



Sapphire

2023

FIRST QUARTER REPORT

**SAPPHIRE FIBRES LIMITED**

## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### Chairman

Mr. Yousuf Abdullah

#### Chief Executive

Mr. Shahid Abdullah

#### Director

Mr. Nadeem Abdullah

Mr. Amer Abdullah

Mr. Shayan Abdullah

Mr. Abdul Sattar

#### Independent Director

Mr. Muhammad Naeem Khan

Mr. Nadeem Arshad Elahi

Dr. Mariam Chughtai

#### Audit Committee

Mr. Nadeem Arshad Elahi – Chairman

Mr. Shayan Abdullah – Member

Mr. Yousuf Abdullah – Member

Mr. Amer Abdullah – Member

#### Human Resource and

#### Remuneration Committee

Mr. Muhammad Naeem Khan – Chairman

Mr. Yousuf Abdullah – Member

Mr. Shahid Abdullah – Member

Mr. Shayan Abdullah – Member

#### Chief Financial Officer

Mr. Jawwad Faisal

#### Secretary

Mr. Rameez Ghausi

#### Auditors

Shinewing Hameed Chaudhri & Company

Chartered Accountants

#### Tax Consultants

Yousuf Adil, Chartered Accountants

#### Legal Advisor

Hassan & Hassan Advocates

### Bankers

Allied Bank Limited

Bank Alfalah Limited

MCB Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

United Bank Limited

Askari Bank Limited

Bank Al Habib Limited

National Bank of Pakistan

The Bank of Khyber

### Share Registrars

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

### Registered Office

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

### Corporate Office

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

### Mills

Spinning Units

10 KM, Sheikhupura Faisalabad Road, Kharianwala

District Sheikhupura

26 KM, Sheikhupura Faisalabad Road, Ferozewattuan

District Sheikhupura

### Fabric Knitting Unit

7 KM, Warburton Road, Ferozewattuan District

Sheikhupura

### Fabric Dyeing and Denim Units

3.5 Km, Raiwind Manga Road, Raiwind

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## Sapphire Fibres Limited

### DIRECTORS' REPORT

The Directors of your Company are pleased to present un-audited financial statements for the quarter ended 30 September 2023.

### Financial Highlights

|                              | 30 September       |                  |
|------------------------------|--------------------|------------------|
|                              | 2023               | 2022             |
|                              | Rupees in thousand |                  |
| Sales                        | 12,279,255         | 12,217,836       |
| Profit from operations       | 1,728,897          | 1,721,219        |
| Finance cost                 | (670,776)          | (477,750)        |
| Taxation                     | (341,446)          | (172,912)        |
| <b>Profit after taxation</b> | <b>716,675</b>     | <b>1,070,557</b> |

### Financial Performance

During first quarter of this financial year, the company achieved sales of Rs.12.28 billion as compared to Rs.12.22 billion during corresponding period of last year. The gross profit as a percentage of sales decreased from last year's 19.62% to 13.92% during the period. Whereas, profit after tax was Rs.717 million against Rs.1,071 million during first quarter of last year.

### Earnings per share

The company's earnings per share (EPS) were at Rs.34.67 as compared to Rs. 51.79 for the same period of last year.

### Future Outlook

In addition to demand slowdown in both domestic and export markets, very high inflation and interest rates in the country have adversely affected profit margins of textile companies. Furthermore, with prevailing uncertainty in terms of cotton prices and exchange rate, it is difficult to predict growth and profitability in remainder of the financial year as well.

In these challenging times, the management of your company is focused on maximizing shareholder value through profitable growth and capital efficiency.

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

For and on behalf of the Board

Shayan Abdullah  
Director

Shahid Abdullah  
Chief Executive

Lahore  
Dated: 27 October, 2023



## Sapphire Fibres Limited

### ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔  
مالیاتی جھلکیاں

روپے ہزاروں میں

| تفصیل             | 30 ستمبر 2023ء | 30 ستمبر 2022ء |
|-------------------|----------------|----------------|
| فروخت             | 12,279,255     | 12,217,836     |
| آپریٹرز سے منافع  | 1,728,897      | 1,721,219      |
| مالی لاگت         | (670,776)      | (477,750)      |
| ٹیکسیشن           | (341,446)      | (172,912)      |
| ٹیکس کے بعد منافع | 716,675        | 1,070,557      |

### مالی کارکردگی

کمپنی نے گزشتہ سال کی اسی مدت کے دوران 12.22 بلین روپے کے مقابلے اس مالی سال کی پہلی سہ ماہی کے دوران 12.28 بلین روپے کی فروخت حاصل کی ہے۔ فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کے 19.62 فیصد سے کم ہو کر اس مدت کے دوران 13.92 فیصد ہو گیا۔ جبکہ کمپنی نے گزشتہ سال کی پہلی سہ ماہی کے دوران 1,071 ملین روپے کے برعکس موجودہ سہ ماہی کے دوران 717 ملین روپے ٹیکس کے بعد منافع کمایا ہے۔

### فی حصص آمدنی

کمپنی کی موجودہ سہ ماہی کی فی شیئر آمدنی (EPS) 34.67 روپے ہے جو کہ پچھلے سال کی اسی سہ ماہی کی 51.79 روپے تھی۔

### مستقبل کا نقطہ نظر

دونوں ملکی اور برآمد مارکیٹوں میں طلب کی کمی کے علاوہ، ملکی میں بہت زیادہ مہنگائی اور شرح سود نے ٹیکسٹائل کمپنیوں کے منافع مارجن کو بڑی طرح متاثر کیا ہے۔ مزید برآں، کپاس کی قیمتوں اور شرح مبادلہ کے حوالے سے موجودہ غیر یقینی صورتحال ہے جس کی وجہ سے مالی سال کے بقیہ حصے میں نموار منافع کی پیش گوئی کرنا مشکل ہے۔ ان مشکل وقتوں میں، آپ کی کمپنی کی انتظامیہ منافع بخش نموار کمپنٹس ایپریٹیشن کے ذریعے حصص داران کی قدر کو زیادہ سے زیادہ کرنے پر توجہ مرکوز رکھے ہوئے ہے۔

### اعتراف

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

منجانب بورڈ آف ڈائریکٹرز

(شاہد عبداللہ)

چیف ایگزیکٹو

لاہور تاریخ: 27 اکتوبر 2023ء

(شایان عبداللہ)

ڈائریکٹر

SAPPHIRE FIBRES LIMITED  
CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2023  
(UN-AUDITED)

**SAPPHIRE FIBRES LIMITED**  
**Condensed Interim Statement of Financial Position - Unaudited**  
**As at 30 September, 2023**

| Assets                                    | Note | Unaudited<br>30 September,<br>2023<br>Rupees | Audited<br>30 June,<br>2023<br>Rupees |
|---|------|--|---------------------------------------|
| <b>Non Current Assets</b>                 |      |  |                                       |
| Property, plant and equipment             | 5    | 15,075,083,562                               | 15,148,289,454                        |
| Investment property                       |      | 31,750,000                                   | 31,750,000                            |
| Intangible assets                         |      | 4,253,290                                    | 4,804,321                             |
| Long term investments                     | 6    | 7,571,101,692                                | 7,095,441,990                         |
| Long term loans                           |      | 1,990,570                                    | 1,510,000                             |
| Long term deposits                        |      | 60,496,545                                   | 60,496,545                            |
|   |      | <b>22,744,675,659</b>                        | <b>22,342,292,310</b>                 |
| <b>Current Assets</b>                     |      |  |                                       |
| Stores, spare parts and loose tools       |      | 1,129,701,982                                | 963,705,040                           |
| Stock-in-trade                            |      | 18,905,205,496                               | 14,503,077,307                        |
| Trade debts                               |      | 5,231,445,790                                | 7,446,623,923                         |
| Loans and advances                        |      | 914,518,560                                  | 281,444,587                           |
| Trade deposits and short term prepayments |      | 95,716,254                                   | 53,587,970                            |
| Short term investments                    |      | 1,767,496,444                                | 1,609,381,756                         |
| Other receivables                         |      | 1,953,420,839                                | 1,678,329,389                         |
| Tax refunds due from Government           |      | 1,923,917,789                                | 1,917,204,275                         |
| Cash and bank balances                    |      | 534,049,330                                  | 359,991,393                           |
|   |      | <b>32,455,472,484</b>                        | <b>28,813,345,640</b>                 |
| <b>Total Assets</b>                       |      | <b>55,200,148,143</b>                        | <b>51,155,637,950</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                                  |      | 1,548,952,004                                | 972,715,713                           |
| Unappropriated profit                     |      | 27,229,032,377                               | 26,529,231,407                        |
| <b>Total equity</b>                       |      | <b>28,984,703,131</b>                        | <b>27,708,665,870</b>                 |
| <b>Non current liabilities</b>            |      |  |                                       |
| Long term liabilities                     |      | 4,667,426,795                                | 4,881,704,404                         |
| Staff retirement benefit - gratuity       |      | 551,797,813                                  | 513,768,596                           |
| Deferred taxation                         |      | 134,548,198                                  | 128,141,084                           |
|   |      | <b>5,353,772,806</b>                         | <b>5,523,614,084</b>                  |
| <b>Current liabilities</b>                |      |  |                                       |
| Trade and other payables                  |      | 4,512,373,697                                | 5,819,666,818                         |
| Contract liabilities                      |      | 912,183,480                                  | 727,672,349                           |
| Accrued mark-up / interest                |      | 384,485,699                                  | 360,624,213                           |
| Short term borrowings                     |      | 12,562,842,533                               | 8,871,715,921                         |
| Current portion of long term liabilities  |      | 1,185,846,022                                | 1,172,524,522                         |
| Unclaimed dividend                        |      | 7,197,015                                    | 7,213,927                             |
| Provision for taxation                    |      | 1,296,743,760                                | 963,940,246                           |
|   |      | <b>20,861,672,206</b>                        | <b>17,923,357,996</b>                 |
| <b>Total liabilities</b>                  |      | <b>26,215,445,012</b>                        | <b>23,446,972,080</b>                 |
| <b>Contingencies and commitments</b>      | 7    |  |                                       |
| <b>Total equity and liabilities</b>       |      | <b>55,200,148,143</b>                        | <b>51,155,637,950</b>                 |

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

  
Chief Executive Officer


  
Director

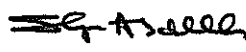
  
Chief Financial Officer

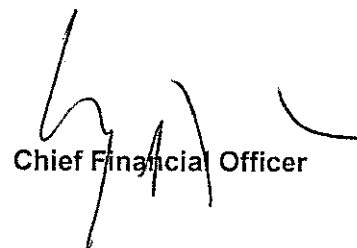
**SAPPHIRE FIBRES LIMITED**  
**Condensed Interim Statement of Profit or Loss - Unaudited**  
**For the Three Months Period Ended 30 September, 2023**

|   | Note | Three months period ended<br>30 September, |                      |
|---|------|--|----------------------|
|   |      | 2023<br>Rupees                             | 2022<br>Rupees       |
| Sales   |      | 12,279,254,698                             | 12,217,836,087       |
| Cost of sales                                 | 8    | 10,570,408,956                             | 9,820,991,851        |
| <b>Gross profit</b>                           |      | <b>1,708,845,742</b>                       | <b>2,396,844,236</b> |
| Distribution cost                             |      | (471,577,478)                              | (629,916,464)        |
| Administrative expenses                       |      | (170,841,651)                              | (128,444,512)        |
| Other expenses                                |      | (28,167,474)                               | (76,928,895)         |
| Other income                                  |      | 690,637,542                                | 159,664,797          |
| <b>Profit from operations</b>                 |      | <b>1,728,896,681</b>                       | <b>1,721,219,162</b> |
| Finance cost                                  |      | (670,775,678)                              | (477,749,631)        |
| <b>Profit before taxation</b>                 |      | <b>1,058,121,003</b>                       | <b>1,243,469,531</b> |
| <b>Taxation</b>                               |      |  |                      |
| - current                                     |      | (332,803,515)                              | (172,732,220)        |
| - deferred                                    |      | (8,642,232)                                | (180,207)            |
|   |      | (341,445,747)                              | (172,912,427)        |
| <b>Profit after taxation</b>                  |      | <b>716,675,256</b>                         | <b>1,070,557,104</b> |
| <b>Earnings per share - basic and diluted</b> |      | <b>34.67</b>                               | <b>51.79</b>         |

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



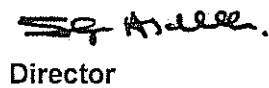
**SAPPHIRE FIBRES LIMITED**

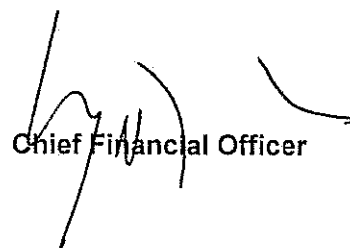
**Condensed Interim Statement of Other Comprehensive Income - *Unaudited***  
**For the Three Months Period Ended 30 September, 2023**

|   | Three months period ended |                    |
|---|---------------------------|--------------------|
|   | 30 September,             |                    |
|   | 2023                      | 2022               |
|   | Rupees                    | Rupees             |
| <b>Profit after taxation</b>  | 716,675,256               | 1,070,557,104      |
| <b>Other comprehensive income / (loss)</b>  |                           |                    |
| <b>Items that will not be reclassified to statement of profit or loss subsequently</b>          |                           |                    |
| Unrealised loss on remeasurement of investment at fair value through other comprehensive income |                           |                    |
| - long term   | 387,161,604               | (219,641,746)      |
| - short term  | 189,074,687               | (268,241,981)      |
| Realised loss on sale of investment at fair value through other comprehensive income            | (19,109,404)              | -                  |
|   | 557,126,887               | (487,883,727)      |
| <b>Items that will be reclassified to statement of profit or loss subsequently</b>              |                           |                    |
| Impact of deferred tax on Gratuity  | 2,235,118                 | (207,533)          |
|   | 2,235,118                 | (207,533)          |
|   | 559,362,005               | (488,091,260)      |
| <b>Total comprehensive income for the period</b>  | <b>1,276,037,261</b>      | <b>582,465,844</b> |

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

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**SAPPHIRE FIBRES LIMITED**  
**Condensed Interim Statement of Cash Flows - Unaudited**  
**For the Three Months Period Ended 30 September, 2023**

**CASH FLOW FROM OPERATING ACTIVITIES**

|   | Three months period ended<br>30 September, |                        |
|---|--|------------------------|
|   | 2023<br>Rupees                             | 2022<br>Rupees         |
| Profit for the period - before taxation                           | 1,058,121,003                              | 1,243,469,531          |
| Adjustments for non-cash changes and other items:                 |  |                        |
| Depreciation  | 252,471,497                                | 226,227,201            |
| Amortisation  | 551,031                                    | 236,361                |
| Staff retirement benefits - gratuity                              | 53,700,000                                 | 40,950,000             |
| Provision for WPPF & WWF  | 28,167,474                                 | 77,055,548             |
| Gain on disposal of operating fixed assets                        | (7,654,080)                                | (3,774,564)            |
| Dividend income   | (652,455,437)                              | (127,734,790)          |
| Finance cost  | 670,775,678                                | 477,749,631            |
|   | <u>345,556,163</u>                         | <u>690,709,387</u>     |
|   | 1,403,677,166                              | 1,934,178,918          |
| <b>Working capital changes</b>                                    |  |                        |
| (Increase) / decrease in current assets                           |  |                        |
| Stores, spares and loose tools                                    | (165,996,942)                              | 13,555,761             |
| Stock in trade  | (4,402,128,189)                            | (533,855,672)          |
| Trade debts   | 2,215,178,133                              | (132,291,986)          |
| Loans and advances  | (633,073,973)                              | (716,348,957)          |
| Deposits, other receivables and sales tax                         | (62,895,058)                               | (189,625,596)          |
| (Decrease) / increase in trade and other payables                 | (1,150,949,464)                            | 227,223,907            |
|   | <u>(4,199,865,493)</u>                     | <u>(1,331,342,543)</u> |
| <b>CASH OUTFLOW FROM OPERATING ACTIVITIES</b>                     | (2,796,188,327)                            | 602,836,375            |
| Staff retirement benefit paid                                     | (15,670,783)                               | (20,447,922)           |
| Finance cost paid   | (646,914,192)                              | (471,205,576)          |
| Taxes paid  | (253,756,523)                              | (1,102,753,055)        |
| Long term loans and deposits                                      | (480,570)                                  | (712,500)              |
|   | <u>(916,822,068)</u>                       | <u>(1,595,119,053)</u> |
| <b>Net cash used in operating activities</b>                      | (3,713,010,395)                            | (992,282,678)          |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                        |  |                        |
| Fixed capital expenditures  | (182,048,564)                              | (232,025,243)          |
| Long and short term investments - net                             | (76,647,503)                               | (100,000,000)          |
| Sale proceeds of tangible fixed assets                            | 10,437,039                                 | 12,773,064             |
| Dividend received   | 645,173,769                                | 157,051,273            |
| <b>Net cash generated / (used in) from investing activities</b>   | 396,914,741                                | (162,200,906)          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                        |  |                        |
| Long term loans - Repaid  | (200,956,109)                              | (487,674,732)          |
| Dividend paid   | (16,912)                                   | -                      |
| Short term borrowings - net                                       | 3,691,126,612                              | 1,655,968,772          |
| <b>Net cash inflow from financing activities</b>                  | 3,490,153,591                              | 1,168,294,040          |
| <b>Net increase in cash and cash equivalents</b>                  | 174,057,937                                | 13,810,456             |
| <b>Cash and cash equivalents - at the beginning of the period</b> | 359,991,393                                | 45,831,510             |
| <b>CASH AND CASH EQUIVALENTS - at the end of the period</b>       | <u>534,049,330</u>                         | <u>59,641,966</u>      |

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

  
Chief Executive Officer

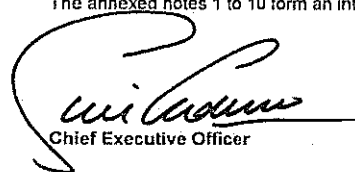
  
Director

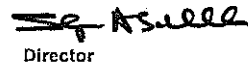
  
Chief Financial Officer

**SAPPHIRE FIBRES LIMITED**  
**Condensed Interim Statement of Changes in Equity - Unaudited**  
**For the Three Months Period Ended 30 September, 2023**

|   | Reserves    |             |   |  |           | Unappropriated profit | Total          |                |
|---|-------------|-------------|---|--|-----------|-----------------------|----------------|----------------|
|   | Capital     | General     | Unrealised gain / (loss) on financial assets at fair value through other comprehensive income | Unrealised gain on hedging instruments | Sub-total |                       |                |                |
|   | Rupees      |             |   |  |           |                       |                |                |
| Balance as at 01 July, 2022   | 206,718,750 | 391,833,750 | 1,183,845,000   | 46,172,423                             | -         | 1,621,851,173         | 21,540,395,399 | 23,368,965,322 |
| Total comprehensive income for the period ended 30 September, 2022  |             |             |   |  |           |                       |                |                |
| Profit for the period   | -           | -           | -   | -                                      | -         | -                     | 1,070,557,104  | 1,070,557,104  |
| Other comprehensive income  | -           | -           | -   | (487,883,727)                          | -         | (487,883,727)         | (207,533)      | (488,091,260)  |
|   | -           | -           | -   | (487,883,727)                          | -         | (487,883,727)         | 1,070,349,571  | 582,465,844    |
| Balance as at 30 September, 2022  | 206,718,750 | 391,833,750 | 1,183,845,000   | (441,711,304)                          | -         | 1,133,967,446         | 22,610,744,970 | 23,951,431,166 |
| Balance as at 01 July, 2023   | 206,718,750 | 391,833,750 | 1,183,845,000   | (602,963,037)                          | -         | 972,715,713           | 26,529,231,407 | 27,708,665,870 |
| Total comprehensive income for the period ended 30 September, 2023  |             |             |   |  |           |                       |                |                |
| Profit for the period   | -           | -           | -   | -                                      | -         | -                     | 716,675,256    | 716,675,256    |
| Other comprehensive loss  | -           | -           | -   | 557,126,887                            | -         | 557,126,887           | 2,235,118      | 559,362,005    |
|   | -           | -           | -   | 557,126,887                            | -         | 557,126,887           | 718,910,374    | 1,276,037,261  |
| Reclassification adjustment of realised loss on sale of investment at fair value through other comprehensive income | -           | -           | -   | 19,109,404                             | -         | 19,109,404            | (19,109,404)   | -              |
| Balance as at 30 September, 2023  | 206,718,750 | 391,833,750 | 1,183,845,000   | (26,726,746)                           | -         | 1,548,952,004         | 27,229,032,377 | 28,984,703,131 |

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

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**SAPPHIRE FIBRES LIMITED**  
**Notes to the Condensed Interim Financial Statements - Unaudited**  
**For the Three Months Period Ended 30 September, 2023**

**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><br>316, Cotton Exchange Building, I.I Chundrigar Road  | <b>Purpose</b><br>Registered office. |
| <b>Lahore</b><br>First Floor, Tricon Corporate Centre, 73-E Main Jail Road, Gulberg II.<br>3.5 km, Manga Road, Riawand        | Head office<br>Production plant      |
| <b>Shiekhpora</b><br>10 km, Sheikhupura / Faisalabad Road, Kharianwala<br>26 km, Sheikhpura / Faisalabad Road, Feroze wattoan | Production plant<br>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, 2023.

#### 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, 2023.

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, 2023.

|   | Note | Un-audited<br>30 September,<br>2023<br>Rupees | Audited<br>30 June,<br>2023<br>Rupees |
|---|------|---|---------------------------------------|
| <b>5. PROPERTY, PLANT AND EQUIPMENT</b>                   |      |   |                                       |
| Operating fixed assets                                    | 5.1  | 13,546,145,578                                | 13,524,386,843                        |
| Capital work-in-progress                                  | 5.2  | 1,528,937,984                                 | 1,623,902,611                         |
|   |      | <u>15,075,083,562</u>                         | <u>15,148,289,454</u>                 |
| <b>5.1 Operating fixed assets</b>                         |      |   |                                       |
| Opening book value  |      | 13,524,386,843                                | 12,885,466,235                        |
| Additions during the quarter / year                       |      |   |                                       |
| - land (freehold)   |      |   | 15,497,360                            |
| - land (freehold)   |      |   | 24,218,750                            |
| - residential buildings and others on freehold land       |      | 9,852,468                                     | 150,281,345                           |
| - factory buildings on freehold land                      |      | 115,606,661                                   | 337,051,450                           |
| - plant and machinery                                     |      | 108,152,816                                   | 769,045,594                           |
| - fire fighting equipment                                 |      |   | 1,586,000                             |
| - office equipment  |      |   | 3,056,107                             |
| - mills equipment   |      |   | 38,819,709                            |
| - electric installations                                  |      | 21,066,547                                    | 97,225,380                            |
| - computer hardware                                       |      | 2,917,360                                     | 15,322,555                            |
| - vehicles  |      | 15,928,000                                    | 140,616,796                           |
| - furniture and fixtures                                  |      | 3,489,339                                     | 59,880,300                            |
|   |      | 277,013,191                                   | 1,652,601,346                         |
| Book value of assets disposed-off during the quarter/year |      | (2,782,959)                                   | (15,029,860)                          |
| Depreciation charge for the quarter/year                  |      | (252,471,497)                                 | (998,650,878)                         |
| Closing book value  |      | <u>13,546,145,578</u>                         | <u>13,524,386,843</u>                 |
| <b>5.2 Capital work-in-progress</b>                       |      |   |                                       |
| Building  |      | 704,844,525                                   | 767,616,165                           |
| Furniture and fixtures                                    |      | 3,255,475                                     | 3,255,475                             |
| Plant and machinery                                       |      | 550,235,749                                   | 554,428,850                           |
| Electric Installation                                     |      | 246,693,610                                   | -                                     |
| Advance payments:   |      |   |                                       |
| - factory / office building                               |      | 6,668,800                                     | 6,668,800                             |
| - electric installation                                   |      | -   | 278,811,721                           |
| - vehicles  |      | 17,239,825                                    | 11,077,100                            |
| - computer software                                       |      | -   | 2,044,500                             |
|   |      | <u>1,528,937,984</u>                          | <u>1,623,902,611</u>                  |

|                                 | Note | Un-audited<br>30 September,<br>2023<br>Rupees | Audited<br>30 June,<br>2023<br>Rupees |
|---------------------------------|------|---|---------------------------------------|
| <b>6. LONG TERM INVESTMENTS</b> |      |   |                                       |
| Subsidiary Companies - at cost  | 6.1  | 3,675,058,316                                 | 3,675,058,316                         |
| Associated Companies - at cost  | 6.2  | 758,276,769                                   | 758,276,769                           |
| Others - equity instruments     | 6.3  | 3,092,266,607                                 | 2,615,856,905                         |
| - debt instruments              | 6.4  | 45,500,000                                    | 46,250,000                            |
|                                 |      | <u>7,571,101,692</u>                          | <u>7,095,441,990</u>                  |

6.1 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.

**6.3 Equity Instruments - at FVTOCI**

MCB Bank Limited - Quoted

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

984,949,221

896,451,123

Adjustment arising from re-measurement to fair value

1,451,652,300

1,188,413,309

2,436,601,521

2,084,864,432

Habib Bank Limited - Quoted

7,244,196 (30 June, 2023: 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

(561,908,523)

(686,581,136)

655,165,086

530,492,473

TCC Management Services (Pvt.) Limited - Unquoted

50,000 ordinary shares of Rs.10 each

500,000

500,000

3,092,266,607

2,615,856,905

|   |             | Un-audited<br>30 September,<br>2023<br>Rupees           | Audited<br>30 June,<br>2023<br>Rupees                   |
|---|-------------|---|---|
| <b>6.4 Debt Instruments - at FVTOCI</b>   |             |   |   |
| <b>Habib Bank Limited -</b>   |             |   |   |
| <b>term finance certificates (TFCs)</b>   |             |   |   |
| 500 (2023: 500) Term finance certificates<br>of Rs.100,000 each - cost  |             | 50,000,000  | 50,000,000  |
| Adjustment arising from re-measurement<br>to fair value   |             | (4,500,000)   | (3,750,000)   |
|   |             | <u>45,500,000</u>                                       | <u>46,250,000</u>                                       |
| <b>7. CONTINGENCIES AND COMMITMENTS</b>   |             |   |   |
| <b>7.1 Guarantees issued by banks to various Government institutions on behalf of the Company aggregate Rs.1110.018 million (30 June, 2023: Rs.1075.018 million).</b> |             |   |   |
| <b>7.2 Commitments in respect of :</b>  |             |   |   |
| - letters of credit for capital expenditure   |             | <u>1,048,880,391</u>                                    | <u>1,235,628,309</u>                                    |
| - letters of credit for purchase of raw materials<br>and stores, spare parts & chemicals  |             | <u>1,613,624,547</u>                                    | <u>2,677,418,828</u>                                    |
| - capital expenditure other than letters of credit  |             | <u>257,922,964</u>                                      | <u>216,929,844</u>                                      |
| <b>8. COST OF SALES</b>   | <b>Note</b> | <b>Un-audited<br/>30 September,<br/>2023<br/>Rupees</b> | <b>Un-audited<br/>30 September,<br/>2022<br/>Rupees</b> |
| Stocks - opening  |             | 3,459,768,225   | 3,153,668,217   |
| Cost of goods manufactured  | 8.1         | 9,837,496,801   | 9,050,966,558   |
| Cost of raw materials sold  |             | 56,193,378  | -   |
|   |             | <u>13,353,458,404</u>                                   | <u>12,204,634,775</u>                                   |
| Stocks - closing  |             | <u>2,783,049,448</u>                                    | <u>2,383,642,924</u>                                    |
|   |             | <u>10,570,408,956</u>                                   | <u>9,820,991,851</u>                                    |
| <b>8.1 Cost of goods manufactured</b>   |             |   |   |
| Work in process - opening   |             | 1,263,713,907   | 1,296,808,329   |
| Raw materials consumed  |             | 7,416,055,018   | 6,580,723,132   |
| Overheads   |             | 2,566,383,179   | 2,598,877,543   |
|   |             | <u>9,982,438,197</u>                                    | <u>9,179,600,675</u>                                    |
|   |             | <u>11,246,152,104</u>                                   | <u>10,476,409,004</u>                                   |
| Work in process closing   |             | <u>1,408,655,303</u>                                    | <u>1,425,442,446</u>                                    |
|   |             | <u>9,837,496,801</u>                                    | <u>9,050,966,558</u>                                    |

## 9. RELATED PARTY TRANSACTIONS

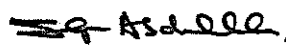
The Company has related party relationship with its Associated Companies, employee benefit plan, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of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

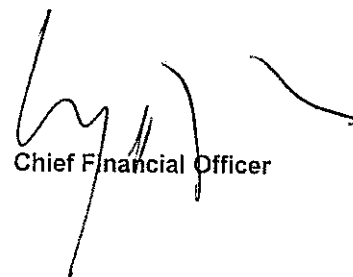
| Relationship with the company | Name of transaction                  | Un-audited         | Un-audited         |
|-------------------------------|--------------------------------------|--------------------|--------------------|
|                               |                                      | 30 September, 2023 | 30 September, 2022 |
|                               |                                      | Rupees             | Rupees             |
| I. Subsidiaries               | Loans provided                       | 20,551,262         | 182,477,276        |
|                               | Mark-up charged                      | 18,458,479         | 8,173,927          |
|                               | Dividend received                    | 433,173,900        | -                  |
| II. Associates                | Sale of goods and services           | 154,925,397        | 59,513,818         |
|                               | Services rendered                    | 640,440            | 913,090            |
|                               | Services obtained                    | 1,239,261          | -                  |
|                               | Purchase of goods and services       | 720,872,455        | 788,456,107        |
|                               | Expenses charged to                  | 769,654            | 384,467            |
|                               | Expenses charged by                  | 7,992,060          | 7,632,886          |
| III. Other related parties    | Contributions towards provident fund | 11,263,081         | 19,181,596         |

## 10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 October, 2023 by the Board of Directors of the Company.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer





## DIRECTORS' REPORT

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

Sapphire Electric Company Limited, Premier Cement Limited, Sapphire Cement Company Limited, Sapphire Hydro Limited, Sapphire Energy (Pvt.) Limited, Ignite Power (Private) Limited, Sapphire Mining Exploration (Private) Limited, Sapphire Building Materials Limited, Sapphire Power Limited and Sapphire Properties (Private) Limited for the period ended 30 September, 2023. The Company has annexed consolidated financial statements along with its separate financial statements in accordance with the requirements of the International Accounting Standard-27 (Consolidated and Separate Financial Statements).

### **Sapphire Electric Company Limited (SECL):**

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

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

### **Premier Cement Limited (PCL):**

Premier Cement Limited was incorporated in Pakistan as an unlisted public company limited by shares under Companies Ordinance 1984. SFL holds 100% shares of PCL as on 30 September, 2023.

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

### **Sapphire Cement Company Limited (SCCL):**

Sapphire Cement Company Limited was incorporated in Pakistan as an unlisted public company limited by shares under Companies Ordinance 1984 during the period. SFL holds 100% shares of SCCL as on 30 September, 2023.

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

### **Sapphire Hydro Limited (SHL):**

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

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

### **Sapphire Energy (Private) Limited (SEPL):**

Sapphire Energy (Private) Limited was incorporated in Pakistan as a private company limited by shares under Companies Act 2017 on 11 December, 2017. SFL holds 100% shares of SEPL as on 30 September, 2023.

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



## Sapphire Fibres Limited

### **Ignite Power (Private) Limited (IPPL):**

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

### **Sapphire Mining Exploration (Private) Limited (SMEL):**

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

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

### **Sapphire Building Materials Limited (SBML):**

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

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

### **Sapphire Power limited (SPL):**

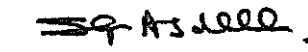
Sapphire Power Limited is a public unlisted company limited by shares incorporated in Pakistan on April 19, 2021 under the Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the company is to generate, purchase, import, transform, convert, distribute and supply electricity including the hydriil and wind power system. The Company is a wholly owned subsidiary of Sapphire Fibres Limited ("the Holding Company").

### **Sapphire Properties (Private) Limited (SPPL):**

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

For and on behalf of the Board of Directors

  
Shahid Abdullah  
Chief Executive

  
Shayan Abdullah  
Director

Lahore:

Dated: October 27, 2023



## ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی مدت کے لئے سفارز فائبرز لمیٹڈ اور اسکی ذیلی کمپنیوں سفارز الیکٹرک کمپنی لمیٹڈ، پری میجر سیمنٹ لمیٹڈ، سفارز سیمنٹ کمپنی لمیٹڈ، سفارز ہائیڈرولیمینٹڈ، سفارز انرجی (پرائیویٹ) لمیٹڈ، اگنامنٹ پاور (پرائیویٹ) لمیٹڈ، سفارز مائننگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ، سفارز بلڈنگ میٹریلز لمیٹڈ اور سفارز پاور 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 اگام 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 (SECL):

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

### پری میجر سیمنٹ لمیٹڈ (PCL):

پری میجر سیمنٹ لمیٹڈ (پی سی ایل) 26 جولائی 2016 گھنیز آرڈیننس، 1984 کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 ستمبر 2023ء کے مطابق پی سی ایل کے 100% حصص کی مالک ہے۔  
پی سی ایل ہر قسم کے سیمنٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

### سفارز سیمنٹ کمپنی لمیٹڈ (SCCL):

سفارز سیمنٹ کمپنی لمیٹڈ (ایس سی سی ایل) 28 اکتوبر 2016 گھنیز آرڈیننس، 1984 کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 ستمبر 2023ء کے مطابق ایس سی سی ایل کے 100% حصص کی مالک ہے۔  
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۔

### سفارز ہائیڈرولیمینٹڈ (SHL):

سفارز ہائیڈرولیمینٹڈ (ایس ایچ ایل) 07 ستمبر 2017 گھنیز ایکٹ 2017ء کے تحت پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ذیلی کمپنی کا اصل کاروبار شمسی، خیرہ بختوخواہ میں 682 GWh کی سالانہ بجلی کی پیداوار کی پٹیشنل کے ساتھ 150 میگا واٹ کی خالص صلاحیت کا حامل ایک ہائیڈرو الیکٹرک پاور سٹیشن منصوبہ تعمیر، قائم اور چلانا ہوگا۔  
سفارز ہائیڈرولیمینٹڈ (ایس ایچ ایل) سیمینٹ کمپنی سفارز فائبرز لمیٹڈ کی ذیلی کمپنی سفارز الیکٹرک کمپنی لمیٹڈ کی ایک مکمل ملکیتی ذیلی کمپنی ہے۔

### سفارز انرجی (پرائیویٹ) لمیٹڈ (SEPL):

سفارز انرجی (پرائیویٹ) لمیٹڈ (ایس ای پی ایل) 11 دسمبر 2017 گھنیز ایکٹ 2017ء کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 30 ستمبر 2023ء کے مطابق ایس ای پی ایل کے 100% حصص کی مالک ہے۔  
ایس ای پی ایل بجلی پیدا کرنے اور تمام قسم کی گیسوں اور تمام دیگر متعلقہ مائعات، کیمیکل اور پٹرولیم مصنوعات کی پینڈنگ، رسی گیس فلیشن، اسٹوریج، ٹریڈنگ اور پروسیسنگ کے لئے ایک ٹریڈل 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۔



## Sapphire Fibres Limited

انگنائٹ پاور (پرائیویٹ) لمیٹڈ (IPPL):

انگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی ایل) بیرٹ کمپنی سفار فاہرز لمیٹڈ کی ذیلی کمپنی سفار انرجی پرائیویٹ لمیٹڈ کی 99.93% ملکیتی ذیلی کمپنی ہے۔ انگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی ایل) 03 جولائی 2019ء کو کمپنیز ایکٹ 2017 کے تحت ایک پبلک 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۔

سفار مائنگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ (SMEL):

سفار مائنگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ (ایس ایم ای ایل) 25 اگست 2020ء کو کمپنیز ایکٹ 2017 کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ضروری منظوریوں کے حوالے سے، ایس ایم ای ایل گلگت میں تمام اقسام کے سینٹ اور اس کی متعلقہ مصنوعات کی تیاری کے لئے پلانٹ قائم اور نصب کرنے کا کارادہ رکھتی ہے۔ ایس ایم ای ایل سفار فاہرز لمیٹڈ کی ذیلی کمپنی پریئر سینٹ لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔

سفار بلڈنگ میٹریلز لمیٹڈ (SBML):

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

سفار پاور لمیٹڈ (SPL):

سفار پاور لمیٹڈ (کمپنی) 19 اپریل 2021ء کو کمپنیز آرڈیننس 1984 (کمپنیز ایکٹ 2017) کے تحت ایک پبلک غیر مندرج کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ کمپنی کی اصل سرگرمی ہائیڈرو پاور پراجیکٹس کی پیداوار، خریداری، درآمد، ٹرانسفارم، کنورٹ، تقسیم اور سپلائی کرنا ہے۔ کمپنی سفار فاہرز لمیٹڈ (ہولڈنگ کمپنی) کی مکمل ملکیتی ذیلی کمپنی ہے۔

سفار پراپرٹیز (پرائیویٹ) لمیٹڈ (SPPL):

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

منجانب بورڈ آف ڈائریکٹرز

Shahid Abdullah

شاید عبداللہ  
ڈائریکٹر

شاید عبداللہ

چیف ایگزیکٹو

لاہور

تاریخ: 27 اکتوبر 2023ء

SAPPHIRE FIBRES LIMITED  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2023  
(UN-AUDITED)

Sapphire Fibres Limited  
Condensed Interim Consolidated Statement of Financial Position - *Unaudited*  
As at 30 September, 2023

| Assets   | Note | Un-Audited<br>30 September,<br>2023<br>Rupees | Audited<br>30 June,<br>2023<br>Rupees |
|--|------|---|---------------------------------------|
| <b>Non Current Assets</b>                                    |      |   |                                       |
| Property, plant and equipment                                | 6    | 25,731,284,654                                | 25,941,999,805                        |
| Investment property  |      | 31,750,000                                    | 31,750,000                            |
| Intangible assets  |      | 9,866,194                                     | 10,417,225                            |
| Long term investments  | 7    | 6,467,470,274                                 | 5,649,807,415                         |
| Long term loans  |      | 4,880,570                                     | 4,400,000                             |
| Long term deposits   |      | 62,426,345                                    | 62,426,345                            |
|  |      | <b>32,307,678,037</b>                         | <b>31,700,800,790</b>                 |
| <b>Current Assets</b>  |      |   |                                       |
| Stores, spare parts and loose tools                          |      | 1,139,553,622                                 | 973,556,680                           |
| Stock-in-trade   |      | 19,206,735,735                                | 14,806,602,454                        |
| Trade debts  |      | 18,881,573,447                                | 19,608,973,872                        |
| Loans and advances   |      | 1,500,857,355                                 | 592,488,078                           |
| Trade deposits and short term prepayments                    |      | 107,387,198                                   | 121,116,289                           |
| Short term investments                                       |      | 1,767,496,444                                 | 3,243,639,904                         |
| Other receivables  |      | 2,162,224,230                                 | 1,748,760,568                         |
| Tax refunds due from Government                              |      | 2,614,211,338                                 | 2,567,218,953                         |
| Cash and bank balances                                       |      | 1,513,887,123                                 | 1,399,220,229                         |
|  |      | <b>48,893,926,492</b>                         | <b>45,061,577,027</b>                 |
| <b>Total Assets</b>  |      | <b>81,201,604,529</b>                         | <b>76,762,377,817</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   |      | 2,168,982,206                                 | 1,531,851,130                         |
| Unappropriated profit  |      | 40,610,673,617                                | 39,301,687,521                        |
| Equity attributable to shareholders of<br>the Parent Company |      | 42,986,374,573                                | 41,040,257,401                        |
| Non-controlling interest                                     |      | 7,112,876,046                                 | 6,955,409,522                         |
| <b>Total equity</b>  |      | <b>50,099,250,619</b>                         | <b>47,995,666,923</b>                 |
| <b>Non current liabilities</b>                               |      |   |                                       |
| Long term liabilities  |      | 4,667,426,795                                 | 4,881,704,404                         |
| Staff retirement benefit - gratuity                          |      | 551,797,813                                   | 513,768,596                           |
| Deferred taxation  |      | 138,080,940                                   | 140,579,850                           |
|  |      | <b>5,357,305,548</b>                          | <b>5,536,052,850</b>                  |
| <b>Current liabilities</b>                                   |      |   |                                       |
| Trade and other payables                                     |      | 7,439,806,429                                 | 8,750,053,148                         |
| Contract liabilities   |      | 912,183,480                                   | 727,672,349                           |
| Accrued mark-up / interest                                   |      | 545,724,804                                   | 469,764,094                           |
| Short term borrowings  |      | 14,353,069,210                                | 10,901,144,743                        |
| Current portion of long term finances                        |      | 1,185,846,022                                 | 1,172,524,522                         |
| Unclaimed dividend   |      | 7,197,015                                     | 241,818,718                           |
| Provision for taxation                                       |      | 1,301,221,402                                 | 967,680,470                           |
|  |      | <b>25,745,048,362</b>                         | <b>23,230,658,044</b>                 |
| <b>Contingencies and commitments</b>                         | 8    |   |                                       |
| <b>Total equity and liabilities</b>                          |      | <b>81,201,604,529</b>                         | <b>76,762,377,817</b>                 |

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

  
Chief Executive Officer

  
Director

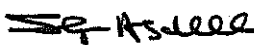
  
Chief Financial Officer

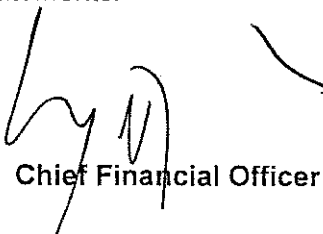
**Sapphire Fibres Limited**  
**Condensed Interim Consolidated Statement of Profit or Loss - Unaudited**  
**For the Three Months Period Ended 30 September, 2023**

|  |      | Three months period ended<br>30 September, |                      |
|--|------|--|----------------------|
|  |      | 2023                                       | 2022                 |
|  |      | Rupees                                     | Rupees               |
|  | Note |  |                      |
| Sales  |      | 21,963,556,240                             | 18,955,601,307       |
| Cost of sales  | 9    | 19,027,307,331                             | 15,283,297,948       |
| <b>Gross profit</b>  |      | <b>2,936,248,909</b>                       | <b>3,672,303,359</b> |
| Distribution cost  |      | 471,577,478                                | 629,916,464          |
| Administrative expenses  |      | 224,356,227                                | 170,192,690          |
| Other expenses   |      | 28,167,474                                 | 105,360,536          |
| Other income   |      | (279,685,165)                              | (208,141,093)        |
|  |      | <b>444,416,014</b>                         | <b>697,328,597</b>   |
| <b>Profit from operations</b>  |      | <b>2,491,832,895</b>                       | <b>2,974,974,762</b> |
| Finance cost   |      | 753,474,102                                | 525,779,957          |
|  |      | <b>1,738,358,793</b>                       | <b>2,449,194,805</b> |
| Share of profit of associates  |      | 337,518,070                                | 124,715,795          |
| <b>Profit before taxation</b>  |      | <b>2,075,876,863</b>                       | <b>2,573,910,600</b> |
| <b>Taxation</b>  |      |  |                      |
| Current  |      | 333,540,933                                | 172,848,206          |
| Deferred   |      | (231,285)                                  | 767,252              |
|  |      | <b>333,309,648</b>                         | <b>173,615,458</b>   |
| <b>Profit after taxation</b>   |      | <b>1,742,567,215</b>                       | <b>2,400,295,142</b> |
| <b>Attributable to:</b>  |      |  |                      |
| - Shareholders of the Parent Company   |      | 1,382,270,080                              | 2,007,672,254        |
| - Non-controlling interest   |      | 360,297,135                                | 392,622,888          |
|  |      | <b>1,742,567,215</b>                       | <b>2,400,295,142</b> |
| <b>Earnings per share - attributable to the<br/>shareholders of the Parent Company</b> |      | <b>66.87</b>                               | <b>97.12</b>         |

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

  
Chief Executive Officer

  
Director

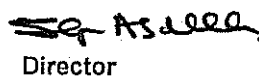
  
Chief Financial Officer

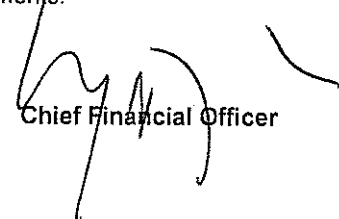
Sapphire Fibres Limited  
 Condensed Interim Consolidated Statement of Other Comprehensive Income - Unaudited  
 For the Three Months Period Ended 30 September, 2023

|   | Three months period ended<br>30 September, |                      |
|---|--|----------------------|
|   | 2023<br>Rupees                             | 2022<br>Rupees       |
| Profit after taxation   | 1,742,567,215                              | 2,400,295,142        |
| Other comprehensive income / (loss)   |  |                      |
| Items that will not be reclassified to statement of profit or loss subsequently                                 |  |                      |
| Unrealised gain / (loss) on remeasurement of investment at fair value through other comprehensive income        |  |                      |
| - long term   | 387,161,604                                | (219,641,746)        |
| - short term  | 189,074,687                                | (268,241,981)        |
| Realised loss on sale of investment at fair value through other comprehensive income                            | (19,109,404)                               | -                    |
| Share of fair value profit / (loss) on re-measurement of available-for-sale investments of Associated Companies | 4,392,160                                  | (4,592,116)          |
|   | 561,519,047                                | (492,475,843)        |
| Items that will be reclassified to statement of profit or loss subsequently                                     |  |                      |
| Impact of deferred tax of staff retirement benefit obligation   | 2,235,118                                  | (207,533)            |
| Share of unrealised profit on remeasurement of hedging instrument of Associated Companies                       | 91,517                                     | 293,214              |
|   | 2,326,635.00                               | 85,681               |
| <b>Total comprehensive gain for the period</b>  | <b>2,306,412,897</b>                       | <b>1,907,904,980</b> |
| Attributable to:  |  |                      |
| - Shareholders of the Parent Company  | 1,946,115,762                              | 1,515,282,092        |
| - Non-controlling Interest  | 360,297,135                                | 392,622,888          |
|   | <u>2,306,412,897</u>                       | <u>1,907,904,980</u> |

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

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer



Sapphire Fibres Limited  
Condensed Interim Consolidated Statement of Cash Flows - Unaudited  
For the Three Months Period Ended 30 September, 2023

| CASH FLOW FROM OPERATING ACTIVITIES                                  | Three months period ended<br>30 September, |                    |
|--|--|--------------------|
|  | 2023<br>Rupees                             | 2022<br>Rupees     |
| Profit before taxation   | 1,738,358,793                              | 2,449,194,805      |
| Adjustments for non-cash changes and other items:                    |  |                    |
| Depreciation   | 401,544,799                                | 375,491,151        |
| Amortisation   | 551,031                                    | 236,361            |
| Staff retirement benefits - gratuity                                 | 53,700,000                                 | 40,950,000         |
| Provision for workers' profit participation fund                     | 28,167,474                                 | 77,055,548         |
| Gain on disposal of operating fixed assets                           | (7,654,080)                                | (3,774,564)        |
| Dividend, interest and other income                                  | (220,592,237)                              | (127,734,790)      |
| Finance cost   | 753,474,102                                | 525,779,957        |
|  | 1,009,191,089                              | 888,003,663        |
| Cash inflow from operating activities before working capital changes | 2,747,549,882                              | 3,337,198,468      |
| (Increase) in current assets   |  |                    |
| Stores, spares and loose tools                                       | (165,996,942)                              | 12,764,466         |
| Stock in trade   | (4,400,133,281)                            | (530,837,755)      |
| Trade debts  | 727,400,425                                | (2,011,955,263)    |
| Loans and advances   | (908,369,277)                              | (679,199,415)      |
| Deposits, other receivables and sales tax                            | (446,726,956)                              | 226,762,322        |
| Decrease in trade and other payables                                 | (543,913,398)                              | (417,912,560)      |
|  | (5,737,739,429)                            | (3,400,378,205)    |
| Cash outflow from operating activities                               | (2,990,189,547)                            | (63,179,737)       |
| Staff retirement benefit paid  | (15,670,783)                               | (20,447,922)       |
| Finance cost paid  | (677,513,392)                              | (524,217,296)      |
| Taxes paid   | (255,725,896)                              | (653,894,075)      |
| Long term loans and deposits-net                                     | (480,570)                                  | (4,958,500)        |
|  | (949,390,641)                              | (1,203,517,793)    |
| Net Cash outflow from operating activities                           | (3,939,580,188)                            | (1,266,697,530)    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                           |  |                    |
| Fixed capital expenditures   | (193,612,607)                              | (237,188,526)      |
| Long and short term investments-net                                  | 1,000,483,758                              | 3,267,053,451      |
| Sale proceeds of operating fixed assets                              | 10,437,039                                 | 12,773,064         |
| Dividend, interest and other income received                         | 220,592,237                                | 156,892,373        |
| Net cash inflow from investing activities                            | 1,037,900,427                              | 3,199,530,362      |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                           |  |                    |
| Long term finances - repaid  | (200,956,109)                              | (487,674,732)      |
| Dividend paid  | (234,621,703)                              | -                  |
| Short term borrowings - net  | 3,451,924,467                              | (1,374,046,385)    |
| Net cash inflow / (outflow) from financing activities                | 3,016,346,655                              | (1,861,721,117)    |
| Net increase in cash and cash equivalents                            | 114,666,894                                | 71,111,715         |
| Cash and cash equivalents - at the beginning of the period           | 1,399,220,229                              | 671,581,706        |
| <b>CASH AND CASH EQUIVALENTS - at the end of the period</b>          | <b>1,513,887,123</b>                       | <b>742,693,421</b> |

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

  
Chief Executive Officer

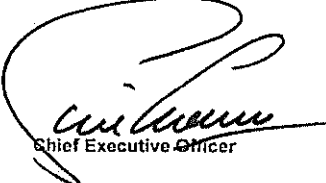
  
Director

  
Chief Financial Officer


**Sapphire Fibres Limited**  
**Condensed Interim Consolidated Statement of Changes in Equity - Unaudited**  
**For the Three Months Period Ended 30 September, 2023**

|   | Reserves                                     |               |                        |               |   |  |               |                          |                |                             |
|---|--|---------------|------------------------|---------------|---|--|---------------|--------------------------|----------------|-----------------------------|
|   | Issued,<br>subscribed and<br>paid-up capital | Capital       |                        | General       | Unrealised gain on<br>financial assets at<br>fair value through<br>other<br>comprehensive<br>income | Unrealised gain<br>on hedging<br>instruments | Sub-total     | Unappropriated<br>profit | Total          | Non Controlling<br>Interest |
|   |  | Share premium | Maintenance<br>reserve |               |   |  |               |                          |                |                             |
|   | Rupees                                       |               |                        |               |   |  |               |                          |                |                             |
| Balance as at 01 July, 2022   | 206,718,750                                  | 391,833,750   | 347,810,242            | 1,183,845,000 | 24,717,363  | 252,160                                      | 1,948,458,515 | 32,879,156,697           | 35,034,333,962 | 6,338,808,434               |
| Transfer to maintenance reserve   | -  | -             | 65,190,514             | -             | -   | -  | 65,190,514    | (65,190,514)             | -              | -                           |
| Total comprehensive income for the<br>period ended 30 September, 2022     | -  | -             | -                      | -             | -   | -  | -             | -                        | -              | -                           |
| Profit for the period   | -  | -             | -                      | -             | -   | -  | -             | 2,007,672,254            | 2,007,672,254  | 392,622,888                 |
| Other comprehensive loss  | -  | -             | -                      | -             | (492,475,843)   | 85,681                                       | (492,390,162) | -                        | (492,390,162)  | -                           |
| Effect of items directly credited in<br>equity by associates              | -  | -             | -                      | -             | (492,475,843)   | 85,681                                       | (492,390,162) | 2,007,672,254            | 1,515,282,092  | 392,622,888                 |
| Balance as at 30 September, 2022  | 206,718,750                                  | 391,833,750   | 413,000,756            | 1,183,845,000 | (467,758,480)   | 337,841                                      | 1,521,258,867 | 34,821,632,823           | 36,549,610,440 | 6,731,431,322               |
| Balance as at 01 July, 2023   | 206,718,750                                  | 391,833,750   | 584,910,480            | 1,183,845,000 | (629,691,620)   | 953,520                                      | 1,531,851,130 | 39,301,687,521           | 41,040,257,401 | 6,955,409,522               |
| Transfer to maintenance reserve   | -  | -             | 54,175,990             | -             | -   | -  | 54,175,990    | (54,175,990)             | -              | -                           |
| Total comprehensive income for the<br>period ended 30 September, 2023     | -  | -             | -                      | -             | -   | -  | -             | -                        | -              | -                           |
| Profit for the period   | -  | -             | -                      | -             | -   | -  | -             | 1,382,270,080            | 1,382,270,080  | 360,297,135                 |
| Other comprehensive income  | -  | -             | -                      | -             | 561,519,047   | 2,326,635                                    | 563,845,682   | -                        | 563,845,682    | -                           |
| Reclassification of adjustment of realised<br>loss on sales of investment | -  | -             | -                      | -             | 561,519,047   | 2,326,635                                    | 563,845,682   | 1,382,270,080            | 1,946,115,762  | 360,297,135                 |
| Dividend paid by subsidiary Co. - SECL                                    | -  | -             | -                      | -             | 19,109,404  | -  | 19,109,404    | (19,109,404)             | -              | -                           |
| Effect of items directly credited in<br>equity by associates              | -  | -             | -                      | -             | -   | -  | -             | -                        | -              | (202,830,611)               |
| Balance as at 30 September, 2023  | 206,718,750                                  | 391,833,750   | 639,086,470            | 1,183,845,000 | (49,063,169)  | 3,280,155                                    | 2,168,982,206 | 40,610,673,617           | 42,986,374,573 | 7,112,876,046               |

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**SAPPHIRE FIBRES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER , 2023**

**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 Sheikhpura 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 Sheikhpura, 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 Power Limited - SPL**

Sapphire Power Limited (the Company) is a public unlisted company limited by shares incorporated in Pakistan on April 19, 2021 under the Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the company generate, purchase, import, transform, convert, distribute and supply electricity including the hydril and wind power system. The Company is a wholly owned subsidiary of Sapphire Fibres Limited ("the Holding Company").

- **Sapphire Building Materials Limited - SBML**

Sapphire Building Materials Limited (the Company) is a wholly owned subsidiary of Premier Cement Limited - PCL which is a subsidiary of the Parent Company. SBML is a public unlisted company limited by shares incorporated in Pakistan on March 24, 2021 under the Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to deal, trade, import, purchase and sale of cement and allied products.

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

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

- **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, 2023.

## 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, 2023.

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, 2023.

|   |             | Un-audited<br>30 September,<br>2023<br>Rupees | Audited<br>30 June,<br>2023<br>Rupees |
|---|-------------|---|---------------------------------------|
| <b>6. PROPERTY, PLANT AND EQUIPMENT</b>                                   | <b>Note</b> |   |                                       |
| Operating fixed assets  | 6.1         | 23,766,836,781                                | 23,893,565,448                        |
| Capital work in progress  | 6.2         | 1,964,447,873                                 | 2,048,434,357                         |
|   |             | <b>25,731,284,654</b>                         | <b>25,941,999,805</b>                 |
| <b>6.1 Operating fixed assets</b>   |             |   |                                       |
| Opening book value  |             | 23,893,565,448                                | 23,835,249,035                        |
| Additions/Adjustments during the period/year                              |             |   |                                       |
| - land (freehold)   |             | -   | 15,751,760                            |
| - leasehold land  |             | -   | 24,218,750                            |
| - residential buildings and others  |             | 9,852,468                                     | 150,281,345                           |
| - factory buildings   |             | 115,606,661                                   | 345,006,800                           |
| - plant and machinery   |             | 108,152,816                                   | 769,045,594                           |
| - electric installations  |             | 21,066,547                                    | 105,150,501                           |
| - mill equipments   |             | -   | 43,461,816                            |
| - computer hardware   |             | 2,917,360                                     | 15,934,955                            |
| - vehicles  |             | 16,513,900                                    | 145,222,296                           |
| - furniture and fixtures  |             | 3,489,339                                     | 59,880,300                            |
|   |             | 277,599,091                                   | 1,673,954,117                         |
| Book value of assets disposed-off / adjustments during the quarter / year |             | (2,782,959)                                   | (18,759,441)                          |
| Depreciation charge for the quarter / year                                |             | (401,544,799)                                 | (1,596,878,263)                       |
| Closing book value  |             | <b>23,766,836,781</b>                         | <b>23,893,565,448</b>                 |
| <b>6.2 Capital work-in-progress</b>                                       |             |   |                                       |
| Buildings   |             | 704,844,525                                   | 767,616,165                           |
| Furniture and fixtures  |             | 3,255,475                                     | 3,255,475                             |
| Plant and machinery   |             | 550,235,749                                   | 554,428,850                           |
| Electric Installation   |             | 246,693,610                                   | -                                     |
| Un-allocated capital expenditure  |             | 425,561,889                                   | 422,831,746                           |
| Advance payments:   |             |   |                                       |
| - land - freehold   |             | -   | -                                     |
| - factory / office buildings  |             | 6,668,800                                     | 6,668,800                             |
| - Furniture & Fixtures  |             | -   | -                                     |
| - electric installation   |             | -   | 278,811,721                           |
| - vehicles  |             | 27,187,825                                    | 12,777,100                            |
| - computer software   |             | -   | 2,044,500                             |
|   |             | <b>1,964,447,873</b>                          | <b>2,048,434,357</b>                  |

|            |   |             | Un-audited<br>30 September,<br>2023<br>Rupees | Audited<br>30 June,<br>2023<br>Rupees |
|------------|---|-------------|---|---------------------------------------|
| <b>7.</b>  | <b>LONG TERM INVESTMENTS</b>  | <b>Note</b> |   |                                       |
|            | Associates - equity accounted investment:   | 7.1         | 3,329,703,667                                 | 2,987,700,510                         |
|            | Others - equity instruments   | 7.2         | 3,092,266,607                                 | 2,615,856,905                         |
|            | - debt instruments  | 7.3         | 45,500,000                                    | 46,250,000                            |
|            |   |             | <u>6,467,470,274</u>                          | <u>5,649,807,415</u>                  |
| <b>7.1</b> | <b>Associates - at equity method</b>  |             |   |                                       |
|            | <b>Quoted</b>   |             |   |                                       |
|            | Reliance Cotton Spinning Mills<br>Limited (RCSM)  | 7.1.1       | 123,843,967                                   | 118,043,827                           |
|            | <b>Un quoted</b>  |             |   |                                       |
|            | SFL Limited (SFLL)  | 7.1.2       | 5,533,203                                     | 5,235,247                             |
|            | Sapphire Power Generation Limited (SPGL)  | 7.1.3       | 330,141,950                                   | 314,069,934                           |
|            | Sapphire Dairies (Private) Limited (SDL)  | 7.1.4       | 206,837,290                                   | 206,595,712                           |
|            | Tricon Boston Consulting Corporation<br>(Private) Limited (TBCCL)   | 7.1.5       | 2,338,906,953                                 | 2,019,315,486                         |
|            | Creek Properties (Pvt) Ltd. (CPPL)  | 7.1.6       | 324,440,304                                   | 324,440,304                           |
|            | Energas Terminal (Private)<br>Limited - ETL   | 7.1.7       | -   | -                                     |
|            | Energas Marketing (Private)<br>Limited (EML)  | 7.1.8       | -   | -                                     |
|            |   |             | <u>3,329,703,667</u>                          | <u>2,987,700,510</u>                  |
| 7.1.1      | Investment in RCSM represents 138,900 fully paid ordinary shares of Rs.10 each representing 1.35% (30 June, 2023: 1.35%) of RCSM's issued, subscribed and paid-up capital as at Sep 30, 2023. 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, 2023 has been used for the purpose of application of equity method.                    |             |   |                                       |
| 7.1.2      | Investment in SFLL represents 10,199 fully paid ordinary shares of Rs.10 each representing 0.051% (30 June, 2023: 0.051%) of SFLL's issued, subscribed and paid-up capital as at September 30, 2023. SFLL was incorporated on April 26, 2010 as a public limited company and its shares are quoted on Pakistan Stock Exchange. The main business of SFLL is to investment in the shares of Related Parties. SFLL is an associate of the Group due to common directorship. The Financial information of SFLL for the quarter ended 30 September, 2023 has been used for the purpose of application of equity method. |             |   |                                       |

- 7.1.3 Investment in SPGL represents 2,824,500 fully paid ordinary shares of Rs.10 each representing 17.63% (30 June, 2023: 17.63%) of SPGL's issued, subscribed and paid-up capital as at September 30, 2023. 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, 2023 has been used for the purpose of application of equity method.
- 7.1.4 Investment in SDL represents 10,000,000 fully paid ordinary shares of Rs.10 each representing 5.50% (30 June, 2023: 5.50%) of SDL's issued, subscribed and paid-up capital as at September 30, 2023. 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, 2023 has been used for the purpose of application of equity method.
- 7.1.5 Investment in TBCCL represents 59,251,500 fully paid ordinary shares of Rs.10 each representing 7.13% (30 June, 2023: 7.13%) of TBCCL's issued, subscribed and paid-up capital as at September 30, 2023. 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. The Financial information of TBCCL for the quarter ended 30 September, 2023 has been used for the purpose of application of equity method.
- 7.1.6 Investment in CPPL represents 5,047,489 fully paid ordinary shares having face value of PKR 10/- each representing 17.50% (30 June, 2023: 17.50%) of CPPL's issued, subscribed and paid-up capital as at September 30, 2023. CPPL was incorporated as a private limited company and is principally engaged in marketing and development in real estate projects. CPPL is an associate of the Group due to common directorship.
- 7.1.7 The Group has made investment in ETL's 2500 fully paid ordinary shares (2022:2500) of Rs.10 each representing 25% (30 June, 2023: 25%) of ETL's issued, subscribed and paid-up capital as at Sep 30, 2023. ETL was incorporated as a private limited company and its principal business is to undertake and develop power projects.

ETL has incurred loss amounted Rs.21.640 million during the year ended June 30, 2023 and has accumulated losses aggregated Rs. 115.898 million as on June 30, 2023. Subsidiary Company's - SEL share of loss has been recognised upto the extent of cost of investment.

- 7.1.8 The Subsidiary Company - Sapphire Energy (Private) Limited has made investment in EML's 2,500 fully paid ordinary shares of Rs.10 each representing 25% (30 June, 2023: 25%) of EML's issued, subscribed and paid-up capital as at Sep 30, 2023. EML was incorporated as a private limited company. The principal activity of EML shall be to import, process and sell natural gas, liquefied natural gas all other related items.

EML has incurred loss amounted Rs.236 thousand during the year ended June 30, 2023 and it has accumulated losses aggregated Rs.899 thousand as on June 30, 2023. Subsidiary Company's - SEL share of loss has been recognised upto the extent of cost of investment.

- 7.1.9 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**

|  | Un-audited<br>30 September,<br>2022<br>Rupees | Audited<br>30 June,<br>2022<br>Rupees |
|--|---|---------------------------------------|
| <b>Quoted</b>  |   |                                       |
| MCB Bank Limited   |   |                                       |
| 18,837,275 (30 June, 2023: 18,213,195) ordinary shares of Rs.10 each - cost            | 984,949,221                                   | 896,451,123                           |
| Adjustment arising from re-measurement to fair value                                   | 1,451,652,300                                 | 1,188,413,309                         |
|  | 2,436,601,521                                 | 2,084,864,432                         |
| Habib Bank Limited   |   |                                       |
| 7,244,196 (30 June, 2023: 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                                   | (561,908,523)                                 | (686,581,136)                         |
|  | 655,165,086                                   | 530,492,473                           |
| <b>Unquoted</b>  |   |                                       |
| TCC Management Services (Pvt.) Limited - Unquoted 50,000 ordinary shares of Rs.10 each | 500,000                                       | 500,000                               |
|  | <u>3,092,266,607</u>                          | <u>2,615,856,905</u>                  |

**7.3 Debt Instruments - at FVTOCI**

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Habib Bank Limited -</b>  |                   |                   |
| <b>term finance certificates (TFCs)</b>                                      |                   |                   |
| 500 (30 June, 2023: 500) Term finance certificates of Rs.100,000 each - cost | 50,000,000        | 50,000,000        |
| Adjustment arising from re-measurement to fair value                         | (4,500,000)       | (3,750,000)       |
|  | 45,500,000        | 46,250,000        |
|  | <u>45,500,000</u> | <u>46,250,000</u> |

**8. CONTINGENCIES AND COMMITMENTS**

- 8.1 Guarantees issued by banks to various Government institutions on behalf of the Parent and Subsidiary Company aggregate Rs. 3,110.018 million (30 June, 2023: Rs.3,120.505 million).
- 8.2 There was no significant change in status of contingencies that were disclosed to the annual audited consolidated financial statements for the year ended 30 June, 2023 except disclosed above.

|   | Un-audited<br>30 September,<br>2023<br>Rupees | Audited<br>30 June,<br>2023<br>Rupees |
|---|---|---------------------------------------|
| Commitments in respect of :   |   |                                       |
| - letters of credit for capital expenditure   | 1,048,880,391                                 | 1,235,628,309                         |
| - letters of credit for purchase of raw materials and stores, spare parts & chemicals | 1,613,624,547                                 | 2,677,418,828                         |
| - capital expenditure other than letters of credit                                    | 257,922,964                                   | 216,929,844                           |

- 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 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 October 4, 2040. 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 RLNG or HSD, both of which shall be subject to a minimum annual increase of 3%.

|                                       | Un-audited<br>30 September,<br>2023<br>Rupees | Un-audited<br>30 September,<br>2022<br>Rupees |
|---------------------------------------|---|---|
| <b>9. COST OF SALES</b>               | <b>Note</b>                                   |   |
| Stocks - opening                      | 3,459,768,225                                 | 3,153,668,217                                 |
| Cost of goods manufactured            | 9.1   | 18,294,395,176                                |
| Cost of raw materials sold            | 56,193,378                                    | -   |
|                                       | <u>21,810,356,779</u>                         | <u>17,666,940,872</u>                         |
| Stocks - closing                      | 2,783,049,448                                 | 2,383,642,924                                 |
|                                       | <u>19,027,307,331</u>                         | <u>15,283,297,948</u>                         |
| <b>9.1 Cost of goods manufactured</b> |   |   |
| Work in process - opening             | 1,263,713,907                                 | 1,296,808,329                                 |
| Raw materials consumed                | 15,184,714,147                                | 11,515,761,344                                |
| Overheads                             | 3,254,622,425                                 | 3,126,145,428                                 |
|                                       | <u>18,439,336,572</u>                         | <u>14,641,906,772</u>                         |
|                                       | <u>19,703,050,479</u>                         | <u>15,938,715,101</u>                         |
| Work in process - closing             | 1,408,655,303                                 | 1,425,442,446                                 |
|                                       | <u>18,294,395,176</u>                         | <u>14,513,272,655</u>                         |

**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,<br>Processing<br>and garments | Denim              | Power                | Total                |
|--|----------------------|---|--------------------|----------------------|----------------------|
|  | Rupees               |   |                    |                      |                      |
| <b>For the period ended<br/>30 September, 2023</b> |                      |   |                    |                      |                      |
| Revenue - external Customers                       | 7,649,535,895        | 1,631,475,634                           | 2,998,243,169      | 9,684,301,542        | 21,963,556,240       |
| Inter -segment Sale                                | 800,970,128          |   |                    |                      | 800,970,128          |
| <b>Segment Results</b>                             | <b>865,203,267</b>   | <b>81,691,132</b>                       | <b>290,373,865</b> | <b>1,227,403,167</b> | <b>2,464,671,431</b> |
| <b>For the period ended<br/>30 September, 2022</b> |                      |   |                    |                      |                      |
| Revenue - external Customers                       | 6,245,751,635        | 3,168,033,516                           | 2,804,050,935      | 6,737,765,220        | 18,955,601,306       |
| Inter -segment Sale                                | 864,964,818          |   |                    |                      | 864,964,818          |
| <b>Segment Results</b>                             | <b>1,094,084,022</b> | <b>299,601,441</b>                      | <b>373,242,308</b> | <b>1,275,459,123</b> | <b>3,042,386,894</b> |

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

|  | Three months period ended<br>30 September, |                      |
|--|--|----------------------|
|  | 2023<br>Rupees                             | 2022<br>Rupees       |
| Total results for reportable segments  | 2,464,671,431                              | 3,042,386,894        |
| Administrative expenses                | (224,356,227)                              | (170,192,690)        |
| Other income                           | 712,859,065                                | 208,141,093          |
| Other expenses                         | (28,167,474)                               | (105,360,536)        |
| Finance Cost                           | (753,474,101)                              | (525,779,957)        |
| Share of profit / (loss) of associates | 337,518,070                                | 124,715,795          |
| Taxation                               | (342,183,165)                              | (173,615,458)        |
| <b>Profit after taxation</b>           | <b>2,166,867,599</b>                       | <b>2,400,295,141</b> |

**10.2 Segment assets and liabilities**

|                                 | Spinning       | Knitting,<br>Processing<br>and garments | Denim          | Power          | Total                 |
|---------------------------------|----------------|---|----------------|----------------|-----------------------|
|                                 | Rupees         |   |                |                |                       |
| <b>As at 30 September, 2023</b> |                |   |                |                |                       |
| Segment assets                  | 25,241,266,251 | 5,838,435,637                           | 9,325,979,030  | 26,738,342,721 | 67,144,023,639        |
| Unallocated assets              |                |   |                |                | 14,057,580,890        |
|                                 |                |   |                |                | <u>81,201,604,529</u> |
| Segment liabilities             | 10,027,328,439 | 2,873,156,099                           | 12,336,995,299 | 4,369,656,321  | 29,607,136,158        |
| Unallocated liabilities         |                |   |                |                | 1,495,217,752         |
|                                 |                |   |                |                | <u>31,102,353,910</u> |
| <b>As at 30 June, 2023</b>      |                |   |                |                |                       |
| Segment assets                  | 16,371,057,874 | 6,478,223,456                           | 10,320,312,281 | 26,506,042,769 | 59,675,636,380        |
| Unallocated assets              |                |   |                |                | 17,086,741,437        |
|                                 |                |   |                |                | <u>76,762,377,817</u> |
| Segment liabilities             | 4,516,855,511  | 6,824,138,457                           | 13,471,902,285 | 6,574,758,363  | 31,387,654,616        |
| Unallocated liabilities         |                |   |                |                | (2,620,943,722)       |
|                                 |                |   |                |                | <u>28,766,710,894</u> |

**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:

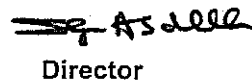
| Relationship with the company | Name of transaction                 | Un-audited                   | Un-audited                   |
|-------------------------------|-------------------------------------|------------------------------|------------------------------|
|                               |                                     | 30 September, 2023<br>Rupees | 30 September, 2022<br>Rupees |
| I. Associates                 | Sale of goods and services          | 154,925,397                  | 59,513,818                   |
|                               | Services rendered                   | 640,440                      | 913,090                      |
|                               | Services obtained                   | 1,239,261                    | -                            |
|                               | Purchase of goods and services      | 720,872,455                  | 788,456,107                  |
|                               | Expenses charged to                 | 769,654                      | 384,467                      |
|                               | Expenses charged by                 | 7,992,060                    | 7,632,886                    |
| II. Other related parties     | Contribution towards provident fund | 12,858,139                   | 21,900,104                   |

**12. DATE OF AUTHORIZATION FOR ISSUE**

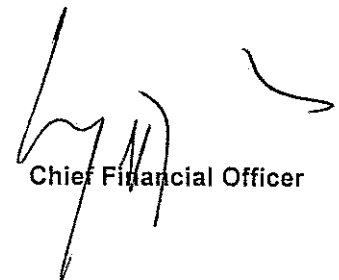
These financial statements were authorized for issue on 27 October, 2023 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer



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