

# Sapphire



3<sup>rd</sup> QUARTERLY REPORT  
31 MARCH 2021  
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

### AUDITORS

E. Y. Ford Rhodes  
Chartered Accountants

### LEGAL ADVISOR

A. K. Brohi & Company

### TAX CONSULTANTS

Yousuf Adil  
Chartered Accountants

### 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  
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, 32417418

[www.sapphire.com.pk](http://www.sapphire.com.pk)

### 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,  
Sheikhupura.

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

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

#### 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 2021



## Directors' Report to the Shareholders

The Directors of the Company have pleasure in submitting their Report together with the un-audited interim financial statements of the Company for the nine months' period ended March 31, 2021.

### Financial Review

The Summary of key financial numbers are presented below:

	31 March	
	2021	2020
	Rupees in thousand	
Net turnover	27,881,849	27,629,870
Gross profit	4,286,821	4,563,166
Profit from operations	3,546,763	3,704,498
Other income	724,130	491,973
Finance cost	(1,167,084)	(2,055,064)
Profit before taxation	2,379,679	1,649,434
Profit after taxation	2,030,696	1,413,377

During the period under review, the Company achieved turnover of Rs. 27.882 billion compared to Rs.27.630 billion during the corresponding period of last year. The gross profit as a percentage of sales decreased to 15.37% from 16.52% in the corresponding period. The finance cost during the period decreased to Rs. 1,167.084 million representing 4.19% of sales from Rs. 2,055.064 million representing 7.44% of sales in the corresponding period. The Company's profit after tax increased from Rs. 1,413.377 million to Rs. 2,030.696 million.

### Earnings per Share

The earnings per share for the nine months' period ended March 31, 2021 is Rs. 93.62 as compared to Rs. 66.23 for previous year's corresponding period.

### Future Prospects

The Company is expected to achieve sustainable profitability through its good customer base and diversified business operations. The Company is also expecting healthy cash flows from its investment in Renewable Energy segment as Government has taken steps to resolve circular debt issues.

The biggest challenge for Company is decline in exports due to ongoing Covid challenges in its export markets; however, situation is expected to improve considering rollout of vaccination across globe.

### 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  
DIRECTOR

Lahore

Dated: April 28, 2021

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 March 2021

	Note	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	13,793,089,683	13,119,291,362
Investment property		31,750,000	31,750,000
Intangible assets		133,333	208,333
Long term investments		14,225,976,431	13,612,999,166
Long term loans and advances		81,378,610	111,663,175
Long term deposits		87,684,092	87,684,092
		28,220,012,149	26,963,596,128
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		417,311,655	471,374,075
Stock in trade		12,888,485,555	8,910,912,161
Trade debts		3,143,983,237	2,782,771,494
Loans and advances		70,822,925	56,882,329
Trade deposits and short term prepayments		131,775,775	24,925,374
Other receivables		1,179,177,592	845,667,618
Short term investments		3,262,607,700	2,956,225,380
Tax refunds due from Government		1,593,642,321	1,366,384,838
Cash and bank balances		117,688,309	67,540,738
		22,805,495,069	17,482,684,007
<b>TOTAL ASSETS</b>		<b>51,025,507,218</b>	<b>44,446,280,135</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		19,404,966,717	16,259,650,037
		19,621,864,627	16,476,547,947
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities		13,917,219,815	13,772,308,842
Deferred liabilities	6	333,712,329	297,609,788
		14,250,932,144	14,069,918,630
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,519,351,794	3,898,936,441
Contract liabilities		926,544,963	830,395,887
Accrued interest / mark-up		210,410,090	361,222,288
Unclaimed dividend		1,696,118	1,696,118
Short term borrowings		9,615,017,091	8,070,572,958
Current portion of long term financing		2,879,690,391	736,989,866
		17,152,710,447	13,899,813,558
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>51,025,507,218</b>	<b>44,446,280,135</b>

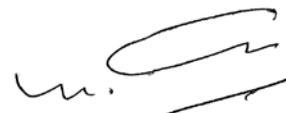
The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

	Note	Nine months ended 31 March		Three months ended 31 March	
		2021	2020	2021	2020
Rupees					
Net turnover	8	27,881,848,475	27,629,869,771	9,733,762,128	9,041,396,229
Cost of sales	9	(23,595,027,686)	(23,066,703,284)	(8,048,087,428)	(7,786,609,976)
<b>Gross profit</b>		<b>4,286,820,789</b>	<b>4,563,166,487</b>	<b>1,685,674,700</b>	<b>1,254,786,253</b>
Distribution cost		(847,845,311)	(835,981,842)	(341,737,613)	(290,293,245)
Administrative expenses		(341,017,306)	(339,202,523)	(116,892,270)	(104,564,909)
Other operating expenses		(275,325,312)	(175,456,716)	(114,253,024)	(35,060,572)
Other income		724,130,063	491,973,062	315,776,037	180,837,053
		(740,057,866)	(858,668,019)	(257,106,870)	(249,081,673)
<b>Profit from operations</b>		<b>3,546,762,923</b>	<b>3,704,498,468</b>	<b>1,428,567,830</b>	<b>1,005,704,580</b>
Finance cost		(1,167,083,942)	(2,055,064,459)	(380,515,912)	(828,417,488)
<b>Profit before taxation</b>		<b>2,379,678,981</b>	<b>1,649,434,009</b>	<b>1,048,051,918</b>	<b>177,287,092</b>
Taxation					
Current					
- for the period		(349,391,077)	(336,488,331)	(138,083,646)	(114,009,973)
- prior year		408,110	(516,265)	-	-
Deferred		-	100,947,309	-	(3,479,096)
		(348,982,967)	(236,057,287)	(138,083,646)	(117,489,069)
<b>Profit after taxation for the period</b>		<b>2,030,696,014</b>	<b>1,413,376,722</b>	<b>909,968,272</b>	<b>59,798,023</b>
<b>Earnings per share - basic and diluted</b>		<b>93.62</b>	<b>66.23</b>	<b>41.95</b>	<b>2.76</b>

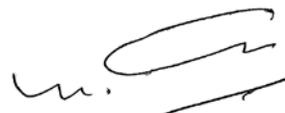
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Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

	Nine months ended 31 March		Three months ended 31 March	
	2021	2020	2021	2020
	Rupees			
Profit after taxation for the period	2,030,696,014	1,413,376,722	909,968,272	59,798,023
Other comprehensive income / (loss):				
Items to be reclassified to profit or loss in subsequent period:				
Forward foreign currency contracts				
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts	133,157,464	(152,786,594)	126,320,247	(173,625,733)
Reclassification adjustments relating to loss realized on settlement of forward foreign currency contracts	12,941,707	-	-	-
	146,099,171	(152,786,594)	126,320,247	(173,625,733)
Net loss on debt instruments at fair value through other comprehensive income	-	(1,000,000)	-	(375,000)
Items not be reclassified to profit or loss in subsequent period:				
Net gain / (loss) on equity instruments at fair value through other comprehensive income	968,521,495	(1,102,995,003)	(774,802,306)	(2,962,284,042)
Other comprehensive income / (loss) for the period	1,114,620,666	(1,256,781,597)	(648,482,059)	(3,136,284,775)
Total comprehensive income / (loss) for the period	3,145,316,680	156,595,125	261,486,213	(3,076,486,752)

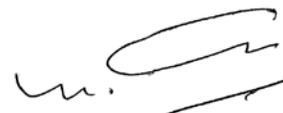
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Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

	Capital Reserves				Revenue Reserves		Total Equity	
	Share Capital	Share Premium	Fixed Assets Replacement	Unrealized Gain/(loss) on investments at fair value through OCI	Unrealized (Loss)/gain on forward foreign exchange contracts	General reserves		Unappropriated profit
Balance as at 01 July 2019 (Audited)	200,831,400	156,202,200	65,000,000	(1,264,743,649)	-	1,330,000,000	15,894,790,391	16,382,080,342
Total comprehensive income for the nine months ended 31 March 2020								
Profit after taxation for the period	-	-	-	-	-	-	1,413,376,722	1,413,376,722
Transfer of subsidiaries reserve on merger	-	-	-	-	-	-	(108,799,583)	(108,799,583)
Other comprehensive loss for the period	-	-	-	(1,103,995,003)	(152,786,594)	-	-	(1,256,781,597)
Transfer of gain on sales of investment at fair value through OCI to un-appropriated profit	-	-	-	(1,103,995,003)	(152,786,594)	-	1,304,577,139	47,795,542
Transaction with owners	-	-	-	(47,437,089)	-	-	47,437,089	-
Right shares 1,606,651 issued at the rate of Rs.400 per share (Rs.10 par value and Rs.390 premium per share)	16,066,510	626,593,890	-	-	-	-	-	642,660,400
Final dividend for the year ended 30 June 2019 @ Rs. 26 per share	-	-	-	-	-	-	(522,161,640)	(522,161,640)
<b>Balance as at 31 March 2020 (Un-audited)</b>	<b>216,897,910</b>	<b>782,796,090</b>	<b>65,000,000</b>	<b>(2,416,175,741)</b>	<b>(152,786,594)</b>	<b>1,330,000,000</b>	<b>16,724,642,979</b>	<b>16,550,374,644</b>
Balance as at 01 July 2020 (Audited)	216,897,910	782,796,090	65,000,000	(2,451,280,135)	(12,941,707)	1,330,000,000	16,546,075,789	16,476,547,947
Total comprehensive income for the nine months ended 31 March 2021								
Profit after taxation for the period	-	-	-	-	-	-	2,030,696,014	2,030,696,014
Other comprehensive income for the period	-	-	-	968,521,495	146,099,171	-	-	1,114,620,666
Transfer of loss on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	968,521,495	146,099,171	-	2,030,696,014	3,145,316,680
Transfer of loss on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	136,793,668	-	-	(136,793,668)	-
<b>Balance as at 31 March 2021 (Un-audited)</b>	<b>216,897,910</b>	<b>782,796,090</b>	<b>65,000,000</b>	<b>(1,345,964,972)</b>	<b>133,157,464</b>	<b>1,330,000,000</b>	<b>18,439,978,135</b>	<b>19,621,864,627</b>

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Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

		Nine months ended 31 March	
	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	10	(348,201,623)	234,889,263
Long term loans, advances and deposits		30,284,565	4,303,009
Finance cost paid		(1,321,219,160)	(1,813,253,495)
Staff retirement benefits - gratuity paid		(107,787,784)	(62,109,374)
Taxes paid		(602,445,089)	(753,526,715)
		(2,001,167,468)	(2,624,586,575)
Net cash used in operating activities		(2,349,369,091)	(2,389,697,312)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,790,882,869)	(1,627,748,886)
Investment in subsidiary		-	(15,760,000)
Short term investment in equity instruments		(124,849,807)	(74,958,830)
Proceeds from disposal of property, plant and equipment		288,837,951	170,416,461
Proceeds from sale of investments		169,142,951	171,018,521
Dividend received		432,253,666	285,843,265
Interest received		1,041,639	7,100,849
Rental income received		15,345,000	-
Net cash used in investing activities		(1,009,111,469)	(1,084,088,620)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		1,549,205,765	3,498,293,768
Proceeds from long term financing		2,128,960,724	1,272,554,000
Repayment of long term financing		(264,776,726)	(1,391,120,594)
Share issuance		-	642,660,400
Dividend paid		-	(522,283,379)
Net cash generated from financing activities		3,413,389,763	3,500,104,195
<b>Net increase in cash and cash equivalents</b>		<b>54,909,203</b>	<b>26,318,263</b>
Cash and cash equivalents at the beginning of the period		33,602,278	96,759,191
Transfer upon merger		-	7,692,237
<b>Cash and cash equivalents at the end of the period</b>		<b>88,511,481</b>	<b>130,769,691</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		117,688,309	130,769,691
Book overdrafts - unsecured		(29,176,828)	-
<b>Cash and cash equivalents at the end of the period</b>		<b>88,511,481</b>	<b>130,769,691</b>

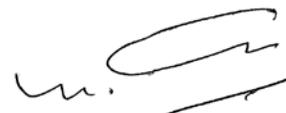
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Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

## 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, Warburtan Road, Feroze Wattoan, Sheikhpura
Stitching	1.5-KM Off, Defence Road, Bhubtian Chowk, Raiwind Road, Lahore

### 1.2 Impact of COVID-19 on the unconsolidated condensed interim financial statements

The World Health Organization declared COVID-19 a global pandemic on 11 March 2020. Accordingly, on 20 March 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of COVID-19. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts.

The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

The management has assessed the impact of the COVID-19 on the unconsolidated condensed interim financial statements and concluded that, as the Company is principally engaged in manufacturing and sale of yarn, fabrics, home textile products, finishing, stitching and printing of fabrics, Therefore there is no material financial impact of COVID-19 on the carrying amounts of assets, liabilities, income or expenses which required specific disclosures.

## 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 2020.
- 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.
- 2.5 During the period, the Supreme Court of Pakistan has upheld the Gas Infrastructure Development Cess Act, 2015 to be constitutional and intravires. The Supreme Court has allowed settlement of GIDC over a period of time. The Company has followed the relevant accounting standards and ICAP guidelines in this regard.

### 3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

#### 3.1 Standards, amendments or interpretations which became effective during the period

The accounting policies and 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 2020, except as disclosed in note 3.2 and the amendments to standards and conceptual framework effective for annual period beginning on 01 July 2020, as listed below. The adoption of these amendments and conceptual framework did not have an impact on these unconsolidated condensed interim financial statements. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### New Standards, Interpretations and Amendments

IFRS 3	Definition of a Business – (Amendments)
IAS 39, IFRS 9 and IFRS 7	Interest rate benchmark reform – (Amendments)
IAS 1 and IAS 8	Definition of Material – (Amendments)
Conceptual framework	The Conceptual Framework for Financial Reporting
IFRS 16	Covid-19-Related Rent Concessions (Amendments)

#### 3.2 Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions shall be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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

For The Nine Months Ended 31 March 2021

### 3.3 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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2 – Amendments to	01 January 2021
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
IFRS 17	Insurance contracts	01 January 2022
IAS 1	Classification of liabilities as current or non-current - (Amendments)	01 January 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture – (Amendments)	01 January 2023

The above amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

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 2019
IFRS 17	Insurance Contracts	1 January 2023

### 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 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 2020.

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 2020.

	Note	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	12,653,264,312	12,286,441,128
Capital work-in-progress	5.2	1,139,825,371	832,850,234
		<b>13,793,089,683</b>	<b>13,119,291,362</b>
<b>5.1 Operating fixed assets</b>			
Opening book value		12,286,441,128	12,209,645,502
Cost of additions during the period/year	5.1.1	1,483,907,731	1,452,794,058
Book value of disposals during the period/year		(171,586,955)	(117,019,965)
		1,312,320,776	1,335,774,093
Depreciation during the period/year		(945,497,592)	(1,258,978,466)
		366,823,184	76,795,627
<b>Closing book value</b>		<b>12,653,264,312</b>	<b>12,286,441,128</b>

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

For The Nine Months Ended 31 March 2021

5.1.1 The cost of additions and book value of disposals from operating fixed assets during the nine months ended 31 March 2021 and year ended 30 June 2020 are as follows.

	(Un-Audited) 31 March 2021		(Audited) 30 June 2020	
	Addition Cost	Disposal Book Value	Addition Cost	Disposal Book Value
	Rupees			
Freehold land	5,032,300	80,392,936	31,036,499	-
On freehold land:				
Factory building	159,463,086	-	184,697,710	-
Labour, staff colony and others	4,747,291	-	73,768,902	-
Office building	26,730,526	-	-	-
On lease hold land:				
Factory building	8,000,000	-	913,750	-
Leased building improvements	-	1,296,542	-	-
Plant and machinery	1,239,670,228	80,077,814	984,214,021	95,120,833
Electric installation	2,530,699	292,797	33,354,989	-
Fire Fighting equipment	1,009,620	-	2,629,700	-
Electric equipment	557,000	392,967	47,705,629	-
Computer	9,897,291	1,437,869	9,730,324	194,437
Office equipment	67,000	538,620	-	-
Mills equipment	6,551,759	-	8,909,010	-
Furniture and fixtures	10,081,931	638,572	40,055,353	-
Vehicles	9,569,000	6,518,838	35,778,171	21,704,695
	<b>1,483,907,731</b>	<b>171,586,955</b>	<b>1,452,794,058</b>	<b>117,019,965</b>

	(Un-audited) 31 March 2021	(Audited) 30 June 2020
	Rupees	
5.2 Capital work-in-progress		
Civil works and buildings	232,807,378	167,976,421
Plant and machinery	897,584,324	660,175,499
Electric installation	1,251,370	543,314
Mills equipment	8,182,299	4,155,000
	<b>1,139,825,371</b>	<b>832,850,234</b>
6 DEFERRED LIABILITIES		
Deferred Government grant	15,070,312	-
Staff retirement benefits - gratuity	318,642,017	297,609,788
	<b>333,712,329</b>	<b>297,609,788</b>

		(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>7 CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
<b>7.1</b>	Guarantees issued by banks on behalf of the Company	732,400,369	702,400,369
<b>7.2</b>	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 2021 the value of these cheques amounted to Rs.1,729.173 million (30 June 2020: Rs.1,391.363 million).		
<b>7.3</b>	There is no change in status of the contingencies as disclosed in note 29.3 and 29.4 of the audited annual financial statements of the Company for the year ended 30 June 2020.		
	Note	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>Commitments</b>			
Commitments in respect of:			
- confirmed letter of credit	7.4	3,842,155,665	2,306,194,325
- capital expenditure	7.5	465,956,502	28,927,239
- forward foreign currency contracts		3,731,611,301	352,443,189
		<u>8,039,723,468</u>	<u>2,687,564,753</u>
<b>7.4 Confirmed letter of credit in respect of:</b>			
- plant and machinery		2,588,046,481	470,885,640
- raw material		1,218,743,528	1,752,672,334
- stores and spares		35,365,656	82,636,351
		<u>3,842,155,665</u>	<u>2,306,194,325</u>
<b>7.5</b>	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.		

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

For The Nine Months Ended 31 March 2021

## 8. 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	
	2021	2020	2021	2020	2021	2020
	Rupees					
Yarn	8,035,530,837	8,188,074,625	5,063,481,152	3,576,820,016	13,099,011,989	11,764,894,641
Fabric	7,369,704,866	7,725,086,843	1,290,216,224	905,109,707	8,659,921,090	8,630,196,550
Home textile products	3,877,646,826	4,939,975,179	134,958,363	88,975,094	4,012,605,189	5,028,950,273
Raw material	3,182,738	-	126,773,350	11,126,830	129,956,088	11,126,830
Waste	180,446,204	156,188,141	206,148,754	218,285,650	386,594,958	374,473,791
Processing income	-	-	1,498,299,143	1,333,225,242	1,498,299,143	1,333,225,242
	19,466,511,471	21,009,324,788	8,319,876,986	6,133,542,539	27,786,388,457	27,142,867,327
Export rebate and duty drawback					95,460,018	487,002,444
					27,881,848,475	27,629,869,771

8.1 Revenue is recognised 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	
		2021	2020	2021	2020
		Rupees			
<b>9 COST OF SALES</b>					
Finished goods - Opening stock		1,968,661,976	1,491,189,252	1,670,504,792	1,757,100,920
Cost of goods manufactured	9.1	23,090,308,068	23,235,408,668	7,966,757,468	7,704,676,467
Cost of raw material sold		125,894,811	28,795,273	662,337	13,522,498
		25,184,864,855	24,755,393,193	9,637,924,597	9,475,299,885
Finished goods - Closing stock		(1,589,837,169)	(1,688,689,909)	(1,589,837,169)	(1,688,689,909)
		23,595,027,686	23,066,703,284	8,048,087,428	7,786,609,976
<b>9.1 Cost of goods manufactured</b>					
Work in process - opening stock		638,708,853	589,256,549	596,696,302	739,179,679
Raw material consumed		16,223,774,658	16,025,448,186	5,800,106,870	5,215,180,254
Overheads		6,902,277,523	7,265,644,726	2,244,407,262	2,395,257,327
		23,764,761,034	23,880,349,461	8,641,210,434	8,349,617,260
Work in process - closing stock		(674,452,966)	(644,940,793)	(674,452,966)	(644,940,793)
		23,090,308,068	23,235,408,668	7,966,757,468	7,704,676,467

	(Un-audited) 31 March	
	2021 Rupees	2020 Rupees
<b>10 CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
Profit before taxation	2,379,678,981	1,649,434,009
<b>Adjustments for non-cash items:</b>		
Depreciation on operating fixed assets	945,497,592	922,956,259
Amortization of intangible assets	75,000	393,706
(Gain) / loss on sale of property, plant and equipment	(112,915,871)	15,848,081
Loss on sale of debt instruments - TFCs	4,868,766	-
Interest income	(1,041,639)	(7,100,849)
Dividend income	(523,770,358)	(425,026,739)
Provision for gratuity	128,820,013	91,843,988
Provision of / (Reversal of provision for) stores, spares and loose tools	6,239,967	(9,073,666)
Provision against doubtful sales tax refundable	26,204,639	25,463,554
Debit balance written-off	-	199,923
Finance cost	1,170,406,962	1,892,296,751
Rental income	(15,450,000)	(450,000)
	<b>1,628,935,071</b>	<b>2,507,351,008</b>
Operating cash flow before changes in working capital	<b>4,008,614,052</b>	<b>4,156,785,017</b>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	47,822,452	(104,096,836)
Stock-in-trade	(3,977,573,394)	(3,023,390,619)
Trade debts	(361,211,743)	(992,448,159)
Loans and advances	(13,940,596)	(15,938,115)
Trade deposits and short term prepayments	(106,850,401)	(31,992,283)
Other receivables	(113,065,941)	(100,308,637)
	<b>(4,524,819,623)</b>	<b>(4,268,174,649)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	71,854,872	390,192,401
Contract liabilities	96,149,076	(43,913,506)
	<b>(348,201,623)</b>	<b>234,889,263</b>

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

For The Nine Months Ended 31 March 2021

## 11. 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	
	2021	2020
	Rupees	Rupees
<b>Subsidiaries:</b>		
Sales / processing	2,810,994,248	2,105,181,345
Investment made	-	15,760,000
Expenses charged to	301,406	410,667
Rental Income	15,450,000	450,000
Dividend received	107,899,383	-
<b>Associates:</b>		
Sales / processing	1,922,226,275	1,994,564,247
Purchases	102,259,929	135,405,207
Expenses charged by	3,132,410	3,321,872
Expenses charged to	35,783,442	19,825,008
Mark-up charged by	51,122,464	52,311,681
Dividend received	51,445,000	62,546,540
Dividend paid	-	126,829,352
Loans obtained - net	599,425,768	475,459,545
Right shares issued	-	200,158,000
<b>Others:</b>		
Contribution to provident fund	37,897,355	36,558,551
Loans from directors and others - net	-	(167,583,000)
Right shares issued	-	394,444,400
Donation	3,300,000	11,950,000
Remuneration to key management personnel	60,933,428	54,089,555

	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<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	87,684,092	87,684,092
Trade debts	3,143,983,237	2,782,771,494
Loan to employees	57,765,072	76,001,303
Trade deposits	102,941,000	22,789,000
Other receivables	913,286,590	777,808,061
	<b>4,305,659,991</b>	<b>3,747,053,950</b>
<b>Cash and bank balances</b>	<b>117,688,309</b>	<b>67,540,738</b>
<b>Debt instruments at fair value through OCI</b>		
HBL Term Finance Certificates	-	49,000,000
<b>Equity instruments at fair value through OCI</b>		
Quoted equity shares	7,403,536,549	6,435,176,964
Unquoted equity shares	86,648,236	86,648,236
	<b>7,490,184,785</b>	<b>6,521,825,200</b>
<b>Total current</b>	<b>4,277,899,136</b>	<b>6,636,972,801</b>
<b>Total non current</b>	<b>7,517,945,640</b>	<b>3,748,447,087</b>
<b>FINANCIAL LIABILITIES</b>		
<b>At amortized cost</b>		
Trade and other payables	2,292,137,151	2,235,295,471
Accrued interest / mark-up	210,410,090	361,222,288
Unclaimed dividend	1,696,118	1,696,118
Secured bank loan	16,302,462,697	14,509,298,708
Short term finances from banks	9,615,017,091	8,070,572,958
	<b>28,421,723,147</b>	<b>25,178,085,543</b>
<b>Total current</b>	<b>14,998,950,841</b>	<b>11,405,776,701</b>
<b>Total non current</b>	<b>13,422,772,306</b>	<b>13,772,308,842</b>

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

For The Nine Months Ended 31 March 2021

## 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 Company for its financial assets are derived and evaluated as follows:

	Level 1	Level 2	Level 3
	Rupees		
<b>As at 31 March 2021</b>			
<b>Assets carried at fair value</b>			
Equity instruments at fair value through OCI	7,403,536,549	-	86,648,236
<b>As at 30 June 2020</b>			
<b>Assets carried at fair value</b>			
Debt instruments at fair value through OCI	49,000,000	-	-
Equity instruments at fair value through OCI	6,435,176,964	-	86,648,236
	6,484,176,964	-	86,648,236

## 13 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the unconsolidated condensed interim statement of financial position comprise of balances as per the annual audited financial statements of the Company for the year ended 30 June 2020 and the corresponding figures in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of amounts of comparable period of the immediately preceding financial period i.e. nine months and quarter ended 31 March 2020.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in these condensed unconsolidated interim financial statements.

## 14 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28 April 2021.



Chief Executive



Chief Financial Officer



Director



# **CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

For The Nine Months Ended 31 March 2021



## 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 and Designtex SMC-Private Limited it is our pleasure to present Directors' Report with Un-Audited Consolidated Financial Statements for the nine months' period ended March 31, 2021.

### 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 30 retail outlets throughout the country.

### Tricon Boston Consulting Corporation (Private) Limited

Tricon Boston Consulting Corporation (Private) Limited is 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 a limited liability Company incorporated in Denmark formed to strengthen exports.

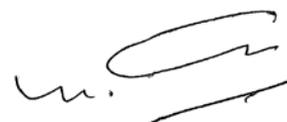
### Designtex SMC-Private Limited

Designtex SMC-Private Limited 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  
DIRECTOR

Lahore

Dated: April 28, 2021

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 March 2021

	Note	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	63,204,045,695	68,330,966,394
Investment property		31,750,000	31,750,000
Intangible assets		458,483,388	458,860,485
Long term investments		5,480,878,382	4,910,371,492
Long term loans and advances		81,378,610	111,663,175
Long term deposits		111,465,479	90,434,779
Deferred tax asset		115,051,021	115,051,021
		69,483,052,575	74,049,097,346
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		668,981,497	725,190,008
Stock in trade		15,682,396,480	11,491,779,760
Trade debts		9,058,994,118	11,627,624,567
Loans and advances		156,434,261	132,174,057
Trade deposits and short term prepayments		216,845,958	86,972,105
Other receivables		1,151,176,791	985,815,910
Short term investments		3,262,607,700	2,956,225,380
Tax refunds due from Government		1,709,971,094	1,467,911,232
Cash and bank balances		9,233,997,329	6,264,545,239
		41,141,405,228	35,738,238,258
<b>TOTAL ASSETS</b>		<b>110,624,457,803</b>	<b>109,787,335,604</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		27,268,190,016	22,198,232,942
Equity attributable to equityholders of the parent		27,485,087,926	22,415,130,852
Non-controlling interest		9,823,181,053	8,769,248,341
<b>Total Equity</b>		<b>37,308,268,979</b>	<b>31,184,379,193</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities		46,838,830,451	54,006,688,838
Deferred liabilities	6	349,862,407	310,342,296
Lease Liabilities		1,876,802,367	2,016,766,709
		49,065,495,225	56,333,797,843
<b>CURRENT LIABILITIES</b>			
Trade and other payables		5,988,540,533	6,757,019,625
Contract liabilities		979,220,467	869,746,700
Accrued Interest / mark-up		289,789,548	499,052,861
Unclaimed dividend		1,696,118	1,696,118
Short term borrowings		9,615,017,091	8,510,584,713
Current portion of long term financing		7,187,147,174	5,470,065,259
Current portion of lease liabilities		189,282,668	160,993,292
		24,250,693,599	22,269,158,568
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>110,624,457,803</b>	<b>109,787,335,604</b>

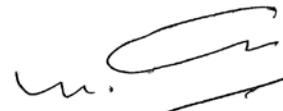
The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

	Note	Nine months ended 31 March		Three months ended 31 March	
		2021	2020	2021	2020
Rupees					
Net turnover	8	40,852,677,457	40,663,962,522	14,135,986,400	12,955,124,019
Cost of sales	9	(30,055,884,162)	(28,236,944,939)	(10,983,592,692)	(9,573,162,792)
<b>Gross profit</b>		<b>10,796,793,295</b>	<b>12,427,017,583</b>	<b>3,152,393,708</b>	<b>3,381,961,227</b>
Distribution cost		(2,023,753,920)	(2,090,280,046)	(777,954,833)	(726,545,790)
Administrative expenses		(650,324,145)	(595,766,043)	(220,570,851)	(195,717,008)
Other operating expenses		(247,313,139)	(196,531,087)	(85,093,132)	(33,760,997)
Other income		654,126,156	519,615,587	382,837,762	231,111,997
		(2,267,265,048)	(2,362,961,589)	(700,781,054)	(724,911,798)
<b>Profit from operations</b>		<b>8,529,528,247</b>	<b>10,064,055,994</b>	<b>2,451,612,654</b>	<b>2,657,049,429</b>
Finance cost		(3,041,460,655)	(4,525,872,208)	(989,085,071)	(1,619,968,853)
		5,488,067,592	5,538,183,786	1,462,527,583	1,037,080,576
Share of profit of associated companies		15,645,739	85,467,227	32,065,920	36,890,524
<b>Profit before taxation</b>		<b>5,503,713,331</b>	<b>5,623,651,013</b>	<b>1,494,593,503</b>	<b>1,073,971,100</b>
Taxation					
Current					
- for the period		(438,186,561)	(387,012,717)	(200,938,104)	(138,336,708)
- prior year		408,110	(516,265)	-	-
Deferred		(3,417,570)	100,084,596	(1,634,695)	(3,427,798)
		(441,196,021)	(287,444,386)	(202,572,799)	(141,764,506)
<b>Profit after taxation for the period</b>		<b>5,062,517,310</b>	<b>5,336,206,627</b>	<b>1,292,020,704</b>	<b>932,206,594</b>
<b>Attributable to:</b>					
Equity holders of the parent		3,963,584,598	3,820,155,055	1,217,669,019	569,866,797
Non-controlling interest		1,098,932,712	1,516,051,572	74,351,685	362,339,797
		5,062,517,310	5,336,206,627	1,292,020,704	932,206,594
<b>Earnings per share - basic and diluted</b>		<b>182.74</b>	<b>179.02</b>	<b>56.14</b>	<b>26.27</b>

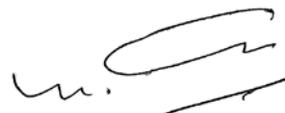
The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

	Nine months ended 31 March		Three months ended 31 March	
	2021	2020	2021	2020
	Rupees			
Profit after taxation for the period	5,062,517,310	5,336,206,627	1,292,020,704	932,206,594
Other comprehensive income / (loss):				
Items to be reclassified to profit or loss in subsequent period:				
Forward foreign currency contracts				
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts	133,157,464	(152,786,594)	126,320,247	(173,625,733)
Reclassification adjustments relating to loss realized on settlement of forward foreign currency contracts	12,941,707	-	-	-
Gain / (loss) on remeasurement of forward foreign currency contracts - associates	886,576	(1,288,914)	726,828	(1,308,573)
	146,985,747	(154,075,508)	127,047,075	(174,934,306)
Net loss on debt instruments at fair value through other comprehensive income	-	(1,000,000)	-	(375,000)
Exchange difference on translation of foreign operations	(17,674,517)	(6,607,588)	(30,051,353)	16,082,589
Items not be reclassified to profit or loss in subsequent period:				
Net gain / (loss) on equity instruments at fair value through other comprehensive income	968,521,495	(1,102,995,003)	(774,802,306)	(2,962,284,042)
Net gain / (loss) on equity instruments at fair value through other comprehensive income - associates	9,640,142	(10,233,854)	(7,073,650)	(28,434,738)
Other comprehensive income / (loss) for the period	1,107,472,867	(1,274,911,953)	(684,880,234)	(3,149,945,497)
Total comprehensive income / (loss) for the period	6,169,990,177	4,061,294,674	607,140,470	(2,217,738,903)
Attributable to:				
Equity holders of the parent	5,071,057,465	2,545,243,102	532,788,785	(2,580,078,700)
Non- controlling interest	1,098,932,712	1,516,051,572	74,351,685	362,339,797
	6,169,990,177	4,061,294,674	607,140,470	(2,217,738,903)

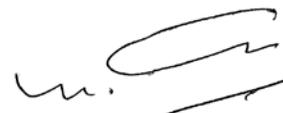
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Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

	Capital Reserves				Revenue Reserves			Total	Non-controlling Interest	Total Equity
	Share Capital	Share Premium	Fixed Assets Replacement	Unrealized Gain/(loss) on investments at fair value through OCI	Unrealized (loss)/ Gain on translation of foreign operation	Unrealized (Loss)/ gain on forward foreign exchange contracts	General reserves			
Balance as at 01 July 2019 (Audited)	200,831,400	156,202,200	65,000,000	(1,281,758,979)	88,768,725	341,217	1,330,000,000	17,587,348,857	6,208,687,973	24,355,401,393
Total comprehensive income for the nine months ended 31 March 2020	-	-	-	(1,114,228,857)	(6,607,588)	(154,075,508)	-	3,820,155,055	1,516,051,572	5,336,206,627
Profit after taxation for the period	-	-	-	(1,114,228,857)	(6,607,588)	(154,075,508)	-	3,820,155,055	1,516,051,572	(1,274,911,953)
Other comprehensive (loss) / income for the period	-	-	-	(1,114,228,857)	(6,607,588)	(154,075,508)	-	3,820,155,055	1,516,051,572	4,061,294,674
Share of decrease in reserves of associated companies	-	-	-	-	-	-	-	(5,281,973)	-	(5,281,973)
Transfer of gain on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	(47,437,089)	-	-	-	47,437,089	-	-
Transaction with owners	-	-	-	-	-	-	-	-	-	-
Right shares 1,606,651 issued at the rate of Rs.400 per share (Rs.10 par value and Rs.390 premium per share)	16,066,510	626,593,890	-	-	-	-	-	-	-	642,660,400
Final dividend for the year ended June 30, 2019 @ Rs. 26 per share	-	-	-	-	-	-	-	(522,161,640)	-	(522,161,640)
Balance as at 31 March 2020 (Un-audited)	216,897,910	782,796,090	65,000,000	(2,443,424,925)	82,161,137	(153,734,291)	1,330,000,000	20,927,497,388	7,724,719,545	28,531,912,854
Balance as at 01 July 2020 (audited)	216,897,910	782,796,090	65,000,000	(2,477,048,172)	91,175,662	(12,662,470)	1,330,000,000	22,416,961,912	8,768,248,341	31,184,379,193
Total comprehensive income for the nine months ended 31 March 2021	-	-	-	978,161,637	(17,674,517)	146,985,747	-	3,963,584,598	1,098,932,712	5,082,517,310
Profit after taxation for the period	-	-	-	978,161,637	(17,674,517)	146,985,747	-	3,963,584,598	1,098,932,712	5,082,517,310
Other comprehensive Income / (loss) for the period	-	-	-	978,161,637	(17,674,517)	146,985,747	-	3,963,584,598	1,098,932,712	1,107,472,867
Share of increase in reserves of associated companies under equity method	-	-	-	-	-	-	-	(1,100,391)	-	(1,100,391)
Transfer of loss on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	136,793,668	-	-	-	(136,793,668)	-	-
Transaction with owners	-	-	-	-	-	-	-	-	-	-
Interim dividend for the year ended June 30, 2021 @ 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	(1,362,092,867)	73,501,065	134,333,277	1,330,000,000	26,244,652,451	9,823,181,053	37,308,268,979

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



Chief Executive



Director

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

For The Nine Months Ended 31 March 2021

	Note	Nine months ended	
		31 March	
		2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	9,721,505,710	8,447,231,649
Long term loans, advances and deposits		9,253,865	31,695,280
Finance cost paid		(3,207,879,597)	(4,296,118,648)
Staff retirement benefits - gratuity paid		(107,787,784)	(62,109,374)
Taxes paid		(706,042,952)	(1,160,299,616)
		(4,012,456,468)	(5,486,832,358)
Net cash generated from operating activities		5,709,049,242	2,960,399,291
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,934,075,654)	(1,541,346,003)
Purchase of intangibles		(1,353,500)	(3,170,960)
Investments in equity investments		(124,849,807)	(74,958,830)
Investments in subsidiary		-	(15,760,000)
Investments in associates		51,445,000	62,523,860
Proceeds from disposal of property, plant and equipment		294,798,361	184,188,414
Proceeds from sale of investments		169,142,951	171,018,521
Dividend received		272,909,283	223,319,406
Interest received		49,799,660	96,497,121
Net cash used in investing activities		(1,222,183,706)	(897,688,471)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		1,109,194,011	2,968,815,007
Proceeds from long term financing		2,306,877,164	1,422,554,000
Repayment of long term financing		(4,570,529,201)	(5,495,329,910)
Exchange loss on translation of foreign subsidiary		(1,577,076)	-
Finance lease obligation - net		(345,555,172)	(8,971,132)
Dividend paid		(45,000,000)	(522,283,379)
Right shares issued		-	642,660,400
Net cash used in financing activities		(1,546,590,274)	(992,555,014)
<b>Net increase in cash and cash equivalents</b>		2,940,275,262	1,070,155,806
Cash and cash equivalents at the beginning of the period		6,264,545,239	4,414,025,673
Transfer upon merger		-	7,692,237
<b>Cash and cash equivalents at the end of the period</b>		<b>9,204,820,501</b>	<b>5,491,873,716</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		9,233,997,329	5,491,873,716
Book overdrafts - unsecured		(29,176,828)	-
<b>Cash and cash equivalents at the end of the period</b>		<b>9,204,820,501</b>	<b>5,491,873,716</b>

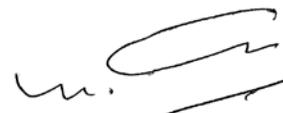
The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Nine Months Ended 31 March 2021

## 1. CORPORATE AND GENERAL INFORMATION

### 1.1 LEGAL STATUS AND OPERATIONS

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, Warburtan 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) 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) Tricon Boston 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 7/A- K, Main Boulevard, Gulberg II, Lahore, Punjab.

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 Søgade 15, 1. th. 6000 Kolding, Denmark.
- v) 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, Bhotian Chowk, Off Raiwind Road, Lahore.

### 1.3 Impact of COVID-19 on the consolidated condensed interim financial statements

The World Health Organization declared COVID-19 a global pandemic on 11 March 2020. Accordingly, on 20 March 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of COVID-19. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts.

The Group's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Group's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

The management has assessed the impact of the COVID-19 on the consolidated condensed interim financial statements and concluded that there is no material financial impact of COVID-19 on the carrying amounts of assets, liabilities, income or expenses which required specific disclosures.

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

For The Nine Months Ended 31 March 2021

## 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 2020.

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 During the period, the Supreme Court of Pakistan has upheld the Gas Infrastructure Development Cess Act, 2015 to be constitutional and intravires. The Supreme Court has allowed settlement of GIDC over a period of time. The Holding Company has followed the relevant accounting standards and ICAP guidelines in this regard.

## 3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

### 3.1 Standards, amendments or interpretations which became effective during the year

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2020, except as disclosed in note 3.2 and the amendments to standards and conceptual framework effective for annual period beginning on 01 July 2020, as listed below. The adoption of these amendments and conceptual framework did not have an impact on these unconsolidated condensed interim financial statements. The Group has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### New Standards, Interpretations and Amendments

IFRS 3	Definition of a Business — (Amendments)
IAS 39, IFRS 9 and IFRS 7	Interest rate benchmark reform — (Amendments)
IAS 1 and IAS 8	Definition of Material — (Amendments)
Conceptual framework	The Conceptual Framework for Financial Reporting
IFRS 16	Covid-19-Related Rent Concessions (Amendments)

### 3.2 Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions shall be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

### 3.3 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 9, IAS 39, IFRS 7, IFRS 4	Interest Rate Benchmark Reform – Phase 2 – Amendments to	01 January 2021
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
IFRS 17	Insurance contracts	01 January 2022
IAS 1	Classification of liabilities as current or non-current - (Amendments)	01 January 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture – (Amendments)	01 January 2023

The above amendments are not expected to have any material impact on the Group's financial statements in the period of initial application.

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 2019
IFRS 17	Insurance Contracts	1 January 2023

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

For The Nine Months Ended 31 March 2021

## 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this consolidated condensed interim financial information is 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 2020.

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 2020.

	Note	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	59,719,755,591	64,883,952,143
Capital work-in-progress	5.3	1,585,228,882	1,276,023,745
Major spare parts and stand-by equipment		69,216,256	69,216,256
Right of use asset		1,829,844,966	2,101,774,250
		<b>63,204,045,695</b>	<b>68,330,966,394</b>
<b>5.1 Operating fixed assets</b>			
Opening book value		64,883,952,143	66,861,189,758
Cost of additions during the period / year	5.2	1,636,206,453	1,532,933,853
Net exchange (gain) / loss capitalised during the period / year		(3,323,194,337)	1,017,217,317
Book value of disposals / adjustments during the period / year	5.2	(201,593,953)	(189,348,743)
		(1,888,581,837)	2,360,802,427
Depreciation during the period/year		(3,275,614,715)	(4,338,040,042)
		(5,164,196,552)	(1,977,237,615)
<b>Closing book value</b>		<b>59,719,755,591</b>	<b>64,883,952,143</b>

5.2 The cost of additions and book value of disposals to operating fixed assets during the nine months ended 31 March 2021 and year ended 30 June 2020 are as follows:

	(Un-Audited)		(Audited)	
	31 March 2021		30 June 2020	
	Addition Cost	Disposal Book Value	Addition Cost	Disposal Book Value
	Rupees			
Freehold Land	5,032,300	80,392,936	31,036,499	-
On Freehold land:				
Factory building	159,463,086	-	184,697,709	-
Labour, staff colony and others	4,747,291	-	73,768,902	-
Office building	26,730,526	-	-	-
On lease hold land:				
Factory building	8,000,000	-	2,561,308	13,802,693
Leased Building improvements	27,044,135	20,386,273	4,000,000	-
Plant and machinery	1,241,908,202	80,077,814	995,640,755	143,198,448
Electric installation	2,530,699	292,797	33,354,989	-
Fire Fighting equipment	1,009,620	-	2,629,700	-
Electric equipment	43,361,318	7,746,368	61,422,886	-
Computer	30,760,850	1,488,233	24,789,954	810,839
Office equipment	1,216,318	538,620	371,080	-
Mills equipment	6,551,759	-	8,909,010	-
Furniture & fixtures	61,741,849	2,717,644	64,010,652	-
Vehicles	16,108,500	7,953,268	45,740,409	31,536,763
	<b>1,636,206,453</b>	<b>201,593,953</b>	<b>1,532,933,853</b>	<b>189,348,743</b>
			(Un-audited)	(Audited)
			31 March	30 June
			2021	2020
			Rupees	Rupees
<b>5.3 Capital work-in-progress</b>				
Freehold land and building			445,403,511	443,173,511
Civil works and buildings			232,807,378	167,976,421
Plant and machinery			897,584,324	660,175,499
Electric installations			1,251,370	543,314
Mills equipment			8,182,299	4,155,000
			<b>1,585,228,882</b>	<b>1,276,023,745</b>
<b>6 DEFERRED LIABILITIES</b>				
Deferred Taxation			16,150,078	12,732,508
Deferred Government grant			15,070,312	-
Staff retirement benefits - gratuity			318,642,017	297,609,788
			<b>349,862,407</b>	<b>310,342,296</b>

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

For The Nine Months Ended 31 March 2021

	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies</b>		
Guarantees issued by banks on behalf of the Group	<u>732,400,369</u>	<u>702,400,369</u>

**7.1** 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 2021 the value of these cheques amounted to Rs.1,729.173 million (30 June 2020: Rs.1,391.363 million).

**7.2** There is no change in status of the contingencies as disclosed in notes from 32.3 to 32.5 of the audited annual consolidated financial statements of the Group for the year ended 30 June 2020.

	Note	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>Commitments</b>			
Commitments in respect of confirmed letter of credit	7.3	3,842,155,665	2,534,194,325
Commitments in respect of capital expenditure	7.4	465,956,502	28,927,239
Commitments in respect of forward foreign currency contracts		3,731,611,301	352,443,189
		<u>8,039,723,468</u>	<u>2,915,564,753</u>
<b>7.3 Confirmed letter of credit in respect of:</b>			
- plant and machinery		2,588,046,481	470,885,640
- raw material		1,218,743,528	1,980,672,334
- stores and spares		35,365,656	82,636,351
		<u>3,842,155,665</u>	<u>2,534,194,325</u>

**7.4** 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 Holding Company.

## 8 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	
	2021	2020	2021	2020	2021	2020
	Rupees					
Yarn	7,996,454,774	8,154,848,360	5,063,481,152	3,576,820,016	13,059,935,926	11,731,668,376
Fabric	7,424,826,227	7,934,151,322	938,071,373	710,247,889	8,362,897,600	8,644,399,211
Clothing items	284,211,252	-	6,847,440,514	5,609,256,173	7,131,651,766	5,609,256,173
Home textile products	3,877,646,826	4,842,439,662	159,399,169	98,765,841	4,037,045,995	4,941,205,503
Raw material	3,182,737	-	126,773,350	11,126,830	129,956,087	11,126,830
Accessories	-	-	227,965,753	141,387,849	227,965,753	141,387,849
Waste	180,446,204	156,188,141	206,148,754	214,421,460	386,594,958	370,609,601
Processing income	-	-	634,462,320	108,405,773	634,462,320	108,405,773
Power Generation	-	-	7,935,882,179	9,656,960,862	7,935,882,179	9,656,960,862
	<b>19,766,768,020</b>	<b>21,087,627,485</b>	<b>22,139,624,563</b>	<b>20,127,392,693</b>	<b>41,906,392,584</b>	<b>41,215,020,179</b>
Export rebate and duty drawback					95,460,018	487,002,444
Less: Discounts to customers					(1,149,175,145)	(1,038,060,101)
					<b>40,852,677,457</b>	<b>40,663,962,522</b>

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

	Note	(Un-Audited) Nine months ended 31 March		(Un-Audited) Three months ended 31 March	
		2021	2020	2021	2020
		Rupees			
<b>9 COST OF SALES</b>					
Finished goods - Opening stock		2,902,241,799	2,230,290,145	2,860,996,853	2,816,198,811
Cost of goods manufactured	9.1	28,194,376,560	27,893,712,868	10,262,360,499	9,112,851,273
Finished goods - Closing stock		(3,015,015,438)	(2,900,089,046)	(3,015,015,438)	(2,900,089,046)
Cost of sales - owned manufactured		28,081,602,921	27,223,913,967	10,108,341,914	9,028,961,038
Cost of raw material sold		125,894,811	28,795,273	662,337	13,522,498
Cost of sales - purchased for resale		1,848,386,430	984,235,699	874,588,441	530,679,256
		<b>30,055,884,162</b>	<b>28,236,944,939</b>	<b>10,983,592,692</b>	<b>9,573,162,792</b>
<b>9.1 Cost of goods manufactured</b>					
Work in process - opening stock		1,893,115,328	1,705,135,329	1,868,885,957	1,559,168,839
Raw material consumed		15,287,122,504	15,254,950,740	5,843,279,893	4,975,242,637
Overheads		12,755,767,598	12,538,891,200	4,291,823,519	4,183,704,198
		<b>29,936,005,430</b>	<b>29,498,977,269</b>	<b>12,003,989,369</b>	<b>10,718,115,674</b>
Work in process - closing stock		(1,741,628,870)	(1,605,264,401)	(1,741,628,870)	(1,605,264,401)
		<b>28,194,376,560</b>	<b>27,893,712,868</b>	<b>10,262,360,499</b>	<b>9,112,851,273</b>

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

For The Nine Months Ended 31 March 2021

	(Un-audited)	
	31 March	
	2021	2020
	Rupees	Rupees
<b>10 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation and share of profit of associates	5,488,067,592	5,538,183,786
<b>Adjustments for non-cash items:</b>		
Depreciation on operating fixed assets	3,275,614,715	3,225,092,745
Depreciation on right of use fixed assets	267,746,115	-
Amortization of intangible assets	1,730,598	1,865,762
Loss on sale of debt instruments - TFCs	4,868,766	-
Interest income	(49,799,660)	(96,002,326)
(Gain) / loss on sale of property, plant and equipment	(84,686,113)	14,133,173
Dividend income	(415,870,975)	(362,502,879)
Provision for gratuity	128,820,013	91,843,988
Amortization of transaction cost	46,167,390	46,213,911
Provision for / (reversal of provision for) stores, spares and loose tools	6,239,967	(9,073,666)
Debit balances written off	-	7,409,255
Loss in deemed disposal	-	2,421,193
Provision against doubtful sales tax refundable	26,204,639	25,463,554
Finance cost	2,998,616,284	4,316,890,589
	<b>6,205,651,739</b>	<b>7,263,755,299</b>
Operating cash flow before changes in working capital	<b>11,693,719,331</b>	<b>12,801,939,085</b>
<b>Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spare and loose tools	49,968,544	(110,395,047)
Stock-in-trade	(4,190,616,720)	(3,316,913,834)
Trade debts	2,568,630,449	(3,339,466,954)
Loans and advances	(24,260,204)	(42,124,226)
Trade deposits and short term prepayments	(129,873,853)	(79,071,538)
Other receivables	(56,153,966)	1,936,854,852
	<b>(1,782,305,750)</b>	<b>(4,951,116,747)</b>
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	(299,381,638)	637,021,723
Contract liabilities	109,473,767	(40,612,412)
	<b>9,721,505,710</b>	<b>8,447,231,649</b>

## 11. 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	
		2021	2020
		Rupees	Rupees
Relationship with the Company	Nature of transactions		
(i) Associates	Sales / processing	1,922,226,275	1,994,564,247
	Purchases	102,259,929	135,405,207
	Expenses charged to	35,783,441	3,321,872
	Expenses charged by	3,132,410	19,825,008
	Markup charged by	51,122,464	52,311,681
	Dividend paid	-	62,546,540
	Dividend received	51,445,000	126,829,352
	Loans obtained - net	599,425,768	475,459,545
	Right shares issued	-	200,158,000
(ii) Others	Contribution to provident fund	59,838,995	59,982,081
	Remuneration to key management personnel	169,905,825	160,177,629
	Loans from directors and related parties	-	(167,583,000)
	Right shares issued	-	394,444,400
	Donation	3,300,000	11,950,000

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

For The Nine Months Ended 31 March 2021

## 12. SEGMENT ANALYSIS

### 12.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
Rupees					
For the nine months ended 31 March 2021					
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
For the nine months ended 31 March 2020					
Revenue - external customers	11,992,868,535	8,460,713,294	10,553,419,830	9,656,960,863	40,663,962,522
Inter - segment sales	3,823,051,271	1,442,524,033	223,858,453	-	5,489,433,757
Segment results	1,292,913,309	1,506,150,880	805,785,783	6,136,121,522	9,740,971,494

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

	(Un-audited) 31 March	
	2021 Rupees	2020 Rupees
Total results for reportable segments	8,122,715,230	9,740,971,494
Other operating expenses	(247,313,139)	(196,531,087)
Other income	654,126,156	519,615,587
Finance cost	(3,041,460,655)	(4,525,872,208)
Share of profit of associated companies	15,645,739	85,467,227
Profit before taxation	5,503,713,331	5,623,651,013
Taxation	(441,196,021)	(287,444,386)
Profit for the period	5,062,517,310	5,336,206,627

## 12.2 SEGMENT ASSETS AND LIABILITIES

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
<b>Rupees</b>					
<b>As at 31 March 2021 (Un-audited)</b>					
Segment assets	16,121,812,403	5,866,022,881	14,625,771,851	61,800,932,292	98,414,539,427
Segment Liabilities	22,688,866,221	3,796,754,626	9,810,640,625	36,243,468,066	72,539,729,538
<b>As at 30 June 2020 (Audited)</b>					
Segment assets	13,132,006,035	4,416,693,552	14,244,801,669	67,067,848,827	98,861,350,083
Segment Liabilities	20,868,358,319	2,531,152,118	10,030,129,373	44,406,320,730	77,835,960,540

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 2021 Rupees	(Audited) 30 June 2020 Rupees
Total for reportable segments assets	98,414,539,427	98,861,350,083
Unallocated assets	12,209,918,376	10,925,985,521
Total assets as per consolidated condensed interim statement of financial position	<b>110,624,457,803</b>	<b>109,787,335,604</b>
Total for reportable segments liabilities	72,539,729,538	77,835,960,540
Unallocated liabilities	776,459,286	766,995,871
Total liabilities as per consolidated condensed interim statement of financial position	<b>73,316,188,824</b>	<b>78,602,956,411</b>

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

For The Nine Months Ended 31 March 2021

	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
<b>13 FINANCIAL INSTRUMENTS</b>		
<b>13.1 Financial instruments by Category</b>		
<b>FINANCIAL ASSETS</b>		
<b>Debt instruments at amortised cost</b>		
Long term deposits	111,465,479	90,434,779
Trade debts	9,058,994,118	11,627,624,567
Loan to employees	62,767,703	76,287,403
Trade deposits	123,868,095	49,784,895
Other receivables	1,131,746,500	917,956,352
	<b>10,488,841,895</b>	<b>12,762,087,996</b>
Cash and bank balances	9,233,997,329	6,264,545,239
<b>Debt instruments at fair value through OCI</b>		
HBL Term Finance Certificates	-	49,000,000
<b>Equity instruments at fair value through OCI</b>		
Quoted equity shares	7,403,536,549	6,435,176,964
Unquoted equity shares	86,648,236	86,648,236
	<b>7,490,184,785</b>	<b>6,521,825,200</b>
<b>Total current</b>	<b>21,658,549,208</b>	<b>21,278,393,031</b>
<b>Total non current</b>	<b>5,554,474,801</b>	<b>4,319,065,404</b>
<b>FINANCIAL LIABILITIES</b>		
<b>At amortized cost</b>		
Trade and other payables	4,745,997,381	5,444,428,489
Accrued interest / mark-up	289,789,548	499,052,861
Unclaimed dividend	1,696,118	1,696,118
Secured bank loan	54,025,977,625	59,476,754,097
Lease liabilities	2,066,085,035	2,177,760,001
Short term borrowings	9,615,017,091	8,510,584,713
	<b>70,744,562,798</b>	<b>76,110,276,279</b>
<b>Total current</b>	<b>22,028,929,980</b>	<b>20,086,820,732</b>
<b>Total non current</b>	<b>48,715,632,818</b>	<b>56,023,455,547</b>

### 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 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>As at 31 March 2021</b>			
<b>Assets carried at fair value</b>			
Equity instruments at fair value through OCI	7,403,536,549	-	86,648,236
<b>As at 30 June 2020</b>			
<b>Assets carried at fair value</b>			
Debt instruments at fair value through OCI	49,000,000	-	-
Equity instruments at fair value through OCI	6,435,176,964	-	86,648,236
	6,484,176,964	-	86,648,236

## 14 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 annual audited financial statements of the Group for the year ended 30 June 2020 and the Corresponding figures in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances comparable period of the immediately preceding financial year i.e. nine months and quarter ended 31 March 2020.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in these condensed consolidated interim financial statements.

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

For The Nine Months Ended 31 March 2021

## 15 DATE OF AUTHORIZATION FOR ISSUE

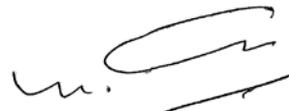
These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28 April 2021.



Chief Executive



Chief Financial Officer



Director

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

سیفٹرز ونڈ پاور کمپنی لمیٹڈ، سیفٹرز ریٹیل لمیٹڈ، ٹرانزیکٹون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفٹرز انٹرنیشنل اے پی ایس اور ڈیزائن ٹیکس ایس ایم سی 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 2021 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

### سیفٹرز ونڈ پاور کمپنی لمیٹڈ

کمپنی کی 70 فیصد ملکیت سیفٹرز ٹیکسٹائل ملز لمیٹڈ کے پاس ہے اور 30 فیصد ملکیت بینک الفلاح لمیٹڈ کے پاس ہے۔ کمپنی نے 52.80 میگا واٹ گنجائش 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 تسلی بخش نتائج فراہم کر رہا ہے۔

### سیفٹرز ریٹیل لمیٹڈ

سیفٹرز ریٹیل لمیٹڈ، سیفٹرز ٹیکسٹائل ملز لمیٹڈ کی مکمل ملکیت کی سبسڈییری ہے۔ اس سبسڈییری کا اہم کاروبار ٹیکسٹائل اور دیگر مصنوعات کی فروخت کیلئے ”سیفٹرز برانڈ“ ریٹیل آؤٹ لیٹس چلانا ہے۔ ایس آر ایل بنیادی طور پر بیرون زراچ سے ٹیکسٹائل کی پروسیسنگ کروا کے ٹیکسٹائل کی مصنوعات کی تیاری میں مصروف ہے اور اسی طرح پاکستان میں ریٹیل اسٹورز اور بیرون ملک آن لائن اسٹورز کے ذریعے ٹیکسٹائل کی مصنوعات کی فروخت میں مصروف ہے۔ ایس آر ایل پورے ملک میں تیس ریٹیل اسٹورز چلا رہا ہے۔

### ٹرانکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ

ٹرانکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ کی تشکیل پاکستانی قوانین کے تحت ہوئی اور اس وقت تین پروجیکٹس جھمپیر میں چلا رہی ہے جن میں سے ہر ایک کی گنجائش 50 میگا واٹ ہے۔ تمام پروجیکٹس نے ستمبر 2018 میں کامیابی کے ساتھ تجارتی پیداوار کا آغاز کر دیا ہے۔

### سیفٹرز انٹرنیشنل APS

سیفٹرز انٹرنیشنل APS ایک لمیٹڈ (محدود ذمہ داری کی حامل) کمپنی ہے جس کی تشکیل ڈنمارک میں ہوئی جس کا مقصد کمپنی کی برآمدات کو مضبوط کرنا ہے۔

### ڈیزائن ٹیکس ایس ایم سی پرائیویٹ لمیٹڈ

ڈیزائن ٹیکس ایس ایم سی پرائیویٹ لمیٹڈ، سیفٹرز ریٹیل لمیٹڈ کی مکمل ملکیت کی سبسڈییری ہے اور سیفٹرز ریٹیل لمیٹڈ، سیفٹرز ٹیکسٹائل ملز لمیٹڈ کی مکمل سبسڈییری ہے۔ اس کمپنی کا بنیادی مقصد ٹیکسٹائل اور ذیلی مصنوعات کی تیاری ہے۔

بورڈ کی جانب سے



محمد عبداللہ  
ڈائریکٹر



ندیم عبداللہ  
چیف ایگزیکٹو

لاہور

مورخہ 28 اپریل 2021ء

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران نہایت مسرت کے ساتھ 31 مارچ 2021ء کو اختتام پذیر ہونے والی نو ماہی کی غیر آڈٹ شدہ مالی تفصیلات پیش کر رہے ہیں۔  
مالیاتی نتائج درج ذیل ہیں:

مالیاتی نتائج:

رقم ہزاروں میں		
31 مارچ 2020	31 مارچ 2021	
27,629,870	27,881,849	نیٹ کل فروخت
4,563,166	4,286,821	مجموعی منافع
3,704,498	3,546,763	خالص منافع
491,973	724,130	دیگر آمدنی
(2,055,064)	(1,167,084)	سودی لاگت
1,649,434	2,379,679	قبل از ٹیکس منافع
1,413,377	2,030,696	بعد از ٹیکس منافع

رواں سال نو ماہی میں کمپنی نے 27.882 بلین کی فروخت حاصل کی جبکہ گذشتہ سال اسی مدت میں فروخت 27.630 بلین تھی۔ رواں نو ماہی مدت میں شرح کل منافع فروخت کا گذشتہ سال کی اسی مدت کے مقابلے میں 16.52 فیصد سے گر کر 15.37 فیصد رہا۔ سودی لاگت رواں سال نو ماہی میں گھٹ کر 1,167.084 بلین ہو گئی جو کہ کل فروخت کا 4.19 فیصد ہے جبکہ گذشتہ سال اسی مدت میں لاگت 2,055.064 بلین تھی جو کہ کل فروخت کا 7.44 فیصد تھی۔ کمپنی کا بعد از ٹیکس منافع 1,413.377 بلین سے بڑھ کر 2,030.696 بلین رہا۔

آمدنی فی حصص:

31 مارچ 2021ء کو ختم ہونے والے نو ماہی کی آمدنی فی حصص 93.62 روپے ہے جبکہ پچھلے سال کی نو ماہی میں یہ 66.23 روپے تھی۔

مستقبل کا منظر نامہ:

انتظامیہ اپنے اچھے کسٹمر ٹیم اور متنوع کاروباری کاروائیوں کے ذریعہ مستقبل میں پائیدار منافع بخش حصول کے لئے پرامید ہے۔ کمپنی قابل تجدید توانائی طبقہ میں اپنی سرمایہ کاری سے صحت مند نقد بہاؤ کی توقع بھی کر رہی ہے کیوں کہ حکومت نے سرکار قرضوں کے مسائل کے حل کے لیے اقدامات اٹھائے ہیں۔ کمپنی کے لیے سب سے بڑا چیلنج برآمدی منڈیوں میں جاری کوویڈ چیلنجز کی وجہ سے برآمدات میں کمی ہے۔ تاہم توقع کی جا رہی ہے کہ پوری دنیا میں ویکسینیشن کے رول آؤٹ کے پیش نظر صورتحال میں بہتری آئے گی۔

اظہار تشکر:

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

بورڈ کی جانب سے

محمد عبداللہ  
ڈائریکٹر

ندیم عبداللہ  
چیف ایگزیکٹو

لاہور

28 اپریل 2021ء





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