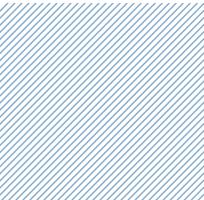


3rd Quarterly Report

31 March 2023



Sapphire Textile Mills Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE &

REMUNERATION COMMITTEE

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

SHARES REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd

CHIEF FINANCIAL OFFICER

Mr. Abdul Sattar

COMPANY SECRETARY

Mr. Zeeshan

TAX CONSULTANTS :

Yousuf Adil,
Chartered Accountants

AUDITORS

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

LEGAL ADVISOR

A. K. Brohi & Company

BANKERS

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

REGISTERED OFFICE

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

www.sapphire.com.pk/stml

MILLS

Spinning Units

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

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

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

Stitching Unit

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



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Nine Months Period Ended March 31, 2023



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the nine months ended March 31, 2023.

Financial Review

The Summary of key financial numbers are presented below:

	March 31,	
	2023	2022
	Rupees in thousands	
Net turnover	52,879,705	43,119,924
Gross profit	7,666,497	9,294,950
Profit from operations	6,954,530	7,430,217
Other income	1,820,300	817,913
Finance cost	(3,002,170)	(1,756,064)
Profit before taxation	3,952,360	5,674,154
Profit after taxation	3,062,142	5,154,470

During the period under review the Company's net turnover increased from Rs.43.120 billion to Rs.52.880 billion. The gross profit as a percentage of sales decreased to 14.50% from 21.56% in the corresponding period. During the period margins on textile products remain under pressure due to slow down in global demand and high cost of imported cotton. The finance cost during the period increased to Rs. 3.002 billion from Rs. 1.756 billion in the corresponding period. The Company's finance cost increased significantly due to increase in policy rate by State Bank of Pakistan (SBP), higher mark-up rate for export related financing schemes and non-availability of SBP Long Term Finance Facility (LTFF) for earlier planned CAPEX. The Company's profit after tax decreased to Rs.3.062 billion from Rs.5.154 billion.

Earnings per Share

The earnings per share for the nine months ended March 31, 2023 is Rs. 141.18 as compared to Rs. 237.65 for previous year's corresponding period.

Future Prospects

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

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

Acknowledgment

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

On behalf of the Board



NADEEM ABDULLAH
CHIEF EXECUTIVE



MOHAMMAD ABDULLAH
CHAIRMAN / DIRECTOR

Karachi

Dated: April 27, 2023

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At March 31, 2023

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	23,016,635,391	19,921,336,858
Investment property		31,750,000	31,750,000
Intangible assets		-	8,333
Long term investments		14,096,836,708	13,504,254,466
Long term loans and advances		348,579,340	292,698,547
Long term deposits		88,310,692	87,931,092
		37,582,112,131	33,837,979,296
CURRENT ASSETS			
Stores, spares and loose tools		586,896,543	507,491,851
Stock in trade		22,428,149,010	23,145,128,677
Trade debts		6,883,581,719	5,656,162,973
Loans and advances		184,620,095	135,320,162
Trade deposits and short term prepayments		61,953,381	36,878,751
Other receivables		1,049,658,700	1,106,540,602
Short term investments		2,342,010,762	2,988,280,554
Tax refunds due from Government		4,056,682,344	3,130,211,673
Cash and bank balances		206,080,559	98,630,045
		37,799,633,113	36,804,645,288
TOTAL ASSETS		75,381,745,244	70,642,624,584
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		216,897,910	216,897,910
Reserves		27,918,276,184	25,892,774,923
		28,135,174,094	26,109,672,833
NON-CURRENT LIABILITIES			
Long-term loans and other payables		16,815,495,641	15,060,906,546
Lease liabilities		45,802,249	56,576,868
Deferred liabilities		711,222,114	743,865,045
		17,572,520,004	15,861,348,459
CURRENT LIABILITIES			
Current portion of long-term liabilities		3,384,212,642	3,209,096,949
Accrued mark-up		958,192,690	657,223,949
Contract liabilities		1,503,035,571	1,563,208,589
Current portion of lease liabilities		14,237,906	13,484,324
Short-term borrowings		18,072,951,721	16,943,231,195
Unclaimed dividend		1,782,171	2,230,552
Trade and other payables		5,739,638,445	6,283,127,734
		29,674,051,146	28,671,603,292
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		75,381,745,244	70,642,624,584

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Note	Nine months period ended		Three months period ended	
		March 31,		March 31,	
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
Net turnover	7	52,879,704,543	43,119,924,344	18,218,346,144	15,389,379,389
Cost of sales	8	(45,213,207,335)	(33,824,974,844)	(15,254,415,235)	(12,094,411,195)
Gross profit		7,666,497,208	9,294,949,500	2,963,930,909	3,294,968,194
Distribution cost		(1,713,027,161)	(1,695,868,263)	(532,920,401)	(615,687,881)
Administrative expenses		(551,162,005)	(502,699,152)	(191,514,847)	(213,723,870)
Other operating expenses		(268,077,710)	(484,077,782)	(100,489,471)	(153,389,340)
Other income		1,820,299,806	817,912,945	682,252,654	251,769,328
		(711,967,070)	(1,864,732,252)	(142,672,065)	(731,031,763)
Profit from operations		6,954,530,138	7,430,217,248	2,821,258,844	2,563,936,431
Finance cost		(3,002,169,943)	(1,756,063,514)	(1,201,668,241)	(752,913,708)
Profit before taxation		3,952,360,195	5,674,153,734	1,619,590,603	1,811,022,723
Taxation		(890,218,379)	(519,683,339)	(327,826,765)	(190,352,983)
Profit after taxation		3,062,141,816	5,154,470,395	1,291,763,838	1,620,669,740
Earnings per share - basic and diluted		141.18	237.65	59.56	74.72

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Nine months period ended		Three months period ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	3,062,141,816	5,154,470,395	1,291,763,838	1,620,669,740
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent period:				
Forward foreign currency contracts				
Gain on remeasurement forward foreign currency contracts - net	66,636,051	16,899,180	535,422	52,473,279
Items that will not be reclassified to profit or loss in subsequent period:				
Net (Loss) / gain on equity instruments at fair value through other comprehensive income	(886,378,696)	(489,094,707)	26,514,467	(185,156,266)
Other comprehensive (loss) / income for the period	(819,742,645)	(472,195,527)	27,049,889	(132,682,987)
Total comprehensive income for the period	2,242,399,171	4,682,274,868	1,318,813,727	1,487,986,753

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Capital Reserves			Revenue Reserves			Total Equity	
	Share Capital	Share Premium	Fixed Assets Replacement	Fair value reserve of financial asset at fair value through OCI	Cash flow hedge reserve	General reserves		Unappropriated profit
Balance as at July 01, 2021 (Audited)	216,897,910	782,796,090	65,000,000	(897,844,224)	(18,516,642)	1,330,000,000	19,630,254,655	21,016,565,789
Total comprehensive income for the period ended March 31, 2022	-	-	-	-	-	-	5,154,470,395	5,154,470,395
Profit after taxation for the period	-	-	-	-	-	-	-	-
Other comprehensive (loss) / income for the period	-	-	-	(489,094,707)	16,899,180	-	-	(472,195,527)
Transaction with owners:	-	-	-	(488,094,707)	16,899,180	-	-	4,692,274,869
Final dividend for the year ended June 30, 2021 @ Rs.15 per share	-	-	-	-	-	-	(325,346,865)	(325,346,865)
Balance as at March 31, 2022 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,476,938,931)	(1,619,462)	1,330,000,000	24,459,278,185	25,975,513,792
Balance as at July 01, 2022 (Audited)	216,897,910	782,796,090	65,000,000	(2,555,866,941)	(66,407,961)	1,330,000,000	26,337,632,635	26,109,672,833
Total comprehensive income for the period ended March 31, 2023	-	-	-	-	-	-	3,062,141,816	3,062,141,816
Profit after taxation for the period	-	-	-	-	-	-	-	-
Other comprehensive (loss) / income for the period	-	-	-	(896,376,896)	66,636,051	-	-	(829,740,845)
Transfer of profit on sale of investment at Fair value through OCI to un-appropriated profit	-	-	-	(896,376,896)	66,636,051	-	-	2,242,399,171
Transaction with owners	-	-	-	(20,212,892)	-	-	20,212,892	-
Final dividend for the year ended June 30, 2022 @ Rs.10 per share	-	-	-	-	-	-	(216,897,910)	(216,897,910)
Balance as at March 31, 2023 (Un-audited)	216,897,910	782,796,090	65,000,000	(3,462,457,429)	228,090	1,330,000,000	29,292,709,433	28,135,174,094

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Note	Nine months period ended March 31,	
		2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	9	5,702,382,535	(2,081,151,328)
Long term loans, advances and deposits		(56,260,393)	(252,409,409)
Finance cost paid		(2,747,404,780)	(1,562,446,035)
Staff retirement benefits - gratuity paid		(112,346,963)	(80,268,157)
Taxes paid		(1,872,405,083)	(2,346,877,054)
		(4,788,417,219)	(4,242,000,655)
Net cash generated from / (used in) operating activities		913,965,316	(6,323,151,983)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,458,905,851)	(5,074,925,861)
Investment in equity instruments		(58,512,713)	(150,000,000)
Investments in subsidiary Companies		(1,160,000,000)	(10,000,000)
Proceeds from disposal of property, plant and equipment		54,008,351	80,137,251
Proceeds from sale of investments		385,821,572	-
Dividend received		1,590,091,919	631,015,163
Interest received		1,266,942	1,165,379
Rental income received		24,442,000	29,636,253
Net cash used in investing activities		(3,621,787,780)	(4,492,971,815)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		1,129,720,526	10,327,050,758
Proceeds from long term loans		3,764,565,081	2,918,519,437
Repayment of long term loans		(1,848,064,323)	(2,086,859,680)
Repayment of lease liabilities		(13,602,015)	-
Dividend paid		(217,346,291)	(324,694,576)
Net cash generated from financing activities		2,815,272,978	10,834,015,939
Net increase in cash and cash equivalents		107,450,514	17,892,141
Cash and cash equivalents at the beginning of the period		98,630,045	75,392,550
Cash and cash equivalents at the end of the period		206,080,559	93,284,691

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal Status and Nature of Business

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

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 June 30, 2022.

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

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

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

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

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

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

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

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	17,900,199,439	16,354,989,270
Capital work-in-progress	5.2	5,062,709,016	3,500,222,129
Right-of-use asset		53,726,936	66,125,459
		23,016,635,391	19,921,336,858

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

For The Nine Months Period Ended March 31, 2023

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
5.1 Operating fixed assets			
Opening book value		16,354,989,270	13,432,407,958
Cost of additions during the period/year	5.1.1	2,896,418,964	4,487,938,340
Book value of disposals during the period/year		(39,068,575)	(90,185,907)
		2,857,350,389	4,397,752,433
Depreciation during the period/year		(1,312,140,220)	(1,475,171,121)
		1,545,210,169	2,922,581,312
Closing book value		17,900,199,439	16,354,989,270

5.1.1 The cost of additions and book value of disposals from operating fixed assets during the nine months period ended March 31, 2023 and year ended June 30, 2022 are as follows.

	(Un-Audited) March 31, 2023		(Audited) June 30, 2022	
	Addition Cost	Disposal Book Value	Addition Cost	Disposal Book Value
	Rupees			
Free hold land	2,903,440	-	304,364,104	-
On Freehold land:				
Factory building	165,802,984	-	246,263,812	-
Labour, staff colony and others	160,020,883	-	133,741,937	-
Building on lease hold land:				
Factory building	3,139,779	-	8,950,000	-
Labour, staff colony and others	29,028,651	-	-	-
Plant and machinery	2,454,718,326	31,384,809	3,451,252,054	82,223,883
Electric installation	26,938,582	-	78,621,256	248,130
Fire fighting equipment	836,100	-	-	-
Electric equipment	5,758,004	118,074	5,928,333	3,426,241
Computer	10,880,555	579,400	29,761,853	961,432
Office equipment	-	30,714	11,601,652	39,268
Mills equipment	14,826,484	35,310	29,716,368	-
Furniture & fixtures	7,333,757	-	11,464,739	-
Vehicles	14,231,419	6,920,268	176,272,232	3,286,953
	2,896,418,964	39,068,575	4,487,938,340	90,185,907

	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
5.2 Capital work-in-progress		
Civil works and buildings	1,266,521,124	1,126,629,471
Plant and machinery	3,724,547,220	2,326,866,270
Electric installation	17,724,152	21,376,195
Mills equipment	51,756,563	25,350,193
Furniture & Fixture	2,159,957	-
	5,062,709,016	3,500,222,129

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There are no contingencies to be reported as at period ended March 31, 2023 (June 30, 2022: Nil).

	(Un-audited)	(Audited)
	March 31,	June 30,
	2023	2022
	Rupees	Rupees

6.2 Commitments

6.2.1	Guarantees issued by banks on behalf of the Company	<u>1,553,100,379</u>	<u>1,283,100,379</u>
6.2.2	Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at March 31, 2023 the value of these cheques amounted to Rs.5,987.506 million (June 30, 2022: Rs.5,643.272 million).		
6.2.3	A commercial bank has issued a guarantee amounting Rs.45 million in favour of excise and taxation department of Government of Sindh on behalf of Sapphire Wind Power Company Limited (subsidiary company) against charge of Rs.60 million on fixed assets of the Company.		

		(Un-audited)	(Audited)
		March 31,	June 30,
	Note	2023	2022
		Rupees	Rupees

6.2.4 Commitments in respect of:

Commitments in respect of:

- confirmed letter of credit	6.2.5	3,355,149,975	3,141,386,530
- capital expenditure	6.2.6	147,802,564	274,821,374
- forward foreign currency contracts		56,385,111	674,285,322
		<u>3,559,337,650</u>	<u>4,090,493,226</u>

6.2.5 Confirmed letter of credit in respect of:

- plant and machinery		232,541,111	2,478,648,338
- raw material		3,013,434,060	614,957,664
- stores and spares		109,174,804	47,780,528
		<u>3,355,149,975</u>	<u>3,141,386,530</u>

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

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

For The Nine Months Period Ended March 31, 2023

7. NET TURNOVER

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

	Export Sales		Local Sales		Total	
	Un-audited		Un-audited		Un-audited	
	Nine months period ended		Nine months period ended		Nine months period ended	
	March 31,		March 31,		March 31,	
	2023	2022	2023	2022	2023	2022
	Rupees					
Yarn	12,785,232,761	14,549,436,616	8,864,783,945	5,568,201,939	21,650,016,706	20,117,638,555
Fabric	18,182,671,537	12,343,096,941	1,816,431,242	1,702,316,525	19,999,102,779	14,045,413,466
Home textile products	8,156,377,163	7,395,163,417	188,809,114	194,026,185	8,345,186,277	7,589,189,602
Raw material	-	-	258,588,890	62,634,267	258,588,690	62,634,267
Waste	239,535,421	207,760,133	592,737,856	381,073,213	832,273,277	588,833,346
Processing income	-	-	1,725,025,045	652,825,384	1,725,025,045	652,825,384
	39,363,816,882	34,495,457,107	13,446,375,892	8,561,077,513	52,810,192,774	43,056,534,620
Export rebate	69,511,769	63,389,724	-	-	69,511,769	63,389,724
	39,433,328,651	34,558,846,831	13,446,375,892	8,561,077,513	52,879,704,543	43,119,924,344

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

	Note	(Un-audited)		(Un-audited)	
		Nine months period ended		Three months period ended	
		March 31,		March 31,	
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
8 COST OF SALES					
Finished goods - Opening stock		4,753,464,625	2,224,766,537	4,788,490,966	3,270,211,152
Cost of goods manufactured	8.1	44,694,906,736	35,940,059,445	14,928,897,405	13,192,813,030
Cost of raw material sold		254,320,348	61,618,076	26,511,238	32,856,227
		49,702,691,709	38,226,444,058	19,743,899,609	16,495,880,409
Finished goods - Closing stock		(4,489,484,374)	(4,401,469,214)	(4,489,484,374)	(4,401,469,214)
		45,213,207,335	33,824,974,844	15,254,415,235	12,094,411,195
8.1 Cost of goods manufactured					
Work in process - opening stock		1,253,998,582	872,742,200	1,314,026,368	1,100,522,009
Raw material consumed		33,547,389,993	26,629,128,475	11,110,467,798	9,759,332,698
Overheads		11,385,176,432	9,723,873,756	3,996,061,510	3,618,643,309
		46,186,565,007	37,225,744,431	16,420,555,676	14,478,498,016
Work in process - closing stock		(1,491,658,271)	(1,285,684,986)	(1,491,658,271)	(1,285,684,986)
		44,694,906,736	35,940,059,445	14,928,897,405	13,192,813,030

		(Un-audited)	
		Nine months period ended	
		March 31,	
Note		2023	2022
		Rupees	Rupees
9.	CASH GENERATED FROM / (USED IN) OPERATIONS		
	Profit before taxation	3,952,360,195	5,674,153,734
	Adjustments for non-cash items:		
	Depreciation on operating fixed assets	1,312,140,220	1,065,993,442
5.1	Depreciation on right-of-use asset	12,398,523	-
	Amortization of intangible assets	8,333	75,000
	Gain on sale of property, plant and equipment	(15,047,608)	(9,247,106)
	Interest income	(1,266,942)	(1,165,379)
	Dividend income	(1,648,718,293)	(647,301,116)
	Provision for gratuity	138,160,000	118,330,000
	Provision / (Reversal of provision) for stores, spares and loose tools	2,240,157	(34,375,712)
	Unwinding of liability related to GIDC	24,843,127	37,512,736
	Unwinding of Government grant	(74,627,682)	(33,232,128)
	Provision against doubtful sales tax refundable	55,716,033	98,137,302
	Unwinding of lease liability	3,580,977	-
	Finance cost	3,048,373,521	1,718,550,778
	Rental income	(59,419,880)	(51,158,753)
		2,798,380,486	2,262,119,065
	Operating cash flow before changes in working capital	6,750,740,681	7,936,272,799
	Changes in working capital		
	(Increase) / decrease in current assets		
	Stores, spares and loose tools	(81,644,849)	(387,773,395)
	Stock-in-trade	716,979,667	(9,636,747,807)
	Trade debts	(1,223,186,659)	(1,994,301,530)
	Loans and advances	(49,299,933)	(118,244,199)
	Trade deposits and short term prepayments	(25,074,630)	34,559,454
	Other receivables	150,593,984	(38,668,915)
		(511,632,420)	(12,141,176,392)
	(Decrease) / Increase in current liabilities		
	Trade and other payables	(476,552,708)	1,799,527,273
	Contract liabilities	(60,173,018)	324,224,992
		5,702,382,535	(2,081,151,328)

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

For The Nine Months Period Ended March 31, 2023

10. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)	
	Nine months period ended March 31,	
	2023	2022
	Rupees	Rupees
Subsidiaries:		
Sales / processing	5,794,211,737	3,227,205,869
Purchases	957,254	4,753,179
Investment made	1,160,000,000	10,000,000
Expenses charged to	20,417,350	393,945
Rental Income	51,220,000	46,650,000
Dividend received	835,307,165	142,680,034
Received against technical services	211,755,000	-
Associates:		
Sales / processing	4,555,348,647	3,355,259,929
Purchases	209,468,097	262,640,929
Expenses charged to	57,521,999	39,841,864
Mark-up charged by	83,244,515	73,164,449
Dividend received	311,188,231	10,581,373
Dividend paid	67,221,550	100,785,765
Loans (re-paid) / obtained - net	(898,480,278)	497,220,037
Others:		
Contribution to provident fund	53,495,294	45,739,590
Dividend paid	71,659,040	131,281,215
Remuneration to key management personnel	79,597,234	70,887,078

	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
11 FINANCIAL INSTRUMENTS		
11.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	88,310,692	87,931,092
Trade debts	6,883,581,719	5,656,162,973
Loan to employees	98,375,731	91,016,236
Trade deposits	22,335,000	31,325,000
Other receivables	979,328,549	1,048,952,481
Bank balances	188,450,461	96,794,643
	8,260,382,152	7,012,182,425
Equity instruments at fair value through OCI		
Quoted equity shares	4,979,948,124	6,193,635,674
Unquoted equity shares	150,500,000	150,500,000
	5,130,448,124	6,344,135,674
Total current	10,466,185,310	9,851,781,768
Total non current	2,924,644,966	3,504,536,331
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	4,152,153,892	4,817,514,173
Accrued mark-up	958,192,690	657,223,949
Unclaimed dividend	1,782,171	2,230,552
Secured bank loan	19,124,527,652	17,208,026,894
Lease liabilities	60,040,155	70,061,192
Short term finances from banks	18,072,951,721	16,943,231,195
	42,369,648,281	39,698,287,955
Total current	26,583,531,022	25,643,278,963
Total non current	15,786,117,259	14,055,008,992

11.2 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.

11.3 Fair value hierarchy

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

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

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

For The Nine Months Period Ended March 31, 2023

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

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

	Level 1	Level 2	Level 3
	Rupees		
As at March 31, 2023			
Assets carried at fair value			
Equity instruments at fair value through OCI	4,979,948,124	-	150,500,000
As at June 30, 2022			
Assets carried at fair value			
Equity instruments at fair value through OCI	6,193,635,674	-	150,500,000

12 CORRESPONDING FIGURES

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

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

13 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 27, 2023.



Chief Executive



Chief Financial Officer



Chairman/Director



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Nine Months Period Ended March 31, 2023



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, Designtex (SMC-Private) Limited, Sapphire Real Estate (Private) Limited, Sapphire Chemicals (Private) Limited, Sapphire Green Energy (Private) Limited and Creek Properties (Private) Limited, it is our pleasure to present Directors' Report with un-audited Consolidated Financial Statements for the nine months ended March 31, 2023.

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 carrying out a business of trading of textile products and to buy, sell, import, export and processing through outside manufacturing facilities of textile goods and other allied products. SRL operates through retail outlets in Pakistan and e-stores. SRL operates 44 retail outlets throughout the country.

Triconboston Consulting Corporation (Private) Limited

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

Sapphire International APS

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

Designtex SMC-Private Limited

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

Sapphire Real Estate (Private) Limited

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

Sapphire Chemicals (Private) Limited

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

Sapphire Green Energy (Private) Limited

Sapphire Green Energy (Private) Limited, a wholly owned subsidiary, has been incorporated during the current period with the purpose to make investment in Renewable Energy Projects.

Creek Properties (Private) Limited

Creek Properties (Private) Limited (the company) was incorporated in April 2022 as a private Company limited under Companies Act, 2017. During the current period, Sapphire Real Estate (Private) Limited has made further investment in the company and currently holds 65% shareholding of the company. Sapphire Real Estate (Private) Limited is wholly owned subsidiary of Sapphire Textile Mills Limited. The principal business of the company is marketing and development of real estate projects.

On behalf of the Board



NADEEM ABDULLAH
CHIEF EXECUTIVE



MOHAMMAD ABDULLAH
CHAIRMAN / DIRECTOR

Karachi
Dated: April 27, 2023

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT March 31, 2023

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	90,398,148,052	77,078,787,861
Investment property		31,750,000	31,750,000
Intangible assets		582,274,490	469,998,745
Long term investments		4,989,826,208	5,258,293,418
Long term loans and advances		427,401,991	292,698,547
Long term deposits		202,485,418	114,109,512
Deferred tax asset		60,803,097	125,242,689
		96,692,689,256	83,370,880,772
CURRENT ASSETS			
Stores, spares and loose tools		968,133,948	804,637,645
Stock in trade		30,447,194,736	29,176,060,624
Trade debts		12,942,415,361	19,669,449,405
Loans and advances		316,321,427	200,574,305
Trade deposits and short term prepayments		278,939,054	143,866,467
Other receivables		1,238,843,504	1,298,723,203
Short term investments		3,875,010,762	2,988,280,554
Tax refunds due from Government		5,386,675,854	4,022,097,531
Cash and bank balances		14,805,679,896	7,896,636,821
		70,259,214,542	66,200,326,555
TOTAL ASSETS		166,951,903,798	149,571,207,327
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital		216,897,910	216,897,910
Reserves		43,888,029,486	40,021,037,566
Equity attributable to equityholders of the parent		44,104,927,396	40,237,935,476
Non-controlling interest		14,168,443,746	12,893,807,201
Total Equity		58,273,371,142	53,131,742,677
NON-CURRENT LIABILITIES			
Long-term loans and other payables		57,903,179,541	50,713,253,403
Lease liabilities		2,540,586,587	2,660,333,684
Deferred liabilities		770,309,016	792,196,534
		61,214,075,144	54,165,783,621
CURRENT LIABILITIES			
Current portion of long-term liabilities		12,877,920,585	9,956,691,061
Accrued mark-up		1,242,200,818	808,727,767
Contract liabilities		1,503,385,198	1,563,552,959
Current portion of lease liabilities		331,744,448	351,625,245
Short-term borrowings		20,049,009,752	18,212,581,522
Unclaimed dividend		1,782,168	2,230,552
Trade and other payables		11,458,414,543	11,378,271,923
		47,464,457,512	42,273,681,029
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		166,951,903,798	149,571,207,327

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Note	Nine months period ended		Three months period ended	
		March 31,		March 31,	
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
Net turnover	7	75,680,503,777	61,958,712,827	27,154,082,319	21,629,033,736
Cost of sales	8	(57,535,434,049)	(43,726,435,200)	(20,252,070,895)	(16,149,099,178)
Gross profit		18,145,069,728	18,232,277,627	6,902,011,424	5,479,934,558
Distribution cost		(4,212,838,006)	(3,500,959,713)	(1,453,157,650)	(1,310,058,026)
Administrative expenses		(1,138,964,188)	(974,025,825)	(426,818,168)	(373,751,502)
Other operating expenses		(315,672,508)	(506,263,014)	(117,233,493)	(150,682,928)
Other income		938,867,167	864,476,827	469,421,713	490,137,654
		(4,728,607,535)	(4,116,771,725)	(1,527,787,598)	(1,344,354,802)
Profit from operations		13,416,462,193	14,115,505,902	5,374,223,826	4,135,579,756
Finance cost		(6,678,997,261)	(3,522,874,543)	(2,669,388,905)	(1,379,947,156)
Share of profit of associated companies		230,943,627	170,393,384	96,762,887	68,138,081
Profit before taxation		6,968,408,559	10,763,024,743	2,801,597,808	2,823,770,681
Taxation		(1,293,889,221)	(771,597,777)	(484,824,656)	(279,321,843)
Profit after taxation for the period		5,674,519,338	9,991,426,966	2,316,773,152	2,544,448,838
Attributable to:					
Equity holders of the parent		4,415,466,265	8,216,222,144	1,947,013,921	2,232,051,302
Non-controlling interest		1,259,053,073	1,775,204,822	369,759,231	312,397,536
		5,674,519,338	9,991,426,966	2,316,773,152	2,544,448,838
Earnings per share - basic and diluted		203.57	378.81	89.77	102.91

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Nine months period ended		Three months period ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Profit after taxation for the period	5,674,519,338	9,991,426,966	2,316,773,152	2,544,448,838
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent years:				
Forward foreign currency contracts				
Gain on remeasurement / settlement of forward foreign currency contracts - net	66,636,051	16,899,180	535,422	52,473,279
Unrealised gain on remeasurement of forward foreign currency contracts of associates	2,216,228	180,754	1,731,261	232,110
Exchange difference on translation of foreign operations	493,760,193	28,605,633	436,459,806	6,184,278
Items not be reclassified to profit or loss in subsequent years:				
(Loss) / gain on equity instruments at fair value through other comprehensive income	(886,378,696)	(489,094,708)	26,514,467	(185,156,266)
(Loss) / gain on equity instruments at fair value through other comprehensive income - associates	(7,827,190)	(6,291,967)	144,745	(2,373,812)
Other comprehensive (loss) / income for the period	(331,593,414)	(449,701,108)	465,385,701	(128,640,411)
Total comprehensive income for the period	5,342,925,924	9,541,725,858	2,782,158,853	2,415,808,427
Attributable to:				
Equity holders of the parent	4,083,872,851	7,766,521,036	2,412,399,622	2,103,410,891
Non-controlling interest	1,259,053,073	1,775,204,822	369,759,231	312,397,536
	5,342,925,924	9,541,725,858	2,782,158,853	2,415,808,427

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Share Capital		Share Premium		Fixed Assets Replacement		Fair value reserve of financial assets through OCI		Unrealized Gain on financial assets through OCI		Cash flow hedge reserves		Revenue Reserves		Total	Non-controlling Interest	Total Equity
	216,897,910	782,796,090	65,000,000	(1,002,686,987)	89,330,770	(18,250,046)	1,330,000,000	29,090,007,957	30,552,096,684	10,811,024,647	41,363,121,331	Rupees					
												Share Capital	Share Premium	Capital Reserves			
Balance as at July 01, 2021 (audited)	216,897,910	782,796,090	65,000,000	(1,002,686,987)	89,330,770	(18,250,046)	1,330,000,000	29,090,007,957	30,552,096,684	10,811,024,647	41,363,121,331						
Total comprehensive incomes for the nine months period ended March 31, 2022																	
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	-	-	8,216,222,144	8,216,222,144	1,775,204,822	9,991,426,966		
Other comprehensive (loss) / income for the period	-	-	-	(695,386,675)	28,605,633	17,079,934	-	-	-	-	-	17,079,934	-	(449,701,108)	(449,701,108)		
Share of increase in reserves of associated companies under equity method	-	-	-	(495,386,675)	28,605,633	17,079,934	-	-	-	-	-	17,079,934	8,216,222,144	1,775,204,822	9,541,225,858		
Transaction with owners																	
Final dividend for the year ended June 30, 2021 @ Rs.15 per share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(325,346,865)
Interim dividend @ Rs.0.61 per share-SWPCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,000,000)	
Balance as at March 31, 2022 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,498,072,672)	116,936,403	(1,170,112)	1,330,000,000	36,990,897,610	37,993,295,229	12,526,229,469	50,519,514,698						
Balance as at July 01, 2022 (audited)	216,897,910	782,796,090	65,000,000	(2,587,900,529)	139,544,124	(66,126,276)	1,330,000,000	40,357,724,157	40,237,935,476	12,893,807,201	53,131,742,677						
Total comprehensive income for the period ended March 31, 2023																	
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	-	-	4,415,466,265	4,415,466,265	1,802,405,381	6,217,871,647		
Other comprehensive (loss) / income for the period	-	-	-	(894,205,886)	493,760,193	68,852,279	-	-	-	-	-	68,852,279	-	(331,593,414)	(331,593,414)		
Share of increase in reserves of associated companies under equity method	-	-	-	(894,205,886)	493,760,193	68,852,279	-	-	-	-	-	68,852,279	4,415,466,265	1,802,405,381	5,898,278,233		
Transfer of profit on sale of investment at Par value through OCI to un-appropriated profit	-	-	-	(20,212,892)	-	-	-	-	-	-	-	16,979	16,979	-	16,979		
Transaction with owners																	
Final dividend for the year ended June 30, 2022 @ Rs.10 per share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(216,897,910)
1 st Interim dividend @ Rs.0.67176 per share-SWPCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,000,000)
2 nd Interim dividend @ Rs.0.67476 per share - SWPCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,000,000)
1 st Interim dividend @ Rs.1.11 per share-TBCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(95,768,658)
Balance as at March 31, 2023 (Un-audited)	216,897,910	782,796,090	65,000,000	(3,502,319,397)	633,304,317	2,726,026	1,330,000,000	44,576,522,383	44,104,927,396	14,188,443,746	59,233,371,142						

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

	Note	Nine months period ended March 31,	
		2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	22,486,260,822	5,813,867,495
Long term loans, advances and deposits		(223,079,350)	(252,409,409)
Finance cost paid		(5,966,066,658)	(3,244,347,662)
Staff retirement benefits - gratuity paid		(112,346,963)	(80,268,157)
Taxes paid		(2,644,715,319)	(3,139,671,410)
		(8,946,208,290)	(6,716,696,638)
Net cash generated from / (used in) operating activities		13,540,052,532	(902,829,143)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,195,611,088)	(5,326,957,586)
Investment in equity instruments		(108,512,713)	(150,000,000)
Purchase of intangibles		(122,510,844)	(17,983,481)
Investment in term deposit receipts		(1,533,000,000)	-
Dividends received from associates		311,186,781	10,579,924
Proceeds from disposal of property, plant and equipment		91,509,403	143,632,447
Proceeds from disposal of right of use of assets		152,538,850	305,821,434
Proceeds from sale of investments		385,821,572	-
Dividend received - others		443,597,973	477,755,205
Rent received		8,565,083	4,186,253
Interest received		293,738,410	153,433,923
Net cash used in investing activities		(5,272,676,573)	(4,399,531,880)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		1,836,428,230	12,041,025,001
Proceeds from long term financing		4,462,810,311	3,638,519,437
Repayment of long term financing		(6,463,085,495)	(7,209,455,974)
Exchange gain on translation of foreign subsidiary		19,298,442	3,535,800
Lease obligation - net		(468,669,242)	(505,690,934)
Dividend paid		(745,115,130)	(384,694,576)
Net cash (used in) / generated from financing activities		(1,358,332,884)	7,583,238,753
Net increase in cash and cash equivalents		6,909,043,075	2,280,877,730
Cash and cash equivalents at the beginning of the period		7,896,636,821	8,769,532,457
Cash and cash equivalents at the end of the period		14,805,679,896	11,050,410,187

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Nine Months Period Ended March 31, 2023

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal Status and Nature of Business

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

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

BUSINESS UNIT	LOCATION
Registered Office	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi
Lahore office	4th Floor, Tricon Corporate Center, 73-E Jail Road, Gulberg II, Lahore.
Production Plants	
Spinning	A-17,SITE, Kotri
Spinning	A-84,SITE Area, Nooriabad
Spinning	63/64-KM, Multan Road, Jumber Khurd,Chunian, District Kasur
Spinning	1.5-KM, Warburton Road, Feroze Wattoan, Sheikhpura
Weaving, Yarn Dyeing, Printing, Processing and Home Textile	2-KM, Warburton Road, Feroze Wattoan, Sheikhpura
Stitching	1.5-KM Off, Defence Road, 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) Triconboston Consulting Corporation (Private) Limited (TBCL)	57.125%
(iv) Sapphire International APS	100%
(v) Sapphire Real Estate (Private) Limited (SREPL)	100%
(vi) Sapphire Chemicals (Private) Limited	100%
(vii) Sapphire Green Energy (Private) Limited. (SGEL)	100%
(viii) Creek Properties (Private) Limited (Subsidiary of SREPL) CRPL	65%
(ix) 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 June 11, 2014. Its registered office is situated at 7 A/K Main Boulevard, Gulberg-II, Lahore. 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 carrying out a business of trading of textile products and to buy, sell, import, export and processing through outside manufacturing facilities of textile goods and other allied products. SRL operates through retail outlets in Pakistan and e-stores. SRL operates 44 retail outlets throughout the country.
- 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 December 27, 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 ('CPPA-G') for twenty years which commenced from the COD.

- iii) Triconboston Consulting Corporation (Private) Limited (TBCL) was incorporated in Pakistan as a private Company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on August 13, 2012. Its principle objective is to carry on the business of supplying general electric power and to setup and operate wind power generation projects to generate, accumulate, distribute and supply electricity. Its registered office is located at 212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.

TBCL has set up three wind power station of each 49.735 MW gross capacity at Deh, Kohistan 7/1 Tapo Jhimpir, Taluka and District Thatta in the province of Sindh measuring 3,852 acres. It has achieved Commercial Operations Date ('COD') on August 16, 2018, December 14, 2018 and December 11, 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 August 27, 2019. Its registered office is located at c/o Petersen Søgade 15, 1. th. 6000 Kolding, Denmark.
- v) Sapphire Real Estate (Private) Limited is 100% owned subsidiary incorporated under the Companies Act, 2017 on October 12, 2021 with the purpose of investment in real estate projects. The registered office of the Company is situated at 7-A/K, Main Boulevard, Gulberg II, Lahore.
- vi) Sapphire Chemicals (Private) Limited is a wholly owned subsidiary incorporated on June 04, 2022 under the Companies Act, 2017. The principal line of business of the Company is to manufacture and sale of chemical products.
- vii) Sapphire Green Energy (Private) Limited, a wholly owned subsidiary, has been incorporated during the current period with the purpose to make investment in Renewable Energy Projects.
- viii) Creek Properties (Private) Limited (the company) was incorporated in April 2022 as a private Company limited under Companies Act, 2017. During the current period, Sapphire Real Estate (Private) Limited has made further investment in the company and currently holds 65% shareholding of the company. Sapphire Real Estate (Private) Limited is wholly owned subsidiary of Sapphire Textile Mills Limited. The principal business of the company is marketing and development of real estate projects.
- ix) Designtex (SMC-Private) Limited was incorporated in Pakistan on 6 February 2020 as a single member private company and is wholly owned subsidiary of Sapphire Retail Limited. The company is principally engaged in manufacturing of textile and ancillary products. The head office of the Company is located at 1.5KM, Defence Road, Bhotian Chowk, Off Raiwind Road, Lahore.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These consolidated condensed interim financial information of the Group has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

For The Nine Months Period Ended March 31, 2023

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 June 30, 2022.

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

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

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

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

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

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

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	82,707,419,329	70,591,084,199
Capital work-in-progress	5.3	5,065,954,067	3,672,796,973
Major spare parts and stand-by equipment		69,216,255	69,216,255
Right of use asset		2,555,558,401	2,745,690,434
		90,398,148,052	77,078,787,861
5.1 Operating fixed assets			
Opening book value		70,591,084,199	60,563,772,273
Cost of additions during the period / year	5.2	3,440,761,838	5,519,373,139
Net exchange loss capitalised during the period / year		12,871,165,495	9,201,539,388
Book value of disposals during the period / year	5.2	(67,141,965)	(112,586,978)
		16,244,785,367	14,608,325,549
Depreciation during the period/year		(4,128,450,238)	(4,581,013,623)
		12,116,335,129	10,027,311,926
Closing book value		82,707,419,329	70,591,084,199

5.2 The cost of additions to and book value of disposals from operating fixed assets during the nine months period ended March 31, 2023 and year ended June 30, 2022 are as follows:

	(Un-Audited)		(Audited)	
	March 31, 2023		June 30, 2022	
	Addition Cost	Disposal Book Value	Addition Cost	Disposal Book Value
	Rupees			
Freehold land	361,075,198	-	925,152,296	-
On Freehold land:				
Factory building	165,802,984	-	456,144,820	-
Labour, staff colony and others	160,020,883	-	133,741,937	-
On lease hold land:				
Factory building	3,139,779	-	8,950,000	-
Leased building improvements	1,554,382	9,270,067	96,399,324	11,340,346
Labour, staff colony and others	29,028,651	-	-	-
Plant and machinery	2,457,280,860	31,384,809	3,233,707,428	82,223,883
Electric installation	31,685,099	-	84,491,247	515,146
Fire fighting equipment	836,100	-	-	-
Electric equipment	33,119,522	6,833,076	76,688,714	4,366,176
Computer	58,642,186	3,739,627	97,706,798	2,274,604
Office equipment	550,901	267,775	13,417,692	39,302
Mills equipment	14,826,484	35,310	29,716,368	-
Furniture & fixtures	51,023,450	3,985,973	101,687,971	4,680,406
Vehicles	72,175,359	11,625,328	261,568,544	7,147,114
	3,440,761,838	67,141,965	5,519,373,139	112,586,978

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

For The Nine Months Period Ended March 31, 2023

		(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
5.3	Capital work-in-progress		
	Civil works and buildings	1,266,521,124	1,299,204,315
	Plant and machinery	3,727,792,271	2,326,866,270
	Mills equipment	51,756,563	25,350,193
	Electric installations	17,724,152	21,376,195
	Furniture & fixtures	2,159,957	-
		<u>5,065,954,067</u>	<u>3,672,796,973</u>
6	CONTINGENCIES AND COMMITMENTS		
6.1	Contingencies		
	There are no contingencies to be reported as at period ended March 31, 2023 and June 30, 2022.		
6.2	Commitments		
6.2.1	Guarantees issued by banks on behalf of the Group	1,553,100,379	1,283,100,379
6.2.2	Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at March 31, 2023 the value of these cheques amounted to Rs.5,987.506 million (June 30, 2022: Rs.5,463.272 million)		
6.2.3	A commercial bank has issued a guarantee amounting Rs.45 million in favour of excise and taxation department of Government of Sindh on behalf of Sapphire Wind Power Company Limited (subsidiary company) against charge of Rs.60 million on fixed assets of the Company.		
		(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
6.2.4	Commitments in respect of:		
	- confirmed letter of credit	3,355,149,975	3,195,796,917
	- capital expenditure	147,802,564	274,821,374
	- forward foreign currency contracts	56,385,111	674,285,322
	- lease	115,343,000	76,557,714
		<u>3,674,680,650</u>	<u>4,221,461,327</u>
6.2.5	Confirmed letter of credit in respect of:		
	- plant and machinery	232,541,111	2,478,648,338
	- raw material	3,013,434,060	669,368,051
	- stores and spares	109,174,804	47,780,528
		<u>3,355,149,975</u>	<u>3,195,796,917</u>
6.2.6	This includes commitments for payments to be made for to various construction companies for the construction and extension on existing building at multiple plants of the Group.		

7. NET TURNOVER

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

	(Un-Audited)		(Un-Audited)		(Un-Audited)	
	Export Sales		Local Sales		Total	
	March 31,		March 31,		March 31,	
	2023	2022	2023	2022	2023	2022
	Rupees					
Yarn	12,785,232,761	14,346,292,353	8,865,741,199	5,572,686,742	21,650,973,960	19,918,979,095
Fabric	19,296,395,953	12,889,878,808	11,769,135,993	1,466,629,879	31,065,531,946	14,356,508,687
Clothing items	697,936,417	395,052,467	6,620,671,465	12,281,235,787	7,318,607,882	12,676,288,254
Home textile products	7,342,188,383	7,119,174,277	458,735,429	336,091,024	7,800,923,812	7,455,265,301
Raw material	-	-	258,588,690	62,634,267	258,588,690	62,634,267
Accessories	-	-	649,380,521	533,085,739	649,380,521	533,085,739
Waste	239,535,421	207,760,133	592,737,856	381,073,213	832,273,277	588,833,346
Processing income	-	-	58,833,991	140,358,821	58,833,991	140,358,821
Power Generation	-	-	10,674,137,955	9,445,780,348	10,674,137,955	9,445,780,348
	40,361,288,935	34,958,158,038	39,947,963,099	30,219,575,820	80,309,252,034	65,177,733,858
Export rebate	69,511,769	63,389,724	-	-	69,511,769	63,389,724
Less: Discounts to customers	(171,590,075)	(158,020,987)	(4,526,669,951)	(3,124,389,768)	(4,698,260,026)	(3,282,410,755)
	40,259,210,629	34,863,526,775	35,421,293,148	27,095,186,052	75,680,503,777	61,958,712,827

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

	Note	(Un-audited)		(Un-audited)	
		Nine months period ended		Three months period ended	
		March 31,		March 31,	
		2023	2022	2023	2022
		Rupees		Rupees	
8		COST OF SALES			
Finished goods - Opening stock		4,889,731,628	3,245,851,201	4,627,714,259	3,228,589,510
Cost of goods manufactured	8.1	46,770,516,663	37,143,161,042	15,801,671,016	13,429,984,121
Finished goods - Closing stock		(4,328,707,667)	(4,401,469,214)	(4,328,707,667)	(4,401,469,214)
Cost of sales - owned manufactured		47,331,540,624	35,987,543,029	16,100,677,608	12,257,104,417
Cost of raw material sold		254,320,348	61,618,076	26,511,238	32,856,227
Cost of sales - purchased for resale		9,949,573,077	7,677,274,095	4,124,882,049	3,859,138,534
		57,535,434,049	43,726,435,200	20,252,070,895	16,149,099,178
8.1		Cost of goods manufactured			
Work in process - opening stock		3,328,083,870	2,198,860,678	4,599,513,015	3,178,909,294
Raw material consumed		25,779,165,615	20,444,240,470	7,821,264,572	6,938,855,699
Overheads		21,887,835,736	17,434,807,596	7,605,461,981	6,246,966,830
		50,995,085,221	40,077,908,744	20,026,239,568	16,364,731,823
Work in process - closing stock		(4,224,568,558)	(2,934,747,702)	(4,224,568,558)	(2,934,747,702)
		46,770,516,663	37,143,161,042	15,801,671,010	13,429,984,121

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

For The Nine Months Period Ended March 31, 2023

		(Un-audited)	
		Nine months period ended	
		March 31,	
		2023	2022
		Rupees	Rupees
9	CASH GENERATED FROM OPERATIONS		
	Profit before taxation and share of profit of associates	6,737,464,932	10,592,631,359
	Adjustments for non-cash items:		
	Depreciation on operating fixed assets	4,128,450,238	3,341,019,327
	Depreciation on right of use fixed assets	399,285,339	374,833,346
	Amortization of intangible assets	10,235,100	2,908,118
	Interest income	(293,738,410)	(153,433,923)
	Gain on sale of property, plant and equipment	(24,475,270)	(55,114,850)
	Gain on sale of right of use asset	-	(33,242,411)
	Dividend income	(502,224,347)	(494,041,158)
	Provision for gratuity	143,298,417	118,330,000
	Amortization of transaction cost	48,406,996	48,406,995
	Provision for / (reversal of provision) stores, spares and loose tools	2,240,157	(34,375,712)
	Provision against doubtful sales tax refundable	55,716,033	98,137,302
	Unwinding of liability related to GIDC	24,843,127	37,512,736
	Unwinding of Government grant	(74,627,682)	(33,232,128)
	Unwinding of lease liability	249,836,349	217,999,760
	Waiver on lease payments	-	(7,667,555)
	Rental Income	(8,049,443)	(4,508,753)
	Gain on further investment in associate	(8,118,412)	-
	Finance cost	6,350,293,104	3,252,187,180
		10,501,371,296	6,675,718,275
	Operating cash flow before changes in working capital	17,238,836,228	17,268,349,634
	Changes in working capital		
	Decrease / (increase) in current assets		
	Stores, spare and loose tools	(167,976,616)	(414,053,089)
	Stock-in-trade	(1,271,134,112)	(12,192,068,696)
	Trade debts	6,730,809,951	(1,386,327,300)
	Loans and advances	(115,747,122)	(249,024,701)
	Trade deposits and short term prepayments	(135,072,587)	5,128,252
	Other receivables	118,326,355	(280,458,321)
		5,159,205,869	(14,516,803,855)
	(Decrease) / Increase in current liabilities		
	Trade and other payables	148,386,486	2,734,177,603
	Contract liabilities	(60,167,761)	328,144,113
		22,486,260,822	5,813,867,495

10. RELATED PARTY DISCLOSURES

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

	(Un-audited)	
	Nine months period ended	
	March 31,	
	2023	2022
	Rupees	Rupees
Associates:		
Sales / processing	4,555,348,647	3,355,259,929
Purchases	209,468,097	262,640,929
Expenses charged to	57,521,999	39,841,864
Markup charged by	83,244,515	73,164,449
Dividend received	311,188,231	10,581,373
Dividend paid	481,913,575	100,785,765
Loans (repaid) / obtained- net	(898,480,278)	497,220,037
Others:		
Contribution to provident fund	78,591,656	84,366,690
Dividend paid	71,659,040	131,281,215
Remuneration to key management personnel	158,920,736	137,534,508

11. SEGMENT ANALYSIS

11.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing, Home Textile, Textile Retail and Others	Power Generation	Total
	Rupees				
For the nine months period ended March 31, 2023					
Revenue - external customers	21,462,041,942	11,984,163,635	31,560,160,245	10,674,137,955	75,680,503,777
Inter - segment sales	8,590,978,732	8,841,173,553	502,110,182	-	17,934,262,467
Segment results	1,128,177,783	2,373,687,924	3,410,690,512	5,880,711,315	12,793,267,534
For the nine months period ended March 31, 2022					
Revenue - external customers	18,899,990,520	11,089,486,330	22,523,455,629	9,445,780,348	61,958,712,827
Inter - segment sales	7,085,683,406	6,081,897,887	406,058,226	-	13,573,639,519
Segment results	5,492,258,788	1,529,601,605	986,542,102	5,748,889,594	13,757,292,089

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

For The Nine Months Period Ended March 31, 2023

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

	(Un-audited)	
	Nine months period ended March 31,	
	2023	2022
	Rupees	Rupees
Total results for reportable segments	12,793,267,534	13,757,292,089
Other operating expenses	(315,672,508)	(506,263,014)
Other income	938,867,167	864,476,827
Finance cost	(6,678,997,261)	(3,522,874,543)
Share of profit of associated companies	230,943,627	170,393,384
Profit before taxation	6,968,408,559	10,763,024,743
Taxation	(1,293,889,221)	(771,597,777)
Profit after tax for the period	5,674,519,338	9,991,426,966

11.2 SEGMENT ASSETS AND LIABILITIES

	Spinning	Weaving	Processing, printing, Home Textile, Textile Retail and Others	Power Generation	Total
	Rupees				
As at March 31, 2023 (Un-audited)					
Segment assets	26,920,920,346	9,311,834,928	29,827,885,390	84,726,079,219	150,786,719,883
Segment liabilities	16,934,224,491	7,593,475,236	24,231,990,058	51,863,662,929	100,623,352,714
As at June 30, 2022 (Audited)					
Segment assets	24,238,523,512	9,236,006,267	27,027,946,329	74,874,345,081	135,376,821,189
Segment liabilities	16,942,629,921	6,843,364,624	20,453,804,894	43,618,782,749	87,858,582,188

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) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
Total for reportable segments assets	150,786,719,883	135,376,821,189
Unallocated assets	16,165,183,915	14,194,386,138
Total assets as per consolidated condensed interim statement of financial position	<u>166,951,903,798</u>	<u>149,571,207,327</u>
Total for reportable segments liabilities	100,623,352,714	87,858,582,188
Unallocated liabilities	8,055,179,942	8,580,882,462
Total liabilities as per consolidated condensed interim statement of financial position	<u>108,678,532,656</u>	<u>96,439,464,650</u>
12 FINANCIAL INSTRUMENTS		
12.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	202,485,418	114,109,512
Trade debts	12,942,415,361	19,669,449,405
Loan to employees	139,404,986	112,696,136
Trade deposits	95,562,457	90,509,502
Other receivables	2,701,513,353	1,241,135,082
Bank balances	14,523,847,389	7,795,110,669
	<u>30,605,228,964</u>	<u>29,023,010,306</u>
Equity instruments at fair value through OCI		
Quoted equity shares	4,979,948,124	6,193,635,674
Unquoted equity shares	200,500,000	150,500,000
	<u>5,180,448,124</u>	<u>6,344,135,674</u>
Total current	32,696,857,396	31,836,431,229
Total non current	3,088,819,692	3,530,714,751
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	9,677,587,296	9,058,098,892
Accrued mark-up	1,242,200,818	808,727,767
Unclaimed dividend	1,782,168	2,230,552
Secured bank loan	69,705,919,495	59,607,967,862
Lease liabilities	2,872,331,035	3,011,958,929
Short term borrowings	20,049,009,752	18,212,581,522
	<u>103,548,830,564</u>	<u>90,701,565,524</u>
Total current	43,234,273,402	37,327,978,437
Total non current	60,314,557,162	53,373,587,087

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

For The Nine Months Period Ended March 31, 2023

12.2 Fair value of financial instruments

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

12.3 Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3
	Rupees		
Financial assets			
As at March 31, 2023			
Assets carried at fair value			
Equity instruments at fair value through OCI	4,979,948,124	-	200,500,000
As at June 30, 2022			
Assets carried at fair value			
Equity instruments at fair value through OCI	6,193,635,674	-	150,500,000

During the period ended March 31, 2023, there were no transfers amongst the levels. Further, there were no changes in the valuation techniques during the period.

13 CORRESPONDING FIGURES

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

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

14 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 27, 2023.



Chief Executive



Chief Financial Officer



Chairman/Director

ڈائریکٹرز رپورٹ برائے حصص یافتگان

سیفانز ونڈ پاور کمپنی لمیٹڈ، سیفانز ریٹیل لمیٹڈ، سیفانز ٹرانزیکشن پورٹن کسلنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفانز ٹرانزیکشن اے پی ایس، سیفانز ریٹیل انٹیٹ (پرائیویٹ) لمیٹڈ، سیفانز ٹیکسٹائل (پرائیویٹ) لمیٹڈ اور ڈیزائننگ ایس ایس ایم سی پرائیویٹ لمیٹڈ، سیفانز گریمن انرجی (پرائیویٹ) لمیٹڈ، ماورکب پراپرٹی (پرائیویٹ) لمیٹڈ کی ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹرز کیساتھ سمت کے ساتھ 31 مارچ 2023ء تک ہونے والی افواہی کے لیے ڈائریکٹرز رپورٹ معرکوپ کے غیر آڈٹ شدہ تسلیا لیمٹڈ انٹرنیشنل جوائنٹ وینچر ہے۔

سیفانز ونڈ پاور کمپنی لمیٹڈ:

کمپنی 70 فیصد نیٹو ایکسٹریٹنگ سٹاک ہولڈنگ کی ملکیت اور 30 فیصد پبلک الفلاح لمیٹڈ کی ملکیت ہے۔ کمپنی نے چھ ماہ میں 52.80 میگا واٹ گنجانش کے ونڈ فارم لگانے میں جنہوں نے نومبر 2015ء سے تجارتی سرگرمیاں شروع کر دی ہیں۔ پروجیکٹ بہترین صنعتی عمل انجام دے رہا ہے اور اطمینان بخش نتائج حاصل ہو رہے ہیں۔

سیفانز ریٹیل لمیٹڈ:

سیفانز ریٹیل لمیٹڈ، سیفانز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سہیڈیری ہے۔ اس سہیڈیری کا اہم کاروبار ٹیکسٹائل اور دیگر مصنوعات کی فروخت کیلئے سیفانز براڈ ریٹیل آؤٹ لٹس چلاتا ہے۔ ایس آر ایل بنیادی طور پر ٹیکسٹائل مصنوعات کی تجارت اور خرید و فروخت، درآمداد اور برآمد پر ویسٹنگ کروا کے ٹیکسٹائل کی اس سے منسلک مصنوعات کی تجارتی میں مصروف ہے۔ ادرا سی 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 (44) ریٹیل اسٹورز چلا رہا ہے۔

ٹرانکون پورٹن کسلنگ کارپوریشن (پرائیویٹ) لمیٹڈ:

ٹرانکون پورٹن کسلنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفانز ٹیکسٹائل لمیٹڈ کی 57.125% ملکیت کی سہیڈیری ہے۔ یہ کمپنی چھ ماہ میں پاکستانی قوانین کے تحت تشکیل پائی ہے اور 3X50 میگا واٹ ونڈ انرجی کے (3) پروجیکٹس چلا رہی ہے۔ تینوں پروجیکٹس کی تجارتی سرگرمیاں ستمبر 2018ء سے کامیابی کے ساتھ شروع ہوئی ہیں۔

سیفانز ٹرانزیکشن اے پی ایس:

سیفانز ٹرانزیکشن اے پی ایس، سیفانز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سہیڈیری ہے اور یہ لمیٹڈ انٹرنیشنل کمپنی ڈنمارک میں وجود میں آئی جس کا مقصد کمپنی کی برآمد کو آسان بنانا ہے۔

سیفانز ریٹیل انٹیٹ (پرائیویٹ) لمیٹڈ:

سیفانز ریٹیل انٹیٹ (پرائیویٹ) لمیٹڈ، سیفانز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سہیڈیری ہے جو کہ جائیداد کے منصوبہ میں سرمایہ کاری کے مقصد کے لئے قائم کی گئی ہے۔

سیفانز ٹیکسٹائل (پرائیویٹ) لمیٹڈ:

سیفانز ٹیکسٹائل (پرائیویٹ) لمیٹڈ، سیفانز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سہیڈیری ہے جو کہ کیما پی مصنوعات کی تجارتی اور فروخت کے مقصد کے لئے قائم کی گئی ہے۔

ڈیزائننگ ایس ایس ایم سی پرائیویٹ لمیٹڈ:

ڈیزائننگ ایس ایس ایم سی پرائیویٹ لمیٹڈ، ایکٹ 2017ء کے تحت ایس ایم سی پرائیویٹ لمیٹڈ کے طور پر قائم ہوئی۔ یہ کمپنی سیفانز ریٹیل لمیٹڈ کی ملکیت کی مکمل سہیڈیری ہے اور سیفانز ریٹیل لمیٹڈ، سیفانز ٹیکسٹائل لمیٹڈ کی مکمل سہیڈیری ہے۔ اس کمپنی کا بنیادی مقصد ٹیکسٹائل اور ذیلی مصنوعات کی تجارتی ہے۔

سیفانز گریمن انرجی (پرائیویٹ) لمیٹڈ:

سیفانز گریمن انرجی (پرائیویٹ) لمیٹڈ، سیفانز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سہیڈیری ہے جو کہ جاری سال میں قائم کی گئی ہے۔ جس کا مقصد ریٹیل انرجی مصنویوں میں سرمایہ کاری ہے۔

کرکب پراپرٹی (پرائیویٹ) لمیٹڈ:

کرکب پراپرٹی (پرائیویٹ) لمیٹڈ، اپریل 2022ء میں کمپنی ایکٹ 2017ء کے تحت پرائیویٹ لمیٹڈ کے طور پر قائم ہوئی۔ ذریعہ جائزہ مدت کے دوران سیفانز ریٹیل انٹیٹ (پرائیویٹ) لمیٹڈ نے مزید سرمایہ کاری کی اور اس طرح اس کے کمپنی میں 65 فیصد حصص موجود ہیں۔ سیفانز ریٹیل انٹیٹ (پرائیویٹ) لمیٹڈ، سیفانز ٹیکسٹائل لمیٹڈ کی مکمل ملکیت کی سہیڈیری ہے جو کہ جائیداد کے منصوبہ میں سرمایہ کاری کے مقصد کے لئے قائم کی گئی ہے۔

بورڈ کی جانب سے



محمد عمر
چیئر مین ڈائریکٹرز



نعم محمد
چیف ایگزیکٹو

کراچی

موردہ 27 اپریل 2023ء

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران نہایت مسرت کے ساتھ 31 مارچ 2023 کو اختتام پذیر ہونے والی نو ماہی کی غیر آڈٹ شدہ مالی تفصیلات پیش کر رہے ہیں۔

مالیاتی نتائج:

مالیاتی نتائج درج ذیل ہیں:

2023 مارچ 31	2022 مارچ 31	
رقم ہزاروں میں		
43,119,924	52,879,705	نہایت کل فروخت
9,294,950	7,666,497	مجموعی منافع
7,430,217	6,954,530	کاروباری منافع
817,913	1,820,300	دیگر ذرائع سے آمدنی
(1,756,064)	(3,002,170)	مالیاتی لاگت
5,674,154	3,952,360	قبل از ٹیکس منافع
5,154,470	3,062,142	بعد از ٹیکس منافع

زیر جائزہ مدت کے دوران کمپنی کی خالص فروخت 43.120 بلین روپے سے بڑھ کر 52.880 بلین روپے ہو گئیں۔ بلحاظ فروخت خام منافع کی شرح 21.56 فیصد سے کم ہو کر 14.50 فیصد ہو گئی۔ زیر جائزہ مدت کے دوران بین الاقوامی ماگ میں کمی اور درآمد شدہ کپاس کی بڑھتی ہوئی قیمت کی وجہ سے ٹیکسٹائل مصنوعات کے مارچن میں کمی پر دباؤ رہا۔ زیر جائزہ مدت کے دوران مالیاتی لاگت 1.756 بلین روپے سے بڑھ کر 3.002 بلین روپے ہو گئی۔ اسٹیٹ بینک آف پاکستان کی سود کی شرح میں مستقل اضافہ کی پالیسی، برآمدات سے متعلق فنانسنگ اسکیموں کے لیے زیادہ مالیاتی لاگت کی شرح، پہلے سے مضبوط شدہ کھلیس کے لیے ایئر نی بی کی طویل المیعاد مالیاتی سہولت کی عدم دستیابی کی بنا پر کمپنی کی مالیاتی لاگت میں غیر معمولی اضافہ ہوا۔ کمپنی کا منافع بعد از ٹیکس 5.154 بلین روپے سے کم ہو کر 3.062 بلین روپے ہو گیا۔

آمدنی فی حصص:

31 مارچ 2023 کو ختم ہونے والے نو ماہی کی آمدنی فی حصص 141.18 روپے ہے جبکہ پچھلے سال کی نو ماہی میں یہ 237.65 روپے تھی۔

مستقبل کا منظر نامہ:

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

اظہار تشکر:

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

مختاب بورڈ



محمد عبداللہ
ڈائریکٹر ایگزیکٹو



ندیم عبداللہ
چیف ایگزیکٹو

کراچی

مورخہ 127 اپریل 2023ء



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