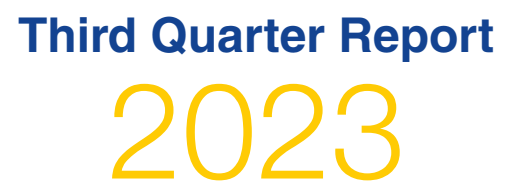


The logo for Sapphire, featuring the word "Sapphire" in a blue serif font with a yellow swoosh above it.

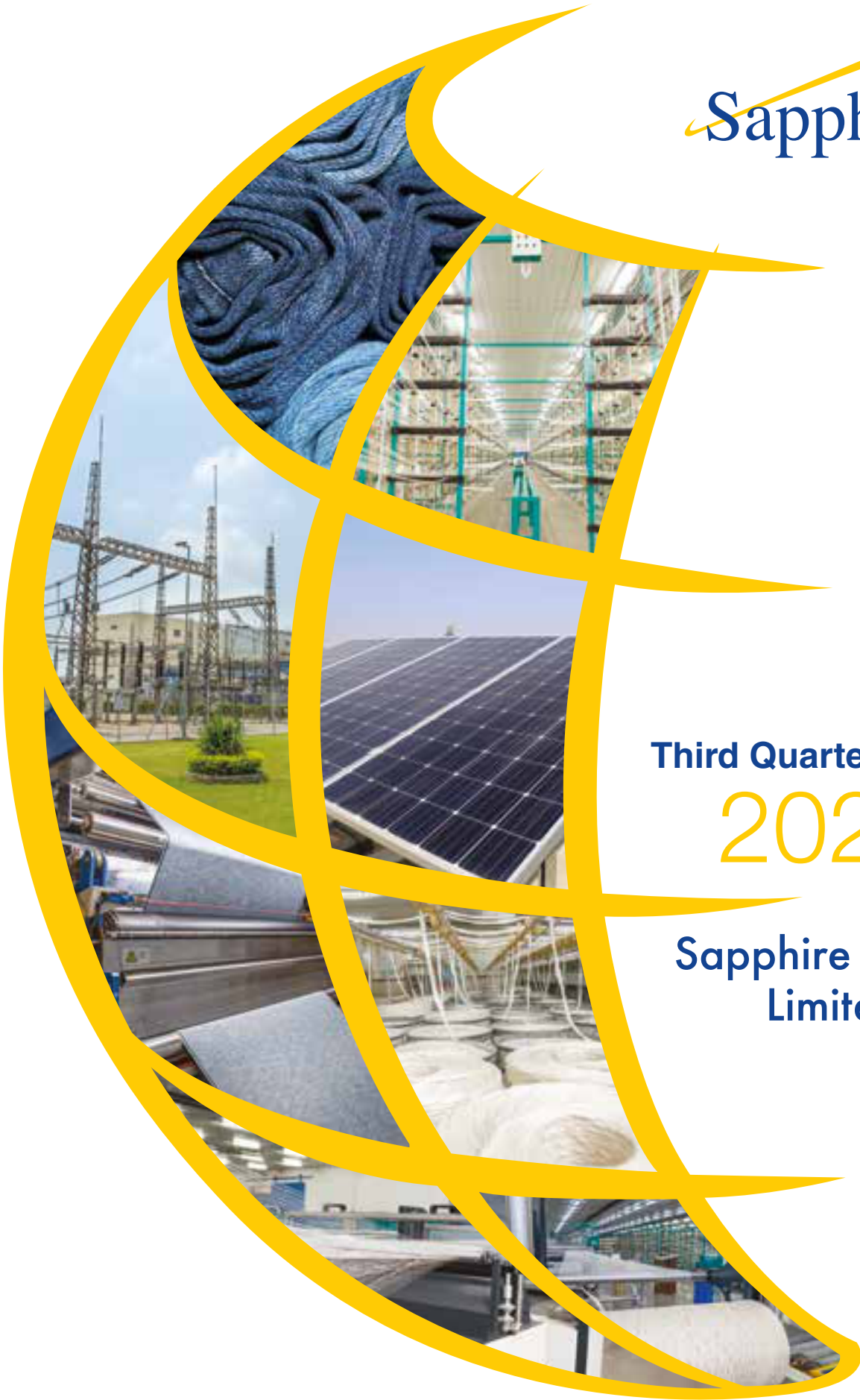
Sapphire

The text "Third Quarter Report" in blue and "2023" in yellow, positioned to the right of the central collage.

Third Quarter Report
2023

The text "Sapphire Fibres Limited" in blue, positioned to the right of the central collage.

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. Tajammal Husain Bokharee

Mr. Nadeem Arshad Elahi

Dr. Marium Chughtai

Audit Committee

Mr. Nadeem Arshad Elahi – Chairman

Mr. Shayan Abdullah – Member

Mr. Yousuf Abdullah – Member

Mr. Tajammal Husain Bokharee – Member

Human Resource and

Remuneration Committee

Mr. Tajammal Husain Bokharee – 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, Sheikhpura Faisalabad Road, Kharianwala

District Sheikhpura

26 KM, Sheikhpura Faisalabad Road, Ferozewattuan

District Sheikhpura

Fabric Knitting Unit

7 KM, Warburton Road, Ferozewattuan District

Sheikhpura

Fabric Dyeing and Denim Units

3.5 Km, Raiwind Manga Road, Raiwind

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DIRECTORS' REPORT

The Directors of your Company are pleased to present un-audited interim financial statements for the nine months ended on 31 March 2023.

Financial Highlights

	31 March	
	2023	2022
	Rupees in thousand	
Sales & services	33,355,434	29,876,780
Gross profit	6,758,708	6,272,600
Other Income	1,588,279	980,869
Profit from operations	6,257,034	5,426,902
Profit before taxation	4,885,727	4,318,559
Taxation	(599,843)	(387,510)
Profit after taxation	<u>4,285,884</u>	<u>3,931,049</u>

During first nine months of the financial year, company's revenue increased from last year's Rs. 29,877 million to Rs. 33,355 million, an improvement of 11.6% compared to the corresponding period of last year. Gross profit as a percentage of sales was 20.3% against 21.0% during last year. Whereas, the company earned profit after tax of Rs. 4,286 million compared to Rs. 3,931 million during same period of last year.

Earnings per share

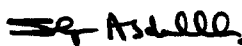
The company's earnings per share (EPS) were at Rs.207.33 as compared to Rs.190.16 during the same period of last year.

Future outlook

As global growth slows, Pakistan's economy is facing serious challenges in the wake of shrinking foreign exchange reserves, depreciating currency and exceptionally high inflation. However, your company backed by its diversified business segments, has maintained a sustainable growth path in recent years. Therefore, despite economic conditions to remain tough, the management is cautiously optimistic about the performance over remaining months of the current fiscal year.

The directors appreciate the hard work and commendable services rendered by staff and workers of the company.

For and on behalf of the Board


Director


Chief Executive

Lahore
Dated: 27 April, 2023

ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2023ء کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی جھلکیاں

روپے ہزاروں میں

31 مارچ 2022ء	31 مارچ 2023ء	تفصیل
29,876,780	33,355,434	فروخت اور خدمات
6,272,600	6,758,708	مجموعی منافع
980,869	1,588,279	دیگر آمدنی
5,426,902	6,257,034	آپریٹنگ منافع
4,318,559	4,885,727	ٹیکس سے پہلے منافع
(387,510)	(599,843)	ٹیکسیشن
3,931,049	4,285,884	ٹیکس کے بعد منافع

مالی سال کی پہلی نو ماہی کے دوران آپ کی کمپنی نے گزشتہ سال کی اسی مدت میں 29,877 ملین روپے کے مقابلے میں 33,355 ملین روپے کی فروخت حاصل کی، جو کہ 11.6 فیصد کا اضافہ ظاہر کرتی ہے۔ فروخت کے فیصد کے طور پر مجموعی منافع گزشتہ سال کے دوران 21.0 فیصد کے مقابلے میں 20.3 فیصد تھا۔ جبکہ کمپنی نے گزشتہ سال اسی مدت میں درج 3,931 ملین روپے کے مقابلے میں موجودہ مدت کے دوران 4,286 ملین روپے ٹیکس کے بعد منافع کمایا ہے۔

نی حصص آمدنی

کمپنی کی موجودہ نو ماہی کی نی حصص آمدنی (EPS) 207.33 روپے ہے جو کہ پچھلے سال کی اسی نو ماہی کی 190.16 روپے تھی۔

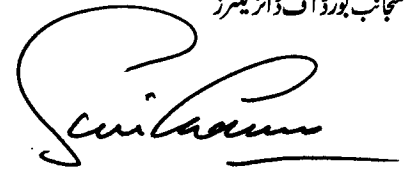
مستقبل کا نقطہ نظر

جیسے جیسے عالمی ترقی کی رفتار کم ہو رہی ہے، پاکستان کی معیشت کو غیر ملکی زرمبادلہ کے ذخائر سکڑنے، کرنسی کی قدر میں کمی اور غیر معمولی طور پر بلند افراط زر کے تناظر میں سنگین چیلنجز کا سامنا ہے۔ تاہم، آپ کی کمپنی نے اس کے مختلف کاروباری شعبوں سے تعاون سے حالیہ برسوں میں ایک پائیدار ترقی کی راہ کو برقرار رکھا ہے۔ لہذا، معاشی حالات سخت رہنے کے باوجود، انتظامیہ رواں مالی سال کے بقیہ مہینوں میں کارکردگی کے بارے میں محتاط انداز میں پرامید ہے۔

اعتراف

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

منجانب بورڈ آف ڈائریکٹرز



چیف ایگزیکٹو

Sky Asadullah
ڈائریکٹر

لاہور

تاریخ: 27 اپریل 2023ء

SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		Un-audited March 31, 2023	Audited June 30, 2022
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	14,924,010,675	14,631,666,353
Investment property		31,750,000	31,750,000
Intangible assets		799,925	1,379,110
Long term investments	5	7,105,207,193	7,281,628,669
Long term loans		3,068,500	1,271,250
Long term deposits		60,496,545	60,496,545
		<u>22,125,332,838</u>	<u>22,008,191,927</u>
Current assets			
Stores, spare parts and loose tools		1,301,636,441	759,045,137
Stock-in-trade	6	15,435,598,760	14,344,276,259
Trade debts		6,163,190,492	5,077,277,633
Loans and advances		706,341,941	492,487,585
Trade deposits and short term prepayments		47,241,301	39,688,825
Other receivables		1,467,535,529	1,355,114,102
Short term investments		2,013,848,473	2,317,444,048
Tax refunds due from Government		1,991,089,507	2,461,078,774
Cash and bank balances		210,097,051	45,831,510
		<u>29,336,579,495</u>	<u>26,892,243,873</u>
Total assets		<u><u>51,461,912,333</u></u>	<u><u>48,900,435,800</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital			
20,671,875 ordinary shares of Rs.10 each		<u>206,718,750</u>	<u>206,718,750</u>
Reserves		<u>1,041,834,122</u>	<u>1,621,851,173</u>
Unappropriated profit		<u>25,619,560,364</u>	<u>21,540,395,399</u>
		<u>26,868,113,236</u>	<u>23,368,965,322</u>
Liabilities			
Non-current liabilities			
Long term liabilities	7	5,373,834,765	5,644,921,664
Staff retirement benefit - gratuity		454,778,301	399,538,518
Deferred taxation		121,759,594	117,823,533
		<u>5,950,372,660</u>	<u>6,162,283,715</u>
Current liabilities			
Trade and other payables		5,900,133,832	5,175,516,843
Contract liabilities		903,638,362	1,051,628,011
Accrued mark-up / interest		313,692,272	252,363,913
Short term borrowings	8	10,097,012,718	10,968,082,484
Current portion of long term liabilities	7	825,341,389	1,072,001,118
Unclaimed dividend		7,222,011	6,670,826
Provision for taxation		596,385,853	842,923,568
		<u>18,643,426,437</u>	<u>19,369,186,763</u>
Total liabilities		<u>24,593,799,097</u>	<u>25,531,470,478</u>
Contingencies and commitments	9		
Total equity and liabilities		<u><u>51,461,912,333</u></u>	<u><u>48,900,435,800</u></u>

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


Chief Executive Officer


Director

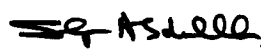

Chief Financial Officer

SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Note	Nine months period ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		----- Rupees -----			
Sales - net	10	33,355,434,882	29,876,780,210	11,840,548,483	10,689,535,320
Cost of sales	11	(26,596,726,361)	(23,604,179,848)	(8,934,003,354)	(8,502,662,684)
Gross profit		6,758,708,521	6,272,600,362	2,906,545,129	2,186,872,636
Distribution cost		(1,392,039,812)	(1,299,211,867)	(424,932,607)	(466,155,922)
Administrative expenses		(435,157,367)	(360,720,505)	(175,814,639)	(135,365,672)
Other income	12	1,588,279,340	980,868,968	276,936,318	217,657,553
Other expenses		(262,756,348)	(166,634,876)	(129,589,699)	(53,139,525)
Profit from operations		6,257,034,334	5,426,902,082	2,453,144,502	1,749,869,070
Finance cost		(1,371,307,651)	(1,108,343,205)	(440,256,280)	(442,338,978)
Profit before taxation		4,885,726,683	4,318,558,877	2,012,888,222	1,307,530,092
Taxation		(599,842,968)	(387,510,332)	(184,421,447)	(129,582,972)
Profit after taxation		4,285,883,715	3,931,048,545	1,828,466,775	1,177,947,120
Earnings per share		207.33	190.16	88.45	56.98

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


Chief Executive Officer


Director

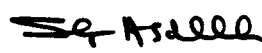

Chief Financial Officer

SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees -----			
Profit after taxation	4,285,883,715	3,931,048,545	1,828,466,775	1,177,947,120
Other comprehensive (loss) / income				
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	(276,421,476)	(326,361,068)	47,804,766	(166,935,437)
- short term	(303,595,575)	(296,432,797)	(46,401,727)	(77,520,626)
	(580,017,051)	(622,793,865)	1,403,039	(244,456,063)
Items that will be reclassified to statement of profit or loss subsequently				
Unrealised gain on remeasurement of forward foreign exchange contracts	-	-	-	17,346,086
Other comprehensive income / (loss) for the period	(580,017,051)	(622,793,865)	1,403,039	(227,109,977)
Total comprehensive income for the period	3,705,866,664	3,308,254,680	1,829,869,814	950,837,143

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


 Chief Executive Officer


 Director


 Chief Financial Officer

SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Nine months period ended	
		March 31, 2023	March 31, 2022
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from /(used) in operations	13	3,588,066,163	(3,353,579,320)
Staff retirement benefits paid		(26,660,217)	(61,178,371)
Finance cost paid		(1,309,979,292)	(1,011,605,726)
Taxes paid		(650,669,458)	(364,590,982)
Workers' profit participation fund paid		(268,466,172)	(120,565,997)
Long term loans - net		(1,797,250)	(579,250)
Long term deposits - net		-	(31,869,900)
Net cash generated from / (used in) operating activities		1,330,493,774	(4,943,969,546)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,027,012,651)	(2,048,210,983)
Investment in Subsidiary Company		(100,000,000)	-
Proceeds from disposal of operating fixed assets		25,244,276	24,083,884
Proceeds from sale of stores and spares		8,757,160	1,470,880
Dividend and interest income received		1,507,555,403	917,774,585
Net cash generated from / (used in) investing activities		414,544,188	(1,104,881,634)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - obtained		152,410,000	1,111,776,590
- repaid		(655,945,090)	(621,063,317)
Dividend paid		(206,167,565)	(205,961,561)
Short term borrowings - net		(871,069,766)	5,757,386,731
Net cash (used in) / generated from financing activities		(1,580,772,421)	6,042,138,443
Net increase / (decrease) in cash and cash equivalents		164,265,541	(6,712,737)
Cash and cash equivalents - at beginning of the period		45,831,510	64,993,047
Cash and cash equivalents - at end of the period		210,097,051	58,280,310

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


Chief Executive Officer

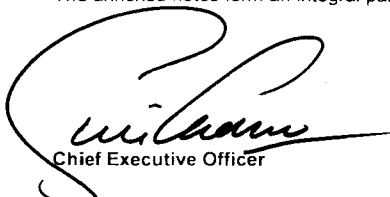

Director

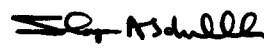

Chief Financial Officer

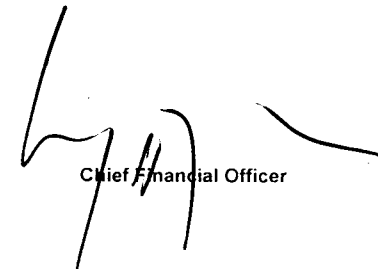
SAPPHIRE FIBRES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Capital		Reserves		Other Components of equity			Total	
	Issued, subscribed and paid-up capital	Share Premium	Revenue		Sub-total	Unrealised gain / (loss)			
General			Unappropriated profit	on financial assets at fair value through other comprehensive income		on hedging instrument	Sub-total		
	----- Rupees -----								
Balance as at July 1, 2021 (Audited)	206,718,750	391,833,750	1,183,845,000	15,530,173,708	17,105,852,458	1,602,907,581	-	1,602,907,581	18,915,478,789
Transactions with owners of the Company									
Final dividend related to the year ended June 30, 2021 at the rate of Rs. 10 per share	-	-	-	(206,718,750)	(206,718,750)	-	-	-	(206,718,750)
Total comprehensive income for the nine months period ended March 31, 2022									
Profit for the period	-	-	-	3,931,048,545	3,931,048,545	-	-	-	3,931,048,545
Other comprehensive loss	-	-	-	-	-	(622,793,865)	-	(622,793,865)	(622,793,865)
	-	-	-	3,931,048,545	3,931,048,545	(622,793,865)	-	(622,793,865)	3,308,254,680
Balance as at March 31, 2022 (Un-audited)	206,718,750	391,833,750	1,183,845,000	19,254,503,503	20,830,182,253	980,113,716	-	980,113,716	22,017,014,719
Balance as at July 1, 2022 (Audited)	206,718,750	391,833,750	1,183,845,000	21,540,395,399	23,116,074,149	46,172,423	-	46,172,423	23,368,965,322
Transactions with owners of the Company									
Final dividend related to the year ended June 30, 2022 at the rate of Rs. 10 per share	-	-	-	(206,718,750)	(206,718,750)	-	-	-	(206,718,750)
Total comprehensive income for the nine months period ended March 31, 2023									
Profit for the period	-	-	-	4,285,883,715	4,285,883,715	-	-	-	4,285,883,715
Other comprehensive loss	-	-	-	-	-	(580,017,051)	-	(580,017,051)	(580,017,051)
	-	-	-	4,285,883,715	4,285,883,715	(580,017,051)	-	(580,017,051)	3,705,866,664
Balance as at March 31, 2023 (Un-audited)	206,718,750	391,833,750	1,183,845,000	25,619,560,364	27,195,239,114	(533,844,628)	-	(533,844,628)	26,868,113,236

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


Chief Executive Officer


Director


Chief Financial Officer

SAPPHIRE FIBRES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1. LEGAL STATUS AND OPERATIONS

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

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

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

2.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.4 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2022.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2022.

4. PROPERTY, PLANT AND EQUIPMENT

		Un-audited March 31, 2023	Audited June 30, 2022
	Note	----- Rupees -----	
Operating fixed assets	4.1	12,993,782,478	12,885,466,235
Capital work-in-progress	4.2	1,930,228,197	1,746,200,118
		<u>14,924,010,675</u>	<u>14,631,666,353</u>
4.1 Operating fixed assets			
Net book value at beginning of the period / year		12,885,466,235	11,970,419,683
Additions during the period / year	4.1.1	842,984,572	1,822,969,450
Disposals costing Rs.49.591 million (June 30, 2022: Rs.130.739 million) - at net book value		(12,376,363)	(18,889,713)
Depreciation charge for the period / year		(722,291,966)	(889,033,185)
Net book value at end of the period / year		<u>12,993,782,478</u>	<u>12,885,466,235</u>
4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Freehold land		15,497,360	-
Leasehold land		24,218,750	-
Residential buildings and others on freehold land		56,857,208	3,823,726
Office buildings		85,523,544	-
Factory buildings on freehold land		162,782,918	23,496,438
Plant and machinery		367,763,281	1,653,206,673
Electric installation		27,211,904	27,376,410
Office equipment		-	25,758,534
Mills equipment		5,061,199	4,186,309
Electric equipment		4,642,107	-
Computer hardware		3,768,980	16,843,386
Vehicles		52,173,406	52,041,895
Furniture and fixtures		37,483,915	16,236,079
		<u>842,984,572</u>	<u>1,822,969,450</u>

		Un-audited March 31, 2023	Audited June 30, 2022
4.2 Capital work-in-progress	Note	----- Rupees -----	
Buildings		853,080,675	645,081,936
Furniture & Fixtures		3,965,475	19,680,831
Plant and machinery (including in transit aggregating Rs.8.928 million (June 30, 2022: Rs.115.774 million)		1,029,882,902	521,326,846
Advance payments against:			
• freehold land		-	36,680,950
• factory / office building		6,668,800	78,192,418
• plant and machinery		-	207,634,403
• electric installation		-	206,328,734
• vehicles		25,847,590	31,274,000
• computers		10,782,755	-
		43,299,145	560,110,505
		<u>1,930,228,197</u>	<u>1,746,200,118</u>
5. LONG TERM INVESTMENTS			
Subsidiary Companies - at cost		3,674,808,316	3,574,808,316
Associated Companies - at cost		758,276,769	758,276,769
Others - equity instruments	5.1	2,625,872,108	2,902,043,584
- debt instruments	5.2	46,250,000	46,500,000
		<u>7,105,207,193</u>	<u>7,281,628,669</u>
5.1 Equity Instruments - at FVTOCI			
Quoted			
MCB Bank Limited			
18,213,195 ordinary shares of Rs.10 each - cost		896,451,123	896,451,123
Adjustment arising from re-measurement to fair value		1,198,066,302	1,343,407,598
		2,094,517,425	2,239,858,721
Habib Bank Limited			
7,244,196 ordinary shares of Rs.10 each - cost		1,217,073,609	1,217,073,609
Adjustment arising from re-measurement to fair value		(686,218,926)	(555,388,746)
		530,854,683	661,684,863
Unquoted			
TCC Management Services (Private) Limited			
50,000 ordinary shares of Rs. 10 each		500,000	500,000
		<u>2,625,872,108</u>	<u>2,902,043,584</u>
5.2 Debt Instruments - at FVTOCI			
Habib Bank Limited - term finance certificates (TFCs)			
500 (June 30, 2022: 500) term finance certificates of Rs.100,000 each - cost		50,000,000	50,000,000
Adjustment arising from re-measurement to fair value		(3,750,000)	(3,500,000)
		<u>46,250,000</u>	<u>46,500,000</u>

6. STOCK-IN-TRADE	Note	Un-audited March 31, 2023	Audited June 30, 2022
Raw materials		10,847,374,549	9,893,799,712
Work-in-process		1,499,768,283	1,296,808,329
Finished goods		3,088,455,928	3,153,668,218
		<u>15,435,598,760</u>	<u>14,344,276,259</u>
7. LONG TERM LIABILITIES			
Long term finances	7.1	5,902,070,165	6,405,605,255
Provision for Gas Infrastructure Development Cess	7.2	297,105,989	311,317,527
		<u>6,199,176,154</u>	<u>6,716,922,782</u>
Less: current portion grouped under current liabilities		<u>(825,341,389)</u>	<u>(1,072,001,118)</u>
		<u>5,373,834,765</u>	<u>5,644,921,664</u>
7.1 Long term finances - secured			
Balance at beginning of the period / year		6,405,605,255	5,924,357,343
Add: disbursements during the period / year	7.1.1	152,410,000	1,323,473,590
Less: - repayments made during the period / year		(655,945,090)	(842,225,678)
Balance at end of the period / year		<u>5,902,070,165</u>	<u>6,405,605,255</u>

7.1.1 Except for the receipt of seventeen tranches of long term finances under the existing finance facilities all other terms and conditions of long term finances are materially same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2022. These long term finances, during the period, carried mark-up / profit at the rates ranged from 0.60% to 17.57% (June 30, 2022: 0.60% to 8.58%) per annum.

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

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

The liability is recognised as per the guidelines issued by The Institute of Chartered Accountants of Pakistan dated January 21, 2021.

8. SHORT TERM BORROWINGS	Note	Un-audited March 31, 2023	Audited June 30, 2022
		----- Rupees -----	
Running / cash finances - secured	8.1	8,057,402,683	8,518,082,484
Running musharakah finance - secured	8.1	1,934,165,309	2,450,000,000
Temporary bank overdraft - unsecured		105,444,726	-
		<u>10,097,012,718</u>	<u>10,968,082,484</u>

8.1 The Company has obtained short term finance facilities, including facilities for foreign currency loans, aggregating Rs.24,400 million (June 30, 2022: Rs.21,600 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.63,705 million (June 30, 2022: Rs.57,986 million) over current assets of the Company, lien on export / import documents, trust receipts and promissory notes duly signed by the directors. These finances carry mark-up / profit at the rates ranging from 2.25% to 21.15% (June 30, 2022: 2.25% to 16.55%) per annum. These facilities are expiring on various dates upto December 31, 2023.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

Guarantees aggregating Rs.1181.468 million (June 30, 2022: Rs.981.468 million) have been issued by banks of the Company to various Government institutions and Sui Northern Gas Pipelines Limited.

There has been no material change in the status of other contingencies as disclosed in the audited annual financial statements of the Company for the year ended June 30, 2022.

9.2 Commitments in respect of :

	Un-audited March 31, 2023	Audited June 30, 2022
----- Rupees -----		
• letters of credit for capital expenditure	1,053,652,349	1,393,549,471
• letters of credit for purchase of raw materials and stores, spare parts & chemicals	3,469,080,588	1,245,777,622
• capital expenditure other than letters of credit	384,442,266	685,315,214
• foreign bills discounted	562,818,989	3,870,571,986

10. SALES - net

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

	Spinning	Knits	Denim	Total
----- Rupees -----				
Types of goods and services				
Local sales				
- Yarn	3,377,936,575	17,021,146	-	3,394,957,721
- Fabric	-	202,723,073	1,046,123,580	1,248,846,653
- Garments	-	45,228,418	-	45,228,418
- Waste	180,691,569	55,448,309	68,945,373	305,085,251
- Raw materials	84,360,905	-	-	84,360,905
- Local steam income	9,574,900	-	-	9,574,900
- Processing income	3,716,809	145,662,008	3,973,281	153,352,098
	3,656,280,758	466,082,954	1,119,042,234	5,241,405,946
Export Sales				
- Yarn	12,307,638,014	151,757,477	-	12,459,395,491
- Fabric	-	1,296,259,541	6,781,965,146	8,078,224,687
- Garments	-	6,933,554,262	-	6,933,554,262
- Waste	561,968,417	-	-	561,968,417
	12,869,606,431	8,381,571,280	6,781,965,146	28,033,142,857
Export rebate				
- Yarn	10,041	0	0	10,041
- Fabric	-	4,267,092	10,504,765	14,771,857
- Garments	-	66,104,181	-	66,104,181
	10,041	70,371,273	10,504,765	80,886,079
	16,525,897,230	8,918,025,507	7,911,512,145	33,355,434,882
Timing of revenue recognition				
Goods transferred at a point in time	16,522,180,421	8,772,363,499	7,907,538,864	33,202,082,784
Services rendered at a point in time	3,716,809	145,662,008	3,973,281	153,352,098
	16,525,897,230	8,918,025,507	7,911,512,145	33,355,434,882

For the nine months period ended March 31, 2022 - Un-audited

	Spinning	Knits	Denim	Total
	----- Rupees -----			
Types of goods and services				
Local sales				
- Yarn	3,472,484,602	9,233,248	3,675,000	3,485,392,850
- Fabric	-	824,819,845	2,290,763,133	3,115,582,978
- Garments	-	12,301,206	389,954	12,691,160
- Waste	191,843,587	39,051,629	73,299,324	304,194,540
- Raw materials	92,886,559	-	-	92,886,559
- Local steam income	13,916,000	-	-	13,916,000
- Processing income	1,445,039	41,728,798	262,950	43,436,787
	3,772,575,787	927,134,726	2,368,390,361	7,068,100,874
Export Sales				
- Yarn	12,404,382,504	103,677,562	-	12,508,060,066
- Fabric	-	1,199,294,591	5,596,177,251	6,795,471,842
- Garments	-	3,104,084,961	-	3,104,084,961
- Waste	357,577,332	-	-	357,577,332
	12,761,959,836	4,407,057,114	5,596,177,251	22,765,194,201
Export rebate				
- Fabric	-	7,605,514	-	7,605,514
- Garments	-	35,879,621	-	35,879,621
	-	43,485,135	0	43,485,135
	16,534,535,623	5,377,676,975	7,964,567,612	29,876,780,210
Timing of revenue recognition				
Goods transferred at a point in time	16,533,090,584	5,335,948,177	7,964,304,662	29,833,343,423
Services rendered at a point in time	1,445,039	41,728,798	262,950	43,436,787
	16,534,535,623	5,377,676,975	7,964,567,612	29,876,780,210

11. COST OF SALES

----- Un-audited -----					
		Nine months period ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note		----- Rupees -----			
Finished goods at beginning of the period		3,153,668,217	1,655,968,789	2,483,497,606	2,586,510,155
Cost of goods manufactured	11.1	26,494,219,062	24,972,629,916	9,538,961,677	8,997,186,189
Cost of raw materials sold		37,295,010	56,614,803	-	-
		26,531,514,072	25,029,244,719	9,538,961,677	8,997,186,189
		29,685,182,289	26,685,213,508	12,022,459,283	11,583,696,344
Finished goods at end of the period		(3,088,455,928)	(3,081,033,660)	(3,088,455,928)	(3,081,033,660)
		26,596,726,361	23,604,179,848	8,934,003,355	8,502,662,684

11.1 Cost of goods manufactured

	----- Un-audited -----			
	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees -----			
Work-in-process at beginning of the period	1,296,808,329	1,072,589,736	1,390,736,651	1,537,709,265
Raw materials consumed	18,852,086,156	19,280,018,421	6,816,501,532	6,841,141,675
Direct labour and other overheads	7,845,092,860	6,175,383,375	2,831,491,777	2,173,696,865
	26,697,179,016	25,455,401,796	9,647,993,309	9,014,838,540
	27,993,987,345	26,527,991,532	11,038,729,960	10,552,547,805
Work-in-process at end of the period	(1,499,768,283)	(1,555,361,616)	(1,499,768,283)	(1,555,361,616)
	26,494,219,062	24,972,629,916	9,538,961,677	8,997,186,189

12. OTHER INCOME

This mainly includes dividend of Rs.866.347 million (March 31, 2022: Rs.433.174 million) received from Sapphire Electric Company Limited - Subsidiary Company.

13. CASH GENERATED FROM / (USED IN) OPERATIONS

	Note	Un-audited	
		Nine months period ended	
		March 31, 2023	March 31, 2022
		----- Rupees -----	
Profit before taxation		4,885,726,683	4,318,558,877
Adjustments for non-cash and other items:			
Depreciation		722,291,966	652,756,513
Amortization of intangible assets		579,185	1,098,773
Amortization of government grant		(1,178,823)	-
Staff retirement benefit - gratuity		81,900,000	94,500,000
Provision for workers' profit participation fund		160,057,484	165,174,626
Provision for workers' welfare fund		101,323,034	-
Gain on disposal of operating fixed assets		(12,867,913)	(9,709,967)
Gain on sale of stores and spares		(7,292,245)	1,963,810
Dividend and interest income		(1,507,555,403)	(919,593,079)
Finance cost		1,371,307,651	1,108,343,205
Working capital changes	13.1	(2,206,225,456)	(8,766,672,078)
		3,588,066,163	(3,353,579,320)

	Un-audited	
	Nine months period ended	
	March 31, 2023	March 31, 2022
	----- Rupees -----	
13.1 Working capital changes		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	(544,056,219)	(353,149,536)
- stock-in-trade	(1,091,322,501)	(5,483,158,558)
- trade debts	(1,085,912,859)	(3,386,583,382)
- loans and advances	(213,854,356)	(141,117,042)
- deposits, other receivables and sales tax	158,240,200	(1,651,091,807)
	(2,776,905,735)	(11,015,100,325)
Increase / (decrease) in current liabilities:		
- trade and other payables	718,669,928	1,683,884,232
- contract liabilities	(147,989,649)	564,544,015
	570,680,279	2,248,428,247
	(2,206,225,456)	(8,766,672,078)

14. FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since June 30, 2022, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statement does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2022.

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

	Un-audited	
	Nine months period ended	
	March 31, 2023	March 31, 2022
	----- Rupees -----	
Transactions with Subsidiary Companies		
Dividend received	866,347,800	433,173,900
Expenses charged to	7,685,943	-
Loans provided	219,200,298	149,822,952
Mark-up charged	84,801,608	15,636,894
Share deposit money paid	100,000,000	-
Transactions with Associated Companies		
Sales:		
• raw material / yarn / fabric / stores	179,929,585	238,108,445
• assets	-	7,000,000
Purchases:		
• raw material / yarn / fabric / stores	2,405,675,295	2,500,068,898
• assets	7,000,000	-

	Un-audited	
	Nine months period ended	
	March 31, 2023	March 31, 2022
Services:	----- Rupees -----	
• rendered	3,403,359	177,898
• obtained	17,020	439,737
Expenses charged by	17,624,241	26,007,258
Expenses charged to	2,242,804	5,600,830
Dividend:		
• received	66,921,675	769,030
• paid	107,150,550	48,550,990
Transactions with Key management personnel		
Remuneration and other benefits	125,346,855	91,575,527
Transactions with Retirement fund		
Contribution made	30,061,331	42,657,816

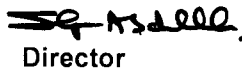
16. CORRESPONDING FIGURES

- In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2022, whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the nine months period ended March 31, 2022.
- Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 27, 2023.


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 31 March, 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:

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% (2022: 68.11%) share capital of the subsidiary.

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

Premier Cement Limited:

Premier Cement Limited (PCL) was incorporated in Pakistan as an unlisted public company limited by shares under Companies Ordinance 1984. SFL holds 100% shares of PCL as on 31 March, 2023.

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

Sapphire Cement Company Limited:

Sapphire Cement Company Limited (SCCL) was incorporated in Pakistan as an unlisted public company limited by shares under Companies Ordinance 1984 during the period. SFL holds 100% shares of SCCL as on 31 March, 2023.

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

Sapphire Hydro Limited

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

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

Sapphire Energy (Private) Limited

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

Ignite Power (Private) Limited

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 (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 Building Materials Limited - SBML

Sapphire Building Materials Limited (SBML) 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

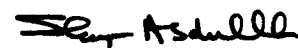
Sapphire Power Limited (the Company) is a public unlisted company limited by shares incorporated in Pakistan on April 19, 2021 under the Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the company is to generate, purchase, import, transform, convert, distribute and supply electricity including the hydri 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 (SPPL) 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


Chief Executive


Director

Lahore:
Dated: April 27, 2023

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 مارچ 2023ء کو ختم ہونے والی مدت کے لئے سفارہ فائبرز لمیٹڈ اور اسکی ذیلی کمپنیوں سفارہ الیکٹرک کمپنی لمیٹڈ، پری میجر سینٹ لمیٹڈ، سفارہ سینٹ کمپنی لمیٹڈ، سفارہ ہائیڈرولیمینڈ، سفارہ انرجی (پرائیویٹ) لمیٹڈ، اگناٹ پاور (پرائیویٹ) لمیٹڈ، سفارہ مانگ ایکسپلوریشن (پرائیویٹ) لمیٹڈ، سفارہ بلڈنگ میٹریلز لمیٹڈ، سفارہ پاور لمیٹڈ اور سفارہ پراپرٹیز (پرائیویٹ) لمیٹڈ کے اشتمال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ معیار-27 (اشتمال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتمال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ الگ مالی گوشوارے منسلک کئے ہیں۔

سفارہ الیکٹرک کمپنی لمیٹڈ (SECL):

سفارہ الیکٹرک کمپنی لمیٹڈ (ایس ای سی ایل) 18 جنوری 2005 کو کمپنیز آرڈیننس، 1984 کے تحت غیر مندرج پبلک کمپنی کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ سفارہ فائبرز لمیٹڈ ذیلی کمپنی کے 68.11% (2022: 68.11%) حصص کی مالک ہے۔
ذیلی کمپنی کی اصل سرگرمی 212 میگا واٹ کی خالص صلاحیت کے حامل کبائسٹڈ سائیکل پاور سٹیشن کی ملکیت، کو چلانا اور برقرار رکھنا ہے۔

پری میجر سینٹ لمیٹڈ (PCL):

پری میجر سینٹ لمیٹڈ (پی سی ایل) کمپنیز آرڈیننس 1984 کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 31 مارچ 2023ء کے مطابق پی سی ایل کے 100% حصص کی مالک ہے۔
پی سی ایل ہر قسم کے سینٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفارہ سینٹ کمپنی لمیٹڈ (SCCL):

سفارہ سینٹ کمپنی لمیٹڈ (ایس سی ایل) کمپنیز آرڈیننس 1984 کے تحت ایک غیر مندرج پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 31 مارچ 2023ء کے مطابق ایس سی ایل کے 100% حصص کی مالک ہے۔
ایس سی ایل ہر قسم کے سینٹ اور اس کی متعلقہ مصنوعات بنانے کے لئے پلانٹ قائم اور نصب کرنے کا ارادہ رکھتی ہے۔

سفارہ ہائیڈرولیمینڈ (SHL):

سفارہ ہائیڈرولیمینڈ (ایس ایچ ایل) 07 ستمبر 2017ء کو کمپنیز ایکٹ 2017ء کے تحت پبلک کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ذیلی کمپنی کا اصل کاروبار شمسی، خیبر پختونخواہ میں 682 GWh کی سالانہ بجلی کی پیداوار کی پونیشنل کے ساتھ 150 میگا واٹ کی خالص صلاحیت کا حامل ایک ہائیڈرولیمینڈ پاور جنریشن منصوبہ تعمیر، قائم اور چلانا ہوگا۔
سفارہ ہائیڈرولیمینڈ (ایس ایچ ایل) بیزنس کمپنی سفارہ فائبرز لمیٹڈ کی ذیلی کمپنی سفارہ الیکٹرک کمپنی لمیٹڈ کی ایک مکمل ملکیتی ذیلی کمپنی ہے۔

سفارہ انرجی (پرائیویٹ) لمیٹڈ (SEPL):

سفارہ انرجی (پرائیویٹ) لمیٹڈ (ایس ای پی ایل) 11 دسمبر 2017ء کو کمپنیز ایکٹ 2017ء کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ایس ایف ایل 31 مارچ 2023ء کے مطابق ایس ای پی ایل کے 100% حصص کی مالک ہے۔
ایس ای پی ایل بجلی پیدا کرنے اور تمام دیگر متعلقہ ناعات، کیمیکل اور پیٹرولیم مصنوعات کی ہینڈلنگ، ری گیس فلیشن، اسٹوریج، ہٹ ٹینٹ اور پروسیڈنگ کے لئے ایک ٹرینٹل چلانے میں مصروف کمپنیوں میں توانائی کے منصوبوں میں حصہ لینے، شرکت کرنے اور سرمایہ کاری کرنے یا حصص حاصل کرنے کا ارادہ رکھتی ہے۔

اگنائٹ پاور (پرائیویٹ) لمیٹڈ (IPPL):

اگنائٹ 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۔ اگنائٹ پاور (پرائیویٹ) لمیٹڈ (آئی پی ایل) 03 جولائی 2019ء گنیز ایکٹ 2017 کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ سول انرجی سسٹم کے استعمال اور توانائی کی تمام دیگر شکلوں اور مصنوعات یا اس سے متعلقہ خدمات سمیت پاور پروجیکٹس حاصل، ترقی دینے کا ارادہ رکھتی ہے۔

سفار ماننگ ایکسپوریشن (پرائیویٹ) لمیٹڈ (SMEL):

سفار ماننگ ایکسپوریشن (پرائیویٹ) لمیٹڈ (ایس ایم ای ایل) 25 اگست 2020 کو گنیز ایکٹ 2017 کے تحت ایک پرائیویٹ کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ ضروری منظور یوں 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 ارادہ رکھتی ہے۔ ایس ایم ای ایل سفار فاہرز لمیٹڈ کی ذیلی کمپنی پریمر سینٹ لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔

سفار بلڈنگ میٹریلز لمیٹڈ (SBML):

سفار بلڈنگ میٹریلز لمیٹڈ (ایس بی ایم ایل) 24 مارچ 2021 کو گنیز 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 ارادہ رکھتی ہے۔ ایس بی ایم ایل سفار فاہرز لمیٹڈ کی ذیلی کمپنی پریمر سینٹ لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔

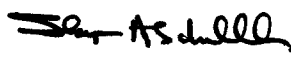
سفار پاور لمیٹڈ (SPL):

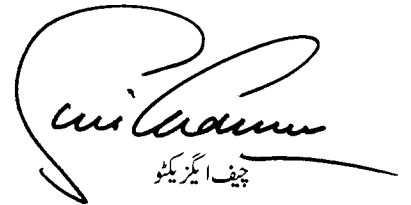
سفار پاور لمیٹڈ (کمپنی) 19 اپریل 2021 کو گنیز آرڈیننس 1984 (ایب گنیز ایکٹ 2017) کے تحت ایک پبلک غیر مندرج کمپنی لمیٹڈ کے طور پر شراکت سے پاکستان میں قائم ہوئی۔ کمپنی کی اصل سرگرمی ہائیڈرو پاور سسٹم سمیت بجلی کی پیداوار، خریداری، درآمد، برانڈ فارم، کنورٹ، تقسیم اور سپلائی کرنا ہے۔ کمپنی سفار فاہرز لمیٹڈ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

سفار پراپرٹیز (پرائیویٹ) لمیٹڈ:

سفار پراپرٹیز (پرائیویٹ) لمیٹڈ (ایس پی پی ایل) 15 اگست 2022 کو گنیز 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 کی مکمل ملکیتی ذیلی ادارہ ہے۔

منجانب بورڈ آف ڈائریکٹرز


ڈائریکٹر


چیف ایگزیکٹو

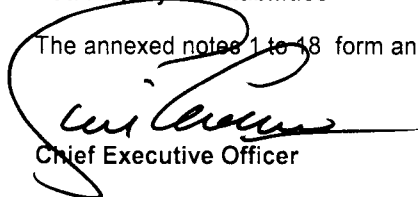
لاہور

تاریخ: 27 اپریل 2023ء

SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		Un-audited March 31, 2023	Audited June 30, 2022
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	25,855,894,364	25,987,739,715
Investment property		31,750,000	31,750,000
Intangible assets		6,412,829	6,992,014
Long term investments	5	5,297,930,352	5,149,820,289
Long term loans		9,123,500	4,346,250
Long term deposits		62,426,345	62,426,345
		31,263,537,390	31,243,074,613
Current assets			
Stores, spare parts and loose tools		1,311,488,081	768,105,482
Stock-in-trade	6	15,737,454,505	14,654,647,253
Trade debts	7	18,285,733,406	13,956,754,985
Loans and advances		1,046,977,837	819,015,632
Trade deposits and short term prepayments		239,904,303	104,341,667
Short term investments		2,037,761,313	7,093,387,345
Other receivables		1,538,350,095	1,549,390,347
Tax refunds due from Government		2,474,970,648	2,936,119,117
Cash and bank balances		1,002,942,133	671,581,706
		43,675,582,321	42,553,343,534
		74,939,119,711	73,796,418,147
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital			
20,671,875 (June 30, 2022: 20,671,875)			
ordinary shares of Rs.10 each		206,718,750	206,718,750
Reserves		1,426,002,956	1,948,458,515
Unappropriated profit		37,648,737,983	32,879,156,697
Equity attributable to shareholders of the Parent Company		39,281,459,689	35,034,333,962
Non-controlling interest		6,651,428,240	6,338,808,434
Total equity		45,932,887,929	41,373,142,396
Liabilities			
Non-current liabilities			
Long term liabilities	8	5,373,834,765	5,644,921,664
Staff retirement benefits - gratuity		454,778,301	399,538,518
Deferred taxation		135,211,916	131,893,344
		5,963,824,982	6,176,353,526
Current liabilities			
Trade and other payables		8,141,895,997	8,053,654,426
Contract liabilities		903,638,362	1,051,628,011
Accrued mark-up / interest		451,993,640	342,281,137
Short term borrowings	9	12,115,437,001	14,877,140,252
Current portion of long term finances	8	825,341,389	1,072,001,118
Unclaimed dividend		7,222,011	6,670,826
Provision for taxation		596,878,400	843,546,455
		23,042,406,800	26,246,922,225
Total liabilities		29,006,231,782	32,423,275,751
Contingencies and commitments	10		
Total equity and liabilities		74,939,119,711	73,796,418,147

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


Chief Executive Officer


Director

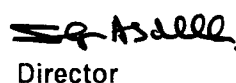

Chief Financial Officer

SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Note	Nine months period		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		----- Rupees -----			
Sales - net	11	44,454,354,940	41,557,241,417	14,982,685,661	12,090,824,343
Cost of Sales	12	(35,298,907,518)	(33,342,537,056)	(11,486,379,981)	(9,340,088,426)
Gross profit		9,155,447,422	8,214,704,361	3,496,305,680	2,750,735,917
Distribution cost		(1,392,039,812)	(1,299,211,867)	(424,932,607)	(466,155,922)
Administrative expenses		(564,669,112)	(497,319,820)	(223,992,432)	(189,852,254)
Other income		777,263,169	843,954,201	379,622,856	464,203,905
Other expenses		(291,196,899)	(166,650,572)	(129,589,699)	(53,155,221)
Profit from operations		7,684,804,768	7,095,476,303	3,097,413,798	2,505,776,425
Finance cost		(1,555,223,870)	(1,395,835,179)	(531,699,587)	(475,937,567)
		6,129,580,898	5,699,641,124	2,565,714,211	2,029,838,858
Share of profit of Associated Companies		225,407,209	313,072,627	75,083,165	70,562,663
Profit before taxation		6,354,988,107	6,012,713,751	2,640,797,376	2,100,401,521
Taxation		(599,391,484)	(392,083,474)	(183,767,558)	(131,345,720)
Profit after taxation		5,755,596,623	5,620,630,277	2,457,029,818	1,969,055,801
Attributable to:					
- Shareholders of the Parent Company		5,037,315,594	5,014,593,972	2,274,330,338	1,725,989,098
- Non-controlling interest		718,281,029	606,036,305	182,699,480	243,066,703
		5,755,596,623	5,620,630,277	2,457,029,818	1,969,055,801
Earnings per share					
- attributable to shareholders of the Parent Company		243.68	242.58	110.02	83.49

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


Chief Executive Officer


Director

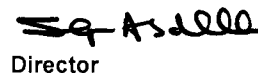

Chief Financial Officer

SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Nine months period		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees -----			
Profit after taxation	5,755,596,623	5,620,630,277	2,457,029,818	1,969,055,801
Other comprehensive (loss) / income				
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	(276,421,476)	(326,361,068)	(56,779,730)	(166,935,437)
- short term	(303,595,575)	(296,432,797)	(35,353,594)	(77,520,626)
Share of fair value gain / (loss) on remeasurement of investment at fair value through other comprehensive income by Associated Companies	(5,014,292)	(4,044,773)	(422,176)	(1,537,347)
	(585,031,343)	(626,838,638)	(92,555,500)	(245,993,410)
Items that will be reclassified to statement of profit or loss subsequently				
Impact of deferred tax of staff retirement benefit obligation	-	-	207,533	-
Share of unrealised gain on remeasurement of hedging instruments of Associated Companies	1,454,267	118,519	1,161,053	152,292
	1,454,267	118,519	1,368,586	152,292
Other comprehensive gain/(loss) for the period	(583,577,076)	(626,720,119)	(91,186,914)	(245,841,118)
Total comprehensive income for the period	5,172,019,547	4,993,910,158	2,365,842,904	1,723,214,683
Attributable to:				
- Shareholders of the Parent Company	4,453,738,518	4,387,873,853	2,183,143,424	1,480,147,980
- Non-controlling interest	718,281,029	606,036,305	182,699,480	243,066,703
	5,172,019,547	4,993,910,158	2,365,842,904	1,723,214,683

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


Chief Executive Officer


Director

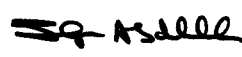

Chief Financial Officer

SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Nine months period	
		March 31, 2023	March 31, 2022
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated in operations	13	2,103,390,293	1,338,792,733
Staff retirement benefits paid		(26,660,217)	(61,178,371)
Finance cost paid		(1,445,511,367)	(1,311,417,512)
Taxes paid		(70,385,826)	(364,590,982)
Workers' profit participation fund paid		(268,466,172)	(120,565,997)
Long term loans - net		(4,777,250)	4,945,750
Long term deposits - net		-	(31,669,900)
Net cash used in operating activities		287,589,461	(545,684,279)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,052,074,263)	(2,073,682,785)
Proceeds from disposal of operating fixed assets		25,939,217	24,083,884
Long term investments- net		(269,500,071)	-
Short term investments- net		4,723,748,371	-
Proceeds from sale of stores and spares		8,757,160	1,470,880
Dividend and interest income received		483,967,681	468,194,761
Net cash generated / (used) in investing activities		3,920,838,095	(1,579,933,260)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - obtained		152,410,000	490,713,273
- repaid		(655,945,090)	-
Dividend paid		(611,828,788)	(202,830,616)
Short term borrowings - net		(2,761,703,251)	1,866,677,575
Net cash (used in) / generated from financing activities		(3,877,067,129)	2,154,560,232
Net increase in cash and cash equivalents		331,360,427	28,942,693
Cash and cash equivalents - at beginning of the period		671,581,706	518,979,417
Cash and cash equivalents - at end of the period		1,002,942,133	547,922,110

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


Chief Executive Officer

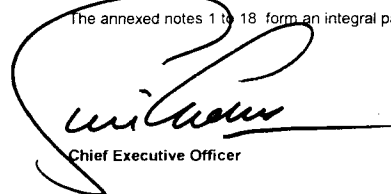

Director

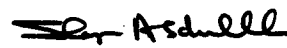

Chief Financial Officer

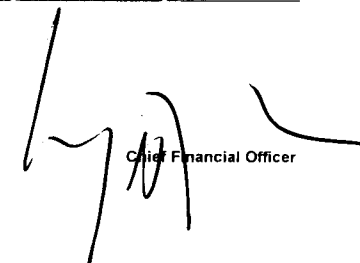
SAPPHIRE FIBRES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Reserves						Other Components of equity			Total	Non-Controlling Interest
	Capital		Revenue				Unrealised gain / (loss)				
	Issued, subscribed and paid-up capital	Share Premium	Maintenance reserve	General	Unappropriated profit	Sub-total	on financial assets at fair value through other comprehensive income	on hedging instrument	Sub-total		
	----- Rupees -----										
Balance as at July 1, 2021 (Audited)	206,718,750	391,833,750	190,833,377	1,183,845,000	25,714,887,539	27,481,399,666	1,592,511,269	243,733	1,592,755,002	29,280,873,418	5,877,689,063
Transaction with owners											
Final dividend for year ended June 30, 2021	-	-	-	-	(206,718,750)	(206,718,750)	-	-	-	(206,718,750)	(202,830,616)
Total comprehensive income for the nine months period ended March 31, 2022											
Profit for the period	-	-	-	-	5,014,593,972	5,014,593,972	-	-	-	5,014,593,972	606,036,305
Other comprehensive income	-	-	-	-	-	-	(626,838,638)	118,519	(626,720,119)	(626,720,119)	-
	-	-	-	-	5,014,593,972	5,014,593,972	(626,838,638)	118,519	(626,720,119)	4,387,873,853	606,036,305
Transfer to maintenance reserve	-	-	-	-	-	-	-	-	-	-	-
Effect of items directly credited in equity by the Associated companies	-	-	-	-	976,427	976,427	-	-	-	976,427	-
Balance as at March 31, 2022 (Un-audited)	206,718,750	391,833,750	190,833,377	1,183,845,000	30,523,739,188	32,290,251,315	965,672,631	362,252	966,034,883	33,463,004,948	6,280,894,752
Balance as at July 1, 2022 (Audited)	206,718,750	391,833,750	347,810,242	1,183,845,000	32,879,156,697	34,802,645,689	24,717,363	252,160	24,969,523	35,034,333,962	6,338,808,434
Transaction with owners											
Final dividend for the year ended June 30, 2022	-	-	-	-	(206,718,750)	(206,718,750)	-	-	-	(206,718,750)	(405,661,223)
Total comprehensive income for the nine months period ended March 31, 2023											
Profit for the period	-	-	-	-	5,037,315,594	5,037,315,594	-	-	-	5,037,315,594	718,281,029
Other comprehensive profit	-	-	-	-	-	-	(585,031,343)	1,454,267	(583,577,076)	(583,577,076)	-
	-	-	-	-	5,037,315,594	5,037,315,594	(585,031,343)	1,454,267	(583,577,076)	4,453,738,518	718,281,029
Transfer to maintenance reserve	-	-	61,121,517	-	(61,121,517)	-	-	-	-	-	-
Effect of items directly credited in equity by the Associated companies	-	-	-	-	105,959	105,959	-	-	-	105,959	-
Balance as at March 31, 2023 (Un-audited)	206,718,750	391,833,750	408,931,759	1,183,845,000	37,648,737,983	39,633,348,492	(560,313,980)	1,706,427	(558,607,553)	39,281,459,689	6,651,428,240

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


Chief Executive Officer


Director


Chief Financial Officer

SAPPHIRE FIBRES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

The Parent Company

- Sapphire Fibres Limited

Subsidiary Companies

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

• **Sapphire Fibres Limited**

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

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

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

• **Sapphire Electric Company Limited**

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

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

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

• **Premier Cement Limited**

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

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

Lahore

7 - A/K, Main Boulevard, Gulberg

Purpose

Registered office

• **Sapphire Cement Company Limited**

Sapphire Cement Company Limited - SCCL is a wholly owned subsidiary and was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on October 28, 2016. The principal activity of Subsidiary Company is to manufacture and sale of cement and allied products. The Subsidiary Company is aiming to set up its plant in the province of Punjab, however license application has not been filed with Directorate General Mines and Minerals, Punjab till the reporting date due to delay in grant of requisite

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

Lahore

7 - A/K, Main Boulevard, Gulberg

Purpose

Registered office

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

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

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

Hunza

Passu, Gojal, Hunza

Purpose

Registered office

• **Sapphire Energy (Pvt.) Limited - SEPL**

Sapphire Energy (Pvt.) Limited - SEPL is a wholly owned subsidiary and was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on December 11, 2018. The principal activity of Subsidiary Company shall be to undertake, develop power projects and make equity investments, acquire or hold shares in companies involved in energy generation and to establish and operate a terminal for the handling, regasification, storage, treatment and processing of Liquefied Natural Gas (LNG), Re-gasified Liquefied Natural Gas (RLNG), Liquid Petroleum Gas (LPG), Natural Gas Liquid (NGL) and other related products. The Subsidiary Company is in setup phase and has not yet commenced commercial operations.

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

Lahore

7 - A/K, Main Boulevard, Gulberg

Purpose

Registered office

• **Sapphire Hydro Limited - SHL**

Sapphire Hydro Limited - SHL is a wholly owned subsidiary of Sapphire Electric Company Limited - SECL which is a subsidiary of the Parent Company and was incorporated in Pakistan as a public company limited by shares under the Companies Act, 2017 on September 07, 2018. The principal business of the Subsidiary Company is to construct, establish and setup a Hydro Electric Power generation project having a net capacity of 150 MW with potential of 682 GWh of annual energy generation at Sharmaj, Khayber Pakhtunkhawa. The subsidiary company is in setup phase and has not yet commenced commercial operations.

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

Lahore

7 - A/K, Main Boulevard, Gulberg

Purpose

Registered office

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

Ignite Power (Private) Limited - IPPL is a 60% owned subsidiary of Sapphire Energy (Private) Limited - SEPL which is a wholly owned subsidiary of the Parent Company and was incorporated in Pakistan as a private company limited by shares under the Companies Act, 2017 on July 03, 2019. It intends to undertake, develop power projects including the use of solar energy systems and all other forms of energy and products or services associated therewith.

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

Lahore

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

Purpose

Registered office

• Sapphire Power Limited - SPL

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

• Sapphire Building Materials Limited - SBML

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

• Sapphire Properties (Private) Limited - SPPL

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**2.1 Statement of compliance**

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

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

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

2.1.2 These consolidated condensed interim financial statements do not include all the information and disclosures as required in an annual audited consolidated financial statements, and these should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2022. These condensed interim consolidated financial statements are being submitted to the shareholders as required by the section 237 of the Act.

2.2 Principal of consolidation

These consolidated condensed interim financial statements of the Group include the financial statements of Parent Company and of its Subsidiary Companies. The Parent Company's direct interest, as at March 31, 2023, in the SECL is 68.11% (June 30, 2022: 68.11%) and effective holding in SHL is also 68.11% as SHL is wholly owned Subsidiary of SECL. The Parent Company also completely owns SEPL as on March 31, 2023 and effective holding in IPPL is 60% as IPPL is 60% owned Subsidiary of SEPL. Where as the other companies PCL, SCCL, SPL, SBML and SMEL are wholly owned subsidiaries.

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

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

Transactions with non-controlling interests

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

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

2.3.1 Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

2.3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Group

There are certain standards, amendments to the accounting standards and interpretations that are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

2.4 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of consolidated annual audited financial statements for the year ended June 30, 2022.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated audited annual financial statements for the year ended June 30, 2022.

4. PROPERTY, PLANT AND EQUIPMENT		Un-audited March 31, 2023	Audited June 30, 2022
	Note	----- Rupees -----	
Operating fixed assets	4.1	23,511,275,414	23,835,249,035
Capital work-in-progress	4.2	2,344,618,950	2,152,490,680
		<u>25,855,894,364</u>	<u>25,987,739,715</u>
4.1 Operating fixed assets			
Net book value at beginning of the period / year		23,835,249,035	23,611,318,331
Additions during the period / year	4.1.1	859,945,993	1,849,954,134
Disposals costing Rs.51.576 million (June 30, 2022: Rs.319.255 million) - at net book value		(13,071,304)	(138,623,389)
Depreciation charge for the period / year		(1,170,848,310)	(1,487,400,041)
Net book value at end of the period / year		<u>23,511,275,414</u>	<u>23,835,249,035</u>

4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:		Note	Un-audited	Audited
			March 31, 2023	June 30, 2022
			----- Rupees -----	
Freehold land			15,751,760	-
Leasehold land			24,218,750	-
Residential buildings and others on freehold land			56,857,208	3,823,726
Factory buildings on freehold land			251,870,462	39,419,019
Plant and machinery			367,763,281	1,653,206,673
Electric installation			35,137,025	29,037,970
Electric equipment			9,703,306	30,229,459
Computer hardware			4,381,380	17,281,886
Vehicles			56,778,906	60,719,322
Furniture and fixtures			37,483,915	16,236,079
			859,945,993	1,849,954,134
4.2 Capital work-in-progress				
Buildings			853,080,675	645,081,936
Furniture and fixtures			3,965,475	19,680,831
Plant and machinery {including in transit aggregating Rs.8.928 million (June 30, 2022: Rs.240.002 million)}			1,029,882,902	728,961,249
Un-allocated capital expenditure			414,390,753	406,290,562
Advance payments against:				
• freehold land			0	36,680,950
• factory building			6,668,800	78,192,418
• plant and machinery			-	207,634,403
• electric installation			-	206,328,734
• vehicles			25,847,590	31,274,000
• computers			10,782,755	-
			43,299,145	560,110,505
			2,344,618,950	2,360,125,083
5. LONG TERM INVESTMENTS				
Associated Companies		5.1	2,625,808,244	2,201,276,705
Others - equity instruments		5.2	2,625,872,108	2,902,043,584
- debt instruments		5.3	46,250,000	46,500,000
			5,297,930,352	5,149,820,289
5.1 Associated Companies - equity method Quoted				
Reliance Cotton Spinning Mills Limited (RCSML)		5.1.1	114,440,578	99,577,454
Unquoted				
SFL Limited (SFLL)		5.1.2	4,097,296	3,391,544
Sapphire Power Generation Limited (SPGL)		5.1.3	301,683,944	281,925,998
Sapphire Dairies (Private) Limited (SDLP)		5.1.4	204,620,095	190,433,942
Tricon Boston Consulting Corporation (Private) Limited - TBCCL		5.1.5	1,731,466,260	1,625,947,767
Energas Terminal (Private) Limited - ETL		5.1.6	-	-
Energas Marketing (Private) Limited - EML		5.1.7	-	-
Creek Properties (Pvt) Ltd.		5.1.8	269,500,071	-
			2,625,808,244	2,201,276,705

- 5.1.1** Investment in RCSML represents 138,900 fully paid ordinary shares of Rs.10 each representing 1.35% of RCSML's issued, subscribed and paid-up capital as at March 31, 2023. RCSML was incorporated on June 13, 1990 as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of RCSML is manufacturing and sale of yarn. Market value of the Group's investment in RCSML as at March 31, 2023 was Rs. 83.34 million (June 30, 2022: Rs.53.556 million). RCSML is an associate of the Group due to common directorship.
- 5.1.2** Investment in SFLL represents 10,199 fully paid ordinary shares of Rs.10 each representing 0.051% of SFLL's issued, subscribed and paid-up capital as at March 31, 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.
- 5.1.3** Investment in SPGL represents 2,824,500 fully paid ordinary shares of Rs.10 each representing 17.63% of SPGL's issued, subscribed and paid-up capital as at March 31, 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.
- 5.1.4** Investment in SDPL represents 10,000,000 fully paid ordinary shares of Rs.10 each representing 5.50% of SDPL's issued, subscribed and paid-up capital as at March 31, 2023. SDPL was incorporated as a private limited company and is principally engaged in production and sale of milk and milk products. SDPL is an associate of the Group due to common directorship.
- 5.1.5** Investment in TBCCL represents 59,251,500 fully paid ordinary shares of Rs.10 each representing 7.13% of TBCCL's issued, subscribed and paid-up capital as at March 31, 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.
- 5.1.6** The Group has made investment in ETL's 2500 fully paid ordinary shares (30 June, 2022: 2500) of Rs.10 each representing 25% (30 June, 2022: 25%) of ETL's issued, subscribed and paid-up capital as at March 31, 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.13.674 million during the year ended June 30, 2022 and has accumulated losses aggregated Rs. 94.257 million as on June 30, 2022. Subsidiary Company's - SEL share of loss has been recognised upto the extant of cost of investment.

- 5.1.7** The Subsidiary Company - Sapphire Energy (Private) Limited has made investment in EML's 3,000 fully paid ordinary shares of Rs.10 each representing 30% of EML's issued, subscribed and paid-up capital as at March 31, 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

EML has incurred loss amounted Rs.208 thousand during the year ended June 30, 2022 and it has accumulated losses aggregated Rs.662 thousand as on June 30, 2022. Subsidiary Company's - SEL share of loss has been recognised upto the extant of cost of investment.

- 5.1.8** Investment in Creek Properties (Pvt) Limited represents 497,489 fully paid ordinary shares having face value of Rs. 10/- each offered at a price of Rs. 527.65 each representing 12.95% of Creek Properties (Pvt) Limited 's issued, subscribed and paid-up capital as at March 31, 2023. Creek Properties (Pvt) Limited was incorporated as a private limited company and is principally engaged in investments in real estate segments.

5.2 Equity Instruments - at FVTOCI

Un-audited March 31, 2023	Audited June 30, 2022
---------------------------------	-----------------------------

----- Rupees -----

Quoted

MCB Bank Limited

18,213,195 ordinary shares of Rs.10 each - **cost**

896,451,123

896,451,123

Adjustment arising from re-measurement
to fair value

1,198,066,302

1,343,407,598

2,094,517,425

2,239,858,721

Habib Bank Limited

7,244,196 ordinary shares of Rs.10 each - **cost**

1,217,073,609

1,217,073,609

Adjustment arising from re-measurement
to fair value

(686,218,926)

(555,388,746)

530,854,683

661,684,863

Unquoted

TCC Management Services (Private) Limited

50,000 ordinary shares of Rs. 10 each

500,000

500,000

2,625,872,108

2,902,043,584

5.3 Debt Instruments - at FVTOCI

Habib Bank Limited -

Term finance certificates - Habib Bank Limited

500 (30 June, 2022: 500) term finance certificates
of Rs.100,000 each - cost

50,000,000

50,000,000

Adjustment arising from re-measurement to fair value

(3,750,000)

(3,500,000)

46,250,000

46,500,000

6. STOCK-IN-TRADE

Raw materials

11,149,230,294

10,204,170,706

Work-in-process

1,499,768,283

1,296,808,329

Finished goods

3,088,455,928

3,153,668,218

15,737,454,505

14,654,647,253

7. TRADE DEBTS

- 7.1 These include trade receivables from CPPA and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment markup at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within the due dates, with the exception of RLNG fuel cost component invoices, in which case, the delayed payment markup at the rate of three months KIBOR plus 2% is charged on the amounts not paid within a period of thirty days from the due date and at the rate of three months KIBOR plus 4.5% after the first thirty days. The rate of delayed payment markup charged during the preceding year on outstanding amounts ranges from from 16.06% to 23.98% per annum.

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

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

- 7.3** Trade debts include Rs. 344.419 million which were unilaterally withheld by CPPA-G relating to fuel cost component of energy purchase price invoices on account of incorrect application of heat rate correction factor. The Group initiated the process of dispute resolution under Power Purchase Agreement by serving a notice to CPPA-G. Further, the Group has also obtained stay order against these deductions from Civil Court, Islamabad on October 12, 2022.

Based on the advice of the Group's legal counsel, management strongly feels that under the terms of the PPA, the Group's claim is correct and such receivable will be recovered in due course of time. Consequently, it is unimpaired as of the reporting date.

8. LONG TERM LIABILITIES	Note	Un-audited March 31, 2023	Audited June 30, 2022
		----- Rupees -----	
Long term finances	8.1	5,902,070,165	6,405,605,255
Provision for Gas Infrastructure Development Cess		297,105,989	311,317,527
		6,199,176,154	6,716,922,782
Less: current portion grouped under current liabilities		(825,341,389)	(1,072,001,118)
		5,373,834,765	5,644,921,664
8.1 Long term finances - secured			
Balance at beginning of the period / year		6,405,605,255	5,924,357,343
Add: disbursements during the period / year	8.1.1	152,410,000	1,323,473,590
Less: repayments made during the period / year - other changes / adjustments		(655,945,090)	(843,564,962)
		-	1,339,284
Balance at end of the period / year		5,902,070,165	6,405,605,255

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

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

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

		Un-audited March 31, 2023	Audited June 30, 2022
----- Rupees -----			
9. SHORT TERM BORROWINGS			
Running / cash finances - secured	9.1	10,075,826,966	11,427,140,251
Running musharakah finance - secured	9.1	1,934,165,309	3,450,000,001
Temporary bank overdraft - unsecured		105,444,726	-
		<u>12,115,437,001</u>	<u>14,877,140,252</u>

- 9.1** The Group has obtained short term finance facilities, including facilities for foreign currency loans, aggregating Rs.33,986 million (June 30, 2022: Rs.35,455 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.63,705 million (June 30, 2022: Rs.57,986 million) over current assets of the Company, lien on export / import documents, trust receipts and promissory notes duly signed by the directors. These finances carry mark-up / profit at the rates ranging from 2.25% to 21.25% (June 30, 2022: 2.25% to 16.55%) per annum. These facilities are expiring on various dates upto December 31, 2023.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 Outstanding bank guarantees

Guarantees aggregating Rs. Rs.3221.384 million (June 30, 2022: Rs.3007.860 million) have been issued by banks of the Company to various Government institutions and Sui Northern Gas Pipelines Limited.

There was no significant change in status of contingencies that were disclosed to the annual audited consolidated financial statements for the year ended 30 June, 2022 except disclosed above.

		Un-audited March 31, 2023	Audited June 30, 2022
----- Rupees -----			
10.2 Commitments in respect of :			
• letters of credit for capital expenditure		<u>1,053,652,349</u>	<u>1,393,549,471</u>
• letters of credit for purchase of raw materials and stores, spare parts & chemicals		<u>3,469,080,588</u>	<u>1,245,777,622</u>
• capital expenditure other than letters of credit		<u>384,442,266</u>	<u>685,315,214</u>
• foreign bills discounted		<u>562,818,989</u>	<u>3,870,571,986</u>

- 10.3 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%.

11. SALES - NET

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

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

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

For the nine months period ended March 31, 2022 - Un-audited

	Spinning	Knits	Denim	Power	Total
	----- Rupees -----				
Local sales					
- Yarn	3,472,484,602	9,233,248	3,675,000	-	3,485,392,850
- Fabric	-	824,819,845	2,290,763,133	-	3,115,582,978
- Garments	-	12,301,206	389,954	-	12,691,161
- Waste	191,843,587	39,051,629	73,299,324	-	304,194,540
- Raw materials	92,886,559	-	-	-	92,886,559
- Energy purchase price	-	-	-	9,754,669,347	9,754,669,347
- Capacity purchase price	-	-	-	1,925,791,860	1,925,791,860
- Local steam income	13,916,000	-	-	-	13,916,000
- Processing income	1,445,039	41,728,798	262,950	-	43,436,787
	3,772,575,787	927,134,725	2,368,390,361	11,680,461,208	18,748,562,081
Export Sales					
- Yarn	12,404,382,504	103,677,562	-	-	12,508,060,066
- Fabric	-	1,199,294,591	5,596,177,251	-	6,795,471,842
- Garments	-	3,104,084,961	-	-	3,104,084,961
- Waste	357,577,332	-	-	-	357,577,332
	12,761,959,836	4,407,057,114	5,596,177,251	-	22,765,194,201
Export rebate					
- Fabric	-	7,605,514	0	-	7,605,514
- Garments	-	35,879,622	-	-	35,879,622
	-	43,485,136	0	-	43,485,136
	16,534,535,623	5,377,676,975	7,964,567,612	11,680,461,208	41,557,241,417
Timing of revenue recognition					
Goods transferred at a point in time	16,533,090,584	5,335,948,177	7,964,304,662	11,680,461,208	41,513,804,630
Services rendered at a point in time	1,445,039	41,728,798	262,950	-	43,436,787
	16,534,535,623	5,377,676,975	7,964,567,612	11,680,461,208	41,557,241,417

12. COST OF SALES

		----- Un-audited -----			
		Nine months period ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note		----- Rupees -----			
	Finished goods at beginning of the period	3,153,668,217	1,655,968,789	2,483,497,606	1,768,211,520
	Cost of goods manufactured	35,196,400,219	34,710,987,124	12,091,338,304	9,834,611,931
	Cost of raw materials sold	37,295,010	56,614,803	-	-
		35,233,695,229	34,767,601,927	12,091,338,304	9,834,611,931
		38,387,363,446	36,423,570,716	14,574,835,910	11,602,823,451
	Finished goods at end of the period	(3,088,455,928)	(3,081,033,660)	(3,088,455,928)	(3,081,033,660)
		35,298,907,518	33,342,537,056	11,486,379,982	8,521,789,791

12.1 Cost of goods manufactured	----- Un-audited -----			
	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Work-in-process at beginning of the period	----- Rupees -----			
	1,296,808,329	1,072,589,736	1,390,736,651	1,537,709,265
Raw materials consumed	25,959,111,614	27,596,496,843	8,757,050,840	7,171,064,422
Direct labour and other overheads	9,440,248,559	7,597,262,161	3,443,319,096	2,681,199,860
	35,399,360,173	35,193,759,004	12,200,369,936	9,852,264,282
	36,696,168,502	36,266,348,740	13,591,106,587	11,389,973,547
Work-in-process at end of the period	(1,499,768,283)	(1,555,361,616)	(1,499,768,283)	(1,555,361,616)
	35,196,400,219	34,710,987,124	12,091,338,304	9,834,611,931

13. CASH USED IN OPERATIONS

	Note	Un-audited	
		Nine months period ended	
		March 31, 2023	March 31, 2022
Profit before taxation		6,129,580,898	5,699,641,124
Adjustments for non-cash and other items:			
Depreciation		1,170,848,310	1,099,904,854
Amortization of intangible assets		579,185	1,098,772
Staff retirement benefit - gratuity		81,900,000	94,500,000
Provision for workers' profit participation fund		160,057,484	165,174,626
Provision for workers' welfare fund		101,323,034	-
Loss on sale of short term investment		28,282,086	-
Gain on disposal of operating fixed assets		(12,867,913)	(9,709,967)
Gain on sale of stores and spares		(7,292,245)	1,963,810
Dividend and interest income		(388,337,660)	(843,954,201)
Finance cost		1,555,223,870	1,395,835,179
Working capital changes	13.1	(6,715,906,756)	(6,265,661,465)
		2,103,390,293	1,338,792,733

13.1 Working capital changes

Increase / (decrease) in current assets:			
- stores, spare parts and loose tools		(544,847,514)	(348,220,957)
- stock-in-trade		(1,082,807,252)	(5,512,769,780)
- trade debts		(4,328,978,421)	(749,297,762)
- loans and advances		(227,962,205)	38,575,695
- deposits, other receivables and sales tax		(464,437,402)	(1,398,920,174)
		(6,649,032,794)	(7,970,632,978)
Increase / (decrease) in current liabilities:			
- trade and other payables		95,327,225	1,140,427,498
- Gas Infrastructure Development Cess		(14,211,538)	-
- contract liabilities		(147,989,649)	564,544,015
		(6,715,906,756)	(6,265,661,465)

14. FINANCIAL RISK MANAGEMENT

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

There has been no change in the Group's sensitivity to these risks since June 30, 2022, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Group during the period.

This condensed consolidated interim financial statement does not include all financial risk management information and disclosures as are required in the audited annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statement as at June 30, 2022.

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

Relationship with the Company	Nature of transactions	Un-audited	
		Nine months period ended	
		March 31, 2023	March 31, 2022
----- Rupees -----			
(i) Associates	Sales:		
	• raw material / yarn / fabric / stores	179,929,585	238,108,445
	• assets	-	7,000,000
	Purchases:		
	• raw material / yarn / fabric / stores	2,405,675,295	2,500,068,898
	• assets	7,000,000	-
	Services:		
	• rendered	3,403,359	177,898
	• obtained	17,020	439,737
	Expenses charged by	17,624,241	26,007,258
	Expenses charged to	2,242,804	5,600,830
	Dividend:		
	• received	66,921,675	769,030
	• paid	107,150,550	48,550,990
(ii) Key management personnel	Remuneration and other benefits	125,346,855	91,575,527
(iii) Retirement fund	Contribution made	34,179,582	42,657,816

16. SEGMENT REPORTING**16.1 Reportable segments**

The Group's reportable segments are as follows:

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

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

	Spinning	Knitting, processing and garments	Denim	Power	Total
----- Rupees -----					
For the nine months period ended March 31, 2023					
Revenue - external customers	16,525,897,229	8,918,025,507	7,911,512,146	11,098,920,058	44,454,354,940
Inter - segment sale	2,751,640,789	0	0	0	2,751,640,789
Segment results	3,128,788,177	1,215,853,971	1,022,026,559	2,396,738,901	7,763,407,608
For the nine months period ended March 31, 2022					
Revenue - external customers	16,534,535,623	5,377,676,974	7,964,567,612	11,680,461,208	41,557,241,417
Inter - segment sale	2,075,527,224	0	194,278	0	2,075,721,502
Segment results	4,433,960,289	260,207,579	279,220,627	1,942,103,999	6,915,492,494

	Un-audited Nine months period March 31,	
	2023	2022
----- Rupees -----		
Reconciliation of segment results with profit after tax is as follows:		
Total results for reportable segment	7,763,407,608	6,915,492,494
Administrative expenses	(564,669,112)	(497,319,820)
Other expenses	(291,196,899)	(166,650,572)
Other income	777,263,169	843,954,201
Finance cost	(1,555,223,870)	(1,395,835,179)
Share of profit of Associated Companies	225,407,209	313,072,627
Taxation	(599,391,484)	(392,083,474)
Profit after taxation	5,755,596,621	5,620,630,277

16.3 Segment assets and liabilities

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

	Spinning	Knitting, processing and garments	Denim	Power	Total
	----- Rupees -----				
As at March 31, 2023					
Segment assets	19,439,359,409	6,434,672,845	10,904,718,394	24,527,826,877	61,306,577,525
Unallocatable assets					13,632,542,186
Total assets as per balance sheet					<u>74,939,119,711</u>
Segment liabilities	5,616,657,077	4,347,303,033	13,745,776,100	3,670,328,448	27,380,064,658
Unallocatable liabilities					1,626,167,124
Total liabilities as per balance sheet					<u>29,006,231,782</u>
As at June 30, 2022					
Segment assets	16,371,057,874	6,478,223,456	10,320,312,281	26,506,042,769	59,675,636,380
Unallocatable assets					14,120,781,767
Total assets as per balance sheet					<u>73,796,418,147</u>
Segment liabilities	4,516,855,511	6,824,138,457	13,471,902,285	6,574,758,363	31,387,654,616
Unallocatable liabilities					1,035,621,135
Total liabilities as per balance sheet					<u>32,423,275,751</u>

16.4 Geographical information

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

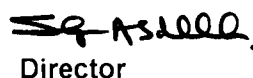
17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed consolidated interim statement of financial position has been compared with the balances of audited annual consolidated financial statements of the Group for the year ended June 30, 2022, whereas, the condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity have been compared with the balances of comparable period of condensed consolidated interim financial statements of the Group for the nine months period ended March 31, 2022.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed consolidated interim financial statements were approved by the Board of Directors of the Parent Company and authorised for issue on April 27, 2023.


Chief Executive Officer


Director


Chief Financial Officer



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