

# Contents

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Company Profile	3
Directors' Report (English/Urdu)	4
Statement of Financial Position	6
Statement of Profit or Loss	7
Statement of Comprehensive Income	8
Statement of Cash Flows	9
Statement of Changes In Equity	10
Notes to the Financial Statements	11



## Company Profile

### 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 Sheikhpura.  
Feroze Watwan,  
Tehsil and District Sheikhpura.  
Raiwind Road, Lahore.

## Directors' Report to the Shareholders

The Directors of the Company are pleased to present un-audited financial statements for the quarter ended 30 September, 2020.

### Financial Highlights

	30 September	
	2020	2019
	Rupees in thousand	
Sales & services	5,610,116	6,219,103
Gross profit	678,970	970,617
Profit from operations	837,193	771,319
Other income	468,789	128,414
Profit before taxation	632,265	386,047
Taxation:		
- Current	77,613	88,549
- Deferred	1,615	3,408
	79,228	91,957
<b>Profit after taxation</b>	<b>553,037</b>	<b>294,090</b>

During first quarter of the financial year, your company achieved sales of Rs. 5.61 billion compared to Rs. 6.21 billion during corresponding period of last year, decreased by 9.79%. The gross profit as a percentage of sales decreased to 12.10% from 15.60% during same period of last year. However, backed by improved dividend income, the profit after tax increased to Rs. 553.03 million as against Rs. 294.09 million during last year's corresponding period.

### Earnings per share

The company's earnings per share (EPS) were at Rs. 26.75 as compared to Rs. 14.27 for the same period of last year.

### Future outlook

Significant decline in Pakistan's cotton production in the current year is a major dent to our textile industry which is already passing through a difficult phase due to COVID-19. The revised production estimates are 20% to 30% down compared to last year. As a result, increase in cotton price and greater reliance on imported cotton pose serious threat to the profitability of textile sector in the financial year 2020-21

The directors appreciate sincere contribution and the hard work by staff and workers of the company.

For and on behalf of the Board

Lahore  
Dated: 28 October, 2020

**Shayan Abdullah**  
Director

**Shahid Abdullah**  
Chief Executive Officer

## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالیاتی گوشواروں پر اپنی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

مالیاتی جھلکیاں

روپے ہزاروں میں		تفصیل
30 ستمبر 2019ء	30 ستمبر 2020ء	
6,219,103	5,610,116	فروخت اور خدمات
970,617	678,970	مجموعی منافع
771,319	837,193	آپریٹنگ منافع
128,414	468,789	دیگر آمدن
386,047	632,265	ٹیکس سے پہلے منافع
		ٹیکسیشن
88,549	77,613	موجودہ
3,408	1,615	فرق
<b>91,957</b>	<b>79,228</b>	
<b>294,090</b>	<b>553,037</b>	ٹیکس کے بعد منافع

کمپنی نے گزشتہ سال کی اسی مدت میں 6.21 بلین روپے کے مقابلے مالی سال کی پہلی سہ ماہی کے دوران 5.61 بلین روپے فروخت حاصل کی جو 9.79 فیصد کمی ہے۔ فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کی اسی مدت کے مقابلے میں 15.60 فیصد سے کم ہو کر 12.10 فیصد ہو گیا۔ جبکہ کمپنی نے گزشتہ سال کی اسی مدت میں درج 294.09 بلین روپے کے مقابلے موجودہ سہ ماہی کے دوران 553.03 بلین روپے ٹیکس کے بعد منافع کمایا ہے۔

### فی حصص آمدنی

کمپنی کی موجودہ سہ ماہی کی فی شیئر آمدنی (EPS) 26.75 روپے ہے جو کہ پچھلے سال کی اسی مدت میں 14.27 روپے تھی۔

### مستقبل کا نقطہ نظر

رواں سال میں پاکستان کی کپاس کی پیداوار میں نمایاں کمی ہماری ٹیکسٹائل انڈسٹری کے لئے ایک بہت بڑا خطرہ ہے جو پہلے ہی COVID-19 کی وجہ سے ایک مشکل مرحلے سے گزر رہی ہے۔ نظر ثانی شدہ پیداوار کا تخمینہ پچھلے سال کی پیداوار کے مقابلے میں 20 فیصد سے 30 فیصد تک کم ہے۔ اس کے نتیجے میں، کپاس کی قیمت میں اضافہ اور درآمدہ کپاس پر زیادہ انحصار مالی سال 2020-21 میں ٹیکسٹائل کے شعبے کے منافع کو سنگین خطرہ لاحق ہوگا۔

### اعتراف

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

منجانب بورڈ آف ڈائریکٹرز

شایان عبداللہ

ڈائریکٹر

شاہد عبداللہ

چیف ایگزیکٹو آفیسر

لاہور: تاریخ: 28 اکتوبر 2020ء

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2020

		Unaudited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
<b>Assets</b>	<b>Note</b>		
<b>Non Current Assets</b>			
Property, plant and equipment	5	11,856,778,626	11,867,917,137
Investment property		31,750,000	31,750,000
Intangible assets		3,942,913	4,309,170
Long term investments	6	8,537,398,443	8,079,035,424
Long term loans		257,000	262,000
Long term deposits		28,606,645	28,606,645
		<b>20,458,733,627</b>	<b>20,011,880,376</b>
<b>Current Assets</b>			
Stores, spare parts and loose tools		297,243,342	358,027,617
Stock-in-trade		7,527,395,403	7,537,897,128
Trade debts		3,764,341,450	2,226,110,623
Loans and advances		225,243,994	160,400,271
Trade deposits and short term prepayments		7,359,987	5,413,764
Short term investments		2,919,658,581	2,394,357,739
Other receivables		858,100,981	673,310,150
Tax refunds due from Government		707,959,587	880,506,826
Cash and bank balances		46,854,426	68,857,658
		<b>16,354,157,751</b>	<b>14,304,881,776</b>
<b>Total Assets</b>		<b>36,812,891,378</b>	<b>34,316,762,152</b>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital			
20,671,875 ordinary shares of Rs.10 each		206,718,750	206,718,750
Reserves		3,439,391,024	2,429,793,680
Unappropriated profit		13,804,754,399	13,251,717,505
<b>Total equity</b>		<b>17,450,864,173</b>	<b>15,888,229,935</b>
<b>Non current liabilities</b>			
Long term finances		4,681,375,942	4,510,411,784
Staff retirement benefit - gratuity		324,214,754	310,591,147
Deferred taxation		119,932,279	143,493,774
		<b>5,125,522,975</b>	<b>4,964,496,705</b>
<b>Current liabilities</b>			
Trade and other payables		2,655,571,086	2,022,566,851
Contract liabilities		427,860,619	454,244,612
Accrued mark-up / interest		134,014,169	186,517,482
Short term borrowings		10,028,938,818	10,026,256,385
Current portion of long term finances		513,656,388	375,597,223
Unclaimed dividend		6,134,554	6,137,961
Provision for taxation		470,328,596	392,714,998
		<b>14,236,504,230</b>	<b>13,464,035,512</b>
<b>Total liabilities</b>		<b>19,362,027,205</b>	<b>18,428,532,217</b>
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		<b>36,812,891,378</b>	<b>34,316,762,152</b>

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

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	Note	Three months period ended 30 September,	
		2020 Rupees	2019 Rupees
Sales		5,610,116,391	6,219,102,834
Cost of sales	8	4,931,146,120	5,248,485,896
<b>Gross profit</b>		<b>678,970,271</b>	970,616,938
Distribution cost		(186,891,387)	(218,909,690)
Administrative expenses		(93,966,966)	(86,223,515)
Other expenses		(29,707,205)	(22,578,420)
Other income		468,788,668	128,413,722
<b>Profit from operations</b>		<b>837,193,381</b>	771,319,035
Finance cost		(204,927,994)	(385,271,786)
<b>Profit before taxation</b>		<b>632,265,387</b>	386,047,249
<b>Taxation</b>			
- current		(77,613,598)	(88,548,607)
- deferred		(1,614,895)	(3,408,671)
		(79,228,493)	(91,957,278)
<b>Profit after taxation</b>		<b>553,036,894</b>	294,089,971
<b>Earnings per share</b> - basic and diluted		<b>26.75</b>	Re-stated 14.27

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

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	<b>Three months period ended</b>	
	<b>30 September,</b>	
	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Profit after taxation</b>	<b>553,036,894</b>	<b>294,089,971</b>
<b>Other comprehensive income / (loss)</b>		
<b>Items that will not be reclassified to statement of profit or loss subsequently</b>		
Unrealised gain / (loss) on remeasurement of investment at fair value through other comprehensive income		
- long term	<b>458,366,019</b>	<b>(53,685,730)</b>
- short term	<b>525,300,842</b>	<b>(116,996,599)</b>
Impact of deferred tax	<b>25,176,390</b>	<b>-</b>
	<b>1,008,843,251</b>	<b>(170,682,329)</b>
<b>Items that will be reclassified to statement of profit or loss subsequently</b>		
Unrealised gain on remeasurement of forward foreign exchange contracts	<b>754,093</b>	<b>22,817,376</b>
	<b>754,093</b>	<b>22,817,376</b>
	<b>1,009,597,344</b>	<b>(147,864,953)</b>
<b>Total comprehensive income for the period</b>	<b>1,562,634,238</b>	<b>146,225,018</b>

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

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	<b>Three months period ended 30 September,</b>	
	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period - before taxation	<b>632,265,387</b>	386,047,249
Adjustments for non-cash changes and other items:		
Depreciation	<b>207,819,476</b>	197,302,685
Amortisation	<b>366,257</b>	525,571
Staff retirement benefits - gratuity	<b>28,950,000</b>	32,278,616
Provision for workers' profit participation fund	<b>28,952,847</b>	15,478,420
Gain on disposal of operating fixed assets	<b>(698,411)</b>	(379,051)
Gain on sale of stores and spares	<b>(590,915)</b>	(5,778)
Dividend income	<b>(454,263,980)</b>	(119,331,774)
Finance cost	<b>204,927,994</b>	385,271,786
	<b>15,463,268</b>	511,140,475
	<b>647,728,655</b>	897,187,724
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	<b>60,286,598</b>	(57,759,842)
Stock in trade	<b>10,501,725</b>	184,013,974
Trade debts	<b>(1,538,230,827)</b>	671,875,531
Loans and advances	<b>(64,843,723)</b>	(67,254,035)
Deposits, other receivables and sales tax	<b>(101,587,463)</b>	17,042,284
Increase in trade and other payables	<b>627,667,405</b>	340,457,655
	<b>(1,006,206,285)</b>	1,088,375,567
<b>CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>	<b>(358,477,630)</b>	1,985,563,291
Staff retirement benefit paid	<b>(15,326,393)</b>	(19,923,213)
Finance cost paid	<b>(257,431,307)</b>	(399,059,613)
Taxes refund received / ( taxes paid)	<b>106,078,299</b>	(308,008,489)
Workers' profit participation fund paid	<b>(50,000,000)</b>	(37,000,000)
Long term loans and deposits	<b>5,000</b>	(227,000)
	<b>(216,674,401)</b>	(764,218,315)
<b>Net cash (used in) / generated from operating activities</b>	<b>(575,152,031)</b>	1,221,344,976
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	<b>(196,982,554)</b>	(306,513,172)
Long and short term investments - net	<b>3,000</b>	3,000
Sale proceeds of tangible fixed assets	<b>1,000,000</b>	1,300,139
Sale proceeds of stores and spares	<b>1,088,592</b>	12,480
Dividend received	<b>436,337,412</b>	113,641,440
<b>Net cash generated from / (used in) investing activities</b>	<b>241,446,450</b>	(191,556,113)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans - Obtained	<b>311,557,900</b>	-
Long term loans - Repaid	<b>(2,534,577)</b>	(212,370,973)
Dividend paid	<b>(3,407)</b>	(84,900)
Short term borrowings - net	<b>2,682,433</b>	(853,552,966)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>311,702,349</b>	(1,066,008,839)
<b>Net decrease in cash and cash equivalents</b>	<b>(22,003,232)</b>	(36,219,976)
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>68,857,658</b>	76,712,566
<b>CASH AND CASH EQUIVALENTS - at the end of the period</b>	<b>46,854,426</b>	40,492,590

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

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

	Issued, subscribed and paid up capital	Capital	General	Reserves	Unrealised gain on financial assets at fair value through other comprehensive income	Unrealised gain on hedging instruments	Sub-total	Unappropriated profit	Total
				Rupees					
Balance as at 01 July, 2019	196,875,000	145,740,000	1,183,845,000	1,367,081,077	-	-	2,696,666,077	12,393,666,121	15,287,207,198
Total comprehensive income for the period ended 30 September, 2019									
Profit for the period	-	-	-	-	-	-	-	294,089,971	294,089,971
Other comprehensive loss	-	-	-	(170,682,329)	22,817,376	(147,864,953)	(147,864,953)	-	(147,864,953)
	-	-	-	(170,682,329)	22,817,376	(147,864,953)	(147,864,953)	294,089,971	146,225,018
Balance as at 30 September, 2019	196,875,000	145,740,000	1,183,845,000	1,196,398,748	22,817,376	2,548,801,124	12,687,756,092	15,433,432,216	
Balance as at 01 July, 2020	206,718,750	391,833,750	1,183,845,000	854,114,930	-	-	2,429,793,680	13,251,717,505	15,888,229,935
Total comprehensive income for the period ended 30 September, 2020									
Profit for the period	-	-	-	-	-	-	-	553,036,894	553,036,894
Other comprehensive income	-	-	-	1,008,843,251	754,093	1,009,597,344	1,009,597,344	-	1,009,597,344
	-	-	-	1,008,843,251	754,093	1,009,597,344	1,009,597,344	553,036,894	1,562,634,238
Balance as at 30 September, 2020	206,718,750	391,833,750	1,183,845,000	1,862,958,181	754,093	3,439,391,024	13,804,754,399	17,450,864,173	

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

**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:

<b>Karachi</b>	<b>Purpose</b>
316, Cotton Exchange Building, I.I Chundrigar Road	Registered office
<b>Lahore</b>	
7 A- K, Main Boulevard, Gulberg	Head office
3.5 km, Manga Road, Riawand	Production plant
<b>Shiekhupura</b>	
10 km, Sheikhpura / Faisalabad Road, Kharianwala	Production plant
26 km, Sheikhpura / Faisalabad Road, Feroze wattoan	Production plant

**2. BASIS OF PREPARATION**

These condensed interim 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.

These condensed interim 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.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in preparation of preceding published financial statements of the Company for the year ended 30 June, 2020.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of condensed interim 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. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual audited financial statements for the year ended 30 June, 2020.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June, 2020.

	Note	Un-audited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	10,909,141,502	10,875,747,534
Capital work in progress	5.2	947,637,124	992,169,603
		<b>11,856,778,626</b>	<b>11,867,917,137</b>
<b>5.1 Operating fixed assets</b>			
Opening book value		10,875,747,534	10,434,625,536
Additions during the quarter / year			
- land (freehold)		-	10,008,500
- residential buildings and others on freehold land		-	7,340,151
- factory buildings on freehold land		46,654,706	33,144,343
- plant and machinery		190,178,022	1,196,020,251
- Electric/gas equipment		-	188,631
- mill equipment		-	1,056,400
- electric installations		3,168,676	12,133,403
- computer hardware		1,309,355	1,083,500
- vehicles		-	25,722,394
- furniture and fixtures		204,274	3,085,480
		241,515,033	1,289,783,053
Book value of assets disposed-off during the quarter/year		(301,589)	(36,988,751)
Depreciation charge for the quarter/year		(207,819,476)	(811,672,304)
Closing book value		<b>10,909,141,502</b>	<b>10,875,747,534</b>
<b>5.2 Capital work-in-progress</b>			
Building		187,106,758	177,159,344
Plant and machinery		342,842,251	401,629,894
Advance payments:			
- land-freehold		390,000,000	390,000,000
- factory / office building		6,668,800	6,668,800
- vehicles		4,735,000	-
- electric installation		15,764,565	15,764,565
- computer software		519,750	947,000
		<b>947,637,124</b>	<b>992,169,603</b>
		Un-audited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
<b>6. LONG TERM INVESTMENTS</b>	Note		
Subsidiary Companies - at cost	6.1	3,574,308,316	3,574,308,316
Associated Companies - at cost	6.2	758,276,769	758,276,769
Others - equity instruments	6.3	4,142,139,818	3,682,773,859
- debt instruments	6.4	62,673,540	63,676,480
		<b>8,537,398,443</b>	<b>8,079,035,424</b>
<b>6.1</b>			
The Company has pledged 172,446,420 shares of the Subsidiary Company- 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.			

- 6.2** This include 59,251,500 ordinary shares of Rs.10 each of Tricon Boston Consulting Corporation (Private) Limited (TBCCL). The Company has pledged these shares through an Onshore Security Trustee under Share Pledge Agreement dated May 08, 2017 as security against financing facilities advanced to TBCCL.

	Un-audited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
<b>6.3 Equity Instruments - at FVTOCI</b>		
MCB Bank Limited - Quoted		
18,213,195 (30 June, 2020: 18,213,195) ordinary shares of Rs.10 each - cost	896,451,123	896,451,123
Adjustment arising from re-measurement to fair value	2,269,366,432	2,055,361,391
	<b>3,165,817,555</b>	2,951,812,514
Habib Bank Limited - Quoted		
7,244,196 (30 June, 2020: 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	(269,967,424)	(515,328,342)
	<b>947,106,185</b>	701,745,267
<b>Unquoted</b>		
<b>Novelty Enterprises (Pvt.) Limited - Unquoted</b>		
2,351,995 ordinary shares of Rs.10 each	28,716,078	28,716,078
Adjustment arising from re-measurement to fair value	0	0
	<b>28,716,078</b>	28,716,078
<b>TCC Management Services (Pvt.) Limited - Unquoted</b>		
50,000 ordinary shares of Rs.10 each	500,000	500,000
	<b>4,142,139,818</b>	3,682,773,859

**6.4 Debt Instruments - at FVTOCI**

**Habib Bank Limited -**

**term finance certificates (TFCs)**

650 (2020: 650) Term finance certificates of Rs.100,000 each - **cost**

Adjustment arising from re-measurement to fair value

64,973,000 64,976,000

(2,299,460) (1,299,520)

**62,673,540 63,676,480**

**7. CONTINGENCIES AND COMMITMENTS**

- 7.1** Guarantees issued by banks to various Government institutions on behalf of the Company aggregate Rs.697.685 million (30 June, 2020: Rs.697.685 million).

**7.2** Commitments in respect of :

- letters of credit for capital expenditure
- letters of credit for purchase of raw materials and stores, spare parts & chemicals
- capital expenditure other than letters of credit

494,624,700 174,371,178

665,448,678 449,831,421

**647,732,530 704,279,646**

	Note	Un-audited 30 September, 2020 Rupees	Un-audited 30 September, 2019 Rupees
<b>8. COST OF SALES</b>			
Stocks - opening		1,263,603,319	1,309,473,560
Cost of goods manufactured	8.1	4,953,459,919	5,314,532,434
Cost of raw materials sold		41,050,885	18,338,363
		<b>6,258,114,123</b>	6,642,344,357
Stocks - closing		1,326,968,003	1,393,858,461
		<b>4,931,146,120</b>	5,248,485,896

**8.1 Cost of goods manufactured**

Work in process - opening	798,954,256	830,588,354
Raw materials consumed	3,499,509,813	3,688,900,193
Overheads	1,431,876,182	1,619,104,706
	<b>4,931,385,995</b>	5,308,004,899
	<b>5,730,340,251</b>	6,138,593,253
Work in process closing	776,880,332	824,060,819
	<b>4,953,459,919</b>	5,314,532,434

**9. RELATED PARTY TRANSACTIONS**

The Company has related party relationship with its Associated Companies, employee benefit plan, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with associated companies during the period were as follows:

Relationship with the company	Name of transaction	Un-audited 30 September, 2020 Rupees	Un-audited 30 September, 2019 Rupees
I. Subsidiaries	Dividend received	433,173,900	-
	Loans provided	65,851,074	-
	Deposit for shares	-	14,687,797
	Expenses charged to	386,698	1,192,149
	Mark-up charged	3,600,000	-
II. Associates	Sale of goods and services	78,424,297	51,752,667
	Purchase of goods and services	601,318,697	381,615,108
	Expenses charged to	1,861,302	195,136
	Expenses charged by	4,634,364	1,089,758
III. Other related parties	Contributions towards provident fund	7,132,195	6,984,595

**10. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 28 October, 2020 by the Board of Directors of the Company.

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

# Contents

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Directors' Report (English/Urdu)	16
Consolidated Statement of Financial Position	20
Consolidated Statement of Profit or Loss	21
Consolidated Statement of Comprehensive Income	22
Consolidated Statement of Cash Flows	23
Consolidated Statement of Changes In Equity	24
Notes to the Consolidated Financial Statements	25



## Directors' Report to the Shareholders

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 Mining Exploration (Private) Limited, Sapphire Cement Company Limited, Sapphire Energy (Pvt.) Limited and Ignite Power (Private) Limited for the period ended 30 September, 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 September, 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 September, 2020.

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

### **SAPPHIRE MINING EXPLORATION (PRIVATE) LIMITED**

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

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

### **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 September, 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 September, 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.



## Directors' Report to the Shareholders

### 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:

Dated: October 28, 2020

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

## ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2020ء کو ختم ہونے والے سال کے لئے سفارز فائبرز لمیٹڈ اور اسکی ذیلی کمپنیوں سفارز الیکٹرک کمپنی لمیٹڈ، سفارز ہائیڈرولمیکٹڈ، پریمیر سیمینٹ لمیٹڈ، سفارز مائننگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ، سفارز سیمینٹ کمپنی لمیٹڈ، سفارز انرجی (پرائیویٹ) لمیٹڈ اور اگنائٹ پاور (پرائیویٹ) لمیٹڈ کے اشتہال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ معیار-27 (اشتہال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتہال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ الگ مالی گوشوارے منسلک کئے ہیں۔

### سفارز الیکٹرک کمپنی لمیٹڈ:

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

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

### سفارز ہائیڈرولمیکٹڈ:

سفارز ہائیڈرولمیکٹڈ (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 شرمی، خیبر پختونخواہ میں 682 GWh کی سالانہ بجلی کی پیداوار کی پوٹینشل کے ساتھ 150 میگا واٹ کی خالص صلاحیت کا حامل ایک ہائیڈرو الیکٹرک پاور جنریشن منصوبہ تعمیر، قائم اور چلانا ہوگا۔

سفارز ہائیڈرولمیکٹڈ (ایس ایچ ایل) بیرنٹ کمپنی سفارز فائبرز لمیٹڈ کی ذیلی کمپنی سفارز الیکٹرک کمپنی لمیٹڈ کی ایک مکمل ملکیتی ذیلی کمپنی ہے۔

### پریمیر سیمینٹ لمیٹڈ:

پریمیر سیمینٹ لمیٹڈ (پی سی ایل) 26 جولائی 2016ء کو کمپنیز آرڈیننس 1984 (ایکٹ 2017) کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 ستمبر 2020ء کے مطابق پی سی ایل کے 100% حصص کی مالک ہے۔ ضروری منظور یوں کے حوالہ سے، پی سی ایل ہر قسم کے سیمینٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

### سفارز مائننگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ

سفارز مائننگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ (ایس ایم ای ایل) 25 اگست 2020ء کو کمپنیز ایکٹ 2017ء کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ضروری منظور یوں کے حوالہ سے، ایس ایم ای ایل ہر قسم کے سیمینٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے گلگت میں پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

### سفارز سیمینٹ کمپنی لمیٹڈ:

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

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

## ڈائریکٹرز رپورٹ

سفائر انرجی (پرائیویٹ) لمیٹڈ:

سفائر انرجی (پرائیویٹ) لمیٹڈ (ایس ای پی ایل) 11 دسمبر 2017ء کی کنوینز ایکٹ 2017 کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 ستمبر 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 مائع، کیمیکل اور پٹرولیم مصنوعات کی ہینڈلنگ، ری گیس فلیشن، اسٹوریج، ٹریڈنگ اور پروسسنگ کے لئے ایک ٹریڈنگ 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 کی کنوینز 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 پراجیکٹس حاصل، ترقی دینے کا ارادہ رکھتی ہے۔ اگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی پی ایل) پیرنٹ کمپنی سفائر فاہر لمیٹڈ کی ذیلی کمپنی سفائر انرجی پرائیویٹ لمیٹڈ کی 60% ملکیتی ذیلی کمپنی ہے۔

منجانب بورڈ آف ڈائریکٹرز

شایان عبداللہ  
ڈائریکٹر

شاہد عبداللہ  
چیف ایگزیکٹو آفیسر

تاریخ: 28 اکتوبر 2020ء

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited)**  
AS AT 30 SEPTEMBER 2020

		<b>Un-Audited 30 September, 2020 Rupees</b>	<b>Audited 30 June, 2020 Rupees</b>
<b>Assets</b>	<b>Note</b>		
<b>Non Current Assets</b>			
Property, plant and equipment	6	24,257,426,673	24,384,906,761
Investment property		31,750,000	31,750,000
Intangible assets		9,555,817	9,922,074
Long term investments	7	5,789,454,374	5,222,731,748
Long term loans		257,000	262,000
Long term deposits		31,206,445	31,206,445
		<b>30,119,650,309</b>	<b>29,680,779,028</b>
<b>Current Assets</b>			
Stores, spare parts and loose tools		297,243,342	358,027,617
Stock-in-trade		7,754,717,336	7,655,601,257
Trade debts		14,893,260,186	12,760,022,311
Loans and advances		420,095,695	336,477,715
Trade deposits and short term prepayments		14,434,678	46,301,440
Short term investments		2,919,658,581	2,394,357,739
Other receivables		1,406,948,955	950,517,918
Tax refunds due from Government		720,255,214	1,185,320,807
Cash and bank balances		577,726,236	813,632,124
		<b>29,004,340,223</b>	<b>26,500,258,928</b>
<b>Total Assets</b>		<b>59,123,990,532</b>	<b>56,181,037,956</b>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital			
20,671,875 ordinary shares of Rs.10 each		206,718,750	206,718,750
Reserves		3,594,215,974	2,567,390,132
Unappropriated profit		22,869,309,855	21,937,736,251
Equity attributable to shareholders of the Parent Company		26,670,244,579	24,711,845,133
Non-controlling interest		5,412,199,887	5,273,421,703
<b>Total equity</b>		<b>32,082,444,466</b>	<b>29,985,266,836</b>
<b>Non current liabilities</b>			
Long term finances		4,681,375,942	4,510,411,784
Staff retirement benefit - gratuity		324,214,754	310,591,147
Deferred taxation		120,930,975	148,638,412
		<b>5,126,521,671</b>	<b>4,969,641,343</b>
<b>Current liabilities</b>			
Trade and other payables		4,284,315,622	3,847,677,442
Contract liabilities		427,860,619	469,134,612
Accrued mark-up / interest		186,225,113	6,137,961
Short term borrowings		16,024,442,410	280,910,442
Current portion of long term finances		513,656,388	15,264,321,049
Unclaimed dividend		6,134,554	963,305,080
Provision for taxation		472,389,689	394,643,191
		<b>21,915,024,395</b>	<b>21,226,129,777</b>
<b>Contingencies and commitments</b>	8		
<b>Total equity and liabilities</b>		<b>59,123,990,532</b>	<b>56,181,037,956</b>

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Un-audited)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

		<b>Three months period ended</b>	
		<b>30 September,</b>	
	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
Sales		<b>9,768,224,206</b>	10,672,599,299
Cost of sales	<b>9</b>	<b>7,885,148,240</b>	8,526,111,250
<b>Gross profit</b>		<b>1,883,075,966</b>	2,146,488,049
Distribution cost		<b>186,891,387</b>	218,909,690
Administrative expenses		<b>120,478,067</b>	115,699,955
Other expenses		<b>35,011,624</b>	27,679,671
Other income		<b>(35,128,251)</b>	(131,248,202)
		<b>307,252,827</b>	231,041,114
<b>Profit from operations</b>		<b>1,575,823,139</b>	1,915,446,935
Finance cost		<b>314,574,037</b>	671,486,545
		<b>1,261,249,102</b>	1,243,960,390
Share of profit of associates		<b>99,769,687</b>	121,728,304
<b>Profit before taxation</b>		<b>1,361,018,789</b>	1,365,688,694
<b>Taxation</b>			
Current		<b>77,746,498</b>	89,132,076
Deferred		<b>1,451,309</b>	3,741,135
		<b>79,197,807</b>	92,873,211
<b>Profit after taxation</b>		<b>1,281,820,982</b>	1,272,815,483
<b>Attributable to:</b>			
- Shareholders of the Parent Company		<b>940,212,182</b>	997,326,068
- Non-controlling interest		<b>341,608,800</b>	275,489,415
		<b>1,281,820,982</b>	1,272,815,483
<b>Earnings per share</b> - attributable to the shareholders of the Parent Company		<b>45.48</b>	Re-stated 48.39

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	<b>Three months period ended</b>	
	<b>30 September,</b>	
	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Profit after taxation</b>	<b>1,281,820,982</b>	<b>1,272,815,483</b>
<b>Other comprehensive income / (loss)</b>		
<b>Items that will not be reclassified to statement of profit or loss subsequently</b>		
Unrealised gain / (loss) on remeasurement of investment at fair value through other comprehensive income		
- long term	458,366,019	(53,685,730)
- short term	525,300,842	(116,996,599)
Impact of deferred tax	25,176,390	0
Share of fair value profit / (loss) on re-measurement of available-for-sale investments of Associated Companies	8,514,505	(1,374,740)
	<b>1,017,357,756</b>	<b>(172,057,069)</b>
<b>Items that will be reclassified to statement of profit or loss subsequently</b>		
Unrealised gain on remeasurement of forward foreign exchange contracts	754,093	22,817,376
Share of unrealised profit on remeasurement of hedging instrument of Associated Companies	34,225	103,150
	<b>788,318</b>	<b>22,920,526</b>
<b>Total comprehensive gain for the period</b>	<b>2,299,967,056</b>	<b>1,123,678,940</b>
<b>Attributable to:</b>		
- Shareholders of the Parent Company	1,958,358,256	848,189,525
- Non-controlling Interest	341,608,800	275,489,415
	<b>2,299,967,056</b>	<b>1,123,678,940</b>

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	<b>Three months period ended 30 September,</b>	
	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>1,261,249,102</b>	1,243,960,390
Adjustments for non-cash changes and other items:		
Depreciation	<b>358,703,654</b>	345,210,896
Amortisation	<b>366,257</b>	525,571
Staff retirement benefits - gratuity	<b>28,950,000</b>	32,278,616
Provision for workers' profit participation fund	<b>28,952,847</b>	15,478,420
Gain on disposal of operating fixed assets	<b>(698,411)</b>	(379,051)
Gain on sale of stores & spares	<b>(590,915)</b>	(5,778)
Dividend, interest and other income	<b>(17,491,321)</b>	(119,334,092)
Exchange fluctuation loss	<b>5,304,419</b>	4,429,173
Finance cost	<b>311,478,098</b>	669,371,595
	<b>714,974,628</b>	947,575,350
Cash inflow from operating activities before working capital changes	<b>1,976,223,730</b>	2,191,535,740
(Increase) / Decrease in current assets		
Stores, spares and loose tools	<b>(6,262,518)</b>	(57,759,842)
Stock in trade	<b>(32,566,963)</b>	185,999,716
Trade debts	<b>(2,133,237,875)</b>	1,531,061,467
Loans and advances	<b>(64,843,723)</b>	(82,254,035)
Deposits, other receivables and sales tax	<b>(123,188,004)</b>	78,982,899
Increase in trade and other payables	<b>471,634,569</b>	19,734,015
	<b>(1,888,464,514)</b>	1,675,764,220
<b>Cash inflow from operating activities</b>	<b>87,759,216</b>	3,867,299,960
Staff retirement benefit paid	<b>(15,326,393)</b>	(19,923,213)
Finance cost paid	<b>(417,571,369)</b>	(801,989,421)
Tax refund received/ Taxes (paid)	<b>106,804,997</b>	(312,805,698)
Workers' profit participation fund paid	<b>(50,000,000)</b>	(37,000,000)
Long term loans and deposits-net	<b>5,000</b>	(227,000)
	<b>(376,087,765)</b>	(1,171,945,332)
<b>Net Cash (outflow) / inflow from operating activities</b>	<b>(288,328,549)</b>	2,695,354,628
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	<b>(232,805,782)</b>	(313,526,526)
Long and short term investments-net	<b>3,000</b>	3,000
Sale proceeds of operating fixed assets	<b>2,280,627</b>	1,300,139
Sale proceeds of stores & spares	<b>1,088,592</b>	12,480
Dividend, interest and other income received	<b>436,454,840</b>	113,643,758
<b>Net cash inflow / (outflow) from investing activities</b>	<b>207,021,277</b>	(198,567,149)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances - obtained	<b>311,557,900</b>	-
Long term finances - repaid	<b>(590,242,434)</b>	(212,370,973)
Dividend paid	<b>(636,035,443)</b>	(989,779,648)
Shares allotted	<b>-</b>	400,000
Short term borrowings - net	<b>760,121,361</b>	(1,870,340,389)
<b>Net cash outflow from financing activities</b>	<b>(154,598,616)</b>	(3,072,091,010)
<b>Net decrease in cash and cash equivalents</b>	<b>(235,905,888)</b>	(575,303,531)
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>813,632,124</b>	1,064,060,078
<b>CASH AND CASH EQUIVALENTS - at the end of the period</b>	<b>577,726,236</b>	488,756,547

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	Issued, subscribed and paid-up capital	Reserves				Unappropriated profit	Total	Non Controlling Interest
		Capital		Unrealised gain on financial assets at fair value through other comprehensive	Unrealised gain on hedging instruments			
		Share premium	Maintenance reserve	General		Sub-total		
Balance as at 01 July, 2019	196,875,000	145,740,000	113,752,279	1,183,845,000	1,355,378,026	291,482	2,799,006,787	19,214,376,030
Total comprehensive income for the period ended 30 September, 2019								22,210,257,817
Profit for the period	-	-	-	-	-	-	-	4,529,981,873
Other comprehensive loss	-	-	-	(172,057,069)	22,920,526	(149,136,543)	-	-
Transfer to maintenance reserve	-	-	-	(172,057,069)	22,920,526	(149,136,543)	997,326,068	275,489,415
Effect of items directly credited in equity by associates	-	-	14,445,695	-	-	14,445,695	-	-
Balance as at 30 September, 2019	196,875,000	145,740,000	128,197,974	1,183,845,000	1,183,320,957	23,212,008	20,197,254,933	4,805,471,288
Balance as at 01 July, 2020	206,718,750	391,833,750	154,710,148	1,183,845,000	836,743,345	257,889	21,937,736,251	5,273,421,703
Final dividend for the year ended June, 2020	-	-	-	-	-	-	-	(202,830,616)
Total comprehensive income for the period ended 30 September, 2020								-
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	1,017,357,756	788,318	1,018,146,074	940,212,182	341,608,800
Transfer to maintenance reserve	-	-	8,679,768	-	-	8,679,768	-	-
Effect of items directly credited in equity by associates	-	-	-	-	-	-	-	-
Balance as at 30 September, 2020	206,718,750	391,833,750	163,389,916	1,183,845,000	1,854,101,101	1,046,207	22,869,309,855	5,412,199,887

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

**1. LEGAL STATUS AND OPERATIONS**

The Group consists of following parent and subsidiary companies.

**The Parent Company**

**- 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. The registered office of the Parent Company is located at 316, Cotton Exchange Building, Karachi while its mills and head office are located in Lahore and Sheikhupura districts.

**The Subsidiary Companies**

**- Sapphire Electric Company Limited - SECL**

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 at Muridke, District Sheikhupura, Punjab. The registered office of the Subsidiary Company is located at 7-A/K, Main Boulevard, Gulberg II, Lahore. The Subsidiary Company has a Power Purchase Agreement (PPA) with its sole customer, National Transmission and Dispatch Company Limited (NTDC) for thirty years which commenced from October 05, 2010.

**- Premier Cement Limited - PCL**

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 registered office of the Subsidiary Company is located at 7 - A/K, Main Boulevard, Gulberg - II, Lahore. 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.

**- Sapphire Cement Company Limited - SCCL**

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 registered office of the Subsidiary Company is located at 7 - A/K, Main Boulevard, Gulberg - II, Lahore. The Subsidiary company is aiming to set up its plant in the province of Punjab.

**- Sapphire Mining Exploration (Private) Limited - SMEL**

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

**- Sapphire Energy (Private) Limited - SEL**

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, 2017. 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. The registered office of the Subsidiary Company is located at 7 - A/K, Main Boulevard, Gulberg - II, Lahore.

**- Sapphire Hydro Limited - SHL**

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, 2017. 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, Khyber Pakhtunkhwa. The subsidiary company is in setup phase and has not yet commenced commercial operations. The registered office of the Subsidiary Company is located at 7 - A/K, Main Boulevard, Gulberg - II, Lahore.

**- 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. The registered office of the Subsidiary Company is located at 7 - A/K, Main Boulevard, Gulberg - II, Lahore.

**2. BASIS OF PREPARATION**

These condensed interim consolidated financial information 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; and

-Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and

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

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.

These condensed interim consolidated 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.

**3. PRINCIPLES OF CONSOLIDATION**

The assets and liabilities of the Subsidiary Companies have been consolidated on a line by line basis and the carrying value of investment held by the Holding Company is eliminated against Holding Company's share in paid-up capital of the Subsidiary Companies.

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.

Non-controlling interest is calculated on the basis of their proportionate share in the net assets of the Subsidiary Company.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the preceding published consolidated financial statements of the Group for the year ended 30 June, 2020.

**5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of condensed interim consolidated 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. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual audited financial statements for the year ended 30 June, 2020.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June, 2020.

	Note	Un-audited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	22,934,963,115	23,029,887,357
Capital work in progress	6.2	1,322,463,558	1,355,019,404
		<b>24,257,426,673</b>	<b>24,384,906,761</b>
<b>6.1 Operating fixed assets</b>			
Opening book value		23,029,887,357	23,179,031,125
Additions/Adjustments during the period/year			
- land (freehold)		-	10,717,700
- residential buildings and others		-	7,340,151
- factory buildings		46,654,706	33,144,343
- plant and machinery		214,024,617	1,196,020,251
- electric installations		3,168,676	12,133,403
- electric/gas equipment		-	188,631
- mill equipments		-	1,056,400
- computer hardware		1,309,355	1,538,506
- vehicles		-	25,722,394
- furniture and fixtures		204,274	3,085,480
		265,361,628	1,290,947,259
Book value of assets disposed-off / adjustments during the quarter / year		(1,582,216)	(36,988,751)
Depreciation charge for the quarter / year		(358,703,654)	(1,403,102,276)
Closing book value		<b>22,934,963,115</b>	<b>23,029,887,357</b>
<b>6.2 Capital work-in-progress</b>			
Building		187,106,758	177,159,344
Plant and machinery		342,842,251	401,629,894
Un-allocated capital expenditure		374,076,434	362,849,801
Advance payments:			
- land - freehold		390,000,000	390,000,000
- factory / office buildings		6,668,800	6,668,800
- electric installation		15,764,565	15,764,565
- vehicles		5,485,000	-
- computer software		519,750	947,000
		<b>1,322,463,558</b>	<b>1,355,019,404</b>

		Un-audited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
<b>7. LONG TERM INVESTMENTS</b>	<b>Note</b>		
Associates - equity accounted investments	7.1	1,584,641,016	1,476,281,409
Others - equity instruments	7.2	4,142,139,818	3,682,773,859
- debt instruments	7.3	62,673,540	63,676,480
		<b>5,789,454,374</b>	<b>5,222,731,748</b>
<b>7.1 Associates - at equity method</b>			
<b>Quoted</b>			
Reliance Cotton Spinning Mills Limited (RCSM)	7.1.1	44,043,851	41,384,808
SFL Limited (SFLL)	7.1.2	2,207,702	2,083,041
<b>Un quoted</b>			
Sapphire Power Generation Limited (SPGL)	7.1.3	254,273,770	246,203,156
Sapphire Dairies (Private) Limited (SDL)	7.1.4	103,193,668	116,228,510
Tricon Boston Consulting Corporation (Private) Limited (TBCCCL)	7.1.5	1,180,922,025	1,070,381,894
Energas Terminal (Private) Limited - ETL	7.1.6	-	-
Energas Marketing (Private) Limited (EML)	7.1.7	-	-
		<b>1,584,641,016</b>	<b>1,476,281,409</b>
<b>7.1.1</b> Investment in RCSM represents 138,900 fully paid ordinary shares of Rs.10 each representing 1.35% (30 June, 2020: 1.35%) of RCSM's issued, subscribed and paid-up capital as at September 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. RCSM is an associate of the Group due to common directorship. The financial information of RCSM for the quarter ended 30 September, 2020 has been used for the purpose of application of equity method.			
<b>7.1.2</b> Investment in SFLL represents 10,199 fully paid ordinary shares of Rs.10 each representing 0.051% (30 June, 2020: 0.051%) of SFLL's issued, subscribed and paid-up capital as at September 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 invest in the shares of Associated Companies. SFLL is an associate of the Group due to common directorship. The financial information of SFLL for the quarter ended 30 September, 2020 has been used for the purpose of application of equity method.			
<b>7.1.3</b> Investment in SPGL represents 2,824,500 fully paid ordinary shares of Rs.10 each representing 17.63% (30 June, 2020: 17.63%) of SPGL's issued, subscribed and paid-up capital as at September 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. The financial information of SPGL for the quarter ended 30 September, 2020 has been used for the purpose of application of equity method.			
<b>7.1.4</b> Investment in SDL represents 10,000,000 fully paid ordinary shares of Rs.10 each representing 8.00% (30 June, 2020: 8.00%) of SDL's issued, subscribed and paid-up capital as at September 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. The financial information of SDL for the quarter ended 30 September, 2020 has been used for the purpose of application of equity method.			

- 7.1.5** The Parent Company holds 59,251,500 fully paid ordinary shares of Rs.10 each representing 7.13% (30 June, 2020: 7.13%) of TBCCL's issued, subscribed and paid-up capital as at September 30, 2020. The Parent Company has pledged these shares through an Onshore Security Trustee under Share Pledge Group Agreement dated May 08, 2017 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. The financial information of TBCCL for the quarter ended 30 September, 2020 has been used for the purpose of application of equity method.
- 7.1.6** The Subsidiary Company - Sapphire Energy (Private) Limited (SEL), has made investment in ETL's 3,000 fully paid ordinary shares of Rs.10 each representing 30% (30 June, 2020: 30%) of ETL's issued, subscribed and paid-up capital as at 30 September, 2020. 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.
- 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 September 30, 2020. EML was incorporated as a private limited company. The principal activity of EML shall be to import, process and sell natural gas, liquefied natural gas all other related items.
- 7.1.8** Investments made by the Group in the Subsidiary and Associated Companies have been made in accordance with the requirements under the Companies Act, 2017.

## 7.2 Equity Instruments - at FVTOCI

### Quoted

MCB Bank Limited

18,213,195 (30 June, 2020: 18,213,195) ordinary shares of Rs.10 each - cost

Adjustment arising from re-measurement to fair value

Un-audited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
896,451,123	896,451,123
2,269,366,432	2,055,361,391
3,165,817,555	2,951,812,514

Habib Bank Limited

7,244,196 (30 June, 2020: 7,244,196) ordinary shares of Rs.10 each - cost

Adjustment arising from re-measurement to fair value

1,217,073,609	1,217,073,609
(269,967,424)	(515,328,342)
947,106,185	701,745,267

### Unquoted

Novelty Enterprises (Pvt.) Limited

2,351,995 ordinary shares of Rs.10 each

TCC Management Services (Pvt.) Limited - Unquoted  
50,000 ordinary shares of Rs.10 each

28,716,078	28,716,078
500,000	500,000
4,142,139,818	3,682,773,859

## 7.3 Debt Instruments - at FVTOCI

Habib Bank Limited -

term finance certificates (TFCs)

650 (2020: 650) Term finance certificates of Rs.100,000 each -cost

Adjustment arising from re-measurement to fair value

64,973,000	64,976,000
(2,299,460)	(1,299,520)
62,673,540	63,676,480
62,673,540	63,676,480

**8. CONTINGENCIES AND COMMITMENTS**

**8.1** Guarantees issued by banks to various Government institutions on behalf of the Parent and Subsidiary Company aggregate Rs. 2,722.645 million (30 June, 2020: Rs.2,722.998 million).

**8.2** SNGPL has claimed late payment surcharge amounting to Rs 307.73 million (June, 2020: 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 group, 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 group's part. Based on the advice of the Subsidiary Company - SECL 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 stance. Consequently, no provision for the abovementioned amount has been made in these consolidated financial statements.

There was no significant change in status of contingencies that were disclosed to the annual audited consolidated financial statements for the year ended 30 June, 2020 except disclosed above.

	Un-audited 30 September, 2020 Rupees	Audited 30 June, 2020 Rupees
Commitments in respect of :		
- letters of credit for capital expenditure	494,624,700	174,371,178
- letters of credit for purchase of raw materials and stores, spare parts & chemicals	665,448,678	449,831,421
- capital expenditure other than letters of credit	647,732,530	704,279,646

**8.3** 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 starting 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 Subsidiary Company-SECL 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%.

	Note	Un-audited 30 September, 2020 Rupees	Un-audited 30 September, 2019 Rupees
<b>9. COST OF SALES</b>			
Stocks - opening		1,263,603,319	1,309,473,560
Cost of goods manufactured	9.1	7,907,462,039	8,592,157,788
Cost of raw materials sold		41,050,885	18,338,363
		9,212,116,243	9,919,969,711
Stocks - closing		1,326,968,003	1,393,858,461
		7,885,148,240	8,526,111,250
<b>9.1 Cost of goods manufactured</b>			
Work in process - opening		798,954,256	830,588,354
Raw materials consumed		5,948,940,117	6,128,313,287
Overheads		1,936,447,998	2,457,316,966
		7,885,388,115	8,585,630,253
		8,684,342,371	9,416,218,607
Work in process - closing		776,880,332	824,060,819
		7,907,462,039	8,592,157,788

**10 SEGMENT INFORMATION**

The Group's reportable segments are as follows:

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

**10.1 Segment revenues and results**

Spinning	Knitting, Processing and garments	Denim	Power	Total
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----- Rupees -----

**For the period ended  
30 September, 2020**

Revenue - external Customers	2,939,096,351	937,642,624	1,733,377,416	4,158,107,815	9,768,224,206
Inter -segment Sale	485,813,428		126,110		485,939,538
<b>Segment Results</b>	<b>159,789,560</b>	<b>56,797,452</b>	<b>70,550,855</b>	<b>1,094,472,675</b>	<b>1,381,610,542</b>

**For the period ended  
30 September, 2019**

Revenue - external Customers	3,108,699,656	1,547,346,349	1,563,056,829	4,453,496,465	10,672,599,299
Inter -segment Sale	523,911,589		196,570		524,108,159
<b>Segment Results</b>	<b>229,233,487</b>	<b>293,858,994</b>	<b>(156,659,424)</b>	<b>889,658,757</b>	<b>1,256,091,814</b>

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

	Three months period ended 30 September,	
	2020 Rupees	2019 Rupees
Total results for reportable segments	1,381,610,542	1,256,091,814
Administrative expenses	(120,478,067)	(115,699,955)
Other income	35,128,251	131,248,202
Other expenses	(35,011,624)	(27,679,671)
Share of profit / (loss) of associates	99,769,687	121,728,304
Taxation	(79,197,807)	(92,873,211)
<b>Profit after taxation</b>	<b>1,281,820,982</b>	<b>1,272,815,483</b>

**10.2 Segment assets and liabilities**

Spinning	Knitting, Processing and garments	Denim	Power	Total
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----- Rupees -----

**As at 30 September, 2020**

Segment assets	10,018,144,116	2,798,162,795	8,188,754,721	24,272,124,767	45,277,186,399
Unallocated assets					13,846,804,133
					<b>59,123,990,532</b>
Segment liabilities	6,189,439,819	1,733,822,626	11,097,214,470	7,308,185,745	26,328,662,660
Unallocated liabilities					712,883,406
					<b>27,041,546,066</b>

**As at 30 June, 2020**

Segment assets	9,237,612,509	2,989,109,344	7,145,432,753	23,933,473,688	43,305,628,294
Unallocated assets					12,875,409,662
					<b>56,181,037,956</b>
Segment liabilities	6,136,570,231	1,848,361,257	10,121,017,756	7,405,252,575	25,511,201,819
Unallocated liabilities					684,569,301
					<b>26,195,771,120</b>

**10.3 Geographical information**

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



**11. RELATED PARTY TRANSACTIONS**

The Group has related party relationship with its Associated Companies, employee benefit plan, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with associated companies during the period were as follows:

		<b>Un-audited 30 September, 2020 Rupees</b>	<b>Un-audited 30 September, 2019 Rupees</b>
<b>Relationship with the company</b>	<b>Name of transaction</b>		
I. Associates	Sale of goods and services	<b>78,424,297</b>	51,752,667
	Purchase of goods and services	<b>601,318,697</b>	381,615,108
	Expenses charged to	<b>1,861,302</b>	195,136
	Expenses charged by	<b>4,634,364</b>	1,089,758
II. Other related parties	Contribution towards provident fund	<b>8,151,299</b>	8,057,800

**12. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 28 October, 2020 by the Board of Directors of the Company.

**Shahid Abdullah**  
Chief Executive Officer

**Shayan Abdullah**  
Director

**Jawwad Faisal**  
Chief Financial Officer