Contents

Board Of Directors

Chairman :
Mr. Amer Abdullah

Chief Executive :
Mr. Shahid Abdullah

Director :
Mr. Nadeem Abdullah
Mr. Yousuf Abdullah
Mr. Shayan Abdullah
Mr. Abdul Sattar

Independent Director:

Mr. Tajammal Husain Bokharee
Mr. Nadeem Arshad Elahi
Dr. Marium Chughtai

Audit Committee :

Chairman :
Mr. Nadeem Arshad Elahi

Member :
Mr. Shayan Abdullah
Mr. Yousuf Abdullah
Mr. Tajammal Husain Bokharee

Human Resource & Remuneration Committee :

Chairman :
Mr. Tajammal Husain Bokharee

Member :
Mr. Yousuf Abdullah
Mr. Shahid Abdullah
Mr. Shayan Abdullah

Chief Financial Officer :
Mr. Jawwad Faisal

Secretary :
Mr. Rameez Ghausi

Auditors :
Shinewing Hameed Chaudhri & Co.,
Chartered Accountants

Tax Consultants :
Deloitte 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 Ltd.
United Bank Limited

Share Registrar :
THK Associates (Private) Ltd.
1st Floor, 40-C, Block-6
P.E.C.H.S, Karachi-75400

Registered Office :
316, Cotton Exchange Building,
I. I. Chundrigar Road,
Karachi.

Mills :
Kharianwala
Tehsil and District Sheikhupura.
Feroze Watwan,
Tehsil and District Sheikhupura.

Vision

To be one of the premier textile company recognized for leadership in technology, flexibility, responsiveness and quality.

Our customers will share in our success through innovative manufacturing, certifiable quality, exceptional services and creative alliances. Structured to maintain in depth competence and knowledge about our business , our customers and worldwide markets.

Our workforce will be the most efficient in industry through multiple skill learning, the fostering of learning and the fostering of teamwork and the security of the safest work environment possible recognised as excellent citizen in the local and regional community through our financial and human resources support and our sensitivity to the environment.

Mission

Our mission is to be recognised as premier supplier to the markets we serve by providing quality yarns, fabrics and other textile products to satisfy the needs of our customers.

Our mission will be accomplished through excellence in customer service, sales and manufacturing supported by teamwork of all associates.

We will continue our tradition of honesty, fairness and integrity in relationship with our customers, associates, shareholders, community and stakeholders.

NOTICE IS HEREBY GIVEN THAT 41st Annual General Meeting of **SAPPHIRE FIBRES LIMITED** will be held at 312, Cotton Exchange Building, I.I. Chundrigar Road, Karachi on Thursday the 22nd day of October 2020 at 04:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of last General Meeting.

2. Consideration of the accounts, balance sheets and the reports of the chairman's, directors' and auditors.

3. To appoint auditors for the year ending 30th June 2021 and fix their remuneration. The present Auditors, M/s Shinewing Hameed Chaudhri & Co., Chartered Accountants retire and being eligible offer themselves for reappointment.

SPECIAL BUSINESS

4. To approve by way of special resolution with or without modification the following resolutions in respect of related party transaction in terms of Section 208 of the Companies Act, 2017:

   "RESOLVED THAT the related Parties transactions conducted during the year in which the majority of Directors are interested as disclosed in the note 38 of the unconsolidated financial statements for the year ended June 30, 2020 and specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

   "RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2021.

   "FURTHER RESOLVED that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

ANY OTHER BUSINESS

5. To transact any other business with the permission of the Chair.

   (Attached to this Notice is a Statement of Material Facts covering the above- mentioned Special Business, as required under section 134(3) of the Companies Act, 2017).

By Order of the Board

Karachi.
24 September 2020

Rameez Ghausi
Company Secretary

NOTES

1. Closure of share transfer books:

   Share Transfer Books will remain closed and no transfer of shares will be accepted for registration from 16th October 2020 to 22nd October 2020 (both days inclusive). Transfers received in order, by THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi up to 15th October 2020 will be entitled to attend and vote at the meeting .

2. Participation in the annual general meeting:

   A member entitled to attend and vote at this meeting is entitled to appoint another member/any other person as his/her proxy to attend and vote. An instrument of proxy applicable for the Meeting is being provided with the notice sent to the members. Further copies of the instrument may be obtained from the registered office of the Company during normal office hours. The proxy form can also be downloaded from the Company's website: www.sapphire.com.pk/sfl

   For attending the meeting through video link due to COVID 19 Pandemic:

   In pursuance of SECP Circular Nos. 5 and 10 of 2020 dated 17 March 2020 and 01 April 2020 respectively regarding Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the entitled shareholders interested in attending the Annual General Meeting (AGM) through video link facility ("Zoom" which can be downloaded from Google

Play or Apple App Store) are requested to get themselves registered with the Company Secretary office at least two working days before the holding of the time of AGM at contact@sapphiretextiles.com.pk by providing the following details:-

Name of shareholder	CNIC no.	Folio no.	Cell no.	Email address

- Upon receipt of the above information from interested shareholders, the Company will send the login details at their email addresses.
- On the AGM day, the shareholders will be able to login and participate in the AGM proceedings through their smart phone or computer devices from their any convenient location.
- The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification process and verification process.
- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

3. Duly completed instrument of proxy, and the other authority under which it is signed, thereof, must be lodged with the secretary of the company at the company's registered office 316, Cotton Exchange Building, I.I. Chundrigar Road, Karachi at least 48 hours before the time of the meeting.
4. Change in address: Any change of address of members should be immediately notified to the company's share registrars, THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.
5. The CDC account holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For attending the meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

B. For appointing proxies:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.

iii) Attested copies of CNIC or the passport.

iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.

6. In compliance with regulatory directives issued from time to time, members who have not yet submitted copy of their valid CNIC/NTN are requested to submit the same to the Company, with members' folio number mentioned thereon for updating record.
7. Members can exercise their right to demand a poll subject to meeting requirements of section 143- 145 of the Companies Act 2017 and applicable clause of the Companies (Post Ballot) Regulations, 2018.
8. The Company shall provide video conference facility to its members for attending the General Meeting at places other than the town in which general meeting is taking place, provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 07 days prior to date of the meeting, the Company shall arrange video conference facility in that city subject to availability of such facility in that city.

In this regard, please fill the following form and submit to registered address of the Company 07 days before holding of the General Meeting:

"I/We, ___________ of ____________ being a member of Sapphire Fibres Ltd, holder of ________ Ordinary Shares as per

registered folio # __________ hereby opt for video conference facility at _____________."

____

Signature of Member

Status of Investment under Clause 4(2) of the Companies (Investment in Associated Undertakings) Regulations, 2017

Company / Date of Resolution	Amount of Investment approved	Amount of Investment made to date	Reason
Triconboston Consulting Corporation (Private) Limited (TBCCPL), 27th March 2017	Proportionate to its shareholding percentage security / collateral as may be required by the issuing banks in order for the same to issue excess debt standby letters of credit together with any replacement standby letters of credit in order to secure the amount up - to USD 15 Million (United States Dollars Fifteen Million);	Nil	This amount was approved in the EOGM Dated 27th March, 2017 and is in the process of implementation as and when required

Material Changes in Financial Statements of Associated Company

TriconBoston Consulting Corporation (Private) Limited

TriconBoston Consulting Corporation (Private) Limited is incorporated under the laws of Pakistan and operating 3 projects having capacity of 50 MW each in Jhimpir Sindh. All the three projects have successfully commenced commercial operation in September, 2018. The project is operating and following best industry practices and is yielding satisfactory results.

	Financial Year Ended June 30, 2020	**Financial Year Ended** June 30, 2017
Net Sales	10,495,000,097	-
Gross Profit/ (Loss)	7,254,882,207	(93,798,217
Profit/ (Loss) Before Tax	4,851,092,424	(94,039,713)
Profit/ (Loss) After Tax	4,848,524,478	(95,055,582)

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

1. Item Number 5 of the notice — Ratification and approval of the related party transactions

The Company carries out transactions with its associates and related parties in accordance with its policies, applicable laws, regulations and with approval of board of directors of the company. However, during the year since majority of the Company's Directors are interested in certain transactions (by virtue of being the shareholder or common directorship), therefore due to absent of requisite quorum for approval in Board of Directors meeting, these transactions are being placed for the approval by shareholders in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in the note 38 to the unconsolidated financial statements for the year ended June 30, 2020.

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business and periodically reviewed by the Board Audit Committee. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments made (in accordance with the approval of shareholders and board where applicable) and sharing of common expenses.

The nature of relationship with these related parties has also been indicated in the note 38 to the unconsolidated financial statements for the year ended June 30, 2020.

2. Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2021.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary /associated companies. In order to promote transparent business practices, the Board of Directors seeks authorization from the shareholders to approve transactions with the related parties from time-to-time on case to case basis for the year ending

June 30, 2021 and such transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Review Report by the Chairman

The Board of Directors is performing its duties in accordance with law and in the best interest of company and its shareholders. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Sapphire Fibres Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2020, the Board's overall performance and effectiveness has been assessed as Satisfactory. This is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

Sapphire Fibres Limited Complies with all the requirements set out in the Law with respect to the composition, procedures and meetings of the Board of Directors and its committees. Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time prior to the board and its committee meetings. The Board has exercised all its powers in accordance with relevant laws and regulation and the non-executive and independent directors are equally involved in important decisions of the board.

Amer Abdullah
Chairman

Dated: September 24, 2020

بورڈ آف ڈائریکٹرز اپنے فرائض کو قانون کے مطابق اور کمپنی اور اس کے حصہ داروں کے بہترین مفاد میں انجام دے رہے ہیں۔کوڈ آف کارپوریٹ گورننس کے تحت درکار سفائر فائبرز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی سالانہ تشخیص کی گئی ہے۔اس تشخیص کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اورنتائج کمپنی کے مقاصد قائم کرنے کے تناظر میں پیمائش اورتوقعات کے خلاف بینچ مارک ہیں۔

30 جون 2020 کوختم ہونے والے مالی سال کے لئے، بورڈ کی مجموعی کارکردگی اور نتائج کو اطمینان بخش قرار دیا گیا ہے۔ یہ نقطہ نظر، مشن اور اقدار ،اسٹریٹجک پلاننگ میں مصروفیت؛ پالیسیوں کی تشکیل؛ تنظیم کی کاروباری سرگرمیوں کی نگرانی؛ مالی وسائل مینجمنٹ کی نگرانی؛ مؤثر مالی نگرانی؛ بورڈ کے کاروبار کی انجام دہی میں تمام ملازمین اورکارکردگی کے منصفانہ ٹریٹمنٹ سمیت لازمی اجزاء کی تشخیص پرمبنی ہے۔

سفائر فائبرز لمیٹڈ بورڈ آف ڈائریکٹرز اوراس کی کمیٹیوں کی تشکیل،طریقہ ءکار اوراجلاسوں کے حوالہ سے قانون میں متعین تمام ریکوائرمنٹس پر عمل کرتی ہے۔ضروری بورڈ ایجنڈا اور متعلقہ معاون دستاویزات بورڈ اور اس کی کمیٹی کے اجلاسوں سے قبل مناسب وقت پر بورڈ کو مہیا کی گئیں۔بورڈ نے اپنے تمام اختیارات کومتعلقہ قوانین اورریگولیشن کے مطابق استعمال کیا ہے اورنان ایگزیکٹو اورآزاد ڈائریکٹرز بورڈ کے اہم فیصلوں میں مساوی میں شریک ہوتے ہیں۔

عامر عبداللہ

چیئرمین

مورخہ:24 ستمبر 2020ء

The Directors of Sapphire Fibres Limited are pleased to present the annual report along with audited financial statements of the Company for the year ended 30 June 2020.

FINANCIAL HIGHLIGHTS

	Rupees in thousand
Profit before taxation	1,511,069
Less: Taxation	
For the year	392,715
Prior year	5
Deferred	(6,974)
Profit after taxation	1,125,323
Other Comprehensive Loss	(109,772)
Add: Un-appropriated profit brought forward	12,393,666
Appropriations:	
Final dividend for the year ended June 30, 2019	
(80% i.e. Rs.8 per share)	(157,500)
	13,251,717

Review of Operations:

During the year under review, your Company achieved sales of Rs. 22.49 billion compared to Rs. 21.75 billion in the corresponding year; an increase of 3.40%. The gross profit as a percentage of sales decreased from last year's 13.17% to 12.56% during the period under review.

The Company earned profit after tax of Rs. 1,126 million during the year compared to Rs. 759 million posted in the corresponding year. The increase in profitability was mainly attributable to improved dividend income during the year.

Earnings per Share:

The earnings per share (EPS) of current year is Rs. 55.66 as compared to Rs. 36.72 for the last year.

Dividend:

The Board of Directors of the Company has not proposed dividend for the year ended June 30, 2020 (June 30, 2019: 80%) due to uncertain situation Post Covid and in accordance with condition of banks against deferment of principal loan payments as per State Bank of Pakistan Scheme.

Right Shares:

During the year, the company issued 5% right shares at Rs. 260 (including premium of Rs.250) per share in proportion of 5 shares for every 100 shares held by shareholders.

Future Outlook:

The outbreak of COVID-19 pandemic in the last quarter of FY 2019-20 has had a huge impact on economies around the world. As a result of lockdowns locally and internationally, almost all business sectors including large scale manufacturing were brought to a standstill in the country as well. However, Pakistan did manage to contain the economic impact through its effective lockdown strategy and we are already witnessing signs of recovery as the global economic activity has gained some momentum after relaxation of lockdowns.

Despite these challenging times, your company has been able to improve its revenue and profitability compared to last financial year, primarily driven through improved operating performance of Denim Division and higher dividend income.

The management of your company remains focused on maximizing shareholder returns through strategic alignment of its resources with business strategy and continued investment in expansion and modernization of its value-added textile segments.

Subsidiary Companies:

Sapphire Electric Company Limited:

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% (2019: 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:

Premier Cement Limited (PCL) was incorporated in Pakistan as an unlisted public company limited by shares under companies ordinance 1984. SFL holds 100% shares of PCL as on 30 June 2020.

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

Sapphire Cement Company Limited:

Sapphire Cement Company Limited (SCCL) 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 30 June 2020.

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

Sapphire Hydro Limited

Sapphire Hydro Limited (SHL) 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

Sapphire Energy (Private) Limited (SEPL) 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 30 June 2020.

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.

Ignite Power (Private) Limited

Ignite power (Private) Limited is a 60% 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 public 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.

Related Parties:

All transactions with related parties were carried out on an arm's length basis which were in line with transfer pricing methods and the policy for related parties approved by the Board. A complete list of all related party transactions is compiled and submitted to the Audit Committee every quarter. The internal audit function ensures that all Related Party transactions are done on an arm's length basis. After review by the audit committee the transactions are placed before the Board for their consideration and approval. During the year, the company carried out transactions with its related parties. Details of these transactions are disclosed in note 38 to unconsolidated financial.

Corporate Environment, Health and Social Responsibility:

The Company maintains working conditions which are safe and without risk to the health of all employees and public at large. Our focus remains on improving all aspects of safety specially, with regards to the safety, production, delivery, storage and handling of materials. Your Company always ensures environment preservation and adopts all possible means for environment protection.

The company strongly believes in its responsibility towards community at large and has taken various steps in the area of education, health and the natural environment. Company made generous donations for health, education and social welfare projects as reported in Note no. 30 to the financial statement.

Composition of the Board and their Meetings:

The composition of the Board is in compliance with the requirements of Code of Corporate Governance Regulations, 2019 applicable on listed entities which is given below:

Total Number of Directors

(a)	Male	08
(b)	Female	Exempt for current term

Composition:

(a)	Independent Directors	02
(b)	Executive Director	01
(c)	Non-Executive Directors	05

During the year five meetings of the Board of Directors were held. Attendance by each Director is as follows:

Name	Category	No of Meetings
Mr. Shahid Abdullah	Executive Director	4
Mr. Nadeem Abdullah	Non- Executive Director	4
Mr. Amer Abdullah	Non- Executive Director	4
Mr. Yousuf Abdullah	Non- Executive Director	5
Mr. Shayan Abdullah	Non- Executive Director	3
Mr. Abdul Sattar	Non- Executive Director	5
Mr. Nadeem Arshad Elahi	Independent Director	4
Mr. Tajammal Husain Bokharee	Independent Director	5

The Board has made sub-committees which have significantly contributed in achieving desired objectives. These committees include:

- Audit Committee. During the year four meetings of the Audit Committee were held. Attendance by each Director is as follows:

Name	No. of Meetings
Mr. Nadeem Arshad Elahi - Chairman (independent)	3
Mr. Shayan Abdullah	3
Mr. Yousuf Abdullah	4
Mr. Tajammal Husain Bokharee	4

- Human Resource & Remuneration Committee. During the year one meeting was held and attended by all the members.

Mr. Tajammal Husain BokhareeChairman (independent)
Mr. Shahid AbdullahMember
Mr. Yousuf AbdullahMember
Mr. Shayan AbdullahMember

Remuneration of Directors:

The remuneration of Directors is determined by the Company in the Board of Directors' Meeting. The remuneration is determined on the basis of standards in the market and reflects demands to competencies and efforts in light of the scope of their work and increase in responsibilities of the directors. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his or her own remuneration. Remuneration package of Chief Executive and other executive directors is disclosed in Note No.37 to the financial statements.

Board Evaluation:

During the year, the Board and its sub committees have undertaken a formal process of evaluation of their performance. The overall performance of the Board and its sub-committees measured on the defined parameters for the year was satisfactory.

Statement on Corporate and Financial Reporting Frame Work:

The Board of Directors periodically reviews the Company's strategic direction. Business plans and targets are set by the Chief Executive and reviewed by the Board. The Board is committed to maintain a high standard of corporate governance. The Board has reviewed the Code of Corporate Governance and confirms that:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

2. The company has maintained proper books of account.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.

5. The system of internal controls, which was in place, is being continuously reviewed by the internal audit and other such procedures. The process of review and monitoring will continue with the object to improve it further.

6. All liabilities in regard to the payment on account of taxes, duties, levies and charges have been fully provided and will be paid in due course or where claim was not acknowledged as debt the same is disclosed as contingent liabilities in the notes to the accounts.

7. There is no doubt about the Company's ability to continue as a going concern.

8. There has been no material departure from the best practices of Corporate Governance.

9. The Company has established Management Staff Gratuity Fund for its head office employees which will gradually be applicable at mills also. The company has also introduced Employees Provident Fund for staff, the members of Provident Fund are not eligible for gratuity fund. The value of investment of Gratuity and Provident Fund as on June 30, 2020 are Rs.8 million and Rs.110 million respectively.

10. Operating and financial data and key ratios of six years are annexed.

11. Code of conduct has been developed and are communicated and acknowledged by each Director and employee of the Company.

12. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

13. Following trade in the shares of the Company were carried out by the Directors, Chief Executive Officer, Chief financial Officer, Company Secretary, their spouses and minor children:

Gifted by	Mr. Yousuf Abdullah to Salman Abdullah	570,000	shares
Gifted by	Mr. Nadeem Abdullah to Umer Abdullah	100,122	shares
Gifted by	Mrs. Noshaba Nadeem to Nabeel Abdullah	100,002	shares
Gifted by	Mrs. Usma Yousuf to Yousuf Abdullah	104,626	shares
Gifted by	Mrs. Shireen Shahid to Hasan Abdullah	500,000	shares

Pattern of Shareholding:

The pattern of shareholding of the Company as at 30 June 2020 is annexed. This statement is prepared in accordance with the Code of Corporate Governance Regulation 2019 and the Companies Act, 2017.

Auditors:

The present Auditors, Shinewing Hameed Chaudhri & Company, Chartered Accountants retire and being eligible offer themselves for re-appointment. Audit Committee and Board of Directors have also recommended their appointment as auditors for the year ending 30 June 2021.

Acknowledgements:

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

For and on behalf of the Board

Lahore
September 24, 2020

Shayan Abdullah
Director

Shahid Abdullah
Chief Executive

9۔ کمپنی نے اپنے صدر دفتر کے ملازمین کے لئے مینجمنٹ سٹاف گریجوئٹی فنڈ قائم کیا ہے جو بتدریج ملز میں بھی لاگو ہوگا۔ کمپنی نے عملہ کے لئے ایمپلائز پراویڈنٹ فنڈ بھی متعارف کرایا ہے، پراویڈنٹ فنڈ کے ممبران گریجوئٹی فنڈ کے اہل نہیں ہیں۔ 30 جون 2020 کو گریجوئٹی اور پراویڈنٹ فنڈ کی سرمایہ کاری کی قدر بالترتیب 8 ملین روپے اور 110 ملین روپے ہے۔

10۔ گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

11۔ کوڈ آف کنڈکٹ کو بہتر بنایا اور کمپنی کے ہر ڈائریکٹر اور ملازمین کی طرف سے تسلیم اور مطلع کیا گیا ہے۔

12۔ کمپنی نے "ضابطہ اخلاق" تیار کیا ہے اور اس بات کو یقینی بنایا ہے کہ پوری کمپنی معہ اسکی امدادی پالیسیوں اور طرز عمل کے ساتھ باضابطہ طور پر منسلک کرنے کے لئے مناسب اقدامات کئے گئے ہیں۔

13۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کے شریک حیات اور نابالغ بچوں کے ذریعے کمپنی کے حصص میں درج ذیل تجارت کی گئی ہے۔

جناب یوسف عبداللہ نے سلمان عبداللہ کو 570,000 حصص تحفے میں دیئے

جناب ندیم عبداللہ نے عمر عبداللہ کو 100,122 حصص تحفے میں دیئے

محترمہ نوشابہ ندیم نے نبیل عبداللہ کو 100,002 حصص تحفے میں دیئے

محترمہ عثمہ یوسف نے یوسف عبداللہ کو 104,626 حصص تحفے میں دیئے

محترمہ شیریں شاہد نے حسن عبداللہ کو 500,000 حصص تحفے میں دیئے

نمونہء حصص داری

30 جون 2020 کے مطابق کمپنی کا نمونہء حصص داری منسلک ہے۔ یہ سٹیٹمنٹ کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 او کمپنیز ایکٹ 2017 کے مطابق تیار کی گئی ہے۔

محاسب کا تقرر

موجودہ محاسب شینوتگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر اپنے آپ کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے بطور محاسب ان کی تقرری کی منظوری بھی دے دی ہے۔

اظہار تشکر

انتظامیہ بورڈ آف ڈائریکٹرز کی حمایت کے لئے، حصص دار، ریگولیٹری حکام، مالیاتی اداروں، گاہکوں، سپلائرز کی شکر گذار اور عملے اور کارکنوں کی لگن اور سخت محنت کو سراہتی ہے۔

منجانب بورڈ آف ڈائریکٹرز

لاہور	**شایان عبداللہ**	**شاہد عبداللہ**
تاریخ: 24 ستمبر 2020	ڈائریکٹر	چیف ایگزیکٹو

ہیومن ریسورس اینڈ ریمنریشن کمیٹی

سال کے دوران ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر ایک ڈائریکٹر کی حاضری حسبِ ذیل ہے:

نام	کیٹگری
جناب تجمل حسین بخاری	چیئرمین (آزاد)
جناب شاہد عبداللہ	رکن
جناب یوسف عبداللہ	رکن
جناب شایان عبداللہ	رکن

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز کے اجلاس میں کمپنی کی طرف سے ڈائریکٹرز کے معاوضے کا تعین کیا جاتا ہے۔ معاوضے کا تعین مارکیٹ میں معیارات کی بنیاد پر کیا جاتا ہے اور ان کے کام کے دائرہ کار اور ڈائریکٹرز کی ذمہ داریوں میں اضافے کی روشنی میں قابلیت اور کوششوں کے مطالبات کی عکاسی کرتا ہے۔ تاہم، کارپوریٹ گورننس کے کوڈ کے مطابق، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنی معاوضے کے فیصلے میں حصہ نہیں لے گا۔ چیف ایگزیکٹو اور دیگر ایگزیکٹو ڈائریکٹرز کے معاوضے کا پیکیج مالی حسابات کے نوٹ نمبر 7.3 میں منکشف ہے۔

بورڈ کی تشخیص:

سال کے دوران، بورڈ اور اس کی ذیلی کمیٹیوں نے اپنی کارکردگی کی تشخیص کا رسمی عمل کیا۔ بورڈ اور اس کی ذیلی کمیٹیوں کی مجموعی کارکردگی کی پیمائش سال کے بیان کردہ پیرامیٹرز پر تسلی بخش تھی۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کا بیان

بورڈ آف ڈائریکٹرز باقاعدگی سے کمپنی کی اسٹریٹجک سمت کا جائزہ لیتا ہے۔ چیف ایگزیکٹو کی طرف سے کاروباری منصوبوں اور اہداف کو مقرر اور بورڈ کی طرف سے جائزہ لیا گیا ہے۔

بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے۔ بورڈ نے کارپوریٹ گورننس کوڈ کا جائزہ لیا ہے اور اس بات کی تصدیق کی ہے کہ:

1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

2۔ کمپنی کے کھاتوں کا حساب کتاب مکمل طور پر برقرار رکھا گیا ہے۔

3۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے،

5۔ داخلی کنٹرول کا اندرونی آڈٹ اور اس طرح کے دیگر طریقہ کار کے ذریعے مسلسل جائزہ لیا جارہا ہے۔ جائزہ اور نگرانی کا عمل اس کو مزید بہتر بنانا جاری رکھے گا۔

6۔ ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں تمام ادائیگیاں مکمل طور پر فراہم کی گئی ہیں اور مقررہ وقت میں ادا کردی جائیں گی یا جہاں قرض کے دعویٰ کا اعتراف نہیں گیا ان کا مالی حسابات میں انکشاف کیا گیا ہے؛

7۔ کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

8۔ کارپوریٹ گورننس کے بہترین عملوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسبِ ذیل ہے:

نام	کیٹگری	اجلاسوں کی تعداد
جناب شاہد عبداللہ	ایگزیکٹو ڈائریکٹر	4
جناب ندیم عبداللہ	نان ایگزیکٹو ڈائریکٹر	4
جناب عامر عبداللہ	نان ایگزیکٹو ڈائریکٹر	4
جناب یوسف عبداللہ	نان ایگزیکٹو ڈائریکٹر	5
جناب شایان عبداللہ	نان ایگزیکٹو ڈائریکٹر	3
جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	5
جناب ندیم ارشاد الٰہی	آزاد ڈائریکٹر	4
جناب تجمل حسین بخاری	آزاد ڈائریکٹر	5

بورڈ نے ذیلی کمیٹیاں بنائی ہیں جنہوں نے مطلوبہ مقاصد حاصل کرنے میں اہم شراکت کی ہے۔ یہ کمیٹیاں مشتمل ہیں:

آڈٹ کمیٹی

سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسبِ ذیل ہے:

نام	کیٹگری	اجلاسوں کی تعداد
جناب ندیم ارشاد الٰہی	چیئرمین (آزاد)	3
جناب شایان عبداللہ	رکن	3
جناب یوسف عبداللہ	رکن	4
جناب تجمل حسین بخاری	رکن	4

سفائر انرجی (پرائیویٹ) لمیٹڈ:

سفائر انرجی (پرائیویٹ) لمیٹڈ (SEPL) 11 دسمبر 2017 کو کمپنیز ایکٹ 2017 کے تحت شیئرز کے ذریعے ایک نجی کمپنی لمیٹڈ کی حیثیت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 جون 2020 کے مطابق ایس ای پی ایل کے 100% حصص کی مالک ہے۔

ایس ای پی ایل بجلی کی پیداوار میں مصروف عمل کمپنیوں میں انڈرٹیک، پاور پروجیکٹس کو ڈویلپ اور ایکوئٹی سرمایہ کاری، حصص رکھنے یا خریدنے کا اور تمام اقسام کی گیسوں اور تمام دیگر متعلقہ مائعات، کیمیکل اینڈ پیٹرولیم مصنوعات تک کو ہینڈلنگ، ری گیسی فکیشن، سٹوریج، ٹریٹمنٹ اور پروسیسنگ کے لئے ٹرمینل چلانے کا ارادہ رکھتی ہے۔

اگنائٹ پاور (پرائیویٹ) لمیٹڈ

اگنائٹ پاور (پرائیویٹ) لمیٹڈ، سفائر انرجی (پرائیویٹ) لمیٹڈ - ایس ای پی ایل کا 60 فیصد ملکیتی ذیلی ادارہ ہے جو پیرنٹ کمپنی کا مکمل ملکیتی ماتحت ادارہ ہے اور 03 جولائی، 2019، کو کمپنیز ایکٹ، 2017 کے تحت حصص کے ذریعے پبلک کمپنی لمیٹڈ کی حیثیت سے پاکستان میں قائم کیا گیا۔ یہ شمسی توانائی نظام اور اس سے وابستہ دیگر توانائی کی مصنوعات اور خدمات کی دیگر شکلوں سمیت بجلی کے منصوبوں کو شروع، تیار کرنے کا ارادہ رکھتا ہے۔

متعلقہ پارٹیوں سے لین دین

متعلقہ پارٹیوں کے ساتھ تمام لین دین قابل رسائی قیمتوں کی بنیاد پر کئے گئے تھے جو بورڈ کی طرف سے منظور شدہ متعلقہ پارٹیوں کے لئے ٹرانسفر پرائسنگ طریقوں اور پالیسی کے مطابق تھے۔ تمام متعلقہ پارٹی ٹرانزیکشن کی مکمل فہرست مرتب اور ہر سہ ماہی میں آڈٹ کمیٹی کو جمع کرائی جاتی ہے۔ داخلی آڈٹ فنکشن یقینی بناتا ہے کہ تمام متعلقہ پارٹی ٹرانزیکشنز قابل رسائی قیمتوں کی بنیاد پر کی گئی ہیں۔ آڈٹ کمیٹی کے بغور جائزہ کے بعد، ان کے غور وخوض اور منظوری کے لئے ٹرانزیکشنز بورڈ کے روبرو پیش کی گئی ہیں۔ سال کے دوران، کمپنی نے اپنی متعلقہ پارٹیوں کے ساتھ ٹرانزیکشنز کی ہیں۔ ان ٹرانزیکشنز کی تفصیلات غیر مجمد فنانشل کے نوٹ 38 میں منکشف ہیں۔

کارپوریٹ ماحول، صحت اور سماجی ذمہ داری

کمپنی کام کے ایسے حالات کو برقرار رکھتی ہے جو تمام ملازمین اور عوام کی صحت کے لئے محفوظ اور خطرے سے خالی ہوں۔ حفاظت، پیداوار، ترسیل، اسٹوریج اور سامان کی ہینڈلنگ کے حوالے سے خاص طور پر حفاظت کے تمام پہلوؤں کو بہتر بنانے پر ہماری توجہ مرکوز رہتی ہے۔ آپ کی کمپنی ہمیشہ ماحولیاتی تحفظ کو یقینی بناتی ہے اور ماحولیاتی تحفظ کے لئے ہر ممکن وسائل کو اپناتی ہے۔

کمپنی بڑے پیمانے پر کمیونٹی کے بارے میں اپنی ذمہ داری پر پختہ یقین رکھتی ہے اور اس نے تعلیم صحت اور قدرتی ماحول کے شعبہ میں مختلف اقدامات اٹھائے ہیں۔ کمپنی نے صحت، تعلیم اور معاشرتی بہبود کے منصوبوں کے لئے فراخدلی سے عطیہ دیا، جس کی تفصیل مالی حسابات کے نوٹ نمبر 30 میں بیان کی گئی ہے۔

بورڈ کی تشکیل اور ان کے اجلاس

بورڈ کی تشکیل مندرجہ اداروں پر قابل اطلاق کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی ضروریات کی تعمیل کے مطابق ہے اور جو مندرجہ ذیل ہے:

ڈائریکٹرز کی کل تعداد

(a) مرد	08
(b) خاتون	حالیہ مدت کیلئے شئی

تشکیل:

(a) آزاد ڈائریکٹرز	02
(b) ایگزیکٹو ڈائریکٹرز	01
(c) نان ایگزیکٹو ڈائریکٹرز	05

مستقبل کا نقطہ نظر

مالی سال 2019-2020 کی آخری سہ ماہی میں کوویڈ 19 وبائی بیماری پھیلنے سے پوری دنیا کی معیشتیں بہت زیادہ اثر انداز ہوئی ہیں۔ مقامی اور بین الاقوامی سطح پر لاک ڈاؤن کے نتیجے میں، تقریباً تمام کاروباری شعبے جن میں بڑے پیمانے پر مینوفیکچرنگ شامل ہے، کو بھی ملک میں روک دیا گیا تھا۔ تاہم، پاکستان نے اپنی مؤثر لاک ڈاؤن حکمت عملی کے ذریعے معاشی اثرات پر قابو پا لیا اور ہم پہلے ہی بحالی کے آثار دیکھ رہے ہیں کیونکہ لاک ڈاؤن میں نرمی کے بعد عالمی معاشی سرگرمی نے کچھ رفتار پکڑ لی ہے۔

ان مشکل اوقات کے باوجود، آپ کی کمپنی گذشتہ مالی سال کے مقابلے میں اپنی آمدنی اور منافع کو بہتر بنانے میں کامیاب رہی ہے، جس میں بنیادی طور پر ڈینم ڈویژن کی بہتر آپریٹنگ کارکردگی اور زیادہ ڈیویڈینڈ آمدنی کارفرما ہیں۔

آپ کی کمپنی کی انتظامیہ نے کاروباری حکمت عملی کے ساتھ اپنے وسائل کی اسٹریٹیجک الائنمنٹ کے ذریعے حصص یافتگان کے منافع کو زیادہ سے زیادہ کرنے اور ویلیو ایڈڈ ٹیکسٹائل شعبوں کی توسیع اور جدت کاری میں مسلسل سرمایہ کاری پر توجہ مرکوز رکھی ہے۔

ذیلی کمپنیاں:

سفائر الیکٹرک کمپنی لمیٹڈ:

سفائر الیکٹرک کمپنی لمیٹڈ 18 جنوری 2005 کمپنیز آرڈیننس، 1984 کے تحت پاکستان میں ایک پبلک غیر مندرج کمپنی کی حیثیت سے قائم ہوئی۔ سفائر فائبرز لمیٹڈ ذیلی کمپنی کے 68.11 فیصد (68.11:2019 فیصد) حصص کی مالک ہے۔

ذیلی کمپنی کی اصل سرگرمی 212 میگاواٹ کی خالص صلاحیت کے کمبائنڈ سائیکل پاور اسٹیشن کی ملکیت، چلانا اور برقرار رکھنا ہے۔

پریمیئر سیمنٹ لمیٹڈ:

پریمیئر سیمنٹ لمیٹڈ (پی سی ایل) کمپنیز آرڈیننس 1984 کے تحت شیئرز کے ذریعے ایک غیر مندرج پبلک کمپنی لمیٹڈ کی حیثیت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 جون 2020 کے مطابق پی سی ایل کے 100 فیصد حصص کی مالک ہے۔

ضروری منظوریوں کے حوالہ سے، پی سی ایل ہر قسم کے سیمنٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفائر سیمنٹ کمپنی لمیٹڈ:

سفائر سیمنٹ کمپنی لمیٹڈ (ایس سی سی ایل) کمپنیز آرڈیننس 1984 کے تحت شیئرز کے ذریعے ایک غیر مندرج پبلک کمپنی لمیٹڈ کی حیثیت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 جون 2020 کے مطابق ایس سی سی ایل کے 100 فیصد حصص کی مالک ہے۔

ضروری منظوریوں کے حوالہ سے، ایس سی سی ایل ہر قسم کے سیمنٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفائر ہائیڈرو لمیٹڈ:

سفائر ہائیڈرو لمیٹڈ (SHL)، 07 ستمبر 2017 کمپنیز ایکٹ 2017 کے تحت شیئرز کے ذریعے پبلک کمپنی لمیٹڈ کی حیثیت سے پاکستان میں قائم ہوئی۔ ذیلی کمپنی کا اصل کاروبار شرمئی، خیبر پختونخواہ میں 682 GWh کی سالانہ انرجی جنریشن کی پوٹینشل کے ساتھ 150 میگاواٹ کی خالص صلاحیت کا حامل ہائیڈرو الیکٹرک پاور جنریشن پراجیکٹ کی تعمیر، قیام اور چلانا ہوگا۔

سفائر ہائیڈرو لمیٹڈ (SHL)، سفائر الیکٹرک کمپنی لمیٹڈ کی ایک مکمل ملکیتی ذیلی کمپنی ہے جو خود سفائر فائبرز لمیٹڈ کی ایک ذیلی کمپنی ہے۔

سفائر فائبرز لمیٹڈ کے ڈائریکٹرز 30 جون 2020ء کو ختم ہونے والے سال کے لئے کمپنی کے نظرثانی شدہ مالیاتی گوشواروں پر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی جھلکیاں

روپے ہزاروں میں

ٹیکس سے پہلے منافع	1,511,069
ٹیکس کی کمی	
موجودہ سال کے لئے	392,715
گزشتہ سال	5
ملتوی ٹیکس	(6,974)
ٹیکس کے بعد منافع	1,125,323
دیگر مجموعی نقصان	(109,772)
اضافہ: غیر تصرفاتی منافع جو آگے گیا	12,393,666
تصرفات	
30 جون 2019 مختتمہ سال کے لئے حتمی منافع منقسمہ (80% یعنی 8 روپے فی حصص)	(157,500)
	13,251,717

آپریشنز کا جائزہ

زیر جائزہ سال کے دوران، آپ کی کمپنی نے گزشتہ سال میں 21.75 بلین روپے کے مقابلے موجودہ سال 22.49 بلین روپے فروخت حاصل کی جو 3.40 فیصد کا اضافہ ہے۔ فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کے 13.17 فیصد سے کم ہو کر رواں سال کے دوران 12.56 فیصد تک کم ہوا۔

کمپنی نے گزشتہ مالی سال کے دوران درج 759 ملین روپے کے مقابلے موجودہ سال کے دوران 1,126 ملین روپے ٹیکس کے بعد منافع کمایا ہے۔ بنیادی طور پر سال کے دوران ڈیویڈینڈ آمدنی میں اضافہ کی وجہ سے منافع زیادہ ہوا۔

فی حصص آمدنی

موجودہ سال کی فی شیئر آمدنی (EPS) 55.66 روپے ہے جو کہ پچھلے سال 36.72 روپے تھی۔

منافع منقسمہ

کمپنی کے بورڈ آف ڈائریکٹرز نے کووِڈ کے بعد کی غیر یقینی صورتحال کی وجہ سے اور سٹیٹ بینک آف پاکستان کے مطابق اصل قرضوں کی ادائیگی کی مؤخرگی کے مقابل بینکوں کی شرائط کے مطابق 30 جون 2020 کو ختم ہونے والے سال کے لئے کوئی منافع منقسمہ تجویز نہیں کیا ہے۔ جو کہ پچھلے سال 80 فیصد تھا۔

رائٹ شیئرز

سال کے دوران، کمپنی نے حصص داران کے ملکیتی ہر 100 حصص کے لئے 5 حصص کے تناسب میں 260 روپے (بشمول 250 روپے پریمیم) پر 5% رائٹ شیئرز جاری کئے۔

Six Years Growth at a Glance

Years		2020	2019	2018	2017	2016	2015
		Rupees in thousand					
Sales		22,491,619	21,750,250	17,828,047	14,465,759	12,478,390	13,347,276
Gross profit		2,824,049	2,864,697	1,825,406	974,035	1,089,719	1,437,824
Net profit before taxation		1,511,069	1,015,855	1,448,615	1,399,197	1,501,999	1,241,691
Net profit after taxation		1,125,323	759,197	1,145,072	1,139,074	1,401,731	995,854
Share capital		206,718	196,875	196,875	196,875	196,875	196,875
Share holder's equity		15,888,230	15,287,207	16,283,524	17,055,008	15,364,415	14,933,421
Fixed assets - net		11,903,976	10,595,081	10,340,483	8,857,741	8,288,598	4,508,868
Total assets		34,316,762	34,902,819	32,656,142	30,840,380	26,526,288	21,503,877
Dividend - Cash	%	00.00	80.00	120.00	65.00	140.00	100.00
RATIOS:							
PROFITABILITY							
Gross profit	%	12.56	13.17	10.24	6.73	8.73	10.77
Profit before tax	%	6.72	4.67	8.13	9.67	12.04	9.30
Profit after tax	%	5.00	3.49	6.42	7.87	11.23	7.46
RETURN TO SHAREHOLDERS							
Return on equity before tax	%	9.51	6.65	8.90	8.20	9.78	8.31
Return on equity after tax	%	7.08	4.97	7.03	6.68	9.12	6.67
Basic earning per share after tax	Rs.	38.56	38.56	58.16	57.86	71.20	50.58
ACTIVITY							
Sales to fixed assets	Times	1.89	2.05	1.72	1.63	1.51	2.96
Sales to total assets	Times	0.66	0.62	0.55	0.47	0.47	0.62
LIQUIDITY/LEVERAGE							
Current ratio		1.06 : 1	1.01 : 1	1.12 : 1	1.29 : 1	1.10 : 1	1.11 : 1
Debt equity ratio	Times	0.308	0.291	0.288	0.211	0.138	0.004
Total liability to equity	Times	1.16	1.28	1.01	0.81	0.73	0.44
BREAK UP VALUE PER SHARE	Rs.	768.59	776.49	827.10	866.29	780.41	758.52

Independent Auditor's Review Report

On the Statement of Compliance contained in the listed Companies
(Code Of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of SAPPHIRE FIBRES LIMITED (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Lahore;
September 26, 2020

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Audit Engagement Partner:
Osman Hameed Chaudhri

Statement of Compliance with Listed Companies

(Code of Corporate Governance) Regulations, 2019)

Name of Company **SAPPHIRE FIBRES LIMITED** year ended June 30, 2020.

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 08 as per the following:

   a. Male: 08
   b. Female: Not applicable for current term*

2. The composition of the Board is as follows:

Category	Names
Independent Directors(*)	Mr. Tajammal Husain Bokharee Mr. Nadeem Arshad Elahi
Executive Directors	Mr. Shahid Abdullah
Non-Executive Directors	Mr. Nadeem Abdullah Mr. Amer Abdullah Mr. Yousuf Abdullah Mr. Shayan Abdullah Mr. Abdul Sattar

   * Pursuant to section 154 of the Act, one female director has been appointed on reconstitution of the Board dated July 20, 2020.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Majority of Directors of the Company have been either exempt or trained from the requirement of directors' training program under the criteria prescribed by the Code of Corporate Governance.

10. The Board has approved appointment of Company Secretary, including remuneration and terms & conditions of employment. However, there were no new appointment of CFO and Head of Internal Audit during the year.

11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee

- Mr. Nadeem Arshad Elahi (Chairman)
- Mr. Yousuf Abdullah (Member)
- Mr. Shayan Abdullah (Member)
- Mr. Tajammal Husain Bokharee (Member)

b) HR and Remuneration Committee

- Mr. Tajammal Husain Bokharee (Chairman)
- Mr. Shahid Abdullah (Member)
- Mr. Yousuf Abdullah (Member)
- Mr. Shayan Abdullah (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a) Audit Committee [Quarterly]
b) HR and Remuneration Committee [yearly}

15. The Board has set up an effective Internal Audit Function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with and compliance requirement of regulation 7 has been complied upon reconstitution/ election of the Board held on July 20, 2020.

For and on behalf of the Board

Shayan Abdullah	**Shahid Abdullah**
Director	Chief Executive

To the members of Sapphire Fibres Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Sapphire Fibres Limited (the Company), which comprise the statement of financial position as at June 30, 2020, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

S. No.	Description	How the matter was addressed in our audit
1.	**Impact of COVID-19** Refer note 45 to the financial statements regarding the impact of COVID-19. In relation to accounting and reporting obligation, the management is responsible to assess the possible effects of COVID-19 on the Company's operations, liquidity and its ability to continue as a going concern and appropriately disclose the results of its assessment in the financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to uncertainty. The management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as financing and cash requirements to ensure continuation of the Company's operations. The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and involved assessment of significant management judgments in the preparation of financial statements. Therefore, we considered it to be a key audit matter.	"Our audit procedures amongst others includedthe following:" - obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy; - evaluated the Company's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts; - discussed the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19 on the Company; - obtained the computation of NRV and checked its reasonableness; - evaluated management's assessment as to whether any provisions were required to be recorded as a result of COVID-19; - evaluated the Company's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19; and - considered the appropriateness of the disclosures made in the financial statements in respect of the potential impact of COVID-19.

S. No.	Description	How the matter was addressed in our audit
2.	**Capital Expenditures** Refer note 4 to the financial statements. During the current year, the Company has incurred significant capital expenditure mainly to enhance production capacity and technological upgrades of the plant, as part of the management plan for expansion, balancing and modernization activities. The Company has made capitalization of Rs.1.290 billion during the year. There is always a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and depreciation charge for the year. We consider the above as a key audit matter being significant transactions and events for the Company during the year.	Our audit procedures included the followings: - understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; - assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices; - assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable financial reporting framework; - checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis; and - assessed whether the disclosures are made in accordance with the applicable financial reporting framework.
3.	**Valuation of stock-in-trade** The total value of stock in trade as at the reporting date amounts to Rs.7.537 billion representing 53% of the Company's total current assets (2019: Rs.6.831 billion, 43% of the Company's total current assets). Stock in trade as at reporting date mainly includes raw material and finished goods. Refer note 10 to the financial statements. The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of raw material and finished goods and in determining the appropriate value of slow moving and obsolete stocks. We identified this matter as key in our audit due to the judgement and assumption applied by the Company in determining the cost and NRV of stock in trade at the year-end.	We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps: - assessed whether the Company's accounting policy for inventory valuation is in line with the applicable financial reporting standards; - attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data; - assessed the historical costs recorded in the inventory valuation by checking purchase invoices on sample basis; - tested the reasonability of assumptions applied by the management in the allocation of labour and other various overhead costs to the inventories; - assessed the management determination of NRV of raw material thereon by performing tests on the subsequent purchase price; and - tested the cost of inventories for finished goods and performed NRV test to asses whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices. We reviewed the Company's disclosure in the financial statement in respect of stock in trade.

Information Other than the Financial Statements and Auditors' Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The Engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

Lahore;
September 26, 2020

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Statement of Financial Position
As at June 30, 2020

	Note	2020	2019
		--- Rupees ---	
Assets			
Non current assets			
Property, plant and equipment	4	**11,867,917,137**	10,557,238,378
Investment property	5	**31,750,000**	31,750,000
Intangible assets	6	**4,309,170**	6,092,817
Long term investments	7	**8,079,035,424**	8,407,678,480
Long term loans	8	**262,000**	442,000
Long term deposits		**28,606,645**	28,606,645
		20,011,880,376	19,031,808,320
Current assets			
Stores, spare parts and loose tools	9	**358,027,617**	248,085,374
Stock-in-trade	10	**7,537,897,128**	6,830,630,079
Trade debts	11	**2,226,110,623**	4,232,884,737
Loans and advances	12	**160,400,271**	96,814,093
Trade deposits and short term prepayments	13	**5,413,764**	77,925,574
Short term investments	14	**2,394,357,739**	2,908,132,483
Other receivables	15	**673,310,150**	744,598,891
Tax refunds due from Government	16	**880,506,826**	655,226,989
Cash and bank balances	17	**68,857,658**	76,712,566
		14,304,881,776	15,871,010,786
Total assets		**34,316,762,152**	34,902,819,106
Equity and Liabilities			
Share capital and reserves			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		**350,000,000**	350,000,000
Issued, subscribed and paid-up capital	18	**206,718,750**	196,875,000
Reserves	19	**2,429,793,680**	2,696,666,077
Unappropriated profit		**13,251,717,505**	12,393,666,121
Total equity		**15,888,229,935**	15,287,207,198
Non current liabilities			
Long term finances	20	**4,510,411,784**	3,559,813,830
Staff retirement benefit - gratuity	21	**310,591,147**	242,930,143
Deferred taxation	22	**143,493,774**	125,895,975
		4,964,496,705	3,928,639,948
Current liabilities			
Trade and other payables	23	**2,022,566,851**	2,258,009,039
Contract liabilities		**454,244,612**	313,963,434
Accrued mark-up / interest	24	**186,517,482**	217,497,816
Short term borrowings	25	**10,026,256,385**	11,772,445,051
Current portion of long term finances	20	**375,597,223**	885,792,285
Unclaimed dividend		**6,137,961**	5,967,559
Provision for taxation		**392,714,998**	233,296,776
		13,464,035,512	15,686,971,960
Total liabilities		**18,428,532,217**	19,615,611,908
Contingencies and commitments	26		
Total equity and liabilities		**34,316,762,152**	34,902,819,106

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:	**Shahid Abdullah**	**Shayan Abdullah**	**Jawwad Faisal**
Dated: September 24, 2020	Chief Executive	Director	Chief Financial Officer

Statement of Profit or Loss

For the year ended June 30, 2020

	Note	2020	2019
		- - - Rupees - - -	
			(Restated)
Sales	27	**22,491,618,810**	21,750,250,244
Cost of sales	28	**(19,667,569,703)**	(18,885,553,558)
Gross profit		**2,824,049,107**	2,864,696,686
Distribution cost	29	**(846,381,791)**	(721,021,399)
Administrative expenses	30	**(332,331,080)**	(313,197,951)
Other income	31	**1,445,359,994**	530,368,131
Other expenses	32	**(116,204,488)**	(82,517,989)
Profit from operations		**2,974,491,742**	2,278,327,478
Finance cost	33	**(1,463,422,255)**	(1,262,472,764)
Profit before taxation		**1,511,069,487**	1,015,854,714
Taxation	34	**(385,746,264)**	(256,657,403)
Profit after taxation		**1,125,323,223**	759,197,311
Earnings per share - basic and diluted	35	**55.61**	36.72

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:
Dated: September 24, 2020

Shahid Abdullah	Shayan Abdullah	Jawwad Faisal
Chief Executive	Director	Chief Financial Officer

	2020	2019
	--- Rupees ---	
Profit after taxation	**1,125,323,223**	759,197,311
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised loss on remeasurement of investment at fair value through other comprehensive income		
- long term	**(344,837,056)**	(810,464,891)
- short term	**(142,952,701)**	(778,963,436)
Impact of deferred tax	**(25,176,390)**	28,064,658
Realised (loss) / gain on sale of investment at fair value through other comprehensive income	**(94,607,088)**	14,111,361
	(607,573,235)	(1,547,252,308)
(Loss) / gain on re-measurement of staff retirement benefit obligation	**(15,768,827)**	29,644,795
Impact of deferred tax	**604,076**	(1,656,176)
	(15,164,751)	27,988,619
	(622,737,986)	(1,519,263,689)
Total comprehensive income / (loss) for the year	**502,585,237**	(760,066,378)

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore: Dated: September 24, 2020	**Shahid Abdullah** Chief Executive	**Shayan Abdullah** Director	**Jawwad Faisal** Chief Financial Officer

	Note	2020	2019
		- - - Rupees - - -	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	**3,656,018,188**	172,866,826
Staff retirement benefit paid		**(54,746,781)**	(179,457,285)
Finance cost paid		**(1,502,130,544)**	(1,177,765,419)
Taxes paid		**(411,687,429)**	(302,831,807)
Workers' profit participation fund paid		**(43,373,043)**	(67,999,400)
Long term loans - net		**180,000**	(145,000)
Net cash generated from / (used in) operating activities		**1,644,260,391**	(1,555,332,085)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(2,159,339,814)**	(1,026,494,086)
Proceeds from disposal of operating fixed assets		**47,036,078**	49,965,870
Investment in Subsidiary Companies		**(16,200,000)**	(283,100,000)
Long and short term investments - net		**276,214,955**	93,714,027
Proceeds from sale of stores and spares		**407,565**	10,050,483
Dividend and interest income received		**1,406,943,789**	464,680,006
Net cash used in investing activities		**(444,937,427)**	(691,183,700)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - obtained		**990,153,577**	626,337,000
- repaid		**(549,750,685)**	(862,367,067)
Proceeds from issuance of right shares		**255,937,500**	-
Dividend paid		**(157,329,598)**	(235,635,815)
Short term borrowings - net		**(1,746,188,666)**	2,770,847,107
Net cash (used in) / generated from financing activities		**(1,207,177,872)**	2,299,181,225
Net (decrease) / increase in cash and cash equivalents		**(7,854,908)**	52,665,440
Cash and cash equivalents - at beginning of the year		**76,712,566**	24,047,126
Cash and cash equivalents - at end of the year		**68,857,658**	76,712,566

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:	**Shahid Abdullah**	**Shayan Abdullah**	**Jawwad Faisal**
Dated: September 24, 2020	Chief Executive	Director	Chief Financial Officer

		Reserves					
		Capital	Revenue				
	Issued, subscribed and paid-up capital	Share premium	General	Unappropriated profit	Sub-total	Unrealised gain / (loss) on financial assets at fair value through other comprehensive income	Total
	-----------	-----------	-----------	R u p e e s	-----------	-----------	-----------
Balance as at July 01, 2018	196,875,000	145,740,000	1,183,845,000	11,828,618,830	13,158,203,830	2,928,444,746	16,283,523,576
Transactions with owners of the Company- *distributions*							
Final dividend related to the year ended June 30, 2018 at the rate of Rs.12 per share	-	-	-	(236,250,000)	(236,250,000)	-	(236,250,000)
Total comprehensive income / (loss) for the year ended June 30, 2019							
Profit for the year	-	-	-	759,197,311	759,197,311	-	759,197,311
Other comprehensive income / (loss)	-	-	-	27,988,619	27,988,619	(1,547,252,308)	(1,519,263,689)
	-	-	-	787,185,930	787,185,930	(1,547,252,308)	(760,066,378)
Reclassification adjustment of realised gain on sale of investment at fair value through other comprehensive income	-	-	-	14,111,361	14,111,361	(14,111,361)	-
Balance as at June 30, 2019	**196,875,000**	**145,740,000**	**1,183,845,000**	**12,393,666,121**	**13,723,251,121**	**1,367,081,077**	**15,287,207,198**
Transactions with owners of the Company- *contribution*							
984,375 right shares issued at Rs.260 per share (including share premium of Rs.250 per share)	9,843,750	246,093,750	-	-	246,093,750	-	255,937,500
Transactions with owners of the Company- *distribution*							
Final dividend related to the year ended June 30, 2019 at the rate of Rs.8 per share	-	-	-	(157,500,000)	(157,500,000)	-	(157,500,000)
Total comprehensive income / (loss) for the year ended June 30, 2020							
Profit for the year	-	-	-	1,125,323,223	1,125,323,223	-	1,125,323,223
Other comprehensive loss	-	-	-	(15,164,751)	(15,164,751)	(607,573,235)	(622,737,986)
	-	-	-	1,110,158,472	1,110,158,472	(607,573,235)	502,585,237
Reclassification adjustment of realised loss on sale of investment at fair value through other comprehensive income	-	-	-	(94,607,088)	(94,607,088)	94,607,088	-
Balance as at June 30, 2020	**206,718,750**	**391,833,750**	**1,183,845,000**	**13,251,717,505**	**14,827,396,255**	**854,114,930**	**15,888,229,935**

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore:
Dated: September 24, 2020

Shahid Abdullah
Chief Executive

Shayan Abdullah
Director

Jawwad Faisal
Chief Financial Officer

1. LEGAL STATUS AND OPERATIONS

Sapphire Fibres Limited (the Company) was incorporated in Pakistan on June 05, 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 manufacturing 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	
7 A- K, Main Boulevard, Gulberg	Head office
3.5 km, Manga Road, Riawand	Production plant
Shiekhpura	
10 km, Sheikhupura / Faisalabad Road, Kharianwala	Production plant
26 km, Sheikhupura / Faisalabad Road, Feroze wattoan	Production plant

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

-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 from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investment valued at fair value, derivative financial instruments which have been marked to market and staff retirement benefit - gratuity which is stated at present value of defined benefit obligation.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees unless otherwise specified.

2.4 Change in accounting standards and interpretations

2.4.1 Standards, amendments to approved accounting standards effective in current year and are relevant

During the year, the Company has adopted following new standard / interpretation:

(a) IFRS 16 'Leases' from effective for the period beginning on or after July 01, 2019. The standard introduces a single, on-balance sheet accounting model for leases. As a result, the Company as a lessee has to recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments. The standard removes distinction between operating and finance leases and requires recognition of an asset (the-right-of use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors does not significantly changed.

The Company has applied IFRS 16 using the modified retrospective approach. Under this approach, the cumulative effect of initial application is to be recognized in retained earnings at July 1, 2019. Accordingly, the comparative information presented for 2019 has not been restated - i.e. it is presented as previously reported under IAS 17 and related interpretations. The adoption of IFRS 16 do not have a material impact on the financial statements of the Company as the Company has elected to use recognition exemption given by the IFRS. The Company has elected not to recognise right-of-use assets and its corresponding liabilities in respect of low-value leases and for the operating leases having a remaining lease term of 12 months or less. As at reporting date operating lease arrangements of the Company are of short term in nature.

(b) Amendments to IAS 19, ‘Employee benefits’ on plan amendment, curtailment or settlement’, are effective for periods beginning on or after January 01, 2019. These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in statement of profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendments do not have any material impact on the Company’s financial statements.

(c) Amendment to IAS 23 'Borrowing Costs', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Company’s financial reporting and operations.

2.4.2 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 IFRSs and interpretations that are mandatory for companies having accounting periods beginning on or after July 01, 2020 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 financial statements, except for the following:

(a) Amendments to IAS 1, 'Presentation of financial statements' and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors is applicable on accounting periods beginning on or after January 1, 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRSs.

(b) The International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately and contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The Companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, Companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.

(c) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is ‘onerous’ when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendments do not have any material impact on the Company's financial statements.

(d) Amendments to IAS 16 'Property, Plant and Equipment' effective for the annual period beginning on or after January 1, 2022. These amendments clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. The amendment do not has any material impact on the Company's financial statements.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

2.5 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Judgments, estimates and assumptions made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

(a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

(b) Stores & spares and stock-in-trade

The Company estimates the net realizable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to make sale.

(c) Provision for impairment of trade debts

Impairment losses related to trade and other receivables, are calculated using simplified approach of expected credit loss model. Management used actual credit loss experience over past years for the calculation of expected credit loss. Trade and other receivables are written off when there is no reasonable expectation of recovery.

(d) Staff retirement benefits - gratuity

The present value of this obligation depends on a number of factors that is determined on actuarial basis using a number of assumptions. Any change in these assumptions will impact carrying amount of this obligation. The present value of the obligation and underlying assumptions are stated in note 21.

(e) Income taxes

In making the estimates for income taxes, the Company takes into account the current income tax laws and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These polices have been consistently applied to all the years presented except for the change as stated in note.2.4.1.

3.1 Property, plant and equipment

Owned assets

Property, plant and equipment except for freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, leasehold land and capital work in progress are stated at cost. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Subsequent costs

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to expenses as and when incurred.

Depreciation

Depreciation is charged to income on the reducing balance method at rates stated in note 4.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which asset is disposed-off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Residual values and useful lives are reviewed, at each reporting date, and adjusted if impact on depreciation is significant.

Disposal

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the statement of profit or loss.

Impairment

The Company assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment charge is recognized in income currently.

Un-allocated capital expenditure

All costs or expenditures attributable to work in progress are capitalized and apportioned to the respective items of property, plant and equipment on completion.

3.2 Investment property

Investment property is held for long term rental yields / capital appreciation. Investment property of the Company comprises of freehold land and is valued using the cost model i.e. at cost less accumulated depreciation and any impairment losses, if any.

Depreciation is calculated by applying reducing balance method at the applicable rates. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged from the month in which the property is disposed off.

Cost of investment property is determined on the same basis as used for Company's owned assets.

3.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

Cost of the intangible asset (i.e. computer softwares) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Subsequent expenditure

Expenditure which enhance or extend the performance of computer softwares beyond its original specification and useful life are recognized as capital improvement and added to the original cost of the softwares. Costs associated with maintaining computer softwares are recognized as an expense as and when incurred.

Amortization

Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight-line method at rates stated in note 6. Amortization on additions to intangible assets is charged from the date in which an asset is put to use and on disposal upto the date of disposal.

3.4 Right-of-use assets

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated over the lease term on the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

3.5 Financial assets

Initial measurement

The Company classifies its financial assets in the following three measurement categories:

-fair value through other comprehensive income (FVTOCI);

-fair value through profit or loss (FVTPL); and

-measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

- Equity Instruments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

- Debt Instruments at FVTOCI

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to the statement of profit or loss.

- Debt Instruments at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in the statement of profit or loss.

- Financial Assets measured at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Investments in Subsidiary and Associated Companies

Investments in Subsidiary and Associates are carried at cost less impairment, if any. Impairment losses are recognized as an expense. At each reporting date, the Company reviews the carrying amounts of investments and its recoverability to determine whether there is an indication that such investments have suffered an impairment loss. If any such indication exists, the carrying amount of the investments is adjusted to the extent of impairment loss which is recognized as an expense in statement of profit or loss.

3.6 Stores, spare parts and loose tools

Stores, spare parts and loose tools are stated at cost which is based on monthly weighted average cost. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated upto the reporting date.

Provision for obsolete and slow moving stores, spares parts and loose tools is determined based on management's estimate regarding their future usability.

3.7 Stock-in-trade

Stock-in-trade is valued at lower of cost and net realizable value (NRV) except waste, which is valued at NRV. Cost has been determined as follows:

Particulars	**Mode of valuation**
Raw materials	- weighted average cost
Raw materials in transit	- cost accumulated to the reporting date
Work-in-process	- cost of direct materials and appropriate manufacturing overheads
Finished goods	- lower of average cost and net realizable value
Waste	- net realizable value

Net realizable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

3.8 Trade debts and other receivables and related impairment

These are classified at amortized cost and are initially recognised and measured at fair value of consideration receivable. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

3.9 Government grants

These represent transfer of resources from government, government agencies and similar bodies, in return for the past or future compliances with certain conditions relating to the operating activities of the Company.

Government grant towards research and development activities is recognized in statement of profit or loss as deduction from the relevant expenses on matching basis.

3.10 Impairment

(a) Financial assets

The Company assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further, the Company followed simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. Management used actual credit loss experience over past years for the calculation of ECL.

For debt instruments measured as FVTOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The provision for impairment loss is recognized in the statement of profit or loss.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognized in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

3.11 Financial liabilities

Classification & subsequent measurement

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on derecognition is also recognized in the statement of profit or loss.

Derecognition

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise of cash-in-hand and balances with banks.

3.13 Borrowings

These are recognized initially at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method. Difference between proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings as interest expense.

3.14 Employees' retirement benefits

(a) Defined contribution plan

The Company operates a defined contribution plan through an approved provident fund (the Fund) for its management staff. Equal monthly contributions are made both by the Company and employees at the rate of 8.33% of the basic salary to the Fund.

(b) Defined benefit plan

The Company operates an un-funded gratuity scheme under which the gratuity is payable on cessation of employment, subject to a minimum qualifying period of service.

Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2020 on the basis of projected unit credit method by an Independent Actuary. The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of defined benefit obligation at the end of reporting period.

The amount arising as a result of remeasurements is recognized in the statement of financial statement immediately, with a charge or credit to statement of other comprehensive income in the periods in which they occur.

3.15 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in statement of other comprehensive income or directly in equity. In this case, the tax is also recognized in statement of other comprehensive income or directly in equity, respectively.

Current

Provision for current year's taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and taxes paid under the presumptive tax regime.

Deferred

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to statement of other comprehensive income / equity in which case it is included in statement of other comprehensive income / equity.

3.16 Lease liability

Until June 30, 2019, leases were classified as either finance or operating leases. Payments made under operating leases were charged to the statement of profit or loss on a straight-line basis over the period of the lease.

Under IFRS 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The present value of the lease payments is determined using interest rate implicit in lease. If interest rate implicit in lease is not readily determinable, then the Company uses incremental borrowing rate at the commencement of lease.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3.17 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximates fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.18 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the prevailing best estimate.

3.19 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the exchange rates prevailing at the reporting date. All arising exchange gains and losses are recognized in the statement of profit or loss.

3.20 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

Sale of goods

- revenue from local sale of goods is recognized at the point of time when the customer obtains control of the goods, which is generally at the time of delivery / dispatch of goods to customers;

- revenue from the export sale of goods is recognized at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port;

Rendering of services

- revenue from contracts for provision of services is recognized at the point in time when the processed goods are dispatched from the mills to the customer;

Other sources of revenue

- export rebate income is recognized on accrual basis as and when the right to receive the income establishes;

- dividend income from investments is recognized when the Company's right to receive dividend is established; and

- return on bank deposits / interest income is recognized using applicable effective interest rate. Income is accrued as and when the right to receive the income is established.

3.21 Borrowing costs

Borrowing costs directly attributable to construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss.

3.22 Dividend and appropriation to reserves

Dividend and other appropriations to reserves are recognized in the period in which they are approved.

3.23 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
		--- Rupees ---	
Operating fixed assets	**4.1**	**10,875,747,534**	10,434,625,536
Capital work-in-progress	**4.3**	**992,169,603**	122,612,842
		11,867,917,137	10,557,238,378

4.1 Operating fixed assets

	Freehold land	Leasehold land	Residential buildings and others on freehold land	Leased office improve-ments	Factory buildings on freehold land	Plant and machinery	Electric installations	Equipment: Fire fighting	Equipment: Office	Equipment: Mills	Equipment: Electric / gas	Computer hardware	Vehicles	Furniture and fixtures	Arms and ammuni-tion	Tools	Total
	Rupees																
At July 1, 2018																	
Cost	441,293,130	313,245,050	887,405,589	28,636,645	2,614,482,062	9,734,871,524	364,263,386	20,521,998	19,746,970	38,670,680	20,484,039	21,540,721	213,328,007	48,572,335	149,886	248,579	14,767,460,601
Accumulated depreciation	-	-	210,621,664	22,551,027	869,021,606	3,881,200,597	122,220,235	1,412,170	15,855,042	24,155,820	10,636,187	14,843,943	98,259,003	26,899,025	132,785	215,342	5,298,024,446
Net book value	441,293,130	313,245,050	676,783,925	6,085,618	1,745,460,456	5,853,670,927	242,043,151	19,109,828	3,891,928	14,514,860	9,847,852	6,696,778	115,069,004	21,673,310	17,101	33,237	9,469,436,155
Year ended June 30, 2019																	
Opening net book value	441,293,130	313,245,050	676,783,925	6,085,618	1,745,460,456	5,853,670,927	242,043,151	19,109,828	3,891,928	14,514,860	9,847,852	6,696,778	115,069,004	21,673,310	17,101	33,237	9,469,436,155
Additions	15,428,500	-	83,640,352	-	287,624,368	1,273,853,514	40,799,859	590,000	-	799,885	-	3,657,904	28,966,442	251,177	-	-	1,735,612,001
Disposals:																	
- cost	-	-	-	-	-	93,700,882	-	-	-	-	-	-	43,186,140	-	-	-	136,887,022
- accumulated depreciation	-	-	-	-	-	(74,225,376)	-	-	-	-	-	-	(24,591,132)	-	-	-	(98,816,508)
	-	-	-	-	-	19,475,506	-	-	-	-	-	-	18,595,008	-	-	-	38,070,514
Depreciation charge	-	-	34,493,698	1,217,124	180,467,746	457,766,692	24,544,315	1,950,318	389,193	1,458,152	984,785	2,587,384	24,313,703	2,173,962	1,710	3,324	732,352,106
Closing net book value	**456,721,630**	**313,245,050**	**725,930,579**	**4,868,494**	**1,852,617,078**	**6,650,282,243**	**258,298,695**	**17,749,510**	**3,502,735**	**13,856,593**	**8,863,067**	**7,767,298**	**101,126,735**	**19,750,525**	**15,391**	**29,913**	**10,434,625,536**
At June 30, 2019																	
Cost	456,721,630	313,245,050	971,045,941	28,636,645	2,902,106,430	10,915,024,156	405,063,245	21,111,998	19,746,970	39,470,565	20,484,039	25,198,625	199,108,309	48,823,512	149,886	248,579	16,366,185,580
Accumulated depreciation	-	-	245,115,362	23,768,151	1,049,489,352	4,264,741,913	146,764,550	3,362,488	16,244,235	25,613,972	11,620,972	17,431,327	97,981,574	29,072,987	134,495	218,666	5,931,560,044
Net book value	**456,721,630**	**313,245,050**	**725,930,579**	**4,868,494**	**1,852,617,078**	**6,650,282,243**	**258,298,695**	**17,749,510**	**3,502,735**	**13,856,593**	**8,863,067**	**7,767,298**	**101,126,735**	**19,750,525**	**15,391**	**29,913**	**10,434,625,536**
Year ended June 30, 2020																	
Opening net book value	456,721,630	313,245,050	725,930,579	4,868,494	1,852,617,078	6,650,282,243	258,298,695	17,749,510	3,502,735	13,856,593	8,863,067	7,767,298	101,126,735	19,750,525	15,391	29,913	10,434,625,536
Additions	10,008,500	-	7,340,151	-	33,144,343	1,196,020,251	12,133,403	-	-	1,056,400	188,631	1,083,500	25,722,394	3,085,480	-	-	1,289,783,053
Disposals:																	
- cost	-	-	-	-	-	186,766,437	-	-	-	-	-	-	13,086,833	-	-	-	199,853,270
- accumulated depreciation	-	-	-	-	-	(155,559,468)	-	-	-	-	-	-	(7,305,051)	-	-	-	(162,864,519)
	-	-	-	-	-	31,206,969	-	-	-	-	-	-	5,781,782	-	-	-	36,988,751
Depreciation charge	-	-	36,408,019	973,699	186,382,753	529,234,953	26,152,973	1,774,951	350,273	1,459,292	900,454	2,535,452	23,387,509	2,107,446	1,539	2,991	811,672,304
Closing net book value	**466,730,130**	**313,245,050**	**696,862,711**	**3,894,795**	**1,699,378,668**	**7,285,860,572**	**244,279,125**	**15,974,559**	**3,152,462**	**13,453,701**	**8,151,244**	**6,315,346**	**97,679,838**	**20,728,559**	**13,852**	**26,922**	**10,875,747,534**
At June 30, 2020																	
Cost	466,730,130	313,245,050	978,386,092	28,636,645	2,935,250,773	11,924,277,970	417,196,648	21,111,998	19,746,970	40,526,965	20,672,670	26,282,125	211,743,870	51,908,992	149,886	248,579	17,456,115,363
Accumulated depreciation	-	-	281,523,381	24,741,850	1,235,872,105	4,638,417,398	172,917,523	5,137,439	16,594,508	27,073,264	12,521,426	19,966,779	114,064,032	31,180,433	136,034	221,657	6,580,367,829
Net book value	**466,730,130**	**313,245,050**	**696,862,711**	**3,894,795**	**1,699,378,668**	**7,285,860,572**	**244,279,125**	**15,974,559**	**3,152,462**	**13,453,701**	**8,151,244**	**6,315,346**	**97,679,838**	**20,728,559**	**13,852**	**26,922**	**10,875,747,534**
	(note.4.1.1)																
Depreciation rate (% - per annum)			**5**	**20**	**10**	**5 & 10**	**10**	**10**	**10**	**10**	**10**	**30**	**20**	**10**	**10**	**10**	

4.1.1 Freehold land includes Rs.80.685 million representing the Company's 30% share of jointly controlled property located at Block-D/1, Gulberg, Lahore, registered in the name of the Company along with Sapphire Textile Mills Ltd., Diamond Fabrics Ltd., and Sapphire Finishing Mills Ltd. (Related Parties).

4.1.2 Particulars of immovable property in the name of Company are as follows:

Location	Usage of immovable property	Total area in square yards
Freehold Land		
- Kharianwala, District Shiekhupura.	Production plant	174,815
- Ferozewattoan, District Shiekhupura.	Production plant	569,156
- Riawind, District Lahore.	Production plant	925,169
- Block-D/1, Gulberg, District Lahore.	Proposed office	1,497
Leasehold Land		
- Nooriabad, Karachi.	Proposed Mill / Factory	135,520
- Port Qasim Authority, Karachi.	Proposed warehouse	14,520
- Defence Housing Authority, Karachi.	Proposed office	666

4.2 Depreciation charge has been allocated as follows:

	2020	2019
	--- Rupees ---	
Cost of goods manufactured	**791,848,091**	712,745,017
Administrative expenses	**19,824,213**	19,607,089
	811,672,304	732,352,106

4.3 Capital work-in-progress

Buildings	**177,159,344**	12,570,215
Plant and machinery {including in transit aggregating Rs.18.439 million (June 30, 2019: Rs.78.40 million)}	**401,629,894**	78,404,642
Advance payments against:		
- land - freehold	**390,000,000**	-
- factory / office building	**6,668,800**	6,668,800
- plant and machinery	**-**	245,620
- electric installation	**15,764,565**	15,764,565
- vehicles	**-**	8,959,000
- computer software	**947,000**	-
	413,380,365	31,637,985
	992,169,603	122,612,842

4.4 The details of operating fixed assets disposed-off is as follows:

Particulars of assets	Cost	Accumu-lated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to:
	-----	-----	Rupees	-----	-----		
Assets having net book value exceeding Rs.500,000 each							
Plant and machinery							
Draw Frame Toyoda DX-8	7,466,797	5,955,522	1,511,275	2,250,000	738,725	Negotiation	M/s. Chakwal Textile Mills Ltd.
Winding Machine Murata 7 II	8,276,891	7,637,916	638,975	700,000	61,025	Negotiation	M/s. Hanif Trading Company.
Fabric Dyeing Machine	23,188,626	19,930,547	3,258,079	4,545,454	1,287,375	Negotiation	M/s. A.M Merchandising (Pvt.) Ltd.
Fabric Dyeing Machine	20,659,713	18,163,633	2,496,080	3,409,091	913,011	Negotiation	M/s. AK Dyeing.
Steaming Economizer System	3,318,130	2,328,527	989,603	1,363,636	374,033	Negotiation	M/s. Nagina Engineering Works.
Fabric Brushing Machine	4,782,552	4,181,143	601,409	909,091	307,682	Negotiation	M/s. A.S Traders.
Yarn Dyeing Machine	17,229,268	12,705,017	4,524,251	5,181,818	657,567	Negotiation	M/s. Jilani Textile Traders.
Yarn Dyeing Machine	83,110,138	67,325,794	15,784,344	16,000,000	215,656	Negotiation	M/s. New Asia Woollen Mills Ltd.
	168,032,115	**138,228,099**	**29,804,016**	**34,359,090**	**4,555,074**		
Vehicles							
Toyota Corolla	2,351,042	619,107	1,731,935	1,731,935	-	Company policy	Mr. Jawad Faisal (CFO)
Honda Civic	2,839,791	1,355,527	1,484,264	2,900,000	1,415,736	Negotiation	Mr. Babar Shehzad
Honda City	1,799,000	877,912	921,088	1,300,139	379,051	Negotiation	Mr. Naeem Akram
Honda City	1,799,000	1,029,123	769,877	1,202,869	432,992	Negotiation	Mr. Umer Farooq (employee)
	8,788,833	**3,881,669**	**4,907,164**	**7,134,943**	**2,227,779**		
Various assets having net book value upto Rs.500,000 each	**23,032,322**	**20,754,751**	**2,277,571**	**5,542,045**	**3,264,474**		
June 30, 2020	**199,853,270**	**162,864,519**	**36,988,751**	**47,036,078**	**10,047,327**		
June 30, 2019	136,887,022	98,816,508	38,070,514	49,965,870	11,895,356		

4.4.1 The Company's management, during the year, decided to wind-up the operations of its fibre / yarn dyeing unit and has sold the related plant and machinery.

5. INVESTMENT PROPERTY

5.1 This represents free-hold land situated at Raiwand Road, Lahore having an area of 5,000 square yards.

5.2 Fair value of the investment property, based on the management estimation, as at June 30, 2020 was Rs.70 million (2019: Rs.45 million).

6. INTANGIBLE ASSETS

	Note	2020	2019
		--- Rupees ---	
These represent computer software licenses.			
Net carrying value as at July 1,			
Opening net book value		**6,092,817**	4,138,337
Addition during the year		**-**	3,428,250
Amortization for the year		**(1,783,647)**	(1,473,770)
Net book value as at June 30,		**4,309,170**	6,092,817
Gross carrying value as at June 30,			
Cost		**29,890,171**	29,890,171
Accumulated amortization		**25,581,001**	23,797,354
Net book value		**4,309,170**	6,092,817
Amortization rate (% per annum)		**20**	20

7. LONG TERM INVESTMENTS

	Note	2020	2019
Subsidiary Companies - at cost	**7.1**	**3,574,308,316**	3,558,108,316
Associated Companies - at cost	**7.2**	**758,276,769**	758,276,769
Others - equity instruments	**7.3**	**3,682,773,859**	4,026,985,585
- debt instruments	**7.4**	**63,676,480**	64,307,810
		8,079,035,424	8,407,678,480

7.1 Subsidiary Company - unquoted

	Note	2020	2019
Sapphire Electric Company Limited (SECL)			
288,782,600 ordinary shares of Rs.10 each	**7.1.1**	**3,039,008,316**	3,039,008,316
Equity held: 68.11%			
Premier Cement Limited (PCL)			
46,860,000 (2019: 48,860,000) ordinary shares of Rs.10 each	**7.1.2**	**468,600,000**	468,600,000
Equity held: 100%			
Sapphire Cement Company Limited (SCCL)			
50,000 ordinary shares of Rs.10 each	**7.1.3**	**500,000**	500,000
Equity held: 100%			
Sapphire Energy (Pvt.) Limited (SEPL)			
5,000,000 ordinary shares of Rs.10 each	**7.1.4**	**50,000,000**	50,000,000
Equity held: 100%			
Share deposit money		**16,200,000**	-
		66,200,000	50,000,000
		3,574,308,316	3,558,108,316

7.1.1 SECL was incorporated in January 18, 2005 as a public limited company. 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 at Muridke, District Sheikhupura, Punjab.

The Company has pledged 172,446,420 shares of SECL with a financial institution under Share Pledge Agreement dated April 16, 2007 and Working Capital Support Agreement dated August 13, 2010 as security against financing facilities advanced to SECL.

7.1.2 PCL is a wholly owned Subsidiary Company incorporated as a public limited company. The Subsidiary Company intends to establish and install plant for manufacturing of all kinds of cement and its allied products.

7.1.3 SCCL is a wholly owned Subsidiary Company incorporated as a public limited company. The Subsidiary Company intends to establish and install plant for manufacturing of all kinds of cement and its allied products.

7.1.4 SEPL is a wholly owned Subsidiary Company incorporated as a private limited company. The Subsidiary Company intends to establish and install plant for handling, storage, treatment and processing of Liquefied Natural Gas, Re-gasified Liquefied Natural Gas, Liquid Petroleum Gas, Natural Gas Liquid and its allied products.

7.2		2020	2019
	Associated Companies - Quoted	--- Rupees ---	
	Reliance Cotton Spinning Mills Limited		
	138,900 ordinary shares of Rs.10 each	**1,306,269**	1,306,269
	Equity held: 1.35%		
	Fair value: Rs.17.779 million (2019: Rs.20.279 million)		
	SFL Limited - note 7.2.1		
	10,199 ordinary shares of Rs.10 each	**100,000**	100,000
	Equity held: 0.051%		
	Fair value: Rs.1.682 million (2019: Rs.1.632 million)		
	Associated Companies - unquoted		
	Sapphire Power Generation Limited		
	2,824,500 ordinary shares of Rs.10 each	**64,355,500**	64,355,500
	Equity held: 17.63%		
	Break-up value per share on the basis of un-audited financial statements Rs.77.18 (2019: Rs.86.56)		
	Sapphire Dairies (Private) Limited		
	10,000,000 ordinary shares of Rs.10 each	**100,000,000**	100,000,000
	Equity held: 8.00% (2019: 9.09%)		
	Break-up value per share on the basis of un-audited financial statements Rs.11.62 (2019: Rs.12.32)		
	Tricon Boston Consulting Corporation (Private) Limited (TBCCL) - note 7.2.2		
	59,251,500 ordinary shares of Rs.10 each	**592,515,000**	592,515,000
	Equity held: 7.13%		
	Break-up value per share on the basis of un-audited financial statements Rs.18.06 (2019: Rs.12.23)		
		758,276,769	758,276,769

7.2.1 SFL Limited is in process of voluntary delisting from Pakistan Stock Exchange and has made an offer to buy-back its shares at an agreed price of Rs.160 per share.

7.2.2 The Company has pledged these shares through an Onshore Security Trustee under Share Pledge Agreement dated May 08, 2017 as security against financing facilities availed by TBCCL.

7.2.3 The existence of significant influence by the Company is evidenced by the representation on the board of directors of abovementioned Associated Companies.

		2020	2019
7.3	**Equity Instruments - at *FVTOCI***	- - - R u p e e s - - -	
	Quoted		
	MCB Bank Limited		
	18,213,195 (2019: 18,213,195) ordinary shares of Rs.10 each - **cost**	**896,451,123**	896,451,123
	Adjustment arising from re-measurement to fair value	**2,055,361,391**	2,280,840,745
		2,951,812,514	3,177,291,868
	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	**(515,328,342)**	(396,595,970)
		701,745,267	820,477,639
	Unquoted		
	Novelty Enterprises (Private) Limited - note 7.3.1		
	2,351,995 ordinary shares of Rs.10 each	**28,716,078**	28,716,078
	TCC Management Services (Private) Limited		
	50,000 ordinary shares of Rs.10 each	**500,000**	500,000
		3,682,773,859	4,026,985,585

7.3.1 Novelty Enterprises (Private) Limited has not commenced its operations since incorporation dated July 26, 2006. Its statement of financial position mainly comprises of land having fair value above the cost of investment by the Company. The Company held only 4.16% of the paid up capital of Novelty Enterprises (Private) Limited and has no influence over its policies or decision making with regards to its operations in the future. Therefore, calculation of fair value of the Company's investment is not practicable.

			2020	2019
7.4	**Debt Instruments - *at FVTOCI***	**Note**	- - - R u p e e s - - -	
	Habib Bank Limited - term finance certificates (TFCs)	**7.4.1**		
	650 (2019: 150) Term finance certificates of Rs.100,000 each - **cost**		**64,976,000**	14,982,000
	Adjustment arising from re-measurement to fair value		**(1,299,520)**	(674,190)
			63,676,480	14,307,810
	Advance against purchase of TFCs		**-**	50,000,000
			63,676,480	64,307,810

7.4.1 These carry profit at the rate of 3 months KIBOR + 1.60%. Effective profit rates charged, during the year, ranged from 11.34% to 15.45% per annum.

8.	**LONG TERM LOANS** - Secured		**2020**	2019
		Note	**- - - R u p e e s - - -**	
	Loans due from employees	**8.1**	**442,000**	622,000
	Less: recoverable within one year and grouped under current assets		**180,000**	180,000
			262,000	442,000

8.1 These represent interest free loans provided to employees as per terms of employment. These loans are granted for various purposes and are recoverable in monthly instalments which vary from case to case. Loans are secured against employees' vested retirement benefits. The Company has not provided any loan to its Key management personnel.

9.	**STORES, SPARE PARTS AND LOOSE TOOLS**		**2020**	2019
		Note	**- - - R u p e e s - - -**	
	Stores		**192,693,725**	92,858,971
	Spare parts		**118,643,270**	88,189,391
	Loose tools		**92,852**	117,125
	Items in transit		**58,653,313**	73,411,473
			370,083,160	254,576,960
	Less: provision for slow moving items	**9.1**	**12,055,543**	6,491,586
			358,027,617	248,085,374
9.1	**Provision for slow moving items**			
	Balance at beginning of the year		**6,491,586**	6,139,726
	Add: provision made during the year		**5,563,957**	496,244
	Less: provision reversed during the year		**-**	(144,384)
	Balance at end of the year		**12,055,543**	6,491,586
10.	**STOCK-IN-TRADE**			
	Raw materials:			
	- at mills	**10.1**	**5,059,559,891**	4,260,524,971
	- in transit		**375,777,267**	316,484,292
	- at third party's premises	**10.2**	**40,002,394**	113,558,902
			5,475,339,552	4,690,568,165
	Work-in-process		**798,954,257**	830,588,354
	Finished goods:			
	- at mills	**10.3**	**1,077,525,876**	1,222,372,880
	- at third party's premises		**186,077,443**	87,100,680
			1,263,603,319	1,309,473,560
			7,537,897,128	6,830,630,079

10.1 Current year raw material include items costing Rs.2,186.329 million which have been stated at their net realizable value aggregated Rs.2,096.635 million. The amount charged to cost of sales in respect of stocks written down to their realizable value is Rs.89.694 million.

10.2 This stock is lying for processing and finishing.

10.3 Included in the finished goods items costing Rs.736.504 million (2019: Rs.664.236 million) which have been stated at their net realizable value aggregated Rs.558.898 million (2019: Rs.597.261 million). The amount charged to cost of sales in respect of stocks written down to their realizable value is Rs.177.605 million (2019: Rs.66.975 million).

11. TRADE DEBTS

	Note	2020	2019
		- - - Rupees - - -	
Considered good			
Unsecured			
- local		**1,040,250,267**	836,960,899
- indirect export		**-**	138,147,160
		1,040,250,267	975,108,059
Secured - foreign debts		**1,176,568,247**	3,216,050,691
Considered doubtful			
Unsecured - foreign debts	**11.4**	**68,565,103**	92,704,930
		2,285,383,617	4,283,863,680
Less: provision for impairment		**59,272,994**	50,978,943
		2,226,110,623	4,232,884,737

11.1 These include the following amounts due from related parties:

	2020	2019
Diamond Fabrics Ltd.	**11,104,098**	24,037,012
Reliance Cotton Spinning Mills Ltd.	**803,113**	4,758,787
Amer Cotton Mills (Pvt.) Ltd.	**1,580,171**	-
Sapphire Textile Mills Ltd.	**6,822,369**	4,949,420
Sapphire Power Generation Ltd.	**6,400**	-
	20,316,151	33,745,219

11.2 The ageing of trade debts at June 30, is as follows:

	Related parties		Others	
	2020	2019	**2020**	2019
	- - - - - - - - - - - - - - Rupees - - - - - - - - - - - - - -			
Not past due	**10,541,245**	33,745,219	**1,182,443,683**	2,746,245,930
Past due 1-30 days	**6,371,969**	-	**467,448,203**	1,110,691,229
Past due 31-60 days	**3,402,937**	-	**200,494,466**	207,396,422
Past due 61-90 days	**-**	-	**79,387,890**	37,757,496
Past due 91-365 days	**-**	-	**245,393,785**	52,406,599
Past due one year	**-**	-	**30,626,445**	44,641,842
	20,316,151	33,745,219	**2,205,794,472**	4,199,139,518

11.3 The aggregate maximum outstanding balance due from the related parties at the end of any month during the year was Rs.82.855 million (2019: Rs.140.489 million).

11.4 These represent doubtful receivables amounting U.S. Dollar 372.506 thousand and U.S. Dollar 163.763 thousand from M/s. Star Knitwear Ltd. Mauritius, Hong Kong and M/s.Cortland Industries Inc. New York, United States respectively.

12.	**LOANS AND ADVANCES**		**2020**	2019
	- Considered good	**Note**	--- Rupees ---	
	Current portion of long term loans to employees	**8**	**180,000**	180,000
	Advances to:			
	- suppliers and contractors		**98,967,321**	12,609,598
	- employees		**2,032,001**	669,100
	- others	**12.1**	**59,220,949**	83,355,395
			160,220,271	96,634,093
			160,400,271	96,814,093

12.1 These include Rs.10 million which was given as advance for purchase of land to Mr. Mubarak Ali and Muhammad Akbar Sheikh. In 2018, upon cancelation of deal the Company has entered into an agreement with the parties to pay back the amount.

13.	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**	**Note**	**2020**	2019
			--- Rupees ---	
	Security deposits		**1,068,608**	1,154,608
	Margin against shipping guarantees		**-**	73,073,747
	Prepayments		**4,345,156**	3,697,219
			5,413,764	77,925,574

14.	**SHORT TERM INVESTMENTS**			
	Equity instruments	**14.1**	**2,394,357,739**	2,870,179,977
	Debt instruments	**14.2**	**-**	37,952,506
			2,394,357,739	2,908,132,483

14.1 Equity Instruments - at *FVTOCI*

(Investment in quoted securities)

2020 No. of shares / certificates	2019 No. of shares / certificates	Name of the investee company	Market value 2020	Market value 2019	Cost 2020	Cost 2019
			- - - - - - - - - - Rupees			- - - - - - - - - -
54,720	54,720	Attock Petroleum Ltd.	**16,700,544**	15,787,267	**12,153,848**	12,153,848
9,538,500	9,538,500	Bank Al-Habib Ltd.	**498,863,550**	747,627,630	**419,888,054**	419,888,054
341,103	310,094	Charat Packaging Ltd.	**39,960,216**	25,005,980	**35,824,418**	35,824,418
-	625,000	Crescent Steel & Allied Products Ltd.	**-**	23,612,500	**-**	52,616,540
-	700,000	D.G Khan Cement Company Ltd.	**-**	39,578,000	**-**	81,272,992
2,636,260	2,636,260	Engro Corporation Ltd.	**772,213,279**	700,190,656	**589,213,189**	589,213,189
125,000	4,040,500	Fauji Cement Company Ltd.	**2,110,000**	63,557,065	**3,683,337**	119,079,557
7,766,704	7,766,704	Habib Bank Ltd.	**752,360,616**	879,656,895	**1,603,060,152**	1,603,060,152
-	186,500	Habib Sugar Mills Ltd.	**-**	5,539,050	**-**	6,397,292
10,500	10,500	Haji Muhammad Ismail Mills Ltd.	**-**	-	**126,000**	126,000
-	77,500	Honda Atlas Cars (Pakistan) Ltd.	**-**	11,494,800	**-**	17,952,470
-	115,000	IGI Insurance Ltd.	**-**	17,480,000	**-**	24,684,626
12,878,000	12,878,000	K-Electric Ltd.	**38,762,780**	56,534,420	**120,385,975**	120,385,975
303,000	303,000	Lucky Cement Ltd.	**139,858,740**	115,282,410	**117,777,538**	117,777,538
-	100,000	Nishat Mills Ltd.	**-**	9,334,000	**-**	9,115,972
448,934	374,112	Pakistan State Oil Company Ltd.	**71,003,402**	63,460,619	**63,918,848**	63,918,848
-	251,500	Tariq Glass Industries Ltd.	**-**	19,272,446	**-**	25,433,425
90,074	90,074	The Searle Company Ltd.	**17,945,444**	13,201,245	**2,571,487**	2,571,487
431,300	431,300	United Bank Ltd.	**44,579,168**	63,564,994	**80,749,609**	80,749,609
			2,394,357,739	2,870,179,977	**3,049,352,455**	3,382,221,992
Add: Adjustment arising from re-measurement to fair value					**(654,994,716)**	(512,042,015)
Market value					**2,394,357,739**	2,870,179,977

14.2 Debt instruments - at *FVTOCI*

	2020	2019
	- - - Rupees	- - -
Nil (2019: 424) sales tax refund bonds of Rs.100,000 each - **note 14.2.1**	**-**	37,952,506

14.2.1 FBR Refund Settlement Company Limited issued bonds against Refund Payment Orders (RPOs) in favor of the Company under section 67A of the Sales Tax Act, 1990. During the year, these bonds have been redeemed by the Company.

15. OTHER RECEIVABLES

	Note	2020	2019
		--- Rupees ---	
Advance income tax		**435,002,093**	330,928,783
Export rebate & duty drawbacks		**76,285,092**	390,332,286
Dividend receivable		**-**	16,486,128
Accrued mark-up on term finance certificates		**59,528**	58,576
Loans to Subsidiary Companies (including mark-up thereon)			
- Premier Cement Ltd.	15.1	**54,273,554**	-
- Sapphire Energy (Pvt.) Ltd.	15.2	**104,912,002**	-
Due from the related parties	15.4		
- Sapphire Cement Company Ltd.		**168,600**	168,600
- Reliance Cotton Spinning Mills Ltd.		**-**	285,104
- Amer Cotton Mills (Pvt.) Ltd.		**-**	1,580,171
Others		**2,609,281**	4,759,243
		673,310,150	744,598,891

15.1 The Company has entered into a loan agreement with Premier Cement Ltd. (the Subsidiary Company), to provide an unsecured loan upto an amount of Rs.500 million for working capital requirements. This loan carries mark-up at the rate of average borrowing cost of the Company and is repayable at the discretion of the Subsidiary Company. Effective mark-up rate charged by the Company, during the year, ranged from 8.06% to 10.93% per annum. The maximum aggregate amount outstanding against this loan at the end of any month during the year was Rs.54.273 million.

15.2 The Company has entered into a loan agreement with Sapphire Energy (Pvt.) Limited (the Subsidiary Company), to provide an unsecured loan upto an amount Rs.100 million for working capital requirements. This loan carries mark-up at the rate of average borrowing cost of the Company and is repayable at the discretion of the Subsidiary Company. Effective mark-up rate charged by the Company, during the year, was 8.06% to 11.74% per annum. The maximum aggregate amount outstanding against this loan at the end of any month during the year was Rs.104.912 million.

15.3 The aggregate maximum outstanding balance due from the related parties at the end of any month during the year was Rs.0.168 million (2019: Rs.1.531 million).

15.4 These balances have arisen during the normal course of business activity. Receivable from Sapphire Cement Company Ltd. is past due for more than one year.

16. TAX REFUNDS DUE FROM GOVERNMENT

	Note	2020	2019
		--- Rupees ---	
Sales tax		**600,253,284**	428,119,824
Income tax		**539,397,182**	465,085,620
Excise duty		**22,930,374**	21,573,388
Less: provision for doubtful tax refunds	16.1	**282,074,014**	259,551,843
		880,506,826	655,226,989

16.1 Provision for doubtful tax refunds

	Note	2020	2019
		--- Rupees ---	
Balance at beginning of the year		**259,551,843**	219,008,407
Add: provision for the year		**36,886,988**	40,543,436
Less: provision reversed during the year		**14,364,817**	-
Balance at end of the year		**282,074,014**	259,551,843

17. CASH AND BANK BALANCES

	Note	2020	2019
Cash-in-hand	17.1	**4,590,750**	7,308,536
Balances with banks on:			
- current accounts	17.2	**51,997,508**	57,148,307
- term deposit account (TDA)	17.3	**6,040,000**	6,040,000
- dividend account		**6,229,400**	6,215,723
		64,266,908	69,404,030
		68,857,658	76,712,566

17.1 Cash-in-hand includes Rs.2.170 million (2019: Rs.1.514 million) advanced to employees for various expenses.

17.2 These include foreign currency deposits amounting to US.$ 144,432 (2019: US.$ 63,893).

17.3 Effective rates of profit on TDA, during the year, ranged from 5.71% to 11.39% (2019: 4.35% to 6.68%) per annum. The maturity period of the TDA is one year from the date of original issue. This deposit is under bank's lien as security of bank guarantee issued on behalf of the Company.

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020	2019
------- Numbers -------			--- Rupees ---	
12,759,375	11,775,000	Ordinary shares of Rs.10 each fully paid in cash	**127,593,750**	117,750,000
7,912,500	7,912,500	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**79,125,000**	79,125,000
20,671,875	19,687,500		**206,718,750**	196,875,000

18.1 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

18.2 10,714,798 (2019: 10,196,896) ordinary shares of Rs.10 each are held by the related parties as at year-end.

18.3 The Company, during the year, issued 984,375 ordinary shares of Rs. 10 each as right shares at a premium of Rs.250 per share.

19. RESERVES

	Note	2020	2019
		--- Rupees ---	
Share premium - capital reserve	19.1	**391,833,750**	145,740,000
General reserve - revenue reserve	19.2	**1,183,845,000**	1,183,845,000
Unrealized gain on financial assets at fair value through other comprehensive income	19.3	**854,114,930**	1,367,081,077
		2,429,793,680	2,696,666,077

19.1 This represents excess of consideration received on issue of ordinary shares over face value on ordinary shares issued. This reserve can only be utilised for purposes specified in section 81 of the Companies Act, 2017.

19.2 This represents reserves funds set aside from unappropriated profit.

19.3 These represent unrealized gain on re-measurement of investments at fair value through OCI and are not available for distribution.

20.	LONG TERM FINANCES - Secured	Note	2020	2019
			--- Rupees ---	
	From banking companies:			
	- MCB Bank Limited			
	- Long term finance facility - I	20.1	59,918,000	69,409,500
	- Long term finance facility - II	20.2	1,346,190,750	1,414,940,000
	- Demand finance	20.3	6,614,608	19,843,823
			1,412,723,358	1,504,193,323
	- Habib Bank Limited			
	- Long term finance facility - I	20.4	250,000,000	500,000,000
	- Long term finance facility - II	20.5	242,500,000	-
			492,500,000	500,000,000
	- Allied Bank Limited	20.6	713,403,000	805,412,350
	- United Bank Limited	20.7	1,519,729,072	1,636,000,442
	- Faysal Bank Limited	20.8	723,653,577	-
	- Bank Alfalah Limited	20.9	24,000,000	-
			4,886,009,007	4,445,606,115
	Less: current portion grouped under current liabilities		375,597,223	885,792,285
			4,510,411,784	3,559,813,830

20.1 The Company has arranged long term finance facilities amounting Rs.110 million from MCB Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.80.663 million in ten tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rates ranging from 3.00% to 5.50% (2019: 3.00% to 5.50%) per annum and are secured against joint pari passu charge of Rs.200 million over the machinery financed by the bank.

20.2 The Company has arranged long term finance facilities amounting Rs.1,500 million from MCB Bank Limited to retire import documents of plant and machinery. The bank against the said facility disbursed Rs.1,457.978 million in thirty eight tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rates ranging from 2.50% to 13.37% (2019: 2.50% to 13.29%) per annum and are secured against first charge of Rs.2,000 million over the specific plant and machinery of the Company.

20.3 MCB Bank Limited, on request of the Company, converted four tranches of long term finance facility amounting Rs.46.302 million into a demand finance facility. This finance facility is repayable in seven equal semi-annual instalments commenced from June, 2017 and carries mark-up at the rate of 3 month Kibor + 1%; effective mark-up rate charged, during the year, ranged from 12.13% to 14.24% (2019: 7.43% to 12.13%) per annum. This finance facility is secured against joint pari passu charge of Rs.200 million over the imported machinery.

20.4 The Company has arranged a long term finance facility amounting Rs.1,000 million from Habib Bank Limited to repay the short term borrowings earlier utilized for setup of denim plant. This finance facility is repayable in eight equal quarterly installments commenced September, 2018 and carries mark-up at the rate of 3 month Kibor + 0.12% per annum; effective mark-up rates charged, during the year, ranged from 11.44% to 13.97% (2019: 7.04% to 13.09%) per annum. This finance facility is secured against ranking charge of Rs.1,334 million with 25% margin over the specific plant and machinery of the Company.

20.5 The Company, during the year, has arranged a long term finance facilities amounting Rs.500 million from Habib Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility has disbursed Rs.242.500 million in seven tranches of different amounts and each tranche is repayable in 32 equal quarterly installments commencing from different months of financial year 2022. These finances, during the year, carry mark-up at the rate of 2.85% per annum and are secured against first charge of Rs.667 million with 25% margin over the specific plant and machinery of the Company.

20.6 The Company has arranged long term finance facilities amounting Rs.1,000 million from Allied Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.960.357 million in seventeen trenches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rate of 2.50% (2019: 2.50%) per annum and are secured against first pari passu charge of Rs.1,333 million with 25% margin over the fixed and movable assets including plant and machinery of the Company.

20.7 The Company has arranged long term finance facilities amounting Rs.1,900 million from United Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.1,821.794 million in forty five tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rates ranging from 2.50% to 3.50% (2019: 2.50% to 11.19%) per annum and are secured against joint pari passu charge of Rs.2,000 million with 25% margin over the specific plant and machinery of the Company.

20.8 The Company, during the year, has arranged an Islamic long term finance facility (Diminishing Musharakah Facility) amounting Rs.1,450 million from Faysal Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.723.654 million in eighteen tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rates ranging from 4.00% to 14.66% per annum and are secured against first pari passu charge of Rs.900 million with 25% margin over the specific plant and machinery of the Company.

20.9 The Company, during the year, has arranged long term finance facility amounting Rs.1,000 million from Bank Alfalah Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.24 million in three tranches of different amounts till the reporting date. Each tranche is repayable in 32 equal quarterly installments commencing from different months of financial year 2022. These finances carry mark-up at the rates ranging from 3.00% to 14.66% per annum and are secured against first joint pari passu charge of Rs.1,333.340 million with 25% margin over the specific plant and machinery of the Company.

21. STAFF RETIREMENT BENEFIT - Gratuity

The Company's obligation as per the latest actuarial valuation in respect of defined benefit gratuity plan is as follows:

21.1 Amount recognized in the statement of financial position	2020	2019
	--- Rupees ---	
Net liability at the beginning of the year	**242,930,143**	346,597,468
Charge to statement of profit or loss	**106,638,958**	105,434,755
Remeasurement recognized in statement of other comprehensive income	**15,768,827**	(29,644,795)
Payments made during the year	**(54,746,781)**	(179,457,285)
Net liability at the end of the year	**310,591,147**	242,930,143

21.2 Movement in the present value of defined benefit obligation

	2020	2019
	--- Rupees ---	
Balance at beginning of the year	**242,930,143**	346,597,468
Current service cost	**75,922,121**	82,316,561
Interest cost	**30,716,837**	23,118,194
Benefits paid	**(54,746,781)**	(179,457,285)
Remeasurements on obligation	**15,768,827**	(29,644,795)
Balance at end of the year	**310,591,147**	242,930,143

21.3 Expense recognized in statement of profit or loss

	2020	2019
Current service cost	**75,922,121**	82,316,561
Interest cost	**30,716,837**	23,118,194
	106,638,958	105,434,755

21.4 Remeasurements recognized in statement of other comprehensive income

	2020	2019
Experience adjustment	**22,003,272**	(34,007,267)
Actuarial (gain) / loss	**(6,234,445)**	4,362,472
	15,768,827	(29,644,795)

21.5 Actuarial assumptions used

	2020	2019
Discount rate	**8.50%**	14.25%
Expected rate of increase in future salaries	**7.50%**	13.25%
Mortality rates (for death in service)	**SLIC (2001-05)**	SLIC (2001-05)

21.6 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Change in assump-tions	Increase in assumption	Decrease in assumption
		----- Rupees -----	
Discount rate	**1.00%**	**290,199,052**	**334,147,067**
Increase in future salaries	**1.00%**	**335,083,206**	**288,975,526**

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

21.7 Based on actuary's advice, the expected charge for the year ending June 30, 2021 amounts to Rs.111.304 million.

21.8 The weighted average duration of defined benefit obligation is 7 years.

21.9 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	------	------	Rupees	------	------
As at June 30, 2020	**60,112,567**	**117,926,286**	**159,207,081**	**2,624,398,616**	**2,961,644,550**

21.10 This represents long term finances obtained from a consortium of banks led by United Bank Limited ('Agent Bank') by the Subsidiary Company-SECL.The overall financing is secured against all and each of the Group's mortgaged project receivables, lien over the project bank accounts, mortgage of immoveable property, hypothecationof all present and future assets and properties (excluding the mortgaged project receivables and the mortgaged immoveable property) and by the collectivelyagreed pledge of 51% shares held by the sponsors. It carries mark-up at the rate of three months KIBOR plus three percent per annum, payable on quarterly basis. The effective mark-up rate charged during the year on outstanding balance is 16.58% per annum. As of June 30, 2020, the principal is repayable in one quarterly installment due on September 30, 2020.

22. STAFF RETIREMENT BENEFIT - Gratuity

The Parents Company's obligation as per the latest actuarial valuation in respect of defined benefit gratuity plan is as follows:

		2020	2019
22.1	**Amount recognised in the statement of financial position**	--- Rupees ---	
	Net liability at the beginning of the year	**242,930,143**	346,597,468
	Charge to statement of profit or loss	**106,638,958**	105,434,755
	Remeasurement recognised in statement of other comprehensive income	**15,768,827**	(29,644,795)
	Payments made during the year	**(54,746,781)**	(179,457,285)
	Net liability at the end of the year	**310,591,147**	242,930,143
22.2	**Movement in the present value of defined benefit obligation**		
	Balance at beginning of the year	**242,930,143**	346,597,468
	Current service cost	**75,922,121**	82,316,561
	Interest cost	**30,716,837**	23,118,194
	Benefits paid	**(54,746,781)**	(179,457,285)
	Remeasurements on obligation	**15,768,827**	(29,644,795)
	Balance at end of the year	**310,591,147**	242,930,143
22.3	**Expense recognised in statement of profit or loss**		
	Current service cost	**75,922,121**	82,316,561
	Interest cost	**30,716,837**	23,118,194
		106,638,958	105,434,755
22.4	**Remeasurements recognised in statement of other comprehensive income**		
	Experience adjustment	**22,003,272**	(34,007,267)
	Actuarial gains	**(6,234,445)**	4,362,472
		15,768,827	(29,644,795)
22.5	**Actuarial assumptions used**	**2020**	2019
	Discount rate	**8.50%**	14.25%
	Expected rate of increase in future salaries	**7.50%**	13.25%
	Mortality rates (for death in service)	**SLIC (2001-05)**	SLIC (2001-05)

22.6 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Change in assumptions	Increase in assumption	Decrease in assumption
		--- Rupees ---	
Discount rate	1.00%	**290,199,052**	**334,147,067**
Increase in future salaries	1.00%	**335,083,206**	**288,975,526**

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

22.7 Based on actuary's advice, the expected charge for the year ending June 30, 2021 amounts to Rs.111.304 million.

22.8 The weighted average duration of defined benefit obligation is 7 years.

22.9 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	------------------	------	Rupees	------	------------------
As at June 30, 2020	**60,112,567**	**117,926,286**	**159,207,081**	**2,624,398,616**	**2,961,644,550**

22.10 Historical information:

	2020	2019	2018	2017	2016
		------------	Rupees	------------	
Present value of defined benefit obligation	**310,591,147**	242,930,143	346,597,468	322,591,928	283,847,228
Experience adjustment on obligation / actuarial gains	**15,768,827**	(29,644,795)	8,423,010	8,949,179	(928,950)

23. DEFERRED TAXATION - Net

	2020	2019
	--- Rupees	---
Credit balances arising in respect of:		
- accelerated tax depreciation allowance / investment in associates	**158,392,075**	144,981,531
- re-measurement of short term investments	**25,176,390**	-
	183,568,465	144,981,531
Debit balances arising in respect of:		
- staff retirement benefit - gratuity	**16,338,958**	13,012,068
- provision for slow moving items	**634,194**	347,709
- provision for doubtful tax refunds	**14,838,786**	-
- provision for impairment in trade debts	**3,118,115**	-
	34,930,053	13,359,777
	148,638,412	131,621,754

23.1 The Parent Company's income of the current year is chargeable to tax under presumptive tax regime of the Income Tax Ordinance, 2001. However, deferred tax liability / (asset) is recognized as management is not certain whether income of subsequent years is chargeable to tax under presumptive tax regime or normal tax regime.

23.2 These are secured against import documents.

23.3 This provision has been recognized against disputed infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The Company has contested this issue in the Sindh High Court (the High Court). The Company filed an appeal in the Supreme Court against the judgement of the High Court dated September 15, 2008 partly accepting the appeal by declaring the levy and collection of infrastructure fee prior to December 28, 2006 as illegal and ultra vires and after that it was legal. Additionally, the Government of Sindh also filed appeal against the part of judgement decided against them.

The above appeals were disposed off in May 2011 with a joint statement of the parties that, during the pendency of the appeals, another law come into existence which was not subject matter in the appeal, therefore, the decision thereon be first obtained from the High Court before approaching the Supreme Court with the right to appeal. Accordingly, the petition was filed in the High Court in respect of the above view. During the pendency of this appeal an interim arrangement was agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 were returned and bank guarantees were furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment was made against the balance amount. Similar arrangement continued for the consignments released during the current year.

As at June 30, 2020, the Company has provided bank guarantees aggregating Rs.209.950 million (2019: Rs.179.950 million) in favor of Excise and Taxation Department. The management believes that the chance of success in the petition is in the Company's favor.

		Note	**2020**	2019
			--- Rupees ---	
23.4	**Workers' profit participation fund**			
	Balance at beginning of the year		**39,957,753**	60,271,445
	Add: interest on funds utilized by the Company		**3,415,290**	7,727,955
			43,373,043	67,999,400
	Less: payments made during the year		**43,373,043**	67,999,400
			-	-
	Add: allocation for the year		**59,227,537**	39,957,753
	Balance at end of the year		**59,227,537**	39,957,753
24.	**ACCRUED MARK-UP / INTEREST**			
	Mark-up / interest accrued on:			
	- long term finances		**44,827,059**	25,983,277
	- short term borrowings		**141,690,423**	191,514,539
			186,517,482	217,497,816
25.	**SHORT TERM BORROWINGS**			
	Running / cash finances - secured	**25.1**	**9,026,256,385**	10,648,538,051
	Running Musharaka finance	**25.1**	**1,000,000,000**	1,000,000,000
	From related parties - unsecured	**25.2**	**-**	123,907,000
			10,026,256,385	11,772,445,051

25.1 Short term finance facilities available from various commercial / islamic banks under mark-up arrangements aggregate to Rs. 19,800 million (2019: Rs.17,200 million). These finance facilities, during the year, carried mark-up at the rates ranged from 2.15% to 14.81% (2019: 2.25% to 13.80%) per annum. The aggregate short term finance facilities are secured against hypothecation charge of Rs.42,820 million (2019: Rs.35,006 million) over current assets of the Company, lien on export / import documents, trust receipts and promissory notes duly signed by the directors.

Included in short term finances Rs.449.752 million (U.S.$ 2.859 million) representing foreign currency loans obtained from various banks. The rate of mark-up on these finance facilities ranged from 2.15% to 3.50% per annum.

Facilities available for opening letters of credit and guarantees aggregate to Rs.10,330 million (2019: Rs.7,630 million) out of which the amount remained unutilized at the year-end was Rs.6,237 million (2019: Rs.6,124 million). These facilities are secured against lien on shipping documents, hypothecation charge on current assets of the Company, cash margins and counter guarantee by the Company.

Abovementioned facilities are expiring on various dates upto September 30, 2022.

25.2 The Company, during the preceding year, obtained short term loans aggregated Rs.67.262 million from directors of the Company and their related parties and Rs.56.645 million from its associated companies to meet its working capital requirements. These loans were interest free and have been repaid during the year on demand of the lenders.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Outstanding bank guarantees

Guarantees aggregating Rs.697.685 million (2019: Rs.514.468 million) have been issued by banks of the Company to various Government institutions and Sui Northern Gas Pipeline Limited.

26.1.2 The Finance Act, 2017 amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case the Company distribute 40% of the accounting profit through cash dividend within six months of the end of the said year.

The Company filed a Constitutional Petition (CP) before the Honorable Sindh High Court (SHC) on July 28, 2017 challenging the vires of amended Section 5A of the Income Tax Ordinance, 2001, and SHC accepted the CP and granted stay against the newly amended section 5A.

The dividend paid by the Company for the financial year 2017 does not meet the minimum prescribed distribution rate of amended Section 5A of the Income Tax Ordinance, 2001. In case the SHC's decision is not in favorof the Company; the Company will be liable to pay additional tax at the rate of 7.5% of its profit before tax for the financial year ended June 30, 2017. As at reporting date no charge has been recorded in this respect.

	2020	2019
26.2 Commitments	--- Rupees ---	
Commitments in respect of :		
- letters of credit for capital expenditure	**174,371,178**	310,189,435
- letters of credit for purchase of raw materials and stores, spare parts & chemicals	**449,831,421**	243,265,201
- capital expenditure other than letters of credit	**704,279,646**	5,418,822
- foreign & local bills discounted	**2,599,128,792**	336,152,581

27. 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 year ended June 30, 2020

	Spinning	Knits	Denim	Total
	- - - - - - - - - - - - R u p e e s	- - - - - - - - - - - -		
Types of goods and services				
Local sales				
- Yarn	3,049,437,954	15,181,388	42,208,572	3,106,827,914
- Fabric	-	254,545,014	1,017,512,152	1,272,057,166
- Garments	-	39,314,702	-	39,314,702
- Waste	234,814,073	43,284,128	46,190,512	324,288,713
- Raw materials	56,433,451	-	-	56,433,451
- Local steam income	19,633,770	-	-	19,633,770
- Processing income	6,698,126	73,719,190	4,035,298	84,452,614
	3,367,017,374	426,044,422	1,109,946,534	4,903,008,330
Export Sales				
- Yarn	8,743,144,606	255,849,910	2,905,980,764	11,904,975,280
- Fabric	-	716,401,663	2,501,073,570	3,217,475,233
- Garments	-	3,148,493,964	-	3,148,493,964
- Waste	343,363,068	-	-	343,363,068
	9,086,507,674	4,120,745,537	5,407,054,334	18,614,307,545
Export rebate				
- Yarn	24,551,171	-	-	24,551,171
- Fabric	-	22,452,413	49,347,791	71,800,204
- Garments	-	152,038,882	-	152,038,882
	24,551,171	174,491,295	49,347,791	248,390,257
Less: sales tax	625,127,147	63,873,576	585,086,599	1,274,087,322
	11,852,949,072	4,657,407,678	5,981,262,060	22,491,618,810
Timing of revenue recognition				
Goods transferred at a point in time	11,846,250,946	4,583,688,488	5,977,226,762	22,407,166,196
Services rendered at a point in time	6,698,126	73,719,190	4,035,298	84,452,614
	11,852,949,072	4,657,407,678	5,981,262,060	22,491,618,810

For the year ended June 30, 2019

	Spinning	Knits	Denim	Total
	- - - - - - - - - - - - R u p e e s - - - - - - - - - - - -			
Types of goods and services				
Local sales				
- Yarn	2,393,305,387	11,954,800	11,729,475	2,416,989,662
- Fabric	-	65,792,386	1,145,718,039	1,211,510,425
- Garments	-	25,786,388	-	25,786,388
- Waste	187,386,948	43,971,918	33,691,624	265,050,490
- Raw materials	39,610,650	-	267,120	39,877,770
- Local steam income	12,245,220	-	-	12,245,220
- Processing income	543,064	43,311,057	7,598,467	51,452,588
	2,633,091,269	190,816,549	1,199,004,725	4,022,912,543
Export Sales				
- Yarn	8,898,435,360	313,564,192	-	9,211,999,552
- Fabric	-	888,338,682	3,452,229,013	4,340,567,695
- Garments	-	3,781,855,961	-	3,781,855,961
- Waste	263,319,067	-	-	263,319,067
	9,161,754,427	4,983,758,835	3,452,229,013	17,597,742,275
Export rebate				
- Fabric	-	6,354,637	26,786,700	33,141,337
- Garments	-	113,463,293	-	113,463,293
	-	119,817,930	26,786,700	146,604,630
Less: sales tax	6,900,286	9,753,218	355,700	17,009,204
	11,787,945,410	5,284,640,096	4,677,664,738	21,750,250,244
Timing of revenue recognition				
Goods transferred at a point in time	11,787,402,346	5,241,329,039	4,670,066,271	21,698,797,656
Services rendered at a point in time	543,064	43,311,057	7,598,467	51,452,588
	11,787,945,410	5,284,640,096	4,677,664,738	21,750,250,244

27.1 This includes indirect export of Rs. 3,898.465 million (2019: Rs.3,129.255 million).

27.2 Waste sales include sale of comber noil.

27.3 Exchange (loss) / gain due to currency rate fluctuations relating to export sales amounting to Rs.108.993 million (2019: Rs.748.429 million) has been included in export sales.

		Note	2020	2019
			--- Rupees ---	
28.	**COST OF SALES**			
	Finished goods at beginning of the year		**1,309,473,560**	642,813,568
	Cost of goods manufactured	**28.1**	**19,545,767,167**	19,506,326,267
	Cost of raw materials sold		**75,932,295**	45,887,283
			19,621,699,462	19,552,213,550
			20,931,173,022	20,195,027,118
	Finished goods at end of the year		**(1,263,603,319)**	(1,309,473,560)
			19,667,569,703	18,885,553,558
28.1	**Cost of goods manufactured**			
	Work-in-process at beginning of the year		**830,588,354**	439,022,953
	Raw materials consumed	**28.2**	**13,789,114,288**	13,602,881,891
	Salaries, wages and benefits	**28.3**	**1,737,032,444**	1,560,775,897
	Packing stores consumed		**235,900,979**	223,667,742
	General stores consumed		**341,454,559**	296,376,951
	Processing charges		**1,079,613,489**	1,467,317,359
	Depreciation	**4.2**	**791,848,091**	712,745,017
	Fuel and power		**1,360,744,818**	1,764,830,818
	Repair and maintenance		**47,842,625**	56,201,836
	Insurance		**29,913,969**	29,628,937
	Vehicles' running		**29,654,071**	28,471,023
	Travelling and conveyance		**35,346,540**	33,106,677
	Printing and stationery		**290,263**	626,921
	Legal and professional charges		**9,545,494**	66,595,173
	Fee and subscription		**4,366,826**	34,104,761
	Entertainment		**11,189,814**	11,185,955
	Telephone		**2,556,499**	2,560,726
	Postage		**2,636,644**	2,500,489
	Rent, rates and taxes		**5,081,657**	4,313,495
			20,344,721,424	20,336,914,621
	Work-in-process at end of the year		**(798,954,257)**	(830,588,354)
			19,545,767,167	19,506,326,267
28.2	**Raw materials consumed**			
	Stocks at beginning of the year		**4,374,083,873**	3,301,097,394
	Purchases		**14,514,592,700**	14,675,868,370
			18,888,676,573	17,976,965,764
	Stocks at end of the year		**(5,099,562,285)**	(4,374,083,873)
			13,789,114,288	13,602,881,891

28.3 Salaries, wages and benefits include Rs.106.639 million (2019: Rs.105.434 million) in respect of staff retirement benefit - gratuity and Rs.17.160 million (2019: 16.476 million) contribution in respect of staff provident fund.

29. DISTRIBUTION COST

	Note	2020	2019
		- - - Rupees - - -	
Salaries and other benefits	29.1	**77,023,470**	71,655,252
Travelling, conveyance and entertainment		**14,706,057**	20,949,994
Vehicles' running		**1,801,474**	2,719,918
Telephone		**632,163**	496,218
Postage		**17,495,054**	12,295,652
Printing and stationery		**15,677**	92,088
Sample expenses		**418,060**	2,285,563
Commission:			
- local		**5,033,329**	7,513,165
- export		**210,182,757**	218,920,938
		215,216,086	226,434,103
Freight and forwarding:			
- local		**7,170,407**	7,775,141
- export		**350,699,527**	302,117,965
		357,869,934	309,893,106
Export development surcharge		**40,515,985**	34,257,754
Other export expenses		**22,636,983**	19,162,808
Sales promotion		**89,756,797**	-
Provision for impairment in trade debts - net		**8,294,051**	20,778,943
		846,381,791	721,021,399

29.1 Salaries and other benefits include Rs.2.657 million (2019: Rs.1.132 million) in respect of contribution to staff provident fund.

30. ADMINISTRATIVE EXPENSES

	Note	2020	2019
		- - - Rupees - - -	
Directors' remuneration		**36,000,000**	33,000,000
Director's meeting fee		**840,000**	640,000
Salaries and other benefits	30.1	**179,852,022**	161,623,560
Telephone		**5,642,925**	10,852,700
Postage		**563,900**	543,168
Fee and subscription		**8,608,944**	4,179,590
Legal and professional charges		**4,504,297**	7,244,684
Entertainment		**4,450,719**	6,731,114
Travelling and conveyance		**6,849,279**	10,213,193
Printing and stationery		**4,912,081**	3,547,069
Rent, rates and taxes		**9,283,102**	8,244,696
Advertisement		**167,564**	465,549
Electricity, gas and water		**9,262,945**	7,679,021
Repair and maintenance		**18,948,243**	16,572,563
Vehicles' running		**12,231,963**	11,750,448
Charity and donations	30.2	**5,354,550**	6,047,379
Insurance		**3,250,686**	2,782,358
Depreciation	4.2	**19,824,213**	19,607,089
Amortization	6	**1,783,647**	1,473,770
		332,331,080	313,197,951

30.1 Salaries and other benefits include Rs.8.375 million (2019: Rs.7.249 million) in respect of contribution to staff provident fund.

30.2 These include donations amounting Rs.3.040 million (2019: Rs.4.100 million) made to Abdullah Foundation, 212 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. Mr. Shahid Abdullah, Mr. Nadeem Abdullah, Mr. Amer Abdullah, Mr. Yousaf Abdullah and Mr.Shayan Abdullah have common directorship in both Companies.

31. OTHER INCOME

	Note	2020	2019
		--- Rupees ---	
Income from financial assets			
Dividend income from:			
- related parties		**867,579,448**	1,039,272
- others		**512,883,833**	473,935,381
		1,380,463,281	474,974,653
Interest income on bank deposits		**599,160**	344,923
Mark-up income on loan to a related party		**8,470,839**	9,554,669
Mark-up earned on term finance certificates		**9,396,172**	1,381,792
		1,398,929,452	486,256,037
Income from assets other than financial assets			
Gain on disposal of operating fixed assets	**4.4**	**10,047,513**	11,895,356
Gain on sale of store and spares		**18,429**	4,539,562
Scrap sales [Net of sales tax aggregating Rs.7.102 million (2019: Rs.5.376 million)]		**36,364,600**	27,677,176
		46,430,542	44,112,094
		1,445,359,994	530,368,131

32. OTHER EXPENSES

	Note	2020	2019
Workers' profit participation fund	**23.4**	**59,227,537**	39,957,753
Auditors' remuneration	**32.1**	**2,182,800**	2,016,800
Provision for doubtful tax refunds	**16.1**	**22,522,171**	40,543,436
Remeasurement loss on foreign currency commitments		**32,271,980**	-
		116,204,488	82,517,989

32.1 Auditors' remuneration

	2020	2019
Fee for:		
Annual audit	**1,540,800**	1,540,800
Half yearly review	**210,000**	210,000
Review of Code of Corporate Governance	**62,000**	62,000
Audit of retirement funds and workers' profit participation fund	**220,000**	170,000
Out-of-pocket expenses	**150,000**	34,000
	2,182,800	2,016,800

33. FINANCE COST	Note	2020	2019
		- - - R u p e e s - - -	
Mark-up / interest on long term finances		**161,040,982**	179,609,656
Mark-up / interest on short term borrowings		**1,069,183,286**	1,004,924,133
Exchange loss on foreign currency loans		**123,881,118**	748,989
		1,193,064,404	1,005,673,122
Interest on workers' profit participation fund	**23.4**	**3,415,290**	7,727,955
Bank and other financial charges		**105,901,579**	69,462,031
		1,463,422,255	1,262,472,764

34. TAXATION	Note	2020	2019
Current			
Current tax on profit for the year	**34.1**	**392,714,998**	233,296,776
Adjustments in respect of prior years		**5,781**	1,699,262
		392,720,779	234,996,038
Deferred			
Origination and reversal of temporary differences		**(6,974,515)**	21,661,365
		385,746,264	256,657,403

34.1 The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001 (the Ordinance) and current year's provision is made accordingly.

34.2 Numeric tax rate reconciliation is not presented as the Company's income is chargeable to tax under presumptive tax regime.

34.3 During the year, the Company's income tax return for tax yea 2019 has been revised by the Tax Authorities under section 122(5A) of the Ordinance. The excess tax charged in the revised return mainly pertain to Super tax under section 4B of the Ordinance. After due consideration by the Company's tax department, accepting the stance of Tax Authorities appropriate adjustments have been made in the financial statements.

35. EARNINGS PER SHARE	2020	2019
	- - - R u p e e s - - -	
35.1. Basic earnings per share		
Net profit for the year	**1,125,323,223**	759,197,311
	------ Number of shares -------	
Weighted average ordinary shares in issues	**20,237,671**	19,687,500
		(Restated)
	------------- Rupees -------------	
Earnings per share	**55.61**	36.72

35.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2020 and June 30, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

36. CASH GENERATED FROM OPERATIONS

	Note	2020	2019
		- - - Rupees - - -	
Profit before taxation		**1,511,069,487**	1,015,854,714
Adjustments for non-cash charges and other items:			
Depreciation		**811,672,304**	732,352,106
Amortization		**1,783,647**	1,473,770
Staff retirement benefit - gratuity		**106,638,958**	105,434,755
Provision for slow moving items		**5,563,957**	351,860
Dividend and interest income		**(1,390,458,613)**	(476,701,368)
Gain on sale of stores and spares		**(18,429)**	(4,539,562)
Gain on disposal of operating fixed assets		**(10,047,513)**	(11,895,356)
Provision for workers' profit participation fund		**59,227,537**	39,957,753
Provision for impairment of trade debts - net		**8,294,051**	20,778,943
Provision for doubtful tax refunds		**22,522,171**	40,543,436
Remeasurement loss on foreign currency commitments		**32,271,980**	-
Finance cost		**1,463,422,255**	1,262,472,764
Working capital changes	36.1	**1,034,076,396**	(2,553,216,989)
		3,656,018,188	172,866,826

36.1 Working capital changes

	2020	2019
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	**(115,895,336)**	(55,177,604)
Stock-in-trade	**(707,267,049)**	(2,034,357,845)
Trade debts	**1,998,480,063**	(1,402,752,681)
Loans and advances	**(63,586,178)**	34,310,996
Deposits, other receivables and sales tax	**35,376,068**	147,350,530
	1,147,107,568	(3,310,626,604)
Increase in trade and other payables	**(113,031,172)**	757,409,615
	1,034,076,396	(2,553,216,989)

37. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

Particulars	Chief Executive		Executives	
	2020	2019	**2020**	2019
	- - - - - - - - - - - Rupees - - - - - - - - - - -			
Managerial remuneration	**24,001,200**	22,001,100	**165,693,352**	142,037,309
Contribution to provident fund trust	**-**	-	**13,050,927**	11,150,061
House rent and utilities	**11,998,800**	10,998,900	**75,250,468**	83,381,604
Medical	-	-	**3,378,088**	2,787,765
Leave encashment / bonus	-	-	**29,794,765**	23,151,869
Other benefits	-	-	**9,465,240**	5,202,636
	36,000,000	33,000,000	**296,632,840**	267,711,244
Number of persons	**1**	1	**61**	55

37.1 Certain executives are provided with Company maintained vehicles.

37.2 During the year, meeting fees of Rs.840 thousand (2019: Rs.640 thousand) was paid to two non-executive director.

37.3 No remuneration is paid to any director of the Company.

38. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Subsidiary Companies, Associated Companies, directors, major shareholders, key management personnel and entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' retirement funds. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Sapphire Electric Company Ltd.	**Subsidiary Company**	68.11%
Premier Cement Ltd.	**Subsidiary Company**	100%
Sapphire Energy (Pvt.) Ltd.	**Subsidiary Company**	100%
Reliance Cotton Spinning Mills Ltd.	**Common directorship**	1.35%
SFL Ltd.	**Common directorship**	0.051%
Sapphire Power Generation Ltd.	**Common directorship**	17.63%
Sapphire Finishing Mills Ltd.	**Common directorship**	-
Neelam Textile Mills Ltd.	**Common directorship**	-
Amer Cotton Mills Ltd.	**Common directorship**	-
Sapphire Textile Mills Ltd.	**Common directorship**	-
Diamond Fabrics Ltd.	**Common directorship**	-
Salman Ismail (SMC-Pvt.) Ltd.	**Common directorship**	-
Sapphire Agencies (Pvt.) Ltd.	**Common directorship**	-
Crystal Enterprises Ltd.	**Common directorship**	-
Sapphire Holding Ltd.	**Common directorship**	-
Four Strength (Pvt) Ltd.	**Common directorship**	-

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the entity. The Company considers its Chief Executive, directors and all team members of its management team to be its key management personnel.

Significant transactions with the related parties	2020	2019
	--- Rupees ---	
i) Subsidiary Companies		
Shares purchased	**-**	283,100,000
Deposit for shares	**16,200,000**	-
Dividend received	**866,347,800**	-
Loan provided	**150,714,717**	140,533,495
Mark-up charged	**8,470,839**	9,554,669
Expenses charges to	**14,194,107**	6,459,362
ii) Associated Companies		
Sales of:		
- raw material / yarn / fabric / stores	**194,402,607**	552,768,120
- assets	**550,000**	21,130,000
Purchases:		
- raw material / yarn / fabric / stores	**1,482,709,893**	1,230,142,114
- assets	**2,223,414**	-
- electricity	**110,430**	42,116,086
Services:		
- rendered	**2,403,898**	178,318
- obtained	**1,359,850**	916,083
Expenses charged by	**35,668,663**	33,197,235
Expenses charged to	**29,704,802**	24,928,456
Loans obtained	**-**	56,645,000
Loans repaid	**56,645,000**	-
Shares allotted	**134,082,520**	-
Dividend:		
- received	**1,231,648**	1,039,272
- paid	**81,580,768**	122,371,152
iii) Director and their related parties		
Loans obtained	**-**	67,262,000
Loans repaid	**67,262,000**	-
Shares allotted	**61,586,200**	-
iv) Key management personnel		
Salary and other employment benefits	**104,082,806**	104,741,939
Sale of asset	**1,731,935**	-
v) Retirement Fund		
Contribution towards provident fund	**28,266,327**	25,125,072

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Company has exposures to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including currency risk, interest rate risk and other price risk).

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimizes earnings volatility and provide maximum return to shareholders.

(a) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. Credit risk mainly arises from investments, loans and advances, deposits, trade debts, other receivables and balances with banks.

The carrying amount of financial assets represents the maximum credit exposure. Out of total financial assets as mentioned in note.39.4, the financial assets exposed to credit risk aggregated to Rs.8,698.799 million as at June 30, 2020 (2019: Rs.11,479.488 million). Out of the total financial assets credit risk is concentrated in investments in securities, trade debts and deposits with banks as they constitute 97% (2019: 99%) of the total financial assets. The maximum exposure to credit risk at the end of the reporting period is as follows:

	2020	2019
	- - - R u p e e s - - -	
Long term investments	**3,746,450,339**	4,091,293,395
Long term loans	**262,000**	442,000
Long term deposits	**28,606,645**	28,606,645
Trade debts	**2,285,383,617**	4,283,863,680
Loans and advances	**180,000**	180,000
Trade deposits	**1,068,608**	74,228,355
Short term investments	**2,394,357,739**	2,908,132,483
Other receivables	**162,022,965**	23,337,822
Bank balances	**64,266,908**	69,404,030
	8,682,598,821	11,479,488,410

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for the Company various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Export sales made to major customers are secured through letters of credit.

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2020	2019
	- - - Rupees - - -	
Domestic	**1,040,250,267**	836,960,899
Export	**1,245,133,350**	3,416,702,781
	2,285,383,617	4,253,663,680

The majority of export debts of the Company are situated in Asia, Europe, America, Australia and Africa.

The maximum exposure to credit risk for trade debts at the reporting date by type of product is as follows:

	2020	2019
	- - - Rupees - - -	
Yarn	**1,228,710,419**	2,394,187,109
Fabric	**725,694,150**	1,253,005,151
Garments	**312,029,119**	549,315,521
Processing services	**-**	28,562,671
Waste	**18,949,929**	28,593,228
	2,285,383,617	4,253,663,680

The credit quality of loans, advances, deposits and other receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred. Accordingly, management does not expect any counter party to fail in meeting their obligations.

The credit quality of the Company's bank balances can be assessed with reference to the external credit ratings as follows:

	Rating		
Name of Bank	**short term**	**long term**	**agency**
MCB Bank Limited	A-1+	AAA	PACRA
National Bank of Pakistan	A-1+	AAA	PACRA
Meezan Bank Limited	A-1+	AA+	JCR-VIS
United Bank Limited	A-1+	AAA	JCR-VIS
Habib Bank Limited	A-1+	AAA	JCR-VIS
Samba Bank Limited	A-1	AA	JCR-VIS
Faysal Bank Limited	A1+	AA	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
Bank Al-Habib Limited	A-1+	AA+	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Dubai Islamic Bank	A-1+	AA	JCR-VIS
Allied Bank Limited	A-1+	AAA	PACRA
Askari Bank Limited	A-1+	AA+	PACRA
Bank Alfalah Limited	A-1+	AA+	JCR-VIS
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA

The credit risk in respect of investments is also limited as such investee companies enjoy reasonably high credit rating.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analysis the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**Between 1 to 5 years**	**More than 5 years**
			Rupees		
June 30, 2020					
Long term finances	**4,886,009,007**	**5,528,376,401**	**543,623,130**	**2,942,121,751**	**2,042,631,520**
Trade and other payables	**1,684,920,428**	**1,684,920,428**	**1,684,920,428**	**-**	**-**
Accrued mark-up / interest	**186,517,482**	**186,517,482**	**186,517,482**	**-**	**-**
Short term borrowings	**10,026,256,385**	**11,960,206,501**	**11,960,206,501**	**-**	**-**
Unclaimed dividend	**6,137,961**	**6,137,961**	**6,137,961**	**-**	**-**
	16,789,841,263	**19,366,158,773**	**14,381,405,502**	**2,942,121,751**	**2,042,631,520**

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
			Rupees		
June 30, 2019					
Long term finances	4,445,606,115	4,910,234,326	1,025,862,287	2,365,271,178	1,519,100,861
Trade and other payables	2,010,778,037	2,010,778,037	2,010,778,037	-	-
Accrued mark-up / interest	217,497,816	217,497,816	217,497,816	-	-
Short term borrowings	11,772,445,051	11,960,206,501	11,960,206,501	-	-
Unclaimed dividend	5,967,559	5,967,559	5,967,559	-	-
	18,452,294,578	19,104,684,239	15,220,312,200	2,365,271,178	1,519,100,861

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / interest rates effective at the respective year-ends. The rates of mark-up / interest have been disclosed in the respective notes to these financial statements.

(c) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on import of raw materials, stores & spare parts, plant & machinery, export of goods and foreign currency bank accounts mainly denominated in U.S. Dollar, Euro, Swiss Frank, Singapore Dollar and Japanese Yen. The Company's exposure to foreign currency risk for U.S. Dollar, Euro, Japanese Yen (JPY), and Swiss Frank (CHF) is as follows:

For the year ended June 30, 2020	**Rupees**	**U.S.$**	**Euro**	**JPY**	**CHF**
Bills payables	**140,331,485**	**621,427**	**103,730**	**847,016**	**84,541**
Advance payments	**344,912,510**	**2,199,045**	**-**	**-**	**-**
	485,243,995	**2,820,472**	**103,730**	**847,016**	**84,541**
Trade debts	**(1,245,133,350)**	**(20,239,700)**	**-**	**-**	**-**
Bank balances	**(24,300,719)**	**(144,432)**	**-**	**-**	**-**
Net balance sheet exposure	**(784,190,074)**	**(17,563,660)**	**103,730**	**847,016**	**84,541**
Outstanding letters of credit	**624,202,599**	**3,340,667**	**103,600**	**-**	**230,000**
	(159,987,475)	**(14,222,993)**	**207,330**	**847,016**	**314,541**

For the year ended June 30, 2019	Rupees	U.S.$	Euro	CNY	CHF	SGD
Bills payables	118,413,886	219,858	439,848	-	-	-
Advance payments	266,739,226	1,621,515	-	-	-	-
	385,153,112	1,841,373	439,848	-	-	-
Trade debts	(3,308,755,621)	(20,239,700)	-	-	-	-
Bank balances	(10,478,432)	(63,893)	-	-	-	-
Net balance sheet exposure	(2,934,080,941)	(18,462,220)	439,848	-	-	-
Outstanding letters of credit	553,454,636	1,080,219	990,790	6,085,640	243,796	17,868
	(2,380,626,305)	(17,382,001)	1,430,638	6,085,640	243,796	17,868

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2020	2019	**2020**	2019
U.S. Dollar to Rupee	**162.89**	139.21	**168.75 / 168.25**	164.5 / 164
Euro to Rupee	**176.74**	168.39	**189.73 / 189.11**	186.99 / 186.37
Chinese Yuan to Rupee	**-**	24.19	**-**	24.19
Swiss Frank to Rupee	**125.87**	144.65	**177.43 / 176.83**	168.61 / 168.03
Singapore Dollar to Rupee	**172.09**	121.59	**121.12**	121.59
Japanese Yen to Rupee	**1.4700**	1.5700	**1.5664 / 1.5617**	1.5285 / 1.5236

At June 30, 2020, if Rupee had strengthened by 10% against US Dollar and Euro with all other variables held constant, profit for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.

	2020	2019
Effect on profit for the year:	- - - R u p e e s - - -	
U.S. Dollar to Rupee	**(295,508,580)**	(302,780,408)
Euro to Rupee	**1,968,069**	8,224,718
	(293,540,511)	(294,555,690)

The sensitivity analysis is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

(ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

Majority of the interest rate risk of the Company arises from long & short term borrowings from banks and deposits with banks. At the reporting date the profile of the Company's interest bearing financial instruments is as follows:

	2020	2019	**2020**	2019
	- - - Effective rate - - -		- - - Carrying amount - - -	
	%	%	- - - R u p e e s - - -	
Fixed rate instruments				
Financial assets				
Term deposit account	**5.71 to 11.39**	4.35 to 6.68	**6,040,000**	6,040,000
Financial liabilities				
Long term finances	**2.50 to 14.66**	2.50 to 13.29	**4,386,894,399**	3,925,762,292
Variable rate instruments				
Financial liabilities				
Long term finances	**2.15 to 14.25**	7.04 to 12.09	**499,114,608**	519,843,823
Short term borrowings	**2.15 & 14.81**	2.25 & 13.80	**10,026,256,385**	11,648,538,051

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in mark-up / interest rates at reporting date would not affect profit or loss for the year.

At June 30, 2020, if the interest rate on the Company's variable rate borrowings had been higher / (lower) by 1% with all other variables held constant, profit before tax for the year would have been (lower) / higher by Rs.105.254 million (2019: Rs.121.683 million) mainly as a result of higher / (lower) interest expense.

The sensitivity analysis is not necessarily indicative of the effects on profit for the year and liabilities of the Company.

(iii) Other price risk

Other price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market.

The Company's investments in ordinary shares and certificates of listed companies aggregating to Rs.6,140.808 million (2019: Rs.6,961.473 million) are exposed to price risk due to changes in market price.

At June 30, 2020, if market value had been 10% higher / lower with all other variables held constant other comprehensive income for the year would have higher / (lower) by Rs.614.080 million (2019: Rs.696.147 million).

The sensitivity analysis is not necessarily indicative of the effects on equity / investments of the Company.

39.2 Fair value measurement of financial instruments

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The Company's financial assets measured at fair value consists of level 1 financial assets amounting to Rs.6,140.808 million (2019: Rs.6,961.473 million). The carrying values of other financial assets and liabilities reflected in the financial statements approximate their fair values.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

39.3 Capital risk management

The Company's objective when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. It is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (long term finances and short term borrowings as shown in the statement of financial position) less cash and bank balances. Total equity includes all capital and reserves of the Company that are managed as capital. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2020	2019
	- - - R u p e e s - - -	
Total borrowings	**14,912,265,392**	16,218,051,166
Less: cash and bank balances	**68,857,658**	76,712,566
Net debt	**14,843,407,734**	16,141,338,600
Total equity	**15,888,229,935**	15,287,207,198
Total capital	**30,731,637,669**	31,428,545,798
Gearing ratio	**48%**	51%

39.4 Financial instruments by category

	As at June 30, 2020			As at June 30, 2019		
	Amortised cost	**At fair value through OCI**	**Total**	Amortised cost	At fair value through OCI	Total
Financial assets as per statement of financial position	**- - - - - - - - - - R u p e e s - - - - - - - - - -**			- - - - - - - - - - R u p e e s - - - - - - - - - -		
Long term investments	**-**	**3,746,450,339**	**3,746,450,339**	-	4,091,293,395	4,091,293,395
Long term loans	**262,000**	**-**	**262,000**	442,000	-	442,000
Long term deposits	**28,606,645**	**-**	**28,606,645**	28,606,645	-	28,606,645
Trade debts	**2,285,383,617**	**-**	**2,285,383,617**	4,283,863,680	-	4,283,863,680
Loans and advances	**180,000**	**-**	**180,000**	180,000	-	180,000
Trade deposits	**1,068,608**	**-**	**1,068,608**	74,228,355	-	74,228,355
Short term investments	**-**	**2,394,357,739**	**2,394,357,739**	-	2,908,132,483	2,908,132,483
Other receivables	**162,022,965**	**-**	**162,022,965**	23,337,822	-	23,337,822
Cash and bank balances	**68,857,658**	**-**	**68,857,658**	76,712,566	-	76,712,566
	2,546,381,493	**6,140,808,078**	**8,687,189,571**	4,487,371,068	6,999,425,878	11,486,796,946

	Financial liabilities measured at amortised cost	
Financial liabilities as per statement of financial position	**- - - - R u p e e s - - - -**	
Long term finances and accrued mark-up	**4,930,836,066**	4,471,589,392
Trade and other payables	**1,723,330,369**	2,016,745,596
Unclaimed dividend	**6,137,961**	5,967,559
Short term borrowings and accrued mark-up	**10,026,256,385**	11,772,445,051
	16,686,560,781	18,266,747,598

40. RECOCILIATION OF MOVEMENT OF LIABILITES TO CASH FLOWS ARISING FROM FINANCIAL ACTIVITIES

	Liabilities			Equity
	Long term finances	**Short term borrowings**	**Dividend**	**Share capital**
	----------- Rupees -----------			
Balance as at July 01, 2019	4,445,606,115	11,772,445,051	5,967,559	196,875,000
Changes from financing activities				
Finances obtained	990,153,577	(1,746,188,666)	-	-
Finances repaid	(549,750,685)	-	-	-
Dividends paid	-	-	(157,329,598)	-
Proceed from issue of right shares				255,937,500
Share premium reserve				(246,093,750)
Dividend declared	-	-	157,500,000	-
Total changes from financing cash flows	**4,886,009,007**	**10,026,256,385**	**6,137,961**	**206,718,750**
Other changes	-	-	-	-
Balance as at June 30, 2020	**4,886,009,007**	**10,026,256,385**	**6,137,961**	**206,718,750**

	Liabilities		
	Long term finances	Short term borrowings	Dividend
	----------- Rupees -----------		
Balance as at July 01, 2018	4,681,636,182	9,001,597,944	5,353,374
Changes from financing activities			
Finances obtained	626,337,000	2,770,847,107	-
Finances repaid	(862,367,067)	-	-
Dividends paid	-	-	(235,635,815)
Dividend declared	-	-	236,250,000
Total changes from financing cash flows	4,445,606,115	11,772,445,051	5,967,559
Other changes	-	-	-
Balance as at June 30, 2019	4,445,606,115	11,772,445,051	5,967,559

			2020	2019
41.	**CAPACITY AND PRODUCTION**			
41.1	**Spinning units**			
	Number of spindles installed		**102,096**	101,536
	Number of spindles worked		**97,397**	99,425
	Number of shifts worked per day		**3**	3
	Total number of days worked		**366**	365
	Installed capacity after conversion into 20's count	**Lbs.**	**56,512,425**	60,990,604
	Actual production after conversion into 20's count	**Lbs.**	**49,919,058**	53,756,861

41.1.1 Actual production varies due to maintenance / shut down and change in count pattern.

			2020	2019
41.2	**Dyeing**			
	Yarn / Fibre Dyeing Unit			
	Total number of days worked		**-**	-
	Installed capacity	**Lbs.**	**-**	8,002,407
	Actual production	**Lbs.**	**-**	-
	Fabric Dyeing Unit			
	Total number of days worked		**316**	364
	Installed capacity	**Lbs.**	**13,965,242**	13,965,242
	Actual production	**Lbs.**	**9,415,107**	11,684,161

41.2.1 During the year, the Company's management decided to wind-up the operations of its yarn / fibre dyeing unit. This was mainly because of sluggish sales in the local and international markets and reduced profit margins (also refer note 4.4.1).

			2020	2019
41.3	**Knitting unit**			
	Total number of days worked		**312**	365
	Installed capacity	**Lbs.**	**14,612,963**	14,612,963
	Actual production	**Lbs.**	**6,157,193**	8,951,726

41.3.1 Low production is due to low demand.

			2020	2019
41.4	**Stitching unit**			
	Installed capacity	**Pcs.**	**1,967,000**	1,967,000

41.4.1 Sluggish sale in the international markets, power shortage in the country and higher fuel cost forced management to temporarily close its stitching unit.

			2020	2019
41.5	**Denim unit**			
	Total number of days worked		**333**	358
	Installed capacity	**Mtrs.**	**15,740,000**	12,234,000
	Actual production	**Mtrs.**	**14,290,822**	11,639,680

42.	NUMBER OF EMPLOYEES	2020	2019
	Average number of employees during the year	4,192	3,975
	Number of employees at the June 30,	4,015	4,144

43. PROVIDENT FUND RELATED DISCLOSURE

43.1 The following information is based on un-audited financial statements of the Fund for the year ended:

	2020	2019
	------ Rupees ------	
Size of the Fund - Total Assets	114,668,543	71,780,349
Cost of investments made	109,986,985	70,055,035
Percentage of investments made	95.92%	97.60%
Fair value of investments made	118,576,935	71,321,642

43.2 The break-up of fair value of investments is as follow:

	2020	2019	2020	2019
	--- Percentage ---		--- Rupees ---	
Special account in a scheduled bank	0.57	1.03	626,466	720,134
Government securities	97.60	96.29	107,345,869	67,453,451
Listed securities	1.83	2.69	2,014,650	1,881,450
	100.00	100.00	109,986,985	70,055,035

43.3 The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

44. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherevernecessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made in these financial statements. Earning per share of prior year has been restated due to issuance of right shares during the year.

45. IMPACT OF COVID-19 (CORONA VIRUS)

The outbreak of Novel Coronavirus continues and the situation keeps evolving every day. Enactment of necessary precautionary measures during March, 2020 including but not limited to lockdowns by Government of Punjab, severely impacted the economic activity and the consumer demand which had a ripple effect on the economy. The operations of the Company were resumed after the management adopted all necessary precautionary measure and ensured the implementation of all necessary SOPs.

After the lockdown restrictions were eased out in June, 2020 local customer demand has increased gradually. The international market has also started business and an increase resuming in the number of orders has been observed. As the extant and duration of the impact of COVID-19 can not be predicted at this stage, a reliable estimate of the impact of the developments on the financial statements of the Company can not be made with reasonable certainty.

The management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- recognition of expected credit losses under IFRS 9, ‘Financial instruments’;
- adjustment to net realisable value of inventory under IAS 2, ‘Inventories’;
- recognition of provisions and contingent liabilities under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; and
- going concern assumption used for the preparation of these financial statements.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 24, 2020 by the Board of Directors of the Company.

Lahore:	**Shahid Abdullah**	**Shayan Abdullah**	**Jawwad Faisal**
Dated: September 24, 2020	Chief Executive	Director	Chief Financial Officer

NUMBER OF SHAREHOLDERS	FROM	TO	TOTAL SHARES HELD
254	1	100	4,754
150	101	500	34,109
107	501	1000	68,616
76	1001	5000	134,402
13	5001	10000	93,587
5	10001	15000	60,687
2	15001	20000	34,910
2	20001	25000	45,299
2	25001	30000	57,787
1	30001	35000	32,768
2	35001	40000	77,275
1	40001	45000	40,506
1	50001	55000	54,184
1	75001	80000	75,038
1	95001	100000	98,207
3	100001	105000	305,124
1	115001	120000	118,125
1	121001	125000	122,272
1	160001	165000	163,518
1	165001	170000	168,697
1	215001	220000	217,505
1	220001	225000	225,000
1	225001	230000	226,485
1	240001	245000	240,658
1	250001	255000	250,128
1	285001	290000	287,906
1	335001	340000	335,120
1	340001	345000	344,333
1	355001	360000	355,084
1	385001	390000	386,038
1	415001	420000	420,000
1	420001	425000	420,367
1	495001	500000	496,003
3	520001	525000	1,574,477
3	525001	530000	1,579,686
1	565001	570000	570,000
1	595001	600000	599,288
1	615001	620000	616,671
1	720001	725000	722,439
1	760001	765000	761,425
1	820001	825000	822,143
1	1250001	1255000	1,250,744
1	1290001	1295000	1,290,806
1	1800001	1805000	1,800,349
1	3085001	3090000	3,089,355
654		**Total**	**20,671,875**

Categories of Shareholders
As At June 30, 2020

Particulars	No. of Shares Held	Percentage %
Directors, CEO, spouses minor.Children	4,204,299	20.3383
Associated Companies, undertaking, related parties	10,714,798	51.8327
NIT & ICP	616,671	2.9831
Banks, DFI & NBFI	1,718	0.0083
Insurance Companies	250,128	1.2100
Modaraba & Mutual Fund	161	0.0008
General Public (Local)	4,108,688	19.8757
General Public (Foreign)	6,180	0.0299
Others	769,232	3.7212
	20,671,875	**100.0000**

A) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES

Sapphire Textile Mills Limited.	145
Neelum Textile Mills (Private) Limited.	1,817,665
Sapphire Agencies (Pvt) Ltd.	2,371,390
Crystal Enterprises (Private) Limited	5,680
Sapphire Power Generation Limited	473,209
Salman Ismail (Pvt) Limited	23,302
Reliance Cotton Spinning Mills Limited	393,697
Sapphire Holding Limited	3,089,355
Amer Tex (Pvt.) Limited	869,611
Four Strength (Pvt) Limited	1,670,744

B) NIT & ICP

CDC Trustee National Investment (UNIT) Trust	616,671

C) DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES AND MINOR CHILDREN

DIRECTORS & THEIR SPOUSES

Mr. Nadeem Abdullah	200,793
Mr. Amer Abdullah	342,729
Mr. Yousuf Abdullah	1,157,263
Mrs. Usma Yousuf	9,962
Mrs. Noshaba Nadeem	280,669
Mrs. Ambareen Amer	943,621
Mr. Shayan Abdullah	525,000
Mr. Tajammal Hussain Bokharee	525
Mr. Nadeem Arshad Elahi	525
Mr. Abdul Sattar	525

CHIEF EXECUTIVE OFFICER & HIS SPOUSE

Mr. Shahid Abdullah	426,544
Mrs. Shireen Shahid	316,143

D) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS & MUTUAL FUNDS

BANKS, DFI & NBFI

National Bank of Paksitan	1,300
National Bank of Paksitan	81
Prudential Discount & Guarantee House Ltd.	337

INSURANCE COMPANIES

State Life Insurance Corporation of Pakistan	250,128

MODARABAS & MUTUAL FUNDS

Modaraba-Al-Mali	112

MUTUAL FUNDS

Golden Arrow Selected Stock Funds Limited	49
CDC-Trustee Nafa Stock Fund	40

E) SHAREHOLDERS HOLDING 5% OR MORE

Sapphire Agencies (Pvt) Ltd.	2,371,390
Sapphire Holding Limited	3,089,355
Neelum Textile Mills (Private) Limited	1,817,665
Four Strength (Pvt) Limited	1,670,744
Mr. Yousuf Abdullah	1,157,263

F) TRADING IN THE SHARES OF COMPANY DURING THE YEAR BY THE DIRECTORS, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN.

Gifted by Mr. Yousuf Abdullah to Salman Abdullah	(570,000)
Gifted by Mr. Nadeem Abdullah to Umer Abdullah	(100,122)
Gifted by Mrs. Noshaba Nadeem to Nabeel Abdullah	(100,002)
Gifted by Mrs. Usma Yousuf to Yousuf Abdullah	(104,626)
Gifted by Mrs. Shireen Shahid to Hasan Abdullah	(500,000)

Contents

The directors are pleased to present their report together with consolidated financial statements of Sapphire Fibres Limited and its subsidiaries Sapphire Electric Company Limited, Sapphire Hydro Limited, Premier Cement Limited, Sapphire Cement Company Limited, Sapphire Energy (Pvt.) Limited and Ignite Power (Private) Limited for the period ended 30 June, 2020. 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

Sapphire Electric Company Limited (SECL) was incorporated in Pakistan as an unlisted public company limited by shares under Companies ordinance 1984 (now Companies Act 2017) on 18 January, 2005. It became subsidiary of Sapphire Fibres Limited (SFL) on 1st July, 2008. SFL holds 68.11% shares of SECL as on 30 June, 2020.

The principal activity of the Subsidiary Company is to own, operate and maintain a combined cycle power station having net capacity of 212 MW at Muridke, district Sheikhupura.

SAPPHIRE HYDRO LIMITED

Sapphire Hydro Limited (SHL) 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.

PREMIER CEMENT LIMITED

Premier Cement Limited (PCL) was incorporated in Pakistan as an unlisted public company limited by shares under Companies ordinance 1984 (now Companies Act 2017) on 26 July, 2016. SFL holds 100% shares of PCL as on 30 June, 2020.

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

SAPPHIRE CEMENT COMPANY LIMITED

Sapphire Cement Company Limited (SCCL) was incorporated in Pakistan as an unlisted public company limited by shares under Companies ordinance 1984 (now Companies Act 2017) on 28 October, 2016. SFL holds 100% shares of SCCL as on 30 June, 2020.

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

SAPPHIRE ENERGY (PRIVATE) LIMITED

Sapphire Energy (Private) Limited (SEPL) 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 30 June, 2020.

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.

IGNITE POWER (PRIVATE) LIMITED

Ignite Power (Private) Limited (IPPL) 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.

Ignite Power (Private) Limited (IPPL) is a 60% owned subsidiary of Sapphire Energy Private Limited which is a wholly owned subsidiary of Sapphire Fibres Limited.

For and on behalf of the Board of Directors

Lahore:	**Sahyan Abdullah**	**Shahid Abdullah**
Dated: 24 September, 2020	Director	Chief Executive

ڈائریکٹرز 30 جون 2020ء کو ختم ہونے والے سال کے لئے سفائر فائبرز لمیٹڈ اور اسکی ذیلی کمپنیوں سفائر الیکٹرک کمپنی لمیٹڈ، سفائر ہائیڈرو لمیٹڈ، پریمیئر سیمنٹ لمیٹڈ، سفائر سیمنٹ کمپنی لمیٹڈ، سفائر انرجی (پرائیویٹ) لمیٹڈ اور اگنائٹ پاور (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۔

سفائر الیکٹرک کمپنی لمیٹڈ:

سفائر الیکٹرک کمپنی لمیٹڈ (SECL) 18 جنوری 2005 کو کمپنیز آرڈیننس، 1984 (اب کمپنیز ایکٹ 2017) کے تحت غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ یہ یکم جولائی 2008 کو سفائر فائبرز لمیٹڈ (ایس ایف ایل) کی ذیلی کمپنی بنی۔ ایس ایف ایل 30 جون 2020ء کے مطابق ایس ای سی ایل کے 68.11% حصص کی مالک ہے۔

ذیلی کمپنی کی اصل سرگرمی مریدکے، ضلع شیخوپورہ میں 212 میگاواٹ کی خالص صلاحیت کے کمبائنڈ سائیکل پاور سٹیشن کی ملکیت، کو چلانا اور برقرار رکھنا ہے۔

سفائر ہائیڈرو لمیٹڈ:

سفائر ہائیڈرو لمیٹڈ (SHL) 07 ستمبر 2017ء کو کمپنیز ایکٹ 2017ء کے تحت پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ذیلی کمپنی کا اصل کاروبار شرمئی، خیبر پختونخواہ میں 682 GWh کی سالانہ بجلی کی پیداوار کی پوٹینشل کے ساتھ 150 میگاواٹ کی خالص صلاحیت کا حامل ایک ہائیڈرو الیکٹرک پاور جنریشن منصوبہ تعمیر، قائم اور چلانا ہوگا۔

سفائر ہائیڈرو لمیٹڈ (ایس ایچ ایل) پیرنٹ کمپنی سفائر فائبرز لمیٹڈ کی ذیلی کمپنی سفائر الیکٹرک کمپنی لمیٹڈ کی ایک مکمل ملکیتی ذیلی کمپنی ہے۔

پریمیئر سیمنٹ لمیٹڈ:

پریمیئر سیمنٹ لمیٹڈ (پی سی ایل) 26 جولائی 2016 کو کمپنیز آرڈیننس 1984 (اب کمپنیز ایکٹ 2017) کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 جون 2020ء کے مطابق پی سی ایل کے 100% حصص کی مالک ہے۔

ضروری منظوریوں کے حوالہ سے، پی سی ایل ہر قسم کے سیمنٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفائر سیمنٹ کمپنی لمیٹڈ:

سفائر سیمنٹ کمپنی لمیٹڈ (ایس سی سی ایل) 28 اکتوبر 2016ء کو کمپنیز آرڈیننس 1984 (اب کمپنیز ایکٹ 2017) کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 جون 2020ء کے مطابق ایس سی سی ایل کے 100% حصص کی مالک ہے۔

ضروری منظوریوں کے حوالہ سے، ایس سی سی ایل ہر قسم کے سیمنٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفائر انرجی (پرائیویٹ) لمیٹڈ:

سفائر انرجی (پرائیویٹ) لمیٹڈ (ایس ای پی ایل) 11 دسمبر 2017ء کو کمپنیز ایکٹ 2017 کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 جون 2020ء کے مطابق ایس ای پی ایل کے 100% حصص کی مالک ہے۔

SEPL بجلی پیدا کرنے اور تمام قسم کی گیسوں اور تمام دیگر متعلقہ مائعات، کیمیکل اور پٹرولیم مصنوعات کی ہینڈلنگ، ری گیسی فکیشن، اسٹوریج، ٹریٹمنٹ اور پروسیسنگ کے لئے ایک ٹرمینل چلانے میں مصروف کمپنیوں میں توانائی کے منصوبوں میں حصہ لینے، شرکت کرنے اور سرمایہ کاری کرنے یا حصص حاصل کرنے کا ارادہ رکھتی ہے۔

اگنائٹ پاور (پرائیویٹ) لمیٹڈ:

اگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی پی ایل) 03 جولائی 2019ء کو کمپنیز ایکٹ 2017 کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ سولر انرجی 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۔

اگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی پی ایل) پیرنٹ کمپنی سفائر فائبرز لمیٹڈ کی ذیلی کمپنی سفائر انرجی پرائیویٹ لمیٹڈ کی 60% ملکیتی ذیلی کمپنی ہے۔

منجانب بورڈ آف ڈائریکٹرز

شاہد عبداللہ	شایان عبداللہ	لاہور
چیف ایگزیکٹو	ڈائریکٹر	تاریخ: 24 ستمبر 2020ء

To the members of Sapphire Fibres Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Sapphire Fibres Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to notes 12.5 of the annexed consolidated financial statements, which describes the matter relating to litigations with National Transmission and Despatch Company Limited on account of recoverability of capacity revenue and delayed payment charges. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Description	How the matter was addressed in our audit
1.	**Impact of COVID-19** Refer note 45 to the consolidated financial statements regarding the impact of COVID-19. In relation to accounting and reporting obligation, the Group's management is responsible to assess the possible effects of COVID-19 on the it's operations, liquidity and its ability to continue as a going concern and appropriately disclose the results of its assessment in the consolidated financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to uncertainty. The management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as financing and cash requirements to ensure continuation of the Group's operations. The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and involved assessment of significant	"Our audit procedures amongst others includedthe following:" - obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy; - evaluated the Group's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts; - discussed the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19 on the Group; - obtained the computation of NRV and checked its reasonableness; - evaluated management's assessment as to whether any provisions were required to be recorded as a result of COVID-19;

S. No.	Description	How the matter was addressed in our audit
	management judgments in the preparation of financial statements. Therefore, we considered it to be a key audit matter.	- evaluated the Group's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19; and - considered the appropriateness of the disclosures made in the consolidated financial statements in respect of the potential impact of COVID-19.
2.	**Capital Expenditures** Refer note 4 to the consolidated financial statements. During the current year, the Group has incurred significant capital expenditure mainly to enhance production capacity and technological upgrades of the plant, as part of the management plan for expansion, balancing and modernization activities. The Group has made capitalization of assets aggregated Rs.1,290 million. There is always a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and depreciation charge for the year. We consider the above as a key audit matter being significant transactions and events for the Group during the year.	**Our audit procedures included the followings:** - understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; - assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices; - assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable financial reporting framework; - checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis; and - assessed whether the disclosures are made in accordance with the applicable financial reporting framework.
3.	**Valuation of stock-in-trade** The total value of stock in trade as at the reporting date amounts to Rs.7.655 billion representing 28% of the Company's total current assets (2019: Rs.6.992 billion, 25% of the Company's total current assets). Stock in trade as at reporting date mainly includes raw material and finished goods. Refer note 11 to the consolidated financial statements. The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of raw material and finished goods and in determining the appropriate value of slow moving and obsolete stocks. We identified this matter as key in our audit due to the judgement and assumption applied by the Group in determining the cost and NRV of stock in trade at the year-end.	We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps: - assessed whether the Group's accounting policy for inventory valuation is in line with the applicable financial reporting standards; - attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data; - assessed the historical costs recorded in the inventory valuation by checking purchase invoices on sample basis; - tested the reasonability of assumptions applied by the management in the allocation of labour and other various overhead costs to the inventories; - assessed the management determination of NRV of raw material thereon by performing tests on the subsequent purchase price; and - tested the cost of inventories for finished goods and performed NRV test to asses whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices. We reviewed the Group's disclosure in the financial statement in respect of stock in trade.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

Lahore;
Dated: 26 September, 2020

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Consolidated Statement of Financial Position
as at June 30, 2020

	Note	2020	2019
		--- Rupees ---	
ASSETS			
Non current assets			
Property, plant and equipment	4	**24,384,906,761**	23,634,642,148
Investment property	5	**31,750,000**	31,750,000
Intangible assets	6	**9,922,074**	11,705,721
Long term investments	7	**5,222,731,748**	5,219,025,045
Long term loans	8	**262,000**	442,000
Long term deposits	9	**31,206,445**	42,106,445
		29,680,779,028	28,939,671,359
Current assets			
Stores, spare parts and loose tools	10	**358,027,617**	248,085,374
Stock-in-trade	11	**7,655,601,257**	6,992,281,448
Trade debts	12	**12,760,022,311**	14,867,544,760
Loans and advances	13	**336,477,715**	139,485,191
Trade deposits and short term prepayments	14	**46,301,440**	119,201,441
Short term investments	15	**2,394,357,739**	2,908,132,483
Other receivables	16	**950,517,918**	916,496,927
Tax refunds due from Government	17	**1,185,320,807**	826,956,709
Cash and bank balances	18	**813,632,124**	1,064,060,078
		26,500,258,928	28,082,244,411
Total assets		**56,181,037,956**	57,021,915,770
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		**350,000,000**	350,000,000
Issued, subscribed and paid-up capital	19	**206,718,750**	196,875,000
Reserves	20	**2,567,390,132**	2,799,006,787
Unappropriated profit		**21,937,736,251**	19,214,376,030
Equity attributable to shareholders of the Parent Company		**24,711,845,133**	22,210,257,817
Non-controlling interest		**5,273,421,703**	4,529,981,873
Total equity		**29,985,266,836**	26,740,239,690
Non current liabilities			
Long term finances	21	**4,510,411,784**	4,147,521,687
Staff retirement benefit - gratuity	22	**310,591,147**	242,930,143
Deferred taxation	23	**148,638,412**	131,621,754
		4,969,641,343	4,522,073,584
Current liabilities			
Trade and other payables	24	**3,847,677,442**	3,689,161,254
Contract liabilities		**469,134,612**	313,963,434
Unclaimed dividend		**6,137,961**	5,967,559
Accrued mark-up / interest	25	**280,910,442**	414,784,309
Short term borrowings	26	**15,264,321,049**	17,591,614,934
Current portion of long term finances	21	**963,305,080**	3,509,531,264
Provision for taxation		**394,643,191**	234,579,742
		21,226,129,777	25,759,602,496
Total liabilities		**26,195,771,120**	30,281,676,080
Contingencies and commitments	27		
Total equity and liabilities		**56,181,037,956**	57,021,915,770

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

Lahore:	**Shahid Abdullah**	**Shayan Abdullah**	**Jawwad Faisal**
Dated: September 24, 2020	Chief Executive	Director	Chief Financial Officer

Consolidated Statement of Profit or Loss

For the year ended June 30, 2020

	Note	2020	2019
		--- Rupees ---	
			(Restated)
Sales	28	**32,717,006,346**	36,623,134,108
Cost of sales	29	**(25,209,355,862)**	(29,514,785,680)
Gross profit		**7,507,650,484**	7,108,348,428
Distribution cost	30	**(846,381,791)**	(721,021,399)
Administrative expenses	31	**(456,387,690)**	(419,447,386)
Other income	32	**585,388,484**	543,084,415
Other expenses	33	**(154,019,365)**	(85,459,952)
Profit from operations		**6,636,250,122**	6,425,504,106
Finance cost	34	**(2,427,455,207)**	(2,273,872,204)
		4,208,794,915	4,151,631,902
Share of profit from Associated Companies		**358,681,959**	175,049,348
Profit before taxation		**4,567,476,874**	4,326,681,250
Taxation	35	**(387,362,711)**	(259,280,370)
Profit after taxation		**4,180,114,163**	4,067,400,880
Attributable to:			
- Shareholders of the Parent Company		**3,033,750,207**	3,053,284,109
- Non-controlling interest		**1,146,363,956**	1,014,116,771
		4,180,114,163	4,067,400,880
Earnings per share - attributable to the shareholders of Parent Company	36	**149.91**	147.70

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

Lahore:
Dated: September 24, 2020

Shahid Abdullah	**Shayan Abdullah**	**Jawwad Faisal**
Chief Executive	Director	Chief Financial Officer

Consolidated Statement of Comprehensive Income
For the year ended June 30, 2020

	2020	2019
	--- Rupees ---	
Profit after taxation	**4,180,114,163**	4,067,400,880
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised loss on remeasurement of investment at fair value through other comprehensive income		
- long term	**(344,837,056)**	(810,464,891)
- short term	**(142,952,701)**	(778,963,436)
Impact of deferred tax	**(25,176,390)**	28,064,658
Realised (loss) / gain on sale of investment at fair value through other comprehensive income	**(94,607,088)**	14,111,361
Share of fair value loss on remeasurement of investment at fair value through other comprehensive income by Associates	**(5,668,534)**	(12,079,357)
	(613,241,769)	(1,559,331,665)
(Loss) / gain on remeasurement of staff retirement benefit obligation	**(15,768,827)**	29,644,795
Share of (loss) / gain on remeasurement of staff retirement benefit obligation of Associates	**(42,665)**	176,653
Impact of deferred tax	**604,076**	(1,656,176)
	(15,207,416)	28,165,272
	(628,449,185)	(1,531,166,393)
Items that will be reclassified to statement of profit or loss subsequently		
Forward foreign exchange contracts		
Share of unrealised (loss) / gain on remeasurement of hedging instrument of Associates	**(33,593)**	123,422
Other comprehensive loss for the year	**(628,482,778)**	(1,531,042,971)
Total comprehensive income for the year	**3,551,631,385**	2,536,357,909
Attributable to:		
- Shareholders of the Parent Company	**2,405,267,429**	1,522,241,138
- Non-controlling interest	**1,146,363,956**	1,014,116,771
	3,551,631,385	2,536,357,909

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

Lahore: Dated: September 24, 2020	**Shahid Abdullah** Chief Executive	**Shayan Abdullah** Director	**Jawwad Faisal** Chief Financial Officer

	Note	2020	2019
		--- Rupees ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	**8,957,304,667**	2,062,046,509
Staff retirement benefit paid		**(54,746,781)**	(179,457,285)
Finance cost paid		**(2,569,053,801)**	(2,030,986,826)
Taxes paid		**(425,254,049)**	(316,280,268)
Workers' profit participation fund paid		**(43,373,043)**	(67,999,400)
Long term loans - net		**180,000**	(145,000)
Long term deposits - net		**10,900,000**	(500,000)
Net cash generated from / (used in) operating activities		**5,875,956,993**	(533,322,270)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(2,190,853,826)**	(1,341,170,164)
Proceeds from disposal of operating fixed assets		**47,055,264**	56,524,328
Investment in an Associated Company		**-**	(30,000)
Long and short term investments - net		**277,053,794**	93,714,027
Proceeds from sale of stores and spares		**407,565**	10,050,483
Dividend and interest income received		**542,040,131**	466,473,411
Net cash used in investing activities		**(1,324,297,072)**	(714,437,915)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - obtained		**990,153,577**	626,337,000
- repaid		**(3,173,489,664)**	(2,211,908,024)
Share capital issued		**258,737,500**	-
Dividend paid		**(561,814,222)**	(235,635,815)
Short term borrowings - net		**(2,315,675,066)**	3,598,825,208
Net cash (used in) / generated from financing activities		**(4,802,087,875)**	1,777,618,369
Net (decrease) / increase in cash and cash equivalents		**(250,427,954)**	529,858,184
Cash and cash equivalents - at beginning of the year		**1,064,060,078**	534,201,894
Cash and cash equivalents - at end of the year		**813,632,124**	1,064,060,078

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

Lahore:
Dated: September 24, 2020

Shahid Abdullah
Chief Executive

Shayan Abdullah
Director

Jawwad Faisal
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2020

	Issued, subscribed and paid-up capital	Reserves: Capital: Share premium	Reserves: Revenue: Maintenance reserve	Reserves: Revenue: General	Reserves: Revenue: Unappropri-ated profit	Reserves: Sub- total	Other components of equity: Unrealised gain / (loss) on financial assets at fair value through other comprehensive income	Other components of equity: Unrealised gain / (loss) on hedging instruments	Other components of equity: Sub-total	Total	Non-Controlling Interest
	Rupees										
Balance as at July 1, 2018	196,875,000	145,740,000	35,181,732	1,183,845,000	16,434,544,121	17,799,310,853	2,928,821,052	168,060	2,928,989,112	20,925,174,965	3,515,865,102
Distribution to owners											
Final dividend for the year ended June 30, 2018 at the rate of Rs.12.00 per share	-	-	-	-	(236,250,000)	(236,250,000)	-	-	-	(236,250,000)	-
Transfer from unappropriated profit	-	-	78,570,547	-	(78,570,547)	-	-	-	-	-	-
Effect of items directly credited in equity by the Associated companies	-	-	-	-	(908,286)	(908,286)	-	-	-	(908,286)	-
Total comprehensive income for the year ended June 30, 2019											
Profit for the year	-	-	-	-	3,053,284,109	3,053,284,109	-	-	-	3,053,284,109	1,014,116,771
Other comprehensive (loss) / income	-	-	-	-	28,165,272	28,165,272	(1,559,331,665)	123,422	(1,559,208,243)	(1,531,042,971)	-
	-	-	-	-	3,081,449,381	3,081,449,381	(1,559,331,665)	123,422	(1,559,208,243)	1,522,241,138	1,014,116,771
Reclassification adjustment of realised gain on sale of investment at fair value through other comprehensive income	-	-	-	-	14,111,361	14,111,361	(14,111,361)	-	(14,111,361)	-	-
Balance as at June 30, 2019	**196,875,000**	**145,740,000**	**113,752,279**	**1,183,845,000**	**19,214,376,030**	**20,657,713,309**	**1,355,378,026**	**291,482**	**1,355,669,508**	**22,210,257,817**	**4,529,981,873**
NCI recognised on new Subsidiary Company - IPPL	-	-	-	-	-	-	-	-	-	-	2,737,107
Contribution by the owners											
984,375 right shares issued at Rs.260 per share (including share premium of Rs.250 per share)	9,843,750	246,093,750	-	-	-	246,093,750	-	-	-	255,937,500	-
Distribution to owners											
Final dividend for the year ended June 30, 2019 at the rate of Rs.8.00 per share	-	-	-	-	(157,500,000)	(157,500,000)	-	-	-	(157,500,000)	(405,661,233)
Transfer from unappropriated profit	-	-	40,957,869	-	(40,957,869)	-	-	-	-	-	-
Effect of items directly credited in equity by the Associated companies	-	-	-	-	(2,117,613)	(2,117,613)	-	-	-	(2,117,613)	-
Total comprehensive income for the year ended June 30, 2020											
Profit for the year	-	-	-	-	3,033,750,207	3,033,750,207	-	-	-	3,033,750,207	1,146,363,956
Other comprehensive loss	-	-	-	-	(15,207,416)	(15,207,416)	(613,241,769)	(33,593)	(613,275,362)	(628,482,778)	-
	-	-	-	-	3,018,542,791	3,018,542,791	(613,241,769)	(33,593)	(613,275,362)	2,405,267,429	1,146,363,956
Reclassification adjustment of realised loss on sale of investment at fair value through other comprehensive income	-	-	-	-	(94,607,088)	(94,607,088)	94,607,088	-	94,607,088	-	-
Balance as at June 30, 2020	**206,718,750**	**391,833,750**	**154,710,148**	**1,183,845,000**	**21,937,736,251**	**23,668,125,149**	**836,743,345**	**257,889**	**837,001,234**	**24,711,845,133**	**5,273,421,703**

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

Lahore:
Dated: September 24, 2020

Shahid Abdullah
Chief Executive

Shayan Abdullah
Director

Jawwad Faisal
Chief Financial Officer

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

The Parent Company

- Sapphire Fibres Limited

Subsidiary Companies

- Sapphire Electric Company Limited - SECL
- Premier Cement Limited - PCL
- Sapphire Cement Company Limited - SCCL
- Sapphire Energy (Private) Limited - SEL
- Sapphire Hydro Limited - SHL
- Ignite Power (Private) Limited - IPPL

• **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 - SECL**

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 - PCL**

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. 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	**Purpose**
7 - A/K, Main Boulevard, Gulberg	Registered office

- **Sapphire Cement Company Limited - SCCL**

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 approvals.

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

Lahore	**Purpose**
7 - A/K, Main Boulevard, Gulberg	Registered office

- **Sapphire Energy (Pvt.) Limited - SEL**

Sapphire Energy (Pvt.) Limited - SEL 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	**Purpose**
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	**Purpose**
7 - A/K, Main Boulevard, Gulberg	Registered office

- **Ignite Power (Private) Limited - IPPL**

Ignite power (Private) Limited is a subsidiary company of Sapphire Energy (Private) Limited - SEPL which is a wholly owned subsidiary of the Parent Company. IPPL was incorporated in Pakistan as a public 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 associated therewith.

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

Lahore	**Purpose**
7 - A/K, Main Boulevard, Gulberg	Registered office

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- 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 from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.2 Principal of consolidation

These consolidated 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 June 30, 2020, in the SECL is 68.11% (2019: 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 and effective holding the Parent Company in IPPL is also 60% as IPPL is 60% owned Subsidiary of SEPL. The other two companies PCL and SCCL are wholly owned as well.

Subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiary;

- is exposed to variable returns from the subsidiary; and

- decision making power allows the Group to affects its variable returns from the subsidiary.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Parent Company is eliminated against the subsidiaries' shareholders' equity in these consolidated financial statements.

All material inter-group balances and transactions have been eliminated. Investments in Associated Companies, as defined in the Companies Act, 2017, are accounted for under the equity method of accounting.

2.3 Transactions and 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.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is the Group's functional currency and figures are rounded off to the nearest rupees unless otherwise specified.

2.5 Changes in accounting standards and interpretations

2.5.1 Standards, amendments to approved accounting standards effective in current year and are relevant

During the year, the Group has adopted following new standard / interpretation:

(a) The Group has adopted IFRS 16 'Leases' from July 01, 2019. The standard introduces a single, on-balance sheet accounting model for leases. As a result, the Group as a lessee has to recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments. The standard removes distinction between operating and finance leases and requires recognition of an asset (the-right-of use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors does not significantly changed.

The Group has applied IFRS 16 using the modified retrospective approach. Under this approach, the cumulative effect of initial application to be recognized in retained earnings at July 1, 2019. Accordingly, the comparative information presented for 2019 has not been restated - i.e. it is presented as previously reported under IAS 17 and related interpretations. The adoption of IFRS 16 do not have a material impact on the financial statements of the Group as the Group has elected to use recognition exemption given by the IFRS. The Group has elected not to recognise right-of-use assets and its corresponding liabilities in respect of low-value leases and for the operating leases having a remaining lease term of 12 months or less. As at reporting date operating lease arrangements of the Group are of short term.

SECP through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 to all companies to the extent of their power purchase agreements executed before January 1, 2019. Therefore, the standard will not have any impact on the Subsidiary Company - SECL's financial statements to the extent of its power purchase agreement. For the remaining leases, the Subsidiary Company - SECL has assessed that the application of this standard does not have any material impact on its financial statements.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. The Group's power plant's control due to purchase of total output by National Transmission and Despatch Company Limited ('NTDC') appears to fall under the scope of a finance lease under IFRS 16. Consequently, if the Group were to follow IFRS 16 with respect to its power purchase agreement, the effect on the consolidated financial statements would be as follows

	2020	2019
	--- Rupees ---	
De-recognition of property, plant and equipment	**(11,970,169,363)**	(12,557,921,226)
De-recognition of trade debts	**(7,185,484,611)**	(5,437,213,219)
Recognition of lease debtor	**13,186,338,800**	13,606,378,012
Decrease in un-appropriated profit at the beginning of the year	**(4,388,756,433)**	(3,141,020,770)
Decrease in profit for the year	**(1,580,558,740)**	(1,247,735,663)
Decrease in un-appropriated profit at the end of the year	**(5,969,315,173)**	(4,388,756,433)

(b) Amendments to IAS 19, ‘Employee benefits’ on plan amendment, curtailment or settlement’, are effective for periods beginning on or after January 01, 2019. These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in statement of profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendments do not have any material impact on the Group’s financial statements.

(c) Amendment to IAS 23 'Borrowing Costs', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

2.5.2 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 IFRSs and interpretations that are mandatory for companies having accounting periods beginning on or after July 01, 2020 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 financial statements, except for the following:

(a) Amendments to IAS 1, 'Presentation of financial statements' and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors is applicable on accounting periods beginning on or after January 1, 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRSs.

(b) The International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The Companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, Companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.

(c) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is ‘onerous’ when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the ‘costs of fulfilling a contract’ comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendments do not have any material impact on the Group’s financial statements.

(d) Amendments to IAS 16 'Property, Plant and Equipment' effective for the annual period beginning on or after January 1, 2022. These amendments clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. The amendment do not has any material impact on the Group’s financial statements.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Group and, therefore, have not been presented here.

2.6 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Judgments, estimates and assumptions made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

(a) Property, plant and equipment

The Group reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

(b) Stores & spares and stock-in-trade

The Group estimates the net realizable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to make sale.

(c) Provision for impairment of trade debts

Impairment losses related to trade and other receivables, are calculated using simplified approach of expected credit loss (ECL) model. Management used actual credit loss experience over past years to base the calculation of ECL. Trade and other receivables are written off when there is no reasonable expectation of recovery.

(d) Staff retirement benefits - gratuity

The present value of this obligation depends on a number of factors that is determined on actuarial basis using a number of assumptions. Any change in these assumptions will impact carrying amount of this obligation. The present value of the obligation and underlying assumptions are stated in note 22.

(e) Income taxes

In making the estimates for income taxes, the Group takes into account the current income tax laws and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Group views differs with the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

3.1 Property, plant and equipment

Owned assets

Property, plant and equipment except for freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, leasehold land and capital work in progress are stated at cost. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Subsequent costs

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to expenses as and when incurred.

Depreciation

Depreciation is charged to income on the reducing balance method at rates stated in note 4.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which asset is disposed-off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Residual values and useful lives are reviewed, at each reporting date, and adjusted if impact on depreciation is significant.

Disposal

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the statement of profit and loss.

Impairment

The Group assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in income currently.

Un-allocated capital expenditure

All costs or expenditures attributable to work in progress are capitalised and apportioned to the respective items of property, plant and equipment on completion.

3.2 Investment property

Investment property is held for long term rental yields / capital appreciation. Investment property of the Group comprises of freehold land is valued using the cost model i.e. at cost less accumulated depreciation and any impairment losses, if any.

Depreciation is calculated by applying reducing balance method at the rates stated in note 5. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalised while no depreciation is charged from the month in which the property is disposed off.

Cost of investment property is determined on the same basis as used for Group's owned assets.

3.3 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

Cost of the intangible asset (i.e. computer softwares) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Subsequent expenditure

Expenditure which enhance or extend the performance of computer softwares beyond its original specification and useful life are recognised as capital improvement and added to the original cost of the softwares. Costs associated with maintaining computer softwares are recognised as an expense as and when incurred.

Amortisation

Amortisation is charged over the estimated useful life of the asset on a systematic basis applying the straight-line method at rates stated in note 6. Amortisation on additions to intangible assets is charged from the date in which an asset is put to use and on disposal upto the date of disposal.

3.4 Right-of-use assets

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated over the lease term on the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Group recognised right of use assets equal to the present value of lease payments.

3.5 Financial assets

Initial measurement

The Group classifies its financial assets in the following three measurement categories:

- fair value through other comprehensive income (FVOCI);

- fair value through profit or loss (FVTPL); and

- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

- Equity Instruments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

- Debt Instruments at FVTOCI

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to the statement of profit or loss.

- Debt Instruments at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in the statement of profit or loss.

- Financial Assets measured at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Investments in Associated Companies

Investments in Associated Companies are accounted for using the equity method of accounting. Under the equity method, the investments are initially recognised at cost, and the carrying amounts are increased or decreased to recognise the Group's share of statement of profit or loss of the Investee after the date of acquisition.

The Group’s share of post acquisition profit or loss is recognised in the statement of profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in statement of other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in Associates equals or exceeds its interest in the Associates the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the Associates.

The Group determines at each reporting date whether there is any objective evidence that the investments in the Associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the Associates and its carrying values and recognises the amount adjacent to share of profit / loss of Associates in the statement of profit or loss.

Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. As referred to in note 2.2.1(a) to these consolidated financial statements, SECP through SRO 985(I)/2019 dated September 2, 2019 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till June 30, 2021 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy.

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all the amount due according to the original terms of the receivable.

3.6 Stores, spare parts and loose tools

Stores, spare parts and loose tools are stated cost of inventory which is based on monthly weighted average cost. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated upto the reporting date.

Provision for obsolete and slow moving stores, spares parts and loose tools is determined based on management's estimate regarding their future usability.

3.7 Stock-in-trade

Stock-in-trade is valued at lower of cost and net realisable value (NRV) except waste, which is valued at NRV. Cost has been determined as follows:

Particulars	Mode of valuation
Raw materials	- weighted average cost
Raw materials in transit	- cost accumulated to the reporting date
Work-in-process	- cost of direct materials and appropriate manufacturing overheads
Finished goods	- lower of average cost and net realisable value
Waste	- net realisable value

Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

3.8 Trade debts and other receivables and related impairment

These are classified at amortized cost and are initially recognised and measured at fair value of consideration receivable. The Group uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Group has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

3.9 Government grants

These represent transfer of resources from government, government agencies and similar bodies, in return for the past or future compliances with certain conditions relating to the operating activities of the Group.

Government grant towards research and development activities is recognised in statement of profit or loss as deduction from the relevant expenses on matching basis.

3.10 Financial liabilities

Classification & subsequent measurement

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on derecognition is also recognized in the statement of profit or loss.

Derecognition

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.11 Derivative financial instruments and hedging activities

The Group designates derivative financial instruments as either fair value hedge or cash flow hedge.

(a) Cash flow hedge

Cash flow hedge represents a hedge of a highly probable forecast transaction. The effective portion of changes in the fair value of derivatives that is designated and qualify as cash flow hedge is recognised in statement of other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss. Amounts accumulated in equity are reclassified to the statement of profit or loss in the periods in which the hedged item will affect the statement of profit or loss.

(b) Fair value hedge

Fair value hedge represents a hedge of the fair value of a recognised asset or liability or a firm commitment. Changes in the fair value of a derivative that is designated and qualify as fair value hedge is recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The carrying value of the hedged item is adjusted accordingly.

3.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or to realise the asset and settle the liability simultaneously.

3.13 Impairment

(a) Financial assets

The Group assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further, the Group followed simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. Management used actual credit loss experience over past years to base the calculation of ECL.

For debt instruments measured as FVTOCI, the Group applies the low credit risk simplification. At every reporting date, the

Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For bank balances, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognized in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash-in-hand and balances with banks.

3.15 Borrowings

These are recognised initially at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings as interest expense.

3.16 Employees' retirement benefits

(a) Defined contribution plan

The Parent Company

The Parent Company operates a defined contributory approved provident fund for its management staff. Equal monthly contributions are made both by the Parent Company and employees at the rate of 8.33% of the basic salary to the fund.

The Subsidiary Company - SECL

SECL operates a defined contributory provident fund for all its employees. Equal monthly contributions are made both by the Subsidiary Company and employees to the fund at the rate of 8.33% of the basic salary.

(b) Defined benefit plan

The Parent Company

The Parent Company operates an un-funded gratuity scheme under which the gratuity is payable on cessation of employment, subject to a minimum qualifying period of service.

Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2020 on the basis of projected unit credit method by an Independent Actuary. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of defined benefit obligation at the end of reporting period.

The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to statement of other comprehensive income in the periods in which they occur.

The Subsidiary Company - SECL

SECL had provided liability for gratuity for the period upto April 30, 2009 prior to the introduction of provident fund scheme on May 01, 2009 which was frozen and paid to the gratuity fund trust.

3.17 Taxation

Income tax expense represents the sum of current tax payable, adjustments, if any, to provision for tax made in previous years arising from assessments framed during the year for such years and deferred tax.

Current

Provision for current year's taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and taxes paid under the presumptive tax regime.

The profits and gains of the Subsidiary Company - SECL derived from electric power generation are exempt from tax in terms of Clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein.

Under clause (11A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Subsidiary Company - SECL is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the statement of profit or loss on income from sources not covered under the above clauses at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred

Deferred tax is recognised using the statement of financial position liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognised for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are recognised for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to statement of other comprehensive income / equity in which case it is included in statement of other comprehensive income / equity.

3.18 Lease liability

Until June 30, 2019, leases were classified as either finance or operating leases. Payments made under operating leases were charged to the statement of profit or loss on a straight-line basis over the period of the lease.

Under IFRS 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The present value of the lease payments is determined using interest rate implicit in lease. If interest rate implicit in lease is not readily determinable, then the Group uses incremental borrowing rate at the commencement of lease.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3.19 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximates fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group Companies.

3.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the prevailing best estimate.

3.21 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the exchange rates prevailing at the reporting date. All arising exchange gains and losses are recognised in the statement of profit or loss.

3.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

Sale of goods

Revenue from local sale of goods is recognized at the point of time when the customer obtains control of the goods, which is generally at the time of delivery / dispatch of goods to customers.

Revenue from the export sale of goods is recognized at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port;

Provision of Services

Revenue from contracts for provision of services is recognized at the point in time when the processed goods are dispatched from the mills to the customer.

Others

- Export rebate income is recognized on accrual basis as and when the right to receive the income establishes;

- dividend income from investments is recognized when the Company's right to receive dividend is established; and

- return on bank deposits / interest income is recognized using applicable effective interest rate. Income is accrued as and when the right to receive the income establishes.

- Revenue from the sale of electricity to NTDC, the sole customer of the Group, is recorded on the following basis:

(i) Capacity revenue is recognised based on the capacity made available to NTDC; and

(ii) Energy revenue is recognised based on the Net Electrical Output (NEO) delivered to NTDC.

Capacity and Energy revenue is recognised based on the rates determined under the mechanism laid down in the PPA.

Delayed payment mark-up on amounts due under the PPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPA.

(iii) Energy invoices for Re-Gasified Liquefied Natural Gas (RLNG) fuel are generally raised on a weekly basis to Central Power Purchasing Agency (Guarantee) Limited (CPPA) and are due after 3 days from the date of invoice.

(iv) Energy invoices for High Speed Diesel (HSD) fuel are generally raised on a monthly basis to CPPA and are due after 30 days from the date of invoice.

3.23 Borrowing costs

Borrowing costs directly attributable to construction / acquisition of qualifying assets are capitalised up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss.

3.24 Segment reporting

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments. Management has determined the operating segments based on the information that is presented to the Chief Operating Decision Maker of the Group for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Group is organised into four operating segments i.e. spinning, knitting, processing & garments, denim and power.

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other operating income & expenses, share of profit in Associated Companies and taxation are managed at the Group level. Unallocated assets mainly include investment property, intangible assets, long term investments, short term investments, advance income tax, tax refunds due from the Government and unrealised gain / loss on forward exchange contracts.

3.25 Dividend and appropriation to reserves

Dividend and other appropriations to reserves are recognised in the period in which they are approved.

3.26 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
		- - - Rupees - - -	
Operating fixed assets	**4.1**	**23,029,887,357**	23,179,031,125
Capital work-in-progress	**4.3**	**1,355,019,404**	455,611,023
		24,384,906,761	23,634,642,148

4.1 Operating fixed assets

	Freehold land	Leasehold land	Residential buildings and others on freehold land	Leased office improve-ments	Factory buildings on freehold land	Plant and machinery	Electric installations	Equipment: Fire fighting	Equipment: Office	Equipment: Mills	Equipment: Electric / gas	Computer hardware	Vehicles	Furniture and fixtures	Arms and ammuni-tion	Tools	Total
	Rupees																
At July 1, 2018																	
Cost	493,783,254	313,245,050	887,405,590	28,636,645	4,467,024,507	25,498,692,528	365,780,581	20,521,998	26,435,356	38,670,680	20,484,039	27,327,309	241,189,786	61,311,571	149,886	248,579	32,490,907,359
Accumulated depreciation	-	-	271,784,867	22,551,027	1,293,834,300	7,918,344,371	123,686,098	1,412,170	19,596,042	24,155,820	10,636,187	19,796,925	110,324,359	34,478,584	132,785	215,342	9,850,948,877
Net book value	493,783,254	313,245,050	615,620,723	6,085,618	3,173,190,207	17,580,348,157	242,094,483	19,109,828	6,839,314	14,514,860	9,847,852	7,530,384	130,865,427	26,832,987	17,101	33,237	22,639,958,482
Year ended June 30, 2019																	
Opening net book value	493,783,254	313,245,050	615,620,723	6,085,618	3,173,190,207	17,580,348,157	242,094,483	19,109,828	6,839,314	14,514,860	9,847,852	7,530,384	130,865,427	26,832,987	17,101	33,237	22,639,958,482
Additions	180,535,100	627,600	83,640,352	-	287,624,368	1,273,853,514	40,799,859	590,000	115,000	799,885	-	3,743,404	35,207,102	251,177	-	-	1,907,787,361
Disposals:																	
- cost	-	-	-	-	-	93,700,882	-	-	195,000	-	-	95,500	50,809,410	-	-	-	144,800,792
- accumulated depreciation	-	-	-	-	-	(74,225,376)	-	-	(35,750)	-	-	(5,306)	(26,406,220)	-	-	-	(100,672,652)
	-	-	-	-	-	19,475,506	-	-	159,250	-	-	90,194	24,403,190	-	-	-	44,128,140
Depreciation charge	-	6,339	34,493,698	1,217,124	241,630,949	984,416,166	24,561,915	1,950,318	1,035,669	1,458,152	984,785	3,132,403	26,332,692	3,361,334	1,710	3,324	1,324,586,578
Closing net book value	**674,318,354**	**313,866,311**	**664,767,377**	**4,868,494**	**3,219,183,626**	**17,850,309,999**	**258,332,427**	**17,749,510**	**5,759,395**	**13,856,593**	**8,863,067**	**8,051,191**	**115,336,647**	**23,722,830**	**15,391**	**29,913**	**23,179,031,125**
At June 30, 2019																	
Cost	674,318,354	313,872,650	971,045,942	28,636,645	4,754,648,875	26,678,845,160	406,580,440	21,111,998	26,355,356	39,470,565	20,484,039	30,975,213	225,587,478	61,562,748	149,886	248,579	34,253,893,928
Accumulated depreciation	-	6,339	306,278,565	23,768,151	1,535,465,249	8,828,535,161	148,248,013	3,362,488	20,595,961	25,613,972	11,620,972	22,924,022	110,250,831	37,839,918	134,495	218,666	11,074,862,803
Net book value	**674,318,354**	**313,866,311**	**664,767,377**	**4,868,494**	**3,219,183,626**	**17,850,309,999**	**258,332,427**	**17,749,510**	**5,759,395**	**13,856,593**	**8,863,067**	**8,051,191**	**115,336,647**	**23,722,830**	**15,391**	**29,913**	**23,179,031,125**
Year ended June 30, 2020																	
Opening net book value	674,318,354	313,866,311	664,767,377	4,868,494	3,219,183,626	17,850,309,999	258,332,427	17,749,510	5,759,395	13,856,593	8,863,067	8,051,191	115,336,647	23,722,830	15,391	29,913	23,179,031,125
Additions	10,717,700	-	7,340,151	-	33,144,343	1,196,020,251	12,133,403	-	-	1,056,400	188,631	1,538,506	25,722,394	3,085,480	-	-	1,290,947,259
Disposals:																	
- cost	-	-	-	-	-	186,766,437	-	-	-	-	-	60,500	13,086,833	-	-	-	199,913,770
- accumulated depreciation	-	-	-	-	-	(155,559,468)	-	-	-	-	-	(60,500)	(7,305,051)	-	-	-	(162,925,019)
	-	-	-	-	-	31,206,969	-	-	-	-	-	-	5,781,782	-	-	-	36,988,751
Depreciation charge	-	6,339	97,510,451	973,699	186,382,753	1,055,884,384	26,170,573	1,774,951	950,034	1,459,292	900,454	2,826,314	24,989,713	3,268,789	1,539	2,991	1,403,102,276
Closing net book value	**685,036,054**	**313,859,972**	**574,597,077**	**3,894,795**	**3,065,945,216**	**17,959,238,897**	**244,295,257**	**15,974,559**	**4,809,361**	**13,453,701**	**8,151,244**	**6,763,383**	**110,287,546**	**23,539,521**	**13,852**	**26,922**	**23,029,887,357**
At June 30, 2020																	
Cost	685,036,054	313,872,650	978,386,093	28,636,645	4,787,793,218	27,688,098,974	418,713,843	21,111,998	26,355,356	40,526,965	20,672,670	32,453,219	238,223,039	64,648,228	149,886	248,579	35,344,927,417
Accumulated depreciation	-	12,678	403,789,016	24,741,850	1,721,848,002	9,728,860,077	174,418,586	5,137,439	21,545,995	27,073,264	12,521,426	25,689,836	127,935,493	41,108,707	136,034	221,657	12,315,040,060
Net book value	**685,036,054** (note.4.1.1)	**313,859,972**	**574,597,077**	**3,894,795**	**3,065,945,216**	**17,959,238,897**	**244,295,257**	**15,974,559**	**4,809,361**	**13,453,701**	**8,151,244**	**6,763,383**	**110,287,546**	**23,539,521**	**13,852**	**26,922**	**23,029,887,357**
Depreciation rate (% - per annum)			**5**	**20**	**3.33 & 10**	**3.33, 5 & 10**	**10**	**10**	**10**	**10**	**10**	**30 & 33**	**20**	**10**	**10**	**10**	

4.1.1 Freehold land includes Rs.80.685 million representing the Parent Company's 30% share of jointly controlled property located at Block-D/1, Gulberg, Lahore, registered in the name of The Parent Company along with Sapphire Textile Mills Limited, Diamond Fabrics Limited, and Sapphire Finishing Mills Limited (Related Parties).

4.1.2 Particulars of immovable property in the name of Group are as follows:

Location	Usage of immovable property	Total area in square yards
Freehold Land		
- Kharianwala, District Sheikhupura.	Production plant	174,815
- Ferozewattoan, District Sheikhupura.	Production plant	569,156
- Riawind, District Lahore.	Production plant	925,169
- Block-D/1, Gulberg, District Lahore.	Proposed office	1,497
- Muridke, District Sheikhupura.	Production plant	286,010
- Billot Shareef, District Dera Ismail Khan	Proposed production plant	2,906,581
Leasehold Land		
- Nooriabad, Karachi.	Proposed Mill / Factory	135,520
- Port Qasim Authority, Karachi.	Proposed warehouse	14,520
- Defence Housing Authority, Karachi.	Proposed office	666
- Billot Shareef, District Dera Ismail Khan	Proposed production plant	31,469

	Note	2020	2019
4.2 Depreciation charge has been allocated as follows:		--- Rupees ---	
Cost of goods manufactured		**1,381,272,631**	1,302,243,515
Administrative expenses		**21,829,645**	22,343,063
		1,403,102,276	1,324,586,578
4.3 Capital work-in-progress			
Buildings		**177,159,344**	12,570,215
Plant and machinery {including in transit aggregating Rs.18.439 million (June 30, 2019: Rs.78.40 million)}		**401,629,894**	78,404,642
Un-allocated capital expenditure	**4.3.1**	**362,849,801**	332,998,181
Advance payments against:			
- land - freehold		**390,000,000**	-
- factory / office building		**6,668,800**	6,668,800
- plant and machinery		**-**	245,620
- electric installation		**15,764,565**	15,764,565
- vehicles		**-**	8,959,000
- computer software		**947,000**	-
		413,380,365	31,637,985
		1,355,019,404	455,611,023

4.3.1 These includes Rs.214.892 million incurred by Subsidiary Company - PCL for its proposed cement project and Rs.147.958 million in respect of pre-commencement expenditure of the Subsidiary Company - SHL. During the year, public hearing for environment social risk assessment was held, following which the Subsidiary Company - SHL has acquired land records as required by the Environmental Protection Agency, Government of Khyber Pakhtunkhwa. The management is confident that the tariff petition for constructing the hydro power project would be approved as the Subsidiary Company - SHL is in the process of filing a motion leave for review of the tariff dismissal decision of National Electric Power Regulatory Authority dated July 17, 2020 after addressing the deficiencies stated therein. Therefore, these costs have been recognised as an asset under International Accounting Standard 16 'Property, Plant and Equipment' since management believes that it is highly probable that the power project will be constructed and future economic benefits associated with these costs will flow to the Group.

4.4 **The details of operating fixed assets disposed-off is as follows:**

Particulars of assets	Cost	Accumu-lated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to:
	- - - - - - - -	- - - - - - - -	Rupees	- - - - - - - -	- - - - - - - -		
Assets having net book value exceeding Rs.500,000 each							
Plant and machinery							
Draw Frame Toyoda DX-8	7,466,797	5,955,522	1,511,275	2,250,000	738,725	Negotiation	M/s. Chakwal Textile Mills Ltd.
Winding Machine Murata 7 II	8,276,891	7,637,916	638,975	700,000	61,025	Negotiation	M/s. Hanif Trading Company.
Fabric Dyeing Machine	23,188,626	19,930,547	3,258,079	4,545,454	1,287,375	Negotiation	M/s. A.M Merchandising (Pvt.) Ltd.
Fabric Dyeing Machine	20,659,713	18,163,633	2,496,080	3,409,091	913,011	Negotiation	M/s. AK Dyeing.
Steaming Economizer System	3,318,130	2,328,527	989,603	1,363,636	374,033	Negotiation	M/s. Nagina Engineering Works.
Fabric Brushing Machine	4,782,552	4,181,143	601,409	909,091	307,682	Negotiation	M/s. A.S Traders.
Yarn Dyeing Machine	17,229,268	12,705,017	4,524,251	5,181,818	657,567	Negotiation	M/s. Jilani Textile Traders.
Yarn Dyeing Machine	83,110,138	67,325,794	15,784,344	16,000,000	215,656	Negotiation	M/s. New Asia Woollen Mills Ltd.
	168,032,115	**138,228,099**	**29,804,016**	**34,359,090**	**4,555,074**		
Vehicles							
Toyota Corolla	2,351,042	619,107	1,731,935	1,731,935	-	Company policy	Mr. Jawad Faisal (CFO)
Honda Civic	2,839,791	1,355,527	1,484,264	2,900,000	1,415,736	Negotiation	Mr. Babar Shehzad
Honda City	1,799,000	877,912	921,088	1,300,139	379,051	Negotiation	Mr. Naeem Akram
Honda City	1,799,000	1,029,123	769,877	1,202,869	432,992	Negotiation	Mr. Umer Farooq (employee)
	8,788,833	**3,881,669**	**4,907,164**	**7,134,943**	**2,227,779**		
Various assets having net book value upto Rs.500,000 each	**23,092,822**	**20,815,251**	**2,277,571**	**5,561,231**	**3,283,660**		
June 30, 2020	**199,913,770**	**162,925,019**	**36,988,751**	**47,055,264**	**10,066,513**	-	
June 30, 2019	144,800,792	100,672,652	44,128,140	56,524,328	12,396,188		

4.4.1 The Parent Company's management, during the year, decided to wind-up the operations of its fibre / yarn dyeing unit and has sold the related plant and machinery.

5. INVESTMENT PROPERTY

5.1 This represents free-hold land situated at Raiwind Road, Lahore having an area of 5,000 square yards.

5.2 Fair value of the investment property, based on the management estimation, as at June 30, 2020 was Rs.70 million (2019: Rs.45 million).

6. INTANGIBLE ASSETS

	Computer Softwares	Goodwill	Total
	- - - - - R u p e e s - - - - -		
At July 1, 2018			
Cost	26,461,921	5,612,904	32,074,825
Accumulated amortization	22,323,584	-	22,323,584
Net book value	4,138,337	5,612,904	9,751,241
Year ended June 30, 2019			
Addition during the year	3,428,250	-	3,428,250
Amortization charge	1,473,770	-	1,473,770
Net book value as at June 30, 2019	6,092,817	5,612,904	11,705,721
Year ended June 30, 2020			
Amortization charge	**1,783,647**		**1,783,647**
Net book value as at June 30, 2020	**4,309,170**	**5,612,904**	**9,922,074**
At June 30, 2019			
Cost	29,890,171	5,612,904	35,503,075
Accumulated amortization	23,797,354	-	23,797,354
Net book value	6,092,817	5,612,904	11,705,721
At June 30, 2020			
Cost	**29,890,171**	**5,612,904**	**35,503,075**
Accumulated amortization	**25,581,001**	**-**	**25,581,001**
Net book value	**4,309,170**	**5,612,904**	**9,922,074**
Amortisation rate (% per annum)	**20**		

6.1 Goodwill represents excess of the purchase consideration over the fair value of the identifiable assets and liabilities acquired of the Subsidiary Company - SECL .

7. LONG TERM INVESTMENTS

	Note	2020	2019
		- - - R u p e e s - - -	
Associates - equity accounted investments	7.1	**1,476,281,409**	1,127,731,650
Others - equity instruments	7.3	**3,682,773,859**	4,026,985,585
- debt instruments	7.4	**63,676,480**	64,307,810
		5,222,731,748	5,219,025,045

7.1	Associated Companies	Note	2020	2019
			--- Rupees ---	
	Quoted			
	Reliance Cotton Spinning Mills Limited - RCSM	**7.1.1**	**41,384,808**	37,768,806
	SFL Limited - SFLL	**7.1.2**	**2,083,041**	1,824,769
	Unquoted			
	Sapphire Power Generation Limited - SPGL	**7.1.3**	**246,203,156**	244,500,471
	Sapphire Dairies (Private) Limited - SDL	**7.1.4**	**116,228,510**	118,705,227
	Tricon Boston Consulting Corporation (Private) Limited - TBCCL	**7.1.5**	**1,070,381,894**	724,924,525
	Energas Terminal (Private) Limited - ETL	**7.1.6**	**-**	-
	Energas Marketing (Private) Limited (EML)	**7.1.7**	**-**	7,852
			1,476,281,409	1,127,731,650

7.1.1 Investment in RCSM represents 138,900 fully paid ordinary shares of Rs.10 each representing 1.35% (2019: 1.35%) of RCSM's issued, subscribed and paid-up capital as at June 30, 2020. RCSM was incorporated on June 13, 1990 as a public limited company and its shares are quoted on Pakistan Stock Exchange. The principal activity of RCSM is manufacturing and sale of yarn. Market value of the Group's investment in RCSM as at June 30, 2020 was Rs. 17.779 million (2019: Rs.20.279 million). RCSM is an associate of the Group due to common directorship.

7.1.2 Investment in SFLL represents 10,199 fully paid ordinary shares of Rs.10 each representing 0.051% (2019: 0.051%) of SFLL's issued, subscribed and paid-up capital as at June 30, 2020. 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. Market value of the Group's investment in SFLL as at June 30, 2020 was Rs.1.682 million (2019: Rs.1.632 million). SFLL is an associate of the Group due to common directorship.

7.1.3 Investment in SPGL represents 2,824,500 fully paid ordinary shares of Rs.10 each representing 17.63% (2019: 17.63%) of SPGL's issued, subscribed and paid-up capital as at June 30, 2020. 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.

7.1.4 Investment in SDL represents 10,000,000 fully paid ordinary shares of Rs.10 each representing 8.00% (2019: 9.09%) of SDL's issued, subscribed and paid-up capital as at June 30, 2020. SDL was incorporated as a private limited company and is principally engaged in production and sale of milk and milk products. SDL is an associate of the Group due to common directorship.

7.1.5 Investment in TBCCL represents 59,251,500 fully paid ordinary shares of Rs.10 each representing 7.13% (2019: 7.13%) of TBCCL's issued, subscribed and paid-up capital as at June 30, 2020. 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.

7.1.6 The Subsidiary Company - SEL has made investment in ETL's 3,000 fully paid ordinary shares of Rs.10 each representing 30% of ETL's issued, subscribed and paid-up capital. ETL was incorporated as a private limited company. The principal activity of ETL shall be to undertake, develop power projects 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.

ETL during the year incurred loss amounting Rs.40.746 million. Subsidiary Company's - SEL share of loss was recognised upto the extant of cost of investment of Rs.30,000.

7.1.7 The Subsidiary Company - SEL has made investment in EML's 3,000 fully paid ordinary shares of Rs.10 each representing 30% of EML's issued, subscribed and paid-up capital as at June 30, 2020. EML was incorporated as a private limited company. The principal activity of EML shall be to import, process and sell natural gas, liquified natural gas all other related items.

EML during the year incurred loss amounting Rs.0.177 million. Subsidiary Company's - SEL share of loss was recognised upto the extant of cost of investment of Rs.30,000.

7.2 Summarised financial information of associates

The table below summarise the financial information / reconciliation of based on un-audited financial statements of Associates as at June 30, 2020. Financial statements have been amended to reflect adjustments made by the entity using the equity method.

	RCSM		SFLL		SPGL		SDL		TBCCL		EML		ETL	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	---------- Rupees ----------													
Summarised Statement of Financial Position														
Non current assets	**2,946,376,178**	2,798,087,483	**4,085,827,723**	3,577,561,001	**1,268,186,963**	1,208,437,851	**2,765,787,162**	2,355,473,666	**40,281,846,435**	41,617,612,189	**500,000**	500,000	**403,177,668**	44,399,585
Current assets	**4,264,333,101**	3,264,523,208	**38,602,458**	36,184,617	**351,903,858**	310,117,593	**448,120,800**	316,673,348	**11,201,671,716**	7,153,653,893	**77,689**	93,178	**62,158,240**	21,649,632
	7,210,709,279	6,062,610,691	**4,124,430,181**	3,613,745,618	**1,620,090,821**	1,518,555,444	**3,213,907,962**	2,672,147,014	**51,483,518,151**	48,771,266,082	**577,689**	593,178	**465,335,908**	66,049,217
Non current liabilities	**1,006,835,835**	678,986,247	**19,287,005**	17,109,512	**129,880,781**	112,705,002	**823,633,672**	512,215,627	**32,015,261,223**	34,186,550,780	**-**	-	**-**	-
Current liabilities	**3,137,405,133**	2,585,089,130	**1,670,812**	1,944,518	**93,425,403**	18,725,648	**937,417,921**	854,173,891	**4,445,353,151**	4,410,336,003	**728,746**	567,004	**532,372,517**	92,339,673
	4,144,240,968	3,264,075,377	**20,957,817**	19,054,030	**223,306,184**	131,430,650	**1,761,051,593**	1,366,389,518	**36,460,614,374**	38,596,886,783	**728,746**	567,004	**532,372,517**	92,339,673
Net assets	**3,066,468,311**	2,798,535,314	**4,103,472,364**	3,594,691,588	**1,396,784,637**	1,387,124,794	**1,452,856,369**	1,305,757,496	**15,022,903,777**	10,174,379,299	**(151,057)**	26,174	**(67,036,609)**	(26,290,456)
Reconciliation to carrying amount														
Opening net assets	**2,798,535,314**	2,425,593,005	**3,594,691,588**	2,906,109,017	**1,387,124,794**	1,423,111,081	**1,292,150,293**	1,145,972,613	**10,174,379,299**	8,089,824,561	**26,174**	-	**(26,290,456)**	(8,418,722)
Profit / (loss) for the year	**392,882,264**	517,324,312	**575,825,756**	829,483,606	**39,693,688**	25,539,768	**12,068,019**	147,529,437	**4,848,524,478**	2,084,554,738	**(177,231)**	(73,826)	**(40,746,153)**	(17,871,734)
Other comprehensive (loss) / income	**(47,577,492)**	(69,893,791)	**(68,911,008)**	(143,572,374)	**(30,033,845)**	(60,365,252)	**(1,361,943)**	(1,351,757)	**-**	-	**-**	-	**-**	-
Other adjustments	**4,964,225**	(7,590,212)	**1,866,028**	2,671,339	**-**	(1,160,803)	**-**	-	**-**	-	**-**	-	**-**	-
Issuance of shares	**-**	-	**-**	-	**-**	-	**150,000,000**	-	**-**	-	**-**	100,000	**-**	-
Dividend paid during the year	**(82,336,000)**	(66,898,000)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Closing net assets	**3,066,468,311**	2,798,535,314	**4,103,472,364**	3,594,691,588	**1,396,784,637**	1,387,124,794	**1,452,856,369**	1,292,150,293	**15,022,903,777**	10,174,379,299	**(151,057)**	26,174	**(67,036,609)**	(26,290,456)
Group's share (percentage)	**1.35%**	1.35%	**0.051%**	0.051%	**17.63%**	17.63%	**8.00%**	9.09%	**7.13%**	7.13%	**30.00%**	30.00%	**30.00%**	30.00%
Carrying amount of investment (Rupees)	**41,384,808**	37,768,806	**2,083,041**	1,824,769	**246,203,156**	244,500,471	**116,228,510**	118,705,227	**1,070,381,894**	724,924,525	**-**	7,852	**-**	-
Summarised Statement of profit or loss														
Revenue	**5,986,720,080**	5,379,009,395	**2,311,331**	3,110,620	**540,000**	93,065,004	**1,428,308,718**	1,088,576,356	**10,495,000,097**	6,429,134,362	**-**	-	**3,382,808**	2,365,926
Profit / (loss) before tax	**461,316,957**	550,889,260	**579,234,334**	833,521,707	**62,150,168**	36,629,274	**68,398,241**	202,222,259	**-**	2,099,957,963	**(177,231)**	(73,826)	**(40,476,153)**	(17,871,734)
Profit / (loss) after tax	**392,882,264**	517,324,312	**575,825,756**	829,483,606	**39,693,688**	25,539,768	**12,068,019**	147,529,437	**4,848,524,478**	2,084,554,738	**(177,231)**	(73,826)	**(40,746,153)**	(17,871,734)
Other comprehensive (loss) / income	**(47,577,492)**	(69,893,791)	**(68,911,008)**	(143,572,374)	**(30,033,845)**	(60,365,252)	**(1,361,943)**	(1,351,757)	**-**	-	**-**	-	**-**	-
Total comprehensive income / (loss)	**345,304,772**	447,430,521	**506,914,748**	685,911,232	**9,659,843**	(34,825,484)	**10,706,076**	146,177,680	**4,848,524,478**	2,084,554,738	**(177,231)**	(73,826)	**(40,746,153)**	(17,871,734)

		2020	2019
7.3	**Equity Instruments - at*FVTOCI***	--- Rupees ---	
	Quoted		
	MCB Bank Limited		
	18,213,195 (2019: 18,213,195) ordinary shares of Rs.10 each - **cost**	**896,451,123**	896,451,123
	Adjustment arising from re-measurement to fair value	**2,055,361,391**	2,280,840,745
		2,951,812,514	3,177,291,868
	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	**(515,328,342)**	(396,595,970)
		701,745,267	820,477,639
	Unquoted		
	Novelty Enterprises (Private) Limited - note 7.3.1		
	2,351,995 ordinary shares of Rs.10 each	**28,716,078**	28,716,078
	TCC Management Services (Private) Limited		
	50,000 ordinary shares of Rs.10 each	**500,000**	500,000
		3,682,773,859	4,026,985,585

7.3.1 Novelty Enterprises (Private) Limited has not commenced its operations since incorporation dated July 26, 2006. Its statement of financial position mainly comprises of land having fair value above the cost of investment by the Parent Company. The Parent Company held only 4.16% of the paid up capital of Novelty Enterprises (Private) Limited and has no influence over its policies or decision making with regards to its operations in the future. Therefore, calculation of fair value of the Parent Company's investment is not practicable.

		2020	2019
7.4	**Debt Instruments - *at FVTOCI***		
	Habib Bank Limited - term finance certificates (TFCs)	--- Rupees ---	
	650 (2019: 150)Term finance certificates of Rs.100,000 each -**cost**	**64,976,000**	14,982,000
	Adjustment arising from re-measurement to fair value	**(1,299,520)**	(674,190)
		63,676,480	14,307,810
	Advance against purchase of TFCs		50,000,000
		63,676,480	64,307,810

7.4.1 These carry profit at the rate of 3 months KIBOR + 1.60%. Effective profit rates charged, during the current financial year, ranged from 11.34% to 15.45% per annum.

			2020	2019
8.	**LONG TERM LOANS** - Secured	**Note**	--- Rupees ---	
	Loans due from employees	**8.1 & 8.2**	**442,000**	622,000
	Less: recoverable within one year and grouped under current assets		**180,000**	180,000
			262,000	442,000

8.1 These represent interest free loans provided to employees as per terms of employment. These loans are granted for various purposes and are recoverable in monthly instalments which vary from case to case. Loans are secured against employees' vested retirement benefits. The Group has not provided any loan to its Key management personnel.

9. LONG TERM DEPOSITS

The preceding year figure includes Rs.10.900 million as long term deposits with the bank against performance guarantee issued in the favour of Directorate General Mines and Minerals, Khyber Pakhtunkhwa on behalf of Subsidiary Company - PCL.

10. STORES, SPARE PARTS AND LOOSE TOOLS	**Note**	**2020**	2019
		- - - R u p e e s - - -	
Stores		**192,693,725**	92,858,971
Spare parts		**118,643,270**	88,189,391
Loose tools		**92,852**	117,125
Items in transit		**58,653,313**	73,411,473
		370,083,160	254,576,960
Less: provision for slow moving items	**10.1**	**12,055,543**	6,491,586
		358,027,617	248,085,374

10.1 Provision for slow moving items

Balance at beginning of the year		**6,491,586**	6,139,726
Add: provision made during the year		**5,563,957**	496,244
Less: provision reversed during the year		**-**	(144,384)
Balance at end of the year		**12,055,543**	6,491,586

11. STOCK-IN-TRADE

Raw materials:			
- at mills	**11.1**	**5,177,264,020**	4,422,176,340
- in transit		**375,777,267**	316,484,292
- at third party's premises	**11.2**	**40,002,394**	113,558,902
		5,593,043,681	4,852,219,534
Work-in-process		**798,954,257**	830,588,354
Finished goods:			
- at mills	**11.3**	**1,077,525,876**	1,222,372,880
- at third party's premises		**186,077,443**	87,100,680
		1,263,603,319	1,309,473,560
		7,655,601,257	6,992,281,448

11.1 Current year the raw material include items costing Rs.2,186.329 million which have been stated at their net realizable value aggregated Rs.2,096.635 million. The amount charged to cost of sales in respect of stocks written down to their realizable value is Rs.89.694 million.

11.2 This stock is lying for processing and finishing.

11.3 Included in the finished goods items costing Rs.736.504 million (2019: Rs.664.236 million) which have been stated at their net realizable value aggregated Rs.558.898 million (2019: Rs.597.261 million). The amount charged to cost of sales in respect of stocks written down to their realizable value is Rs.177.605 million (2019: Rs.66.975 million).

12. TRADE DEBTS

	Note	2020	2019
		--- Rupees ---	
Consider good			
Unsecured			
- local	12.1	**1,040,250,267**	836,960,899
- indirect export		**-**	138,147,160
		1,040,250,267	975,108,059
Secured			
- foreign debts		**1,176,568,247**	3,216,050,691
- local	12.5	**10,533,911,688**	10,634,660,023
		11,710,479,935	13,850,710,714
Considered doubtful			
Unsecured - foreign debts	12.4	**68,565,103**	92,704,930
		12,819,295,305	14,918,523,703
Less: provision for impairment		**59,272,994**	50,978,943
		12,760,022,311	14,867,544,760

12.1 These include the following amounts due from Related Parties:

	2020	2019
Diamond Fabrics Limited	**11,104,098**	24,037,012
Reliance Cotton Spinning Mills Limited	**803,113**	4,758,787
Amer Cotton Mills (Pvt.) Ltd.	**1,580,171**	-
Sapphire Textile Mills Limited	**6,822,369**	4,949,420
Sapphire Power Generation Limited	**6,400**	-
	20,316,151	33,745,219

12.2 The ageing of trade debts at June 30, is as follows:

	Related Parties		Others	
	2020	2019	**2020**	2019
	--- Rupees ---		--- Rupees ---	
Not past due	**10,541,245**	33,745,219	**3,902,435,302**	5,701,505,613
Past due 1-30 days	**6,371,969**	-	**922,594,749**	3,025,963,517
Past due 31-60 days	**3,402,937**	-	**764,877,479**	1,700,767,912
Past due 61-90 days	**-**	-	**518,121,337**	547,762,383
Past due 91-365 days	**-**	-	**3,761,969,012**	2,790,301,052
Past due one year	**-**	-	**2,869,708,281**	1,067,499,064
	20,316,151	33,745,219	**12,739,706,160**	14,833,799,541

12.3 The aggregate maximum outstanding balance due from the related parties at the end of any month during the year was Rs.82.855 million (2019: Rs.140.489 million).

12.4 These represent doubtful receivables amounting U.S. Dollar 372.506 thousand and U.S. Dollar 163.763 thousand from M/s. Star Knitwear Ltd. Mauritius, Hong Kong and M/s.Cortland Industries Inc. New York, United States respectively.

12.5 These represent trade receivables from NTDC 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 mark-up at the rate of three months KIBOR plus 4.5% is charged in the 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 mark-up at the rate of three months KIBOR plus 2% is charged if the amounts are 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 mark-up charged during the year on outstanding amounts ranges from 10.29% to 18.42% (2019: 8.48% to 17.40%) per annum. These include unbilled receivables aggregating to Rs 1,504.040 million (2019: Rs 1,555.009 million).

Included in trade debts is an amount of Rs 576.073 million relating to capacity revenue not acknowledged by NTDC as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDC, therefore, management believes that the Subsidiary Company - SECL cannot be penalized in the form of payment deductions due to NTDC's default of making timely payments under the PPA. Hence, the Subsidiary Company - SECL had taken up this issue at appropriate forums.

On June 28, 2013, the Subsidiary Company - SECL entered into a Memorandum of Understanding ('MoU') for cooperation on extension of credit terms with NTDC whereby it was agreed that the constitutional petition filed by the Subsidiary Company - SECL before the Supreme Court of Pakistan on the above mentioned issue would be withdrawn unconditionally and it would be resolved through the dispute resolution mechanism under the PPA. Accordingly, as per terms of the MoU, the Subsidiary Company - SECL applied for withdrawal of the aforesaid petition in 2013 and on January 25, 2018, the Supreme Court disposed off the petitions filed before it. During the financial year 2014, the Subsidiary Company - SECL in consultation with NTDC, appointed an Expert for dispute resolution under PPA.

Also included in trade debts are amounts aggregating Rs 227.610 million relating to capacity revenue not acknowledged by NTDC. The Subsidiary Company - SECL's management raised this matter with NTDC, SNGPL and Private Power & Infrastructure Board ('PPIB'), however, the dispute remained unresolved. As a result of the abovementioned MoU, all disputed amounts were agreed to be resolved through the dispute resolution mechanism under the PPA.

Consequently, with respect to both matters discussed above, during the financial year 2014, the Subsidiary Company - SECL in consultation with NTDC, appointed an Expert for dispute resolution under the PPA. In August 2015, the Expert gave his determination whereby the aforesaid amount of Rs 576.073 million was determined to be payable to the Subsidiary Company - SECL by NTDC while the Subsidiary Company - SECL's claim regarding the above-mentioned amount of Rs 227.610 million was not accepted. Pursuant to the Expert's determination, the Subsidiary Company - SECL has demanded the payment of the aforesaid amount of Rs 576.073 million from NTDC that has not yet been paid by NTDC.

In addition to the Expert Determination process mentioned above, the Subsidiary Company-SECL had also filed requests for arbitration in respect of both the abovementioned disputed amounts in the London Court of International Arbitration ('LCIA') in accordance with the terms of the PPA and GSA against NTDC and SNGPL respectively, whereby Arbitrators were appointed.

In respect of the matter of Rs 227.610 million, the Arbitrator through his order dated March 9, 2016, (the 'First Arbitration') decided the matter in the Subsidiary Company-SECL's favor whereby the aforesaid amount of Rs 227.610 million was determined to be payable to the Subsidiary Company-SECL by SNGPL. Furthermore, the Arbitrator also awarded interest at the rate of 6% per annum on the aforesaid amount payable as of August 18, 2014 until the date of the actual payment and reimbursement of certain arbitration costs incurred by the Subsidiary Company-SECL along with interest at the rate of 6% per annum from the date of award till the date of actual payment. Consequently, under the relevant provisions of the Arbitration Act, 1940, the Subsidiary Company-SECL filed an application before the court of Senior Civil Judge, Lahore to pass appropriate directions for the implementation of the Arbitration Award, which is pending adjudication (also refer note 10.1 regarding the First Arbitration).

In respect of the matter of Rs 576.073 million, in October 2015, the Government of Pakistan ('GOP') through PPIB filed a case in the court of Senior Civil Judge, ("Civil Case 2015"), Lahore, against the aforementioned determination of the Expert, praying it to be illegal, which is pending adjudication.

With respect to the arbitration of the Rs 576.073 million dispute, invitation to participate in arbitration was issued to the PPIB/GOP. PPIB filed separate Civil Suit before the Civil Judge, Lahore, seeking inter alia that the parties should be restrained from participating in the arbitration proceedings in the LCIA ("Civil Case 2016"). The Subsidiary Company-SECL filed applications in the Civil Court where the Subsidiary Company-SECL prayed that the Civil Court, Lahore lacks the jurisdiction in respect of the cases filed by PPIB. In respect of the aforementioned applications, through its orders dated April 18, 2017, the Civil Court, Lahore rejected Subsidiary Company-SECL's pray and granted the pray of PPIB whereby, the court accepted PPIB’s applications for interim relief in 2015 and 2016 Civil Suits. Being aggrieved, the Subsidiary Company-SECL challenged before the Additional District Judge, Lahore against the aforementioned orders of the Civil Court and continued to take part in the arbitration proceedings. Furthermore, in response to the Subsidiary Company-SECL's continued participation in the arbitration proceedings, PPIB filed contempt petition before Lahore High Court ('LHC') in respect of the decision of the Civil Court, Lahore and the LHC passed an order in those proceedings. The Subsidiary Company-SECL challenged the LHC’s order before the Division Bench of LHC, which decided the matter in favor of the Subsidiary Company-SECL through its order dated May 31, 2017 whereby, the aforementioned order of the LHC was suspended.

The Arbitrator, on June 08, 2017, declared his Partial Final Award and decided the matter principally in Subsidiary Company-SECL's favor and declared that the above mentioned Expert's determination is final and binding on all parties (“Final Partial Award”).

Aggrieved by the Partial Final Award, NTDC challenged the Arbitrator’s decision in Lahore Civil Court (“Civil Case 2017”), which suspended the Final Partial Award on July 10, 2017. In response to this decision of Civil Court, the Subsidiary Company-SECL filed a revision petition in District Court and the District Court (“District Case 2017”) while granting interim relief to the Subsidiary Company-SECL, suspended the Civil Court’s order on August 12, 2017. Along with challenging the Final Partial Award in Lahore Civil Court, NTDC also challenged the same, on July 06, 2017, in Commercial Court of England. As per advice of foreign legal counsel, the Subsidiary Company-SECL also filed a case for anti suit injunction in Commercial Court of England against NTDC on August 14, 2017.

The District Judge, Lahore through its order dated July 8, 2017 set-aside the aforementioned orders of the Civil Judge, Lahore dated April 18, 2017 and accepted Subsidiary Company-SECL's appeals but dismissed the Subsidiary Company-SECL’s revision petitions concerning the issue of jurisdiction. Aggrieved by this decision, (i) the Subsidiary Company-SECL filed writ petitions before the LHC, which announced a favorable decision and suspended the proceedings of Civil Cases 2015 and 2016 till the final decision of LHC; and (ii) GOP/PPIB filed revision petitions in the LHC, which are currently pending adjudication.

On October 29, 2017, the Arbitrator declared his Final Award (the 'Second Arbitration') whereby he ordered NTDC to pay to the Subsidiary Company-SECL: i) Rs 576.073 million pursuant to Expert's determination; ii) Rs 133.695 million being Pre award interest; iii) Rs 9.203 million for breach of arbitration agreement; iv) Rs 1.684 million and USD 612,311 for the Subsidiary Company-SECL’s cost of proceedings; v) GBP 30,157 for Subsidiary Company-SECL’s LCIA cost of arbitration and vi) Interest at KIBOR + 4.5% compounded semiannually from the date of Final Award until payment of these amounts by NTDC (“the Final Award”) that works out to Rs 265.934 million upto June 30, 2020.

On November 24, 2017, NTDC challenged the Final Award in Commercial Court of England. On November 29, 2017, Subsidiary Company - SECL filed an application before LHC for implementation of Final Award that is also pending adjudication. During the hearing held in December 2017 in London, NTDC withdrew its petitions dated July 06, 2017 and November 24, 2017 filed before Commercial Court of England against the Subsidiary Company - SECL, pertaining to Partial Final Award and Final Award respectively.

On May 4, 2018, the Commercial Court of England issued a favorable decision in the case of anti suit injunction, thereby preventing NTDC from pursuing case in Pakistan Civil Courts against Partial Final Award/Final Award and taking any steps outside England to set aside Partial Final Award/Final Award issued by the Arbitrator. Aggrieved by this decision, NTDC has sought permission to file an appeal before the Court of Appeals, London, which was rejected by the Court on October 4, 2018.

Based on the advice of the Subsidiary Company - SECL's legal counsel, Expert's determination and Arbitration Awards, management strongly feels that under the terms of the PPA, Implementation Agreement and the GSA, there are meritorious grounds to support the Subsidiary Company-SECL’s stance and both amounts are likely to be recovered. Consequently, no provision for the abovementioned amounts aggregating Rs 803.683 million has been made in these financial statements.

Further, on prudence basis, the Subsidiary Company - SECL has not recognised the abovementioned amounts in these financial statements for pre-award interest, breach of arbitration agreement, the Subsidiary Company-SECL’s cost of proceedings, LCIA cost of arbitration and interest thereon on all these amounts as per the Final Award of the Second Arbitration due to its uncertainty since it is pending adjudication as mentioned above. Such amounts as per Final Award of Second Arbitration would be recognized when it attains finality and its collectability is certain.

13. LOANS AND ADVANCES	Note	2020	2019
- Considered good		- - - R u p e e s - - -	
Current portion of long term loans to employees	8	**180,000**	180,000
Due from related party	13.1	**161,000,000**	30,000,000
Advances to:			
- suppliers and contractors		**112,344,765**	23,855,773
- key management personnel	13.2	**-**	220,000
- employees		**2,032,001**	669,100
- others		**60,920,949**	84,560,318
		175,297,715	109,305,191
		336,477,715	139,485,191

13.1 The Subsidiary Company - SEL has entered into a loan agreement with Energas Terminal (Private) Limited (a related party), to provide an unsecured loan of Rs.161 million for a period of one year. This loan carries mark-up at the rate of 6 month KIBOR (applicable on the first working day of each month) + 0.25% and is repayable on date of maturity of the loan. Effective mark-up rate charged by the Company, during the year, ranged from 7.95% to 14.33% per annum. (2019: 7.29% to 13.28%) per annum. The maximum aggregate amount outstanding against this loan at the end of any month during the period was Rs.161 million.

13.2 These represented unsecured and interest free advances to the following key management personnel given by Subsidiary Company - SECL: Mr. Muhammad Umar Rahi and Mr. Usman Idrees as per their terms of employment. These have been recovered through monthly deductions from their salaries. Maximum aggregate amount due from them at the end of any month during the year was Rs.0.185 million (2019: Rs.0.965 million).

14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS	Note	2020	2019
		- - - R u p e e s - - -	
Security deposits - unsecured and considered good		**1,068,608**	1,154,608
Margin against letter of credit		**-**	73,073,747
Prepayments		**45,232,832**	44,973,086
		46,301,440	119,201,441

15. SHORT TERM INVESTMENTS	Note	2020	2019
Equity instruments	15.1	**2,394,357,739**	2,870,179,977
Debt instruments	15.2	**-**	37,952,506
		2,394,357,739	2,908,132,483

15.1 Equity Instruments - at *FVTOCI*

(Investment in quoted securities)

2020 No. of shares / certificates	2019 No. of shares / certificates	Name of the investee company	Market value 2020	Market value 2019	Cost 2020	Cost 2019
			Rupees			
54,720	54,720	Attock Petroleum Ltd.	**16,700,544**	15,787,267	**12,153,848**	12,153,848
9,538,500	9,538,500	Bank Al-Habib Ltd.	**498,863,550**	747,627,630	**419,888,054**	419,888,054
341,103	310,094	Charat Packaging Ltd.	**39,960,216**	25,005,980	**35,824,418**	35,824,418
-	625,000	Crescent Steel & Allied Products Ltd.	**-**	23,612,500	**-**	52,616,540
-	700,000	D.G Khan Cement Company Ltd.	**-**	39,578,000	**-**	81,272,992
2,636,260	2,636,260	Engro Corporation Ltd.	**772,213,279**	700,190,656	**589,213,189**	589,213,189
125,000	4,040,500	Fauji Cement Company Ltd.	**2,110,000**	63,557,065	**3,683,337**	119,079,557
7,766,704	7,766,704	Habib Bank Ltd.	**752,360,616**	879,656,895	**1,603,060,152**	1,603,060,152
-	186,500	Habib Sugar Mills Ltd.	**-**	5,539,050	**-**	6,397,292
10,500	10,500	Haji Muhammad Ismail Mills Ltd.	**-**	-	**126,000**	126,000
-	77,500	Honda Atlas Cars (Pakistan) Ltd.	**-**	11,494,800	**-**	17,952,470
-	115,000	IGI Insurance Ltd.	**-**	17,480,000	**-**	24,684,626
12,878,000	12,878,000	K-Electric Ltd.	**38,762,780**	56,534,420	**120,385,975**	120,385,975
303,000	303,000	Lucky Cement Ltd.	**139,858,740**	115,282,410	**117,777,538**	117,777,538
-	100,000	Nishat Mills Ltd.	**-**	9,334,000	**-**	9,115,972
448,934	374,112	Pakistan State Oil Company Ltd.	**71,003,402**	63,460,619	**63,918,848**	63,918,848
	251,500	Tariq Glass Industries Ltd.	**-**	19,272,446	**-**	25,433,425
90,074	90,074	The Searle Company Ltd.	**17,945,444**	13,201,245	**2,571,487**	2,571,487
431,300	431,300	United Bank Ltd.	**44,579,168**	63,564,994	**80,749,609**	80,749,609
			2,394,357,739	2,870,179,977	**3,049,352,455**	3,382,221,992
Add: Adjustment arising from re-measurement to fair value					**(654,994,716)**	(512,042,015)
Market value					**2,394,357,739**	2,870,179,977

15.2 Debt instruments - at *FVTOCI*

	2020	2019
	Rupees	
Nil (2019: 424) sales tax refund bonds of Rs.100,000 each **note 15.2.1**	**-**	37,952,506

15.2.1 FBR Refund Settlement Company Limited issued bonds against Refund Payment Orders (RPOs) in favor of the Company under section 67A of the Sales Tax Act, 1990. During the year, these bonds have been redeemed by the Group.

16. OTHER RECEIVABLES

	Note	2020	2019
		--- Rupees ---	
Advance income tax		**435,171,272**	333,121,279
Export rebate and duty drawbacks		**76,285,092**	390,332,286
Dividend receivable		**-**	16,486,128
Interest receivable	16.1	**-**	3,958,973
Claim recoverable from NTDCL for pass through item - Workers' Profit Participation Fund	16.2	**338,878,329**	159,114,551
- Punjab Workers' Welfare Fund		**71,905,511**	-
Due from the related parties			
- Reliance Cotton Spinning Mills Ltd.		**-**	285,104
- Amer Cotton Mills (Pvt.) Ltd.		**-**	1,580,171
Accrued mark-up on term finance certificates		**16,761,817**	58,576
Others		**11,515,897**	11,559,859
		950,517,918	916,496,927

16.1 Preceding year figure, represents interest receivable by the Subsidiary Company - SEL from Energas Terminal (Pvt) Limited (a related party).

16.2 Under section 9.3(a) of PPA with NTDC, payments made by the Subsidiary Company - SECL to Workers' Profit Participation Fund and Workers' Welfare Fund are recoverable from NTDC as a pass through item.

17. TAX REFUNDS DUE FROM GOVERNMENT

	Note	2020	2019
		--- Rupees ---	
Sales tax		**825,628,038**	535,440,394
Income tax		**618,836,409**	529,494,770
Excise duty		**22,930,374**	21,573,388
Less: provision for doubtful tax refunds	17.1	**282,074,014**	259,551,843
		1,185,320,807	826,956,709

17.1 Provision for doubtful tax refunds

	2020	2019
Balance at beginning of the year	**259,551,843**	219,008,407
Add: provision for the year	**36,886,988**	40,543,436
Less: provision reversed during the year	**14,364,817**	-
Balance at end of the year	**282,074,014**	259,551,843

18. CASH AND BANK BALANCES

	Note	2020	2019
		- - - Rupees - - -	
Cash-in-hand	18.1	**4,608,250**	7,326,036
Balances with banks on:			
- off shore current account	18.2	**425,695,059**	430,095,291
- on shore:			
current accounts	18.3	**108,135,430**	95,445,874
term deposit account (TDA)	18.4	**258,063,985**	524,977,154
term deposit receipt (TDR)		**10,900,000**	-
dividend account		**6,229,400**	6,215,723
		809,023,874	1,056,734,042
		813,632,124	1,064,060,078

18.1 Cash-in-hand includes Rs.2.170 million (2019: Rs.1.514 million) advanced to employees for various expenses.

18.2 This represent U.S.$ 2.530 million (2019: U.S.$ 2.814 million) translated in Pakistan Rupees at the reporting date.

18.3 These include foreign currency deposits amounting to US.$ 144,432 (2019: US.$ 63,893).

18.4 Effective rates of profit on TDA, during the year, ranged from 5.71% to 11.39% (2019: 4.35% to 10.30%) per annum. The maturity period of the TDA is one year from the date of original issue. This deposit is under bank's lien as security of bank guarantee issued on behalf of the Parent Company.

18.5 These TDRs are under lien against performance guarantee issued by the bank (note 27. During the year, these carried mark-up at the rates ranged from 10.26% to10.75% per annum and are having a maturity period of one year.

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020	2019
------- Numbers -------			- - - Rupees - - -	
12,759,375	11,775,000	Ordinary shares of Rs.10 each fully paid in cash	**127,593,750**	117,750,000
7,912,500	7,912,500	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**79,125,000**	79,125,000
20,671,875	19,687,500		**206,718,750**	196,875,000

19.1 10,714,798 (2019: 10,196,896) ordinary shares of Rs.10 each are held by Related Parties as at year-end.

19.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholdings of shareholders.

19.3 The Parent Company, during the year, issued 984,375 ordinary shares of Rs. 10 each as right shares at a premium of Rs.250 per share.

20. RESERVES

	Note	2020	2019
		--- Rupees ---	
Capital reserve			
- share premium	20.1	**391,833,750**	145,740,000
- maintenance reserve	20.2	**154,710,148**	113,752,279
General reserve - revenue reserve	20.3	**1,183,845,000**	1,183,845,000
Unrealized gain on financial assets at fair value through other comprehensive income	20.4	**836,743,345**	1,355,378,026
Unrealised gain on remeasurement of hedging instruments		**257,889**	291,482
		2,567,390,132	2,799,006,787

20.1 This represents excess of consideration received, by the Parent Company, on issue of ordinary shares over the face value of ordinary shares.

20.2 Under the terms of the project agreements, the Subsidiary Company - SECL is required to maintain a Reserve Fund on the basis of operational hours depending upon the type of fuel. The reserve fund can only be utilized to pay expenses on major maintenance for proper operation of the power station.

20.3 This represents reserves funds set aside from unappropriated profit.

20.4 These represent unrealized gain on re-measurement of investments at fair value through OCI and are not available for distribution.

21. LONG TERM FINANCES - Secured

	Note	2020	2019
		--- Rupees ---	
(a) Sapphire Fibres Limited			
From banking companies:			
- MCB Bank Limited			
- Long term finance facility - I	21.1	**59,918,000**	69,409,500
- Long term finance facility - II	21.2	**1,346,190,750**	1,414,940,000
- Demand finance	21.3	**6,614,608**	19,843,823
		1,412,723,358	1,504,193,323
- Habib Bank Limited			
- Long term finance facility - I	21.4	**250,000,000**	500,000,000
- Long term finance facility - II	21.5	**242,500,000**	-
		492,500,000	500,000,000
- Allied Bank Limited	21.6	**713,403,000**	805,412,350
- United Bank Limited	21.7	**1,519,729,072**	1,636,000,442
- Faysal Bank Limited	21.8	**723,653,577**	-
- Bank Alfalah Limited	21.9	**24,000,000**	-
		4,886,009,007	4,445,606,115

		Note	2020	2019
(b)	**Sapphire Electric Company Limited**	**21.10**	**- - - R u p e e s - - -**	
	From banking companies:			
	- National Bank of Pakistan		**79,386,912**	433,798,395
	- Habib Bank Limited		**138,100,835**	754,632,165
	- United Bank Limited		**92,067,210**	503,088,099
	- MCB Bank Limited		**92,067,213**	503,088,100
	- Allied Bank Limited		**92,067,215**	503,088,102
	- Bank Alfalah Limited		**58,713,572**	320,833,421
	- Silk Bank Limited		**11,762,678**	64,275,462
	- Meezan Bank Limited		**23,542,222**	128,643,092
			587,707,857	3,211,446,836
			5,473,716,864	7,657,052,951
	Less: current portion grouped under current liabilities		**963,305,080**	3,509,531,264
			4,510,411,784	4,147,521,687

21.1 The Parent Company has arranged long term finance facilities amounting Rs.110 million from MCB Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.80.663 million in ten tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rate 3.00% to 5.50% (2019: 3.00% to 5.50%) per annum and are secured against joint pari passu charge of Rs.200 million over the machinery financed by the bank.

21.2 The Parent Company has arranged long term finance facilities amounting Rs.1,500 million from MCB Bank Limited to retire import documents of plant and machinery. The bank against the said facility disbursed Rs.1,457.978 million in thirty eight tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rates ranging from 2.50% to 13.37% (2019: 2.50% to 13.29%) per annum and are secured against first charge of Rs.2,000 million over the specific plant and machinery of the Parent Company.

21.3 MCB Bank Limited, on request of the Parent Company, converted four tranches of long term finance facility amounting Rs.46.302 million into a demand finance facility. This finance facility is repayable in seven equal semi-annual instalments commenced from June, 2017 and carries mark-up at the rate of 3 month Kibor + 1%; effective mark-up rate charged, during the year, ranged from 12.13% to 14.24% (2019: 7.43% to 12.13%) per annum. This finance facility is secured against joint pari passu charge of Rs.200 million over the imported machinery.

21.4 The Parent Company has arranged a long term finance facility amounting Rs.1,000 million from Habib Bank Limited to repay the short term borrowings earlier utilized for setup of denim plant. This finance facility is repayable in eight equal quarterly installments commenced September, 2018 and carries mark-up at the rate of 3 month Kibor + 0.12% per annum; effective mark-up rates charged, during the year, ranged from 11.44% to 13.97% (2019: 7.04% to 13.09%) per annum. This finance facility is secured against ranking charge of Rs.1,334 million with 25% margin over the specific plant and machinery of the Parent Company.

21.5 The Parent Company, during the year, has arranged a long term finance facility amounting Rs.500 million from Habib Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility has disbursed Rs.242.500 million in seven tranches of different amounts and each tranche is repayable in 32 equal quarterly installments commencing from different months of financial year 2022. These finances, during the year, carry mark-up at the rate of 2.85% per annum and are secured against first charge of Rs.667 million with 25% margin over the specific plant and machinery of the Parent Company.

21.6 The Parent Company has arranged long term finance facilities amounting Rs.1,000 million from Allied Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.960.357 million in seventeen trenches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rate of 2.50% (2019: 2.50%) per annum and are secured against first pari passu charge of Rs.1,333 million with 25% margin over the fixed and movable assets including plant and machinery of the Parent Company.

21.7 The Parent Company has arranged long term finance facilities amounting Rs.1,900 million from United Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.1,821.794 million in forty five tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rates ranging from 2.50% to 3.50% (2019: 2.50% to 11.19%) per annum and are secured against joint pari passu charge of Rs.2,000 million with 25% margin over the specific plant and machinery of the Parent Company.

21.8 The Parent Company, during the year, has arranged an Islamic long term finance facility (Diminishing Musharakah Facility) amounting Rs.1,450 million from Faysal Bank Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.723.654 million in eighteen tranches of different amounts. Each tranche under this finance facility has different repayment terms. These finances carry mark-up at the rates ranging from 4.00% to 14.66% per annum and are secured against first pari passu charge of Rs.900 million with 25% margin over the specific plant and machinery of the Parent Company.

21.9 The Parent Company, during the year, has arranged long term finance facility amounting Rs.1,000 million from Bank Alfalah Limited to retire import documents under SBP scheme for imported plant and machinery. The bank against the said facility disbursed Rs.24 million in three tranches of different amounts till the reporting date. Each tranche is repayable in 32 equal quarterly installments commencing from different months of financial year 2022. These finances carry mark-up at the rate of 3.00% to 14.66% per annum and are secured against first joint pari passu charge of Rs.1,333.340 million with 25% margin over the specific plant and machinery of the Parent Company.

21.10 This represents long term finances obtained from a consortium of banks led by United Bank Limited ('Agent Bank') by the Subsidiary Company-SECL.The overall financing is secured against all and each of the Group's mortgaged project receivables, lien over the project bank accounts, mortgage of immoveable property, hypothecation of all present and future assets and properties (excluding the mortgaged project receivables and the mortgaged immoveable property) and by the collectively agreed pledge of 51% shares held by the sponsors. It carries mark-up at the rate of three months KIBOR plus three percent per annum, payable on quarterly basis. The effective mark-up rate charged during the year on outstanding balance is 16.58% per annum. As of June 30, 2020, the principal is repayable in one quarterly installment due on September 30, 2020.

22. STAFF RETIREMENT BENEFIT - Gratuity

The Parents Company's obligation as per the latest actuarial valuation in respect of defined benefit gratuity plan is as follows:

		2020	2019
		--- Rupees ---	
22.1	**Amount recognised in the statement of financial position**		
	Net liability at the beginning of the year	**242,930,143**	346,597,468
	Charge to statement of profit or loss	**106,638,958**	105,434,755
	Remeasurement recognised in statement of other comprehensive income	**15,768,827**	(29,644,795)
	Payments made during the year	**(54,746,781)**	(179,457,285)
	Net liability at the end of the year	**310,591,147**	242,930,143
22.2	**Movement in the present value of defined benefit obligation**		
	Balance at beginning of the year	**242,930,143**	346,597,468
	Current service cost	**75,922,121**	82,316,561
	Interest cost	**30,716,837**	23,118,194
	Benefits paid	**(54,746,781)**	(179,457,285)
	Remeasurements on obligation	**15,768,827**	(29,644,795)
	Balance at end of the year	**310,591,147**	242,930,143
22.3	**Expense recognised in statement of profit or loss**		
	Current service cost	**75,922,121**	82,316,561
	Interest cost	**30,716,837**	23,118,194
		106,638,958	105,434,755

		2020	2019
		--- Rupees ---	
22.4	**Remeasurements recognised in statement of other comprehensive income**		
	Experience adjustment	**22,003,272**	(34,007,267)
	Actuarial gains	**(6,234,445)**	4,362,472
		15,768,827	(29,644,795)

		2020	2019
22.5	**Actuarial assumptions used**		
	Discount rate	**8.50%**	14.25%
	Expected rate of increase in future salaries	**7.50%**	13.25%
	Mortality rates (for death in service)	**SLIC (2001-05)**	SLIC (2001-05)

22.6 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Change in assump-tions	Increase in assumption	Decrease in assumption
		--- Rupees ---	
Discount rate	1.00%	290,199,052	334,147,067
Increase in future salaries	1.00%	335,083,206	288,975,526

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

22.7 Based on actuary's advice, the expected charge for the year ending June 30, 2021 amounts to Rs.111.304 million.

22.8 The weighted average duration of defined benefit obligation is 7 years.

22.9 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	Rupees				
As at June 30, 2020	60,112,567	117,926,286	159,207,081	2,624,398,616	2,961,644,550

22.10 Historical information:

	2020	2019	2018	2017	2016
	Rupees				
Present value of defined benefit obligation	**310,591,147**	242,930,143	346,597,468	322,591,928	283,847,228
Experience adjustment on obligation / actuarial gains	**15,768,827**	(29,644,795)	8,423,010	8,949,179	(928,950)

23. DEFERRED TAXATION - Net

	2020	2019
	--- Rupees ---	
Credit balances arising in respect of:		
- accelerated tax depreciation allowance / investment in associates	**158,392,075**	144,981,531
- re-measurement of short term investments	**25,176,390**	-
	183,568,465	144,981,531
Debit balances arising in respect of:		
- staff retirement benefit - gratuity	**16,338,958**	13,012,068
- provision for slow moving items	**634,194**	347,709
- provision for doubtful tax refunds	**14,838,786**	-
- provision for impairment in trade debts	**3,118,115**	-
	34,930,053	13,359,777
	148,638,412	131,621,754

23.1 The Parent Company's income of the current year is chargeable to tax under presumptive tax regime of the Income Tax Ordinance, 2001. However, deferred tax liability / (asset) is recognized as management is not certain whether income of subsequent years is chargeable to tax under presumptive tax regime or normal tax regime.

23.2 No deferred tax liability / (asset) has arisen on temporary differences with respect to the Subsidiary Companies; SECL, SEL, SCCL, PCL, IPPL and SHL.

24. TRADE AND OTHER PAYABLES

	Note	2020	2019
		--- Rupees ---	
Trade creditors	24.1	**1,894,243,374**	1,885,582,855
Accrued expenses		**1,062,408,475**	1,256,390,791
Bills payable	24.2	**140,331,485**	118,413,886
Sindh government infrastructure fee	24.3	**245,331,235**	206,457,578
Workers' profit participation fund	24.4	**398,105,866**	199,072,304
Workers' welfare fund - federal		**815,671**	815,671
Workers' welfare fund - Punjab		**71,905,511**	-
Staff provident fund		**397,333**	350,715
Loss on remeasurement of foreign currency commitments		**32,271,980**	-
Others		**1,866,512**	22,077,454
		3,847,677,442	3,689,161,254

24.1 These balances include the following amounts due to related parties:

	2020	2019
Reliance Cotton Spinning Mills Limited	**22,826,455**	51,764,933
Amer Cotton Mills Limited	**98,036,525**	92,387,555
Sapphire Textile Mills Limited	**139,464**	-
	121,002,444	144,152,488

24.1.1 The balance also includes Rs 396.782 million (2019: Rs 775.799 million) due to Sui Northern Gas Pipelines Limited ('SNGPL'), out of which Rs 257.374 million represents the aggregate amount (Rs 227.610 million and certain arbitration costs plus interest thereon) awarded to the Group by the Arbitrator through his order dated March 9, 2016 (the 'First Arbitration') as referred to in note 12.5. Under the relevant provisions of the Arbitration Act, 1940, the Group has filed an application before the court of Senior Civil Judge, Lahore to pass appropriate directions for the implementation of the Arbitration Award which is pending adjudication. The Group has set off this amount from SNGPL's bill for the month of April 2016, however, an adjustment to setoff the payable with the related receivable from NTDC to the extent of Rs 253.165 million would be made in these financial statements when the award is implemented.

24.2 These are secured against import documents.

24.3 This provision has been recognized against disputed infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The Parent Company has contested this issue in the Sindh High Court (the High Court). The Parent Company filed an appeal in the Supreme Court against the judgement of the High Court dated September 15, 2008 partly accepting the appeal by declaring the levy and collection of infrastructure fee prior to December 28, 2006 as illegal and ultra vires and after that it was legal. Additionally, the Government of Sindh also filed appeal against the part of judgement decided against them.

The above appeals were disposed off in May 2011 with a joint statement of the parties that, during the pendency of the appeals, another law come into existence which was not subject matter in the appeal, therefore, the decision thereon be first obtained from the High Court before approaching the Supreme Court with the right to appeal. Accordingly, the petition was filed in the High Court in respect of the above view. During the pendency of this appeal an interim arrangement was agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 were returned and bank guarantees were furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment was made against the balance amount. Similar arrangement continued for the consignments released during the current year.

As at June 30, 2020, the Parent Company has provided bank guarantees aggregating Rs.209.950 million (2019: Rs.179.950 million) in favor of Excise and Taxation Department. The management believes that the chance of success in the petition is in the Parent Company's favor.

		Note	**2020**	2019
24.4	**Workers' profit participation fund**		**- - - R u p e e s - - -**	
	Balance at beginning of the year		**199,072,304**	172,423,707
	Add: interest on funds utilised by the Group companies		**3,415,290**	7,727,955
			202,487,594	180,151,662
	Less: payments made during the year		**43,373,043**	180,151,662
			159,114,551	-
	Add: allocation for the year		**238,991,315**	199,072,304
	Balance at end of the year		**398,105,866**	199,072,304
25.	**ACCRUED MARK-UP / INTEREST**			
	Mark-up / interest accrued on:			
	- long term finances		**85,716,555**	137,995,933
	- short term borrowings		**195,193,887**	276,788,376
			280,910,442	414,784,309
26.	**SHORT TERM BORROWINGS**			
	Running / cash finances - secured	**26.1**	**13,768,753,299**	15,456,007,634
	Running Musharaka and Murahabha finances - secured	**26.2**	**1,495,567,750**	1,999,998,447
	Temporary bank overdraft - unsecured	**26.3**	**-**	11,701,853
	From related parties - unsecured	**26.4**	**-**	123,907,000
			15,264,321,049	17,591,614,934

26.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.37,705 million (2019: Rs.25,086 million). These finance facilities, during the year, carried mark-up at the rates ranged from 2.15% to 15.86% (2019: 2.25% to 14.50%) per annum. The aggregate short term finance facilities are secured against hypothecation / ranking pari passu charge on all present and future current assets of the Group, first ranking assignment of the energy payment price receivables, exclusive hypothecation charge on the fuel stock / inventory lien on export / import documents, trust receipts and promissory notes duly signed by the directors.

Facilities available for opening letters of credit and guarantees aggregate to Rs.12,973 million (2019: Rs.11,019 million) out

of which the amount remained unutilised at the year-end was Rs.6,750+B2255 million (2019: Rs.6,638 million). These facilities are secured against lien on shipping documents, hypothecation charge on current assets of the Group, cash margins and counter guarantee.
Abovementioned facilities are expiring on various dates upto September 30, 2022.

26.2 Murabaha and musharaka finance facilities available from various commercial banks amount to Rs 2,000 million (2019: Rs 2,000 million) to finance the procurement of multiple oils from fuel suppliers. Mark-up on murabaha is payable at maturity of the respective murabaha transaction, while the markup on musharaka is payable monthly on the balance outstanding. The mark-up rate charged during the year on the outstanding balance ranges from 8.93% to 14.31% (2019: 6.06% to 13.30%) per annum.

26.3 This represents book overdraft balance due to unpresented cheques.

26.4 The Parent Company, during the preceding year, obtained short term loans aggregated Rs.67.262 million from directors of the Parent Company and their related parties and Rs.56.645 million from its associated companies to meet its working capital requirements. These loans are interest free and are repayable on demand.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Guarantees aggregating Rs.2,722.998 million (2019: Rs.2,538.546 million) have been issued by banks of the Group to various Government institutions and SNGPL.

27.1.2 SNGPL has claimed late payment surcharge amounting to Rs 299.146 million on account of partial payments made by the Subsidiary Company-SECL against the RLNG consumed by it prior to the Price Determinations of RLNG by the Oil and Gas Regulatory Authority ('OGRA'). The management is of the view that, as per the terms of the Gas Supply Agreement ('GSA') and the Operating Procedure signed by the Subsidiary Company-SECL, Ministry of Petroleum and Natural Resources, Ministry of Water and Power, SNGPL and Central Power Purchasing Agency (Guarantee) Limited, the Subsidiary Company-SECL is liable to make payments to SNGPL on the basis of the prices notified by OGRA, therefore, the partial payments made by the Subsidiary Company-SECL to SNGPL prior to OGRA price determinations do not constitute a default on the Subsidiary Company-SECL's part. Based on the advice of the Subsidiary Company-SECL's legal counsel, management considers that under the terms of the GSA and the Operating Procedure, there are meritorious grounds to support the Subsidiary Company-SECL's stance. Consequently, no provision for the abovementioned amount has been made in these consolidated financial statements.

27.1.3 A sales tax demand of Rs 830.031 million was raised against the Group through order dated December 11, 2013 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the Group on account of 'capacity price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the Group was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy price' admissible to the Group. Against the aforesaid order, the Group preferred an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon the Group's other grounds of appeal. Consequently, the Group preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the ACIR also preferred a second appeal before the ATIR against the CIR(A)'s order, which are both pending adjudication.

Furthermore, the Deputy Commissioner Inland Revenue ('DCIR') issued a show cause notice dated December 2, 2014 whereby intentions were shown to raise a sales tax demand of Rs 505.540 million by primarily disallowing input sales tax claimed by the Group for the tax periods from July 2012 to June 2013 on the abovementioned grounds of the ACIR and non-payment of sales tax on interest on delayed payment of energy price. Aggrieved by this show cause notice, the Group filed a writ petition before the Lahore High Court ('LHC') to the extent of aforesaid matters amounting to Rs 504.909 million while the Group has provided for the remaining amount of Rs 0.631 million in these financial statements. LHC has disposed of the petition in the Group's favour through its order dated October 31, 2016, by stating that there is no existence of exempt supply. Accordingly, the Group is free to reclaim or deduct input tax under the relevant provisions of Sales Tax Act, 1990. Being aggrieved, the tax department has filed an appeal before the Supreme Court of Pakistan against the aforementioned LHC's order which is pending adjudication.

Based on the advice of the Group's legal counsel and above mentioned LHC's decision dated October 31, 2016, management believes that there are meritorious grounds to defend the Group's stance. Consequently, no provision has been made in these financial statements for the amounts aggregating Rs 1,334.94 million.

27.1.4 The Finance Act, 2017 amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case the Company distribute 40% of the accounting profit through cash dividend within six months of the end of the said year. The Parent Company filed a Constitutional Petition (CP) before the Honorable Sindh High Court (SHC) on July 28, 2017 challenging the vires of amended Section 5A of the Income Tax Ordinance, 2001, and SHC accepted the CP and granted stay against the newly amended section 5A.

The dividend paid by the Parent Company for the financial year 2017 does not meet the minimum prescribed distribution rate of amended Section 5A of the Income Tax Ordinance, 2001. In case the SHC's decision is not in favor of the Parent Company; the Parent Company will be liable to pay additional tax at the rate of 7.5% of its profit before tax for the financial year ended June 30, 2017. As at reporting date no charge has been recorded in this respect

27.2 Commitments

27.2.1 The Subsidiary Company - SECL has an agreement with a consortium between General Electric International, Inc. and General Electric Energy Parts, Inc. for the operations and maintenance ('O&M') of the power station that started from the Commercial Operations Date up to the earlier of the time when the power station has run 144,000 Fired Hours and February 14, 2030. Under the terms of the O&M agreement, the Group is required to pay a monthly fixed O&M fee and a variable O&M fee depending on operation of the plant on gas or diesel, both of which shall be subject to a minimum annual increase of 3%.

27.2.2 Commitments in respect of :	**2020**	2019
	- - - R u p e e s - - -	
- letters of credit for capital expenditure	**174,371,178**	326,157,435
- letters of credit for purchase of raw materials and stores, spare parts & chemicals	**449,831,421**	243,265,201
- capital expenditure other than letters of credit	**704,279,646**	5,418,822
- foreign bills discounted	**2,599,128,792**	336,152,581

28. 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 year ended June 30, 2020

	Spinning	Knits	Denim	Power	Total
			Rupees		
Types of goods and services					
Local sales					
- Yarn	3,049,437,954	15,181,388	42,208,572	-	3,106,827,914
- Fabric	-	254,545,014	1,017,512,152	-	1,272,057,166
- Garments	-	39,314,702	-	-	39,314,702
- Waste	234,814,073	43,284,128	46,190,512	-	324,288,713
- Energy revenue	-	-	-	4,604,831,738	4,604,831,738
- Capacity revenue	-	-	-	5,278,796,644	5,278,796,644
- Delayed payment mark-up	-	-	-	1,010,623,283	1,010,623,283
- Raw materials	56,433,451	-	-	-	56,433,451
- Local steam income	19,633,770	-	-	-	19,633,770
- Processing income	6,698,126	73,719,190	4,035,298	-	84,452,614
	3,367,017,374	426,044,422	1,109,946,534	10,894,251,665	15,797,259,995
Export Sales					
- Yarn	8,743,144,606	255,849,910	2,905,980,764	-	11,904,975,280
- Fabric	-	716,401,663	2,501,073,570	-	3,217,475,233
- Garments	-	3,148,493,964	-	-	3,148,493,964
- Waste	343,363,068	-	-	-	343,363,068
	9,086,507,674	4,120,745,537	5,407,054,334	-	18,614,307,545
Export rebate					
- Yarn	24,551,171	-	-	-	24,551,171
- Fabric	-	22,452,413	49,347,791	-	71,800,204
- Garments	-	152,038,882	-	-	152,038,882
	24,551,171	174,491,295	49,347,791	-	248,390,257
Less: sales tax	625,127,147	63,873,576	585,086,599	668,864,129	1,942,951,451
	11,852,949,072	4,657,407,678	5,981,262,060	10,225,387,536	32,717,006,346
Timing of revenue recognition					
Goods transferred at a point in time	11,846,250,946	4,583,688,488	5,977,226,762	10,225,387,536	22,407,166,196
Services rendered at a point in time	6,698,126	73,719,190	4,035,298	-	84,452,614
	11,852,949,072	4,657,407,678	5,981,262,060	10,225,387,536	32,717,006,346

For the year ended June 30, 2019

	Spinning	Knits	Denim	Power	Total
	-------- Rupees --------				
Types of goods and services					
Local sales					
- Yarn	2,393,305,387	11,954,800	11,729,475	-	2,416,989,662
- Fabric	-	65,792,386	1,145,718,039	-	1,211,510,425
- Garments	-	25,786,388	-	-	25,786,388
- Waste	187,386,948	43,971,918	33,691,624	-	265,050,490
- Energy revenue	-	-	-	11,072,582,840	11,072,582,840
- Capacity revenue	-	-	-	4,665,079,493	4,665,079,493
- Delayed payment mark-up	-	-	-	744,825,464	744,825,464
- Raw materials	39,610,650	-	267,120	-	39,877,770
- Local steam income	12,245,220	-	-	-	12,245,220
- Processing income	543,064	43,311,057	7,598,467	-	51,452,588
	2,633,091,269	190,816,549	1,199,004,725	16,482,487,797	20,505,400,340
Export Sales					
- Yarn	8,898,435,360	313,564,192	-	-	9,211,999,552
- Fabric	-	888,338,682	3,452,229,013	-	4,340,567,695
- Garments	-	3,781,855,961	-	-	3,781,855,961
- Waste	263,319,067	-	-	-	263,319,067
	9,161,754,427	4,983,758,835	3,452,229,013	-	17,597,742,275
Export rebate					
- Fabric	-	6,354,637	26,786,700	-	33,141,337
- Garments	-	113,463,293	-	-	113,463,293
	-	119,817,930	26,786,700	-	146,604,630
Less: sales tax	6,900,286	9,753,218	355,700	1,609,603,933	1,626,613,137
	11,787,945,410	5,284,640,096	4,677,664,738	14,872,883,864	36,623,134,108
Timing of revenue recognition					
Goods transferred at a point in time	11,787,402,346	5,241,329,039	4,670,066,271	14,872,883,864	36,571,681,520
Services rendered at a point in time	543,064	43,311,057	7,598,467	-	51,452,588
	11,787,945,410	5,284,640,096	4,677,664,738	14,872,883,864	36,623,134,108

28.1 This includes indirect export of Rs. 3,898.465 million (2019: Rs.3,129.255 million).

28.2 Waste sales include sale of comber noil.

28.3 Exchange (loss) / gain due to currency rate fluctuations relating to export sales amounting to Rs.108.993 million (2019: Rs.748.429 million) has been included in export sales.

29. COST OF SALES

	Note	2020	2019
		--- Rupees ---	
Finished goods at beginning of the year		**1,309,473,560**	642,813,568
Cost of goods manufactured	29.1	**25,087,553,326**	30,135,558,389
Cost of raw materials sold		**75,932,295**	45,887,283
		25,163,485,621	30,181,445,672
		26,472,959,181	30,824,259,240
Finished goods at end of the year		**(1,263,603,319)**	(1,309,473,560)
		25,209,355,862	29,514,785,680

29.1 Cost of goods manufactured

	Note	2020	2019
Work-in-process at beginning of the year		**830,588,354**	439,022,953
Raw materials consumed	29.2	**17,505,595,547**	22,541,341,349
Salaries, wages and benefits	29.3	**1,820,205,861**	1,634,306,059
Operations and maintenance		**845,090,351**	786,905,126
Packing stores consumed		**235,900,979**	223,667,742
General stores consumed		**341,454,559**	296,376,951
Processing charges		**1,079,613,489**	1,467,317,359
Depreciation	4.2	**1,381,272,631**	1,302,243,515
Fuel and power		**1,456,194,739**	1,818,316,629
Repair and maintenance		**47,842,625**	56,201,836
Insurance		**185,778,429**	176,098,474
Vehicles' running		**32,617,141**	31,679,256
Travelling and conveyance		**35,633,380**	33,382,342
Printing and stationery		**580,014**	819,376
Legal and professional charges		**9,545,494**	66,595,173
Fee and subscription		**10,496,857**	39,948,898
Entertainment		**13,952,661**	14,680,462
Telephone		**3,629,764**	2,560,726
Postage		**2,636,644**	3,105,405
Rent, rates and taxes		**5,081,657**	4,313,495
Miscellaneous		**42,796,407**	27,263,617
		25,886,507,583	30,966,146,743
Work-in-process at end of the year		**(798,954,257)**	(830,588,354)
		25,087,553,326	30,135,558,389

29.2 Raw materials consumed

	2020	2019
	---Rupees---	
Stocks at beginning of the year	**4,535,735,242**	3,502,384,501
Purchases	**18,187,126,719**	23,574,692,090
	22,722,861,961	27,077,076,591
Stocks at end of the year	**(5,217,266,414)**	(4,535,735,242)
	17,505,595,547	22,541,341,349

29.3 Salaries, wages and benefits include Rs.106.639 million (2019: Rs.105.434 million) in respect of staff retirement benefit-gratuity and Rs.19.650 million (2019: Rs.18.772 million) contribution in respect of to staff provident fund.

30. DISTRIBUTION COST

	Note	2020	2019
		---Rupees---	
Salaries and other benefits	30.1	**77,023,470**	71,655,252
Travelling, conveyance and entertainment		**14,706,057**	20,949,994
Vehicles' running		**1,801,474**	2,719,918
Telephone		**632,163**	496,218
Postage		**17,495,054**	12,295,652
Printing and stationery		**15,677**	92,088
Sample expenses		**418,060**	2,285,563
Commission:			
- local		**5,033,329**	7,513,165
- export		**210,182,757**	218,920,938
		215,216,086	226,434,103
Freight and forwarding:			
- local		**7,170,407**	7,775,141
- export		**350,699,527**	302,117,965
		357,869,934	309,893,106
Export development surcharge		**40,515,985**	34,257,754
Other export expenses		**22,636,983**	19,162,808
Sales promotion		**89,756,797**	-
Provision for impairment of trade debts		**8,294,051**	20,778,943
		846,381,791	721,021,399

30.1 Salaries and other benefits include Rs.2.657 million (2019: Rs.1.132 million) in respect of contribution to staff provident fund.

31. ADMINISTRATIVE EXPENSES

	Note	2020	2019
		- - - Rupees - - -	
Directors' remuneration		**36,000,000**	33,000,000
Directors' meeting fee		**840,000**	640,000
Salaries and other benefits	31.1	**263,835,251**	230,334,603
Telephone		**5,709,755**	11,465,082
Postage		**563,900**	543,168
Fee and subscription		**10,336,204**	5,015,266
Legal and professional charges		**23,964,585**	26,535,433
Entertainment		**5,404,970**	7,113,779
Travelling and conveyance		**9,867,099**	13,096,799
Printing and stationery		**6,138,024**	5,261,052
Rent, rates and taxes	31.2	**14,248,130**	12,819,204
Advertisement		**167,564**	465,549
Electricity, gas and water		**9,824,248**	8,283,234
Repair and maintenance		**20,166,669**	17,605,155
Vehicles' running		**15,944,453**	13,887,880
Charity and donations	31.3	**5,354,550**	6,047,379
Insurance		**3,997,666**	3,112,018
Depreciation	4.2	**21,829,645**	22,343,063
Amortisation	6	**1,783,647**	1,473,770
Others		**411,330**	404,952
		456,387,690	419,447,386

31.1 Salaries and other benefits include Rs.10.055 million (2019: Rs.8.831 million) in respect of contribution to staff provident fund.

31.2 Rent ,rates and taxes includes Rs.0.529 million (2019: Rs. 0.210) paid to Yousuf Agencies (Private) Limited (a related party).

31.3 Donation amounting Rs.3.040 million (2019: Rs.4.100 million) made to Abdullah Foundation, 212 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. Mr. Shahid Abdullah, Mr. Nadeem Abdullah, Mr. Amer Abdullah, Mr. Yousaf Abdullah and Mr.Shayan Abdullah have common directorship in both Companies.

32. OTHER INCOME

	Note	2020	2019
		- - - Rupees - - -	
Income from financial assets			
Dividend income		**512,883,833**	473,935,381
Interest income		**15,305,533**	3,492,241
Mark-up earned on term finance certificates		**9,639,599**	4,722,538
		537,828,965	482,150,160
Income from assets other than financial assets			
Gain on disposal of operating fixed assets	4.4	**10,066,513**	12,396,188
Gain on sale of store and spares		**18,429**	4,539,562
Exchange gain		**761,990**	15,565,769
Scrap sales [Net of sales tax aggregating Rs. 7.102 million (2019: Rs.5.376 million)]		**36,712,587**	28,432,736
		47,559,519	60,934,255
		585,388,484	543,084,415

33. OTHER EXPENSES	Note	2020	2019
		--- Rupees ---	
Workers' profit participation fund	24.4	**59,227,537**	39,957,753
Auditors' remuneration	33.1	**6,861,285**	4,958,763
Provision for doubtful tax refunds		**22,522,171**	40,543,436
Remeasurement loss on foreign currency commitments		**64,378,077**	-
Loss on deemed disposal of an Associated company		**1,030,295**	-
		154,019,365	85,459,952

33.1 Auditors' remuneration

	2020	2019
ShineWing Hameed Chaudhri & Co.		
- annual audit	**1,840,800**	1,590,800
- half yearly review	**210,000**	210,000
- review of Code of Corporate Governance	**62,000**	62,000
- audit of retirement funds	**220,000**	170,000
- out-of-pocket expenses	**150,000**	34,000
	2,482,800	2,066,800
A.F. Ferguson & Co.		
- audit fee	**1,600,000**	1,600,000
- group reporting	**300,000**	-
- tax services	**2,099,600**	832,125
- reimbursement of expenses	**274,485**	228,338
- assurance and other certification services	**104,400**	31,500
	4,378,485	2,691,963
KPMG Taseer Hadi & Co.		
- audit fee	**-**	200,000
	-	200,000
	6,861,285	4,958,763

34. FINANCE COST

	Note	2020	2019
Mark-up / interest on long term finances		**476,034,396**	646,350,125
Mark-up / interest on short term borrowings		**1,707,415,607**	1,538,272,651
Exchange loss / (gain) on foreign currency loans		**123,881,118**	748,989
		1,831,296,725	1,539,021,640
Interest on workers' profit participation fund accrued	24.4	**3,415,290**	7,727,955
Bank and other financial charges		**115,208,796**	79,272,484
Loan arrangement fee		**1,500,000**	1,500,000
		2,427,455,207	2,273,872,204

35. TAXATION

	Note	2020	2019
		--- Rupees ---	
Current			
Current tax on profit for the year	**35.1**	**394,912,586**	235,112,332
Adjustments in respect of prior years		**5,781**	1,699,262
		394,918,367	236,811,594
Deferred			
Origination and reversal of temporary differences		**(7,555,656)**	22,468,776
		387,362,711	259,280,370

35.1 The income of the Parent Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001 (the Ordinance) and current year's provision is made accordingly.

35.2 During the year, the Parent Company's income tax returns for tax years 2019 have been revised by the Tax Authorities under section 122(5A) of the Ordinance. The excess tax charged in the revised returns mainly pertain to Super tax under section 4B of the Ordinance. After due consideration by the Parent Company's tax department, accepting the stance of Tax Authorities appropriate adjustments have been made in the financial statements.

35.3 Numeric tax rate reconciliation is not presented as the Parent Company's income is chargeable to tax under presumptive tax regime and income of Subsidiary Company - SECL is mainly exempt from tax in terms of clause 132 of part I of Second Schedule to the Ordinance. Income of Subsidiary Companies; PCL, SCCL, SEL , SHL and IPPL is not taxable due to losses; however, provision against any other sources of income has been provided for in these consolidated financial statements.

36. EARNINGS PER SHARE

36.1 Basic earnings per share

	2020	2019
	--- Rupees ---	
Net profit for the year	**3,033,750,207**	3,053,284,109
	------ Number of shares -------	
		(Restated)
Weighted average ordinary shares in issues	**20,237,671**	19,687,500
	------------- Rupees -------------	
Earnings per share	**149.91**	147.70

36.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at June 30, 2020 and June 30, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

37. CASH GENERATED FROM OPERATIONS	Note	2020	2019
		- - - R u p e e s - - -	
Profit before taxation		**4,208,794,915**	4,151,631,902
Adjustments for non-cash charges and other items:			
Depreciation		**1,403,102,276**	1,324,586,578
Amortisation		**1,783,647**	1,473,770
Staff retirement benefit - gratuity		**106,638,958**	105,434,755
Dividend and interest income		**(537,828,965)**	(482,150,160)
Gain on sale of stores and spares		**(18,429)**	(4,539,562)
Gain on disposal of operating fixed assets		**(10,066,513)**	(12,396,188)
Exchange loss / (gain)		**63,616,087**	(15,565,769)
Provision for workers' profit participation fund		**59,227,537**	39,957,753
Provision for slow moving items		**5,563,957**	-
Provision for doubtful tax refunds		**22,522,171**	40,543,436
Finance cost		**2,427,455,207**	2,273,872,204
Provision for impairment of trade debts		**8,294,051**	20,778,943
Working capital changes	37.1	**1,198,219,768**	(5,381,581,153)
		8,957,304,667	2,062,046,509

37.1 Working capital changes

	2020	2019
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	**(115,895,336)**	(57,014,107)
Stock-in-trade	**(663,319,809)**	(1,994,722,107)
Trade debts	**2,099,228,398**	(4,330,992,479)
Loans and advances	**(196,992,524)**	32,095,407
Deposits, other receivables and sales tax	**(150,398,514)**	69,461,106
	972,622,215	(6,281,172,180)
Increase in trade and other payables	**225,597,553**	899,591,027
	1,198,219,768	(5,381,581,153)

38. **REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

Particulars	Chief Executive 2020	Chief Executive 2019	Executives 2020	Executives 2019
	- - - - - - - - - R u p e e s - - - - - - - - -			
Managerial remuneration	**49,440,846**	47,605,853	**211,801,167**	192,842,647
Contribution to provident fund trust	-	-	**16,363,290**	14,023,406
House rent and utilities	**22,441,891**	22,153,523	**93,887,304**	93,958,606
Medical	**669,743**	589,908	**7,446,731**	6,318,629
Leave encashment / bonus	**486,420**	201,000	**40,641,927**	29,878,551
Other benefits	**-**	-	**11,783,736**	5,874,132
	73,038,900	70,550,284	**381,924,155**	342,895,971
Number of persons	**3**	3	**72**	66

38.1 Certain executives are provided with Company maintained vehicles.

38.2 During the year, meeting fees of Rs.840 thousand (2019: Rs.640 thousand) was paid to two non-executive director.

39. **TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of Associated Companies, directors, major shareholders, key management personnel and entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' retirement funds. The Group in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Parent Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Reliance Cotton Spinning Mills Limited	**Common directorship**	1.35%
SFL Limited	**Common directorship**	0.051%
Sapphire Power Generation Limited	**Common directorship**	17.63%
Sapphire Dairies (Pvt.) Limited	**Common directorship**	9.09%
Tricon Boston Consulting Corporation (Pvt.) Limited (TBCCL)	**Common directorship**	7.13%
Energas Terminal (Pvt) Limited	**Common directorship**	30.00%
Energas Marketing (Pvt) Limited	**Common directorship**	30.00%
Neelam Textile Mills Limited	**Common directorship**	-
Amer Cotton Mills Limited	**Common directorship**	-
Sapphire Textile Mills Limited	**Common directorship**	-
Diamond Fabrics Limited	**Common directorship**	-
Salman Ismail (SMC-Pvt.) Limited	**Common directorship**	-
Sapphire Agencies (Pvt.) Limited	**Common directorship**	-
Crystal Enterprises Limited	**Common directorship**	-
Sapphire Holding Limited	**Common directorship**	-
Four Strength (Pvt.) Ltd.	**Common directorship**	-
Yousuf Agencies (Pvt.) Ltd.	**Common directorship**	-

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the entity. The Group considers its Chief Executive, directors and all team members of its management team to be its key management personnel.

	2020	2019
Significant transactions with the related parties	- - - R u p e e s - - -	
i) Associated Companies		
Sales of:		
- raw material / yarn / fabric / stores	**194,402,607**	552,768,120
- assets	**550,000**	21,130,000
Purchases:		
- raw material / yarn / fabric / stores	**1,482,709,893**	1,230,142,114
- assets	**2,223,414**	-
- electricity	**110,430**	42,116,086
Services:		
- rendered	**2,403,898**	178,318
- obtained	**1,359,850**	916,083
Expenses charged by	**35,668,663**	33,197,235
Expenses charged to	**29,704,802**	24,928,456
Loans obtained	**-**	56,645,000
Loans repaid	**56,645,000**	-
Shares allotted	**134,082,520**	-
Dividend:		
- received	**1,231,648**	1,039,272
- paid	**353,582,599**	122,371,152
Shares purchased	**-**	30,000
Loan given	**131,000,000**	-
Interest charged	**12,535,171**	3,118,561
ii) Director and their related parties		
Loans obtained	**-**	67,262,000
Loans repaid	**67,262,000**	-
Shares allotted	**61,586,200**	-
Dividend paid	**7,562,340**	-
iii) Key management personnel		
Salary and other employment benefits	**174,244,959**	171,792,826
Sale of asset	**1,731,935**	-
iv) Retirement Fund		
Contribution towards provident fund	**28,266,327**	25,125,072

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

The Group has exposures to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including currency risk, interest rate risk and other price risk).

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

The Group's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimises earnings volatility and provide maximum return to shareholders.

(a) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted.

The carrying amount of financial assets represents the maximum credit exposure. Out of total financial assets (note 40.4), the financial assets exposed to credit risk aggregated to Rs.19,891.783 million (2019: Rs.23,130.304 million) as at June 30, 2020. Out of the total financial assets credit risk is concentrated in investments in securities, trade debts and deposits with banks as they constitute 99.54% (2019: 99%) of the total financial assets. The maximum exposure to credit risk at the end of the reporting period is as follows:

	2020	2019
	--- Rupees ---	
Long term investments	**3,746,450,339**	4,091,293,395
Long term deposits	**31,206,445**	42,106,445
Trade debts	**12,819,295,305**	14,918,523,703
Loans and advances	**63,132,950**	85,409,418
Short term investments	**2,394,357,739**	2,908,132,483
Other receivables	**28,277,714**	28,104,563
Bank balances	**809,023,874**	1,056,734,042
	19,891,744,366	23,130,304,049

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties. Export sales made to major customers are secured through letters of credit.

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2020	2019
	--- Rupees ---	
Domestic	**11,574,161,955**	11,501,820,922
Export	**1,245,133,350**	3,416,702,781
	12,819,295,305	14,918,523,703

The majority of export debts of the Group are situated in Asia, Europe, America, Australia and Africa.

The maximum exposure to credit risk for trade debts at the reporting date by type of product is as follows:

	2020	2019
	--- Rupees ---	
Yarn	**1,228,710,419**	2,394,187,109
Fabric	**725,694,150**	1,253,005,151
Garments	**312,029,119**	579,515,521
Power	**10,533,911,688**	10,634,660,023
Processing services	**-**	28,562,671
Waste	**18,949,929**	28,593,228
	12,819,295,305	14,918,523,703

The credit quality of loans, advances, deposits and other receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred. Accordingly, management does not expect any counter party to fail in meeting their obligations.

The credit quality of the Group's bank balances can be assessed with reference to the external credit ratings as follows:

	Rating		
Name of Bank	**short**	**long term**	**agency**
MCB Bank Limited	A-1+	AAA	PACRA
National Bank of Pakistan	A-1+	AAA	PACRA
Meezan Bank Limited	A-1+	AA+	JCR-VIS
United Bank Limited	A-1+	AAA	JCR-VIS
Habib Bank Limited	A-1+	AAA	JCR-VIS
Samba Bank Limited	A-1	AA	JCR-VIS
Faysal Bank Limited	A1+	AA	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
Bank Al-Habib Limited	A-1+	AA+	PACRA
Soneri Bank Limited	A-1	AA-	PACRA
Dubai Islamic Bank	A-1+	AA-	JCR-VIS
Allied Bank Limited	A-1+	AAA	PACRA
Askari Bank Limited	A-1+	AA+	PACRA
Bank Alfalah Limited	A-1+	AA+	JCR-VIS
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analysis the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
	- - - - - - - -	- - - - - - - - Rupees	- - - - - - - -	- - - - - - - -	
June 30, 2020					
Long term finances	**5,473,716,864**	**6,116,084,258**	**1,131,330,987**	**2,942,121,751**	**2,042,631,520**
Trade and other payables	**-**	**-**	**-**	**-**	**-**
Accrued mark-up / interest	**280,910,442**	**280,910,442**	**280,910,442**	**-**	**-**
Short term borrowings	**15,264,321,049**	**17,198,271,165**	**17,198,271,165**	**-**	**-**
Unclaimed dividend	**6,137,961**	**6,137,961**	**6,137,961**	**-**	**-**
	21,025,086,316	**23,601,403,826**	**18,616,650,555**	**2,942,121,751**	**2,042,631,520**

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
	- - - - - - - - - - - - - - - -	- - - - - - - -	R u p e e s	- - - - - - - -	- - - - - - - -
June 30, 2019					
Long term finances	7,657,052,951	8,121,681,162	3,649,601,266	2,952,979,035	1,519,100,861
Trade and other payables	3,282,815,701	3,282,815,701	3,282,815,701	-	-
Accrued mark-up / interest	414,784,309	414,784,309	414,784,309	-	-
Short term borrowings	17,579,913,081	17,767,674,531	17,767,674,531	-	-
Unclaimed dividend	5,967,559	5,967,559	5,967,559		
	28,940,533,601	29,592,923,262	25,120,843,366	2,952,979,035	1,519,100,861

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / interest rates effective at the respective year-ends. The rates of mark-up / interest have been disclosed in the respective notes to these consolidated financial statements.

(c) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risk on import of raw materials, stores & spare parts, plant & machinery, export of goods and foreign currency bank accounts mainly denominated in U.S. Dollar, Euro, Hong Kong Dollar, Swiss Frank, Singapore Dollar and Japanese Yen. The Company's exposure to foreign currency risk for U.S. Dollar, Euro, Chinese Yuan (CNY), Japanese Yen (JPY), Singapore Dollar (SGD) and Swiss Frank (CHF) is as follows:

June 30, 2020	**Rupees**	**U.S.$**	**Euro**	**JPY**	**CHF**
Bills payables	**521,972,004**	**621,427**	**103,730**	**847,016**	**84,541**
Advance payments	**344,912,510**	**2,199,045**	**-**	**-**	**-**
	866,884,514	**2,820,472**	**103,730**	**847,016**	**84,541**
Trade debts	**(1,245,133,350)**	**(20,239,700)**	**-**	**-**	**-**
Bank balances	**(482,350,576)**	**(2,866,868)**	**-**	**-**	**-**
Net reporting date exposure	**(860,599,412)**	**(20,286,096)**	**103,730**	**847,016**	**84,541**
Outstanding letters of credit	**624,202,599**	**3,340,667**	**103,600**	**-**	**230,000**
	(236,396,813)	**(16,945,429)**	**207,330**	**847,016**	**314,541**

June 30, 2019	Rupees	U.S.$	Euro	CNY	CHF	SGD
Bills payables	500,054,405	2,454,621	514,836	-	-	-
Advance payments	266,739,226	1,621,515	-	-	-	-
	766,793,631	4,076,136	514,836	-	-	-
Trade debts	(3,308,755,621)	(20,239,700)	-	-	-	-
Bank balances	(472,111,208)	(2,878,727)	-	-	-	-
Net reporting date exposure	(3,014,073,198)	(19,042,291)	514,836	-	-	-
Outstanding letters of credit	553,454,636	1,080,219	990,790	6,085,640	243,796	17,868
	(2,460,618,562)	(17,962,072)	1,505,626	6,085,640	243,796	17,868

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2020	2019	**2020**	2019
U.S. Dollar to Rupee	**162.89**	139.21	**168.75 / 168.25**	164.5 / 164
Euro to Rupee	**176.74**	168.39	**189.73 / 189.11**	186.99 / 186.37
Japanese Yen to Rupee	**1.4700**	1.5700	**1.5664 / 1.5617**	1.5285 / 1.5236
Swiss Frank to Rupee	**125.87**	144.65	**177.43 / 176.83**	168.61 / 168.03
Chinese Yuan to Rupee	**-**	24.19	**-**	24.19
Singapore Dollar to Rupee	**172.09**	121.59	**121.12**	121.59

At June 30, 2020, if Rupee had strengthened by 10% against US Dollar and Euro with all other variables held constant, profit for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.

	2020	2019
Effect on profit for the year:	**- - - R u p e e s - - -**	
U.S. Dollar to Rupee	**(341,313,565)**	(313,245,687)
Euro to Rupee	**1,968,069**	9,594,999
JYN to Rupee	**132,677**	-
CHF to Rupee	**1,500,011**	-
	(337,712,808)	(303,650,688)

The sensitivity analysis is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Group.

Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

Majority of the interest rate risk of the Group arises from short & long term borrowings from banks and deposits with banks. At the reporting date the profile of the Group's interest bearing financial instruments is as follows:

	2020	2019	**2020**	2019
	- - - Effective rate - - -		**- - - Carrying amount - - -**	
	%	%	**Rupees**	Rupees
Fixed rate instruments				
Financial assets				
Term deposit account	**5.71 to 11.39**	4.35 to 6.68	**258,063,985**	524,977,154
Financial liabilities				
Long term finances	**2.50 to 14.66**	2.50 to 13.29	**4,155,740,822**	3,925,762,292
Variable rate instruments				
Financial assets				
Trade debts	**10.29 to 18.42**	8.48 to 17.40	**10,533,911,688**	10,634,660,023
Financial liabilities				
Long term finances	**2.15 to 14.25**	7.04 to 12.09	**1,317,976,042**	3,731,290,659
Short term borrowings	**2.15 & 14.81**	2.25 to 13.80	**15,264,321,049**	17,456,006,081

The Group does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in mark-up / interest rates at reporting date would not affect statement of profit or loss for the year.

At June 30, 2020, if the interest rate on the variable rate Group's borrowings had been higher / (lower) by 1% with all other variables held constant, profit before tax for the year would have been (lower) / higher by Rs.165.823 million (2019: Rs.211.872 million) mainly as a result of higher / (lower) interest expense.

The sensitivity analysis is not necessarily indicative of the effects on profit for the year and liabilities of the Group.

Other price risk

Other price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market.

The Group's investments in ordinary shares and certificates of listed companies aggregating to Rs.6,111.592 million (2019: Rs.6,961.473 million) are exposed to price risk due to changes in market price.

At June 30, 2020, if market value had been 10% higher / lower with all other variables held constant other comprehensive income for the year would have higher / (lower) by Rs.611.159 million (2019: Rs.696.147 million).

The sensitivity analysis is not necessarily indicative of the effects on equity / investments of the Group.

40.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The Group's consolidated financial assets measured at fair value consists of level 1 financial assets amounting to Rs.6,111.592 million (2019: Rs.6,961.473 million). The carrying values of other financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

40.3 Capital risk management

The Group's objective when managing capital are to ensure the Group's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximise return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Group may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. It is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (long term finances and short term borrowings as shown in the statement of financial position) less cash and bank balances. Total equity includes all capital and reserves of the Group that are managed as capital. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2020	2019
	--- Rupees ---	
Total borrowings	**20,738,037,913**	25,236,966,032
Less: cash and bank balances	**813,632,124**	1,064,060,078
Net debt	**19,924,405,789**	24,172,905,954
Total equity	**24,711,845,133**	22,210,257,817
Total capital	**44,636,250,922**	46,383,163,771
Gearing ratio	**45%**	52%

40.4 Financial instrument by category

	As at June 30, 2020			As at June 30, 2019		
	Amortised cost	**At fair value through OCI**	**Total**	Amortised cost	At fair value through OCI	Total
Financial assets as per statement of financial position	- - - - - - - - - - **Rupees** - - - - - - - - - -			- - - - - - - - - - Rupees - - - - - - - - - -		
Long term investments	**-**	**3,746,450,339**	**3,746,450,339**	-	4,091,293,395	4,091,293,395
Long term loans	**262,000**	**-**	**262,000**	442,000	-	442,000
Long term deposits	**31,206,445**	**-**	**31,206,445**	42,106,445	-	42,106,445
Trade debts	**12,819,295,305**	**-**	**12,819,295,305**	14,918,523,703	-	14,918,523,703
Loans and advances	**224,132,950**	**-**	**224,132,950**	115,629,418	-	115,629,418
Trade deposits	**1,068,608**	**-**	**1,068,608**	74,228,355	-	74,228,355
Short term investments	**-**	**2,394,357,739**	**2,394,357,739**	-	2,908,132,483	2,908,132,483
Other receivables	**28,277,714**	**-**	**28,277,714**	33,928,811	-	33,928,811
Cash and bank balances	**813,632,124**	**-**	**813,632,124**	1,064,060,078	-	1,064,060,078
	13,917,875,146	**6,140,808,078**	**20,058,683,224**	16,248,918,810	6,999,425,878	23,248,344,688

	Financial liabilities measured at amortised cost	
Financial liabilities as per statement of financial position	- - - - - - **Rupees** - - - - - -	
	2020	2019
Long term finances and accrued mark-up	**5,559,433,419**	9,270,325,467
Trade and other payables	**-**	2,625,412,836
Unclaimed dividend	**6,137,961**	5,353,374
Short term borrowings and accrued mark-up	**15,459,514,936**	14,136,987,165
	21,025,086,316	26,038,078,842

41. CAPACITY AND PRODUCTION

		2020	2019
41.1 Spinning units			
Number of spindles installed		**102,096**	101,536
Number of spindles worked		**97,397**	99,425
Number of shifts worked per day		**3**	3
Total number of days worked		**366**	365
Installed capacity after conversion into 20's count	**Lbs.**	**56,512,425**	60,990,604
Actual production after conversion into 20's count	**Lbs.**	**49,919,058**	53,756,861

41.1.1 Actual production varies due to maintenance / shut down and change in count pattern.

			2020	2019
41.2	**Dyeing**		**2020**	2019
	Yarn / Fibre Dyeing Unit			
	Total number of days worked		**-**	-
	Installed capacity	**Lbs.**	**-**	8,002,407
	Actual production	**Lbs.**	**-**	-
	Fabric Dyeing Unit			
	Total number of days worked		**316**	364
	Installed capacity	**Lbs.**	**13,965,242**	13,965,242
	Actual production	**Lbs.**	**9,415,107**	11,684,161

41.2.1 During the year the Parent Company's management decided to wind-up the operation of its yarn / fibre dyeing unit. This was mainly because of the sluggish sales in the local and international markets and reduced profit margins (also refer note 4.4.1)

41.3	**Knitting unit**		**2020**	2019
	Total number of days worked		**312**	365
	Installed capacity	**Lbs.**	**14,612,963**	14,612,963
	Actual production	**Lbs.**	**6,157,193**	8,951,726

41.3.1 Low production is due to low demand.

41.4	**Stitching unit**			
	Installed capacity	**Pcs.**	**1,967,000**	1,967,000

41.4.1 Sluggish sale in the international markets, power shortage in the country and higher fuel cost forced management temporarily close its stitching unit.

41.5	**Denim unit**		**2020**	2019
	Total number of days worked		**333**	358
	Installed capacity	**Mtrs.**	**15,740,000**	12,234,000
	Actual production	**Mtrs.**	**14,290,822**	11,639,680

41.6	**Power**			
	De-rated capacity [based on 8,760 hours (2019: 8,760 hours)	**MWH**	**1,772,703**	1,789,216
	Actual energy delivered	**MWH**	**299,586**	808,511

41.6.1 Output produced by the plant is dependent on the load demanded by NTDCL and plant availability.

41.7 The Subsidiary Companies; SEL, SCCL, PCL and SHL are in setup phase and their plants are yet to be constructed.

42. SEGMENT INFORMATION

The Group's reportable segments are as follows:

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

42.1 Segment revenues and results

	Spinning	Knitting, processing and garments	Denim	Power	Elimination of inter segment transactions	Total
	Rupees					
For the year ended June 30, 2020						
Sales	**13,640,863,184**	**4,657,407,677**	**5,981,647,260**	**10,225,387,536**	**(1,788,299,311)**	**32,717,006,346**
Cost of sales	**(11,947,533,483)**	**(3,938,297,846)**	**(5,570,037,685)**	**(5,541,786,159)**	**1,788,299,311**	**(25,209,355,862)**
Gross profit / (loss)	**1,693,329,701**	**719,109,831**	**411,609,575**	**4,683,601,377**	**-**	**7,507,650,484**
Selling and distribution expenses	**(419,063,764)**	**(173,355,645)**	**(253,962,382)**	**-**	**-**	**(846,381,791)**
Profit / (loss) before taxation and unallocated income and expenses	**1,274,265,937**	**545,754,186**	**157,647,193**	**4,683,601,377**	**-**	**6,661,268,693**
Unallocatable income and expenses						
Other income						**585,388,484**
Other expenses						**(154,019,365)**
Administrative expenses						**(456,387,690)**
Finance cost						**(2,427,455,207)**
Share of profit of Associates						**358,681,959**
Taxation						**(387,362,711)**
Profit after taxation						**4,180,114,163**

	Spinning	Knitting, processing and garments	Denim	Power	Elimination of inter segment transactions	Total
	Rupees					
For the year ended June 30, 2019						
Sales	13,824,588,776	5,284,640,102	4,677,664,737	14,872,883,864	(2,036,643,371)	36,623,134,108
Cost of sales	(11,832,484,061)	(4,490,543,642)	(4,599,169,226)	(10,629,232,122)	2,036,643,371	(29,514,785,680)
Gross profit / (loss)	1,992,104,715	794,096,460	78,495,511	4,243,651,742	-	7,108,348,428
Selling and distribution expenses	(434,663,772)	(165,849,766)	(120,507,861)	-	-	(721,021,399)
Profit / (loss) before taxation and unallocated income and expenses	1,557,440,943	628,246,694	(42,012,350)	4,243,651,742	-	6,387,327,029
Unallocatable income and expenses						
Other income						543,084,415
Other expenses						(85,459,952)
Administrative expenses						(419,447,386)
Finance cost						(2,273,872,204)
Share of profit of Associates						175,049,348
Taxation						(259,280,370)
Profit after taxation						4,067,400,880

42.2 Segment assets and liabilities

	Spinning	Knitting, processing and garments	Denim	Power	Total
	---------------------------------- Rupees ---------------------------------				
As at June 30, 2020					
Segment assets	**9,237,612,509**	**2,989,109,344**	**7,145,432,753**	**23,933,473,688**	**43,305,628,294**
Unallocatable assets					**12,875,409,662**
Total assets as per statement of financial position					**56,181,037,956**
Segment liabilities	**6,136,570,231**	**1,848,361,257**	**10,121,017,756**	**7,405,252,575**	**25,511,201,819**
Unallocatable liabilities					**684,569,301**
Total liabilities as per statement of financial position					**26,195,771,120**
As at June 30, 2019					
Segment assets	8,804,619,975	3,019,297,370	7,559,246,293	24,701,731,474	44,084,895,112
Unallocatable assets					12,937,020,658
Total assets as per statement of financial position					57,021,915,770
Segment liabilities	7,813,374,935	1,662,202,238	10,013,081,249	10,496,190,584	29,984,849,006
Unallocatable liabilities					296,827,074
Total liabilities as per statement of financial position					30,281,676,080

42.3 Sales to domestic customers (excluding Indirect export) in Pakistan are 45.91% (2019: 53.82%) and to customers outside Pakistan (including indirect export) are 54.09% (2019: 46.18%) of the total sales during the year.

42.4 The Group sells its manufactured products to local and foreign companies / organisations / institutions. One (2019: One) of the Group's customers contributed towards 31.66% (2019: 43.26%) of the local sales during the year aggregating Rs.10,894.252 million (2019: Rs.16,482.488 million) which exceeds 10% of the local sales of the Group.

42.5 Geographical information

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

43. PROVIDENT FUND RELATED DISCLOSURE

Sapphire Fibres Limited

43.1 The Parent Company operates a recognised Provident Fund (the Fund) for its permanent employees. The following information is based on un-audited financial statements of the Fund for the year ended

	2020	2019
	- - - Rupees - - -	
Size of the Fund - Total Assets	**114,668,543**	71,780,349
Cost of investments made	**109,986,985**	70,055,035
Percentage of investments made	**95.92%**	97.60%
Fair value of investments made	**118,576,935**	71,321,642

43.1.1 The break-up of fair value of investments is as follow:

	2020	2019	**2020**	2019
	--- Percentage ---		**- - - Rupees - - -**	
Special account in a scheduled bank	**0.57**	1.03	**626,466**	720,134
Government securities	**97.60**	96.29	**107,345,869**	67,453,451
Listed securities	**1.83**	2.68	**2,014,650**	1,881,450
	100.00	100.00	**109,986,985**	70,055,035

43.1.2 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

Sapphire Electric Company Limited

43.2 The Subsidiary Company - SECL Company operates a recognised Provident Fund (the Fund) for its permanent employees. The following information is based on un-audited financial statements of the Fund for the year ended.

	2020	2019
	- - - Rupees - - -	
Size of the Fund - Total Assets	**35,713,864**	27,299,084
Cost of investments made	**33,055,751**	24,755,615
Percentage of investments made	**92.56%**	90.68%
Fair value of investments made	**34,773,816**	24,741,312

43.2.1 The break-up of fair value of investments is as follow:

	2020	2019	**2020**	2019
	--- Percentage ---		**- - - Rupees - - -**	
Special account in a scheduled bank	**2.63**	9.37	**940,048**	2,557,772
Government securities	**71.95**	59.89	**25,694,809**	16,349,643
Mutual funds	**20.13**	22.65	**7,189,429**	6,182,086
Loan to members	**5.29**	8.09	**1,889,578**	2,209,582
	100.00	100.00	**35,713,864**	27,299,083

43.2.2 The figures for year ended June 30, 2020 are based on un-audited financial statements of the Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

44. NUMBER OF EMPLOYEES	**2020**	2019
Average number of employees during the year	**4,229**	4,023
Number of employees at the June 30,	**4,054**	4,195

45. Impact of COVID-19 (CORONA VIRUS)

The outbreak of Novel Coronavirus continues and the situation keeps evolving every day. Enactment of necessary precautionary measures during March, 2020 including but not limited to lockdowns by Government of Punjab, severely impacted the economic activity and the consumer demand which had a ripple effect on the economy. The operations of the Group were resumed after the management adopted all necessary precautionary measure and ensured the implementation of all necessary SOPs.

After the lockdown restrictions were eased out in June, 2020 local customer demand has increased gradually. The international market has also started resuming business and an increase in the number of orders has been observed. As the extant and duration of the impact of COVID-19 can not be predicted at this stage, a reliable estimate of the impact of the developments on the consolidated financial statements of the Group can not be made with reasonable certainty.

The management has assessed the accounting implications of these developments on these consolidated financial statements, including but not limited to the following areas:

- recognition of expected credit losses under IFRS 9, 'Financial instruments';

- adjustment to net realisable value of inventory under IAS 2, 'Inventories';

- recognition of provisions and contingent liabilities under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; and

- going concern assumption used for the preparation of these consolidated financial statements.

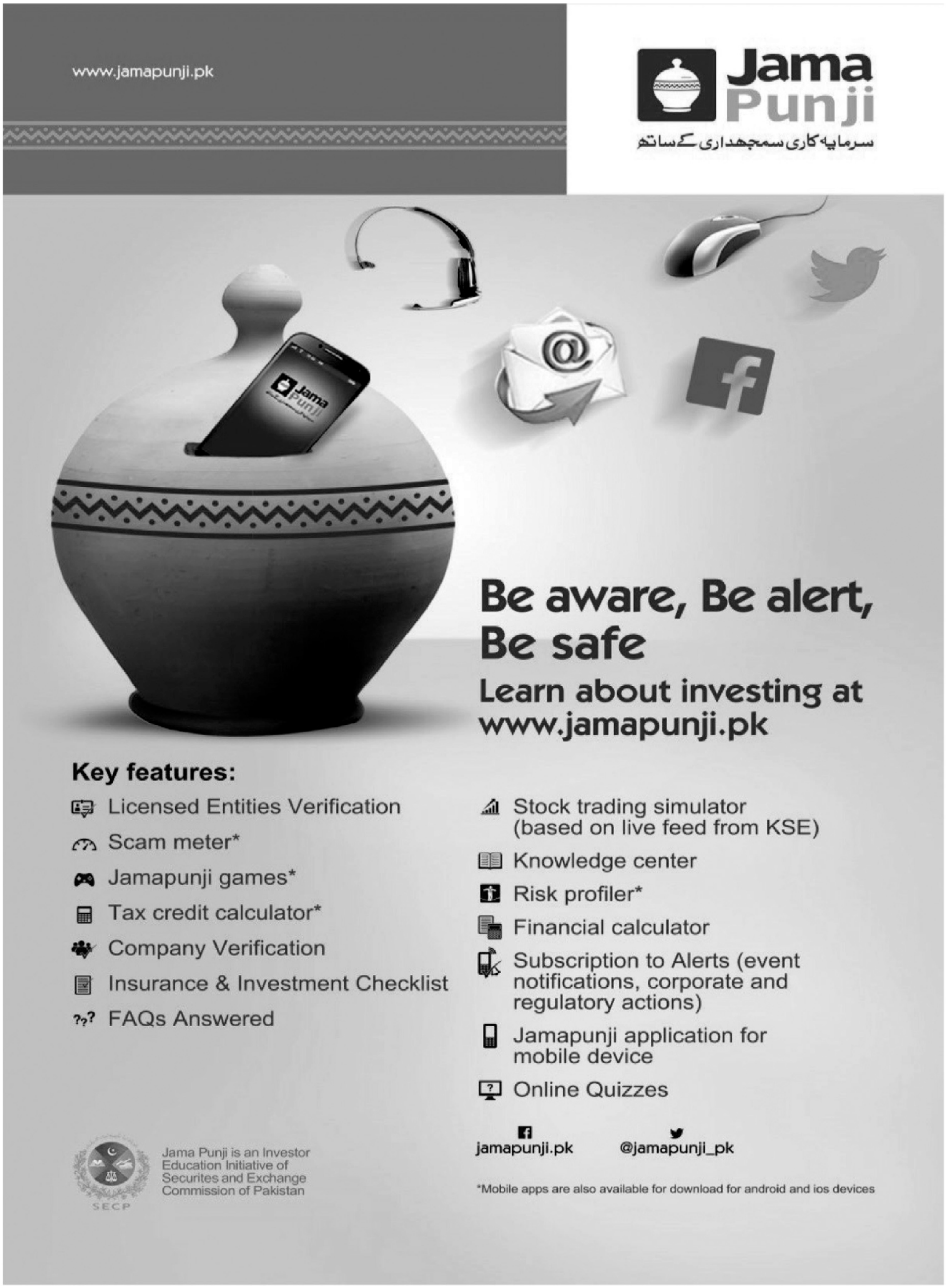
46. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 24, 2020 by the Board of Directors of the Parent Company.

47. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made in these consolidated financial statements.

Lahore:	**Shahid Abdullah**	**Shayan Abdullah**	**Jawwad Faisal**
Dated: September 24, 2020	Chief Executive	Director	Chief Financial Officer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*Mobile apps are also available for download for android and ios devices
Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan
SECP

Form of Proxy

Sapphire Fibres Limited

I / we ____

Folio No. ______________________ of ______________________

a member(s) of **Sapphire Fibres Limited** and a holder of ______________________ Ordinary Shares,

do hereby appoint ____

of ____

or failing him/her ____

of ____

a member of **Sapphire Fibres Limited**, vide Registered Folio No. ______________________ as my/our Proxy to act on my/our behalf at 41st Annual General Meeting of the Company to be held on Thursday the 22nd day of October 2020 at 04:00 p.m. at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi and / or any adjournment thereof.

Signed this________ day of ________________ 2020

Signature ___________________________________

(Signature should agree with the specimen signature registered with the Company)

REVENUE STAMP OF RS.5/-

NOTICE

1. No proxy shall be valid unless it is duly stamped with a revenue stamp of Rs.5/-

2. In the case of Bank or Company, the proxy form must be executed under its Common seal and signed by its authorized person.

3. Power of attorney or other authority (if any) under which this proxy form is signed then a certified copy of that power of attorney must be deposited along with this proxy form.

4. This form of proxy duly completed must be deposited at the Registered Office of the Company atleast 48 hours before the time of holding the meeting.

5. In case of CDC account holder :

- **i)** The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- **ii)** Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- **iii)** The proxy shall produce his original CNIC or original passport at the time of meeting.
- **iv)** In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the company.

Witness :

Name	Name
Address	Address
NIC No.	NIC No.

فارم برائے قائم مقام/متبادل

سفائر فایبرز لمیٹڈ

میں/ہم ____________________

پتہ: ____________________

سفائر فایبرز لمیٹڈ کے ممبر ہونے کے ناطے اپنا/اپنے مندرجہ ذیل قائم مقام/متبادل مقرر کرتا ہوں/کرتے ہیں۔

نام (جناب/محترمہ ____________________

پتہ: ____________________

اور اُن کی غیر موجودگی میں جناب/محترمہ ____________________

پتہ: ____________________

میری/ہماری غیر موجودگی میں قائم مقام/متبادل کمپنی کی سالانہ جنرل میٹنگ میں شرکت کریں گے جو بروز جمعرات 22 اکتوبر 2020ء کو بوقت 04:00 بجے شام، 312، کاٹن ایکسچینج بلڈنگ، آئی آئی چندریگر روڈ، کراچی میں منعقد ہوگی۔

ریونیو ٹکٹ
پانچ روپے

اس دستاویز پر مورخہ ____________ 2020 کو دستخط ہوئے۔

شیئر ہولڈر کے دستخط ____________________

شیئر ہولڈر کا فولیو نمبر: ____________________

شریک ہونے والے کا ID نمبر ____________________

اور/یا CDC ____________________

اور سب اکاؤنٹ نمبر ____________________

نوٹس:

ا۔ کوئی بھی پراکسی اس وقت تک درست نہیں سمجھی جائے گی جب تک اس پر پانچ (05) روپے کا محصول ٹکٹ نہ لگایا جائے۔

۲۔ بینک یا کمپنی کی صورت میں پراکسی فارم پر authorized person کے دستخط کے ساتھ کمپنی کی مشترکہ مہر لازم ہوگی۔

۳۔ پاور آف اٹرنی یا دیگر authority کی صورت میں پراکسی فارم کے ساتھ اس کی تصدیق شدہ کاپی جمع کرنی ہوگی۔

۴۔ دستخط شدہ پراکسی فارم کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع کرانا ہوگا۔

سی ڈی سی اکاؤنٹ ہولڈر کی صورت میں

(i) پراکسی فارم پر دو افراد تصدیق کریں گے اور ان کے نام، پتے اور CNIC نمبر فارم پر موجود ہونا چاہیے۔

(ii) Beneficial owners کی CNIC یا پاسپورٹ کی تصدیق شدہ کاپی اور پراکسی پیش کیا جائے فارم کے ساتھ۔

(iii) پراکسی میٹنگ کے وقت اپنا اصل CNIC یا پاسپورٹ پیش کرے۔

(iv) کارپوریٹ اینٹیٹی کی صورت میں، پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز Resolution/ power of attorny بمعہ پراکسی ہولڈر کے دستخط بھی جمع کروائے جائیں گے (جب تک یہ پہلے فراہم نہیں کیا گیا ہو)۔

گواہان:

(1) دستخط: ____________________
نام: ____________________
پتہ: ____________________
CNIC یا پاسپورٹ نمبر ____________________

(2) دستخط: ____________________
نام: ____________________
پتہ: ____________________
CNIC یا پاسپورٹ نمبر ____________________