

Sapphire



HALF YEARLY REPORT
31 DECEMBER 2020
Sapphire Textile Mills Limited

CONTENTS

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

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Directors' Report	4
Independent Auditor's Review Report to the Members on Review of Unconsolidated Condensed Interim Financial Statements	5
Unconsolidated Condensed Interim Statement of Financial Position	6
Unconsolidated Condensed Interim Statement of Profit or Loss	7
Unconsolidated Condensed Interim Statement of Comprehensive Income	8
Unconsolidated Condensed Interim Statement of Changes in Equity	9
Unconsolidated Condensed Interim Statement of Cash Flows	10
Notes to the Unconsolidated Condensed Interim Financial Statements	11

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Directors' Report	24
Consolidated Condensed Interim Statement of Financial Position	25
Consolidated Condensed Interim Statement of Profit or Loss	26
Consolidated Condensed Interim Statement of Comprehensive Income	27
Consolidated Condensed Interim Statement of Changes in Equity	28
Consolidated Condensed Interim Statement of Cash Flows	29
Notes to the Consolidated Condensed Interim Financial Statements	30
Directors' Report Consolidated in Urdu	45
Directors' Report in Urdu	46

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
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

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, Warburtan Road, Feroze Wattoan, Sheikhupura.

Stitching Unit

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



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2020



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 half year ended December 31, 2020 duly reviewed by External Auditors, who have issued a review report, which is annexed to the financial statements.

Financial Review

The Summary of key financial numbers are presented below:

	31 December	
	2020	2019
	Rupees	Rupees
Net turnover	18,148,086	18,588,474
Gross profit	2,601,146	3,308,380
Profit from operations	2,118,195	2,698,794
Other income	408,354	311,136
Finance cost	(786,568)	(1,226,647)
Profit before taxation	1,331,627	1,472,147
Profit after taxation	1,120,728	1,353,579

During the period under review, the Company achieved turnover of Rs. 18.148 billion compared to Rs.18.588 billion during the corresponding period of last year. The gross profit as a percentage of sales decreased to 14.33% from 17.80% in the corresponding period. The gross profit as a percentage of sales decreased due to change in sales mix. The finance cost during the period decreased to Rs.786.568 million representing 4.33% of sales from Rs. 1,226.647 million representing 6.60% of sales in the corresponding period. The Company's profit after tax decreased from Rs. 1,353.579 million to Rs. 1,120.728 million.

Earnings per Share

The earnings per share for the half year ended December 31, 2020 is Rs. 51.67 as compared to Rs. 63.95 for previous year's corresponding period.

Future Prospects

The Company's profitability during the current year is expected to remain healthy due to timely procurement of cotton. Management is optimistic to achieve sustainable profitability in future through its good customer base and diversified business operations.

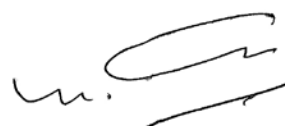
Acknowledgment

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
February 24, 2021

Independent Auditor's Review Report

To the Members of Sapphire Textile Mills Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying un-consolidated condensed interim statement of financial position of **Sapphire Textile Mills Limited** as at **31 December 2020** and the related un-consolidated condensed interim statement of profit or loss, un-consolidated condensed interim statement of other comprehensive income, un-consolidated condensed interim statement of changes in equity, un-consolidated condensed interim statement of cash flows and notes to the un-consolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the un-consolidated condensed interim statement of profit or loss, un-consolidated condensed interim statement of other comprehensive income and related notes for the quarter ended 31 December 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2020.

The engagement partner on the audit resulting in this independent auditor's review report is Farooq Hameed.



EY Ford Rhodes
Chartered Accountants
Lahore
24 February 2021

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 December 2020

	Note	(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,992,166,858	13,119,291,362
Investment property		31,750,000	31,750,000
Intangible assets		158,333	208,333
Long term investments		14,756,250,185	13,612,999,166
Long term loans and advances		121,232,699	111,663,175
Long term deposits		87,684,092	87,684,092
		27,989,242,167	26,963,596,128
CURRENT ASSETS			
Stores, spares and loose tools		428,420,273	471,374,075
Stock in trade		11,417,160,515	8,910,912,161
Trade debts		3,382,422,921	2,782,771,494
Loans and advances		127,767,271	56,882,329
Trade deposits and short term prepayments		134,790,399	24,925,374
Other receivables		963,446,630	845,667,618
Short term investments		3,506,311,988	2,956,225,380
Tax refunds due from government		1,279,122,627	1,366,384,838
Cash and bank balances		101,610,056	67,540,738
		21,341,052,680	17,482,684,007
TOTAL ASSETS		49,330,294,847	44,446,280,135
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		216,897,910	216,897,910
Reserves		19,143,480,504	16,259,650,037
		19,360,378,414	16,476,547,947
NON-CURRENT LIABILITIES			
Long term liabilities		13,572,233,292	13,772,308,842
Deferred liabilities	6	354,204,885	297,609,788
		13,926,438,177	14,069,918,630
CURRENT LIABILITIES			
Trade and other payables		3,822,873,671	3,898,936,441
Contract liabilities		1,083,647,463	830,395,887
Accrued interest / mark-up		214,372,470	361,222,288
Unclaimed dividend		1,696,118	1,696,118
Short term borrowings		8,325,188,809	8,070,572,958
Current portion of long term financing		2,595,699,725	736,989,866
		16,043,478,256	13,899,813,558
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		49,330,294,847	44,446,280,135

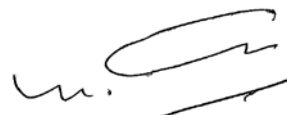
The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Six Months Ended 31 December 2020

		Six months ended		Three months ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		Rupees			
Net turnover	8	18,148,086,347	18,588,473,542	9,452,831,647	9,496,558,452
Cost of sales	9	(15,546,940,258)	(15,280,093,308)	(7,879,790,350)	(7,744,428,502)
Gross profit		2,601,146,089	3,308,380,234	1,573,041,297	1,752,129,950
Distribution cost		(506,107,698)	(545,688,597)	(251,816,052)	(273,058,680)
Administrative expenses		(224,125,036)	(234,637,614)	(118,359,940)	(118,857,932)
Other operating expenses		(161,072,288)	(140,396,144)	(106,926,837)	(83,025,210)
Other income		408,354,026	311,136,009	340,464,712	141,477,571
		(482,950,996)	(609,586,345)	(136,638,117)	(333,464,251)
Profit from operations		2,118,195,093	2,698,793,889	1,436,403,180	1,418,665,700
Finance cost		(786,568,030)	(1,226,646,971)	(406,004,018)	(621,004,036)
Profit before taxation		1,331,627,063	1,472,146,918	1,030,399,162	797,661,664
Taxation					
Current					
- for the period		(211,307,431)	(222,478,358)	(116,289,893)	(108,924,604)
- prior year		408,110	(516,265)	408,110	(516,265)
Deferred		-	104,426,405	-	101,271,056
		(210,899,321)	(118,568,218)	(115,881,783)	(8,169,813)
Profit after taxation for the period		1,120,727,742	1,353,578,700	914,517,379	789,491,851
Earnings per share - basic and diluted		51.67	63.95	42.16	37.18

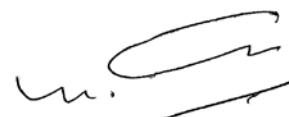
The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Six Months Ended 31 December 2020

	Six months ended 31 December		Three months ended 31 December	
	2020	2019	2020	2019
	Rupees			
Profit after taxation for the period	1,120,727,742	1,353,578,700	914,517,379	789,491,851
Other comprehensive income:				
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	6,837,217	20,839,139	7,807,150	(3,801,183)
Reclassification adjustments relating to loss realized on settlement of forward foreign currency contracts	12,941,707	-	-	-
	19,778,924	20,839,139	7,807,150	(3,801,183)
Net (loss) / gain on debt instruments at fair value through other comprehensive income	-	(625,000)	-	1,425,994
Items not be reclassified to profit or loss in subsequent years:				
Net gain on equity instruments at fair value through other comprehensive income	1,743,323,801	1,859,289,039	269,002,452	2,077,398,714
Other comprehensive income for the period	1,763,102,725	1,879,503,178	276,809,602	2,075,023,525
Total comprehensive income for the period	2,883,830,467	3,233,081,878	1,191,326,981	2,864,515,376

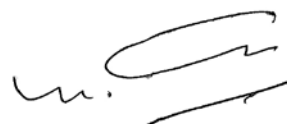
The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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


For The Six Months Ended 31 December 2020

	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	
Balance as at 01 July 2019 (Audited)	200,831,400	156,202,200	65,000,000	(1,264,743,649)	-	1,330,000,000	16,382,080,342
Total comprehensive income for the period ended 31 December 2019							
Profit after taxation for the period	-	-	-	-	-	1,353,578,700	1,353,578,700
Transfer of subsidiaries reserve on merger	-	-	-	-	-	(108,799,583)	(108,799,583)
Other comprehensive income for the period	-	-	-	1,858,664,039	20,839,139	-	1,879,503,178
	-	-	-	1,858,664,039	20,839,139	1,244,779,117	3,124,282,295
Transfer of gain on sales of investment at fair value through OCI to un-appropriated profit	-	-	-	(35,929,308)	-	35,929,308	-
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 30 June 2019 @ Rs. 26 per share	-	-	-	-	-	(522,161,640)	(522,161,640)
Balance as at 31 December 2019 (Un-audited)	216,897,910	782,796,090	65,000,000	557,991,082	20,839,139	1,330,000,000	19,626,861,397
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	16,476,547,947
Total comprehensive income for the period ended 31 December 2020							
Profit after taxation for the period	-	-	-	-	-	1,120,727,742	1,120,727,742
Other comprehensive income for the period	-	-	-	1,743,323,801	19,778,924	-	1,763,102,725
	-	-	-	1,743,323,801	19,778,924	1,120,727,742	2,883,830,467
Transfer of loss on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	22,723,655	-	(22,723,655)	-
Balance as at 31 December 2020 (Un-audited)	216,897,910	782,796,090	65,000,000	(685,232,679)	6,837,217	1,330,000,000	19,360,378,414

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 CASH FLOWS (Un-audited)

For The Six Months Ended 31 December 2020

	Note	Six months ended	
		31 December	
		2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	10	(206,383,082)	(23,325,547)
Long term loans, advances and deposits		(9,569,524)	902,259
Finance cost paid		(939,338,884)	(1,102,797,590)
Staff retirement benefits - gratuity paid		(52,174,754)	(36,491,846)
Taxes paid		(137,734,628)	(575,230,477)
		(1,138,817,790)	(1,713,617,654)
Net cash used in operating activities		(1,345,200,872)	(1,736,943,201)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(602,769,003)	(629,208,195)
Investment in subsidiary		-	(15,760,000)
Short term investment in equity instruments		(20,490,172)	(74,958,830)
Proceeds from disposal of property, plant and equipment		239,691,566	97,638,732
Proceeds from sale of investments		65,389,343	80,337,940
Dividend received		246,641,209	256,426,465
Interest received		1,041,639	5,213,534
Rental income received		90,000	-
Net cash used in investing activities		(70,405,418)	(280,310,354)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		220,380,600	2,741,976,155
Proceeds from long term financing		1,200,938,538	67,700,000
Repayment of long term financing		(5,878,781)	(869,530,285)
Share issuance		-	642,660,400
Dividend paid		-	(522,229,720)
Net cash generated from financing activities		1,415,440,357	2,060,576,550
Net (decrease) / increase in cash and cash equivalents		(165,933)	43,322,995
Cash and cash equivalents at the beginning of the period		33,602,278	96,759,191
Transfer upon merger		-	7,692,237
Cash and cash equivalents at the end of the period		33,436,345	147,774,423
Cash and cash equivalents			
Cash and bank balances		101,610,056	155,470,745
Bank overdrafts - unsecured		(68,173,711)	(7,696,322)
Cash and cash equivalents at the end of the period		33,436,345	147,774,423

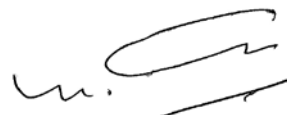
The annexed notes from 1 to 14 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Six Months Ended 31 December 2020

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
Registered Office	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi
Lahore office	
	7-A/K, Main Boulevard, Gulberg II, Lahore
Production Plants	
Spinning	A-17,SITE, Kotri
Spinning	A-84,SITE Area, Nooriabad
Spinning	63/64-KM, Multan Road, Jumber Khurd,Chunian, District Kasur
Spinning	1.5-KM, Warburton Road, Feroze Wattoan, Sheikhpura
Weaving, Yarn Dyeing, Printing, Processing and Home Textile	2-KM, 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 unconslidated 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:

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

For The Six Months Ended 31 December 2020

- 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** These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.
- 2.4** 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.
- 2.5** These are separate financial statements, where the investment in subsidiaries and associates is shown at cost; consolidated financial statements are separately presented.
- 2.6** 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.
- 2.7** The figures of the un-consolidated condensed interim statement of profit or loss, un-consolidated condensed interim statement of other comprehensive income and related notes for the quarters ended 31 December 2020 and 31 December 2019 have not been reviewed.

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 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.

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 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

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

For The Six Months Ended 31 December 2020

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 December 2020 Rupees	(Audited) 30 June 2020 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	12,541,294,196	12,286,441,128
Capital work-in-progress	5.2	450,872,662	832,850,234
		<u>12,992,166,858</u>	<u>13,119,291,362</u>
5.1 Operating fixed assets			
Opening book value		12,286,441,128	12,209,645,502
Cost of additions during the period/year	5.1.1	984,746,576	1,452,794,058
Book value of disposals during the period/year		(115,700,827)	(117,019,965)
		869,045,749	1,335,774,093
Depreciation during the period/year		(614,192,681)	(1,258,978,466)
		254,853,068	76,795,627
Closing book value		<u>12,541,294,196</u>	<u>12,286,441,128</u>

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

	(Un-Audited) 31 December 2020		(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	110,878,028	-	184,697,710	-
Labour, staff colony and others	-	-	73,768,902	-
Factory building on lease hold land	8,000,000	-	913,750	-
Leased building improvements	-	1,296,541	-	-
Plant and machinery	838,858,135	26,759,008	984,214,021	95,120,833
Electric installation	954,699	292,797	33,354,989	-
Fire Fighting equipment	-	-	2,629,700	-
Electric equipment	557,000	392,967	47,705,629	-
Computer	5,643,291	1,273,609	9,730,324	194,437
Office equipment	67,000	538,620	-	-
Mills equipment	3,300,433	-	8,909,010	-
Furniture & fixtures	5,763,690	638,572	40,055,353	-
Vehicles	5,692,000	4,115,776	35,778,171	21,704,695
	984,746,576	115,700,827	1,452,794,058	117,019,965
	(Un-audited) 31 December 2020 Rupees		(Audited) 30 June 2020 Rupees	
5.2 Capital work-in-progress				
Civil works and buildings		131,172,761		167,976,421
Plant and machinery		315,544,901		660,175,499
Electric installation		-		543,314
Mills equipment		4,155,000		4,155,000
		450,872,662		832,850,234
6 DEFERRED LIABILITIES				
Deferred Government grant		22,757,497		-
Staff retirement benefits - gratuity		331,447,388		297,609,788
		354,204,885		297,609,788

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

For The Six Months Ended 31 December 2020

		(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
7 CONTINGENCIES AND COMMITMENTS			
Contingencies			
7.1	Guarantees issued by banks on behalf of the Company	702,400,369	702,400,369
7.2	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 December 2020 the value of these cheques amounted to Rs.1,638.824 million (30 June 2020: Rs.1,391.363 million).		
7.3	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 December 2020 Rupees	(Audited) 30 June 2020 Rupees
Commitments			
Commitments in respect of:			
- confirmed letter of credit	7.4	5,502,160,644	2,306,194,325
- capital expenditure	7.5	179,863,303	28,927,239
- forward foreign currency contracts		1,299,869,825	352,443,189
		6,981,893,772	2,687,564,753
7.4 Confirmed letter of credit in respect of:			
- plant and machinery		1,607,558,409	470,885,640
- raw material		3,845,327,127	1,752,672,334
- stores and spares		49,275,108	82,636,351
		5,502,160,644	2,306,194,325
7.5	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.		

8. NET TURNOVER

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

	Export Sales		Local Sales		Total	
	31 December		31 December		31 December	
	2020	2019	2020	2019	2020	2019
	Rupees					
Yarn	4,392,765,134	5,310,930,697	3,942,025,525	2,562,250,235	8,334,790,658	7,873,180,932
Fabric	4,408,355,201	5,046,309,524	1,292,280,119	681,607,917	5,700,635,320	5,727,917,441
Home textile products	2,456,623,199	3,301,456,506	90,465,648	51,140,246	2,547,088,846	3,352,596,752
Raw material	3,182,738	-	122,328,496	2,845,934	125,511,234	2,845,934
Waste	117,682,905	120,356,696	119,059,365	163,333,705	236,742,271	283,690,401
Processing income	-	-	1,141,566,825	906,307,788	1,141,566,825	906,307,788
	11,378,609,177	13,779,053,423	6,707,725,978	4,367,485,825	18,086,335,154	18,146,539,248
Export rebate and duty drawback					61,751,193	441,934,294
					18,148,086,347	18,588,473,542

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

		(Un-Audited) Six months ended 31 December		(Un-Audited) Three months ended 31 December	
Note		2020	2019	2020	2019
		Rupees			
9 COST OF SALES					
Finished goods - Opening stock		1,968,661,976	1,491,189,252	1,653,660,786	1,665,965,268
Cost of goods manufactured	9.1	15,123,550,600	15,530,732,201	7,870,815,404	7,829,388,074
Cost of raw material sold		125,232,474	15,272,775	25,818,952	6,176,080
		17,217,445,050	17,037,194,228	9,550,295,142	9,501,529,422
Finished goods - Closing stock		(1,670,504,792)	(1,757,100,920)	(1,670,504,792)	(1,757,100,920)
		15,546,940,258	15,280,093,308	7,879,790,350	7,744,428,502
9.1 Cost of goods manufactured					
Work in process - opening stock		638,708,853	589,256,549	604,310,360	714,968,350
Raw material consumed		10,423,667,788	10,810,267,932	5,522,719,444	5,397,207,370
Overheads		4,657,870,261	4,870,387,399	2,340,481,902	2,456,392,033
		15,720,246,902	16,269,911,880	8,467,511,706	8,568,567,753
Work in process - closing stock		(596,696,302)	(739,179,679)	(596,696,302)	(739,179,679)
		15,123,550,600	15,530,732,201	7,870,815,404	7,829,388,074

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

For The Six Months Ended 31 December 2020

	(Un-audited) 31 December	
	2020 Rupees	2019 Rupees
10 CASH USED IN OPERATIONS		
Profit before taxation	1,331,627,063	1,472,146,918
Adjustments for non-cash items:		
Depreciation on operating fixed assets	614,192,681	604,488,503
Amortization of intangible assets	50,000	368,705
Gain on sale of property, plant and equipment	(116,106,143)	(3,130,230)
Interest income	(1,041,639)	(5,213,534)
Dividend income	(247,035,209)	(256,426,465)
Provision for gratuity	86,012,354	60,059,752
Reversal of provision for stores, spares and loose tools	(1,164,092)	(9,257,434)
Provision against doubtful sales tax refundable	14,097,518	19,351,862
Finance cost	792,489,065	1,232,759,975
Provision for GIDC	(91,922,405)	-
Rental income	(300,000)	(300,000)
	1,049,272,129	1,642,701,134
Operating cash flow before changes in working capital	2,380,899,192	3,114,848,052
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	44,116,939	(24,802,554)
Stock-in-trade	(2,506,248,354)	(2,759,314,884)
Trade debts	(599,651,427)	(579,007,019)
Loans and advances	(70,884,942)	(55,534,842)
Trade deposits and short term prepayments	(109,865,025)	(17,330,348)
Other receivables	(118,139,901)	(125,659,697)
	(3,360,672,708)	(3,561,649,344)
Increase in current liabilities		
Trade and other payables	520,138,858	204,625,802
Contract liabilities	253,251,576	218,849,943
	(206,383,082)	(23,325,547)

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) Six months ended 31 December	
	2020 Rupees	2019 Rupees
Subsidiaries:		
Sales / processing	2,083,237,041	1,275,651,395
Investment made	-	15,760,000
Expenses charged to	200,938	273,778
Rental Income	300,000	300,000
Dividend received	107,899,383	-
Associates:		
Sales / processing	1,297,538,141	1,240,264,298
Purchases	88,078,304	83,732,087
Expenses charged by	2,897,359	2,702,926
Expenses charged to	24,258,767	20,162,462
Mark-up charged by	35,732,463	31,305,046
Dividend received	51,345,000	53,546,540
Dividend paid	-	126,829,352
Loans obtained-net	70,268,762	259,284,981
Right shares issued	-	200,158,000
Others:		
Contribution to provident fund	25,056,153	24,216,877
Loans from directors and others - net	-	(167,583,000)
Right shares issued	-	394,444,400
Donation	1,500,000	11,950,000
Remuneration to key management personnel	40,534,107	35,798,468

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

For The Six Months Ended 31 December 2020

	(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
12 FINANCIAL INSTRUMENTS		
12.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	87,684,092	87,684,092
Trade debts	3,382,422,921	2,782,771,494
Loan to employees	66,321,386	76,001,303
Trade deposits	102,841,000	22,789,000
Other receivables	846,490,136	777,808,061
Bank balances	71,674,464	65,468,763
	4,557,433,999	3,812,522,713
Debt instruments at fair value through OCI		
HBL Term Finance Certificates	-	49,000,000
Equity instruments at fair value through OCI		
Quoted equity shares	8,177,514,593	6,435,176,964
Unquoted equity shares	86,648,236	86,648,236
	8,264,162,829	6,521,825,200
Total current	7,925,994,858	6,634,900,826
Total non current	4,895,601,970	3,748,447,087
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	2,673,020,896	2,235,295,471
Payable / provision against GIDC	872,949,208	964,871,613
Accrued interest / mark-up	214,372,470	361,222,288
Unclaimed dividend	1,696,118	1,696,118
Secured bank loan	15,626,711,433	14,509,298,708
Short term finances from banks	8,325,188,809	8,070,572,958
	27,713,938,934	26,142,957,156
Total current	13,809,978,018	12,370,648,314
Total non current	13,903,960,916	13,772,308,842

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		
As at 31 December 2020			
Assets carried at fair value			
Equity instruments at fair value through OCI	8,177,514,593	-	86,648,236
As at 30 June 2020			
Assets carried at fair value			
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. six months and quarter ended 31 December 2019.

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

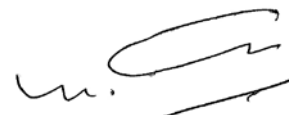
These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 24 February 2021.



Chief Executive



Chief Financial Officer



Director



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2020



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 Half year ended December 31, 2020.

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 29 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
February 24, 2021

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 December 2020

	Note	(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	64,665,788,375	68,330,966,394
Investment property		31,750,000	31,750,000
Intangible assets		458,920,520	458,860,485
Long term investments		6,016,080,516	4,910,371,492
Long term loans and advances		121,232,699	111,663,175
Long term deposits		112,221,479	90,434,779
Deferred tax asset		115,051,021	115,051,021
		71,521,044,610	74,049,097,346
CURRENT ASSETS			
Stores, spares and loose tools		712,652,342	725,190,008
Stock in trade		14,322,478,614	11,491,779,760
Trade debts		10,962,966,861	11,627,624,567
Loans and advances		218,858,444	132,174,057
Trade deposits and short term prepayments		205,439,326	86,972,105
Other receivables		819,960,262	985,815,910
Short term investments		3,506,311,988	2,956,225,380
Tax refunds due from Government		1,458,736,306	1,467,911,232
Cash and bank balances		7,828,036,359	6,264,545,239
		40,035,440,502	35,738,238,258
TOTAL ASSETS		111,556,485,112	109,787,335,604
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital		216,897,910	216,897,910
Reserves		26,736,671,907	22,198,232,942
Equity attributable to equityholders of the parent		26,953,569,817	22,415,130,852
Non-controlling interest		9,748,829,368	8,769,248,341
Total Equity		36,702,399,185	31,184,379,193
NON-CURRENT LIABILITIES			
Long term liabilities	6	49,492,772,989	54,006,688,838
Deferred liabilities		368,720,268	310,342,296
Lease Liabilities		1,923,724,579	2,016,766,709
		51,785,217,836	56,333,797,843
CURRENT LIABILITIES			
Trade and other payables		5,829,921,529	6,757,019,625
Contract liabilities		1,127,626,353	869,746,700
Accrued Interest / mark-up		301,979,201	499,052,861
Unclaimed dividend		1,696,118	1,696,118
Short term borrowings		8,387,531,911	8,510,584,713
Current portion of long term financing		7,238,842,904	5,470,065,259
Current portion of lease liabilities		181,270,075	160,993,292
		23,068,868,091	22,269,158,568
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		111,556,485,112	109,787,335,604

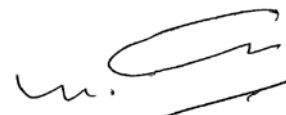
The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Six Months Ended 31 December 2020

		Six months ended		Three months ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		Rupees			
Net turnover	8	26,716,691,057	27,708,838,503	13,148,371,059	13,030,378,597
Cost of sales	9	(19,072,291,470)	(18,663,782,147)	(9,686,492,999)	(9,434,743,598)
Gross profit		7,644,399,587	9,045,056,356	3,461,878,060	3,595,634,999
Distribution cost		(1,245,799,087)	(1,363,734,256)	(630,068,726)	(693,533,276)
Administrative expenses		(429,753,294)	(400,049,035)	(242,903,980)	(203,131,863)
Other operating expenses		(162,220,007)	(162,770,090)	(116,024,538)	(103,487,063)
Other income		271,288,394	288,503,590	205,546,985	143,745,823
		(1,566,483,994)	(1,638,049,791)	(783,450,259)	(856,406,379)
Profit from operations		6,077,915,593	7,407,006,565	2,678,427,801	2,739,228,620
Finance cost		(2,052,375,584)	(2,905,903,355)	(1,007,54,191)	(1,420,282,688)
		4,025,540,009	4,501,103,210	1,670,773,610	1,318,945,932
Share of (loss) / profit of associated companies		(16,420,181)	48,576,703	(799,032)	37,634,520
Profit before taxation		4,009,119,828	4,549,679,913	1,669,974,578	1,356,580,452
Taxation					
Current					
- for the period		(237,248,457)	(248,676,009)	(131,896,501)	(122,360,342)
- prior year		408,110	(516,265)	408,110	(516,265)
Deferred		(1,782,875)	103,512,394	(1,782,875)	101,066,913
		(238,623,222)	(145,679,880)	(133,271,266)	(21,809,694)
Profit after taxation for the period		3,770,496,606	4,404,000,033	1,536,703,312	1,334,770,758
Attributable to:					
Equity holders of the parent		2,745,915,579	3,250,288,258	1,313,373,194	1,153,780,960
Non-controlling interest		1,024,581,027	1,153,711,775	223,330,118	180,989,798
		3,770,496,606	4,404,000,033	1,536,703,312	1,334,770,758
Earnings per share - basic and diluted		126.60	153.57	60.55	54.34

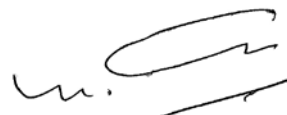
The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Six Months Ended 31 December 2020

	Six months ended 31 December		Three months ended 31 December	
	2020	2019	2020	2019
	Rupees			
Profit after taxation for the period	3,770,496,606	4,404,000,033	1,536,703,312	1,334,770,758
Other comprehensive income:				
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	6,837,217	20,839,139	7,807,150	(3,801,183)
Reclassification adjustments relating to loss realized on settlement of forward foreign currency contracts	12,941,707	-	-	-
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts - associates	159,748	19,659	107,496	(143,785)
	19,938,672	20,858,798	7,914,646	(3,944,968)
Net (loss) / gain on debt instruments at fair value through other comprehensive income	-	(625,000)	-	1,425,994
Exchange difference on translation of foreign operations	12,376,836	(22,690,177)	3,474,957	3,048,863
Items not be reclassified to profit or loss in subsequent years:				
Net gain on equity instruments at fair value through other comprehensive income	1,743,323,801	1,859,289,039	269,002,452	2,077,398,714
Net gain on equity instruments at fair value through other comprehensive income - associates	16,713,792	18,200,884	3,448,201	20,358,744
Other comprehensive income for the period	1,792,353,101	1,875,033,544	283,840,256	2,098,287,347
Total comprehensive income for the period	5,562,849,707	6,279,033,577	1,820,543,568	3,433,058,105
Attributable to:				
Equity holders of the parent	4,538,268,680	5,125,321,802	1,597,213,450	2,460,336,128
Non- controlling interest	1,024,581,027	1,153,711,775	223,330,118	972,721,977
	5,562,849,707	6,279,033,577	1,820,543,568	3,433,058,105

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



Chief Executive



Chief Financial Officer



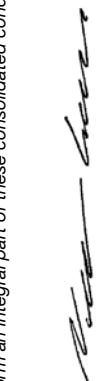
Director

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

For The Six Months Ended 31 December 2020

	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	Unappropriated profit			
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	18,146,733,420	6,208,667,973	24,355,401,393
Total comprehensive income for the six months ended 31 December 2019											
Profit after taxation for the period	-	-	-	-	-	-	-	3,250,288,258	3,250,288,258	1,153,711,775	4,404,000,033
Other comprehensive (loss) / income for the period	-	-	-	1,876,864,923	(22,690,177)	20,858,798	-	-	1,875,033,544	-	1,875,033,544
Share of decrease in reserves of associated companies	-	-	-	1,876,864,923	(22,690,177)	20,858,798	-	3,250,288,258	5,125,321,802	1,153,711,775	6,279,033,577
Transfer of gain on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	-	-	-	-	(2,771,449)	(2,771,449)	-	(2,771,449)
Transaction with owners	-	-	-	(35,929,308)	-	-	-	35,929,308	-	-	-
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	-	642,660,400
Final dividend for the year ended June 30, 2019 @ Rs. 26 per share	-	-	-	-	-	-	-	(522,161,640)	(522,161,640)	-	(522,161,640)
Balance as at 31 December 2019 (Un-audited)	216,897,910	782,796,090	65,000,000	559,176,636	66,078,548	21,200,015	1,330,000,000	20,348,633,334	23,389,782,533	7,382,379,748	30,752,162,281
Balance as at 01 July 2020 (audited)	216,897,910	782,796,090	65,000,000	(2,477,048,172)	91,175,582	(12,652,470)	1,330,000,000	22,415,961,912	22,415,130,852	8,769,248,341	31,184,379,193
Total comprehensive income for the six months ended 31 December 2020											
Profit after taxation for the period	-	-	-	-	-	-	-	2,745,915,579	2,745,915,579	1,024,581,027	3,770,496,606
Other comprehensive Income for the period	-	-	-	1,760,037,593	12,376,836	19,938,672	-	-	1,792,353,101	-	1,792,353,101
Share of increase in reserves of associated companies under equity method	-	-	-	1,760,037,593	12,376,836	19,938,672	-	2,745,915,579	4,538,268,680	1,024,581,027	5,562,849,707
Transfer of loss on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	-	-	-	-	170,285	170,285	-	170,285
Transaction with owners	-	-	-	22,723,655	-	-	-	(22,723,655)	-	-	-
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 December 2020 (Un-audited)	216,897,910	782,796,090	65,000,000	(694,286,924)	103,552,418	7,286,202	1,330,000,000	25,142,324,121	26,953,569,817	9,748,829,368	36,702,399,185

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 CASH FLOWS (Un-audited)

For The Six Months Ended 31 December 2020

		Six months ended	
		31 December	
	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	5,910,481,695	5,653,696,716
Long term loans, advances and deposits		(31,356,224)	30,421,180
Finance cost paid		(2,221,994,003)	(2,806,907,523)
Staff retirement benefits - gratuity paid		(52,174,754)	(36,491,846)
Taxes paid		(241,762,939)	(862,123,306)
		(2,547,287,920)	(3,675,101,495)
Net cash generated from operating activities		3,363,193,775	1,978,595,221
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(664,690,057)	(720,099,816)
Purchase of intangibles		(1,221,201)	(3,170,960)
Investments in equity investments		(20,490,173)	(74,958,830)
Investments in subsidiary		-	(15,760,000)
Investments in associates		51,345,000	53,523,860
Proceeds from disposal of property, plant and equipment		245,651,975	114,447,871
Proceeds from sale of investments		65,770,114	80,337,940
Dividend received		87,396,826	202,902,605
Interest received		23,520,390	37,278,824
Net cash used in investing activities		(212,717,126)	(325,498,506)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(160,611,071)	2,501,096,777
Proceeds from long term financing		1,379,283,977	217,700,000
Repayment of long term financing		(2,600,285,130)	(3,296,223,033)
Exchange loss on translation of foreign subsidiary		(802,524)	-
Finance lease obligation - net		(227,744,492)	33,337,292
Dividend paid		(45,000,000)	(522,229,720)
Right shares issued		-	642,660,400
Net cash used in financing activities		(1,655,159,240)	(423,658,284)
Net increase in cash and cash equivalents		1,495,317,409	1,229,438,431
Cash and cash equivalents at the beginning of the period		6,264,545,239	4,414,025,673
Transfer upon merger		-	7,692,237
Cash and cash equivalents at the end of the period		7,759,862,648	5,651,156,341
Cash and cash equivalents			
Cash and bank balances		7,828,036,359	5,658,852,663
Book overdrafts - unsecured		(68,173,711)	(7,696,322)
Cash and cash equivalents at the end of the period		7,759,862,648	5,651,156,341

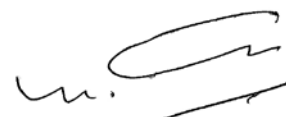
The annexed notes from 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For The Six Months Ended 31 December 2020

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
Registered Office	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi
Lahore office	7-A/K, Main Boulevard, Gulberg II, Lahore
Production Plants	
Spinning	A-17, SITE, Kotri
Spinning	A-84, SITE Area, Nooriabad
Spinning	63/64-KM, Multan Road, Jumber Khurd, Chunian, District Kasur
Spinning	1.5-KM, Warburton Road, Feroze Wattoan, Sheikhpura
Weaving, Yarn Dyeing, Printing, Processing and Home Textile	2-KM, 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, Bhohtian 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 Six Months Ended 31 December 2020

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 Six Months Ended 31 December 2020

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 December 2020 Rupees	(Audited) 30 June 2020 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	61,781,707,742	64,883,952,143
Capital work-in-progress	5.3	896,276,173	1,276,023,745
Major spare parts and stand-by equipment		69,216,256	69,216,256
Right of use asset		1,918,588,204	2,101,774,250
		64,665,788,375	68,330,966,394
5.1 Operating fixed assets			
Opening book value		64,883,952,143	66,861,189,758
Cost of additions during the period / year	5.2	1,044,437,629	1,532,933,853
Net exchange (gain) / loss capitalised during the period / year		(1,836,243,173)	1,017,217,317
Book value of disposals / adjustment during the period / year	5.2	(145,707,826)	(189,348,743)
		(937,513,370)	2,360,802,427
Depreciation during the period/year		(2,164,731,031)	(4,338,040,042)
		(3,102,244,401)	(1,977,237,615)
Closing book value		61,781,707,742	64,883,952,143

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

	(Un-Audited) 31 December 2020		(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	110,878,028	-	184,697,709	-
Labour, staff colony and others	-	-	73,768,902	-
On lease hold land:				
Factory building	8,000,000	-	2,561,308	13,802,693
Leased Building improvements	-	20,386,273	4,000,000	-
Plant and machinery	841,096,109	26,759,008	995,640,755	143,198,448
Electric installation	954,699	292,797	33,354,989	-
Fire Fighting equipment	-	-	2,629,700	-
Electric equipment	17,711,186	7,746,368	61,422,886	-
Computer	15,223,166	1,323,973	24,789,954	810,839
Office equipment	832,365	538,620	371,080	-
Mills equipment	3,300,433	-	8,909,010	-
Furniture & fixtures	33,742,343	2,717,644	64,010,652	-
Vehicles	7,667,000	5,550,207	45,740,409	31,536,763
	1,044,437,629	145,707,826	1,532,933,853	189,348,743

	(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
5.3 Capital work-in-progress		
Freehold land and building	445,403,511	443,173,511
Civil works and buildings	131,172,761	167,976,421
Plant and machinery	315,544,901	660,175,499
Electric installations	-	543,314
Mills equipment	4,155,000	4,155,000
	896,276,173	1,276,023,745
6 DEFERRED LIABILITIES		
Deferred Taxation	14,515,383	12,732,508
Deferred Government grant	22,757,497	-
Staff retirement benefits - gratuity	331,447,388	297,609,788
	368,720,268	310,342,296

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

For The Six Months Ended 31 December 2020

	(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
7. CONTINGENCIES AND COMMITMENTS		
Contingencies		
Guarantees issued by banks on behalf of the Group	702,400,369	702,400,369

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 December 2020 the value of these cheques amounted to Rs.1,638.824 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 December 2020 Rupees	(Audited) 30 June 2020 Rupees
Commitments			
Commitments in respect of confirmed letter of credit	7.3	5,502,160,644	2,534,194,325
Commitments in respect of capital expenditure	7.4	179,863,303	28,927,239
Commitments in respect of forward foreign currency contracts		1,299,869,825	352,443,189
		6,981,893,772	2,915,564,753
7.3 Confirmed letter of credit in respect of:			
- plant and machinery		1,607,558,409	470,885,640
- raw material		3,845,327,127	1,980,672,334
- stores and spares		49,275,108	82,636,351
		5,502,160,644	2,534,194,325

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 December		31 December		31 December	
	2020	2019	2020	2019	2020	2019
	Rupees					
Yarn	4,353,689,070	5,284,266,203	3,942,025,525	2,562,250,235	8,295,714,595	7,846,516,438
Fabric	4,731,284,903	4,839,773,017	1,047,426,799	562,994,371	5,778,711,702	5,402,767,388
Clothing items	-	-	3,855,296,774	3,748,689,005	3,855,296,774	3,748,689,005
Home textile products	2,313,390,801	3,563,662,518	84,884,377	72,650,408	2,398,275,178	3,636,312,926
Raw material	3,182,737	-	122,328,496	2,845,934	125,511,233	2,845,934
Accessories	-	-	114,583,856	83,084,455	114,583,856	83,084,455
Waste	117,682,905	120,356,696	119,059,365	163,333,654	236,742,270	283,690,350
Processing income	-	-	228,123,996	40,257,092	228,123,996	40,257,092
Power Generation	-	-	6,057,126,714	6,832,212,182	6,057,126,714	6,832,212,182
	11,519,230,416	13,808,058,434	15,570,855,902	14,068,317,336	27,090,086,318	27,876,375,770
Export rebate and duty drawback					61,751,193	441,934,293
Less: Discounts to customers					(435,146,454)	(609,471,560)
					26,716,691,057	27,708,838,503

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

		(Un-Audited) Six months ended 31 December		(Un-Audited) Three months ended 31 December	
	Note	2020	2019	2020	2019
		Rupees			
9 COST OF SALES					
Finished goods - Opening stock		2,902,241,799	2,230,290,145	2,800,000,970	2,670,162,784
Cost of goods manufactured	9.1	17,932,016,061	18,780,861,595	9,340,370,875	9,190,471,410
Finished goods - Closing stock		(2,860,996,853)	(2,816,198,811)	(2,860,996,853)	(2,816,198,811)
Cost of sales - owned manufactured		17,973,261,007	18,194,952,929	9,279,374,992	9,044,435,383
Cost of raw material sold		125,232,474	15,272,775	25,818,952	6,176,080
Cost of sales - purchased for resale		973,797,989	453,556,443	381,299,055	384,132,135
		19,072,291,470	18,663,782,147	9,686,492,999	9,434,743,598
9.1 Cost of goods manufactured					
Work in process - opening stock		1,893,115,328	1,705,135,329	1,765,456,844	1,496,139,209
Raw material consumed		9,443,842,611	10,279,708,103	5,183,043,702	5,039,820,083
Overheads		8,463,944,079	8,355,187,002	4,260,756,286	4,213,680,957
		19,800,902,018	20,340,030,434	11,209,256,832	10,749,640,249
Work in process - closing stock		(1,868,885,957)	(1,559,168,839)	(1,868,885,957)	(1,559,168,839)
		17,932,016,061	18,780,861,595	9,340,370,875	9,190,471,410

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

For The Six Months Ended 31 December 2020

	(Un-audited) 31 December	
	2020 Rupees	2019 Rupees
10 CASH GENERATED FROM OPERATIONS		
Profit before taxation and share of profit of associates	4,025,540,009	4,501,103,210
Adjustments for non-cash items:		
Depreciation on operating fixed assets	2,164,731,031	2,131,445,721
Depreciation on right of use fixed assets	179,002,877	-
Amortization of intangible assets	1,161,166	1,331,487
Interest income	(23,520,390)	(36,784,029)
Gain on sale of property, plant and equipment	(87,876,385)	(4,834,679)
Dividend income	(139,135,826)	(202,902,605)
Provision for gratuity	86,012,354	60,059,752
Amortization of transaction cost	30,778,260	30,809,274
Reversal of provision for stores, spares and loose tools	(1,164,092)	(9,257,434)
Provision against doubtful sales tax refundable	14,097,518	19,351,862
Finance cost	2,024,920,343	2,881,207,085
	4,249,006,856	4,870,426,434
Operating cash flow before changes in working capital	8,274,546,865	9,371,529,644
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spare and loose tools	13,700,804	(31,466,545)
Stock-in-trade	(2,830,698,854)	(2,872,861,386)
Trade debts	664,657,706	(3,191,568,462)
Loans and advances	(86,684,387)	(54,325,798)
Trade deposits and short term prepayments	(118,467,221)	(28,936,310)
Other receivables	158,365,053	2,018,123,977
	(2,199,126,899)	(4,161,034,524)
(Decrease) / Increase in current liabilities		
Trade and other payables	(422,817,924)	224,351,654
Contract liabilities	257,879,653	218,849,942
	5,910,481,695	5,653,696,716

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)	
		Six months ended	
		31 December	
		2020	2019
		Rupees	Rupees
Relationship with the Company	Nature of transactions		
(i) Associates	Sales / processing	1,297,538,141	1,240,264,298
	Purchases	88,078,304	83,732,087
	Expenses charged to	24,258,767	20,162,462
	Expenses charged by	2,897,359	2,702,462
	Markup charged by	35,732,463	31,305,046
	Dividend paid	-	126,829,352
	Dividend received	51,345,000	53,546,540
	Loans obtained - net	70,268,762	259,284,981
	Right shares issued	-	200,158,000
(ii) Others	Contribution to provident fund	38,872,892	37,842,074
	Remuneration to key management personnel	105,830,529	94,805,866
	Loans from directors and related parties	-	(167,583,000)
	Right shares issued	-	394,444,400
	Donation	1,500,000	11,950,000

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

For The Six Months Ended 31 December 2020

12. SEGMENT ANALYSIS

12.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
Rupees					
For the half year ended 31 December 2020					
Revenue - external customers	8,448,641,984	5,590,849,497	6,620,072,862	6,057,126,714	26,716,691,057
Inter - segment sales	2,304,028,242	1,593,772,681	463,759,584	-	4,361,560,507
Segment results	1,099,231,421	570,702,471	674,039,744	3,624,873,570	5,968,847,206
For the half year ended 31 December 2019					
Revenue - external customers	8,160,043,133	5,641,754,364	7,074,828,824	6,832,212,182	27,708,838,503
Inter - segment sales	2,493,981,674	1,028,618,204	803,815,001	-	4,326,414,879
Segment results	975,713,648	948,864,590	855,731,566	4,500,963,260	7,281,273,064

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

	(Un-audited) 31 December	
	2020 Rupees	2019 Rupees
Total results for reportable segments	5,968,847,206	7,281,273,064
Other operating expenses	(162,220,007)	(162,770,090)
Other income	271,288,394	288,503,590
Finance cost	(2,052,375,584)	(2,905,903,355)
Share of (loss) / profit of associated companies	(16,420,181)	48,576,703
Profit before taxation	4,009,119,828	4,549,679,913
Taxation	(238,623,222)	(145,679,880)
Profit for the period	3,770,496,606	4,404,000,033

12.2 SEGMENT ASSETS AND LIABILITIES

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
Rupees					
As at 31 December 2020 (Un-audited)					
Segment assets	15,106,914,099	5,216,329,144	13,957,715,941	64,868,715,315	99,149,674,499
Segment Liabilities	22,131,899,340	2,993,703,994	9,846,046,286	39,089,553,138	74,061,202,758
As at 30 June 2020 (Audited)					
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 December 2020 Rupees	(Audited) 30 June 2020 Rupees
Total for reportable segments assets	99,149,674,499	98,861,350,083
Unallocated assets	12,406,810,613	10,925,985,521
Total assets as per consolidated condensed interim statement of financial position	111,556,485,112	109,787,335,604
Total for reportable segments liabilities	74,061,202,758	77,835,960,540
Unallocated liabilities	792,883,169	766,995,871
Total liabilities as per consolidated condensed interim statement of financial position	74,854,085,927	78,602,956,411

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

For The Six Months Ended 31 December 2020

	(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
13 FINANCIAL INSTRUMENTS		
13.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	112,221,479	90,434,779
Trade debts	10,962,966,861	11,627,624,567
Loan to employees	69,138,950	76,287,403
Trade deposits	135,170,095	49,784,895
Other receivables	703,003,768	917,956,352
Bank balances	7,828,036,359	6,264,545,239
	19,810,537,512	19,026,633,235
Debt instruments at fair value through OCI		
HBL Term Finance Certificates	-	49,000,000
Equity instruments at fair value through OCI		
Quoted equity shares	8,177,514,593	6,435,176,964
Unquoted equity shares	86,648,236	86,648,236
	8,264,162,829	6,521,825,200
Total current	22,520,225,540	21,278,393,031
Total non current	5,554,474,801	4,319,065,404
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	4,170,521,933	4,479,556,876
Payable / provision against GIDC	872,949,208	964,871,613
Accrued interest / mark-up	301,979,201	499,052,861
Unclaimed dividend	1,696,118	1,696,118
Secured bank loan	56,190,394,310	59,476,754,097
Lease liabilities	2,104,994,654	2,177,760,001
Short term borrowings	8,387,531,911	8,510,584,713
	72,030,067,335	76,110,276,279
Total current	20,613,569,767	20,086,820,732
Total non current	51,416,497,568	56,023,455,547

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		
As at 31 December 2020			
Assets carried at fair value			
Equity instruments at fair value through OCI	8,177,514,593	-	86,648,236
As at 30 June 2020			
Assets carried at fair value			
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. half year ended 31 December 2019.

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

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

For The Six Months Ended 31 December 2020

15 DATE OF AUTHORIZATION FOR ISSUE

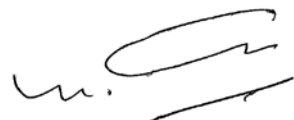
These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 24 February 2021.



Chief Executive



Chief Financial Officer



Director

حصص یافتگان کے لئے ڈائریکٹر رپورٹ

سیفائز ونڈ پاور کمپنی لمیٹڈ، سیفائز ریٹیل لمیٹڈ، ٹرانسکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفائز 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 ششماہی مدت 31 دسمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

سیفائز ونڈ پاور کمپنی لمیٹڈ

کمپنی کی 70 فیصد ملکیت سیفائز 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۔

سیفائز ریٹیل لمیٹڈ

سیفائز ریٹیل لمیٹڈ، سیفائز ٹیکسٹائل ملز لمیٹڈ کی مکمل ملکیت کی سبسیڈیری ہے۔ اس سبسیڈیری کا اہم کاروبار ٹیکسٹائل اور دیگر مصنوعات کی فروخت کیلئے ”سیفائز برانڈ“ ریٹیل آؤٹ لیٹس چلانا ہے۔ ایس آر ایل بنیادی طور پر بیرون زراہج 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 انٹیس 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۔

سیفائز انٹرنیشنل APS

سیفائز 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، سیفائز ریٹیل لمیٹڈ کی مکمل سبسیڈیری ہے اور سیفائز ریٹیل لمیٹڈ، سیفائز ٹیکسٹائل ملز لمیٹڈ کی مکمل سبسیڈیری ہے۔ اس کمپنی کا بنیادی مقصد ٹیکسٹائل اور ذیلی مصنوعات کی تیاری ہے۔

منجانب بورڈ



محمد عبداللہ
ڈائریکٹر



ندیم عبداللہ
چیف ایگزیکٹو

لاہور

مورخہ: 24 فروری 2021

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران نہایت مسرت کے ساتھ 31 دسمبر 2020ء کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ مالی تفصیلات پیش کر رہے ہیں۔ جس کا جائزہ حسب دستور بیرونی آڈیٹرز نے لے کر اپنی جائزہ رپورٹ مالیاتی تفصیلات کے ساتھ منسلک کر دی ہے۔

مالیاتی نتائج:

مالیاتی نتائج درج ذیل ہیں:

رقم ہزاروں میں		
31 دسمبر 2019	31 دسمبر 2020	
18,588,474	18,148,086	نیٹ کل فروخت
3,308,380	2,601,146	مجموعی منافع
2,698,794	2,118,195	کاروباری منافع
311,136	408,354	دیگر ذرائع سے آمدنی
(1,226,647)	(786,568)	مالیاتی لاگت
1,472,147	1,331,627	قبل از ٹیکس منافع
1,353,579	1,120,728	بعد از ٹیکس منافع

زیر جائزہ مدت کے دوران کمپنی نے 18.148 بلین کی فروخت حاصل کی جبکہ گذشتہ سال اسی مدت میں فروخت 18.588 بلین تھی۔ شرح کل منافع فروخت کم ہو کر 14.33 فیصد رہا جبکہ یہی شرح گذشتہ سال کی اسی مدت میں 17.80 فیصد تھی۔ کمپنی کے گرتے ہوئے منافع کا سبب سیلز میکس میں تبدیلی ہے۔ رواں سال کی پہلی ششماہی کیلئے مالیاتی لاگت کم ہو کر 786.568 بلین رہی جو کہ فروخت کا 4.33 فیصد ہے۔ جبکہ گذشتہ سال اسی مدت میں مالیاتی لاگت 1,226.647 بلین تھی جو کہ فروخت کا 6.60 فیصد تھا۔ کمپنی کا بعد از ٹیکس منافع 1,353.579 بلین روپے سے کم ہو کر 1,120.728 بلین روپے رہا۔

آمدنی فی حصص:

31 دسمبر 2020ء کو ختم ہونے والے ششماہی کیلئے آمدنی فی حصص 51.67 روپے ہے جبکہ پچھلے سال کی اسی مدت میں یہ 63.95 روپے تھی۔


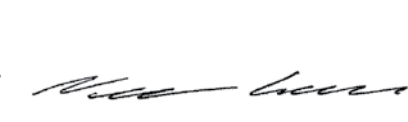
مستقبل کا منظر نامہ:

کمپنی کی بروقت خریداری کے سبب رواں سال کے دوران کمپنی کا منافع صحت مند بخش رہنے کی توقع ہے۔ انتظامیہ اپنے اچھے کسٹمر بیس اور متنوع کاروباری کاروائیوں کے ذریعہ مستقبل میں پائیدار منافع بخش حصول کے لئے پرامید ہے۔

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۔

منجانب بورڈ

محمد عبداللہ
ڈائریکٹر

ندیم عبداللہ
چیف ایگزیکٹو

لاہور

مورخہ 24 فروری 2021ء



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

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