



Sapphire

2024

THIRD QUARTER REPORT

SAPPHIRE FIBRES LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Yousuf Abdullah

Chief Executive

Mr. Shahid Abdullah

Director

Mr. Nadeem Abdullah

Mr. Amer Abdullah

Mr. Shayan Abdullah

Mr. Abdul Sattar

Independent Director

Mr. Muhammad Naeem Khan

Mr. Nadeem Arshad Elahi

Dr. Mariam Chughtai

Audit Committee

Mr. Nadeem Arshad Elahi – Chairman

Mr. Shayan Abdullah – Member

Mr. Yousuf Abdullah – Member

Mr. Amer Abdullah – Member

Human Resource and

Remuneration Committee

Mr. Muhammad Naeem Khan – Chairman

Mr. Yousuf Abdullah – Member

Mr. Shahid Abdullah – Member

Mr. Shayan Abdullah – Member

Chief Financial Officer

Mr. Jawwad Faisal

Secretary

Mr. Rameez Ghausi

Auditors

Shinewing Hameed Chaudhri & Company

Chartered Accountants

Tax Consultants

Yousuf Adil, Chartered Accountants

Legal Advisor

Hassan & Hassan Advocates

Bankers

Allied Bank Limited

Bank Alfalah Limited

MCB Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

United Bank Limited

Askari Bank Limited

Bank Al Habib Limited

National Bank of Pakistan

The Bank of Khyber

Share Registrars

THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi- 75500, Pakistan

Registered Office

316, Cotton Exchange Building, I.I. Chundrigar Road, Karachi.

Corporate Office

1st Floor, Tricon Corporate Centre, 73-E Main Jail Road, Gulberg II, Lahore. Pakistan.

Mills

Spinning Units

10 KM, Sheikhupura Faisalabad Road, Kharianwala

District Sheikhupura

26 KM, Sheikhupura Faisalabad Road, Ferozewattuan

District Sheikhupura

Fabric Knitting Unit

7 KM, Warburton Road, Ferozewattuan District

Sheikhupura

Fabric Dyeing and Denim Units

3.5 Km, Raiwind Manga Road, Raiwind

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CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors of the Company are pleased to present un-audited interim financial statements for the period of nine months ended 31 March 2024.

Financial Highlights

	31 March	
	2024	2023
	Rupees in thousand	
Sales	34,952,747	33,355,435
Profit from operations	4,872,665	6,257,034
Finance Cost	2,225,807	1,371,308
Profit before taxation	2,646,858	4,885,727
Provision for taxation	969,409	599,843
Profit after taxation	1,677,449	4,285,884

Financial Performance

During first nine months of the financial year, your company achieved sales of Rs. 34.95 billion compared to Rs. 33.36 billion during corresponding period of last year, showing an increase of 4.8%. The gross margin decreased from last year's 20.3% to 12.1% during the period under review due to weak demand and unprecedented inflationary pressures. The company earned profit after tax of Rs. 1,677 million compared to Rs. 4,286 million during last year's corresponding period.

Earnings per share


The Company's earnings per share (EPS) were at Rs.81.15 as compared to Rs. 207.33 during the same period of last year.

Future outlook


Aggravating the adverse effects of the slowdown in global textile demand, particularly in the value-added segment, are the higher energy and borrowing costs in the country. These elevated costs serve to compound the challenges faced by textile companies, further straining their profitability and operational resilience in the current economic environment.

The management of your Company is focused on maximizing shareholder value through profitable growth and capital efficiency.

The directors appreciate the dedication and hard work of the staff and workers of the Company.


Director

For and on behalf of the Board


Chief Executive

Lahore
Dated: 29 April, 2024



Sapphire Fibres Limited

ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی جھلکیاں

روپے ہزاروں میں

تفصیل	31 مارچ 2024ء	31 مارچ 2023ء
فروخت	34,952,747	33,355,435
آپریٹرز سے منافع	4,872,665	6,257,034
مالی لاگت	2,225,807	1,371,308
ٹیکس سے قبل منافع	2,646,858	4,885,727
پروویژن برائے ٹیکس	969,409	599,843
ٹیکس کے بعد منافع	1,677,449	4,285,884

مالی کارکردگی

کمپنی نے گزشتہ سال کی اسی مدت کے دوران 33.36 بلین روپے کے مقابلے مالی سال کے پہلے نو ماہ کے دوران 34.95 بلین روپے کی فروخت حاصل کی، جو 4.8 فیصد کا اضافہ ظاہر کر رہی ہے۔ کم طلب اور بے مثال افراط زر کے دباؤ کی وجہ سے مجموعی منافع گزشتہ سال کے 20.3 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران 12.1 فیصد ہوا۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 4,286 ملین روپے کے مقابلے موجودہ مدت کے دوران 1,677 ملین روپے ٹیکس کے بعد منافع کمایا ہے۔

فی حصص آمدنی

کمپنی کی موجودہ مدت کی فی شیئر آمدنی (EPS) 81.15 روپے ہے جو کہ پچھلے سال کی اسی مدت کے دوران 207.33 روپے تھی۔

مستقبل کا نقطہ نظر

عالمی ٹیکسٹائل کی طلب میں سست روی کے منفی اثرات کا بڑھنا، خاص طور پر ویلیو ایڈڈ شعبہ میں، ملک میں توانائی اور قرض کے اخراجات زیادہ ہیں۔ یہ زیادہ اخراجات ٹیکسٹائل کمپنیوں کو درپیش مشکلات بڑھانے کا کام کرتے ہیں، موجودہ معاشی ماحول میں ان کے منافع اور آپریشنل چارج کو مزید دباؤ میں لاتے ہیں۔ آپ کی کمپنی کی انتظامیہ منافع بخش نموا اور سرمائے کی کارکردگی کے ذریعے شیئر ہولڈر کی قدر کو زیادہ سے زیادہ کرنے پر توجہ مرکوز کر رہی ہے۔

اعتراف

ڈائریکٹرز کمپنی کے عملے اور کارکنوں کی سخت محنت اور قابل ستائش خدمات کو سراہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو

لاہور

تاریخ: 29 اپریل 2024ء

SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,210,689,039	15,148,289,454
Investment property		31,750,000	31,750,000
Intangible assets		3,151,227	4,804,321
Long term investments	5	9,064,638,548	7,095,441,990
Long term loans		1,386,570	1,510,000
Long term deposits		62,018,345	60,496,545
		<u>24,373,633,729</u>	<u>22,342,292,310</u>
Current assets			
Stores, spare parts and loose tools		1,328,063,647	963,705,040
Stock-in-trade	6	17,695,274,887	14,503,077,307
Trade debts		5,542,664,915	7,446,623,923
Loans and advances		330,895,146	281,444,587
Trade deposits and short term prepayments		28,573,646	53,587,970
Short term investments		2,479,996,564	1,609,381,756
Other receivables		1,880,612,870	1,678,329,389
Tax refunds due from Government		1,959,585,963	1,917,204,275
Cash and bank balances		611,635,450	359,991,393
		<u>31,857,303,088</u>	<u>28,813,345,640</u>
Total assets		<u><u>56,230,936,817</u></u>	<u><u>51,155,637,950</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital			
20,671,875 ordinary shares of Rs.10 each		<u>206,718,750</u>	<u>206,718,750</u>
Reserves		<u>3,858,188,980</u>	<u>972,715,713</u>
Unappropriated profit		<u>27,924,366,001</u>	<u>26,529,231,407</u>
		<u>31,989,273,731</u>	<u>27,708,665,870</u>
Liabilities			
Non-current liabilities			
Long term liabilities	7	4,152,787,144	4,881,704,404
Staff retirement benefit - gratuity		563,985,046	513,768,596
Deferred taxation		128,339,020	128,141,084
		<u>4,845,111,210</u>	<u>5,523,614,084</u>
Current liabilities			
Trade and other payables		5,162,862,696	5,819,666,818
Contract liabilities		878,517,600	727,672,349
Accrued mark-up / interest		335,301,558	360,624,213
Short term borrowings	8	10,460,759,785	8,871,715,921
Current portion of long term liabilities	7	1,275,804,978	1,172,524,522
Unclaimed dividend		8,053,772	7,213,927
Provision for taxation	9	1,275,251,487	963,940,246
		<u>19,396,551,876</u>	<u>17,923,357,996</u>
Total liabilities		<u>24,241,663,086</u>	<u>23,446,972,080</u>
Contingencies and commitments	10		
Total equity and liabilities		<u><u>56,230,936,817</u></u>	<u><u>51,155,637,950</u></u>

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

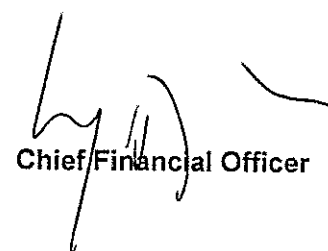
SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Nine months period ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Rupees -----					
Sales - net	11	34,952,746,532	33,355,434,882	12,053,752,569	11,840,548,483
Cost of sales	12	(30,708,211,025)	(26,596,726,361)	(10,637,497,943)	(8,934,003,354)
Gross profit		4,244,535,507	6,758,708,521	1,416,254,626	2,906,545,129
Distribution cost		(1,265,858,198)	(1,392,039,812)	(531,306,219)	(424,932,607)
Administrative expenses		(507,716,553)	(435,157,367)	(182,042,633)	(175,814,639)
Other income	13	2,457,295,261	1,588,279,340	845,968,948	276,936,318
Other expenses		(55,590,757)	(262,756,348)	(16,441,078)	(129,589,699)
Profit from operations		4,872,665,260	6,257,034,334	1,532,433,644	2,453,144,502
Finance cost		(2,225,807,416)	(1,371,307,651)	(726,820,802)	(440,256,280)
Profit before taxation		2,646,857,844	4,885,726,683	805,612,842	2,012,888,222
Taxation		(969,409,213)	(599,842,968)	(310,038,589)	(184,421,447)
Profit after taxation		1,677,448,631	4,285,883,715	495,574,253	1,828,466,775
Earnings per share					
- basic and diluted		81.15	207.33	23.97	88.45

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director



Chief Financial Officer

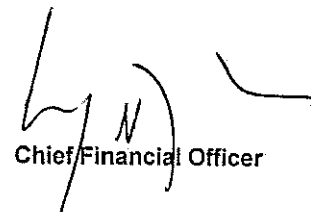
SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees -----			
Profit after taxation	1,677,448,631	4,285,883,715	495,574,253	1,828,466,775
Other comprehensive income / (loss)				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised (loss) / gain on remeasurement of investment at fair value through other comprehensive income				
- long term	1,880,698,460	(276,421,476)	531,984,976	47,804,766
- short term	1,004,774,807	(303,595,575)	27,293,174	(46,401,727)
	2,885,473,267	(580,017,051)	559,278,150	1,403,039
Items that will be reclassified to statement of profit or loss subsequently				
Realised loss on sale of investment at fair value through other income	(75,595,287)	-	-	-
Other comprehensive (loss) / gain for the period	2,809,877,980	(580,017,051)	559,278,150	1,403,039
Total comprehensive income for the period	4,487,326,611	3,705,866,664	1,054,852,403	1,829,869,814

The annexed notes form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Director

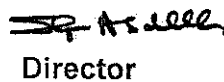

 Chief Financial Officer

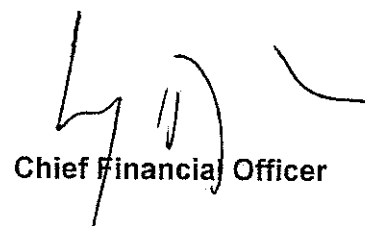
SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Nine months period ended	
		March 31, 2024	March 31, 2023
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	1,217,262,035	3,588,066,163
Staff retirement benefits paid		(110,883,550)	(26,660,217)
Finance cost paid		(2,251,130,071)	(1,309,979,292)
Taxes paid - net		(475,098,152)	(650,669,458)
Workers' profit participation fund paid		(199,260,238)	(268,466,172)
Long term loans & deposits - net		(1,398,370)	(1,797,250)
Net cash (used in) / generated from operating activities		(1,820,508,346)	1,330,493,774
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(853,737,804)	(1,027,012,651)
Long term investment made		(88,498,098)	(100,000,000)
Proceeds from disposal of operating fixed assets		19,303,614	25,244,276
Proceeds from disposal of short term investment		58,564,712	-
Proceeds from sale of stores		738,199	8,757,160
Dividend and interest income received		2,181,199,470	1,507,555,403
Net cash generated from investing activities		1,317,570,093	414,544,188
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - obtained		-	152,410,000
- repaid		(628,582,649)	(655,945,090)
Dividend paid		(205,878,905)	(206,167,565)
Short term borrowings - net		1,589,043,864	(871,069,766)
Net cash generated from / (used in) financing activities		754,582,310	(1,580,772,421)
Net increase in cash and cash equivalents		251,644,057	164,265,541
Cash and cash equivalents - at beginning of the period		359,991,393	45,831,510
Cash and cash equivalents - at end of the period		611,635,450	210,097,051

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive Officer



Director

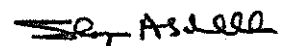

Chief Financial Officer

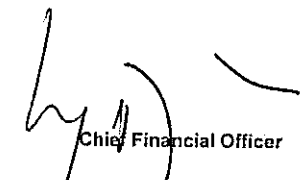
SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Capital		Reserves Revenue		Other Components of equity			Total	
	Share Premium	General	Unappropriated profit	Sub-total	Unrealised gain / (loss) on financial assets at fair value through other comprehensive income	on hedging instrument	Sub-total		
	----- Rupees -----								
Balance as at July 1, 2022 (Audited)	206,718,750	391,833,750	1,183,845,000	21,540,395,399	23,116,074,149	46,172,423	-	46,172,423	23,368,965,322
Transaction with owners of the Company									
Final dividend related to the year ended June 30, 2022 at the rate of Rs. 10 per share	-	-	-	(206,718,750)	(206,718,750)	-	-	-	(206,718,750)
Total comprehensive income for the nine months period ended March 31, 2023									
Profit for the period	-	-	-	4,285,883,715	4,285,883,715	-	-	-	4,285,883,715
Other comprehensive loss	-	-	-	-	-	(580,017,051)	-	(580,017,051)	(580,017,051)
	-	-	-	4,285,883,715	4,285,883,715	(580,017,051)	-	(580,017,051)	3,705,866,664
Balance as at March 31, 2023 (Un-audited)	206,718,750	391,833,750	1,183,845,000	25,619,560,364	27,195,239,114	(533,844,628)	-	(533,844,628)	26,868,113,236
Balance as at July 1, 2023 (Audited)	206,718,750	391,833,750	1,183,845,000	26,529,231,407	28,104,910,157	(602,963,037)	-	(602,963,037)	27,708,665,870
Transaction with owners of the Company									
Final dividend related to the year ended June 30, 2023 at the rate of Rs. 10 per share	-	-	-	(206,718,750)	(206,718,750)	-	-	-	(206,718,750)
Total comprehensive income for the nine months period ended March 31, 2024									
Profit for the period	-	-	-	1,677,448,631	1,677,448,631	-	-	-	1,677,448,631
Other comprehensive income	-	-	-	-	-	2,809,877,980	-	2,809,877,980	2,809,877,980
	-	-	-	1,677,448,631	1,677,448,631	2,809,877,980	-	2,809,877,980	4,487,326,611
Reclassification adjustment of realised loss on sale of equity instrument at fair value through OCI	-	-	-	(75,595,287)	(75,595,287)	75,595,287	-	75,595,287	-
Balance as at March 31, 2024 (Un-audited)	206,718,750	391,833,750	1,183,845,000	27,924,366,001	29,500,044,751	2,282,510,230	-	2,282,510,230	31,989,273,731

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SAPPHIRE FIBRES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1. LEGAL STATUS AND OPERATIONS

Sapphire Fibres Limited (the Company) was incorporated in Pakistan on June 5, 1979 as a Public Company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn, fabrics and garments.

Geographical location and addresses of major business units including mills / plant of the Company are as under:

Karachi	Purpose
316, Cotton Exchange Building, I.I Chundrigar Road	Registered office
Lahore	
First Floor, Tricon Corporate Centre, 73-E Main Jail Road, Gulberg II.	Head office
3.5 km, Manga Road, Raiwind	Production plant
Sheikhupura	
10 km, Sheikhupura / Faisalabad Road, Kharianwala	Production plant
26 km, Sheikhupura / Faisalabad Road, Feroze wattoan	Production plant

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

2.1.1 These 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 Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 (the Act), and
- Provisions of and directives issued under the Act,
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and

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

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2 Standards, amendments to approved accounting standards effective in current period and are relevant

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2023 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 condensed interim financial statements.

2.3 Standards, amendments to approved accounting standards and interpretations 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 effective for accounting periods beginning on July 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 condensed interim financial statements.

2.4 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2023.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2024	Audited June 30, 2023
----- Rupees -----			
Operating fixed assets	4.1	13,766,294,040	13,524,386,843
Capital work-in-progress	4.2	1,444,394,999	1,623,902,611
		<u>15,210,689,039</u>	<u>15,148,289,454</u>
4.1 Operating fixed assets			
Net book value at beginning of the period / year		13,524,386,843	12,885,466,235
Additions during the period / year	4.1.1	1,033,245,416	1,652,601,346
Disposals costing Rs.23.370 million (June 30, 2023: Rs.69.279 million) - at net book value		(7,246,723)	(15,029,860)
Depreciation charge for the period / year		(784,091,496)	(998,650,878)
Net book value at end of the period / year		<u>13,766,294,040</u>	<u>13,524,386,843</u>
4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Freehold land		-	15,497,360
Leasehold land		-	24,218,750
Residential buildings and others on freehold land		9,852,474	150,281,345
Factory buildings on freehold land		295,646,337	337,051,450
Plant and machinery		619,765,897	769,045,594
Electric installation		37,725,058	97,225,380
Equipment			
- Office		11,750,985	4,642,107
- Mills		293,250	38,819,709
Computer hardware		15,581,976	15,322,555
Vehicles		38,440,100	140,616,796
Furniture and fixtures		4,189,339	59,880,300
		<u>1,033,245,416</u>	<u>1,652,601,346</u>

		Un-audited March 31, 2024	Audited June 30, 2023
4.2 Capital work-in-progress	Note	----- Rupees -----	
Buildings		665,950,425	767,616,165
Furniture and fixtures		3,255,475	3,255,475
Plant and machinery		763,122,204	554,428,850
Advance payments against:			
• freehold land		-	-
• factory / office building		6,668,800	6,668,800
• plant and machinery		-	-
• electric installation		-	278,811,721
• vehicles		5,173,095	11,077,100
• Computers		225,000	2,044,500
		12,066,895	298,602,121
		1,444,394,999	1,623,902,611
5. LONG TERM INVESTMENTS			
Subsidiary Companies - at cost		3,675,058,316	3,675,058,316
Associated Companies - at cost		758,276,769	758,276,769
Others - equity instruments	5.1	4,585,803,463	2,615,856,905
- debt instruments	5.2	45,500,000	46,250,000
		9,064,638,548	7,095,441,990
5.1 Equity Instruments - at FVTOCI			
Quoted			
MCB Bank Limited			
18,837,275 ordinary shares of Rs.10 each - cost		984,949,221	896,451,123
Adjustment arising from re-measurement to fair value		2,843,915,296	1,188,413,309
		3,828,864,517	2,084,864,432
Habib Bank Limited			
7,244,196 ordinary shares of Rs.10 each - cost		1,217,073,609	1,217,073,609
Adjustment arising from re-measurement to fair value		(460,634,663)	(686,581,136)
		756,438,946	530,492,473
Unquoted			
TCC Management Services (Private) Limited			
50,000 ordinary shares of Rs. 10 each		500,000	500,000
		4,585,803,463	2,615,856,905

5.2 Debt Instruments - at FVTOCI

Habib Bank Limited -
term finance certificates (TFCs)500 (June 30, 2023: 500) term finance
certificates of Rs.100,000 each - costAdjustment arising from re-measurement
to fair value

Un-audited March 31, 2024	Audited June 30, 2023
---------------------------------	-----------------------------

50,000,000	50,000,000
------------	------------

(4,500,000)	(3,750,000)
-------------	-------------

<u>45,500,000</u>	<u>46,250,000</u>
-------------------	-------------------

6. STOCK-IN-TRADE

Note

Raw materials

Work-in-process

Finished goods

Un-audited March 31, 2024	Audited June 30, 2023
---------------------------------	-----------------------------

12,924,115,269	9,778,943,759
----------------	---------------

1,567,261,481	1,264,365,323
---------------	---------------

3,203,898,137	3,459,768,225
---------------	---------------

<u>17,695,274,887</u>	<u>14,503,077,307</u>
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7. LONG TERM LIABILITIES

Long term finances

Provision for Gas Infrastructure
Development CessLess: current portion grouped under
current liabilities

7.1

7.2

5,104,240,657	5,732,823,306
---------------	---------------

324,351,465	321,405,620
-------------	-------------

<u>5,428,592,122</u>	<u>6,054,228,926</u>
----------------------	----------------------

(1,275,804,978)	(1,172,524,522)
-----------------	-----------------

<u>4,152,787,144</u>	<u>4,881,704,404</u>
----------------------	----------------------

7.1 Long term finances - secured

Balance at beginning of the period / year

Add: disbursements during the
period / yearLess: - repayments made during
the period / year

- other changes / adjustments

Balance at end of the period / year

7.1.1

5,732,823,306	6,405,605,255
---------------	---------------

-	152,410,000
---	-------------

(628,582,649)	(825,191,949)
---------------	---------------

-	-
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<u>5,104,240,657</u>	<u>5,732,823,306</u>
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7.1.1 All the terms and conditions of long term finances are materially same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2023. These long term finances, during the period, carried mark-up / profit at the rates ranged from 2.00% to 23.91% (June 30, 2023: 2.00% to 22.98%) per annum.

7.2 The Honorable Supreme Court of Pakistan (SCP) vide its judgement dated August 13, 2020 decided the appeal against the Company and declared the GIDC Act, 2015 to be constitutional and recoverable from the gas consumer. A review petition was filed against the judgement which was also dismissed. However, partial relief was granted and recovery period was extended to 48 months from 24 months. SCP in its detailed judgment stated that the Cess under GIDC Act, 2015 is applicable only to those consumers of natural gas who on account of their industrial or commercial dealings had passed on GIDC burden to their end customers.

The Company has filed a civil suit before the Honorable Sindh High Court (SHC) on the grounds that the Company falls under the category of consumer and had not passed on the impact of GIDC to end customers. SHC has granted stay order in the said suit and has restrained SNGPL from taking any coercive action against the Company.

The Company has recorded a liability for GIDC at its present value, by discounting future estimated cash flows using risk free rate of return.

8. SHORT TERM BORROWINGS

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	----- Rupees -----	
Running / cash finances - secured	8.1	9,090,707,230	7,594,853,715
Running musharakah finance - secured	8.1	1,255,667,566	1,276,862,206
Temporary bank overdraft - unsecured		114,384,989	-
		<u>10,460,759,785</u>	<u>8,871,715,921</u>

8.1 The Company has obtained short term finance facilities, including facilities for foreign currency loans, aggregating Rs.27,300 million (June 30, 2023: Rs.27,300 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.61,340 million (June 30, 2023: Rs.71,697 million) over current assets of the Company, lien on export / import documents, trust receipts and promissory notes duly signed by the directors. These finances carry mark-up / profit at the rates ranging from 16.25% to 23.99% (June 30, 2023: 2.25% to 22.94%) per annum. These facilities are expiring on various dates upto September 30, 2025.

9. PROVISION FOR TAXATION

The provision for taxation for the six month period ended and quarter ended March 31, 2024 has been made using the best possible estimate of total annual tax liability of the Company. Amount accrued may has to be adjusted in the subsequent period.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Guarantees aggregating Rs.1,195.018 million (June 30, 2023: Rs.1,075.018 million) have been issued by banks of the Company to various Government institutions and Sui Northern Gas Pipelines Limited.

There has been no material change in the status of other contingencies as disclosed in the audited annual financial statements of the Company for the year ended June 30, 2023.

	Un-audited March 31, 2024	Audited June 30, 2023
	----- Rupees -----	
10.2 Commitments in respect of :		
• letters of credit for capital expenditure	<u>1,177,826,254</u>	<u>1,235,628,309</u>
• letters of credit for purchase of raw materials and stores, spare parts & chemicals	<u>1,317,420,214</u>	<u>2,677,418,828</u>
• capital expenditure other than letters of credit	<u>175,171,986</u>	<u>216,929,844</u>
• foreign & local bills discounted	<u>948,949,088</u>	<u>1,357,638,826</u>

11. SALES - net

Segment wise disaggregation of revenue from contracts with respect to type of goods and services and geographical market is presented below:

For the nine months period ended March 31, 2024 - Un-audited

	Spinning	Knits	Denim	Total
	----- Rupees -----			
Types of goods and services				
Local sales				
- Yarn	2,293,226,858	13,130,929	6,581,423	2,312,939,210
- Fabric	0	276,190,308	1,594,776,252	1,870,966,560
- Garments	0	132,274,966	0	132,274,966
- Waste	282,179,906	31,396,385	104,045,053	417,621,344
- Raw materials	113,955,576	0	0	113,955,576
- Local steam income	15,195,700	0	0	15,195,700
- Processing income	15,173,238	683,583,639	30,336,564	729,093,441
	2,719,731,278	1,136,576,227	1,735,739,292	5,592,046,797
Export Sales				
- Yarn	18,480,151,602	160,343,591	0	18,640,495,193
- Fabric	0	455,250,558	7,299,331,341	7,754,581,899
- Garments	0	2,555,470,627	0	2,555,470,627
- Waste	352,964,064	0	0	352,964,064
	18,833,115,666	3,171,064,776	7,299,331,341	29,303,511,783
Export rebate				
- Yarn	352,647	7,519	0	360,166
- Fabric	0	1,765,475	15,958,916	17,724,391
- Garments	0	39,103,395	0	39,103,395
	352,647	40,876,389	15,958,916	57,187,952
	21,553,199,591	4,348,517,392	9,051,029,549	34,952,746,532
Timing of revenue recognition				
Goods transferred at a point in time	21,538,026,353	3,664,933,753	9,020,692,985	34,223,653,091
Services rendered at a point in time	15,173,238	683,583,639	30,336,564	729,093,441
	21,553,199,591	4,348,517,392	9,051,029,549	34,952,746,532

For the nine months period ended March 31, 2023 - Un-audited

	Spinning	Knits	Denim	Total
	----- Rupees -----			
Types of goods and services				
Local sales				
- Yarn	3,377,936,575	17,021,146	-	3,394,957,721
- Fabric	-	202,723,073	1,046,123,580	1,248,846,653
- Garments	-	45,228,418	-	45,228,418
- Waste	180,691,569	55,448,309	68,945,373	305,085,251
- Raw materials	84,360,905	-	-	84,360,905
- Local steam income	9,574,900	-	-	9,574,900
- Processing income	3,716,809	145,662,008	3,973,281	153,352,098
	3,656,280,758	466,082,954	1,119,042,234	5,241,405,946
Export Sales				
- Yarn	12,307,638,014	151,757,477	-	12,459,395,491
- Fabric	-	1,296,259,541	6,781,965,146	8,078,224,687
- Garments	-	6,933,554,262	-	6,933,554,262
- Waste	561,968,417	-	-	561,968,417
	12,869,606,431	8,381,571,280	6,781,965,146	28,033,142,857
Export rebate				
- Yarn	10,041	-	-	10,041
- Fabric	-	4,267,092	10,504,765	14,771,857
- Garments	-	66,104,181	-	66,104,181
	10,041	70,371,273	10,504,765	80,886,079
	16,525,897,230	8,918,025,507	7,911,512,145	33,355,434,882
Timing of revenue recognition				
Goods transferred at a point in time	16,522,180,421	8,772,363,499	7,907,538,864	33,202,082,784
Services rendered at a point in time	3,716,809	145,662,008	3,973,281	153,352,098
	16,525,897,230	8,918,025,507	7,911,512,145	33,355,434,882

12. COST OF SALES

		----- Un-audited -----			
		Nine months period ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Note		----- Rupees -----			
Finished goods at beginning of the period		3,459,768,225	3,153,668,217	3,349,574,147	2,483,497,606
Cost of goods manufactured	12.1	30,346,461,165	26,494,219,062	10,445,365,377	9,538,961,677
Cost of raw materials sold		105,879,772	37,295,010	46,456,556	-
		30,452,340,937	26,531,514,072	10,491,821,933	9,538,961,677
		33,912,109,162	29,685,182,289	13,841,396,080	12,022,459,283
Finished goods at end of the period		(3,203,898,137)	(3,088,455,928)	(3,203,898,137)	(3,088,455,928)
		30,708,211,025	26,596,726,361	10,637,497,943	8,934,003,355
12.1 Cost of goods manufactured					
Work-in-process at beginning of the period		1,264,365,323	1,296,808,329	1,194,389,844	1,390,736,651
Raw materials consumed		22,264,425,751	18,852,086,156	7,835,880,706	6,816,501,532
Direct labour and other overheads		8,384,931,572	7,845,092,860	2,981,704,892	2,831,491,777
		30,649,357,323	26,697,179,016	10,817,585,598	9,647,993,309
		31,913,722,646	27,993,987,345	12,011,975,442	11,038,729,960
Work-in-process at end of the period		(1,567,261,481)	(1,499,768,283)	(1,567,261,481)	(1,499,768,283)
		30,346,461,165	26,494,219,062	10,444,713,961	9,538,961,677

13. OTHER INCOME

This mainly includes dividend of Rs.1,299.522 million (March 31, 2023: Rs.866.347 million) received from Sapphire Electric Company Limited - a Subsidiary Company.

14. CASH GENERATED FROM /
(USED IN) OPERATIONS

	Note	Un-audited	
		Nine months period ended	
		March 31, 2024	March 31, 2023
		----- Rupees -----	
Profit before taxation		2,646,857,844	4,885,726,683
Adjustments for non-cash and other items:			
Depreciation		784,091,496	722,291,966
Amortization of intangible assets		1,653,094	579,185
Amortisation of government grant		-	(1,178,823)
Staff retirement benefit - gratuity		161,100,000	81,900,000
Provision for workers' profit participation fund		-	160,057,484
Provision for workers' welfare fund		54,017,507	101,323,034
Gain on disposal of operating fixed assets		(12,056,891)	(12,867,913)
Gain on sale of stores and spares		(738,199)	(7,292,245)
Dividend and interest income		(2,181,199,470)	(1,507,555,403)
Finance cost		2,225,807,416	1,371,307,651
Working capital changes	14.1	(2,462,270,762)	(2,206,225,456)
		<u>1,217,262,035</u>	<u>3,588,066,163</u>
14.1 Working capital changes			
Decrease / (increase) in current assets:			
- stores, spare parts and loose tools		(364,358,607)	(544,056,219)
- stock-in-trade		(3,192,197,580)	(1,091,322,501)
- trade debts		1,903,959,008	(1,085,912,859)
- loans and advances		(49,450,559)	(213,854,356)
- deposits and other receivables		(405,098,192)	158,240,200
		(2,107,145,930)	(2,776,905,735)
(Decrease) / increase in current liabilities:			
- trade and other payables		(505,970,083)	718,669,928
- contract liabilities		150,845,251	(147,989,649)
		(355,124,832)	570,680,279
		<u>(2,462,270,762)</u>	<u>(2,206,225,456)</u>

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since June 30, 2023, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statement does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2023.

16. TRANSACTIONS WITH RELATED PARTIES**16.1 Significant transactions with related parties are as follows:**

	Un-audited	
	Nine months period ended	
	March 31, 2024	March 31, 2023
	----- Rupees -----	
Transactions with Subsidiary Companies		
Dividend received	1,299,521,699	866,347,800
Expenses charged to	213,277	7,685,943
Loans provided	51,403,084	219,200,298
Mark-up charged	142,505,911	84,801,608
Investment made	-	100,000,000
Transactions with Associated Companies		
Sales:		
• raw material / yarn / fabric / stores	601,751,438	179,929,585
• assets	-	-
Purchases:		
• raw material / yarn / fabric / stores	3,069,728,411	2,405,675,295
• assets	25,000,000	7,000,000
Services:		
• rendered	35,051,061	3,403,359
• obtained	11,534,292	17,020
Expenses charged by	69,267,639	17,624,241
Expenses charged to	36,260,884	2,242,804
Dividend:		
• received	143,114,472	66,921,675
• paid	111,201,540	107,150,550
Transactions with Key management personnel		
Remuneration and other benefits	452,687,390	125,346,855
Transactions with Retirement fund		
Contribution made	35,760,366	30,061,331
16.2 Period / year end balances are as follows:	Un-audited	Audited
	March 31,	June 30,
	2024	2023
	----- Rupees -----	
Receivables from related parties		
Trade debts	108,340,133	86,255,592
Other receivables	872,977,806	1,011,257,641
Payable to related parties		
Trade and other payables	486,381,581	744,094,881

17. CORRESPONDING FIGURES

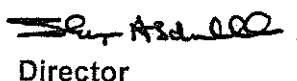
- In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2023, whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and 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, 2023.
- Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilitate better comparison and to conform with the changes in presentation.

18. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 29, 2024.



Chief Executive Officer



Director



Chief Financial Officer



DIRECTORS' REPORT

The directors are pleased to present their report together with consolidated financial statements of Sapphire Fibres Limited and its subsidiaries.

Sapphire Electric Company Limited, Premier Cement Limited, Sapphire Cement Company Limited, Sapphire Hydro Limited, Sapphire Energy (Pvt.) Limited, Ignite Power (Private) Limited, Sapphire Mining Exploration (Private) Limited, Sapphire Building Materials Limited, Sapphire Power Limited and Sapphire Properties (Private) Limited for the period ended March 31, 2024. The Company has annexed consolidated financial statements along with its separate financial statements in accordance with the requirements of the International Accounting Standard-27 (Consolidated and Separate Financial Statements).

Sapphire Electric Company Limited (SECL):

Sapphire Electric Company Limited was incorporated in Pakistan as a public unlisted company under Companies Ordinance, 1984 on 18 January, 2005. Sapphire Fibres Limited has holding of 68.11% (2023: 68.11%) share capital of the subsidiary.

The principal activity of the subsidiary company is to own, operate and maintain a combined cycle power station having net capacity of 212 MW.

Premier Cement Limited (PCL):

Premier Cement Limited was incorporated in Pakistan as an unlisted public company limited by shares under Companies Ordinance 1984. SFL holds 100% shares of PCL as on March 31, 2024.

PCL intends to establish and install plant for manufacturing of all kinds of cement and its allied products.

Sapphire Cement Company Limited (SCCL):

Sapphire Cement Company Limited was incorporated in Pakistan as an unlisted public company limited by shares under Companies Ordinance 1984 during the period. SFL holds 100% shares of SCCL as on March 31, 2024.

SCCL intends to establish and install plant for manufacturing of all kinds of cement and its allied products.

Sapphire Hydro Limited (SHL):

Sapphire Hydro Limited was incorporated in Pakistan as a public company limited by shares under the Companies Act, 2017 on September 07, 2017. The principal business of the subsidiary company shall be to construct, establish and setup a Hydro Electric Power generation project having a net capacity of 150 MW with potential of 682 GWh of annual energy generation at Sharmai, Khayber Pakhtunkhawa.

Sapphire Hydro Limited (SHL) is a wholly owned subsidiary of Sapphire Electric Company Limited which is a subsidiary of Sapphire Fibres Limited.

Sapphire Energy (Private) Limited (SEPL):

Sapphire Energy (Private) Limited was incorporated in Pakistan as a private company limited by shares under Companies Act 2017 on 11 December, 2017. SFL holds 100% shares of SEPL as on March 31, 2024.

SEPL intends to undertake, develop power projects and make equity investment, acquire or hold shares in companies involved in energy generation and operate a terminal for handling, regasification, storage, treatment and processing of all types of gases and all other related liquids, chemical & petroleum products.



Sapphire Fibres Limited

Ignite Power (Private) Limited (IPPL):

Ignite power (Private) Limited is a 99.93% owned subsidiary of Sapphire Energy (Private) Limited - SEPL which is a wholly owned subsidiary of the Parent Company and was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on July, 03, 2019. It intends to undertake, develop power projects including the use of solar energy systems and all other forms of energy and products or services associated therewith.

Sapphire Mining Exploration (Private) Limited (SMEL):

Sapphire Mining Exploration (Private) Limited was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on August 25, 2020. Subject to necessary approvals, SMEL intends to establish and install plant for manufacturing of all kinds of cement and its allied products in Gilgit.

SMEL is a wholly owned subsidiary of Premier Cement Limited which is a subsidiary of Sapphire Fibres Limited.

Sapphire Building Materials Limited (SBML):

Sapphire Building Materials Limited was incorporated in Pakistan as a company limited by shares under the Companies Act, 2017 on March 24, 2021. SBML intends to deal in allied products used in construction industry.

SBML is a wholly owned subsidiary of Premier Cement Limited which is a subsidiary of Sapphire Fibres Limited.

Sapphire Power limited (SPL):

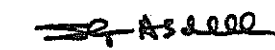
Sapphire Power Limited is a public unlisted company limited by shares incorporated in Pakistan on April 19, 2021 under the Companies Act, 2017. The principal activity of the company is to generate, purchase, import, transform, convert, distribute and supply electricity including the hydril and wind power system. The Company is a wholly owned subsidiary of Sapphire Fibres Limited (the Holding Company").

Sapphire Properties (Private) Limited (SPPL):

Sapphire Properties (Private) Limited was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on August 5, 2022. The purpose of Company is to investment in real estate projects. SPPL is a wholly owned subsidiary of Sapphire Fibres Limited.

For and on behalf of the Board of Directors


Shahid Abdullah
Chief Executive


Shayan Abdullah
Director

Lahore:

Dated: April 29, 2024



ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 مارچ 2024ء کو ختم ہونے والی مدت کے لئے سفار فائبرز لمیٹڈ اور اسکی ذیلی کمپنیوں سفار ایکسٹراکٹ کمپنی لمیٹڈ، پری میجر سینٹ لمیٹڈ، سفار سینٹ کمپنی لمیٹڈ، سفار ہائیڈرولیمینڈ، سفار انرجی (پرائیویٹ) لمیٹڈ، اگناسٹ پاور (پرائیویٹ) لمیٹڈ، سفار مائننگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ، سفار بلڈنگ میٹریل لمیٹڈ، سفار پاور لمیٹڈ اور سفار پرائیویٹ (پرائیویٹ) لمیٹڈ کے اشتمال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ معیار-27 (اشتمال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتمال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ الگ مالی گوشوارے منسلک کئے ہیں۔

سفار ایکسٹراکٹ کمپنی لمیٹڈ (SECL):

سفار ایکسٹراکٹ کمپنی لمیٹڈ (ایس ای سی ایل) 18 جنوری 2005ء کو رجسٹرڈ ہوئی، 1984ء کے تحت غیر مندرج پبلک کمپنی کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ سفار فائبرز لمیٹڈ ذیلی کمپنی کے 68.11% (2023: 68.11%) حصص کی مالک ہے۔
ذیلی کمپنی کی اصل سرگرمی 212 میگا واٹ کی خالص صلاحیت کے حامل کیمائیکل پاور سٹیشن کی ملکیت، کو چلانا اور برقرار رکھنا ہے۔

پری میجر سینٹ لمیٹڈ (PCL):

پری میجر سینٹ لمیٹڈ (پی سی ایل) 26 جولائی 2016ء کو رجسٹرڈ ہوئی، 1984ء کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 31 مارچ 2024ء کے مطابق پی سی ایل کے 100% حصص کی مالک ہے۔
پی سی ایل ہر قسم کے سینٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفار سینٹ کمپنی لمیٹڈ (SCCL):

سفار سینٹ کمپنی لمیٹڈ (ایس سی سی ایل) 28 اکتوبر 2016ء کو رجسٹرڈ ہوئی، 1984ء کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 31 مارچ 2024ء کے مطابق ایس سی سی ایل کے 100% حصص کی مالک ہے۔
ایس سی سی ایل ہر قسم کے سینٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفار ہائیڈرولیمینڈ (SHL):

سفار ہائیڈرولیمینڈ (ایس ایچ ایل) 07 ستمبر 2017ء کو رجسٹرڈ ہوئی، 2017ء کے تحت پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ذیلی کمپنی کا اصل کاروبار شمسی، خمیر، بخثو خواہ میں 682 GWh کی سالانہ بجلی کی پیداوار کی پٹیشنل کے ساتھ 150 میگا واٹ کی خالص صلاحیت کا حامل ایک ہائیڈرو ایکسٹراکٹ پاور جنریشن منصوبہ تعمیر، قائم اور چلانا ہوگا۔
سفار ہائیڈرولیمینڈ (ایس ایچ ایل) پیرنٹ کمپنی سفار فائبرز لمیٹڈ کی ذیلی کمپنی سفار ایکسٹراکٹ کمپنی لمیٹڈ کی ایک مکمل ملکیتی ذیلی کمپنی ہے۔

سفار انرجی (پرائیویٹ) لمیٹڈ (SEPL):

سفار انرجی (پرائیویٹ) لمیٹڈ (ایس ای پی ایل) 11 دسمبر 2017ء کو رجسٹرڈ ہوئی، 2017ء کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 31 مارچ 2024ء کے مطابق ایس ای پی ایل کے 100% حصص کی مالک ہے۔
ایس ای پی ایل بجلی پیدا کرنے اور تمام دیگر متعلقہ مائع، کیمیکل اور پیٹرولیم مصنوعات کی ہینڈلنگ، ری گیری فیکشن، اسٹوریج، ٹریڈنگ اور پروسیسنگ کے لئے ایک ٹریڈ پلانے میں مصروف کمپنیوں میں توانائی کے منصوبوں میں حصہ لینے، شرکت کرنے اور سرمایہ کاری کرنے یا حصص حاصل کرنے کا ارادہ رکھتی ہے۔



Sapphire Fibres Limited

انگنائٹ پاور (پرائیویٹ) لمیٹڈ (IPPL):

انگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی ایل) پیمز کمپنی سفائر فائبرز لمیٹڈ کی ذیلی کمپنی سفائر انرجی پرائیویٹ لمیٹڈ کی 99.93% ملکیتی ذیلی کمپنی ہے۔ انگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی ایل) 03 جولائی 2019ء کو کمپنیز ایکٹ 2017ء کے تحت ایک پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ سولرانرجی سسٹم کے استعمال اور توانائی کی تمام دیگر شکلوں اور مصنوعات یا اس سے متعلقہ خدمات سمیت پاور پروجیکٹس حاصل، ترقی دینے کا ارادہ رکھتی ہے۔

سفائر مائننگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ (SMEL):

سفائر مائننگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ (ایس ایم ای ایل) 25 اگست 2020ء کو کمپنیز ایکٹ 2017ء کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ضروری منظور یوں کے حوالہ سے، ایس ایم ای ایل گلگت میں تمام اقسام کے سیٹ اور اس کی متعلقہ مصنوعات کی تیاری کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔ ایس ایم ای ایل سفائر فائبرز لمیٹڈ کی ذیلی کمپنی پریمر سیٹ لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔

سفائر بلڈنگ میٹریلز لمیٹڈ (SBML):

سفائر بلڈنگ میٹریلز لمیٹڈ (ایس بی ایم ایل) 24 مارچ 2021ء کو کمپنیز ایکٹ 2017ء کے تحت ایک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس بی ایم ایل تعمیراتی صنعت میں استعمال ہونے والی متعلقہ مصنوعات میں ڈیل کرنے کا ارادہ رکھتی ہے۔ ایس بی ایم ایل سفائر فائبرز لمیٹڈ کی ذیلی کمپنی پریمر سیٹ لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔

سفائر پاور لمیٹڈ (SPL):

سفائر پاور لمیٹڈ (کمپنی) 19 اپریل 2021ء کو کمپنیز ایکٹ 2017ء کے تحت ایک پبلک غیر مندرج کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ کمپنی کی اصل سرگرمی ہائیڈرو پاور سسٹم سمیت بجلی کی پیداوار، خریداری، درآمد، ٹرانسفارم، کنورٹ، تقسیم اور سپلائی کرنا ہے۔ کمپنی سفائر فائبرز لمیٹڈ (ہولڈنگ کمپنی) کی مکمل ملکیتی ذیلی کمپنی ہے۔

سفائر پراپرٹیز (پرائیویٹ) لمیٹڈ (SPPL):

سفائر پراپرٹیز (پرائیویٹ) لمیٹڈ (ایس پی پی ایل) 5 اگست 2022ء کو کمپنیز ایکٹ 2017ء کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ کمپنی کا مقصد ریکل اسٹیٹ کے منصوبوں میں سرمایہ کاری کرنا ہے۔ سفائر پراپرٹیز (پرائیویٹ) لمیٹڈ، سفائر فائبرز لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے۔

منجانب بورڈ آف ڈائریکٹرز

شایان عبداللہ
ڈائریکٹر

شاہد عبداللہ
چیف ایگزیکٹو
لاہور

تاریخ: 29 اپریل 2024ء

SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		Un-audited March 31, 2024	Audited June 30, 2023
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	25,571,486,880	25,941,999,805
Investment property		31,750,000	31,750,000
Intangible assets		8,764,131	10,417,225
Long term investments	5	8,144,056,829	5,649,807,415
Long term loans		5,120,570	4,400,000
Long term deposits		63,948,145	62,426,345
		<u>33,825,126,555</u>	<u>31,700,800,790</u>
Current assets			
Stores, spare parts and loose tools		1,354,235,041	973,556,680
Stock-in-trade	6	17,996,217,631	14,806,602,454
Trade debts	7	15,635,422,329	19,608,973,872
Loans and advances		682,365,916	592,488,078
Trade deposits and short term prepayments		199,861,811	121,116,289
Short term investments		2,915,896,431	3,243,639,904
Other receivables		2,055,725,034	1,748,760,568
Tax refunds due from Government		2,752,329,343	2,567,218,953
Cash and bank balances		1,426,327,212	1,399,220,229
		<u>45,018,380,748</u>	<u>45,061,577,027</u>
Total assets		<u><u>78,843,507,303</u></u>	<u><u>76,762,377,817</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital			
20,671,875 (June 30, 2023: 20,671,875) ordinary shares of Rs.10 each		206,718,750	206,718,750
Reserves		3,867,190,759	1,531,851,130
Unappropriated profit		41,489,193,157	39,301,687,521
Equity attributable to shareholders of the Parent Company		<u>45,563,102,666</u>	<u>41,040,257,401</u>
Non-controlling interest		6,886,818,485	6,955,409,522
Total equity		<u><u>52,449,921,151</u></u>	<u><u>47,995,666,923</u></u>
Liabilities			
Non-current liabilities			
Long term liabilities	8	4,152,787,144	4,881,704,404
Staff retirement benefits - gratuity		563,985,046	513,768,596
Deferred taxation		139,541,354	140,579,850
		<u>4,856,313,544</u>	<u>5,536,052,850</u>
Current liabilities			
Trade and other payables		6,966,737,103	8,750,053,148
Contract liabilities		878,517,600	727,672,349
Accrued mark-up / interest		489,733,134	469,764,094
Short term borrowings	9	10,641,386,744	10,901,144,743
Current portion of long term finances	8	1,275,804,978	1,172,524,522
Unclaimed dividend		8,053,772	241,818,718
Provision for taxation		1,277,039,277	967,680,470
		<u>21,537,272,608</u>	<u>23,230,658,044</u>
Total liabilities		<u><u>26,393,586,152</u></u>	<u><u>28,766,710,894</u></u>
Contingencies and commitments	10		
Total equity and liabilities		<u><u>78,843,507,303</u></u>	<u><u>76,762,377,817</u></u>

The annexed notes 1 to 10 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer

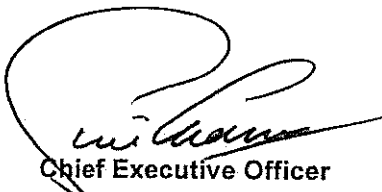

Director

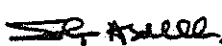

Chief Financial Officer

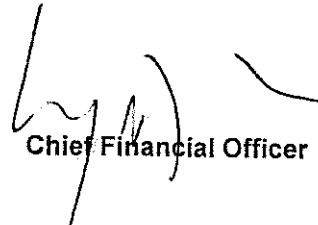
SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Nine months period		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Rupees -----					
Sales - net	11	47,608,609,290	44,454,354,940	13,300,220,976	14,982,685,661
Cost of Sales	12	(41,576,153,561)	(35,298,907,518)	(11,252,209,404)	(11,486,379,981)
Gross profit		6,032,455,729	9,155,447,422	2,048,011,572	3,496,305,680
Distribution cost		(1,265,858,198)	(1,392,039,812)	(531,306,219)	(424,932,607)
Administrative expenses		(660,189,442)	(564,669,112)	(239,602,722)	(223,992,432)
Other income		1,013,821,823	777,263,169	268,361,471	379,622,856
Other expenses		(55,590,757)	(291,196,899)	(16,441,078)	(129,589,699)
Profit from operations		5,064,639,155	7,684,804,768	1,529,023,024	3,097,413,798
Finance cost		(2,300,076,269)	(1,555,223,870)	(634,154,518)	(531,699,587)
		2,764,562,886	6,129,580,898	894,868,506	2,565,714,211
Share of profit of Associated Companies		647,476,111	225,407,209	111,498,382	75,083,165
Profit before taxation		3,412,038,997	6,354,988,107	1,006,366,888	2,640,797,376
Taxation		(973,143,382)	(599,391,484)	(308,887,953)	(183,767,558)
Profit after taxation		2,438,895,615	5,755,596,623	697,478,935	2,457,029,818
Attributable to:					
- Shareholders of the Parent Company		1,898,994,818	5,037,315,594	493,360,503	2,274,330,338
- Non-controlling interest		539,900,797	718,281,029	204,118,432	182,699,480
		2,438,895,615	5,755,596,623	697,478,935	2,457,029,818
Earnings per share					
- attributable to shareholders of the Parent Company		91.86	243.68	23.87	110.02

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer

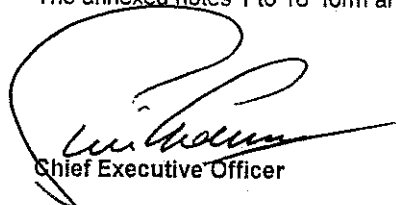

Director

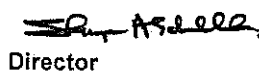

Chief Financial Officer

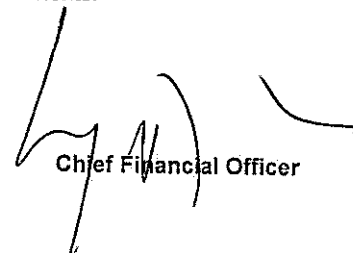
SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees -----			
Profit after taxation	2,438,895,615	5,755,596,623	697,478,935	2,457,029,818
Other comprehensive income / (loss)				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised gain / (loss) on remeasurement of investment at fair value through other comprehensive income				
- long term	1,880,698,460	(276,421,476)	531,984,976	(56,779,730)
- short term	1,004,774,807	(303,595,575)	27,293,174	(35,353,594)
Impact of deferred tax				
Realised loss on sale of investment at fair value through other comprehensive income	(75,595,287)			
Share of fair value gain / (loss) on remeasurement of investment at fair value through other comprehensive income by Associated Companies	20,657,582	(5,014,292)	3,543,471	(422,176)
	2,830,535,562	(585,031,343)	562,821,621	(92,555,500)
Items that will be reclassified to statement of profit or loss subsequently				
Unrealised loss on remeasurement of forward foreign exchange contracts	-	-	-	-
Impact of deferred tax of staff retirement benefit obligation	-	-	-	207,533
Share of unrealised gain / (loss) on remeasurement of hedging instruments of Associated Companies	(26,937)	1,454,267	(26,937)	1,161,053
	(26,937)	1,454,267	(26,937)	1,368,586
Other comprehensive gain/(loss) for the period	2,830,508,625	(583,577,076)	562,794,684	(91,186,914)
Total comprehensive income for the period	5,269,404,240	5,172,019,547	1,260,273,619	2,365,842,904
Attributable to:				
- Shareholders of the Parent Company	4,729,503,443	4,453,738,518	1,056,155,187	2,183,143,424
- Non-controlling interest	539,900,797	718,281,029	204,118,432	182,699,480
	<u>5,269,404,240</u>	<u>5,172,019,547</u>	<u>1,260,273,619</u>	<u>2,365,842,904</u>

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer

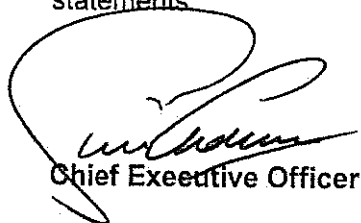

Director

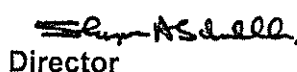

Chief Financial Officer


SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Nine months period	
		March 31, 2024	March 31, 2023
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	3,994,778,781	2,103,390,293
Staff retirement benefits paid		(110,883,550)	(26,660,217)
Finance cost paid		(2,280,107,229)	(1,445,511,367)
Taxes paid		(482,021,187)	(70,385,826)
Workers' profit participation fund paid		(199,260,238)	(268,466,172)
Long term loans & deposits - net		(2,242,370)	(4,777,250)
Net cash generated from operating activities		920,264,207	287,589,461
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(868,697,252)	(1,052,074,263)
Proceeds from disposal of operating fixed assets		19,365,175	25,939,217
Long term investments- net		(88,498,098)	(269,500,071)
Short term investments- net		1,324,442,178	4,723,748,371
Proceeds from sale of stores and spares		738,199	8,757,160
Dividend and interest income received		656,808,752	483,967,681
Net cash generated from investing activities		1,044,158,954	3,920,838,095
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - obtained		-	152,410,000
- repaid		(628,582,649)	(655,945,090)
Dividend paid		(1,048,975,530)	(611,828,788)
Short term borrowings - net		(259,757,999)	(2,761,703,251)
Net cash used in from financing activities		(1,937,316,178)	(3,877,067,129)
Net increase in cash and cash equivalents		27,106,983	331,360,427
Cash and cash equivalents - at beginning of the period		1,399,220,229	671,581,706
Cash and cash equivalents - at end of the period		1,426,327,212	1,002,942,133

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements


Chief Executive Officer


Director


Chief Financial Officer

SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Rupees										
	Issued, subscribed and paid-up capital	Capital		Reserves			Other Components of equity			Total	Non- Controlling Interest
		Share Premium	Maintenance reserve	General	Unappropriated profit	Sub-total	Unrealised gain / (loss) on financial assets at fair value through other comprehensive income	on hedging instrument	Sub-total		
Balance as at July 1, 2022 (Audited)	206,718,750	391,833,750	347,810,242	1,183,845,000	32,879,158,697	34,802,645,689	24,717,363	252,160	24,969,523	35,034,333,962	6,338,808,434
Transaction with owners	-	-	-	-	-	-	-	-	-	-	-
Final dividend for year ended June 30, 2022	-	-	-	-	(208,718,750)	(208,718,750)	-	-	-	(208,718,750)	(405,661,223)
Total comprehensive income for the nine months period ended March 31, 2023	-	-	-	-	5,037,315,594	5,037,315,594	-	-	-	5,037,315,594	718,281,029
Profit for the period	-	-	-	-	5,037,315,594	5,037,315,594	(585,031,343)	1,454,267	(583,577,076)	(583,577,076)	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Transfer to maintenance reserve	-	-	61,121,517	-	(61,121,517)	-	(585,031,343)	1,454,267	(583,577,076)	4,453,738,518	718,281,029
Effect of items directly credited in equity by the Associated companies	-	-	-	-	105,959	105,959	-	-	-	105,959	-
Balance as at March 31, 2023 (Un-audited)	206,718,750	391,833,750	408,931,759	1,183,845,000	37,648,737,983	39,633,348,492	(560,313,980)	1,706,427	(558,607,553)	39,281,459,689	6,651,428,240
Balance as at July 1, 2023 (Audited)	206,718,750	391,833,750	584,910,480	1,183,845,000	39,301,687,521	41,462,276,751	(629,691,620)	953,520	(628,738,100)	41,040,257,401	6,955,409,522
Transaction with owners	-	-	-	-	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2023	-	-	-	-	(208,718,750)	(208,718,750)	-	-	-	(208,718,750)	(608,491,834)
Total comprehensive income for the nine months period ended March 31, 2024	-	-	-	-	1,898,994,818	1,898,994,818	-	-	-	1,898,994,818	539,900,797
Profit for the period	-	-	-	-	1,898,994,818	1,898,994,818	2,830,535,562	(26,937)	2,830,508,625	2,830,508,625	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Transfer from maintenance reserve	-	-	(570,764,283)	-	570,764,283	-	2,830,535,562	(26,937)	2,830,508,625	4,729,503,443	539,900,797
Reclassification adjustment of realised loss on sale of equity instrument at fair value through OCI	-	-	-	-	(75,595,287)	(75,595,287)	75,595,287	-	75,595,287	-	-
Effect of items directly credited in equity by the Associated companies	-	-	-	-	60,572	60,572	-	-	-	60,572	-
Balance as at March 31, 2024 (Un-audited)	206,718,750	391,833,750	14,146,197	1,183,845,000	41,489,193,157	43,079,018,104	2,276,439,229	926,583	2,277,365,812	45,563,102,665	6,886,818,485

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SAPPHIRE FIBRES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

The Parent Company

- Sapphire Fibres Limited

Subsidiary Companies

- Sapphire Electric Company Limited - SECL
- Sapphire Hydro Limited - SHL
- Sapphire Energy (Private) Limited - SEPL
- Ignite Power (Private) Limited - IPPL
- Premier Cement Limited - PCL
- Sapphire Mining Exploration (Private) Limited - SMEL
- Sapphire Building Materials Limited - SBML
- Sapphire Cement Company Limited - SCCL
- Sapphire Power Limited - SPL
- Sapphire Properties (Private) Limited - SPPL

• **Sapphire Fibres Limited**

The Parent Company was incorporated in Pakistan on June 05, 1979 as a public limited company and its shares are quoted on Pakistan Stock Exchange. The Parent Company is principally engaged in manufacture and sale of yarn, fabrics and garments.

Geographical location and addresses of major business units including mills / plant of the Parent Company are as under:

Karachi	Purpose
316, Cotton Exchange Building, I.I Chundrigar Road	Registered office
Lahore	
7-A/K, Main Boulevard, Gulberg	Head office
3.5 km, Manga Road, Raiwind	Production plant
Sheikhupura	
10 km, Sheikhupura / Faisalabad Road, Kharianwala	Production plant
26 km, Sheikhupura / Faisalabad Road, Feroze Wattoan	Production plant

• **Sapphire Electric Company Limited**

Sapphire Electric Company Limited - SECL was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on January 18, 2005. The principal activity of the Subsidiary Company is to build, own, operate and maintain a combined cycle power station having a net capacity of 212 MW. The Subsidiary Company has a Power Purchase Agreement (PPA) with its sole customer, National Transmission and Despatch Company Limited (NTDC) for thirty years which commenced from October 05, 2010.

Geographical location and addresses of major business units including mills / plant of the Subsidiary Company are as under:

Lahore	Purpose
7-A/K, Main Boulevard, Gulberg	Registered office
Sheikhupura	
Muridke, District Sheikhupura	Production plant

• **Premier Cement Limited**

Premier Cement Limited - PCL is a wholly owned subsidiary and was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on July 26, 2016. The principal activity of subsidiary company is to manufacture and sale of cement and allied products. The Subsidiary Company obtained license from Directorate General Mines and Minerals, Khyber Pakhtunkhwa for setting up cement plant in D.I. Khan district.

Geographical location and address of major business unit of the Subsidiary Company is as under:

- Lahore**
7 - A/K, Main Boulevard, Gulberg
Registered office
- Sapphire Cement Company Limited**
Sapphire Cement Company Limited - SCCL is a wholly owned subsidiary and was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on October 28, 2016. The principal activity of Subsidiary Company is to manufacture and sale of cement and allied products. The Subsidiary Company is aiming to set up its plant in the province of Punjab, however license application has not been filed with Directorate General Mines and Minerals, Punjab till the reporting date due to delay in grant of requisite Geographical location and address of major business unit of the Subsidiary Company is as under:
Lahore
7 - A/K, Main Boulevard, Gulberg
Registered office
- Sapphire Mining Exploration (Private) Limited - SMEL**
Sapphire Mining Exploration (Private) Limited (SMEL) was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on August 25, 2020. Subject to necessary approvals, SMEL intends to establish and install plant for manufacturing of all kinds of cement and its allied products in Gilgit. SMEL is a wholly owned subsidiary of Premier Cement Limited which is a subsidiary of Sapphire Fibres Limited. Geographical location and address of major business unit of the Subsidiary Company is as under:
Hunza
Passu, Gojal, Hunza
Registered office
- Sapphire Energy (Pvt.) Limited - SEPL**
Sapphire Energy (Pvt.) Limited - SEPL is a wholly owned subsidiary and was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on December 11, 2018. The principal activity of Subsidiary Company shall be to undertake, develop power projects and make equity investments, acquire or hold shares in companies involved in energy generation and to establish and operate a terminal for the handling, regasification, storage, treatment and processing of Liquefied Natural Gas (LNG), Re-gasified Liquefied Natural Gas (RLNG), Liquid Petroleum Gas (LPG), Natural Gas Liquid (NGL) and other related products. The Subsidiary Company is in setup phase and has not yet commenced commercial operations. Geographical location and address of major business unit of the Subsidiary Company is as under:
Lahore
7 - A/K, Main Boulevard, Gulberg
Registered office
- Sapphire Hydro Limited - SHL**
Sapphire Hydro Limited - SHL is a wholly owned subsidiary of Sapphire Electric Company Limited - SECL which is a subsidiary of the Parent Company and was incorporated in Pakistan as a public company limited by shares under the Companies Act, 2017 on September 07, 2018. The principal business of the Subsidiary Company is to construct, establish and setup a Hydro Electric Power generation project having a net capacity of 150 MW with potential of 682 GWh of annual energy generation at Sharmai, Khayber Pakhtunkhawa. The subsidiary company is in setup phase and has not yet commenced commercial operations. Geographical location and address of major business unit of the Subsidiary Company is as under:
Lahore
7 - A/K, Main Boulevard, Gulberg
Registered office
- Ignite Power (Private) Limited - IPPL**
Ignite Power (Private) Limited - IPPL is a wholly owned subsidiary of Sapphire Energy (Private) Limited - SEPL which is subsidiary of the Parent Company and was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on July 03, 2019. It intends to undertake, develop power projects including the use of solar energy systems and all other forms of energy and products or services associated therewith. Geographical location and address of major business unit of the Subsidiary Company is as under:
Lahore
1st Floor, Tricon Corporate Centre, 73-E Main Jail Road, Gulberge II, Lahore.
Registered office

- **Sapphire Power Limited - SPL**

Sapphire Power Limited - SPL is a public unlisted company limited by shares incorporated in Pakistan on April 19, 2021 under the Companies Act, 2017. The principal activity of the company is to generate, purchase, import, transform, convert, distribute and supply electricity including the hydriil and wind power system. SPL is a wholly owned subsidiary of the Parent Company.

- **Sapphire Building Materials Limited - SBML**

Sapphire Building Materials Limited - SBML is a wholly owned subsidiary of Premier Cement Limited - PCL which is a subsidiary of the Parent Company. SBML is a public unlisted company limited by shares incorporated in Pakistan on March 24, 2021 under the Companies Act, 2017. The principal activity of the Subsidiary Company is to deal, trade, import, purchase and sale of cement and allied products.

- **Sapphire Properties (Private) Limited - SPPL**

Sapphire Properties (Private) Limited (SPPL) is incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on August 5, 2022. The purpose is to investment in real estate projects. SPPL is a wholly owned subsidiary of Sapphire Fibres Limited.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

2.1.1 These condensed consolidated 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 Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 (the Act), and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act.

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

2.1.2 These consolidated condensed interim financial statements do not include all the information and disclosures as required in an annual audited consolidated financial statements, and these should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2023. These condensed interim consolidated financial statements are being submitted to the shareholders as required by the section 237 of the Act.

2.2 Principal of consolidation

These consolidated condensed interim financial statements of the Group include the financial statements of Parent Company and of its Subsidiary Companies. The Parent Company's direct interest, as at March 31, 2024, in the SECL is 68.11% (June 30, 2023: 68.11%) and effective holding in SHL is also 68.11% as SHL is wholly owned Subsidiary of SECL. SEPL is a wholly owned subsidiary company and effective holding of the Parent Company in IPPL is also 100% as it is wholly owned Subsidiary of SEPL. The other companies PCL, SCCL, SPL, SBML, SMEL and SPPL are wholly owned Subsidiary Companies of the Parent Company.

The assets, liabilities, income and expenses of the Subsidiary Companies are consolidated on a line by line basis and the carrying values of investments held by the Parent Company is eliminated against the Subsidiaries' shareholders' equity in these consolidated condensed interim financial statements.

All material inter-group balances and transactions have been eliminated. Investments in Associated Companies, as defined in the Act are accounted for under the equity method of accounting.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 New standards, amendments to approved accounting standards and interpretations that are effective during the period and are relevant to the Group

2.3.1 Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting periods beginning on July 01, 2023 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.

2.3.2 Standards, amendments to approved accounting standards and interpretations 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 effective for accounting periods beginning on July 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.

2.4 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 annual audited financial statements for the year ended June 30, 2023.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated audited annual financial statements for the year ended June 30, 2023.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2024	Audited June 30, 2023
----- Rupees -----			
Operating fixed assets	4.1	23,698,187,987	23,893,565,448
Capital work-in-progress	4.2	1,873,298,893	2,048,434,357
		<u>25,571,486,880</u>	<u>25,941,999,805</u>
4.1 Operating fixed assets			
Net book value at beginning of the period / year		23,893,565,448	23,835,249,035
Additions during the period / year	4.1.1	1,043,832,716	1,673,954,117
Disposals costing Rs.23.370 million (June 30, 2023: Rs.76.523 million) - at net book value		(7,246,723)	(18,759,441)
Depreciation charge for the period / year		(1,231,963,454)	(1,596,878,263)
Net book value at end of the period / year		<u>23,698,187,987</u>	<u>23,893,565,448</u>

4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:		Note	Un-audited	Audited
			March 31, 2024	June 30, 2023
			----- Rupees -----	
Freehold land			-	15,751,760
Leasehold land			-	24,218,750
Residential buildings and others on freehold land			9,852,474	150,281,345
Factory buildings on freehold land			295,646,337	345,006,800
Plant and machinery			619,765,897	769,045,594
Electric installation			37,725,058	105,150,501
Mills equipment			12,044,235	43,461,816
Computer hardware			16,471,276	15,934,955
Vehicles			48,138,100	145,222,296
Furniture and fixtures			4,189,339	59,880,300
			<u>1,043,832,716</u>	<u>1,673,954,117</u>
4.2 Capital work-in-progress				
Buildings			665,950,425	767,616,165
Furniture and fixtures			3,255,475	3,255,475
Plant and machinery			763,122,204	554,428,850
Un-allocated capital expenditure			428,613,044	422,831,746
Advance payments against:				
• factory building			6,668,800	6,668,800
• electric installation			-	278,811,721
• vehicles			5,173,095	12,777,100
• computers			515,850	2,044,500
			<u>12,357,745</u>	<u>300,302,121</u>
			<u>1,873,298,893</u>	<u>2,048,434,357</u>
5. LONG TERM INVESTMENTS				
Associated Companies		5.1	3,512,753,366	2,987,700,510
Others - equity instruments		5.2	4,585,803,463	2,615,856,905
- debt instruments		5.3	45,500,000	46,250,000
			<u>8,144,056,829</u>	<u>5,649,807,415</u>
5.1 Associated Companies - equity method				
Quoted				
Reliance Cotton Spinning Mills Limited (RCSML)		5.1.1	131,019,692	118,043,827
Unquoted				
SFL Limited (SFLL)		5.1.2	5,495,203	5,235,247
Sapphire Power Generation Limited (SPGL)		5.1.3	354,942,003	314,069,934
Sapphire Dairies (Private) Limited (SDLP)		5.1.4	208,618,632	206,595,712
Tricon Boston Consulting Corporation (Private) Limited - TBCCL		5.1.5	2,488,237,532	2,019,315,486
Energas Terminal (Private) Limited - ETL		5.1.6	-	-
Energas Marketing (Private) Limited - EML		5.1.7	-	-
Creek Properties (Pvt) Ltd.- CPPL		5.1.8	324,440,304	324,440,304
			<u>3,512,753,366</u>	<u>2,987,700,510</u>

- 5.1.1 Investment in RCSML represents 138,900 fully paid ordinary shares of Rs.10 each representing 1.35% of RCSML's issued, subscribed and paid-up capital as at March 31, 2024. RCSML was incorporated on June 13, 1990 as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of RCSML is manufacturing and sale of yarn. Market value of the Group's investment in RCSML as at March 31, 2024 was Rs. 62.783 million (June 30, 2023: Rs.71.025 million). RCSML is an associate of the Group due to common directorship.
- 5.1.2 Investment in SFLL represents 10,199 fully paid ordinary shares of Rs.10 each representing 0.051% of SFLL's issued, subscribed and paid-up capital as at March 31, 2024. SFLL was incorporated on April 26, 2010 as a public limited company and its shares are quoted on Pakistan Stock Exchange. The main business of SFLL is to investment in the shares of Related Parties. SFLL is an associate of the Group due to common directorship.
- 5.1.3 Investment in SPGL represents 2,824,500 fully paid ordinary shares of Rs.10 each representing 17.63% of SPGL's issued, subscribed and paid-up capital as at March 31, 2024. SPGL was incorporated in Pakistan as a public limited company and is principally engaged in the business of electric power generation and distribution. SPGL is an associate of the Group due to common directorship.
- 5.1.4 Investment in SDPL represents 10,000,000 fully paid ordinary shares of Rs.10 each representing 5.50% of SDPL's issued, subscribed and paid-up capital as at March 31, 2024. SDPL was incorporated as a private limited company and is principally engaged in production and sale of milk and milk products. SDPL is an associate of the Group due to common directorship.
- 5.1.5 Investment in TBCCL represents 59,251,500 fully paid ordinary shares of Rs.10 each representing 7.13% of TBCCL's issued, subscribed and paid-up capital as at March 31, 2024. The Parent Company has pledged these shares through an Onshore Security Trustee under Share Pledge Group Agreement dated May 08, 2018 as security against financing facilities advanced to TBCCL. TBCCL was incorporated as a private limited company by shares and its principal business is to operate and maintain wind power plants to generate and supply electricity. TBCCL is an associate of the Group due to common directorship.
- 5.1.6 The Group has made investment in ETL's 2500 fully paid ordinary shares (30 June, 2023: 2500) of Rs.10 each representing 25% (30 June, 2023: 25%) of ETL's issued, subscribed and paid-up capital as at March 31, 2024. ETL was incorporated as a private limited company and its principal business is to undertake and develop power projects.
- ETL has incurred loss amounted Rs.21.640 million during the year ended June 30, 2023 and has accumulated losses aggregated Rs. 115.898 million as on June 30, 2023. Subsidiary Company's - SEL share of loss has been recognised upto the extant of cost of investment.
- 5.1.7 The Subsidiary Company - Sapphire Energy (Private) Limited has made investment in EML's 2,500 fully paid ordinary shares of Rs.10 each representing 25% of EML's issued, subscribed and paid-up capital as at March 31, 2024. EML was incorporated as a private limited company. The principal activity of EML shall be to import, process and sell natural gas, liquefied natural gas all other related items.
- EML has incurred loss amounted Rs.236 thousand during the year ended June 30, 2023 and it has accumulated losses aggregated Rs.899 thousand as on June 30, 2023. Subsidiary Company's - SEL share of loss has been recognised upto the extant of cost of investment.
- 5.1.8 Investment in CPPL represents 5,047,489 fully paid ordinary shares having face value of PKR 10/- each representing 17.50% of Creek Properties (Pvt) Limited 's issued, subscribed and paid-up capital as at March 31, 2024. CPPL was incorporated as a private limited company and is principally engaged in marketing and development of real estate projects. CPPL is an associate of the Group due to common directorship.

5.2 Equity Instruments - at FVTOCI

Un-audited March 31, 2024	Audited June 30, 2023
----- Rupees -----	

Quoted

MCB Bank Limited

18,837,275 (30 June, 2023: 18,213,195) ordinary shares of Rs.10 each - cost

Adjustment arising from re-measurement to fair value

984,949,221	896,451,123
2,843,915,296	1,188,413,309
3,828,864,517	2,084,864,432

Habib Bank Limited

7,244,196 (30 June, 2023: 7,244,196) ordinary shares of Rs.10 each - cost

Adjustment arising from re-measurement to fair value

1,217,073,609	1,217,073,609
(460,634,663)	(686,581,136)
756,438,946	530,492,473

Unquoted

TCC Management Services (Private) Limited

50,000 ordinary shares of Rs. 10 each

500,000	500,000
4,585,803,463	2,615,856,905

5.3 Debt Instruments - at FVTOCI

Habib Bank Limited -

Term finance certificates - Habib Bank Limited

500 (30 June, 2023: 500) term finance certificates of Rs.100,000 each - cost

Adjustment arising from re-measurement to fair value

50,000,000	50,000,000
(4,500,000)	(3,750,000)
45,500,000	46,250,000

6. STOCK-IN-TRADE

Raw materials

Work-in-process

Finished goods

13,225,058,013	10,082,468,906
1,567,261,481	1,264,365,323
3,203,898,137	3,459,768,225
17,996,217,631	14,806,602,454

7. TRADE DEBTS

- 7.1 These include trade receivables from CPPA and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment markup at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within the due dates, with the exception of RLNG fuel cost component invoices, in which case, the delayed payment markup at the rate of three months KIBOR plus 2% is charged on the amounts not paid within a period of thirty days from the due date and at the rate of three months KIBOR plus 4.5% after the first thirty days. The rate of delayed payment markup charged during the preceding year on outstanding amounts ranges from from 23.07% to 28.49% per annum.

- 7.2 The SECL had won the original arbitration case against SNGPL on March 09, 2016 for an amount of Rs. 227.610 million as SNGPL could not supply gas to the Group from March 2011 to May 2011 and Power Purchaser deducted Group's capacity amount to that extent. Subsequently, SECL set-off that amount against payables to SNGPL.

SNGPL enforced another arbitration saying that Group could not adjust without a decree from the court. The arbitration tribunal has agreed with SNGPL in its decision dated April 22, 2022. The Group is now going ahead with the process of obtaining the decree. SNGPL has filed a petition in the Lahore High Court. The decree will be issued at a certain point of time and the Group is confident that ultimately the money will be retained by the Group.

- 7.3 Trade debts include Rs. 344.419 million which were unilaterally withheld by CPPA-G relating to fuel cost component of energy purchase price invoices on account of incorrect application of heat rate correction factor. SECL has successfully negotiated with CPPA and CPPA has accepted the SECL Stance on the dispute and revert back the deduction, hence this dispute has been settled positively in favor of SECL during this Period.

8. LONG TERM LIABILITIES	Note	Un-audited March 31, 2024	Audited June 30, 2023
		----- Rupees -----	
Long term finances	8.1	5,104,240,657	5,732,823,306
Provision for Gas Infrastructure Development Cess		324,351,465	321,405,620
		<u>5,428,592,122</u>	<u>6,054,228,926</u>
Less: current portion grouped under current liabilities		(1,275,804,978)	(1,172,524,522)
		<u>4,152,787,144</u>	<u>4,881,704,404</u>
8.1 Long term finances - secured			
Balance at beginning of the period / year		5,732,823,306	6,405,605,255
Add: disbursements during the period / year	8.1.1	-	152,410,000
Less: repayments made during the period / year		(628,582,649)	(825,191,949)
Balance at end of the period / year		<u>5,104,240,657</u>	<u>5,732,823,306</u>

- 8.1.1 All the terms and conditions of long term finances are materially same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2023. These long term finances, during the period, carried mark-up / profit at the rates ranged from 2.00% to 23.91% (June 30, 2023: 2.00% to 22.98%) per annum.

- 8.2 The Honorable Supreme Court of Pakistan (SCP) vide its judgement dated August 13, 2020 decided the appeal against the Parent Company and declared the GIDC Act, 2015 to be constitutional and recoverable from the gas consumer. A review petition was filed against the judgement which was also dismissed. However, partial relief was granted and recovery period was extended to 48 months from 24 months. SCP in its detailed judgment stated that the Cess under GIDC Act, 2015 is applicable only to those consumers of natural gas who on account of their industrial or commercial dealings had passed on GIDC burden to their end customers.

The Parent Company has filed a civil suit before the Honorable Sindh High Court (SHC) on the grounds that the Company falls under the category of consumer and had not passed on the impact of GIDC to end customers. SHC has granted stay order in the said suit and has restrained SNGPL from taking any coercive action against the Parent Company.

The Parent Company has recorded a liability for GIDC at its present value, by discounting future estimated cash flows using risk free rate of return.

		Un-audited March 31, 2024	Audited June 30, 2023
		----- Rupees -----	
9.	SHORT TERM BORROWINGS		
	Running / cash finances - secured	9,271,334,189	9,624,282,537
	Running musharakah finance - secured	1,255,667,566	1,276,862,206
	Temporary bank overdraft - unsecured	114,384,989	-
		<u>10,641,386,744</u>	<u>10,901,144,743</u>

- 9.1 The Group has obtained short term finance facilities, including facilities for foreign currency loans, aggregating Rs.37,386 million (June 30, 2023: Rs.38,846 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.61,030 million (June 30, 2023: Rs.71,697 million) over current assets of the Company, lien on export / import documents, trust receipts and promissory notes duly signed by the directors. These finances carry mark-up / profit at the rates ranging from 16.25% to 24.91% (June 30, 2023: 2.25% to 24.08%) per annum. These facilities are expiring on various dates upto September 30, 2025.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 Outstanding bank guarantees

Guarantees aggregating Rs. Rs.3,238.005 million (June 30, 2023: Rs.3,120.505 million) have been issued by banks of the Company to various Government institutions and Sui Northern Gas Pipelines Limited.

There was no significant change in status of contingencies that were disclosed to the annual audited consolidated financial statements for the year ended 30 June, 2023 except disclosed above.

		Un-audited March 31, 2024	Audited June 30, 2023
		----- Rupees -----	
10.2	Commitments in respect of :		
	• letters of credit for capital expenditure	<u>1,177,826,254</u>	<u>1,235,628,309</u>
	• letters of credit for purchase of raw materials and stores, spare parts & chemicals	<u>1,317,420,214</u>	<u>2,677,418,828</u>
	• capital expenditure other than letters of credit	<u>175,171,986</u>	<u>216,929,844</u>
	• foreign bills discounted	<u>948,949,088</u>	<u>1,357,638,826</u>

- 10.3 The company has entered into an agreement and the subsequent amendments with a consortium consisting of General Electric International, Inc. and General Electric Energy Parts, Inc. for the operation and maintenance (O&M) of the power station. The O&M agreement commenced from the Commercial Operations Date and will continue until either the power station has operated for 188,000 Fired Hours or until October 4, 2040, whichever occurs earlier.

According to the terms of the O&M agreement, the company is obligated to make Quarterly payments that include a fixed O&M fee and a variable O&M fee based on the operation of the plant using either gas or diesel. These fees will be subject to an annual increase based on the US Consumer Price Index (CPI), with a minimum increase of 1.5% for Offshore Payments. On the other hand, Onshore Payments will be subject to an annual increase based on the average National Consumer Price Index (NCPI), with a minimum increase of 3.5%.

11. SALES - NET

Segment wise disaggregation of revenue from contracts with respect to type of goods and services and geographical market is presented below:

For the nine months period ended March 31, 2024 - Un-audited

	Spinning	Knits	Denim	Power	Total
	----- Rupees -----				
Local sales					
- Yarn	2,293,226,858	13,130,929	6,581,423	0	2,312,939,210
- Fabric	0	276,190,308	1,594,776,252	0	1,870,966,560
- Garments	0	132,274,966	0	0	132,274,966
- Waste	282,179,906	31,396,385	104,045,053	0	417,621,344
- Raw materials	113,955,576	0	0	0	113,955,576
- Energy purchase price	0	0	0	9,759,611,499	9,759,611,499
- Capacity purchase price	0	0	0	2,896,251,259	2,896,251,259
- Local steam income	15,195,700	0	0	0	15,195,700
- Processing income	15,173,238	683,583,639	30,336,564	0	729,093,441
	2,719,731,278	1,136,576,227	1,735,739,292	12,655,862,758	18,247,909,555
Export Sales					
- Yarn	18,480,151,602	160,343,591	0	0	18,640,495,193
- Fabric	0	455,250,558	7,299,331,341	0	7,754,581,899
- Garments	0	2,555,470,627	0	0	2,555,470,627
- Waste	352,964,064	0	0	0	352,964,064
	18,833,115,666	3,171,064,776	7,299,331,341	0	29,303,511,783
Export rebate					
- Yarn	352,647	7,519	0	0	360,166
- Fabric	0	1,765,475	15,958,916	0	17,724,391
- Garments	0	39,103,395	0	0	39,103,395
	352,647	40,876,389	15,958,916	0	57,187,952
	21,553,199,591	4,348,517,392	9,051,029,549	12,655,862,758	47,608,609,290
Timing of revenue recognition					
Goods transferred at a point in time	21,538,026,353	3,664,933,753	9,020,692,985	12,655,862,758	46,879,515,849
Services rendered at a point in time	15,173,238	683,583,639	30,336,564	0	729,093,441
	21,553,199,591	4,348,517,392	9,051,029,549	12,655,862,758	47,608,609,290

For the nine months period ended March 31, 2023 - Un-audited

	Spinning	Knits	Denim	Power	Total
	----- Rupees -----				
Local sales					
- Yarn	3,377,936,575	17,021,146	0	0	3,394,957,721
- Fabric	0	202,723,073	1,046,123,580	0	1,248,846,653
- Garments	0	45,228,418	0	0	45,228,418
- Waste	180,691,569	55,448,309	68,945,373	0	305,085,251
- Raw materials	84,360,905	0	0	0	84,360,905
- Energy purchase price	0	0	0	8,240,297,488	8,240,297,488
- Capacity purchase price	0	0	0	2,858,622,570	2,858,622,570
- Local steam income	9,574,900	0	0	0	9,574,900
- Processing income	3,716,809	145,662,008	3,973,281	0	153,352,098
	3,656,280,758	466,082,954	1,119,042,234	11,098,920,058	16,340,326,004
Export Sales					
- Yarn	12,307,638,014	151,757,477	0	0	12,459,395,491
- Fabric	0	1,296,259,541	6,781,965,146	0	8,078,224,687
- Garments	0	6,933,554,262	0	0	6,933,554,262
- Waste	561,968,417	0	0	0	561,968,417
	12,869,606,431	8,381,571,280	6,781,965,146	0	28,033,142,857
Export rebate					
- Yarn	10,041	0	0	0	10,041
- Fabric	0	4,267,092	10,504,765	0	14,771,857
- Garments	0	66,104,181	0	0	66,104,181
	10,041	70,371,273	10,504,765	0	80,886,079
	16,525,897,230	8,918,025,507	7,911,512,145	11,098,920,058	44,454,354,940
Timing of revenue recognition					
Goods transferred at a point in time	16,522,180,421	8,772,363,499	7,907,538,864	11,098,920,058	44,301,002,842
Services rendered at a point in time	3,716,809	145,662,008	3,973,281	0	153,352,098
	16,525,897,230	8,918,025,507	7,911,512,145	11,098,920,058	44,454,354,940

12. COST OF SALES

		----- Un-audited -----			
		Nine months period ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Note		----- Rupees -----			
	Finished goods at beginning of the period	3,459,768,225	3,153,668,217	3,349,574,147	2,483,497,606
	Cost of goods manufactured	41,214,403,701	35,196,400,219	11,059,425,422	12,091,338,304
	Cost of raw materials sold	105,879,772	37,295,010	46,456,556	-
		41,320,283,473	35,233,695,229	11,105,881,978	12,091,338,304
		44,780,051,698	38,387,363,446	14,455,456,125	14,574,835,910
	Finished goods at end of the period	(3,203,898,137)	(3,088,455,928)	(3,203,898,137)	(3,088,455,928)
		41,576,153,561	35,298,907,518	11,251,557,988	11,486,379,982

12.1 Cost of goods
manufactured

	----- Un-audited -----			
	Nine months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Work-in-process at beginning of the period	1,264,365,323	1,296,808,329	1,194,389,844	1,390,736,651
Raw materials consumed	30,357,181,085	25,959,111,614	7,874,742,752	8,757,050,840
Direct labour and other overheads	11,160,118,774	9,440,248,559	3,557,554,307	3,443,319,096
	41,517,299,859	35,399,360,173	11,432,297,059	12,200,369,936
	42,781,665,182	36,696,168,502	12,626,686,903	13,591,106,587
Work-in-process at end of the period	(1,567,261,481)	(1,499,768,283)	(1,567,261,481)	(1,499,768,283)
	<u>41,214,403,701</u>	<u>35,196,400,219</u>	<u>11,059,425,422</u>	<u>12,091,338,304</u>

13. CASH USED IN OPERATIONS

	Note	Un-audited	
		Nine months period ended	
		March 31, 2024	March 31, 2023
Profit before taxation		2,764,562,886	6,129,580,898
Adjustments for non-cash and other items:			
Depreciation		1,231,963,454	1,170,848,310
Amortization of intangible assets		1,653,094	579,185
Staff retirement benefit - gratuity		161,100,000	81,900,000
Provision for workers' profit participation fund		-	160,057,484
Provision for workers' welfare fund		54,017,507	101,323,034
Loss on sale of short term investment		75,595,287	28,282,086
Gain on disposal of operating fixed assets		(12,118,452)	(12,867,913)
Gain on sale of stores and spares		(738,199)	(7,292,245)
Dividend and interest income		(656,808,752)	(388,337,660)
Finance cost		2,300,076,269	1,555,223,870
Working capital changes	13.1	(1,924,524,313)	(6,715,906,756)
		<u>3,994,778,781</u>	<u>2,103,390,293</u>
13.1 Working capital changes			
Increase / (decrease) in current assets:			
- stores, spare parts and loose tools		(380,678,361)	(544,847,514)
- stock-in-trade		(3,189,615,177)	(1,082,807,252)
- trade debts		3,973,551,543	(4,328,978,421)
- loans and advances		(89,877,838)	(227,962,205)
- deposits, other receivables and sales tax		(427,332,131)	(464,437,402)
		(113,951,964)	(6,649,032,794)
Increase / (decrease) in current liabilities:			
- trade and other payables		(1,964,363,445)	95,327,225
- Gas Infrastructure Development Cess		2,945,845	(14,211,538)
- contract liabilities		150,845,251	(147,989,649)
		<u>(1,924,524,313)</u>	<u>(6,715,906,756)</u>

14. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Group's sensitivity to these risks since June 30, 2023, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Group during the period.

This condensed consolidated interim financial statement does not include all financial risk management information and disclosures as are required in the audited annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statement as at June 30, 2023.

15. TRANSACTIONS WITH RELATED PARTIES**15.1 Significant transactions with related parties are as follows:**

Relationship with the Company	Nature of transactions	Un-audited	
		Nine months period ended	
		March 31, 2024	March 31, 2023
----- Rupees -----			
(i) Associates	Sales:		
	• raw material / yarn / fabric / stores	601,751,438	179,929,585
	• assets	-	-
	Purchases:		
	• raw material / yarn / fabric / stores	3,069,728,411	2,405,675,295
	• assets	25,000,000	7,000,000
	Services:		
	• rendered	35,051,061	3,403,359
	• obtained	11,534,292	17,020
	Expenses charged by	69,267,639	17,624,241
Expenses charged to	36,260,884	2,242,804	
Dividend:			
• received	143,114,472	66,921,675	
• paid	111,201,540	107,150,550	
(ii) Key management personnel	Remuneration and other benefits	537,415,358	125,346,855
(iii) Retirement fund	Contribution made	40,458,786	34,179,582

16. SEGMENT REPORTING**16.1 Reportable segments**

The Group's reportable segments are as follows:

- Spinning;
- Knitting, processing & garments;
- Denim; and
- Power.

16.2 Information regarding the Group's reportable segments is presented below.

	Spinning	Knitting, processing and garments	Denim	Power	Total
----- Rupees -----					
For the nine months period ended March 31, 2024					
Revenue - external customers	21,553,199,590	4,348,517,393	9,051,029,549	12,655,862,758	47,608,609,290
Inter - segment sale	2,845,950,603	0	0	0	2,845,950,603
Segment results	2,443,092,209	109,555,966	426,029,134	1,787,920,222	4,766,597,531
For the nine months period ended March 31, 2023					
Revenue - external customers	16,525,897,229	8,918,025,507	7,911,512,146	11,098,920,058	44,454,354,940
Inter - segment sale	2,751,640,789	0	0	0	2,751,640,789
Segment results	3,128,788,177	1,215,853,971	1,022,026,559	2,396,738,901	7,763,407,608

	Un-audited Nine months period March 31,	
	2024	2023
----- Rupees -----		
Reconciliation of segment results with profit after tax is as follows:		
Total results for reportable segment	4,766,597,531	7,763,407,608
Administrative expenses	(660,189,442)	(564,669,112)
Other expenses	(55,590,757)	(291,196,899)
Other income	1,013,821,823	777,263,169
Finance cost	(2,300,076,269)	(1,555,223,870)
Share of profit of Associated Companies	647,476,111	225,407,209
Taxation	(973,143,382)	(599,391,484)
Profit after taxation	2,438,895,615	5,755,596,621

16.3 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Spinning	Knitting, processing and garments	Denim	Power	Total
	----- Rupees -----				
As at March 31, 2024					
Segment assets	26,982,789,918	8,032,960,962	4,289,398,595	23,197,309,673	62,502,459,148
Unallocatable assets					16,341,048,155
Total assets as per balance sheet					<u>78,843,507,303</u>
Segment liabilities	10,132,329,836	4,891,622,815	8,221,870,761	1,551,765,962	24,797,589,374
Unallocatable liabilities					1,595,996,778
Total liabilities as per balance sheet					<u>26,393,586,152</u>
As at June 30, 2023					
Segment assets	16,371,057,874	6,478,223,456	10,320,312,281	26,506,042,769	59,675,636,380
Unallocatable assets					17,086,741,437
Total assets as per balance sheet					<u>76,762,377,817</u>
Segment liabilities	4,516,855,511	6,824,138,457	13,471,902,285	6,574,758,363	31,387,654,616
Unallocatable liabilities					(2,620,943,722)
Total liabilities as per balance sheet					<u>28,766,710,894</u>

16.4 Geographical information

All segments of the Group are managed on nation-wide basis and operate manufacturing facilities in Pakistan.

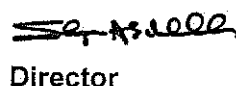
17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed consolidated interim statement of financial position has been compared with the balances of audited annual consolidated financial statements of the Group for the year ended June 30, 2023, whereas, the condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity have been compared with the balances of comparable period of condensed consolidated interim financial statements of the Group for the nine months period ended March 31, 2023.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed consolidated interim financial statements were approved by the Board of Directors of the Parent Company and authorised for issue on April 29, 2023.


Chief Executive Officer


Director


Chief Financial Officer



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