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Sapphire Textile Mills Limited

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Company Profile

Board Of Directors**Chairman :**

Mr. Mohammad Abdullah

Chief Executive :

Mr. Nadeem Abdullah

Director :

Mr. Shahid Abdullah

Mr. Amer Abdullah

Mr. Yousuf Abdullah

Mr. Nabeel Abdullah

Mr. Shayan Abdullah

Independent Director:

Mr. Nadeem Karamat

Audit Committee**Chairman :**

Mr. Nadeem Karamat

Member :

Mr. Amer Abdullah

Mr. Yousuf Abdullah

Mr. Shayan Abdullah

Human Resource**& Remuneration Committee :****Chairman :**

Mr. Nadeem Karamat

Member :

Mr. Amer Abdullah

Mr. Yousuf Abdullah

Chief Financial Officer :

Mr. Abdul Sattar

Secretary :

Mr. Zeeshan

Auditors :

E. Y Ford Rhodes,
Chartered Accountants

Tax Consultants :

Deloitte Yousuf Adil,
Chartered Accountants

Legal Advisor :

A. K. Brohi & Company

Bankers :

Allied Bank Limited,
Habib Bank Limited
Standard Chartered Bank (Pakistan) Ltd.
United Bank Limited,
Bank Alfalah Limited,
Bank Al Habib Ltd.

Share Registrar :

Hameed Majeed Associates (Pvt.) Ltd.

Registered Office :

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

Mills :

S. I. T. E. Kotri,
S. I. T. E. Nooriabad,
Chunian, District Kasur
Feroze Watwan,
Bhopattian, Lahore.

Directors' Report to the Shareholders

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the nine months' period ended March 31, 2019.

FINANCIAL HIGHLIGHTS

	Rupees in Thousand	
	Nine Months Period Ended March 31	
	2019	2018
Turnover	25,527,835	20,643,501
Gross Profit	3,972,468	2,336,253
Other Income	655,882	925,386
Profit before taxation	1,856,496	1,160,169
Taxation		
- Current	(240,022)	(173,987)
- Prior year	834	47
- Deferred	(3,894)	(26,916)
	(243,082)	(200,856)
Profit after taxation	1,613,414	959,313

REVIEW OF OPERATIONS

During the period the Company has achieved sales of Rs.25.528 billion as compared to Rs.20.644 billion in the corresponding period. The gross profit as a percentage of sales was 15.56% as compared to 11.32% in the corresponding period. The profit before tax for the nine months' period ended of current financial year was Rs. 1,856.496 million as compared to Rs.1,160.169 million in the corresponding period of previous year.

EARNINGS PER SHARE

The earnings per share for the nine months' period ended March 31, 2019 is Rs. 80.34 as compared to Rs. 47.77 for previous year's corresponding period.

FUTURE PROSPECTS

The Company is expected to perform well despite cost pressures particularly continues increase in markup rates. In coming days your company will capitalize maximum benefit of favourable Government policies towards textile sector in addition to existing benefits of business diversification.

ACKNOWLEDGEMENTS

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

On behalf of the Board

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Lahore:
Dated: April 29, 2019

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹرانہایت مسرت کے ساتھ 31 مارچ 2019ء کو اختتام پذیر ہونے والی نو ماہی کی غیر آڈٹ شدہ مالی تفصیلات پیش کر رہے ہیں۔
مالیاتی نتائج درج ذیل ہیں:

مالیاتی نتائج:

31 مارچ 2018	31 مارچ 2019	
رقم ہزاروں میں		
20,643,501	25,527,835	نیٹ کلغروخت
2,336,253	3,972,468	مجموعی منافع
925,386	655,882	دیگر ذرائع سے آمدنی
1,160,169	1,856,496	قبل از ٹیکس منافع
		ٹیکس
(173,987)	(240,022)	موجودہ سال
47	834	گزشتہ سال
(26,916)	(3,894)	موخر
(200,586)	(243,082)	
959,313	1,613,414	بعد از ٹیکس منافع

کاروباری کارکردگی کا جائزہ:

رواں سال نو ماہی میں کمپنی نے 25.528 ملین کی فروخت حاصل کی جبکہ گزشتہ سال اسی مدت میں فروخت 20.644 ملین تھی۔ شرح کل منافع فروخت کا 15.56 فیصد رہا جبکہ یہی شرح گزشتہ سال کی اسی مدت کے لئے 11.32 فیصد تھی۔
نو ماہی میں ٹیکس سے قبل منافع 1,856,496 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں یہ منافع 1,160,169 ملین تھا۔

آمدنی فی حصص:

31 مارچ 2019ء کو ختم ہونے والے نو ماہی کی آمدنی فی حصص 80.34 روپے ہے جبکہ پچھلے سال کی نو ماہی میں یہ 47.77 روپے تھی۔

مستقبل کا منظر نامہ:

قیمتوں پر دباؤ اور شرح سود میں مسلسل اضافے کے باوجود، امید ہے کہ کمپنی بہتر کارکردگی کا مظاہرہ کرے گی۔ آنے والے دنوں میں آپ کی کمپنی سازگار گورنمنٹ ٹیکسٹائل پالیسی اور موجودہ کاروباری ڈائریکشن کا زیادہ سے زیادہ فائدہ حاصل کریگی۔

اظہار تشکر:

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

بورڈ کی جانب سے

محمد عبداللہ
ڈائریکٹر

ندیم عبداللہ
چیف ایگزیکٹو

لاہور

29 اپریل 2019ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,587,445,991	11,415,325,178
Investment property		31,750,000	31,750,000
Intangible assets		979,075	2,035,188
Long term investments		14,915,856,865	14,926,618,637
Long term loans and advances		39,574,691	518,741,452
Long term deposits		88,497,709	88,434,708
		27,664,104,331	26,982,905,163
CURRENT ASSETS			
Stores, spares and loose tools		437,687,859	390,369,902
Stock-in-trade		9,115,278,951	5,471,700,519
Trade debts		3,552,210,876	2,947,183,401
Loans and advances		86,198,065	119,636,806
Trade deposits and short term prepayments		26,495,154	7,839,896
Other receivables		643,955,592	566,397,978
Other financial assets		4,361,069,141	4,103,068,742
Tax refunds due from Government		1,833,799,732	1,685,599,982
Cash and bank balances		98,546,150	55,448,646
		20,155,241,520	15,347,245,872
TOTAL ASSETS		47,819,345,851	42,330,151,035
EQUITY AND LIABILITIES			
Authorized share capital			
35,000,000 (30 June 2018: 35,000,000) ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital			
20,083,140 (30 June 2018: 20,083,140) ordinary shares of Rs.10 each		200,831,400	200,831,400
Reserves		16,343,095,369	15,821,423,802
		16,543,926,769	16,022,255,202
NON-CURRENT LIABILITIES			
Long term financing		13,002,179,211	12,857,957,903
Deferred liabilities		509,240,074	478,375,674
		13,511,419,285	13,336,333,577
CURRENT LIABILITIES			
Trade and other payables		3,315,555,315	3,019,078,293
Contract liabilities		909,620,214	848,204,618
Accrued Interest / mark-up		400,406,082	184,774,201
Unclaimed dividend		1,813,747	1,309,519
Short term borrowings		11,310,333,570	7,302,116,241
Current portion of long term financing		1,340,082,657	1,139,457,250
Provision for taxation		486,188,212	476,622,134
		17,763,999,797	12,971,562,256
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		47,819,345,851	42,330,151,035

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine Months Period Ended March 31,		Quarter Ended March 31,	
		2019	2018	2019	2018
		----- Rupees -----		----- Rupees -----	
Net turnover	7	25,527,835,317	20,643,500,882	9,267,677,253	7,262,976,218
Cost of sales	8	(21,555,367,729)	(18,307,248,272)	(7,795,448,163)	(6,446,338,068)
Gross profit		3,972,467,588	2,336,252,610	1,472,229,090	816,638,150
Distribution cost		(797,255,527)	(706,170,607)	(275,600,520)	(231,762,866)
Administrative expenses		(313,893,424)	(299,066,904)	(102,415,373)	(99,716,955)
Other operating expenses		(163,547,896)	(71,191,798)	(70,873,921)	(22,017,551)
Other income		655,881,754	925,385,800	136,741,296	168,383,178
		(618,815,093)	(151,043,509)	(312,148,518)	(185,114,194)
Profit from operations		3,353,652,495	2,185,209,101	1,160,080,572	631,523,956
Finance cost		(1,497,156,426)	(1,025,039,858)	(594,021,583)	(361,095,310)
Profit before taxation		1,856,496,069	1,160,169,243	566,058,989	270,428,646
Taxation					
Current					
- for the period		(240,021,516)	(173,986,648)	(61,133,599)	(19,188,041)
- prior year		834,128	46,892	-	-
Deferred		(3,894,452)	(26,916,529)	(4,590,505)	(11,018,228)
		(243,081,840)	(200,856,285)	(65,724,104)	(30,206,269)
Profit after taxation for the period		1,613,414,229	959,312,958	500,334,885	240,222,377
Earnings per share - basic and diluted		80.34	47.77	24.91	11.96

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine Months Period Ended		Quarter Ended	
	March 31,		March 31,	
	2019	2018	2019	2018
	----- Rupees -----		----- Rupees -----	
Profit after taxation for the period	1,613,414,229	959,312,958	500,334,885	240,222,377
Other comprehensive income / (loss):				
Items to be reclassified to profit or loss in subsequent periods (net of tax):				
Available for sale investments				
Unrealized (loss) / gain on remeasurement of available for sale investments	(752,761,375)	(1,150,490,967)	1,027,060,340	2,128,944,385
Reclassification adjustments relating to gain realized on disposal of available for sale investments	-	(5,002,843)	-	(5,002,843)
	(752,761,375)	(1,155,493,810)	1,027,060,340	2,123,941,542
Forward foreign currency contracts				
Unrealized gain on remeasurement of forward foreign currency contracts	-	40,663,391	-	28,866,559
Reclassification adjustments relating to gain realized on settlement of forward foreign currency contracts	(17,651,047)	(7,764,396)	-	-
	(17,651,047)	32,898,995	-	28,866,559
Other comprehensive (loss) / income for the period	(770,412,422)	(1,122,594,815)	1,027,060,340	2,152,808,101
Total comprehensive income / (loss) for the period	843,001,807	(163,281,857)	1,527,395,225	2,393,030,478

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Capital Reserves			Revenue Reserves				
	Share Capital	Share Premium	Fixed Assets Replacement	Unrealized gain / (loss) on available for sale investments	Unrealized (loss) / gain on forward foreign exchange contracts	General reserves	Unappropriated profit	Total Equity
	Rupees							
Balance as at July 01, 2017 (Audited)	200,831,400	156,202,200	65,000,000	3,168,365,588	(7,764,396)	1,330,000,000	12,082,119,858	16,994,754,650
Total comprehensive loss for the nine months period ended March 31, 2018								
Profit after taxation for the period	-	-	-	-	-	-	959,312,958	959,312,958
Other comprehensive (loss) / income for the period	-	-	-	(1,155,493,810)	32,898,995	-	-	(1,122,594,815)
	-	-	-	(1,155,493,810)	32,898,995	-	959,312,958	(163,281,857)
Balance as at March 31, 2018 (Un-audited)	200,831,400	156,202,200	65,000,000	2,012,871,778	25,134,599	1,330,000,000	13,041,432,816	16,831,472,793
Balance as at July 01, 2018 (Audited)	200,831,400	156,202,200	65,000,000	587,918,606	17,651,047	1,330,000,000	13,664,651,949	16,022,255,202
Total comprehensive income for the nine months period ended March 31, 2019								
Profit after taxation for the period	-	-	-	-	-	-	1,613,414,229	1,613,414,229
Other comprehensive loss for the period	-	-	-	(752,761,375)	(17,651,047)	-	-	(770,412,422)
	-	-	-	(752,761,375)	(17,651,047)	-	1,613,414,229	843,001,807
Transaction with owners								
Final dividend for the year ended June 30, 2018 @ Rs.16 per share	-	-	-	-	-	-	(321,330,240)	(321,330,240)
Balance as at March 31, 2019 (Un-audited)	200,831,400	156,202,200	65,000,000	(164,842,769)	-	1,330,000,000	15,278,066,178	16,543,926,769

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	March 31,	
		2019	2018
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	9	(247,759,798)	562,261,588
Long term loans and deposits		(2,896,240)	(40,667)
Finance cost paid		(1,281,524,545)	(994,094,211)
Staff retirement benefits - gratuity paid		(53,146,886)	(62,190,585)
Taxes paid		(377,821,060)	(339,289,420)
		(1,715,388,731)	(1,395,614,883)
Net cash used in operating activities		(1,963,148,529)	(833,353,295)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,167,482,433)	(1,750,696,546)
Purchase of intangibles		-	(500,000)
Investment in associates and subsidiaries		(1,000,000,000)	(513,049,480)
Investment others		-	(500,000)
Loans to subsidiaries		482,000,000	30,150,000
Proceeds from disposal of property, plant and equipment		155,586,191	54,571,122
Proceeds from sale of investments		-	505,109,946
Dividend received		480,837,046	260,238,672
Interest income received		22,729,697	52,055,289
Rental income received		337,500	435,000
Net cash used in investing activities		(2,025,991,999)	(1,362,185,997)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		3,982,165,849	1,911,311,589
Proceeds from long term financing		989,292,000	1,923,725,000
Repayment of long term financing		(644,445,285)	(1,645,813,031)
Dividend paid		(320,826,012)	(191,959)
Net cash generated from financing activities		4,006,186,552	2,189,031,599
Net increase / (decrease) in cash and cash equivalents		17,046,024	(6,507,693)
Cash and cash equivalents at the beginning of the period		54,608,611	70,966,102
Cash and cash equivalents at the end of the period		71,654,635	64,458,409
Cash and cash equivalents			
Cash and bank balances		98,546,150	90,281,834
Bank overdraft - unsecured		(26,891,515)	(25,823,425)
Cash and cash equivalents at the end of the period		71,654,635	64,458,409

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

1 LEGAL STATUS AND OPERATIONS

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

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

BUSINESS UNIT	LOCATION
Production Plants	
Spinning	A-17, SITE, Kotri
Spinning	A-84, SITE Area, Nooriabad
Spinning	63/64-KM, Multan Road, Jumber Khurd, Chunian, District Kasur
Spinning	1.5-KM, Warburtan Road, Feroze Watwan, Sheikhpura.
Weaving	2-KM, Warburtan Road, Feroze Watwan, Sheikhpura.
Printing and processing	2-KM, Warburtan Road, Feroze Watwan, Sheikhpura.
Stitching and Home textile	1.5-KM Off, Defence Road, Bhubtian Chowk, Raiwind Road, Lahore
Registered Office	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Pakistan Stock Exchange and section 237 of the Act.

2.2 The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2018.

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

2.4 These are separate financial statements, where the investment in subsidiaries and associates is shown at cost; consolidated financial statements are separately presented.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2018, except as follows:

3.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 40 - Transfers to investment Property (Amendments)

IFRS 2 - Share based Payments — Classification and Measurement (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

IFRS 9 - Financial Instruments: Classification and measurement

IFRS 15 - Revenue from Contracts with Customers

Further, IFRS - 9 "Financial Instruments" replaces IAS - 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 July 2018. However, the Securities and Exchange Commission of Pakistan vide its notification dated 14 February 2019 has deferred the applicability of IFRS - 9 on interim period ending before 30 June 2019. Therefore, these condensed interim financial statements do not include the impact of adoption of the standard.

The adoption of above standards did not have a significant impact on the financial statements except for IFRS 15 which is disclosed below:

- IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted IFRS 15 using the modified retrospective method of adoption. The effect of adopting IFRS 15 is, as follows :

Statement of financial Position

Statement of Financial Position

Description	Under IAS 18	Reclassification	Under IFRS 15
	Carrying Amount		Carrying Amount
	30 June 2018		
Trade and other payables	3,867,282,911	(848,204,618)	3,019,078,293
Contract Liabilities	-	848,204,618	848,204,618
	3,867,282,911	-	3,867,282,911
	1 July 2017		
Trade and other payables	3,106,559,172	(631,069,019)	2,475,490,153
Contract Liabilities	-	631,069,019	631,069,019
	3,106,559,172	-	3,106,559,172

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

The adoption of revenue recognition standard did not have a material impact on amounts in statement of profit or loss, statement of other comprehensive income, statement of cash flows or earnings per share for the prior period as the Company did not have any incomplete existing customers contracts from prior periods.

The Company is in the business of providing yarn, fabric, home textile products and processing services. The products and services are sold on their own in separately identified contracts with customers. According to the requirements of IFRS 15, the Company has formulated the following policies for recognition of revenue earned from different sources:

(a) Sale of Goods

The Company's contracts with customers for the sale of goods generally include one performance obligation for both local and export sales i.e. provision of goods to the customers.

Local Sales

The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch of products from the factory. Therefore, the adoption of IFRS 15 did not have an impact on the timing or amount of revenue recognition as there are no terms resulting in variable consideration.

Export Sales

The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the goods is transferred to the customer which depends on the related inco-terms; generally on date of bill of lading or delivery of the product to the port of destination.

In addition, the Company reclassified the remaining advances from customers against revenue yet to be recognized to contract liabilities.

(b) Rendering of services

The Company provides garments stitching and fabric processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

The Company has concluded that revenue from services will continue to be recognised at the point in time, generally on dispatch of the stitched/processed fabric from the factory. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition or amount of revenue recognition as there are no terms resulting in variable consideration.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2018.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

			(Un-audited) March 31, 2019	(Audited) June 30, 2018
5	PROPERTY, PLANT AND EQUIPMENT	Note	----- Rupees -----	
	Operating fixed assets	5.1	11,407,232,142	11,023,834,392
	Capital work-in-progress	5.2	1,180,213,849	391,490,786
			<u>12,587,445,991</u>	<u>11,415,325,178</u>
5.1	Operating fixed assets			
	Opening book value		11,023,834,392	10,253,726,053
	Cost of additions during the period/year	5.1.1	1,378,759,370	1,970,043,752
	Book value of disposals during the period/year	5.1.1	(147,795,520)	(103,304,921)
			1,230,963,850	1,866,738,831
	Depreciation during the period/year		(847,566,100)	(1,096,630,492)
			383,397,750	770,108,339
	Closing book value		<u>11,407,232,142</u>	<u>11,023,834,392</u>

- 5.1.1** The cost of additions and book value of disposals to operating fixed assets during the nine months period ended 31 March 2019 and year ended 30 June 2018 are as follows.

	(Un-Audited) March 31, 2019		(Audited) June 30, 2018	
	Addition Cost	Disposal Book value	Addition Cost	Disposal Book value
	----- Rupees -----		----- Rupees -----	
Land:				
Freehold	-	-	6,301,600	-
Lease hold	-	-	8,930,000	-
On Freehold land:				
Factory buildings	131,065,841	-	109,693,337	-
Labour, staff colony and others	3,178,328	-	5,702,612	-
Office buildings	10,433,500	-	144,914,648	-
On lease hold land:				
Factory buildings	7,268,313	-	2,400,000	-
Labour, staff colony and others	8,888,663	-	4,591,725	-
Plant & machinery	1,109,569,360	65,169,588	1,583,400,329	78,958,055
Electric installations	2,231,671	-	9,944,509	-
Fire Fighting equipment	3,577,407	-	131,800	-
Electric equipments	38,051,178	5,192	1,379,200	-
Computers	10,094,094	417,652	11,408,256	853,274
Office equipments	999,998	-	1,033,500	-
Mills equipments	7,384,635	-	4,890,031	-
Furniture & fixtures	5,974,712	-	2,114,504	-
Vehicles	40,041,670	82,203,088	73,207,701	23,493,592
	<u>1,378,759,370</u>	<u>147,795,520</u>	<u>1,970,043,752</u>	<u>103,304,921</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees -----	
5.2 Capital work-in-progress		
Advance for land	84,500,000	-
Civil works and Buildings	773,744,135	287,228,119
Plant and machinery	263,770,684	88,086,367
Electric installations	50,836,416	-
Fire fighting equipment	2,190,035	-
Furniture & fixture	5,172,579	-
Advance for vehicles	-	16,176,300
	1,180,213,849	391,490,786

6 CONTINGENCIES AND COMMITMENTS

Contingencies

6.1	Guarantees issued by banks on behalf of the Company	617,943,587	605,443,587
6.2	Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at March 31, 2019 the value of these cheques amounted to Rs.670.250 million (June 30, 2018: Rs.578.991 million).		
6.3	There is no change in status of the contingencies as disclosed in notes from 29.3 to 29.6 and 29.8 of the audited annual financial statements of the Company for the year ended June 30, 2018.		

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
Commitments		
Confirmed letter of credit in respect of:	----- Rupees -----	
- plant and machinery	156,878,340	1,066,038,792
- raw material	672,414,987	409,071,691
- stores and spares	53,500,296	65,461,931
	882,793,623	1,540,572,414

7 NET TURNOVER

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

	Export Sales		Local Sales		Total	
	31 March		31 March		31 March	
	2019	2018	2019	2018	2019	2018
	----- Rupees -----					
Yarn	8,085,889,544	5,809,378,527	2,750,744,561	3,125,147,499	10,836,634,105	8,934,526,026
Fabric	7,783,073,796	5,215,428,851	738,988,296	1,276,020,453	8,522,062,092	6,491,449,304
Home textile products	3,890,675,120	3,209,573,449	85,445,885	69,162,015	3,976,121,005	3,278,735,464
Raw material	-	-	27,380,520	163,311,285	27,380,520	163,311,285
Waste	135,613,012	146,118,203	184,141,229	156,185,387	319,754,241	302,303,590
Processing income	-	-	1,737,355,138	1,052,529,827	1,737,355,138	1,052,529,827
	19,895,251,472	14,380,499,030	5,524,055,629	5,842,356,466	25,419,307,101	20,222,855,496
Export rebate					108,528,216	420,645,386
					25,527,835,317	20,643,500,882

7.1	Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

8 COST OF SALES

Note	(Un-audited) Nine Months Period ended March 31,		(Un-audited) Quarter ended March 31,	
	2019	2018	2019	2018
	----- Rupees -----		----- Rupees -----	
Finished goods - Opening stock	850,821,494	955,831,564	1,534,407,819	783,153,068
Cost of goods manufactured	21,956,197,078	18,113,333,754	7,524,896,070	6,518,024,712
Cost of raw material sold	18,706,390	146,924,292	6,501,507	54,001,626
	<u>22,825,724,962</u>	<u>19,216,089,610</u>	<u>9,065,805,396</u>	<u>7,355,179,406</u>
Finished goods - Closing stock	(1,270,357,233)	(908,841,338)	(1,270,357,233)	(908,841,338)
	<u>21,555,367,729</u>	<u>18,307,248,272</u>	<u>7,795,448,163</u>	<u>6,446,338,068</u>

8.1 Cost of Goods Manufactured

Work in process - opening stock	478,749,878	397,339,030	485,284,294	420,815,840
Raw material consumed	15,215,368,442	11,681,715,933	5,339,926,864	4,200,921,769
Overheads	6,794,229,756	6,442,430,961	2,231,835,910	2,304,439,273
	<u>22,488,348,076</u>	<u>18,521,485,924</u>	<u>8,057,047,068</u>	<u>6,926,176,882</u>
Work in process - closing stock	(532,150,998)	(408,152,170)	(532,150,998)	(408,152,170)
	<u>21,956,197,078</u>	<u>18,113,333,754</u>	<u>7,524,896,070</u>	<u>6,518,024,712</u>

9 CASH (USED IN) / GENERATED FROM OPERATIONS

	(Un-audited) March 31,	
	2019	2018
	----- Rupees -----	
Profit before taxation	1,856,496,069	1,160,169,243
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	847,566,100	783,265,119
Gain on sale of investments	-	(45,941,094)
Amortization of intangible assets	1,056,111	1,056,111
Interest income	(13,813,093)	(30,050,590)
Loss / (gain) on sale of property, plant and equipment	21,429,024	(4,564,864)
Dividend income	(603,778,664)	(333,261,069)
Provision for gratuity	80,116,834	65,735,713
Provision for stores, spares and loose tools	9,780,598	1,408,179
Credit balance written back	(791,928)	(1,240,625)
Exchange differences	-	1,524,391
Finance cost	1,497,156,426	1,023,570,627
Rental income	(450,000)	(450,000)
	<u>1,838,271,408</u>	<u>1,461,051,898</u>
Operating cash flow before changes in working capital	<u>3,694,767,477</u>	<u>2,621,221,141</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	(Un-audited) March 31,	
	2019	2018
	----- Rupees -----	
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(57,098,555)	(98,403,941)
Stock-in-trade	(3,643,578,432)	(1,581,281,908)
Trade debts	(605,027,475)	(694,231,811)
Loans and advances	33,438,741	(55,376,661)
Trade deposits and short term prepayments	(18,655,258)	(13,668,759)
Other receivables	(10,290,842)	(222,135,216)
	(4,301,211,821)	(2,665,098,296)
Increase in current liabilities		
Trade and other payables	297,268,950	409,207,423
Contract liabilities	61,415,596	196,931,320
	(247,759,798)	562,261,588

10 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited) March 31,	
	2019	2018
	----- Rupees -----	
Subsidiaries:		
Sales / processing	1,789,516,706	1,770,234,148
Share deposit money	1,000,000,000	507,200,000
Shares received	1,000,000,000	542,200,000
Loans recovered	482,000,000	30,150,000
Expenses charged to	331,029	185,539
Markup charged to	12,822,179	29,458,639
Rental received	450,000	450,000
Dividend received	279,999,998	-
Associates:		
Sales / processing	1,494,966,109	1,277,570,943
Purchases	311,581,302	281,991,833
Electricity / steam purchased	10,957,927	170,915,208
Expenses charged by	4,226,269	3,836,645
Expenses charged to	35,160,924	31,530,579
Markup charged by	34,708,353	27,667,906
Dividend received	32,501,100	18,474,652
Dividend paid	89,971,632	-
Loans obtained - net	175,459,386	362,029,116
Other related parties:		
Contribution to provident fund	28,826,414	27,085,622
Loan from directors and related parties	167,583,000	-
Remuneration to key management personnel	33,000,000	23,400,000

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019****11 CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the annual audited financial statements of the Company for the year ended June 30, 2018 and the Corresponding figures in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances comparable period of the immediately preceding financial period i.e. nine months period ended March 31, 2018.

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized by the Board of Directors of the Company and authorized for issue on April 29, 2019.

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

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Directors' Report to the Shareholders

On behalf of Board of Directors of Holding Company of Sapphire Wind Power Company Limited, Sapphire Retail Limited, Triconboston Consulting Corporation (Private) Limited, Sapphire Renewables Limited, Sapphire Tech (Private) Limited and Sapphire Solar (Private) Limited, it is my pleasure to present Directors' Report with Un-Audited Consolidated Financial Statement for the nine months period ended March 31, 2019.

Sapphire Wind Power Company Limited

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

Sapphire Retail Limited

Sapphire Retail Limited is a wholly owned subsidiary of Sapphire Textile Mills Limited. The principal business of subsidiary is to operate "Sapphire brand" retail outlets for sale of textile and other products.

Tricon Boston Consulting Corporation (Private) Limited

Tricon Boston Consulting Corporation (Private) Limited is incorporated under the laws of Pakistan and operating 3 projects having capacity of 50 MW each in Jhimpir. All the three projects have successfully commenced commercial operation in September, 2018.

Sapphire Renewables Limited

Sapphire Renewables Limited, is wholly owned subsidiary of Sapphire Textile Mills Limited, incorporated on May 30, 2016. The main business of the company is to make investment in Renewable Energy Projects. The company has obtained certificate of commencement of business on August 19, 2016.

Sapphire Tech (Pvt.) Limited

Sapphire Tech (Private) Limited is incorporated under Companies Ordinance, 1984. The subsidiary is established to setup electric power generation project and sell electric power. It is 100% equity owned. The shareholders of the holding company have approved to liquidate or sell the company in annual general meeting held on October 26, 2015. The management is in the process of evaluating best option in light of above resolution.

Sapphire Solar (Private) Limited

Sapphire Solar (Private) Limited is wholly owned subsidiary of Sapphire Textile Mills Limited. The LOI from Alternative Energy Development Board to set up an IPP, solar energy Project of 10 MW has been cancelled. It is 100% equity owned. The shareholders of the holding company have approved to liquidate or sell the company in annual general meeting held on October 26, 2015. The management is in the process of evaluating best option in light of above resolution.

On behalf of the Board

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Lahore
Dated: April 29, 2019

ڈائریکٹر رپورٹ برائے حصص یافتگان

سیفائز وڈ پاور کمپنی لمیٹڈ، سیفائز ریٹیل لمیٹڈ، ٹرانیکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سیفائز سولر (پرائیویٹ) لمیٹڈ اور سیفائز سولر (پرائیویٹ) لمیٹڈ کی ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹر نہایت مسرت کے ساتھ 31 مارچ 2019ء کو اختتام پذیر ہونے والی نوامبی کی مشترکہ غیر آڈٹ شدہ مالی تفصیلات پیش کر رہے ہیں۔

سیفائز وڈ پاور کمپنی لمیٹڈ

کمپنی 70 فیصد سیفائز ٹیکسٹائل ملز لمیٹڈ کی ملکیت اور 30 فیصد بینک الفلاح لمیٹڈ کی ملکیت ہے۔ کمپنی نے جھمپیر میں 52.80 میگا واٹ گنجائش کے وڈ فارم لگائے ہیں جنہوں نے نومبر 2015ء میں تجارتی سرگرمیاں شروع کر دی ہیں۔ پروجیکٹ بہترین صنعتی عمل انجام دے رہا ہے اور اطمینان بخش نتائج حاصل ہو رہے ہیں۔

سیفائز ریٹیل لمیٹڈ

سیفائز ریٹیل لمیٹڈ، سیفائز ٹیکسٹائل ملز لمیٹڈ کی مکمل ملکیت کی سبڈیری ہے۔ اس سبڈیری کا اہم کاروبار ٹیکسٹائل اور دیگر مصنوعات کی فروخت کیلئے ”سیفائز برانڈ“ ریٹیل آؤٹ لیٹس چلانا ہے۔

ٹرانیکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ

ٹرانیکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ جھمپیر سندھ میں پاکستانی قوانین کے تحت تشکیل پائی ہے اور 3X50 میگا واٹ وڈ انرجی کے (3) پروجیکٹس چلا رہی ہے۔ تینوں پروجیکٹس کی تجارتی سرگرمیاں ستمبر 2018ء سے کامیابی کے ساتھ شروع ہو گئی ہیں۔

سیفائز ریونیو بلز لمیٹڈ

سیفائز ریونیو بلز لمیٹڈ مکمل طور پر سیفائز ٹیکسٹائل ملز لمیٹڈ کی ملکیتی سبڈیری ہے جو 30 مئی 2016ء تشکیل ہوئی تھی۔ کمپنی کا اصل کاروبار ریونیو بلز انرجی پروجیکٹس میں سرمایہ کاری ہے۔ کمپنی کو 19 اگست 2016ء کو کاروبار کے آغاز کا سرٹیفکیٹ حاصل ہوا ہے۔

سیفائز ٹیک (پرائیویٹ) لمیٹڈ

سیفائز ٹیک (پرائیویٹ) لمیٹڈ کمپنیز آرڈیننس مجریہ 1984ء کے تحت تشکیل پائی۔ سبڈیری الیکٹرک پاور جنریشن پروجیکٹ اور بجلی کی فروخت کیلئے قائم کی گئی۔ یہ سو فیصد اکیوٹی کی ملکیت ہے۔ ہولڈنگ کمپنی کے شیئرز ہولڈرز نے سالانہ اجلاس عام منعقدہ 26 اکتوبر 2015ء میں کمپنی کی تحلیل یا فروخت کی منظوری دی ہے۔ اس ضمن میں مینجمنٹ بہترین آپشن کا جائزہ لینے کے عمل میں ہے۔

سیفائز سولر (پرائیویٹ) لمیٹڈ

سیفائز سولر (پرائیویٹ) لمیٹڈ، سیفائز ٹیکسٹائل ملز لمیٹڈ کی مکمل ملکیتی سبڈیری ہے۔ آلٹرنیٹو انرجی ڈیولپمنٹ بورڈ سے LOI ایک آئی پی 10 میگا واٹ سولر انرجی پروجیکٹ کی تشکیل منسوخ ہو گئی ہے۔ یہ سو فیصد اکیوٹی کی ملکیت ہے۔ ہولڈنگ کمپنی کے شیئرز ہولڈرز نے سالانہ اجلاس عام منعقدہ 26 اکتوبر 2015ء میں کمپنی کی تحلیل یا فروخت کی منظوری دی ہے۔ اس ضمن میں مینجمنٹ بہترین آپشن کا جائزہ لینے کے عمل میں ہے۔

بورڈ کی جانب سے

محمد عبداللہ

ڈائریکٹر

ندیم عبداللہ

چیف ایگزیکٹو

لاہور

مورخہ 29 اپریل 2019ء

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION **AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	62,117,105,954	51,770,140,053
Investment property		31,750,000	31,750,000
Intangible assets		468,049,827	473,465,504
Long term investments		5,958,214,671	6,879,577,347
Long term loans and advances		39,574,691	36,741,452
Long term deposits and prepayments		247,018,688	249,086,588
		68,861,713,831	59,440,760,944
CURRENT ASSETS			
Stores, spares and loose tools		563,091,703	513,863,819
Stock-in-trade		12,310,857,287	7,478,759,709
Trade debts		4,906,589,091	3,966,358,463
Loans and advances		206,069,879	217,215,440
Trade deposits and short term prepayments		80,834,690	54,436,381
Other receivables		1,958,388,835	1,054,367,947
Other financial assets		4,361,069,141	4,103,068,742
Tax refunds due from Government		1,952,445,527	2,033,428,680
Cash and bank balances		8,528,568,897	4,617,720,454
		34,867,915,050	24,039,219,635
TOTAL ASSETS		103,729,628,881	83,479,980,579
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		350,000,000	350,000,000
35,000,000 (30 June 2018: 35,000,000) ordinary shares of Rs.10 each			
Issued, subscribed and paid up capital		200,831,400	200,831,400
20,083,140 (30 June 2018: 20,083,140) ordinary shares of Rs.10 each			
Reserves		17,125,707,578	16,427,803,268
Equity attributable to holders of parent company		17,326,538,978	16,628,634,668
Non-controlling interest		5,309,913,282	5,082,699,819
Total Equity		22,636,452,260	21,711,334,487
NON-CURRENT LIABILITIES			
Long term financing		50,866,628,692	41,147,456,937
Deferred liabilities		442,557,532	410,333,097
Liabilities against assets subject to finance lease		19,284,697	31,789,874
		51,328,470,921	41,589,579,908
CURRENT LIABILITIES			
Trade and other payables		9,954,860,569	6,881,256,949
Contract liabilities		909,620,214	848,204,618
Accrued Interest / mark-up		583,327,085	330,132,390
Unclaimed dividend		1,813,747	1,309,519
Short term borrowings		12,435,513,565	8,294,872,401
Current portion of long term financing		5,385,489,074	3,333,466,695
Current portion of liabilities against assets subject to finance lease		7,893,234	8,878,906
Provision for taxation		486,188,212	480,944,706
		29,764,705,700	20,179,066,184
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		103,729,628,881	83,479,980,579

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

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) **FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Note	Nine Months Period Ended		Quarter Ended	
		March 31,		March 31,	
		2019	2018	2019	2018
		Rupees		Rupees	
Net turnover	7	34,110,139,890	24,576,667,771	12,633,860,556	8,850,937,481
Cost of sales	8	(26,072,458,093)	(20,670,397,808)	(9,748,535,078)	(7,541,498,818)
Gross profit		8,037,681,797	3,906,269,963	2,885,325,478	1,309,438,663
Distribution cost		(2,124,755,993)	(1,661,146,037)	(759,567,928)	(662,786,587)
Administrative expenses		(579,544,278)	(610,133,622)	(186,830,826)	(236,152,320)
Other operating expenses		(175,967,438)	(85,670,520)	(76,602,228)	(34,518,282)
Other income		604,344,794	489,356,132	181,818,421	203,693,093
		(2,275,922,915)	(1,867,594,047)	(841,182,561)	(729,764,096)
Profit from operations		5,761,758,882	2,038,675,916	2,044,142,917	579,674,567
Finance cost		(3,476,598,033)	(1,481,754,884)	(1,422,177,467)	(522,280,049)
		2,285,160,849	556,921,032	621,965,450	57,394,518
Share of profit of associated companies		103,876,041	73,098,671	50,894,867	39,727,935
Profit before taxation		2,389,036,890	630,019,703	672,860,317	97,122,453
Taxation					
Current					
- for the period		(265,760,474)	(222,417,922)	(71,348,341)	(43,979,338)
- prior year		834,128	46,892	-	-
Deferred		(5,254,487)	(29,222,323)	(5,151,987)	(11,692,174)
		(270,180,833)	(251,593,353)	(76,500,328)	(55,671,512)
Profit for the period		2,118,856,057	378,426,350	596,359,989	41,450,941
Attributable to:					
Shareholders of Parent Company		1,771,642,592	271,506,326	523,421,118	60,030,078
Non- controlling interest		347,213,465	106,920,024	72,938,871	(18,579,137)
		2,118,856,057	378,426,350	596,359,989	41,450,941
Earnings per share - basic and diluted					
attributable to the Shareholder of the parent company		88.22	13.52	26.06	2.99

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

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine Months Period Ended		Quarter Ended	
	March 31,		March 31,	
	2019	2018	2019	2018
	Rupees		Rupees	
Profit after taxation for the period	2,118,856,057	378,426,350	596,359,989	41,450,941
Other comprehensive income / (loss):				
Items to be reclassified to profit or loss in subsequent periods (net of tax):				
Available for sale investments				
Unrealized (loss) / gain on remeasurement of available for sale investments	(752,761,375)	(1,150,490,967)	1,027,060,340	2,128,944,385
Reclassification adjustments relating to gain realized on disposal of available for sale investments	-	(5,002,843)	-	(5,002,843)
Unrealized (loss) / gain on remeasurement of available for sale investments - associates	(7,055,236)	(9,967,390)	7,492,667	16,750,357
	(759,816,611)	(1,165,461,200)	1,034,553,007	2,140,691,899
Forward foreign currency contracts				
Unrealized gain on remeasurement of forward foreign currency contracts	-	40,663,391	-	28,866,559
Reclassification adjustments relating to gain realized on settlement of forward foreign currency contracts	(17,651,047)	(7,764,396)	-	-
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts - associates	33,829	266,247	(4,236)	90,870
	(17,617,218)	33,165,242	(4,236)	28,957,429
Exchange difference on translation of foreign operation	26,077,697	27,167,444	(1,015,689)	12,860,172
Items not to be reclassified to profit or loss in subsequent periods (net of tax):				
Share of decrease in reserves of associated companies under equity method	(1,051,910)	(2,437)	(23,060)	(36)
Other comprehensive (loss) / income for the period	(752,408,042)	(1,105,130,951)	1,033,510,022	2,182,509,464
Total comprehensive income / (loss) for the period	1,366,448,015	(726,704,601)	1,629,870,011	2,223,960,405
Attributable to:				
Shareholders of Parent Company	1,019,234,550	(833,624,625)	1,556,931,140	2,242,539,542
Non- controlling interest	347,213,465	106,920,024	72,938,871	(18,579,137)
	1,366,448,015	(726,704,601)	1,629,870,011	2,223,960,405

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

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Capital Reserves			Revenue Reserves					Non-Controlling Interest	Total	Total Equity
	Share Capital	Share Premium	Fixed Assets Replacement	Unrealized Gain/(loss) on available for sale investments	Unrealized (Loss)/gain on forward foreign currency contracts	Unrealized gain / (loss) on translation of foreign operation	General Reserves	Unappropriated profit			
----- Rupees -----											
Balance as at 01 July 2017 (Audited)	200,831,400	156,202,200	65,000,000	3,194,231,562	(7,816,272)	(3,608,703)	1,330,000,000	13,372,941,107	18,307,781,294	4,893,365,292	23,201,146,586
Total comprehensive loss for the nine months period ended March 31, 2018											
Profit after taxation for the period	-	-	-	-	-	-	-	271,506,326	271,506,326	106,920,024	378,426,350
Other comprehensive income / (loss) for the period	-	-	-	33,165,242	(1,165,461,200)	27,167,444	-	-	(1,105,128,514)	-	(1,105,128,514)
	-	-	-	33,165,242	(1,165,461,200)	27,167,444	-	271,506,326	(833,622,188)	106,920,024	(726,702,164)
Share of decrease in reserves of associated companies under equity method	-	-	-	-	-	-	-	(2,437)	(2,437)	-	(2,437)
Balance as at March 31, 2018 (Un-audited)	200,831,400	156,202,200	65,000,000	3,227,396,804	(1,173,277,472)	23,558,741	1,330,000,000	13,644,444,996	17,474,156,669	5,000,285,316	22,474,441,985
Balance as at 01 July 2018 (Audited)	200,831,400	156,202,200	65,000,000	589,844,100	17,804,164	23,454,928	1,330,000,000	14,245,497,876	16,628,634,668	5,082,699,819	21,711,334,487
Total comprehensive income for the nine months period ended March 31, 2019											
Profit after taxation for the period	-	-	-	-	-	-	-	1,771,642,592	1,771,642,592	347,213,465	2,118,856,057
Other comprehensive (loss) / income for the period	-	-	-	(17,617,218)	(759,816,611)	26,077,697	-	-	(751,356,132)	-	(751,356,132)
	-	-	-	(17,617,218)	(759,816,611)	26,077,697	-	1,771,642,592	1,020,286,460	347,213,465	1,367,499,925
Share of decrease in reserves of associated companies under equity method	-	-	-	-	-	-	-	(1,051,910)	(1,051,910)	-	(1,051,910)
Final dividend for the year ended 30 June 2018 @ Rs. 16 per share								(321,330,240)	(321,330,240)	-	(321,330,240)
Interim dividend @ Rs.1.23 per share - SWPCL	-	-	-	-	-	-	-	-	(120,000,002)	(120,000,002)	(120,000,002)
Balance as at March 31, 2019 (Un-audited)	200,831,400	156,202,200	65,000,000	572,226,882	(742,012,447)	49,532,625	1,330,000,000	15,694,758,318	17,326,538,978	5,309,913,282	22,636,452,260

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

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) **FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Note	Nine Months Period Ended	
		March 31,	
		2019	2018
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	4,537,457,345	1,586,492,043
Long term loans and deposits		(765,339)	349,200,366
Finance cost paid		(3,184,097,990)	(1,461,813,844)
Staff retirement benefits - gratuity paid		(53,146,886)	(68,834,918)
Taxes paid		(178,699,687)	(746,137,727)
		(3,416,709,902)	(1,927,586,123)
Net cash generated from / (used in) operating activities		1,120,747,443	(341,094,080)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,258,894,528)	(21,152,095,938)
Purchase of intangibles		(347,400)	(18,366,030)
Investment in associates		32,481,325	18,469,942
Investment others		-	(500,000)
Proceeds from disposal of property, plant and equipment		144,789,430	67,477,452
Proceeds from sale of investments		-	505,109,946
Dividend received		168,355,723	241,768,730
Interest received		100,759,479	8,340,054
Rental income received		-	450,000
Net cash used in investing activities		(6,812,855,971)	(20,329,345,844)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		4,114,589,684	1,675,645,343
Proceeds from long term financing		8,788,792,800	18,971,663,361
Repayment of long term financing		(2,861,653,230)	(2,149,877,352)
Repayment of long term payable		-	(5,849,480)
Finance lease		(23,997,749)	-
Dividend paid		(440,826,014)	(191,959)
Net cash generated from financing activities		9,576,905,491	18,491,389,913
Net increase / (decrease) in cash and cash equivalents		3,884,796,963	(2,179,050,011)
Cash and cash equivalents at the beginning of the period		4,616,880,419	8,726,567,942
Cash and cash equivalents at the end of the period		8,501,677,382	6,547,517,931
Cash and cash equivalents			
Cash and bank balances		8,528,568,897	6,573,341,356
Bank overdraft - unsecured		(26,891,515)	(25,823,425)
Cash and cash equivalents at the end of the period		8,501,677,382	6,547,517,931

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

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

1 THE GROUP AND ITS OPERATIONS

The Group comprises of:

Sapphire Textile Mills Limited - the Holding Company

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

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

BUSINESS UNIT	LOCATION
Production Plants	
Spinning	A-17, SITE, Kotri
Spinning	A-84, SITE Area, Nooriabad
Spinning	63/64-KM, Multan Road, Jumber Khurd, Chunian, District Kasur
Spinning	1.5-KM, Warburton Road, Feroze Watwan, Sheikhpura.
Weaving	2-KM, Warburton Road, Feroze Watwan, Sheikhpura.
Printing and processing	2-KM, Warburton Road, Feroze Watwan, Sheikhpura.
Stitching and Home textile	1.5-KM Off, Defence Road - Bhubtian Chowk, Raiwind Road, Lahore
Registered Office	
Karachi	212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi

Sapphire Wind Power Company Limited - the subsidiary company (Holding - 70%)

Sapphire Wind Power Company Limited (the 'company') was incorporated in Pakistan as an unlisted public company limited by shares under the Companies Ordinance, 1984 (Now the Companies Act, 2017) on December 27, 2006. The company is a subsidiary of a listed company, Sapphire Textile Mills Limited (the 'holding company'). The address of the registered office of the company is 212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi and the company's project is being set up at Jhimpir, District Thatta, Sindh on land that is leased to the company by Alternative Energy Development Board ('AEDB'), Government of Pakistan. The company's principal objective is to carry on the business of supplying general electric power and to setup and operate wind power generation projects to generate, accumulate, distribute and supply electricity.

Tricon Boston Consulting Corporation (Private) Limited - the subsidiary company (Holding 57.125%)

Tricon Boston Consulting Corporation (Private) Limited (the Company) was incorporated in Pakistan as a private company limited by shares under the Companies Ordinance, 1984 (Now the Companies Act, 2017) on August 13, 2012. The Company is a subsidiary of Sapphire Textile Mills Limited, the holding company. The Company's principal business is to operate and maintain wind power plants to generate and supply electricity. The address of the registered office of the company is 7/A- K, Main Boulevard, Gulberg II, Lahore.

Sapphire Renewables Limited - the subsidiary company (Holding 100%)

Sapphire Renewables Limited (the Company) was incorporated in Pakistan as a public limited company by shares under the Companies Ordinance, 1984 (Now the Companies Act, 2017) on May 13, 2016. The Company is a wholly owned subsidiary of Sapphire Textile Mills Limited (the holding Company), a listed company. The principal objective of the company is to invest, manage, operate, run, own and build power projects. The address of the registered office of the Company is 7/A- K, Main Boulevard, Gulberg II, Lahore.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

Sapphire Retail Limited - the subsidiary company (Holding 100%)

Sapphire Retail Limited (the 'company') was incorporated in Pakistan as an unlisted public company limited by shares under the Companies Ordinance, 1984 (Now the Companies Act, 2017) on June 11, 2014. The company is a wholly owned subsidiary of a listed company, Sapphire Textile Mills Limited (the 'holding company'). The address of the registered office of the company is 7 A/K Main Boulevard, Gulberg-II, Lahore. The company is principally engaged in carrying out manufacturing of textile products by processing the textile goods in outside manufacturing facilities and to operate retail outlets to sell the same in Pakistan, abroad and through E-store.

Sapphire Solar (Private) Limited - the subsidiary company (Holding 100%)

Sapphire Solar (Private) Limited (the Company) is incorporated in Pakistan on March 06, 2013 under the Companies Ordinance, 1984 (Now the Companies Act, 2017) as a private company limited by shares. The principal activity of the Company is power generation by means of solar energy and other alternative energy sources. The registered office of the Company is situated at 307, Cotton Exchange Building, I.I. Chundrigar Road Karachi in the province of Sindh. The shareholders of the holding company have approved to liquidate or sell the company in annual general meeting held on October 26, 2015. The management is in the process of evaluating best option in light of above resolution.

Sapphire Tech (Private) Limited - the subsidiary company (Holding 100%)

Sapphire Tech (Private) Limited (the Company) is a private limited company incorporated in Pakistan on November 5, 2013, under the Companies Ordinance, 1984 (Now the Companies Act, 2017). The Company is a wholly owned subsidiary of Sapphire Textile Mills Limited. The registered office of the Company is located at 307 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Company is to set up and operate electrical power generation project for distribution, selling and supply of electric power. The shareholders of the holding company have approved to liquidate or sell the company in annual general meeting held on October 26, 2015. The management is in the process of evaluating best option in light of above resolution.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

-Provisions of and directives issued under the Companies Act, 2017.

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

2.2 The consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2018.

2.3 These consolidated condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2018, except as follows:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

3.1 New / Revised Standards, Interpretations and Amendments

The Group has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 40 - Transfers to investment Property (Amendments)

IFRS 2 - Share based Payments — Classification and Measurement (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

IFRS 15 - Revenue from Contracts with Customers

Further, IFRS - 9 "Financial Instruments" replaces IAS - 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 July 2018. However, the Securities and Exchange Commission of Pakistan vide its notification dated 14 February 2019 has deferred the applicability of IFRS - 9 on interim period ending before 30 June 2019. Therefore, these consolidated condensed interim financial statements do not include the impact of adoption of the standard.

The adoption of above standards did not have a significant impact on the consolidated financial statements except for IFRS 15 which is disclosed below:

- IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method of adoption. The effect of adopting IFRS 15 is, as follows:

Consolidated statement of financial Position

Description	Under IAS 18 Carrying Amount	Reclassification	Under IFRS 15 Carrying
	30 June 2018		
	----- Rupees -----		
Trade and other payables	7,729,461,567	(848,204,618)	6,881,256,949
Contract liabilities	-	848,204,618	848,204,618
	<u>7,729,461,567</u>	<u>-</u>	<u>7,729,461,567</u>
	1 July 2017		
	----- Rupees -----		
Trade and other payables	4,420,095,018	(631,069,019)	3,789,025,999
Contract liabilities	-	631,069,019	631,069,019
	<u>4,420,095,018</u>	<u>-</u>	<u>4,420,095,018</u>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

The adoption of revenue recognition standard did not have a material impact on amounts in consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows or earnings per share for the prior period as the Group did not have any incomplete existing customers contracts from prior periods.

The Group is in the business of providing yarn, fabric, home textile products, processing services, textile retail and electricity sales. The products and services are sold on their own in separately identified contracts with customers.

(a) Sale of Goods

The Group's contracts with customers for the sale of goods generally include one performance obligation for both local and export sales i.e. provision of goods to the customers.

Local Sales

The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch of products from the factory. Revenue on account of energy is recognised on transmission of electricity to CPPA-G on a monthly basis, whereas on account of Non-Project Missed Volume is recognised when these are due and invoiced when underlying data is available on monthly basis. Therefore, the adoption of IFRS 15 did not have an impact on the timing or amount of revenue recognition as there are no terms resulting in variable consideration.

Export Sales

The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the goods is transferred to the customer, dependent on the related inco-terms generally on date of bill of lading or delivery of the product to the port of destination.

(b) Rendering of services

The Group provides garments stitching and fabric processing services to local customers. These services are sold separately and the Group's contract with the customer for services constitute a single performance obligation.

The Group has concluded that revenue from services will continue to be recognised at the point in time, generally on dispatch of the stitched/processed fabric from the factory. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition or amount of revenue recognition as there are no terms resulting in variable consideration.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by management in the preparation of this consolidated condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- Rupees -----	-----
5	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	5.1	60,431,926,279	23,326,991,850
Capital work-in-progress	5.2	1,615,963,419	28,373,931,947
Major spare parts and stand-by equipment		69,216,256	69,216,256
		62,117,105,954	51,770,140,053
5.1	Operating fixed assets		
Opening book value		23,326,991,850	21,691,976,667
Cost of additions during the period / year	5.1.1	39,832,119,172	3,610,938,833
Book value of disposal during the period / year	5.1.1	(169,421,743)	(138,378,626)
		39,662,697,429	3,472,560,207
Depreciation during the period / year		(2,557,763,000)	(1,837,545,024)
		37,104,934,429	1,635,015,183
Closing book value		60,431,926,279	23,326,991,850

5.1.1 The cost of additions and book value of disposals to operating fixed assets during the nine months period ended March 31, 2019 and year ended June 30, 2018 are as follows.

	(Un-audited) March 31, 2019		(Audited) June 30, 2018	
	Addition Cost	Disposal Book value	Addition Cost	Disposal Book value
	----- Rupees -----	-----	----- Rupees -----	-----
Land:				
Freehold	-	-	6,301,600	-
Leasehold	-	-	8,930,000	-
On Freehold land:				
Factory buildings	131,065,841	-	110,512,634	-
Labour, staff colony and others	3,178,328	-	5,702,612	-
Office buildings	10,433,500	-	144,914,648	-
On Leasehold land:				
Factory buildings	2,280,589,312	-	33,066,921	-
Labour, staff colony and others	8,888,663	-	4,591,725	-
Leased building improvements	185,752,809	-	86,724,680	11,853,738
Plant & machinery	36,878,140,204	65,169,588	2,828,696,438	78,958,055
Electric installations	2,231,671	-	109,670,626	-
Fire Fighting equipment	3,577,407	-	131,800	-
Electric equipments	144,046,194	5,192	1,379,200	7,044,269
Computers	33,609,205	712,131	65,745,524	9,002,037
Office equipment	3,236,971	-	4,536,372	1,632,945
Mills equipment	7,384,635	-	4,890,031	-
Furniture & fixtures	75,033,246	-	69,680,352	2,766,511
Vehicles	54,444,286	90,022,832	90,317,670	27,121,071
Vehicles - leased	10,506,900	13,512,000	35,146,000	-
	39,832,119,172	169,421,743	3,610,938,833	138,378,626

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees -----	
5.2 Capital work-in-progress		
Advance for freehold land and buildings	520,249,570	435,749,570
Land improvements	-	6,501,900
Civil works and buildings	773,744,135	2,329,582,529
Plant and machinery	263,770,684	20,294,434,792
Electric installations	50,836,416	-
Fire fighting equipment	2,190,035	-
Furniture & fixture	5,172,579	-
Advance for vehicles	-	16,176,300
Advances to contractors	-	1,413,494,631
Un-allocated expenditure	-	3,877,992,225
	1,615,963,419	28,373,931,947

6 CONTINGENCIES AND COMMITMENTS

Contingencies

- 6.1** Guarantees issued by banks on behalf of the Group **623,217,587** 606,963,587
- 6.2** Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at March 31, 2019 the value of these cheques amounted to Rs.670.250 million (June 30, 2018: Rs.578.991 million).
- 6.3** There is no change in status of the contingencies and commitments as disclosed in notes 30.3, 30.5 to 30.10 and 30.12 to 30.13 of the audited annual consolidated financial statements of the Group for the year ended June 30, 2018.

Commitments

- 6.4** Confirmed letter of credit in respect of:
- | | | |
|-----------------------|--------------------|----------------------|
| - plant and machinery | 156,878,340 | 1,066,038,792 |
| - raw material | 672,414,987 | 599,235,302 |
| - stores and spares | 53,500,296 | 65,461,931 |
| | 882,793,623 | 1,730,736,025 |

7 NET TURNOVER

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

	Export Sales		Local Sales		Total	
	March 31,		March 31,		March 31,	
	2019	2018	2019	2018	2019	2018
	----- Rupees -----					
Yarn	8,085,889,544	5,809,378,527	2,750,685,661	3,125,147,499	10,836,575,205	8,934,526,026
Fabric	7,783,073,796	5,222,476,305	7,520,054,907	5,744,264,791	15,303,128,703	10,966,741,096
Home textile products	3,899,985,962	3,209,573,449	7,206,671	6,190,645	3,907,192,633	3,215,764,094
Raw material	-	-	27,380,520	163,311,285	27,380,520	163,311,285
Waste	135,613,012	146,118,203	184,141,229	156,185,387	319,754,241	302,303,590
Processing income	-	-	118,958,059	79,568,997	118,958,059	79,568,997
Power Generation	-	-	5,231,850,100	1,527,965,756	5,231,850,100	1,527,965,756
	19,904,562,314	14,387,546,484	15,840,277,147	10,802,634,360	35,744,839,461	25,190,180,844
Export rebate					108,528,216	420,645,386
Less: Discounts to customers					(1,743,227,787)	(1,034,158,459)
					34,110,139,890	24,576,667,771

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

8 COST OF SALES

Note	(Un-audited) Nine Months Period Ended March 31,		(Un-audited) Quarter ended March 31,	
	2019	2018	2019	2018
	----- Rupees -----		----- Rupees -----	
Finished goods - Opening stock	1,267,695,380	1,245,471,130	2,785,522,095	1,378,687,387
Cost of goods manufactured 8.1	27,146,984,583	20,653,109,906	9,538,348,159	7,616,491,837
Cost of raw material sold	18,706,390	287,572,172	6,501,507	118,001,972
Cost of sales - purchased for resale	301,826,329	171,029,599	80,917,906	115,102,624
Cost of sales owned manufactured	28,735,212,682	22,357,182,807	12,411,289,667	9,228,283,820
Finished goods - Closing stock	(2,662,754,589)	(1,686,784,999)	(2,662,754,589)	(1,686,784,999)
	26,072,458,093	20,670,397,808	9,748,535,078	7,541,498,821

	(Un-audited) Nine Months Period Ended March 31,		(Un-audited) Quarter ended March 31,	
	2019	2018	2019	2018
	----- Rupees -----		----- Rupees -----	
8.1 Cost of goods manufactured				
Work in process - opening stock	1,686,535,501	921,557,555	1,949,479,954	961,398,870
Raw materials consumed	15,314,399,038	11,835,676,327	5,338,293,093	4,593,416,888
Overheads	12,082,251,924	9,194,361,087	4,186,776,992	3,360,161,142
	29,083,186,463	21,951,594,969	11,474,550,039	8,914,976,900
Work in process - closing stock	(1,936,201,880)	(1,298,485,063)	(1,936,201,880)	(1,298,485,063)
	27,146,984,583	20,653,109,906	9,538,348,159	7,616,491,837

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

		(Un-audited)	
		Nine Months Period Ended	
		March 31,	
		2019	2018
		----- Rupees -----	
9 CASH GENERATED FROM OPERATIONS		2,285,160,849	556,921,032
Profit before taxation and share of profit of associated companies			
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		2,557,763,000	1,329,345,828
Gain on sale of investments		-	(45,941,094)
Amortization of intangible assets		5,763,075	2,219,995
Interest income		(100,759,479)	(8,340,054)
Loss / (gain) on sale of property, plant and equipment		24,632,313	(3,282,499)
Dividend income		(291,297,341)	(314,791,127)
Provision for gratuity		80,116,834	68,608,246
Credit balances written-back		(791,928)	(1,240,625)
Amortization of transaction cost		39,305,348	-
Provision for stores, spares and loose tools		9,780,598	1,408,179
Exchange differences		-	1,524,391
Finance cost		3,437,292,685	1,480,285,653
Rental income		-	(450,000)
		5,761,805,105	2,509,346,893
Operating cash flow before changes in working capital			
Changes in working capital		8,046,965,954	3,066,267,925
(Increase) / decrease in current assets			
Stores, spares and loose tools		(59,008,482)	(112,963,108)
Stock-in-trade		(4,832,097,578)	(2,361,638,247)
Trade debts		(940,230,628)	(259,313,473)
Loans and advances		11,145,561	(242,292,225)
Trade deposits and short term prepayments		(26,398,309)	(230,000,832)
Other receivables		(798,730,317)	(358,246,562)
		(6,645,319,753)	(3,564,454,447)
Increase in current liabilities			
Trade and other payables		3,074,395,548	1,887,747,245
Contract liabilities		61,415,596	196,931,320
		4,537,457,345	1,586,492,043

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

10 SEGMENT ANALYSIS

10.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
	Rupees				
For the nine months period ended March 31, 2019 (Un-audited)					
Revenue - external customers	11,028,177,671	8,565,029,786	9,285,082,332	5,231,850,101	34,110,139,890
Inter - segment sales	3,443,409,001	1,080,106,417	252,449,783	-	4,775,965,201
Segment results	1,077,307,177	1,154,720,530	454,195,675	2,647,158,144	5,333,381,526
For the nine months period ended March 31, 2018 (Un-audited)					
Revenue - external customers	9,466,591,349	6,549,578,468	7,032,532,197	1,527,965,756	24,576,667,770
Inter - segment sales	2,576,834,925	740,896,439	116,925,735	-	3,434,657,099
Segment results	486,280,208	668,006,721	(225,099,265)	705,802,640	1,634,990,304

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

	(Un-audited) March 31,	
	2019	2018
	Rupees	
Total results for reportable segments	5,333,381,526	1,634,990,304
Other operating expenses	(175,967,438)	(85,670,520)
Other income	604,344,794	489,356,132
Finance Cost	(3,476,598,033)	(1,481,754,884)
Share of profit of associated companies	103,876,041	73,098,671
Profit before taxation	2,389,036,890	630,019,703
Taxation	(270,180,833)	(251,593,353)
Profit after taxation for the period	2,118,856,057	378,426,350

10.2 SEGMENT ASSETS AND LIABILITIES

	Spinning	Weaving	Processing, printing, Home Textile and Textile Retail	Power Generation	Total
	Rupees				
As at March 31, 2019 (Un-audited)					
Segment assets	14,250,885,986	4,724,228,785	10,875,503,855	59,149,092,253	88,999,710,879
Segment liabilities	24,192,048,658	2,704,501,127	7,658,667,688	45,451,046,761	80,006,264,235
As at June 30, 2018 (Audited)					
Segment assets	10,281,873,413	5,211,651,310	8,249,556,698	45,167,099,941	68,910,181,362
Segment liabilities	19,952,179,577	2,311,737,080	5,622,178,903	32,814,077,509	60,700,173,069

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

Reconciliation of segment assets and liabilities with total assets and liabilities is as follows:

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees -----	-----
Total for reportable segments assets	88,999,710,879	68,910,181,362
Unallocated assets	14,729,918,002	14,569,799,217
Total assets as per statement of financial position	103,729,628,881	83,479,980,579
Total for reportable segments liabilities	80,006,264,235	60,700,173,069
Unallocated liabilities	1,086,912,386	1,068,473,023
Total liabilities as per statement of financial position	81,093,176,621	61,768,646,092

11 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited) March 31, 2019	2018
	----- Rupees -----	-----
Associates:		
Sales / processing	1,494,966,109	1,277,570,943
Purchases	318,699,852	287,813,233
Electricity / steam purchased	10,957,927	170,915,208
Expenses charged by	4,226,269	9,282,288
Expenses charged to	35,160,924	31,530,579
Mark-up charged by	34,708,353	42,050,414
Dividend paid	89,971,632	-
Dividend received	32,501,100	18,474,652
Loans obtained - net	175,451,965	249,679,116
Other related parties:		
Contribution to provident fund	41,803,201	39,554,387
Remuneration to key management personnel	152,713,069	144,738,145
Loan from directors and related parties	167,583,000	-

12 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the consolidated condensed interim statement of financial position comprise of balances as per the annual audited financial statements of the Group for the year ended June 30, 2018 and the Corresponding figures in the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances comparable period of the immediately preceding financial period i.e. nine months period ended March 31, 2018.

13 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized by the Board of Directors of Holding Company and authorized for issue on April 29, 2019.

Nadeem Abdullah
Chief Executive

Abdul Sattar
Chief Financial Officer

Mohammad Abdullah
Director