,851,150</b>	<b>7,165,360,925</b>
<b>Total non current</b>	<b>4,086,497,831</b>	<b>4,390,288,344</b>
<b>FINANCIAL LIABILITIES</b>		
<b>At amortized cost</b>		
Trade and other payables	4,389,386,323	2,911,652,033
Accrued interest / mark-up	390,430,681	234,325,938
Unclaimed dividend	2,282,044	1,629,755
Secured bank loan	17,534,072,356	16,702,412,599
Short term finances from banks	18,006,049,294	7,679,189,290
	<b>40,322,220,698</b>	<b>27,529,209,615</b>
<b>Total current</b>	<b>25,358,919,793</b>	<b>13,654,929,267</b>
<b>Total non current</b>	<b>14,963,300,905</b>	<b>13,874,280,348</b>
<b>11.2 Fair value of financial instruments</b>		
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.		
<b>11.3 Fair value hierarchy</b>		
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		
<b>Financial assets</b>			
<b>As at 31 March 2022</b>			
<b>Assets carried at fair value</b>			
Equity instruments at fair value through OCI	7,272,562,589	-	150,500,000
As at 30 June 2021			
Assets carried at fair value			
Equity instruments at fair value through OCI	7,761,657,291	-	500,000
<b>Financial liabilities</b>			
<b>As at 31 March 2022</b>			
<b>Liabilities carried at fair value</b>			
Forward foreign Currency contracts	-	4,640,549	-
As at 30 June 2021			
Liabilities carried at fair value			
Forward foreign Currency contracts	-	19,733,130	-

## 12 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 27 April 2022.



Chief Executive



Chief Financial Officer



Chairman/Director





# **CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

For The Nine Months Ended 31 March 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 and Designtex SMC-Private Limited it is our pleasure to present Directors' Report with un-audited Consolidated Financial Statements for the nine months ended March 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 40 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 formed during the current period for the purpose of investment in real estate projects.

## **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.

On behalf of the Board



NADEEM ABDULLAH  
CHIEF EXECUTIVE



MOHAMMAD ABDULLAH  
CHAIRMAN / DIRECTOR

Lahore  
Dated: April 27, 2022

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 March 2022

	Note	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	72,403,231,446	64,883,879,222
Investment property		31,750,000	31,750,000
Intangible assets		473,466,482	458,391,119
Long term investments		5,592,357,403	5,601,367,556
Long term loans and advances		348,247,385	100,618,981
Long term deposits		95,171,784	90,390,779
Deferred tax asset		120,178,471	120,178,471
		79,064,402,971	71,286,576,128
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,167,701,965	719,273,164
Stock in trade		28,349,946,834	16,157,878,138
Trade debts		13,365,301,948	11,976,987,295
Loans and advances		348,891,645	99,866,944
Trade deposits and short term prepayments		180,046,240	185,174,492
Other receivables		1,519,298,819	1,223,200,901
Short term investments		3,336,101,427	3,487,399,522
Tax refunds due from Government		4,435,469,949	2,155,411,946
Cash and bank balances		11,050,410,187	8,769,723,211
		63,753,169,014	44,774,915,613
<b>TOTAL ASSETS</b>		<b>142,817,571,985</b>	<b>116,061,491,741</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		37,776,387,319	30,335,198,774
Equity attributable to equityholders of the parent		37,993,285,229	30,552,096,684
Non-controlling interest		12,526,229,469	10,811,024,647
<b>Total Equity</b>		<b>50,519,514,698</b>	<b>41,363,121,331</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities		48,109,530,052	46,525,128,386
Deferred liabilities		411,810,187	363,557,599
Lease Liabilities		2,459,989,923	2,369,612,563
		50,981,330,162	49,258,298,548
<b>CURRENT LIABILITIES</b>			
Trade and other payables		10,186,554,866	7,505,149,697
Contract liabilities		1,342,571,176	1,014,427,063
Accrued Interest / mark-up		501,769,107	309,161,955
Unclaimed dividend		2,282,044	1,629,755
Short term borrowings		19,995,422,873	7,907,954,986
Current portion of long term liabilities		8,968,633,369	8,387,769,719
Current portion of lease liabilities		319,493,690	313,978,687
		41,316,727,125	25,440,071,862
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>142,817,571,985</b>	<b>116,061,491,741</b>

The annexed notes from 1 to 13 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 Nine Months Ended 31 March 2022

	Note	Nine months ended		Three months ended	
		31 March		31 March	
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
Net turnover	7	61,958,712,827	40,852,677,457	21,629,033,736	14,135,986,400
Cost of sales	8	(43,726,435,200)	(30,055,884,162)	(16,149,099,178)	(10,983,592,692)
<b>Gross profit</b>		<b>18,232,277,627</b>	<b>10,796,793,295</b>	<b>5,479,934,558</b>	<b>3,152,393,708</b>
Distribution cost		(3,500,959,713)	(2,023,753,920)	(1,310,058,026)	(777,954,833)
Administrative expenses		(974,025,825)	(650,324,145)	(373,751,502)	(220,570,851)
Other operating expenses		(506,263,014)	(247,313,139)	(150,682,928)	(85,093,132)
Other income		864,476,827	654,126,156	490,137,654	382,837,762
		(4,116,771,725)	(2,267,265,048)	(1,344,354,802)	(700,781,054)
<b>Profit from operations</b>		<b>14,115,505,902</b>	<b>8,529,528,247</b>	<b>4,135,579,756</b>	<b>2,451,612,654</b>
Finance cost		(3,522,874,543)	(3,041,460,655)	(1,379,947,156)	(989,085,071)
Share of profit of associated companies		170,393,384	15,645,739	68,138,081	32,065,920
<b>Profit before taxation</b>		<b>10,763,024,743</b>	<b>5,503,713,331</b>	<b>2,823,770,681</b>	<b>1,494,593,503</b>
Taxation		(771,597,777)	(441,196,021)	(279,321,843)	(202,572,799)
<b>Profit after taxation for the period</b>		<b>9,991,426,966</b>	<b>5,062,517,310</b>	<b>2,544,448,838</b>	<b>1,292,020,704</b>
<b>Attributable to:</b>					
Equity holders of the parent		8,216,222,144	3,963,584,598	2,232,051,302	1,217,669,019
Non-controlling interest		1,775,204,822	1,098,932,712	312,397,536	74,351,685
		<b>9,991,426,966</b>	<b>5,062,517,310</b>	<b>2,544,448,838</b>	<b>1,292,020,704</b>
<b>Earnings per share - basic and diluted</b>		<b>378.81</b>	<b>182.74</b>	<b>102.91</b>	<b>56.14</b>

The annexed notes from 1 to 13 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 Nine Months Ended 31 March 2022

	Nine months ended		Three months ended	
	31 March		31 March	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
<b>Profit after taxation for the period</b>	<b>9,991,426,966</b>	<b>5,062,517,310</b>	<b>2,544,448,838</b>	<b>1,292,020,704</b>
<b>Other comprehensive income:</b>				
<b>Items to be reclassified to profit or loss in subsequent years:</b>				
<b>Forward foreign currency contracts</b>				
Gain on remeasurement of forward foreign currency contracts	16,899,180	146,099,171	52,473,279	126,320,247
Gain on remeasurement of forward foreign currency contracts of associates	180,754	886,576	232,110	726,828
Exchange difference on translation of foreign operations	28,605,633	(17,674,517)	6,184,278	(30,051,353)
<b>Items not be reclassified to profit or loss in subsequent years:</b>				
Net (loss) / gain on equity instruments at fair value through other comprehensive income	(489,094,708)	968,521,495	(185,156,266)	(774,802,306)
Net (loss) / gain on equity instruments at fair value through other comprehensive income - associates	(6,291,967)	9,640,142	(2,373,812)	(7,073,650)
<b>Other comprehensive (loss) / income for the period</b>	<b>(449,701,108)</b>	<b>1,107,472,867</b>	<b>(128,640,411)</b>	<b>(684,880,234)</b>
<b>Total comprehensive income for the period</b>	<b>9,541,725,858</b>	<b>6,169,990,177</b>	<b>2,415,808,427</b>	<b>607,140,470</b>
<b>Attributable to:</b>				
Equity holders of the parent	7,766,521,036	5,071,057,465	2,103,410,891	532,788,785
Non-controlling interest	1,775,204,822	1,098,932,712	312,397,536	74,351,685
	<b>9,541,725,858</b>	<b>6,169,990,177</b>	<b>2,415,808,427</b>	<b>607,140,470</b>

The annexed notes from 1 to 13 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 Nine Months Ended 31 March 2022

	Capital Reserves				Revenue Reserves			Total	Non-controlling interest	Total Equity	
	Share Capital	Share Premium	Fixed Assets Replacement	Unrealized Gain/(loss) on fair value through OCI	Unrealized Gain on fair value through OCI	Unrealized Gain/(loss) on foreign exchange contracts	General reserves				Unappropriated profit
216,897,910	782,796,090	65,000,000	(2,477,048,172)	91,175,592	(12,652,470)	1,330,000,000	22,418,961,912	22,415,130,852	8,789,248,341	31,184,379,193	
Balance as at 01 July 2020 (audited)											
Total comprehensive income for the nine months ended 31 March 2021											
Profit after taxation for the period	-	-	-	-	-	-	3,983,584,598	3,983,584,598	1,098,832,712	5,082,517,310	
Other comprehensive income / (loss) for the period	-	978,161,637	-	(17,674,517)	146,895,747	-	-	1,107,472,867	-	1,107,472,867	
Transfer of loss on sale of investment at fair value through OCI to un-appropriated profit	-	978,161,637	-	(17,674,517)	146,895,747	-	3,983,584,598	5,071,057,465	1,098,832,712	6,169,990,177	
Share of decrease in reserves of associated companies under equity method	-	136,793,668	-	-	-	-	(136,793,668)	-	-	-	
Transaction with owners	-	-	-	-	-	-	(1,100,391)	(1,100,391)	-	(1,100,391)	
Interim dividend for the year ended 30 June 2020 @ Rs.0.46 per share-SWPCL	-	-	-	-	-	-	-	-	(45,000,000)	(45,000,000)	
Balance as at 31 March 2021 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,582,092,967)	73,901,065	134,333,277	26,244,652,451	27,485,087,926	9,823,181,053	37,308,268,979	
216,897,910	782,796,090	65,000,000	(1,022,686,997)	88,330,770	(18,250,046)	1,330,000,000	29,090,007,957	30,552,096,684	10,811,024,647	41,363,121,331	
Balance as at 01 July 2021 (audited)											
Total comprehensive income for the nine months ended 31 March 2022											
Profit after taxation for the period	-	-	-	-	-	-	8,216,222,144	8,216,222,144	1,775,204,822	9,991,426,966	
Other comprehensive (loss) / income for the period	-	(495,386,679)	-	28,605,633	17,079,934	-	-	(449,701,039)	-	(449,701,039)	
Share of increase in reserves of associated companies under equity method	-	(495,386,679)	-	28,605,633	17,079,934	-	8,216,222,144	7,766,621,036	1,775,204,822	9,541,725,855	
Transaction with owners	-	-	-	-	-	-	14,374	14,374	-	14,374	
Final dividend for the year ended 30 June 2021 @ Rs:15 per share	-	-	-	-	-	-	(325,346,865)	(325,346,865)	-	(325,346,865)	
Interim dividend for the year ended 30 June 2021 @ Rs.0.61 per share-SWPCL	-	-	-	-	-	-	-	-	(60,000,000)	(60,000,000)	
Balance as at 31 March 2022 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,498,072,672)	116,886,403	(1,170,112)	36,880,897,610	37,983,285,229	12,536,229,469	50,519,514,698	

The annexed notes from 1 to 13 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 Nine Months Ended 31 March 2022

	Note	Nine months ended 31 March	
		2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	5,813,867,495	9,721,505,710
Long term loans, advances and deposits		(252,409,409)	9,253,865
Finance cost paid		(3,244,347,662)	(3,207,879,597)
Staff retirement benefits - gratuity paid		(80,268,157)	(107,787,784)
Taxes paid		(3,139,671,410)	(706,042,952)
		(6,716,696,638)	(4,012,456,468)
Net cash (used in) / generated from operating activities		(902,829,143)	5,709,049,242
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(5,326,957,586)	(1,934,075,654)
Long term investment in equity instruments		(150,000,000)	-
Purchase of intangibles		(17,983,481)	(1,353,500)
Investments in equity instruments		-	(124,849,807)
Dividends from associates		10,579,924	51,445,000
Proceeds from disposal of property, plant and equipment		143,632,447	290,615,192
Proceeds from disposal of right of use of assets		305,821,434	4,183,169
Proceeds from sale of investments		-	169,142,951
Dividend received		477,755,205	272,909,283
Rent received		4,186,253	-
Interest received		153,433,923	49,799,660
Net cash used in investing activities		(4,399,531,880)	(1,222,183,706)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		12,041,025,001	1,109,194,011
Proceeds from long term financing		3,638,519,437	2,306,877,164
Exchange gain / (loss) on translation of foreign subsidiary		3,535,800	(1,577,076)
Repayment of long term financing		(7,209,455,974)	(4,570,529,201)
Lease obligation - net		(505,690,934)	(345,555,172)
Dividend paid		(324,694,576)	-
Dividend paid to NCI		(60,000,000)	(45,000,000)
Net cash generated from / (used in) financing activities		7,583,238,753	(1,546,590,274)
<b>Net increase in cash and cash equivalents</b>		<b>2,280,877,730</b>	<b>2,940,275,262</b>
Cash and cash equivalents at the beginning of the period		8,769,532,457	6,264,545,239
<b>Cash and cash equivalents at the end of the period</b>		<b>11,050,410,187</b>	<b>9,204,820,501</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		11,050,410,187	9,233,997,329
Book overdrafts - unsecured		-	(29,176,828)
<b>Cash and cash equivalents at the end of the period</b>		<b>11,050,410,187</b>	<b>9,204,820,501</b>

The annexed notes from 1 to 13 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 Nine Months Ended 31 March 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
<b>Registered Office</b>	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi
<b>Lahore office</b>	
	7-A/K, Main Boulevard, Gulberg II, Lahore
<b>Production Plants</b>	
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, Bhubtian 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) 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.

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. It's 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, Pakistan.

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 August 16, 2018, 14 September 2018 and 11 September 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 ('CPPA-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 Sogade 15, 1. th. 6000 Kolding, Denmark.
- v) Sapphire Real Estate (Private) Limited is new 100% owned subsidiary formed during the current period. The purpose of new subsidiary is investment in real estate projects. The registered office of the Company is situated at 7-A/K, Main Boulevard, Gulberg II, Lahore.
- vi) 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, which is wholly owned subsidiary of Sapphire Textile Mills 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, Bhohtian Chowk, Off Raiwind Road, Lahore.

## 2. BASIS OF PREPARATION

### 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 2021.

- 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in the preparation of consolidated condensed interim financial statements are consistent with those followed in the preparation of annual financial statements for the year ended 30 June 2021 except for as mentioned in note 3.2.

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

For The Nine Months Ended 31 March 2022

3.2 The Group adopted following new amendments to the approved accounting standards which became effective during the period, however these are not considered to be relevant or have any significant effect on the financial statements:

## New Standards, Interpretations and Amendments

IFRS 16	COVID-19 Related Rent Concessions – (Amendments)
IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2 (Amendments)

The adoption of amendments applied for the first time in the year did not have any material impact on the financial statements of the Group.

## Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)	
IFRS 3	Reference to conceptual framework – (Amendments)	01 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use – (Amendments)	01 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract – (Amendments)	01 January 2022
AIP IFRS 1	First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	01 January 2022
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
AIP IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IAS 1	Classification of liabilities as current or non-current – (Amendments)	01 January 2022
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by  Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and  Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	01 January 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	01 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 - In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.	01 January 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture – (Amendments)	Not yet finalized

The Group expects that these amendments to the standards will not have any material impact on the Group's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2022.

The Group expects that such improvements to the standards will not have any material impact on the Group's financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First Time Adoption of IFRS	1 July 2009
IFRS 17	Insurance Contracts	1 January 2023

The Group expects that above mentioned standards will not have any material impact on the Group's financial statements in the period of initial application.

#### 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 2021.

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 30 June 2021.

	Note	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	66,483,400,469	60,563,772,273
Capital work-in-progress	5.3	3,282,567,875	1,725,130,337
Major spare parts and stand-by equipment		69,216,256	69,216,256
Right of use asset		2,568,046,846	2,525,760,356
		<b>72,403,231,446</b>	<b>64,883,879,222</b>
<b>5.1 Operating fixed assets</b>			
Opening book value		60,563,772,273	64,883,952,143
Cost of additions during the period / year	5.2	4,163,471,859	2,841,274,283
Net exchange loss / (gain) capitalised during the period / year		5,184,724,405	(2,526,533,424)
Book value of disposals during the period / year	5.2	(87,548,741)	(249,441,638)
		9,260,647,523	65,299,221
Depreciation during the period/year		(3,341,019,327)	(4,385,479,091)
		<b>5,919,628,196</b>	<b>(4,320,179,870)</b>
<b>Closing book value</b>		<b>66,483,400,469</b>	<b>60,563,772,273</b>

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

For The Nine Months Ended 31 March 2022

5.2 The cost of additions and book value of disposals to operating fixed assets during the nine months ended 31 March 2022 and year ended 30 June 2021 are as follows:

	(Un-Audited)		(Audited)	
	31 March 2022		30 June 2021	
	Addition	Disposal	Addition	Disposal
	Cost	Book Value	Cost	Book Value
Rupees				
Land:				
Free - hold	921,634,684	-	357,010,858	80,392,936
Lease - hold	-	-	21,974,800	
On freehold land:				
Factory building	423,585,128	-	170,269,209	-
Labour, staff colony and others	116,322,864	-	12,250,071	-
On leasehold land:				
Factory building	8,950,000	-	8,000,000	-
Leased building improvements	48,719,470	7,663,865	61,040,068	31,970,659
Plant and machinery	2,266,175,383	62,788,403	1,980,799,623	105,833,871
Electric installation	7,304,996	248,130	3,701,889	411,177
Fire fighting equipment	-	-	1,009,620	64,547
Electric equipment	44,841,841	3,948,568	57,655,930	9,516,721
Computer	78,489,955	1,541,387	53,794,781	3,244,663
Office equipment	13,083,096	34	4,061,262	1,813,445
Mills equipment	33,135,703	-	7,714,423	619,527
Furniture & fixtures	43,802,313	4,680,406	67,884,549	7,581,555
Vehicles	157,426,426	6,677,948	34,107,200	7,992,537
	<b>4,163,471,859</b>	<b>87,548,741</b>	<b>2,841,274,283</b>	<b>249,441,638</b>
			(Un-audited)	(Audited)
			31 March	30 June
			2022	2021
			Rupees	Rupees
5.3 Capital work-in-progress				
Freehold land and building			-	443,373,511
Civil works and buildings			976,913,357	296,416,131
Plant and machinery			2,174,204,259	978,153,620
Electric installations			26,948,677	3,032,075
Electric equipment			27,757,777	-
Mills equipment			76,743,805	4,155,000
			<b>3,282,567,875</b>	<b>1,725,130,337</b>
6 CONTINGENCIES AND COMMITMENTS				
6.1 Contingencies				
Guarantees issued by banks on behalf of the Group			1,193,100,379	772,400,369

6.1.1 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 31 March 2022 the value of these cheques amounted to Rs.4,148.464 million (30 June 2021: Rs.1,962.781 million).

6.1.2 There is no change in status of the contingencies as disclosed in notes from 33.3 to 33.5 of the audited annual consolidated financial statements of the Group for the year ended 30 June 2021.

	Note	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
<b>6.2</b>	<b>Commitments</b>		
Commitments in respect of:			
- confirmed letter of credit	6.2.1	8,122,756,515	4,594,137,753
- capital expenditure	6.2.2	164,711,702	483,181,608
- forward foreign currency contracts		158,069,980	3,473,424,296
- Short term lease		120,959,001	4,857,540
		<b>8,566,497,198</b>	<b>8,555,601,197</b>
<b>6.2.1</b>	<b>Confirmed letter of credit in respect of:</b>		
- plant and machinery		3,381,607,274	2,259,031,028
- raw material		4,645,954,805	2,297,317,318
- stores and spares		95,194,436	37,789,407
		<b>8,122,756,515</b>	<b>4,594,137,753</b>

6.2.2 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:

	Export Sales		Local Sales		Total	
	31 March		31 March		31 March	
	2022	2021	2022	2021	2022	2021
	<b>Rupees</b>					
Yarn	14,346,292,353	7,996,454,774	5,572,686,742	5,063,481,152	19,918,979,095	13,059,935,926
Fabric	12,889,878,808	7,424,826,227	1,466,629,879	938,071,373	14,356,508,687	8,362,897,600
Clothing items	395,052,467	284,211,252	12,281,235,787	6,847,440,514	12,676,288,254	7,131,651,766
Home textile products	7,119,174,277	3,877,646,826	336,091,024	159,399,169	7,455,265,301	4,037,045,995
Raw material	-	3,182,737	62,634,267	126,773,350	62,634,267	129,956,087
Accessories	-	-	533,085,739	227,965,753	533,085,739	227,965,753
Waste	207,760,133	180,446,204	381,073,213	206,148,754	588,833,346	386,594,958
Processing income	-	-	140,358,821	634,462,320	140,358,821	634,462,320
Power Generation	-	-	9,445,780,348	7,935,882,179	9,445,780,348	7,935,882,179
	<b>34,958,158,038</b>	<b>19,766,768,020</b>	<b>30,219,575,820</b>	<b>22,139,624,563</b>	<b>65,177,733,858</b>	<b>41,906,392,584</b>
Export rebate and duty drawback					63,389,724	95,460,018
Less: Discounts to customers					(3,282,410,755)	(1,149,175,145)
					<b>61,958,712,827</b>	<b>40,852,677,457</b>

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 Nine Months Ended 31 March 2022

	Note	(Un-audited) Nine months ended		(Un-audited) Three months ended	
		31 March		31 March	
		2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
<b>8</b>					
		<b>COST OF SALES</b>			
		3,245,851,201	2,902,241,799	3,228,589,510	2,860,996,853
		Finished goods - Opening stock			
	8.1	37,143,161,042	28,194,376,560	13,429,984,121	10,262,360,499
		Cost of goods manufactured			
		(4,401,469,214)	(3,015,015,438)	(4,401,469,214)	(3,015,015,438)
		Finished goods - Closing stock			
		35,987,543,029	28,081,602,921	12,257,104,417	10,108,341,914
		Cost of sales - owned manufactured			
		61,618,076	125,894,811	32,856,227	662,337
		Cost of raw material sold			
		7,677,274,095	1,848,386,430	3,859,138,534	874,588,441
		Cost of sales - purchased for resale			
		43,726,435,200	30,055,884,162	16,149,099,178	10,983,592,692
<b>8.1</b>					
		<b>Cost of goods manufactured</b>			
		2,198,860,678	1,893,115,328	3,178,909,294	1,868,885,957
		Work in process - opening stock			
		20,444,240,470	15,287,122,504	6,938,855,699	5,843,279,893
		Raw material consumed			
		17,434,807,596	12,755,767,598	6,246,966,830	4,291,823,519
		Overheads			
		40,077,908,744	29,936,005,430	16,364,731,823	12,003,989,369
		(2,934,747,702)	(1,741,628,870)	(2,934,747,702)	(1,741,628,870)
		Work in process - closing stock			
		37,143,161,042	28,194,376,560	13,429,984,121	10,262,360,499

(Un-audited)  
 Nine months ended  
 31 March

	2022 Rupees	2021 Rupees
<b>9 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation and share of profit of associates	10,592,631,359	5,488,067,592
<b>Adjustments for non-cash items:</b>		
Depreciation on operating fixed assets	3,341,019,327	3,275,614,715
Depreciation on right of use fixed assets	374,833,346	267,746,115
Amortization of intangible assets	2,908,118	1,730,598
Loss on sale of debt instruments - TFCs	-	4,868,766
Interest income	(153,433,923)	(49,799,660)
Gain on sale of property, plant and equipment	(55,114,850)	(84,686,113)
Gain on sale of Right of use asset	(33,242,411)	-
Dividend income	(494,041,158)	(415,870,975)
Provision for gratuity	118,330,000	128,820,013
Amortization of transaction cost	48,406,995	46,167,390
(Reversal of provision for) / Provision for stores, spares and loose tools	(34,375,712)	6,239,967
Provision against doubtful sales tax refundable	98,137,302	26,204,639
Provision for Gas infrastructure development cess	37,512,736	40,384,192
Unwinding of Government grant	(33,232,128)	(34,184,378)
Waiver on lease payments	(7,667,555)	-
Rental Income	(4,508,753)	-
Finance cost	3,470,186,940	2,992,416,470
	<b>6,675,718,275</b>	<b>6,205,651,739</b>
Operating cash flow before changes in working capital	<b>17,268,349,634</b>	<b>11,693,719,331</b>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spare and loose tools	(414,053,089)	49,968,544
Stock-in-trade	(12,192,068,696)	(4,190,616,720)
Trade debts	(1,386,327,300)	2,568,630,449
Loans and advances	(249,024,701)	(24,260,204)
Trade deposits and short term prepayments	5,128,252	(129,873,853)
Other receivables	(280,458,321)	(56,153,966)
	<b>(14,516,803,855)</b>	<b>(1,782,305,750)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	2,734,177,603	(299,381,638)
Contract liabilities	328,144,113	109,473,767
	<b>5,813,867,495</b>	<b>9,721,505,710</b>

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

For The Nine Months Ended 31 March 2022

## 10. RELATED PARTY DISCLOSURES

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

	(Un-audited) Nine months ended 31 March	
	2022 Rupees	2021 Rupees
<b>Associates:</b>		
Sales / processing	3,355,259,929	1,922,226,275
Purchases	262,640,929	102,259,929
Expenses charged to associates	39,841,864	35,783,441
Expenses charged by associates	-	3,132,410
Mark-up charged by associates	73,164,449	51,122,464
Dividend received	10,581,373	51,445,000
Dividend paid	100,785,765	-
Loans obtained - net	497,220,037	599,425,768
<b>Others:</b>		
Contribution to provident fund	84,366,690	59,838,995
Dividend paid	131,281,215	-
Donation	-	3,300,000
Remuneration to key management personnel	137,534,508	169,905,825

## 11. SEGMENT ANALYSIS

### 11.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
	Rupees				
<b>For the nine months ended 31 March 2022</b>					
Revenue - external customers	18,899,990,520	11,089,486,330	22,523,455,629	9,445,780,348	61,958,712,827
Inter - segment sales	7,085,683,406	6,081,897,887	406,058,226	-	13,573,639,519
Segment results	5,492,258,788	1,529,601,605	986,542,102	5,748,889,594	13,757,292,089
<b>For the nine months ended 31 March 2021</b>					
Revenue - external customers	13,009,269,830	8,579,198,997	11,328,326,452	7,935,882,178	40,852,677,457
Inter - segment sales	3,683,395,882	2,595,124,148	856,950,052	-	7,135,470,082
Segment results	603,052,622	1,487,290,181	1,745,561,706	4,286,810,721	8,122,715,230

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

	(Un-audited) Nine months ended 31 March	
	2022 Rupees	2021 Rupees
Total results for reportable segments	13,757,292,089	8,122,715,230
Other operating expenses	(506,263,014)	(247,313,139)
Other income	864,476,827	654,126,156
Finance cost	(3,522,874,543)	(3,041,460,655)
Share of profit of associated companies	170,393,384	15,645,739
Profit before taxation	10,763,024,743	5,503,713,331
Taxation	(771,597,777)	(441,196,021)
Profit after tax for the period	9,991,426,966	5,062,517,310

## 11.2 SEGMENT ASSETS AND LIABILITIES

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
	Rupees				
<b>As at 31 March 2022 (Un-audited)</b>					
Segment assets	20,916,250,261	8,979,254,438	27,690,330,943	69,723,113,794	127,308,949,436
Segment Liabilities	17,863,123,277	6,693,031,361	22,980,597,428	36,220,147,523	83,756,899,589
<b>As at 30 June 2021 (Audited)</b>					
Segment assets	15,071,810,688	5,603,964,840	17,758,457,416	64,549,559,281	102,983,792,225
Segment Liabilities	12,207,122,166	3,810,791,783	11,282,854,958	37,221,190,524	64,521,959,431

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

For The Nine Months Ended 31 March 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) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
Total for reportable segments assets	127,308,949,436	102,983,792,225
Unallocated assets	15,508,622,549	13,077,699,516
Total assets as per consolidated condensed interim statement of financial position	<b>142,817,571,985</b>	<b>116,061,491,741</b>
Total for reportable segments liabilities	83,756,899,589	64,521,959,431
Unallocated liabilities	8,541,157,698	10,176,410,979
Total liabilities as per consolidated condensed interim statement of financial position	<b>92,298,057,287</b>	<b>74,698,370,410</b>
<b>12 FINANCIAL INSTRUMENTS</b>		
<b>12.1 Financial instruments by Category</b>		
<b>FINANCIAL ASSETS</b>		
<b>Debt instruments at amortised cost</b>		
Long term deposits	95,171,784	90,390,779
Trade debts	13,365,301,948	11,976,987,295
Loan to employees	87,025,955	59,183,761
Trade deposits	87,118,349	137,946,295
Other receivables	1,401,826,439	1,079,157,498
Bank balances	11,050,410,187	8,769,723,211
	<b>26,086,854,662</b>	<b>22,113,388,839</b>
<b>Equity instruments at fair value through OCI</b>		
Quoted equity shares	7,272,562,589	7,761,657,291
Unquoted equity shares	150,500,000	500,000
	<b>7,423,062,589</b>	<b>7,762,157,291</b>
<b>Total current</b>	<b>29,290,969,825</b>	<b>25,482,551,099</b>
<b>Total non current</b>	<b>4,218,947,426</b>	<b>4,392,995,031</b>
<b>FINANCIAL LIABILITIES</b>		
<b>At amortized cost</b>		
Trade and other payables	7,588,741,034	5,901,438,601
Accrued interest / mark-up	501,769,107	309,161,955
Unclaimed dividend	2,282,044	1,629,755
Secured bank loan	56,137,878,001	54,010,125,423
Lease liabilities	2,779,483,613	2,683,591,250
Short term borrowings	19,995,422,873	7,907,954,986
	<b>87,005,576,672</b>	<b>70,813,901,970</b>
<b>Total current</b>	<b>36,436,056,697</b>	<b>21,919,161,021</b>
<b>Total non current</b>	<b>50,569,519,975</b>	<b>48,894,740,949</b>

## 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		
<b>Financial assets</b>			
<b>As at 31 March 2022</b>			
<b>Assets carried at fair value</b>			
Equity instruments at fair value through OCI	7,272,562,589	-	150,500,000
As at 30 June 2021			
Assets carried at fair value			
Equity instruments at fair value through OCI	7,761,657,291	-	500,000
<b>Financial liabilities</b>			
<b>As at 31 March 2022</b>			
<b>Liabilities carried at fair value</b>			
Forward foreign currency contracts	-	4,640,549	-
As at 30 June 2021			
Liabilities carried at fair value			
Forward foreign currency contracts	-	19,733,130	-

## 13 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 27 April 2022.



Chief Executive



Chief Financial Officer



Chairman/Director

## حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

سیفٹرز ونڈ پاور کمپنی لمیٹڈ سیفٹرز ٹیکسٹائل لمیٹڈ ٹرانسکون پوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفٹرز انٹرنیشنل اے پی ایس ڈیزائننگ ایس ایم سی پرائیویٹ لمیٹڈ اور سیفٹرز ٹیکسٹائل اسٹیٹ (پرائیویٹ) لمیٹڈ کی ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم غیر آڈٹ شدہ مجموعی مالیاتی گوشوارے برائے نو ماہی مدت 31 مارچ 2022 پیش کرتے ہوئے اظہار سرت کرتے ہیں۔

سیفٹرز ونڈ پاور کمپنی لمیٹڈ:

کمپنی کی 70 فیصد ملکیت سیفٹرز ٹیکسٹائل لمیٹڈ کے پاس ہے اور 30 فیصد ملکیت بینک القلاح لمیٹڈ کے پاس ہے۔ کمپنی نے 52.80 میگا واٹ گھنائیں کا حامل ایک ونڈ فارم قائم کیا ہے جس نے اپنی تجارتی پیداوار کا آغاز نومبر 2015 میں کر دیا تھا، یہ پروجیکٹ بہترین صنعتی طور طریقوں کے مطابق چل رہا ہے اور کسی تباہ کن فراہم کر رہا ہے۔

سیفٹرز ٹیکسٹائل لمیٹڈ:

سیفٹرز ٹیکسٹائل لمیٹڈ سیفٹرز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سوسپڈیری ہے۔ اس سوسپڈیری کا ام کاروبار ٹیکسٹائل اور دیگر مصنوعات کی فروخت کیلئے "سیفٹرز برانڈ" ٹیکسٹائل آڈٹ لیس چلاتا ہے۔ ایس آر ایل بنیادی طور پر بیرون زرائع سے ٹیکسٹائل کی پروسیسنگ کروا کے ٹیکسٹائل کی مصنوعات کی تجارتی میں مصروف ہے اور اسی طرح پاکستان میں ٹیکسٹائل اسٹورز اور بیرون ملک آن لائن اسٹورز کے ذریعے ٹیکسٹائل کی مصنوعات کی فروخت میں مصروف ہے۔ ایس آر ایل پورے ملک میں چالیس ٹیکسٹائل اسٹورز چلا رہا ہے۔

ٹرانکون پوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ:

ٹرانکون پوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ سیفٹرز ٹیکسٹائل لمیٹڈ کی 57.125 فیصد ملکیت کی سوسپڈیری ہے۔ ٹرانکون پوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ کی تشکیل پاکستانی قوانین کے تحت ہوئی اور اس وقت تین پروجیکٹس چھپھر میں چلا رہی ہے جن میں سے ہر ایک کی گھنائیں 50 میگا واٹ ہے۔ تمام پروجیکٹس سے قبل 2018 میں کامیابی کے ساتھ تجارتی پیداوار کا آغاز کر دیا تھا۔

سیفٹرز انٹرنیشنل APS:

سیفٹرز انٹرنیشنل APS، سیفٹرز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سوسپڈیری ہے۔ سیفٹرز انٹرنیشنل APS ایک لمیٹڈ (محدود مدداری کی حامل) کمپنی ہے جس کی تشکیل ڈنمارک میں ہوئی جس کا مقصد کمپنی کی برآمدات کو مضبوط کرنا ہے۔

سیفٹرز ٹیکسٹائل اسٹیٹ پرائیویٹ لمیٹڈ:

سیفٹرز ٹیکسٹائل لمیٹڈ نے موجودہ مدت کے دوران سو فیصد ایکویٹی کے ساتھ ہی ذیلی کمپنی سیفٹرز ٹیکسٹائل اسٹیٹ پرائیویٹ لمیٹڈ بنائی ہے۔ ذیلی کمپنی کا بنیادی مقصد ٹیکسٹائل اسٹیٹ کے نئے منصوبوں میں سرمایہ کاری کرنا ہے۔

ڈیزائننگ ایس ایم سی پرائیویٹ لمیٹڈ:

ڈیزائننگ ایس ایم سی پرائیویٹ لمیٹڈ ہائی ٹیمپرز کے طور پر کمپنیز ایکٹ 2017 کے تحت وجود میں آئی۔ ڈیزائننگ ایس ایم سی پرائیویٹ لمیٹڈ سیفٹرز ٹیکسٹائل لمیٹڈ کی مکمل سوسپڈیری ہے اور سیفٹرز ٹیکسٹائل لمیٹڈ سیفٹرز ٹیکسٹائل لمیٹڈ کی مکمل سوسپڈیری ہے۔ اس کمپنی کا بنیادی مقصد ٹیکسٹائل اور ذیلی مصنوعات کی تجارتی ہے۔

مخائبہ پورڈ

لاہور

مورخہ: 127 اپریل 2022



محمد عبداللہ  
ڈائریکٹر ایگزیکٹو



محمد عبداللہ  
چیف ایگزیکٹو

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹرانہایت مسرت کے ساتھ 31 مارچ 2022 کو اختتام پزیر ہونے والی نوامیہ کی غیر آڈٹ شدہ مالی تقصیلات پیش کر رہے ہیں۔

### مالیاتی نتائج:

مالیاتی نتائج درج ذیل ہیں:

رقم ہزاروں میں		
31 مارچ 2021	31 مارچ 2022	
27,881,849	43,119,924	نیٹ کل فروخت
4,286,821	9,294,950	مجموعی منافع
3,546,763	7,430,217	کاروباری منافع
724,130	817,913	دیگر ذرائع سے آمدنی
(1,167,084)	(1,756,064)	مالیاتی لاگت
2,379,679	5,674,154	قبل از ٹیکس منافع
2,030,696	5,154,470	بعد از ٹیکس منافع

زیر جائزہ مدت کے دوران کمپنی کی خاص فروخت 27.882 بلین روپے سے بڑھ کر 43.120 بلین روپے ہو گئیں۔ مصنوعات کی فروخت کی قیمتوں میں اضافے، اعلیٰ درجے کی مصنوعات میں ترقی نمودار روپے کی قدر میں کمی کی فروخت میں اضافہ کی وجہ سے۔ بلحاظ فروخت خام منافع کی شرح 15.37 فیصد سے بڑھ کر 21.56 فیصد ہو گئی۔ کمپنی کا منافع بعد از ٹیکس 2.031 بلین روپے سے بڑھ کر 5.154 بلین روپے ہو گیا۔ کمپنی کے بڑھتے ہوئے منافع کو مصنوعات کی مضبوط مانگ، بروقت خام مال کی خریداری، پیمانے کی معیشت، لاگت میں کمی اور متنوع کسٹمرز پورٹ فولیو سے منسوب کیا جاسکتا ہے۔

### آمدنی فی حصص:

31 مارچ 2022 کو ختم ہونے والے نوامیہ کی آمدنی فی حصص 237.65 روپے ہے جبکہ پچھلے سال کی نوامیہ میں یہ 93.62 روپے تھی۔

### مستقبل کا منظر نامہ:

کمپنی نے موجودہ مدت کے دوران سازگار کاروباری ماحول کی وجہ سے آمدنی اور منافع کے لحاظ سے غیر معمولی ترقی حاصل کی۔ تاہم بلند شرح سود، توانائی کی قیمتیں اور یکساں مصنوعات کی غیر مستحکم بین الاقوامی مانگ کی صورت میں جاری چیلنجز مستقبل میں منافع کو متاثر کر سکتے ہیں۔

### اظہار تشکر:

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

مناصب پورے

لاہور

مورخہ 27 اپریل 2022ء



محمد عبداللہ  
ڈائریکٹر ایگزیکٹو



محمد عبداللہ  
چیف ایگزیکٹو











### **Sapphire Textile Mills Limited**

212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi, Pakistan.  
Phone: +92 21 111 000 100, +92 21 3241 0930 Fax: +92 21 3241 6705  
E-Mail: [contact@sapphiretextiles.com.pk](mailto:contact@sapphiretextiles.com.pk)

7A-K, Main Boulevard, Gulberg II, Lahore, Pakistan.  
Phone: +92 42 111 000 100, +92 42 35750410, Fax: +92 42 35758783  
E-Mail: [contact@sapphiretextiles.com.pk](mailto:contact@sapphiretextiles.com.pk)