



Sapphire

Half Yearly Report

31 December 2021

Sapphire Textile Mills Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE &

REMUNERATION COMMITTEE

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

SHARES REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd

CHIEF FINANCIAL OFFICER

Mr. Abdul Sattar

COMPANY SECRETARY

Mr. Zeeshan

TAX CONSULTANTS :

Yousuf Adil,
Chartered Accountants

AUDITORS

E. Y. Ford Rhodes
Chartered Accountants

LEGAL ADVISOR

A. K. Brohi & Company

BANKERS

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

REGISTERED OFFICE

212, Cotton Exchange Building
I. I. Chundrigar Road, Karachi.
Tel: +92 21 111 000 100
Fax: +92 21 32416705, 32417418

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, Bhutbian Chowk,
Raiwind Road, Lahore.



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Ended 31 December 2021



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the half year ended December 31, 2021 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	
	2021	2020
	Rupees in thousands	
Net turnover	27,730,545	18,148,086
Gross profit	5,999,981	2,601,146
Profit from operations	4,866,281	2,118,195
Other income	566,144	408,354
Finance cost	(1,003,150)	(786,568)
Profit before taxation	3,863,131	1,331,627
Profit after taxation	3,533,801	1,120,728

During the period under review the company's net turnover increased from Rs.18.148 billion to Rs.27.731 billion. Turnover increased due to increase in sale prices of products, volumetric growth in higher end products and benefit due to rupee devaluation. The gross profit as a percentage of sales increased to 21.64% from 14.33% in the corresponding period. The company's profit after tax increased to Rs.3.534 billion from Rs.1.121 billion. The increased profitability of the company can be attributed to robust demand of products, procurement of raw material in a timely way, economies of scale, cost efficiencies and diversified customer portfolio.

Earnings per Share

The earnings per share for the half year ended December 31, 2021 is Rs. 162.92 as compared to Rs. 51.67 for previous year's corresponding period.

Future Prospects

Presently Textile Sector in Pakistan is performing well due to robust demand. The support provided by the State Bank of Pakistan in terms of the concessionary finance for long term investments has also encouraged the sector to expand tremendously. The company has also embarked on an extensive expansion program particularly in the value added sector. Management is optimistic to achieve good profitability in future due to its strategic customer base, modernized production facilities, continuous focus on cost efficiencies and diversification.

Equity investment

Sapphire Textile Mills Limited has incorporated new subsidiary Sapphire Real Estate (Private) Limited with 100% equity during the current period. The main purpose of the subsidiary company is to invest in real estate projects.

Acknowledgment

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

On behalf of the Board



NADEEM ABDULLAH
CHIEF EXECUTIVE



MOHAMMAD ABDULLAH
CHAIRMAN / DIRECTOR

Lahore

Dated: February 25, 2022

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

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Sapphire Textile Mills Limited** as at **31 December 2021** and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the unconsolidated financial statements for the six months 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 unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and related notes for the three months ended 31 December 2021 and 31 December 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months ended 31 December 2021.

The engagement partner on the audit resulting in this independent auditor’s review report is Abdullah Fahad Masood.



EY Ford Rhodes
Chartered Accountants
Lahore: 25 February 2022
UDIN: RR202110177H5qvanYts

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 December 2021

	Note	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	5	17,732,982,044	14,714,164,784
Investment property		31,750,000	31,750,000
Intangible assets		58,333	108,333
Long term investments	6	14,236,500,036	14,273,157,115
Long term loans and advances		95,148,671	100,618,981
Long term deposits		92,218,097	87,684,092
		32,188,657,181	29,207,483,305
CURRENT ASSETS			
Stores, spares and loose tools		495,145,604	438,188,678
Stock in trade		22,171,537,990	12,885,111,563
Trade debts		4,080,192,955	2,633,783,566
Loans and advances		154,460,119	58,794,821
Trade deposits and short term prepayments		187,923,808	107,725,031
Other receivables	7	1,070,655,888	985,183,946
Short term investments		3,380,118,160	3,487,399,522
Tax refunds due from Government		3,516,065,703	1,919,158,360
Cash and bank balances		94,436,122	75,583,304
		35,150,536,349	22,590,928,791
		67,339,193,530	51,798,412,096
TOTAL ASSETS			
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		23,670,629,129	20,801,687,879
		23,887,527,039	21,018,585,789
NON-CURRENT LIABILITIES			
Long term liabilities		15,097,705,664	14,320,927,549
Deferred liabilities		370,891,124	337,641,141
		15,468,596,788	14,658,568,690
CURRENT LIABILITIES			
Trade and other payables		4,905,619,784	3,909,854,854
Contract liabilities		1,063,376,717	1,012,000,047
Accrued Interest / mark-up		365,444,733	234,325,938
Unclaimed dividend		2,300,825	1,629,755
Short term borrowings		18,325,286,232	7,679,189,290
Current portion of long term liabilities		3,321,041,412	3,284,257,733
	8	27,983,069,703	16,121,257,617
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		67,339,193,530	51,798,412,096

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

	Note	Six months ended		Three months ended	
		31 December		31 December	
		2021	2020	2021	2020
		Rupees	Rupees	Rupees	Rupees
Net turnover	9	27,730,544,955	18,148,086,347	14,775,526,485	9,452,831,647
Cost of sales	10	(21,730,563,649)	(15,546,940,258)	(11,496,796,481)	(7,879,790,350)
Gross profit		5,999,981,306	2,601,146,089	3,278,730,004	1,573,041,297
Distribution cost		(1,080,180,382)	(506,107,698)	(563,838,739)	(251,816,052)
Administrative expenses		(288,975,282)	(224,125,036)	(153,308,234)	(118,359,940)
Other operating expenses		(330,688,442)	(161,072,288)	(171,903,030)	(106,926,837)
Other income		566,143,617	408,354,026	382,483,365	340,464,712
		(1,133,700,489)	(482,950,996)	(506,566,638)	(136,638,117)
Profit from operations		4,866,280,817	2,118,195,093	2,772,163,366	1,436,403,180
Finance cost		(1,003,149,806)	(786,568,030)	(579,718,819)	(406,004,018)
Profit before taxation		3,863,131,011	1,331,627,063	2,192,444,547	1,030,399,162
Taxation		(329,330,356)	(210,899,321)	(186,680,114)	(115,881,783)
Profit after taxation for the period		3,533,800,655	1,120,727,742	2,005,764,433	914,517,379
Earnings per share - basic and diluted		162.92	51.67	92.48	42.16

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

	Six months ended		Three months ended	
	31 December		31 December	
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
Profit after taxation for the period	3,533,800,655	1,120,727,742	2,005,764,433	914,517,379
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent years:				
Forward foreign currency contracts				
(Loss) / gain on remeasurement of forward foreign currency contracts	(35,574,099)	19,778,924	10,553,215	7,807,150
Items that will not be reclassified to profit or loss in subsequent period:				
(Loss) / gain on equity instruments at fair value through other comprehensive income	(303,938,441)	1,743,323,801	184,273,580	269,002,452
Other comprehensive (loss) / income for the period	(339,512,540)	1,763,102,725	194,826,795	276,809,602
Total comprehensive income for the period	3,194,288,115	2,883,830,467	2,200,591,228	1,191,326,981

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

	Capital Reserves		Revenue Reserves		Total Equity			
	Share Capital	Share Premium	Fixed Assets Replacement	Unrealized (loss) / gain on investments at fair value through OCI		Unrealized (loss) / gain on forward foreign currency contracts	General reserves	Unappropriated profit
Balance as at 01 July 2020 (Audited)	216,897,910	782,796,090	65,000,000	(2,451,280,195)	(12,941,707)	1,330,000,000	16,546,075,789	16,476,547,947
Total comprehensive income for the period ended 31 December 2020	-	-	-	-	-	-	1,120,727,742	1,120,727,742
Profit after taxation for the period	-	-	-	1,743,323,801	19,778,924	-	-	1,763,102,725
Other comprehensive income for the period	-	-	-	1,743,323,801	19,778,924	-	-	2,883,830,467
Transfer of loss on sales of investment at fair value through OCI to unappropriated 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	17,644,079,876	19,360,378,414
Balance as at 01 July 2021 (Audited)	216,897,910	782,796,090	65,000,000	(897,844,224)	(18,518,642)	1,330,000,000	19,630,254,655	21,018,695,789
Total comprehensive income for the period ended 31 December 2021	-	-	-	-	-	-	3,533,800,655	3,533,800,655
Profit after taxation for the period	-	-	-	(903,938,441)	(95,574,099)	-	-	(999,512,540)
Other comprehensive loss for the period	-	-	-	(903,938,441)	(95,574,099)	-	-	(1,903,046,981)
Transaction with owners	-	-	-	-	-	-	3,533,800,655	3,194,288,115
Final dividend for the year ended 30 June 2021 @ Rs:15 per share	-	-	-	-	-	-	(926,346,865)	(926,346,865)
Balance as at 31 December 2021 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,281,782,665)	(64,092,741)	1,330,000,000	22,838,708,445	23,887,527,039

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



Chairman/Director



Chief Financial Officer



Chief Executive

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

For The Six Months Ended 31 December 2021

	Note	Six months ended 31 December	
		2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	11	(4,792,910,762)	(206,383,082)
Long term loans, advances and deposits		936,305	(9,569,524)
Finance cost paid		(845,938,663)	(939,338,884)
Staff retirement benefits - gratuity paid		(42,987,407)	(52,174,754)
Taxes paid		(1,990,594,525)	(137,734,628)
		(2,878,584,290)	(1,138,817,790)
Net cash used in operating activities		(7,671,495,052)	(1,345,200,872)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,766,626,739)	(602,769,003)
Investment in subsidiary		(10,000,000)	-
Long term investment in equity instruments		(150,000,000)	-
Short term investment in equity instruments		-	(20,490,172)
Proceeds from disposal of property, plant and equipment		59,565,930	239,691,566
Proceeds from sale of investments		-	65,389,343
Dividend received		415,339,934	246,641,209
Interest received		1,165,379	1,041,639
Rental income received		32,012,766	90,000
Net cash used in investing activities		(3,418,542,730)	(70,405,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		10,645,966,009	220,380,600
Proceeds from long term financing		2,247,438,620	1,200,938,538
Repayment of long term financing		(1,459,969,175)	(5,878,781)
Dividend paid		(324,675,795)	-
Net cash generated from financing activities		11,108,759,659	1,415,440,357
Net increase / (decrease) in cash and cash equivalents		18,721,877	(165,933)
Cash and cash equivalents at the beginning of the period		75,392,550	33,602,278
Cash and cash equivalents at the end of the period		94,114,427	33,436,345
Cash and cash equivalents			
Cash and bank balances		94,436,122	101,610,056
Book overdrafts - unsecured		(321,695)	(68,173,711)
Cash and cash equivalents at the end of the period		94,114,427	33,436,345

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal Status and Nature of Business

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

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

BUSINESS UNIT	LOCATION
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, Warburton Road, Feroze Wattoan, Sheikhpura
Stitching	1.5-KM Off, Defence Road, Bhubtian Chowk, Raiwind Road, Lahore

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 The unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021.

2.3 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.

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

For The Six Months Ended 31 December 2021

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 The figures of the unconsolidated condensed interim statement of profit or loss, un-consolidated condensed interim statement of comprehensive income and related notes for three months ended 31 December 2021 and 31 December 2020 have not been reviewed.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

New Standards, Interpretations and Amendments

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

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

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

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

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

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

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

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

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

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

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

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2021.

	Note	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	14,640,103,945	13,432,407,958
Capital work-in-progress	5.2	3,092,878,099	1,281,756,826
		17,732,982,044	14,714,164,784

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

For The Six Months Ended 31 December 2021

	Note	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
5.1 Operating fixed assets			
Opening book value		13,432,407,958	12,286,441,128
Cost of additions during the period/year	5.1.1	1,955,505,466	2,654,151,238
Book value of disposals during the period/year		(61,005,047)	(219,259,415)
		1,894,500,419	2,434,891,823
Depreciation during the period/year		(686,804,432)	(1,288,924,993)
		1,207,695,987	1,145,966,830
Closing book value		14,640,103,945	13,432,407,958

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

	(Un-Audited) 31 December 2021		(Audited) 30 June 2021	
	Addition	Disposal	Addition	Disposal
	Cost	Book Value	Cost	Book Value
	Rupees			
Land:				
Free - hold	260,546,492	-	357,010,858	80,392,936
Lease - hold	-	-	21,974,800	-
On freehold land:				
Factory building	3,245,287	-	172,819,741	-
Labour, staff colony and others	37,267,748	-	12,250,071	-
On leasehold land:				
Factory building	8,950,000	-	8,000,000	-
Leased building improvements	-	-	-	12,880,927
Plant and machinery	1,549,669,910	56,064,456	2,017,180,649	105,833,871
Electric installation	7,304,996	248,129	3,701,889	411,177
Fire fighting equipment	-	-	1,009,620	64,547
Electric equipment	217,949	2,635,234	1,740,886	2,163,320
Computer	11,850,937	287,666	15,944,091	3,054,756
Office equipment	779,957	-	2,773,944	1,813,445
Mills equipment	6,526,500	-	7,714,423	619,527
Furniture & fixtures	6,964,690	-	10,826,816	5,502,483
Vehicles	62,181,000	1,769,562	21,203,450	6,522,426
	1,955,505,466	61,005,047	2,654,151,238	219,259,415

	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
5.2 Capital work-in-progress		
Civil works and buildings	1,027,818,039	296,416,131
Plant and machinery	2,040,856,130	978,153,620
Electric installation	16,260,975	3,032,075
Electric equipment	7,942,955	-
Mills equipment	-	4,155,000
	3,092,878,099	1,281,756,826

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

For The Six Months Ended 31 December 2021

6. LONG TERM INVESTMENTS

This includes an aggregate subscription amount of Rs. 10 million paid during the period to Sapphire Real Estate (Private) Limited (subsidiary), against the issuance of its 1 million ordinary shares.

7. OTHER RECEIVABLES

This includes an amount of Rs. 856.90 million (30 June 2021: Rs. 751.93 million) receivable against technical services and Rs. 30 million (30 June 2021: Rs. 30 million) representing receivable balance transferred to the Company from the subsidiary's previous sponsor at the time of its acquisition. This is un-secured, interest free and is payable in normal course of business.

8. CONTINGENCIES AND COMMITMENTS

		(Un-audited)	(Audited)
		31 December	30 June
		2021	2021
Note		Rupees	Rupees
8.1	Contingencies		
8.1.1	Guarantees issued by banks on behalf of the Company	1,007,259,279	772,400,369
8.1.2	Post dated cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at 31 December 2021 the value of these cheques amounted to Rs.3,325.436 million (30 June 2021: Rs.1,962.781 million).		
8.1.3	There is no change in status of the contingencies as disclosed in note 30.3 and 30.4 of the audited annual financial statements of the Company for the year ended 30 June 2021.		
		(Un-audited)	(Audited)
		31 December	30 June
		2021	2021
Note		Rupees	Rupees
8.2	Commitments		
	Commitments in respect of:		
	- confirmed letter of credit	4,956,298,657	4,525,108,280
	- capital expenditure	388,962,609	483,121,608
	- forward foreign currency contracts	1,042,459,334	3,473,424,296
		6,387,720,600	8,481,654,184
8.2.1	Letter of credit in respect of:		
	- plant and machinery	2,923,613,092	2,259,031,028
	- raw material	1,771,505,843	2,228,287,845
	- stores and spares	261,179,722	37,789,407
		4,956,298,657	4,525,108,280

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

For The Six Months Ended 31 December 2021

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

9. 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	
	2021	2020	2021	2020	2021	2020
	Rupees					
Yarn	6,788,199,444	4,392,765,134	5,763,586,312	3,942,025,525	12,551,785,756	8,334,790,658
Fabric	7,944,481,783	4,408,355,201	1,238,603,596	1,292,280,119	9,183,085,379	5,700,635,320
Home textile products	5,095,627,282	2,456,623,199	92,271,327	90,465,648	5,187,898,609	2,547,088,846
Raw material	-	3,182,738	29,474,330	122,328,496	29,474,330	125,511,234
Waste	161,358,619	117,682,906	213,622,816	119,059,365	374,981,435	236,742,271
Processing income	-	-	358,765,417	1,141,566,825	358,765,417	1,141,566,825
	19,989,667,128	11,378,609,177	7,696,323,798	6,707,725,978	27,685,990,926	18,086,335,154
Export rebate and duty drawback	44,554,029	61,751,193	-	-	44,554,029	61,751,193
	20,034,221,157	11,440,360,370	7,696,323,798	6,707,725,978	27,730,544,955	18,148,086,347

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

	Note	(Un-audited)		(Un-audited)	
		Six months ended		Three months ended	
		31 December		31 December	
		2021	2020	2021	2020
		Rupees	Rupees	Rupees	Rupees
10 COST OF SALES					
Finished goods - Opening stock		2,224,766,537	1,968,661,976	2,753,639,441	1,653,660,786
Cost of goods manufactured	10.1	22,747,246,415	15,123,550,600	11,990,671,967	7,870,815,404
Cost of raw material sold		28,761,849	125,232,474	22,696,225	25,818,952
		25,000,774,801	17,217,445,050	14,767,007,633	9,550,295,142
Finished goods - Closing stock		(3,270,211,152)	(1,670,504,792)	(3,270,211,152)	(1,670,504,792)
		21,730,563,649	15,546,940,258	11,496,796,481	7,879,790,350
10.1 Cost of goods manufactured					
Work in process - opening stock		872,742,200	638,708,853	1,083,441,291	604,310,360
Raw material consumed		16,869,795,777	10,423,667,788	8,852,687,357	5,522,719,444
Overheads		6,105,230,447	4,657,870,261	3,155,065,328	2,340,481,902
		23,847,768,424	15,720,246,902	13,091,193,976	8,467,511,706
Work in process - closing stock		(1,100,522,009)	(596,696,302)	(1,100,522,009)	(596,696,302)
		22,747,246,415	15,123,550,600	11,990,671,967	7,870,815,404

(Un-audited)
Six months ended
31 December

	2021 Rupees	2020 Rupees
11 CASH USED IN OPERATIONS		
Profit before taxation	3,863,131,011	1,331,627,063
Adjustments for non-cash items:		
Depreciation on operating fixed assets	686,804,432	614,192,681
Amortization of intangible assets	50,000	50,000
Gain on sale of property, plant and equipment	(2,821,223)	(116,106,143)
Interest income	(1,165,379)	(1,041,639)
Dividend income	(360,451,850)	(247,035,209)
Provision for gratuity	80,920,000	86,012,354
Unrealized gain on translation of receivable	(104,975,000)	-
Reversal of provision for stores, spares and loose tools	(10,571,789)	(1,164,092)
Provision against doubtful sales tax refundable	64,356,826	14,097,518
Finance cost	952,337,144	792,489,065
Provision for GIDC	26,092,348	(91,922,405)
Rental income	(32,517,960)	(300,000)
	<u>1,298,057,549</u>	<u>1,049,272,129</u>
Operating cash flow before changes in working capital	5,161,188,560	2,380,899,192
Changes in working capital (Increase) / decrease in current assets		
Stores, spares and loose tools	(46,385,137)	44,116,939
Stock-in-trade	(9,286,426,427)	(2,506,248,354)
Trade debts	(1,446,771,083)	(599,651,427)
Loans and advances	(95,665,298)	(70,884,942)
Trade deposits and short term prepayments	(80,198,777)	(109,865,025)
Other receivables	(30,619,490)	(118,139,901)
	<u>(10,986,066,212)</u>	<u>(3,360,672,708)</u>
Increase in current liabilities		
Trade and other payables	980,590,219	520,138,858
Contract liabilities	51,376,670	253,251,576
	<u>(4,792,910,762)</u>	<u>(206,383,082)</u>

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

For The Six Months Ended 31 December 2021

12. 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	
	2021 Rupees	2020 Rupees
Subsidiaries:		
Sales / processing	2,028,756,111	2,083,237,041
Purchases	4,551,259	-
Investment made	10,000,000	-
Expenses charged to subsidiaries	262,631	200,938
Rental Income	30,300,000	300,000
Dividend received	142,680,034	107,899,383
Associates:		
Sales / processing	1,979,267,220	1,297,538,141
Purchases	132,644,468	88,078,304
Expenses charged by associates	-	2,897,359
Expenses charged to associates	27,312,131	24,258,767
Mark-up charged by associates	44,686,885	35,732,463
Dividend received	10,581,373	51,345,000
Dividend paid	100,785,765	-
Loans obtained - net	823,084,075	70,268,762
Others:		
Contribution to provident fund	30,045,541	25,056,153
Dividend paid	131,281,215	-
Donation	-	1,500,000
Remuneration to key management personnel	45,254,625	40,534,107

	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
13 FINANCIAL INSTRUMENTS		
13.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	92,218,097	87,684,092
Trade debts	4,080,192,955	2,633,783,566
Loan to employees	61,477,537	54,584,579
Trade deposits	130,889,000	102,789,000
Other receivables	946,384,261	841,140,543
Bank balances	71,373,045	73,510,198
	5,382,534,895	3,793,491,978
Equity instruments at fair value through OCI		
Quoted equity shares	7,457,718,854	7,761,657,291
Unquoted equity shares	150,500,000	500,000
	7,608,218,854	7,762,157,291
Total current	8,639,309,111	7,165,360,925
Total non current	4,351,444,638	4,390,288,344
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	3,771,727,382	2,911,652,033
Accrued interest / mark-up	365,444,733	234,325,938
Unclaimed dividend	2,300,825	1,629,755
Secured bank loan	17,489,882,044	16,702,412,599
Short term finances from banks	18,325,286,232	7,679,189,290
	39,954,641,216	27,529,209,615
Total current	25,205,277,244	13,654,929,267
Total non current	14,749,363,972	13,874,280,348

13.2 Fair value of financial instruments

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

13.3 Fair value hierarchy

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

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

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

For The Six Months Ended 31 December 2021

- 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		
Financial assets			
As at 31 December 2021			
Assets carried at fair value			
Equity instruments at fair value through OCI	7,457,718,854	-	150,500,000
As at 30 June 2021			
Assets carried at fair value			
Equity instruments at fair value through OCI	7,761,657,291	-	500,000
Financial liabilities			
As at 31 December 2021			
Liabilities carried at fair value			
Forward foreign Currency contracts	-	54,945,535	-
As at 30 June 2021			
Liabilities carried at fair value			
Forward foreign Currency contracts	-	19,733,130	-

14 DATE OF AUTHORIZATION FOR ISSUE

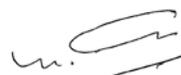
These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 25 February 2022.



Chief Executive



Chief Financial Officer



Chairman/Director



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For The Six Months Ended 31 December 2021



DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of Board of Directors of Holding Company of Sapphire Wind Power Company Limited, Sapphire Retail Limited, Triconboston Consulting Corporation (Private) Limited, Sapphire International APS, Sapphire Real Estate (Private) Limited and Designtex SMC-Private Limited it is our pleasure to present Directors' Report with un-audited Consolidated Financial Statements for the Half year ended December 31, 2021.

Sapphire Wind Power Company Limited

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

Sapphire Retail Limited

Sapphire Retail Limited (SRL) is a wholly owned subsidiary of Sapphire Textile Mills Limited. The principal business of SRL is to operate "Sapphire" brand retail outlets for the sale of textile and other products. SRL is principally engaged in manufacturing of textile products by processing the textile goods in outside manufacturing facilities and to operate retail outlets to sell the same in Pakistan and abroad through online stores. SRL operates 36 retail outlets throughout the country.

Tricon Boston Consulting Corporation (Private) Limited

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

Sapphire International APS

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

Sapphire Real Estate (Private) Limited

Sapphire Real Estate (Private) Limited is new 100% owned subsidiary formed during the current period. The purpose of new subsidiary is to invest in real estate projects.

Designtex SMC-Private Limited

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

On behalf of the Board



NADEEM ABDULLAH
CHIEF EXECUTIVE



MOHAMMAD ABDULLAH
CHAIRMAN / DIRECTOR

Lahore

Dated: February 25, 2022

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As At 31 December 2021

	Note	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	70,900,646,632	64,883,879,222
Investment property		31,750,000	31,750,000
Intangible assets		459,684,879	458,391,119
Long term investments		5,663,650,035	5,601,367,556
Long term loans and advances		95,148,671	100,618,981
Long term deposits		94,924,784	90,390,779
Deferred tax asset		120,178,471	120,178,471
		77,365,983,472	71,286,576,128
CURRENT ASSETS			
Stores, spares and loose tools		783,734,922	719,273,164
Stock in trade		27,699,972,508	16,157,878,138
Trade debts		14,353,058,091	11,976,987,295
Loans and advances		263,620,512	99,866,944
Trade deposits and short term prepayments		256,443,961	185,174,492
Other receivables		944,237,935	1,223,200,901
Short term investments		3,380,118,160	3,487,399,522
Tax refunds due from Government		4,223,509,470	2,155,411,946
Cash and bank balances		10,260,971,235	8,769,723,211
		62,165,666,794	44,774,915,613
TOTAL ASSETS		139,531,650,266	116,061,491,741
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		35,674,373,445	30,335,198,774
Equity attributable to equityholders of the parent		35,891,271,355	30,552,096,684
Non-controlling interest		12,213,831,933	10,811,024,647
Total Equity		48,105,103,288	41,363,121,331
NON-CURRENT LIABILITIES			
Long term liabilities		48,953,735,753	46,525,128,386
Deferred liabilities		404,854,568	363,557,599
Lease Liabilities		2,543,709,319	2,369,612,563
		51,902,299,640	49,258,298,548
CURRENT LIABILITIES			
Trade and other payables		9,868,581,893	7,505,149,697
Contract liabilities		1,063,586,927	1,014,427,063
Accrued Interest / mark-up		455,879,603	309,161,955
Unclaimed dividend		2,300,825	1,629,755
Short term borrowings		18,642,193,510	7,907,954,986
Current portion of long term liabilities		9,157,492,766	8,387,769,719
Current portion of lease liabilities		334,211,814	313,978,687
		39,524,247,338	25,440,071,862
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		139,531,650,266	116,061,491,741

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

	Note	Six months ended		Three months ended	
		31 December		31 December	
		2021	2020	2021	2020
		Rupees	Rupees	Rupees	Rupees
Net turnover	7	40,329,679,091	26,716,691,057	20,537,336,946	13,148,371,059
Cost of sales	8	(27,577,336,022)	(19,072,291,470)	(15,012,546,938)	(9,686,492,999)
Gross profit		12,752,343,069	7,644,399,587	5,524,790,008	3,461,878,060
Distribution cost		(2,190,901,687)	(1,245,799,087)	(1,153,040,749)	(630,068,726)
Administrative expenses		(600,274,323)	(429,753,294)	(337,993,480)	(242,903,980)
Other operating expenses		(355,580,086)	(162,220,007)	(188,309,366)	(116,024,538)
Other income		374,339,173	271,288,394	225,796,158	205,546,985
		(2,772,416,923)	(1,566,483,994)	(1,453,547,437)	(783,450,259)
Profit from operations		9,979,926,146	6,077,915,593	4,071,242,571	2,678,427,801
Finance cost		(2,142,927,387)	(2,052,375,584)	(1,138,275,753)	(1,007,654,191)
Share of profit / (loss) of associated companies		102,255,303	(16,420,181)	70,941,273	(799,032)
Profit before taxation		7,939,254,062	4,009,119,828	3,003,908,091	1,669,974,578
Taxation					
- for the period		(498,078,465)	(237,248,457)	(290,993,190)	(131,896,501)
- prior year		12,000,778	408,110	12,000,778	408,110
Deferred		(6,198,247)	(1,782,875)	(3,016,861)	(1,782,875)
		(492,275,934)	(238,623,222)	(282,009,273)	(133,271,266)
Profit after taxation for the period		7,446,978,128	3,770,496,606	2,721,898,818	1,536,703,312
Attributable to:					
Equity holders of the parent		5,984,170,842	2,745,915,579	2,504,415,376	1,313,373,194
Non-controlling interest		1,462,807,286	1,024,581,027	217,483,442	223,330,118
		7,446,978,128	3,770,496,606	2,721,898,818	1,536,703,312
Earnings per share - basic and diluted		275.90	126.60	115.47	66.55

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

	Six months ended		Three months ended	
	31 December		31 December	
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
Profit after taxation for the period	7,446,978,128	3,770,496,606	2,721,898,818	1,536,703,312
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent years:				
Forward foreign currency contracts				
(Loss) / gain on remeasurement of forward foreign currency contracts	(35,574,099)	19,778,924	10,553,215	7,807,150
Unrealised (loss) / gain on remeasurement of forward foreign currency contracts of associates	(51,356)	159,748	64,476	107,496
Exchange difference on translation of foreign operations	22,421,355	12,376,836	5,892,636	3,474,957
Items not be reclassified to profit or loss in subsequent years:				
Net (loss) / gain on equity instruments at fair value through other comprehensive income	(303,938,442)	1,743,323,800	144,273,580	269,002,451
Net (loss) / gain on equity instruments at fair value through other comprehensive income - associates	(3,918,155)	16,713,793	1,414,772	3,448,202
Other comprehensive (loss) / income for the period	(321,060,697)	1,792,353,101	162,198,679	283,840,256
Total comprehensive income for the period	7,125,917,431	5,562,849,707	2,884,097,497	1,820,543,568
Attributable to:				
Equity holders of the parent	5,663,110,145	4,538,268,680	2,666,614,055	1,597,213,450
Non-controlling interest	1,462,807,286	1,024,581,027	217,483,442	223,330,118
	7,125,917,431	5,562,849,707	2,884,097,497	1,820,543,568

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

	Rupees									
	Capital Reserves					Revenue Reserves				
	Share Capital	Share Premium	Fixed Assets Replacement	Unrealized Gain/(loss) on fair value through OCI	Unrealized Gain on fair value through OCI	Unrealized (Loss)/gain on foreign exchange contracts	General reserves	Unappropriated profit	Total	Non-controlling interest
216,897,910	782,796,090	65,000,000	(2,477,048,172)	91,175,592	(12,652,470)	1,330,000,000	22,418,961,912	22,415,130,852	8,789,248,341	31,194,379,193
	-	-	-	-	-	-	2,745,915,579	2,745,915,579	1,024,381,027	3,770,496,606
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	1,792,353,101
Other comprehensive income for the period	-	-	-	1,760,037,593	19,838,672	19,838,672	-	-	-	1,792,353,101
Transfer of loss on sale of investment at fair value through OCI to un-appropriated profit	-	-	-	1,760,037,593	19,838,672	19,838,672	-	2,745,915,579	4,538,268,680	1,024,381,027
Share of increase in reserves of associated companies under equity method	-	-	-	22,723,655	-	-	-	(22,723,655)	-	-
	-	-	-	-	-	-	-	170,285	170,285	-
	-	-	-	-	-	-	-	-	-	170,285
Transaction with owners	-	-	-	-	-	-	-	-	(45,000,000)	(45,000,000)
Interim dividend for the year ended 30 June 2021 @ Rs.0.46 per share-SWPCL	-	-	-	-	-	-	-	-	-	-
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	37,748,829,368
Balance as at 01 July 2021 (audited)	216,897,910	782,796,090	65,000,000	(1,002,686,987)	88,330,770	(18,550,046)	1,330,000,000	29,090,007,957	30,552,096,684	41,363,121,331
Total comprehensive income for the six month ended 31 December 2021	-	-	-	-	-	-	-	5,984,170,842	1,462,807,286	7,446,978,128
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	(321,080,697)
Other comprehensive (loss) / income for the period	-	-	-	(307,856,597)	22,421,355	(35,025,455)	-	5,984,170,842	5,683,110,145	7,123,917,431
Share of increase in reserves of associated companies under equity method	-	-	-	(307,856,597)	22,421,355	(35,025,455)	-	5,984,170,842	5,683,110,145	7,123,917,431
Transaction with owners	-	-	-	-	-	-	-	1,411,391	1,411,391	1,411,391
Final dividend for the year ended 30 June 2021 @ Rs:15 per share	-	-	-	-	-	-	-	(325,346,865)	(325,346,865)	(325,346,865)
Interim dividend for the year ended 30 June 2022 @ Rs.0.61 per share-SWPCL	-	-	-	-	-	-	-	-	(60,000,000)	(60,000,000)
Balance as at 31 December 2021 (Un-audited)	216,897,910	782,796,090	65,000,000	(1,310,542,594)	110,732,125	(63,275,501)	1,330,000,000	34,750,243,325	35,891,271,355	48,105,103,286

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

	Note	31 December	
		2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	664,133,099	5,910,481,695
Long term loans, advances and deposits		936,305	(31,356,224)
Finance cost paid		(1,822,668,339)	(2,221,994,003)
Staff retirement benefits - gratuity paid		(42,987,407)	(52,174,754)
Taxes paid		(2,618,532,037)	(241,762,939)
		(4,483,251,478)	(2,547,287,920)
Net cash (used in) / generated from operating activities		(3,819,118,379)	3,363,193,775
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,625,810,621)	(664,690,057)
Long term investment in equity instruments		(150,000,000)	-
Purchase of intangibles		(2,689,500)	(1,221,201)
Investments in equity instruments		-	(20,490,173)
Dividends from associates		10,566,475	51,345,000
Proceeds from disposal of property, plant and equipment		78,892,783	241,468,806
Proceeds from disposal of right of use of assets		11,367,491	4,183,169
Proceeds from sale of investments		-	65,770,114
Dividend received		262,093,425	87,396,826
Rent received		1,712,766	-
Interest received		83,713,156	23,520,390
Net cash used in investing activities		(3,330,154,025)	(212,717,126)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		10,704,029,893	(160,611,071)
Proceeds from long term financing		2,967,438,620	1,379,283,977
Repayment of long term financing		(4,312,816,785)	(2,600,285,130)
Exchange gain / (loss) on translation of foreign subsidiary		2,612,505	(802,524)
Lease obligation - net		(336,198,950)	(227,744,492)
Dividend paid		(384,675,796)	(45,000,000)
Net cash generated from / (used in) financing activities		8,640,389,487	(1,655,159,240)
Net increase in cash and cash equivalents		1,491,117,083	1,495,317,409
Cash and cash equivalents at the beginning of the period		8,769,532,457	6,264,545,239
Cash and cash equivalents at the end of the period		10,260,649,540	7,759,862,648
Cash and cash equivalents			
Cash and bank balances		10,260,971,235	7,828,036,359
Book overdrafts - unsecured		(321,695)	(68,173,711)
Cash and cash equivalents at the end of the period		10,260,649,540	7,759,862,648

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



Chief Executive



Chief Financial Officer



Chairman/Director

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

For The Six Months Ended 31 December 2021

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

1.2 The Group consists of:

- Sapphire Textile Mills Limited (the Holding Company)

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

i) Sapphire Retail Limited (SRL) was incorporated in Pakistan as an unlisted public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on 11 June 2014. Its registered office is situated at 7 A/K Main Boulevard, Gulberg-II, Lahore. SRL is principally engaged in carrying out manufacturing of textile products by processing the textile goods in outside manufacturing facilities and to operate retail outlets to sell the same in Pakistan and abroad through E-store.

ii) Sapphire Wind Power Company Limited (SWPCL) was incorporated in Pakistan as an unlisted public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on 27 December 2006. Its registered office is located at 212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi and the wind power plant has been set up at Jhimpir, District Thatta, Sindh on land that is leased to it by Alternative Energy Development Board ('AEDB'), Government of Pakistan.

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2021.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

For The Six Months Ended 31 December 2021

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

New Standards, Interpretations and Amendments

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

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

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

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

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

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

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

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

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

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

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

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2021.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2021.

	Note	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	64,419,492,647	60,563,772,273
Capital work-in-progress	5.3	3,736,251,615	1,725,130,337
Major spare parts and stand-by equipment		69,216,256	69,216,256
Right of use asset		2,675,686,114	2,525,760,356
		70,900,646,632	64,883,879,222
5.1 Operating fixed assets			
Opening book value		60,563,772,273	64,883,952,143
Cost of additions during the period / year	5.2	2,099,582,838	2,841,274,283
Net exchange loss / (gain) capitalised during the period / year		4,032,964,425	(2,526,533,424)
Book value of disposals during the period / year	5.2	(78,527,982)	(249,441,638)
		6,054,019,281	65,299,221
Depreciation during the period/year		(2,198,298,907)	(4,385,479,091)
		3,855,720,374	(4,320,179,870)
Closing book value		64,419,492,647	60,563,772,273

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

For The Six Months Ended 31 December 2021

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

	(Un-Audited)		(Audited)	
	31 December 2021		30 June 2021	
	Addition	Disposal	Addition	Disposal
	Cost	Book Value	Cost	Book Value
Rupees				
Land:				
Free - hold	260,546,492	-	357,010,858	80,392,936
Lease - hold	-	-	21,974,800	
On freehold land:				
Factory building	3,245,281	-	170,269,209	-
Labour, staff colony and others	37,267,748	-	12,250,071	-
On leasehold land:				
Factory building	8,950,000	-	8,000,000	-
Leased building improvements	40,769,380	7,663,865	61,040,068	31,970,659
Plant and machinery	1,550,446,810	56,064,455	1,980,799,623	105,833,871
Electric installation	7,304,996	248,130	3,701,889	411,177
Fire fighting equipment	-	-	1,009,620	64,547
Electric equipment	36,566,912	3,157,562	57,655,930	9,516,721
Computer	41,174,962	1,083,819	53,794,781	3,244,663
Office equipment	1,583,511	22	4,061,262	1,813,445
Mills equipment	6,526,500	-	7,714,423	619,527
Furniture & fixtures	30,960,886	4,680,406	67,884,549	7,581,555
Vehicles	74,239,360	5,629,723	34,107,200	7,992,537
	2,099,582,838	78,527,982	2,841,274,283	249,441,638
			(Un-audited)	(Audited)
			31 December	30 June
			2021	2021
			Rupees	Rupees
5.3 Capital work-in-progress				
Freehold land and building			643,373,511	443,373,511
Civil works and buildings			1,027,818,039	296,416,131
Plant and machinery			2,040,856,135	978,153,620
Electric installations			16,260,975	3,032,075
Electric equipment			7,942,955	-
Mills equipment			-	4,155,000
			3,736,251,615	1,725,130,337
6 CONTINGENCIES AND COMMITMENTS				
6.1 Contingencies				
Guarantees issued by banks on behalf of the Group			1,007,259,279	772,400,369

6.1.1 Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at 31 December 2021 the value of these cheques amounted to Rs.3,325.436 million (30 June 2021: Rs.1,962.781 million).

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

	Note	(Un-audited) 31 December 2021 Rupees	(Audited) 30 June 2021 Rupees
6.2	Commitments		
Commitments in respect of:			
- confirmed letter of credit	6.2.1	4,956,298,656	4,594,137,753
- capital expenditure	6.2.2	975,462,609	483,181,608
- forward foreign currency contracts		1,042,459,334	3,473,424,296
- Short term lease		61,042,000	4,857,540
		7,035,262,599	8,555,601,197
6.2.1	Confirmed letter of credit in respect of:		
- plant and machinery		2,923,613,092	2,259,031,028
- raw material		1,771,505,843	2,297,317,318
- stores and spares		261,179,722	37,789,407
		4,956,298,656	4,594,137,753

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

7. NET TURNOVER

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

	Export Sales		Local Sales		Total	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	Rupees					
Yarn	6,650,215,298	4,353,689,070	5,767,869,146	3,942,025,525	12,418,084,444	8,295,714,595
Fabric	8,274,397,867	4,731,284,903	1,009,418,792	1,047,426,799	9,283,816,659	5,778,711,702
Clothing items	451,674,148	-	6,745,748,759	3,855,296,774	7,197,422,907	3,855,296,774
Home textile products	4,906,317,263	2,313,390,801	192,254,920	84,884,377	5,098,572,183	2,398,275,178
Raw material	-	3,182,737	29,474,330	122,328,496	29,474,330	125,511,233
Accessories	-	-	252,531,435	114,583,856	252,531,435	114,583,856
Waste	161,358,619	117,682,905	213,622,816	119,059,365	374,981,435	236,742,270
Processing income	-	-	104,062,583	228,123,996	104,062,583	228,123,996
Power Generation	-	-	6,998,430,804	6,057,126,714	6,998,430,804	6,057,126,714
	20,443,963,195	11,519,230,416	21,313,413,585	15,570,855,902	41,757,376,780	27,090,086,318
Export rebate and duty drawback					44,554,029	61,751,193
Less: Discounts to customers					(1,472,251,718)	(435,146,454)
					40,329,679,091	26,716,691,057

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

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

For The Six Months Ended 31 December 2021

	Note	(Un-audited) Six months ended		(Un-audited) Three months ended	
		31 December		31 December	
		2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
8	COST OF SALES				
	Finished goods - Opening stock	3,245,851,201	2,902,241,799	3,372,847,708	2,800,000,970
	Cost of goods manufactured	23,754,798,563	17,932,016,061	12,505,174,635	9,340,370,875
	Finished goods - Closing stock	(3,270,211,152)	(2,860,996,853)	(3,270,211,152)	(2,860,996,853)
	Cost of sales - owned manufactured	23,730,438,612	17,973,261,007	12,607,811,191	9,279,374,992
	Cost of raw material sold	28,761,849	125,232,474	22,696,224	25,818,952
	Cost of sales - purchased for resale	3,818,135,561	973,797,989	2,382,039,523	381,299,055
		27,577,336,022	19,072,291,470	15,012,546,938	9,686,492,999
8.1	Cost of goods manufactured				
	Work in process - opening stock	2,198,860,678	1,893,115,328	3,047,667,522	1,765,456,844
	Raw material consumed	13,505,384,771	9,443,842,611	6,662,662,197	5,183,043,702
	Overheads	11,187,840,766	8,463,944,079	5,932,132,568	4,260,756,286
		26,892,086,215	19,800,902,018	15,642,462,287	11,209,256,832
	Work in process - closing stock	(3,137,287,652)	(1,868,885,957)	(3,137,287,652)	(1,868,885,957)
		23,754,798,563	17,932,016,061	12,505,174,635	9,340,370,875

		(Un-audited) 31 December	
		2021	2020
		Rupees	Rupees
9	CASH GENERATED FROM OPERATIONS		
	Profit before taxation and share of profit of associates	7,836,998,759	4,025,540,009
	Adjustments for non-cash items:		
	Depreciation on operating fixed assets	2,198,298,907	2,164,731,031
	Depreciation on right of use fixed assets	238,755,283	179,002,877
	Amortization of intangible assets	1,395,740	1,161,166
	Interest income	(83,713,156)	(23,520,390)
	Loss / (gain) on sale of property, plant and equipment	8,116,950	(87,876,385)
	Dividend income	(207,205,341)	(139,135,826)
	Provision for gratuity	83,847,934	86,012,354
	Amortization of transaction cost	32,271,330	30,778,260
	Reversal of provision for stores, spares and loose tools	(10,571,787)	(1,164,092)
	Provision against doubtful sales tax refundable	64,356,826	14,097,518
	Waiver on lease payments	(7,667,555)	-
	Provision for GIDC	26,092,349	(91,922,405)
	Rental Income	(2,217,960)	-
	Finance cost	2,059,843,395	2,116,842,748
		4,401,602,915	4,249,006,856
	Operating cash flow before changes in working capital	12,238,601,674	8,274,546,865
	Changes in working capital		
	(Increase) / decrease in current assets		
	Stores, spare and loose tools	(53,889,971)	13,700,804
	Stock-in-trade	(11,542,094,370)	(2,830,698,854)
	Trade debts	(2,376,483,846)	664,657,706
	Loans and advances	(163,753,568)	(86,684,387)
	Trade deposits and short term prepayments	(71,269,469)	(118,467,221)
	Other receivables	228,840,416	158,365,053
		(13,978,650,808)	(2,199,126,899)
	Increase / (decrease) in current liabilities		
	Trade and other payables	2,355,022,369	(422,817,924)
	Contract liabilities	49,159,864	257,879,653
		664,133,099	5,910,481,695

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

For The Six Months Ended 31 December 2021

10. RELATED PARTY DISCLOSURES

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

	(Un-audited) Six months ended 31 December	
	2021 Rupees	2020 Rupees
Associates:		
Sales / processing	1,979,267,220	1,297,538,141
Purchases	132,644,468	88,078,304
Expenses charged by associates	27,312,131	24,258,767
Expenses charged to associates	-	2,897,359
Mark-up charged by associates	44,686,885	35,732,463
Dividend received	10,581,373	51,345,000
Dividend paid	100,785,765	-
Loans obtained - net	823,084,075	70,268,762
Others:		
Contribution to provident fund	39,470,658	38,872,892
Dividend paid	131,281,215	-
Donation	-	1,500,000
Remuneration to key management personnel	66,535,947	105,830,529

11. SEGMENT ANALYSIS

11.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
Rupees					
For the six month ended 31 December 2021					
Revenue - external customers	11,884,696,810	7,038,170,768	14,408,380,709	6,998,430,804	40,329,679,091
Inter - segment sales	4,200,544,909	2,453,970,620	235,530,394	-	6,890,045,923
Segment results	3,538,774,349	1,049,089,782	807,922,776	4,565,380,152	9,961,167,059
For the six month 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

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

	(Un-audited) 31 December	
	2021 Rupees	2020 Rupees
Total results for reportable segments	9,961,167,059	5,968,847,206
Other operating expenses	(355,580,086)	(162,220,007)
Other income	374,339,173	271,288,394
Finance cost	(2,142,927,387)	(2,052,375,584)
Share of profit / (loss) of associated companies	102,255,303	(16,420,181)
Profit before taxation	<u>7,939,254,062</u>	<u>4,009,119,828</u>
Taxation	(492,275,934)	(238,623,222)
Profit after tax for the period	<u>7,446,978,128</u>	<u>3,770,496,606</u>

11.2 SEGMENT ASSETS AND LIABILITIES

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
	Rupees				
As at 31 December 2021 (Un-audited)					
Segment assets	21,844,460,120	8,382,697,026	24,710,182,640	69,771,181,531	124,708,521,317
Segment Liabilities	<u>20,125,448,340</u>	<u>5,952,914,530</u>	<u>19,483,579,329</u>	<u>36,715,337,665</u>	<u>82,277,279,864</u>
As at 30 June 2021 (Audited)					
Segment assets	15,071,810,688	5,603,964,840	17,758,457,416	64,549,559,281	102,983,792,225
Segment Liabilities	<u>12,207,122,166</u>	<u>3,810,791,783</u>	<u>11,282,854,958</u>	<u>37,221,190,524</u>	<u>64,521,959,431</u>

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

For The Six Months Ended 31 December 2021

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 2021 Rupees	(Audited) 30 June 2021 Rupees
Total for reportable segments assets	124,708,521,317	102,983,792,225
Unallocated assets	14,823,128,949	13,077,699,516
Total assets as per consolidated condensed interim statement of financial position	139,531,650,266	116,061,491,741
Total for reportable segments liabilities	82,277,279,864	64,521,959,431
Unallocated liabilities	9,149,267,114	10,176,410,979
Total liabilities as per consolidated condensed interim statement of financial position	91,426,546,978	74,698,370,410
12 FINANCIAL INSTRUMENTS		
12.1 Financial instruments by Category		
FINANCIAL ASSETS		
Debt instruments at amortised cost		
Long term deposits	94,924,784	90,390,779
Trade debts	14,353,058,091	11,976,987,295
Loan to employees	83,461,827	59,183,761
Trade deposits	180,672,755	137,946,295
Other receivables	839,396,599	1,079,157,498
Bank balances	10,260,971,235	8,769,723,211
	25,812,485,291	22,113,388,839
Equity instruments at fair value through OCI		
Quoted equity shares	7,457,718,854	7,761,657,291
Unquoted equity shares	150,500,000	500,000
	7,608,218,854	7,762,157,291
Total current	29,066,552,820	25,482,551,099
Total non current	4,354,151,325	4,392,995,031
FINANCIAL LIABILITIES		
At amortized cost		
Trade and other payables	7,588,741,034	5,901,438,601
Accrued interest / mark-up	455,879,603	309,161,955
Unclaimed dividend	2,300,825	1,629,755
Secured bank loan	57,182,363,487	54,010,125,423
Lease liabilities	2,877,921,133	2,683,591,250
Short term borrowings	18,642,193,510	7,907,954,986
	86,749,399,592	70,813,901,970
Total current	35,251,954,520	21,919,161,021
Total non current	51,497,445,072	48,894,740,949

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 31 December 2021			
Assets carried at fair value			
Equity instruments at fair value through OCI	7,457,718,854	-	150,500,000
As at 30 June 2021			
Assets carried at fair value			
Equity instruments at fair value through OCI	7,761,657,291	-	500,000
Financial liabilities			
As at 31 December 2021			
Liabilities carried at fair value			
Forward foreign currency contracts	-	54,945,535	-
As at 30 June 2021			
Liabilities carried at fair value			
Forward foreign currency contracts	-	19,733,130	-

13 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 25 February 2022.



Chief Executive



Chief Financial Officer



Chairman/Director

حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

سیفٹا ٹریڈنگ اور کمپنی لمیٹڈ سیفٹا ٹریڈنگ لمیٹڈ ٹرانزیشن کارپوریشن (پرائیویٹ) لمیٹڈ، سیفٹا ٹرانزیشن ٹیکسٹائل اے بی ایس ڈیزائننگس ایس ایم سی پرائیویٹ لمیٹڈ اور سیفٹا ٹریڈنگ لمیٹڈ (پرائیویٹ) لمیٹڈ کی ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم غیر آڈٹ شدہ مجموعی مالیاتی گوشوارے برائے ششماہ مدت 31 دسمبر 2021 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

سیفٹا ٹریڈنگ اور کمپنی لمیٹڈ

کمپنی کی 70 فیصد ملکیت سیفٹا ٹریڈنگ لمیٹڈ ٹرانزیشن کارپوریشن کے پاس ہے اور 30 فیصد ملکیت بینک الافلاح لمیٹڈ کے پاس ہے۔ کمپنی نے 52.80 میگا واٹ گھنٹا پراجیکٹس 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 پر پتوں کے مطابق چل رہا ہے اور تسلی بخش نتائج فراہم کر رہا ہے۔

سیفٹا ٹریڈنگ لمیٹڈ

سیفٹا ٹریڈنگ لمیٹڈ سیفٹا ٹریڈنگ لمیٹڈ ٹرانزیشن کارپوریشن کی مکمل ملکیت کی سہیدہ ٹیری ہے۔ اس سہیدہ ٹیری کا اہم کاروبار ٹیکسٹائل اور دیگر مصنوعات کی فروخت کیلئے 'سیفٹا ٹریڈنگ' ٹریڈنگ آؤٹ لیٹس چلاتا ہے۔ ایس آر ایل بنیادی طور پر پیرن زراعی کے ٹیکسٹائل کی پروجیکٹس کے ٹیکسٹائل کی مصنوعات کی تیاری میں مصروف ہے اور اسی طرح پاکستان میں ٹریڈنگ اسٹورز اور بیرون ملک آن لائن اسٹورز کے ذریعے ٹیکسٹائل کی مصنوعات کی فروخت میں مصروف ہے۔ ایس آر ایل پورے ملک میں چھتیس ٹریڈنگ اسٹورز چلا رہا ہے۔

ٹرانگون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ

ٹرانگون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ سیفٹا ٹریڈنگ لمیٹڈ ٹرانزیشن کارپوریشن کی 57.125 فیصد ملکیت کی سہیدہ ٹیری ہے۔ ٹرانگون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ کی تشکیل پاکستانی قوانین کے تحت ہوئی اور اس وقت تین پروجیکٹس تھمپس میں چلا رہی ہے جن میں سے ہر ایک کی گھنٹا 50 میگا واٹ ہے۔ تمام پروجیکٹس نے ستمبر 2018 میں کامیابی کے ساتھ تجارتی پیداوار کا آغاز کر دیا ہے۔

سیفٹا ٹریڈنگ لمیٹڈ APS

سیفٹا ٹریڈنگ لمیٹڈ APS سیفٹا ٹریڈنگ لمیٹڈ ٹرانزیشن کارپوریشن کی مکمل ملکیت کی سہیدہ ٹیری ہے۔ سیفٹا ٹریڈنگ لمیٹڈ 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۔

سیفٹا ٹریڈنگ اسٹیٹ پرائیویٹ لمیٹڈ

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

ڈیزائننگس ایس ایم سی پرائیویٹ لمیٹڈ

ڈیزائننگس ایس ایم سی پرائیویٹ لمیٹڈ ٹرانزیشن کارپوریشن کے طور پر پکینیز ایکٹ 2017 کے تحت وجود میں آئی۔ ڈیزائننگس ایس ایم سی پرائیویٹ لمیٹڈ سیفٹا ٹریڈنگ لمیٹڈ کی ملکیت کی مکمل سہیدہ ٹیری ہے اور سیفٹا ٹریڈنگ لمیٹڈ ٹرانزیشن کارپوریشن کے ٹیکسٹائل ٹریڈنگ لمیٹڈ ٹرانزیشن کارپوریشن کی سہیدہ ٹیری ہے۔ اس کمپنی کا بنیادی مقصد ٹیکسٹائل اور ذیلی مصنوعات کی تیاری ہے۔

منجانب بورڈ

لاہور

مورخہ: 25 فروری 2022ء



محمد عبداللہ
ڈائریکٹر اجیڈہ



محمد عبداللہ
چیف ایگزیکٹو

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران نہایت مسرت کے ساتھ 31 دسمبر 2021ء کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ مالی تفصیلات پیش کر رہے ہیں۔ جس کا جائزہ حسب دستور بیرونی آڈیٹرنے 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 2020	31 دسمبر 2021	
18,148,086	27,730,545	نیٹ کل فروخت
2,601,146	5,999,981	مجموعی منافع
2,118,195	4,866,281	کاروباری منافع
408,354	566,144	دیگر ذرائع سے آمدنی
(786,568)	(1,003,150)	مالیاتی لاگت
1,331,627	3,863,131	قبل از ٹیکس منافع
1,120,728	3,533,801	بعد از ٹیکس منافع

زیر جائزہ مدت کے دوران کمپنی کی خالص فروخت 18.148 ملین روپے سے بڑھ کر 27.731 ملین روپے ہو گئیں۔ مصنوعات کی فروخت کی قیمتوں میں اضافے، اعلیٰ درجے کی مصنوعات میں ترقی نمونارو پے کی قدر میں کمی کی فروخت میں اضافہ کی وجہ سے، بلحاظ فروخت خام منافع کی شرح 14.33 فیصد سے بڑھ کر 21.64 فیصد ہو گئی۔ کمپنی کا منافع بعد از ٹیکس 1.121 ملین روپے سے بڑھ کر 3.534 ملین روپے ہو گیا۔ کمپنی کے بڑھتے ہوئے منافع کو مصنوعات کی مضبوط مانگ، بروقت خام مال کی خریداری، پیمانے کی معیشت، لاگت میں کمی اور متنوع کسٹمرز پورٹ فولیو سے منسوب کیا جاسکتا ہے۔

آمدنی فی حصص:

31 دسمبر 2021ء کو ختم ہونے والے ششماہی کیلئے آمدنی فی حصص 162.92 روپے ہے جبکہ پچھلے سال کی اسی مدت میں یہ 51.67 روپے تھی۔

مستقبل کا منظر نامہ:

مارکیٹ میں بہترین طلب کی وجہ سے اس وقت پاکستان کے ٹیکسٹائل شعبے کی کارکردگی بہت اچھی ہے۔ اسٹیٹ بینک کی جانب سے رعایتی نرخوں پر طویل مدتی قرضوں کے اجراء کی شکل میں فراہم کردہ معاونت نے اس شعبے کی شاندار حوصلہ افزائی کی ہے۔ کمپنی توسیعی پروگرام کے لیے کوشاں ہے خاص طور پر قیمتی مائیت کی حامل اشیاء کے شعبہ میں۔ انتظامیہ اپنے اسٹریٹجک کسٹمر میں، جدید پیداواری ہولیاوت، لاگت کی افادیت پر مسلسل توجہ اور تنوع کی وجہ سے مستقبل میں اچھا منافع حاصل کرنے کے لیے پرامید ہے۔

ایکویٹی سرمایہ کاری:

سیفٹرز ٹیکسٹائل ٹریڈنگ نے موجودہ مدت کے دوران سو فیصد ایکویٹی کے ساتھ نئی ذیلی کمپنی سیفٹرز ٹیکسٹائل اسٹیٹ پرائیویٹ لمیٹڈ کو شمال کیا ہے۔ ذیلی کمپنی کا بنیادی مقصد ٹیکسٹائل اسٹیٹ کے منصوبوں میں سرمایہ کاری کرنا ہے۔

اظہار تشکر:

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

منجانب بورڈ



محمد عبداللہ
ڈائریکٹر انچارج



محمد عبداللہ
چیف ایگزیکٹو

لاہور

مورخہ 25 فروری 2022ء



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