

# **Sapphire Textile Mills Limited**

## **Half Yearly Accounts December 31, 2016**

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## Company Profile

### Board Of Directors

<b>Chairman</b>	: Mr. Mohammad Abdullah
<b>Chief Executive</b>	: Mr. Nadeem Abdullah
<b>Director</b>	: Mr. Shahid Abdullah Mr. Amer Abdullah Mr. Yousuf Abdullah Mr. Nabeel Abdullah Mr. Shayan Abdullah Mr. Nadeem Karamat (Independent Director)

### Audit Committee

<b>Chairman</b>	: Mr. Yousuf Abdullah
<b>Member</b>	: Mr. Amer Abdullah
<b>Member</b>	: Mr. Nadeem Karamat

### Human Resource & Remuneration Committee

<b>Chairman</b>	: Mr. Amer Abdullah
<b>Member</b>	: Mr. Yousuf Abdullah
<b>Member</b>	: Mr. Nabeel Abdullah

**Chief Financial Officer** : Mr. Abdul Sattar

**Secretary** : Mr. Zeeshan

**Auditors** : Mushtaq & Company, Chartered Accountants

**Tax Consultants** : Mushtaq & Company, Chartered Accountants

**Legal Advisor** : A. K. Brohi & Company

**Bankers** : Allied Bank Limited, Habib Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited, MCB Bank Limited, Bank Al Habib Ltd.

**Share Registrar** : Hameed Majeed Associates (Pvt.) Ltd.

**Registered Office** : 212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.

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

## Directors' Report to the Shareholders

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the half year ended December 31, 2016 duly reviewed by external auditors, who have issued a review report, which is annexed to the financial statements.

### FINANCIAL HIGHLIGHTS

	Rupees in Thousand	
	Half Year Ended December 31 2016	2015
Sales & Services	12,392,472	11,299,284
Gross Profit	1,233,923	1,284,243
Other Income	1,597,161	781,403
Profit before taxation	1,686,191	981,990
Taxation		
- Current	(118,988)	(134,012)
- Prior year	8,771	93
- Deferred	51,079	(21,494)
	(59,138)	(155,413)
Profit after taxation	1,627,053	826,577

### REVIEW OF OPERATIONS

The profit before tax for the six months of the current financial year was Rs. 1,686.191 million compared to Rs. 981.990 million in the corresponding period of previous year. The gross profit as a percentage of sales was 9.96% as compared to 11.37% in the corresponding period. During the period beside operational income; gain on sale of equity investments and higher dividend income from equity investments resulted improved profitability.

### EARNINGS PER SHARE

The earnings per share for the half year ended December 31, 2016 was Rs. 81.02 as compared to Rs. 41.16 for previous year's corresponding period.

### FUTURE PROSPECTS

The Profitability of the Company is expected to improve further in view of the recently announced textile package. To meet market challenges the Company has invested heavily in value additions and hope these efforts will yield long term positive results.

### ACKNOWLEDGEMENTS

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

On behalf of the Board

Karachi  
Dated: February 23, 2017

**NADEEM ABDULLAH**  
CHIEF EXECUTIVE

## ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران آپ کے سامنے نہایت مسرت کے ساتھ 31 دسمبر، 2016 کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ مالیاتی تفصیلات پیش کر رہے ہیں، جس کا جائزہ حسب دستور بیرونی آڈیٹر نے لے کر اپنی جائزہ رپورٹ مالیاتی تفصیلات کے ساتھ منسلک کر دی ہے۔

## مالیاتی کارکردگی کی جھلکیاں

31 دسمبر 2016		
اختتام پذیر ہونے والی ششماہی		
2015	2016	
رقم ہزاروں میں		
11,299,284	12,392,472	فروخت اور خدمات
1,284,243	1,233,923	مجموعی منافع
781,403	1,597,161	دیگر ذرائع سے آمدن
981,990	1,686,191	قبل از ٹیکس منافع
		ٹیکس
(134,012)	(118,988)	موجودہ سال
93	8,771	گزشتہ سال
(21,494)	51,079	موخر
(155,413)	(59,138)	
826,577	1,627,053	بعد از ٹیکس منافع

## کاروباری کارکردگی کا جائزہ

رواں مالی سال کی ششماہی کیلئے ٹیکس سے قبل منافع 1,686,191 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں یہ منافع 981,990 ملین تھا۔ شرح کل منافع فروخت اور خدمات کا 9.96 فیصد تھا جبکہ یہی شرح گزشتہ سال کی اسی مدت میں 11.37 فیصد تھی۔ کمپنی کی اس ششماہی میں بہتر منافع کی وجہ کاروباری منافع کے ساتھ ساتھ حصص کی فروخت اور ڈیویڈنڈ سے بہتر آمدنی تھی۔

## آمدنی فی حصص

31 دسمبر 2016ء کو ختم ہونے والی ششماہی کیلئے آمدنی فی حصص 81.02 روپے ہے جبکہ پچھلے سال کی اسی مدت میں یہ 41.16 روپے تھی۔

## مستقبل کا منظر نامہ

نئے اعلان کردہ ٹیکسٹائل پیپ کو مد نظر رکھتے ہوئے یہ امید کی جا رہی ہے کہ کمپنی کی آمدنی میں مزید اضافہ ہوگا۔ کمپنی نے مارکیٹ کے چیلنجز کو پیش نظر رکھتے ہوئے ویلیو ایڈیشن میں بھاری سرمایہ کاری کی ہے اور امید کرتی ہے کہ ان کوششوں سے طویل مدتی مثبت نتائج برآمد ہوں گے۔

## اظہار تشکر

کمپنی اپنے ڈائریکٹران، ریگولیٹری اتھارٹیوں، حصص یافتگان، کسٹمرز، مالیاتی اداروں، سپلائرز کی شراکت داری اور کارکنوں کی لگن اور انتھک محنت کو قدر کی نگاہ سے دیکھتی ہے۔

بورڈ کی جانب سے

ندیم عبداللہ  
چیف ایگزیکٹو

کراچی  
تاریخ: 23 فروری 2017ء

## Auditor's Report to the Members on Review of Condensed Interim Financial Information

### Introduction

We have reviewed the accompanying condensed interim balance sheet of Sapphire Textile Mills Limited as at December 31, 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

### Scope of Review

We conducted our review in accordance with international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore:  
Date: February 23, 2017

**MUSHTAQ & COMPANY**  
Chartered Accountants  
Engagement Partner:  
Zahid Hussain Zahid, ACA

**CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2016**

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	----- Rupees -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	10,459,900,441	9,522,840,324
Investment property		31,750,000	31,750,000
Intangible assets		3,757,516	5,009,968
Long term investments		13,505,252,620	10,523,389,245
Long term loans and advances		302,912,465	52,195,065
Long term deposits and prepayments		82,313,808	82,313,808
		<b>24,385,886,850</b>	<b>20,217,498,410</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		446,822,086	328,631,930
Stock-in-trade		7,060,967,756	4,281,470,839
Trade debts		1,691,476,518	1,473,660,103
Loans and advances		546,223,708	473,080,294
Trade deposits and short term prepayments		25,267,033	12,857,748
Other receivables		169,718,665	170,505,333
Other financial assets		4,766,799,228	2,986,400,454
Tax refunds due from Government		1,379,568,522	1,756,845,708
Cash and bank balances		270,514,019	99,706,069
		<b>16,357,357,535</b>	<b>11,583,158,478</b>
<b>TOTAL ASSETS</b>		<b>40,743,244,385</b>	<b>31,800,656,888</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
35,000,000 ordinary shares of Rs. 10 each		<b>350,000,000</b>	350,000,000
<b>Issued, subscribed and paid-up capital</b>			
20,083,140 ordinary shares of Rs.10 each		<b>200,831,400</b>	200,831,400
Reserves		<b>17,267,490,459</b>	14,703,149,767
		<b>17,468,321,859</b>	14,903,981,167
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		<b>10,259,821,627</b>	6,728,738,161
Deferred liabilities		<b>384,134,834</b>	491,518,519
		<b>10,643,956,461</b>	7,220,256,680
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>2,919,847,377</b>	2,525,623,858
Accrued Interest / mark-up		<b>142,593,212</b>	124,294,821
Short term borrowings		<b>7,578,598,061</b>	4,657,389,209
Current portion of long term payable		<b>448,355,360</b>	457,090,780
Current portion of long term financing		<b>1,341,724,787</b>	1,628,822,242
Provision for taxation		<b>199,847,268</b>	283,198,131
		<b>12,630,966,065</b>	9,676,419,041
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>40,743,244,385</b>	<b>31,800,656,888</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

Karachi:  
Dated: February 23, 2017

**NADEEM ABDULLAH**  
CHIEF EXECUTIVE

**MOHAMMAD ABDULLAH**  
DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)**  
**FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016**

Note	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	----- Rupees -----		----- Rupees -----	
Sales and services	12,392,472,228	11,299,284,288	6,341,782,752	5,693,033,481
Cost of sales and services	(11,158,549,727)	(10,015,040,972)	(5,794,302,218)	(5,114,676,612)
<b>Gross profit</b>	<b>1,233,922,501</b>	<b>1,284,243,316</b>	<b>547,480,534</b>	<b>578,356,869</b>
Distribution cost	(456,010,933)	(432,118,507)	(216,913,532)	(211,403,633)
Administrative expenses	(176,312,782)	(146,482,723)	(93,360,320)	(80,073,196)
Other operating expenses	(76,533,034)	(95,013,160)	(38,875,302)	(32,007,452)
Other income	1,597,161,430	781,403,108	1,019,956,949	203,295,739
	888,304,681	107,788,718	670,807,795	(120,188,542)
<b>Profit from operations</b>	<b>2,122,227,182</b>	<b>1,392,032,034</b>	<b>1,218,288,329</b>	<b>458,168,327</b>
Finance cost	(436,036,380)	(410,041,808)	(245,431,421)	(206,666,835)
<b>Profit before taxation</b>	<b>1,686,190,802</b>	<b>981,990,226</b>	<b>972,856,908</b>	<b>251,501,492</b>
<b>Taxation</b>				
Current				
- for the period	(118,988,800)	(134,012,500)	(52,245,152)	(64,564,395)
- prior year	8,771,354	93,326	8,771,354	93,326
Deferred	51,079,418	(21,493,890)	97,166,922	5,240,856
	(59,138,028)	(155,413,064)	53,693,124	(59,230,213)
<b>Profit after taxation</b>	<b>1,627,052,774</b>	<b>826,577,162</b>	<b>1,026,550,032</b>	<b>192,271,279</b>
<b>Earnings per share - basic and diluted</b>	<b>81.02</b>	<b>41.16</b>	<b>51.12</b>	<b>9.57</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016**

	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	----- Rupees -----		----- Rupees -----	
<b>Profit after taxation</b>	<b>1,627,052,774</b>	826,577,162	<b>1,026,550,032</b>	192,271,279
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit and loss</b>				
<b>Available for sale investments</b>				
Unrealized gain / (loss) on remeasurement of available for sale investments	2,424,210,714	(606,250,879)	1,964,774,572	623,404,095
Reclassification adjustments relating to gain realised on disposal of available for sale investments	(1,204,740,776)	(394,492,873)	(831,585,801)	(699,695,547)
	<b>1,219,469,938</b>	(1,000,743,752)	<b>1,133,188,771</b>	(76,291,452)
<b>Forward foreign currency contracts</b>				
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts	7,379,144	(228,218)	5,510,253	7,605,316
Reclassification adjustments relating to (gain) / loss realized on settlement of foreign currency contracts	(8,397,204)	2,647,824	-	-
	<b>(1,018,060)</b>	2,419,606	<b>5,510,253</b>	7,605,316
<b>Other comprehensive income / (loss) for the period</b>	<b>1,218,451,878</b>	(998,324,146)	<b>1,138,699,024</b>	(68,686,136)
<b>Total comprehensive income / (loss) for the period</b>	<b>2,845,504,652</b>	(171,746,984)	<b>2,165,249,056</b>	123,585,143

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Note	December 31,	
		2016	2015
----- Rupees -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	8	(1,731,992,358)	(929,571,315)
Long term loans, deposits and prepayments		(717,400)	1,443,136
Finance cost paid		(415,580,171)	(426,296,881)
Staff retirement benefits - gratuity paid		(102,669,665)	(83,290,897)
Taxes paid		183,708,877	(237,517,734)
		(335,258,359)	(745,662,376)
Net cash used in operating activities		(2,067,250,717)	(1,675,233,691)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,442,472,218)	(467,724,834)
Investment in associates and subsidiaries		(406,388,070)	(684,216,070)
Investment others		(4,261,118,333)	(1,770,174,444)
Loans to subsidiaries		(250,000,000)	-
Proceeds from disposal of property, plant and equipment		21,736,257	12,554,244
Proceeds from sale of investments		2,329,218,315	703,985,555
Dividend received		360,580,066	392,163,692
Interest received		2,968,803	-
Rental income received		-	12,329,052
Net cash used in investing activities		(3,645,475,180)	(1,801,082,805)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		2,897,473,754	2,650,814,829
Proceeds from long term financing		4,038,128,847	1,348,814,000
Repayment of long term financing		(794,142,836)	(266,943,934)
Dividend paid		(280,809,959)	(200,681,701)
Net cash generated from financing activities		5,860,649,806	3,532,003,194
<b>Net increase in cash and cash equivalents</b>		<b>147,923,909</b>	<b>55,686,698</b>
Cash and cash equivalents at the beginning of the period		99,305,458	48,966,565
<b>Cash and cash equivalents at the end of the period</b>		<b>247,229,367</b>	<b>104,653,263</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		270,514,019	129,665,329
Temporary overdraft - unsecured		(23,284,652)	(25,012,066)
<b>Cash and cash equivalents at the end of the period</b>		<b>247,229,367</b>	<b>104,653,263</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Reserves				Other Components of equity			Total Equity		
	Share Capital	Capital	Revenue		Unrealized gain / (loss)	On forward foreign exchange contracts	SUB TOTAL			
			Fixed Assets Replacement	General reserves					Unappropriated Profit	On available for sale investments
<b>Balance as at July 01, 2015 (Audited)</b>	200,831,400	156,202,200	65,000,000	1,330,000,000	8,659,139,529	10,210,341,729	3,961,645,948	(2,647,824)	3,959,998,024	14,370,171,153
<b>Total comprehensive income / (loss) for the half year ended December 31, 2015</b>	-	-	-	-	826,577,162	826,577,162	-	-	-	826,577,162
Profit after taxation	-	-	-	-	-	-	(1,000,743,752)	2,419,606	-	(998,324,146)
Other comprehensive (loss) / income	-	-	-	-	826,577,162	826,577,162	(1,000,743,752)	2,419,606	-	(998,324,146)
<b>Transaction with owners</b>										
Final dividend for the year ended June 30, 2015 @ Rs. 10 per share	-	-	-	-	(200,831,400)	(200,831,400)	-	-	-	(200,831,400)
<b>Balance as at December 31, 2015 (Un-audited)</b>	200,831,400	156,202,200	65,000,000	1,330,000,000	9,284,885,291	10,836,087,491	2,960,902,096	(228,218)	2,960,673,878	13,997,592,769
<b>Balance as at July 01, 2016 (Audited)</b>	200,831,400	156,202,200	65,000,000	1,330,000,000	9,915,980,888	11,467,063,088	3,227,689,475	8,397,204	3,236,086,679	14,903,961,167
<b>Total comprehensive income / (loss) for the half year ended December 31, 2016</b>	-	-	-	-	1,627,052,774	1,627,052,774	-	-	-	1,627,052,774
Profit after taxation	-	-	-	-	-	-	1,219,469,938	(1,018,060)	-	1,218,451,878
Other comprehensive income / (loss)	-	-	-	-	1,627,052,774	1,627,052,774	(1,018,060)	-	-	1,627,052,774
<b>Transaction with owners</b>										
Final dividend for the year ended June 30, 2016 @ Rs. 14 per share	-	-	-	-	(281,163,960)	(281,163,960)	-	-	-	(281,163,960)
<b>Balance as at December 31, 2016 (Un-audited)</b>	200,831,400	156,202,200	65,000,000	1,330,000,000	11,261,749,702	12,812,951,902	4,447,159,413	7,379,144	4,454,538,557	17,468,321,959

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

Karachi:  
Dated: February 23, 2017

**NADEEM ABDULLAH**  
CHIEF EXECUTIVE

**MOHAMMAD ABDULLAH**  
DIRECTOR

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

### 1 LEGAL STATUS AND OPERATIONS

Sapphire Textile Mills Limited (the Company) was incorporated in Pakistan on March 11, 1969 as a public limited company under the Companies Act, 1913 (Now the Companies Ordinance, 1984). The shares of the Company are listed on Pakistan Stock Exchange. The registered office of the Company is located at 212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi and its mills are located at Kotri, Nooriabad, Chunian, Feroze Watwan and Bhopattian Lahore. The Company is principally engaged in manufacturing and sale of yarn, fabrics, home textile products, finishing and printing of fabrics.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information of the Company for the half year ended December 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 'IAS' 34 "Interim Financial Reporting" and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Companies Ordinance, 1984 (the Ordinance). This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company for the year ended June 30, 2016.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 245 of the Companies Ordinance, 1984.

#### 2.2 Functional and presentation currency

These financial information are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2016.

### 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements for the year ended June 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2016.

5	PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
			December 31, 2016	June 30, 2016
			----- Rupees -----	
	Operating fixed assets		9,780,895,624	9,038,224,693
	Capital work-in-progress	5.2	679,004,817	484,615,631
			<b>10,459,900,441</b>	<b>9,522,840,324</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

5.1 The cost of additions and disposals to operating fixed assets during the half year ended December 31, 2016 were as follows.

	(Un-audited) December 31, 2016		Audited June 30, 2016	
	Addition	Disposal	Addition	Disposal
	Cost		Cost	
	----- Rupees -----		----- Rupees -----	
Land:				
Freehold	64,800,000	-	1,730,000	-
Lease hold	13,209,000	-	3,928,500	-
On Freehold land:				
Factory buildings	210,456,839	-	117,900,919	-
Labour, staff colony and others	-	-	4,609,284	-
Office building	-	-	74,208,245	-
On Leasehold land:				
Factory buildings	24,475,092	-	4,735,277	-
Labour, staff colony and others	20,795,819	-	-	-
Lease building improvements	-	-	33,837,117	-
Plant and machinery	832,909,310	78,856,100	1,260,461,228	80,035,649
Electric installations	4,768,328	-	15,096,255	-
Fire Fighting equipment	6,275,143	-	5,397,197	-
Electric equipments	3,014,715	-	10,468,107	-
Computers	6,538,707	686,265	16,107,389	583,830
Office equipments	-	-	412,000	-
Mills equipments	6,341,651	4,109,911	6,557,620	-
Furniture and fixtures	8,176,936	-	13,020,648	-
Vehicles	46,321,492	19,973,066	72,604,399	25,934,532
	<b>1,248,083,032</b>	<b>103,625,342</b>	<b>1,641,074,185</b>	<b>106,554,011</b>

### 5.2 Capital work-in-progress

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- Rupees -----	
Advance for land	25,175,000	-
Civil works and buildings	61,933,287	254,321,006
Plant and machinery	581,022,840	217,686,356
Electric installations	10,873,690	9,388,269
Mills equipments	-	1,720,000
Furniture and fixtures	-	1,500,000
	<b>679,004,817</b>	<b>484,615,631</b>

## 6 CONTINGENCIES AND COMMITMENTS

### Contingencies

- 6.1 Guarantees issued by banks on behalf of the Company **376,736,988**
- 6.2 Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2016 the value of these cheques amounted to Rs.557.865 million (June 30, 2016: Rs. 281.325 million).
- 6.3 The financial institution has issued guarantees amounting US \$ 450,000 (June 30, 2016: US \$ 75,000) in favour of Alternative Energy Development on request of Company on behalf of Tricon Boston Consulting Corporation (Private) Limited (subsidiary company) against charge of equivalent amount with 25% margin on fixed assets of the Company.
- 6.4 There is no change in status of the contingencies as disclosed in notes from 29.3 to 29.6 and 29.8 of the audited annual financial statements of the Company for the year ended June 30, 2016.

### Commitments

- 6.5 Confirmed letter of credit in respect of:
- |                       |                    |                      |
|-----------------------|--------------------|----------------------|
| - plant and machinery | 285,918,340        | 934,549,091          |
| - raw material        | 600,374,791        | 115,600,422          |
| - stores and spares   | 58,157,769         | 48,084,907           |
|                       | <b>944,450,900</b> | <b>1,098,234,420</b> |

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

		(Un-audited) Half Year ended		(Un-audited) Quarter ended		
		December 31,		December 31,		
		2016	2015	2016	2015	
<b>7</b>	<b>COST OF SALES AND SERVICES</b>	Note	----- Rupees -----		----- Rupees -----	
	Finished goods - Opening stock		703,267,694	602,173,021	750,138,593	666,301,950
	Cost of goods manufactured	7.1	11,205,829,541	10,006,777,701	5,794,711,133	5,042,284,412
			<u>11,909,097,235</u>	<u>10,608,950,722</u>	<u>6,544,849,726</u>	<u>5,708,586,362</u>
	Finished goods - Closing stock		(750,547,508)	(593,909,750)	(750,547,508)	(593,909,750)
			<u>11,158,549,727</u>	<u>10,015,040,972</u>	<u>5,794,302,218</u>	<u>5,114,676,612</u>
<b>7.1</b>	<b>Cost of Goods Manufactured</b>					
	Work in process - opening stock		316,706,076	302,862,009	352,705,015	309,460,282
	Raw material consumed		7,281,675,527	6,507,189,270	3,792,002,044	3,283,005,372
	Cost of raw material sold		33,451,771	12,499,401	200,413	11,319,399
	Overheads		3,916,016,018	3,500,907,746	1,991,823,512	1,755,180,084
			<u>11,547,849,392</u>	<u>10,323,458,426</u>	<u>6,136,730,984</u>	<u>5,358,965,137</u>
	Work in process - closing stock		(342,019,851)	(316,680,725)	(342,019,851)	(316,680,725)
			<u>11,205,829,541</u>	<u>10,006,777,701</u>	<u>5,794,711,133</u>	<u>5,042,284,412</u>
					(Un-audited)	
					Half Year ended	
					December 31,	
					2016	2015
					----- Rupees -----	----- Rupees -----
<b>8</b>	<b>CASH USED IN OPERATIONS</b>					
	Profit before taxation				1,686,190,802	981,990,226
	<b>Adjustments for non-cash charges and other items:</b>					
	Depreciation				487,500,138	409,851,205
	Depreciation on investment property				-	466,339
	Gain on sale of investments				(1,215,294,123)	(408,929,191)
	Amortization of intangible assets				1,252,452	1,252,452
	Interest income				(12,219,092)	-
	Gain on sale of property, plant and equipment				(3,824,294)	(3,991,642)
	Dividend income				(352,268,347)	(347,845,182)
	Provision for gratuity				46,365,398	50,997,881
	(Reversal) / Provision for stores, spares and loose tools				(1,392,312)	5,663,858
	Impairment loss on subsidiary				-	100,000
	Amortization of unwinding up of liability				1,306,761	6,329,137
	Exchange differences				1,598,876	12,674,111
	Finance cost				433,878,562	404,207,570
	Rental income				-	(12,329,052)
					<u>(613,095,981)</u>	<u>118,447,486</u>
	Operating cash flows before changes in working capital				<u>1,073,094,821</u>	<u>1,100,437,712</u>
	<b>Changes in working capital</b>					
	<b>(Increase) / Decrease in current assets</b>					
	Stores, spares and loose tools				(116,797,844)	(24,444,593)
	Stock-in-trade				(2,779,496,917)	(1,946,817,670)
	Trade debts				(217,816,415)	(120,415,849)
	Loans and advances				(73,143,414)	(116,515,961)
	Trade deposits and short term prepayments				(12,409,285)	(5,624,469)
	Other receivables				707,178	(30,006,395)
					<u>(3,198,956,697)</u>	<u>(2,243,824,937)</u>
	<b>Increase in current liabilities</b>					
	Trade and other payables				393,869,518	213,815,910
					<u>(1,731,992,358)</u>	<u>(929,571,315)</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

**9 TRANSACTIONS WITH RELATED PARTIES**

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

	(Un-audited)	
	Half Year ended	
	December 31,	
	2016	2015
	----- Rupees -----	
<b>Subsidiaries:</b>		
Sales	397,903,218	397,913,666
Purchases	-	164,686
Share deposit money	395,598,070	684,216,070
Shares received	198,290,000	327,066,070
Expenses charged to	949,050	4,796,619
Markup charged to	10,919,158	-
Loans	250,000,000	-
<b>Associates:</b>		
Sales	799,200,213	707,671,828
Purchases	185,626,241	114,300,486
Electricity / steam purchased	124,329,518	337,480,810
Expenses charged by	4,165,713	3,662,719
Expenses charged to	19,129,788	18,595,543
Dividend paid	78,719,578	56,228,270
Dividend received	19,603,247	19,617,390
Loans (repaid) / obtained - net	(187,966,571)	490,050,633
Markup charged by	15,815,660	12,291,885
<b>Other related parties:</b>		
Donations	10,400,000	19,950,000
Contribution to provident fund	16,514,565	10,909,324
Remuneration to key management personnel	234,538,169	177,159,097

**10 CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended June 30, 2016 and the Corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances comparable period of the immediately preceding financial year i.e. half year ended December 31, 2015.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in this condensed interim financial information.

**11 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information were approved by the board of directors and authorized for issue on February 23, 2017.

Karachi:  
Dated: February 23, 2017

**NADEEM ABDULLAH**  
CHIEF EXECUTIVE

**MOHAMMAD ABDULLAH**  
DIRECTOR

**Sapphire Textile Mills Limited**  
**Half Yearly Accounts December 31, 2016**  
**CONSOLIDATED ACCOUNTS**

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## Directors' Report to the Shareholders

On behalf of Board of Directors of Holding Company of **Sapphire Wind Power Company Limited, Sapphire Retail Limited, Tricon Boston Consulting Corporation (Private) Limited, Sapphire Renewable Limited, Sapphire Tech (Private) Limited, Sapphire Solar (Private) Limited and Sapphire Home Incorporation**, it is my pleasure to present Directors' Report with Un-Audited Consolidated Financial Statement for the half year ended December 31, 2016.

### **Sapphire Wind Power Company Limited**

The Company is 70% owned by Sapphire Textile Mills Ltd and 30% by Bank Alfalah Limited. The Company has set up wind power station of 52.80 MW at Jhimpir which have started Commercial production and is yielding satisfactory results.

### **Sapphire Retail Limited**

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

### **Tricon Boston Consulting Corporation (Private) Limited**

Tricon Boston Consulting Corporation (Pvt.) Limited has an LOI for 3 x 50 MW Wind Energy Projects in Jamahir Sindh and is incorporated under the laws of Pakistan and has license to establish and operate wind energy project. The project company is following an aggressive development plan for its three projects and aims to conclude the EPC, EPA and IA agreements in near future. The Company is currently in advanced stages of negotiation with foreign lenders for finalizing its debt requirements.

### **Sapphire Renewables Limited**

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

### **Sapphire Tech (Pvt.) Limited**

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

### **Sapphire Solar (Private) Limited**

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

### **Sapphire Home Incorporation**

Sapphire Home was incorporated as 100% subsidiary of the company to enable local duty paid deliveries to customers in USA. A number of contracts were executed through this company. However, lately we are shipping directly to the customers and this company become dormant and shareholders have approved resolution to close / wind up the company.

On behalf of the Board

Karachi  
Dated: February 23, 2017

**NADEEM ABDULLAH**  
CHIEF EXECUTIVE

## ڈائریکٹر رپورٹ برائے حصص یافتگان

سفار و نڈ پاور کمپنی لمیٹڈ، سفار ٹریل لمیٹڈ، ٹرانیکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ، سفار زینوٹیل لمیٹڈ، سفار ٹیک (پرائیویٹ) لمیٹڈ، سفار سولر (پرائیویٹ) لمیٹڈ اور سفار ہوم انکارپوریشن کی ہولڈنگ کمپنی کے بورڈ آف ڈائریکٹران نہایت مسرت کے ساتھ، 31 دسمبر، 2016 کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ مالیاتی تفصیلات پیش کر رہے ہیں۔

### سفار و نڈ پاور کمپنی لمیٹڈ

کمپنی کی 70 فیصد ملکیت سفار ٹیکسٹائل ملز لمیٹڈ اور باقی 30 فیصد ملکیت بینک الفلاح لمیٹڈ کے پاس ہے۔ کمپنی نے 52.80 میگا واٹ کا و نڈ پاور اسٹیشن جھمپیر کے مقام پر لگایا ہے اس نے تجارتی پیداوار شروع کر دی ہے اور اس سے تسلی بخش نتائج برآمد ہوئے ہیں۔

### سفار ٹریل لمیٹڈ

سفار ٹریل لمیٹڈ کی مکمل ملکیت سفار ٹیکسٹائل ملز لمیٹڈ کے پاس ہے۔ کمپنی ”سفار برانڈ“ کے تحت ٹیکسٹائل اور دیگر مصنوعات اپنے ٹریل آؤٹ لیٹس کے ذریعے فروخت کر رہی ہے۔

### ٹرانیکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ

ٹرانیکون بوسٹن کنسلٹنگ کارپوریشن (پرائیویٹ) لمیٹڈ کے پاس سندھ میں جھمپیر کے مقام پر 3x50 میگا واٹ و نڈ انرجی منصوبے کیلئے (LO) ہے۔ کمپنی پاکستان کے قوانین کے تحت وجود میں آئی ہے اور اس نے و نڈ انرجی منصوبے کو چلانے کا لائسنس حاصل کیا ہے۔ کمپنی نے اپنے تین منصوبوں کیلئے جاربانہ ترقیاتی منصوبہ بندی کی ہے اور کمپنی کا ارادہ ہے کہ مستقبل قریب میں وہ EPC, EPA اور IA معاہدوں کو حتمی انجام تک پہنچائے گی۔ کمپنی اپنی مالیاتی ضروریات کو پورا کرنے کیلئے قرضہ فراہم کرنے والے غیر ملکی اداروں کے ساتھ مذاکرات کے اگلے مراحل میں ہے۔

### سفار زینوٹیل لمیٹڈ

سفار زینوٹیل لمیٹڈ 30 مئی 2016 کو معرض وجود میں آئی ہے، اور کمپنی کے مکمل ملکیتی حقوق سفار ٹیکسٹائل ملز لمیٹڈ کے پاس ہے۔ کمپنی کا بنیادی کاروبار متبادل توانائی کے منصوبوں میں سرمایہ کاری کرنا ہے۔ کمپنی نے 19 اگست 2016 کو کاروبار کے آغاز کی سند حاصل کی ہے۔

### سفار ٹیک (پرائیویٹ) لمیٹڈ

سفار ٹیک (پرائیویٹ) لمیٹڈ، کمپنی آرڈیننس 1984 کے تحت معرض وجود میں آئی ہے۔ کمپنی کا بنیادی مقصد بجلی کے پیداواری منصوبوں کا قیام اور بجلی کی فروخت ہے۔ کمپنی 100 فیصد ایکویٹی ملکیت ہے۔ ہولڈنگ کمپنی کے حصص یافتگان نے اپنے سالانہ عام اجلاس جو 26 اکتوبر 2015 کو منعقد ہوا تھا، کمپنی کو ختم کرنے یا بیچنے کی منظوری دیدی ہے۔ اس ضمن میں کمپنی کی میٹجمنٹ، بہترین آپشن کا جائزہ لینے کے عمل میں ہے۔

### سفار سولر (پرائیویٹ) لمیٹڈ

سفار سولر (پرائیویٹ) لمیٹڈ کی مکمل ملکیت سفار ٹیکسٹائل ملز لمیٹڈ کے پاس ہے۔ کمپنی نے آئی پی پی بننے کیلئے، 10 میگا واٹ کے شمسی توانائی کے منصوبے کا جو (LO) متبادل توانائی ترقیاتی بورڈ سے حاصل کیا تھا وہ منسوخ ہو گیا ہے۔ کمپنی 100 فیصد ایکویٹی ملکیت ہے۔ ہولڈنگ کمپنی کے حصص یافتگان نے اپنے سالانہ عام اجلاس جو 26 اکتوبر 2015 کو منعقد ہوا تھا، کمپنی کو ختم کرنے یا بیچنے کی منظوری دیدی ہے۔ اس ضمن میں کمپنی کی میٹجمنٹ، بہترین آپشن کا جائزہ لینے کے عمل میں ہے۔

### سفار ہوم انکارپوریشن

سفار ہوم انکارپوریشن کی مکمل ملکیت سفار ٹیکسٹائل ملز لمیٹڈ کے پاس ہے۔ کمپنی کے قیام کا مقصد امریکہ میں صارفین کو مقامی ڈیوٹی ادا شدہ سامان کی ترسیل ہے۔ اس کمپنی کے تحت بہت سارے معاہدے پایا تکمیل تک پہنچے ہیں۔ تاہم، بعد میں صارفین کو براہ راست ترسیل شروع کر دی گئی جس کے نتیجے میں کمپنی غیر فعال ہو گئی اور حصص یافتگان نے کمپنی کو بند کرنے کی قرارداد منظور کر لی ہے۔

بورڈ کی جانب سے

ندیم عبداللہ  
چیف ایگزیکٹو

کراچی

تاریخ: 23 فروری 2017ء

**Auditor's Report to the Members on Review of Consolidated Condensed Interim Financial Information**

We have reviewed the accompanying consolidated condensed interim balance sheet of Sapphire Textile Mills Limited and its subsidiaries (the Group) as at December 31, 2016 and the related consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "consolidated condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review. The figures of the consolidated condensed interim profit and loss account and consolidated condensed interim statement of comprehensive income for the quarter ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

**Scope of Review**

We conducted our review in accordance with international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore:  
Date: February 23, 2017

**MUSHTAQ & COMPANY**  
Chartered Accountants  
Engagement Partner:  
Zahid Hussain Zahid, ACA

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2016**

	Note	(Un-audited) December 31, 2016	(Audited) June 30, 2016
----- Rupees -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	22,702,114,799	21,381,080,542
Investment property		31,750,000	31,750,000
Intangible assets		459,297,826	460,550,278
Long term investments		10,296,742,532	7,616,629,412
Long term loans and advances		52,912,465	52,195,065
Long term deposits and prepayments		280,356,564	175,250,569
		33,823,174,186	29,717,455,866
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		557,872,871	439,682,715
Stock-in-trade		7,740,470,061	4,914,217,471
Trade debts		1,900,790,898	2,218,481,567
Loans and advances		407,370,605	229,189,822
Trade deposits and short term prepayments		62,470,164	53,457,008
Other receivables		171,042,216	211,249,395
Other financial assets		4,766,799,228	2,986,400,454
Tax refunds due from Government		1,424,527,619	1,830,485,525
Cash and bank balances		2,347,243,791	2,212,777,666
		19,378,587,453	15,095,941,623
<b>TOTAL ASSETS</b>		<b>53,201,761,639</b>	<b>44,813,397,489</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
<b>Issued, subscribed and paid-up capital</b>			
20,083,140 ordinary shares of Rs.10 each		200,831,400	200,831,400
Reserves		18,063,671,993	15,488,526,055
Equity attributable to holders of parent company		18,264,503,393	15,689,357,455
Non-controlling interest		1,189,835,710	1,143,157,875
<b>Total Equity</b>		<b>19,454,339,103</b>	<b>16,832,515,330</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		18,398,037,663	15,014,986,309
Deferred liabilities		390,813,692	497,931,080
Liabilities against assets subject to finance lease	6	6,078,421	-
		18,794,929,776	15,512,917,389
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,748,284,649	3,829,181,404
Accrued Interest / mark-up		255,885,166	222,150,914
Short term borrowings		8,066,914,314	5,155,487,188
Current portion of long term payable		448,355,360	457,090,780
Current portion of long term financing		2,228,725,787	2,520,245,895
Current portion of liabilities against assets subject to finance lease	6	4,324,892	-
Provision for taxation		200,002,592	283,808,589
		14,952,492,760	12,467,964,770
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,201,761,639</b>	<b>44,813,397,489</b>

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

Karachi:  
Dated: February 23, 2017

NADEEM ABDULLAH  
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH  
DIRECTOR

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)  
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016**

Note	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	----- Rupees -----		----- Rupees -----	
Sales and services	14,254,521,836	11,963,056,207	6,976,495,391	6,181,939,210
Cost of sales and services	(12,239,594,641)	(10,339,051,054)	(6,303,254,131)	(5,323,084,663)
<b>Gross profit</b>	<b>2,014,927,195</b>	<b>1,624,005,153</b>	<b>673,241,260</b>	<b>858,854,547</b>
Distribution cost	(786,822,810)	(586,197,624)	(370,334,801)	(305,186,485)
Administrative expenses	(315,242,940)	(181,259,209)	(191,541,131)	(105,725,058)
Other operating expenses	(76,882,867)	(99,621,434)	(38,961,848)	(36,418,727)
Other income	1,573,100,133	762,632,846	997,097,553	181,060,061
	<b>394,151,516</b>	<b>(104,445,421)</b>	<b>396,259,773</b>	<b>(266,270,209)</b>
<b>Profit from operations</b>	<b>2,409,078,711</b>	<b>1,519,559,732</b>	<b>1,069,501,033</b>	<b>592,584,338</b>
Finance cost	(711,944,351)	(457,668,376)	(380,809,112)	(251,495,499)
	<b>1,697,134,360</b>	<b>1,061,891,356</b>	<b>688,691,921</b>	<b>341,088,839</b>
Share of profit / (loss) of associated companies	44,152,802	22,075,749	7,856,993	(3,660,418)
<b>Profit before taxation</b>	<b>1,741,287,162</b>	<b>1,083,967,105</b>	<b>696,548,914</b>	<b>337,428,421</b>
<b>Taxation</b>				
Current				
- for the period	(133,118,584)	(141,774,607)	(59,538,736)	(68,310,467)
- prior year	8,771,354	93,326	8,771,354	93,326
Deferred	50,813,121	(22,570,020)	97,133,236	4,198,565
	<b>(73,534,109)</b>	<b>(164,251,301)</b>	<b>46,365,854</b>	<b>(64,018,576)</b>
<b>Profit after taxation</b>	<b>1,667,753,053</b>	<b>919,715,804</b>	<b>742,914,768</b>	<b>273,409,845</b>
<b>Attributable to:</b>				
Shareholders of Parent Company	1,621,075,218	884,749,877	805,420,308	238,356,559
Non- controlling interest	46,677,835	34,965,927	(62,505,540)	35,053,286
	<b>1,667,753,053</b>	<b>919,715,804</b>	<b>742,914,768</b>	<b>273,409,845</b>
<b>Earnings per share - basic and diluted</b>	<b>80.72</b>	<b>44.05</b>	<b>40.10</b>	<b>11.87</b>

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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016**

	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	----- Rupees -----		----- Rupees -----	
<b>Profit after taxation</b>	<b>1,667,753,053</b>	<b>919,715,804</b>	<b>742,914,768</b>	<b>273,409,845</b>
<b>Other comprehensive income:</b>				
<b>Available for sale investments</b>				
Unrealized gain / (loss) on remeasurement of available for sale investments	2,424,210,714	(606,250,879)	1,964,774,572	623,404,095
Reclassification adjustments relating to (gain) / loss realised on disposal of available for sale investments	(1,204,740,776)	(394,492,873)	(831,585,801)	(699,695,547)
Unrealized gain / (loss) on remeasurement of available for sale investments - associates	11,067,604	(5,379,161)	8,763,042	(5,921,257)
	<b>1,230,537,542</b>	<b>(1,006,122,913)</b>	<b>1,141,951,813</b>	<b>(82,212,709)</b>
<b>Forward foreign currency contracts</b>				
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts	7,379,144	(228,218)	5,510,253	7,605,316
Reclassification adjustments relating to (loss) / gain realised on settlement of foreign currency contracts	(8,397,204)	2,647,824	-	-
Unrealised (loss) / gain on remeasurement of forward foreign currency contracts - associates	(13,344)	16,148	7,439	(26,669)
	<b>(1,031,404)</b>	<b>2,435,754</b>	<b>5,517,692</b>	<b>7,578,647</b>
Exchange difference on translating foreign operations	(4,679,060)	540,146	(5,359,851)	(1,866,950)
<b>Items that may not be reclassified subsequently to profit and loss</b>				
Share of increase / (decrease) in reserves of associated companies under equity method	10,407,602	(10,959,519)	10,530,218	8,163,526
<b>Other comprehensive income / (loss) for the period</b>	<b>1,235,234,680</b>	<b>(1,014,106,532)</b>	<b>1,152,639,872</b>	<b>(68,337,486)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>2,902,987,733</b>	<b>(94,390,728)</b>	<b>1,895,554,640</b>	<b>205,072,359</b>
<b>Attributable to:</b>				
Shareholders of Parent Company	2,856,309,898	(129,356,655)	1,958,060,180	170,019,073
Non- controlling interest	46,677,835	34,965,927	(62,505,540)	35,053,286
	<b>2,902,987,733</b>	<b>(94,390,728)</b>	<b>1,895,554,640</b>	<b>205,072,359</b>

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

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

		December 31,	
		2016	2015
	Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	9	(1,155,142,455)	(395,150,359)
Long term loans and deposits		(105,823,395)	(12,677,777)
Finance cost paid		(676,052,281)	(463,345,910)
Staff retirement benefits - gratuity paid		(102,669,665)	(83,290,897)
Taxes paid		189,033,325	(233,024,432)
		(695,512,016)	(792,339,016)
Net cash used in operating activities		(1,850,654,471)	(1,187,489,375)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,137,628,498)	(4,554,951,353)
Investment in associates		19,586,475	19,598,952
Investment others		(4,313,625,325)	(1,770,174,442)
Proceeds from disposal of property, plant and equipment		21,888,015	12,566,654
Proceeds from sale of investments		2,329,218,315	703,985,555
Dividend received		340,993,591	372,564,740
Interest received		3,389,353	-
Rental income received		-	12,329,052
Net cash used in investing activities		(3,736,178,074)	(5,204,080,842)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		2,887,692,028	2,742,636,620
Proceeds from long term financing		4,380,128,847	2,584,334,000
Repayment of long term financing		(1,288,597,601)	(298,023,934)
Exchange difference on translating foreign operation		1,314	88,887
Issuance of shares - net		-	238,384,983
Dividend paid		(280,809,959)	(200,681,701)
Net cash generated from financing activities		5,698,414,629	5,066,738,855
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>111,582,084</b>	<b>(1,324,831,362)</b>
Cash and cash equivalents at the beginning of the period		2,212,377,055	2,296,921,314
<b>Cash and cash equivalents at the end of the period</b>		<b>2,323,959,139</b>	<b>972,089,952</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		2,347,243,791	997,531,281
Temporary overdraft - unsecured		(23,284,652)	(25,441,329)
<b>Cash and cash equivalents at the end of the period</b>		<b>2,323,959,139</b>	<b>972,089,952</b>

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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

Share Capital	Reserves				Other Components of equity				Total	Non-Controlling Interest	Total Equity	
	Capital	Revenue			Unrealized gain / (loss)			SUB TOTAL				
		Share Premium	Fixed Assets Replacement	General reserves	Unappropriated Profit	On available for sale investments	On forward foreign exchange contracts					exchange difference on translating foreign operation
200,831,400	156,202,200	65,000,000	1,330,000,000	8,916,354,080	10,467,566,280	3,972,020,026	(2,699,243)	(7,972,319)	3,961,348,464	14,629,736,144	812,156,782	15,441,892,926
-	-	-	-	884,749,877	884,749,877	(1,006,122,913)	2,435,754	540,146	(1,003,147,013)	884,749,877	34,965,927	919,715,804
-	-	-	-	884,749,877	884,749,877	(1,006,122,913)	2,435,754	540,146	(1,003,147,013)	(1,003,147,013)	-	(1,003,147,013)
-	-	-	-	884,749,877	884,749,877	(1,006,122,913)	2,435,754	540,146	(1,003,147,013)	(118,397,136)	34,965,927	(83,431,209)
-	-	-	-	(10,959,519)	(10,959,519)	-	-	-	-	(10,959,519)	-	(10,959,519)
-	-	-	-	(1,495,331)	(1,495,331)	-	-	-	-	(1,495,331)	128,171,170	128,171,170
-	-	-	-	(1,495,331)	(1,495,331)	-	-	-	-	(1,495,331)	(640,856)	(2,136,187)
-	-	-	-	(200,831,400)	(200,831,400)	-	-	-	-	(200,831,400)	112,350,000	112,350,000
200,831,400	156,202,200	65,000,000	1,330,000,000	9,587,817,707	11,139,019,907	2,965,697,113	(263,489)	(7,432,173)	2,963,201,451	14,298,652,758	1,087,003,023	15,385,655,781
200,831,400	156,202,200	65,000,000	1,330,000,000	10,702,304,290	12,253,506,460	3,232,684,492	8,406,998	(6,071,885)	3,235,019,695	15,689,357,455	1,143,157,875	16,832,515,330
-	-	-	-	1,621,075,218	1,621,075,218	1,230,537,542	(1,031,404)	(4,679,060)	1,224,827,078	1,621,075,218	46,677,835	1,667,753,053
-	-	-	-	1,621,075,218	1,621,075,218	1,230,537,542	(1,031,404)	(4,679,060)	1,224,827,078	1,224,827,078	-	1,224,827,078
-	-	-	-	1,621,075,218	1,621,075,218	1,230,537,542	(1,031,404)	(4,679,060)	1,224,827,078	2,845,902,296	46,677,835	2,892,580,131
-	-	-	-	10,407,602	10,407,602	-	-	-	-	10,407,602	-	10,407,602
-	-	-	-	(281,163,960)	(281,163,960)	-	-	-	-	(281,163,960)	-	(281,163,960)
200,831,400	156,202,200	65,000,000	1,330,000,000	12,052,623,120	13,603,825,320	4,463,222,034	7,375,594	(10,750,945)	4,459,846,673	18,264,503,393	1,188,835,710	19,453,339,103

Rupees

**Balance as at July 01, 2015 (Audited)**  
**Total comprehensive income / (loss) for the half year ended December 31, 2015**  
 Profit after taxation  
 Other comprehensive (loss) / income

Shares of decrease in reserves of associated companies under equity method

**Transaction with owners**  
 Issuance of shares of subsidiary - SWPCL  
 Share Issuance cost of subsidiary - SWPCL  
 Share deposit money - SWPCL  
 Final dividend for the year ended June 30, 2015 @ Rs. 10 per share

**Balance as at December 31, 2015 (Un-audited)**  
**Balance as at July 01, 2016 (Audited)**  
**Total comprehensive income for the half year ended December 31, 2016**  
 Profit after taxation  
 Other comprehensive income / (loss)

Shares of increase in reserves of associated companies under equity method

**Transaction with owners**  
 Final dividend for the year ended June 30, 2016 @ Rs. 14 per share

**Balance as at December 31, 2016 (Un-audited)**

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

Karachi:  
Dated: February 23, 2017

NADEEM ABDULLAH  
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH  
DIRECTOR

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016****1 THE GROUP AND ITS OPERATIONS**

**The Group comprises of:**

**Sapphire Textile Mills Limited - the Holding Company**

Sapphire Textile Mills Limited (the Holding Company) was incorporated in Pakistan on March 11, 1969 as a public limited company under the Companies Act, 1913 (Now the Companies Ordinance, 1984). The shares of the Company are listed on Pakistan Stock Exchange. The registered office of the Company is located at 212, Cotton Exchange Building, I.I. Chundrigar Road, Karachi and its mills are located at Kotri, Nooriabad, Chunian, Feroze Watwan and Bhopattian Lahore. The Company is principally engaged in manufacturing and sale of yarn, fabrics, home textile products, finishing and printing of fabrics.

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

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

**Tricon Boston Consulting Corporation (Private) Limited - the subsidiary company (Holding 100%)**

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

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

Sapphire Renewables Limited (the Company) was incorporated in Pakistan as a public limited company by shares under the Companies Ordinance, 1984 on May 13, 2016. The Company is a wholly owned subsidiary of Sapphire Textile Mills Limited (the holding Company), a listed company. The Company's principle business is to operate and maintain wind power plants to generate and supply electricity. The address of the registered office of the Company is 7/A-K, Main Boulevard, Gulberg II, Lahore.

**Sapphire Home Inc - USA - the subsidiary (Holding 100%)**

The company was incorporated in USA. The company is principally engaged in marketing services in United States of America. The registered office of the company is located at 1430, Broadway, Suite 1805, New York, NY 10018. The company become dormant and the shareholders have granted approval for the winding up / closure of the company.

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

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

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

Sapphire Solar (Private) Limited (the Company) is incorporated in Pakistan on March 06, 2013 under the Companies Ordinance, 1984 as a private company limited by shares. The principal activity of the Company is power generation by

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

means of solar energy and other alternative energy sources. The registered office of the Company is situated at 307, Cotton Exchange Building, I.I. Chundrigar Road Karachi in the province of Sindh. The shareholders of the holding company have approved to liquidate or sell the company in annual general meeting held on October 26, 2015. The management is in the process of evaluating best option in light of above resolution.

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

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

**2 BASIS OF PREPARATION****2.1 Statement of compliance**

This consolidated condensed interim financial information of the Group for the half year ended December 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Ordinance. This consolidated condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended June 30, 2016.

This consolidated condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 245 of the Companies Ordinance, 1984.

**2.2 Functional and presentation currency**

This financial information are presented in Pakistan Rupees which is also the Group's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2016.

**4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

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

Judgments and estimates made by management in the preparation of this consolidated condensed interim financial information are the same as those that were applied to the financial statements for the year ended June 30, 2016.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2016.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

5	PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
			December 31, 2016	June 30, 2016
			----- Rupees -----	----- Rupees -----
	Operating fixed assets		21,124,863,154	20,491,246,707
	Capital work-in-progress	5.2	1,508,035,389	820,617,579
	Major spare parts and stand-by equipment		69,216,256	69,216,256
			<b>22,702,114,799</b>	<b>21,381,080,542</b>

5.1 The cost of additions and disposals to operating fixed assets during the half year ended December 31, 2016 are as follows.

	(Un-audited)		(Audited)	
	December 31, 2016		June 30, 2016	
	Addition	Disposal	Addition	Disposal
	Cost		Cost	
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Land:				
Freehold	64,800,000	-	1,730,000	-
Leasehold	13,209,000	-	3,928,500	-
On freehold land:				
Factory buildings	210,456,839	-	117,900,919	-
Labour, staff colony and others	-	-	4,609,284	-
Office building	-	-	74,208,245	-
On leasehold land:				
Factory buildings	24,689,769	-	284,472,638	-
Labour, staff colony and others	20,795,819	-	-	-
Leased building improvements	111,793,898	-	103,764,661	-
Plant and machinery	841,639,490	78,856,100	12,619,796,931	80,035,649
Electric installations	7,567,535	-	15,096,255	-
Fire fighting equipment	6,275,143	-	5,397,197	-
Electric equipments	22,520,155	-	42,436,241	-
Computers	18,000,827	894,265	37,560,124	583,830
Office equipment	3,667,782	-	3,646,409	-
Mills equipment	6,341,651	4,109,911	6,557,620	-
Furniture & fixtures	43,223,691	-	37,537,170	-
Vehicles	54,746,402	19,973,066	85,608,923	25,934,532
Vehicles - leased	10,886,000	-	-	-
	<b>1,460,614,001</b>	<b>103,833,342</b>	<b>13,444,251,117</b>	<b>106,554,011</b>

5.2	Capital work-in-progress	(Un-audited)	(Audited)
		December 31, 2016	June 30, 2016
		----- Rupees -----	----- Rupees -----
	Advance for land	460,924,570	95,000,000
	Civil works and Buildings	67,660,380	328,542,622
	Plant and machinery	958,619,817	375,098,722
	Electric installations	10,873,690	9,388,269
	Mills equipments	-	1,720,000
	Furniture & Fixtures	-	4,500,034
	Vehicles	4,593,000	1,000,000
	Computer software	5,363,932	5,367,932
		<b>1,508,035,389</b>	<b>820,617,579</b>

6 Sapphire Retail Limited (the subsidiary company) has entered into finance leasing agreements with Bank AL Habib Limited for ten vehicles. The cost of leased vehicles is recognised in 'property, plant and equipment' and the present value of minimum lease payments aggregating Rs 10.403 million has been recognised under 'Liabilities against assets subject to finance lease' and current portion of present value of minimum lease payments aggregating Rs.4.325 million has been recognised under 'current portion of Liabilities against assets subject to finance lease'.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- Rupees -----	
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies</b>		
7.1 Guarantees issued by banks on behalf of the Group	<u>376,736,988</u>	<u>366,736,988</u>
7.2 Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2016 the value of these cheques amounted to Rs.557.865 million (June 30, 2016: Rs. 281.325 million).		
7.3 The financial institution has issued guarantees amounting US \$ 450,000 (June 30, 2016: US \$ 75,000) in favour of Alternative Energy Development on request of Holding Company on behalf of Tricon Boston Consulting Corporation (Private) Limited (subsidiary company) against charge of equivalent amount with 25% margin on fixed assets of the Holding Company.		
7.4 There is no change in status of the contingencies and commitments as disclosed in notes 29.3, 29.5 to 29.9 and 29.11 to 29.14 of the audited annual financial statements of the Group for the year ended June 30, 2016.		
	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- Rupees -----	
<b>Commitments</b>		
7.5 Confirmed letter of credit in respect of:		
- plant and machinery	285,918,340	934,549,091
- raw material	600,374,791	115,600,422
- stores and spares	58,157,769	48,084,907
	<u>944,450,900</u>	<u>1,098,234,420</u>

	Note	Half Year ended		Quarter ended	
		December 31,		December 31,	
		2016	2015	2016	2015
		----- Rupees -----		----- Rupees -----	
<b>8 COST OF SALES AND SERVICES</b>					
Finished goods - Opening stock		960,907,826	699,698,614	1,049,141,984	823,560,417
Cost of goods manufactured	8.1	12,371,743,837	10,405,351,480	6,347,169,169	5,265,523,286
		<u>13,332,651,663</u>	11,105,050,094	<u>7,396,311,153</u>	6,089,083,703
Finished goods - Closing stock		(1,093,057,022)	(765,999,040)	(1,093,057,022)	(765,999,040)
		<u>12,239,594,641</u>	10,339,051,054	<u>6,303,254,131</u>	5,323,084,663
<b>8.1 Cost of goods manufactured</b>					
Work in process - opening stock		566,547,230	395,499,800	512,519,479	391,852,027
Raw materials consumed		7,250,206,715	6,343,279,722	3,781,830,275	3,211,431,879
Cost of raw material sold		33,451,771	12,499,401	200,413	11,319,399
Overheads		5,023,283,043	4,035,979,811	2,554,363,924	2,032,827,235
		<u>12,873,488,759</u>	10,787,258,734	<u>6,848,914,091</u>	5,647,430,540
Work in process - closing stock		(501,744,922)	(381,907,254)	(501,744,922)	(381,907,254)
		<u>12,371,743,837</u>	10,405,351,480	<u>6,347,169,169</u>	5,265,523,286

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	December 31,	
	2016	2015
	----- Rupees -----	
<b>9 CASH USED IN OPERATIONS</b>		
Profit before taxation and share of profit of associated companies	1,697,134,360	1,061,891,356
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	808,939,990	515,665,387
Depreciation on investment property	-	466,339
Gain on sale of investments	(1,215,294,123)	(408,929,191)
Amortization of intangible assets	1,252,452	1,252,452
Interest income	(4,545,312)	-
Gain on sale of property, plant and equipment	(3,830,361)	(3,991,642)
Dividend income	(332,681,872)	(328,246,230)
Provision for gratuity	46,365,398	50,997,881
(Reversal) / Provision for stores, spares and loose tools	(1,392,312)	5,663,858
Amortization of unwinding up of liability	1,306,761	6,329,137
Exchange differences	(412,868)	12,674,111
Finance cost	709,786,533	451,834,138
Rental income	-	(12,329,052)
	<u>9,494,286</u>	<u>291,387,188</u>
Operating cash flow before changes in working capital	1,706,628,646	1,353,278,544
<b>Changes in working capital</b>		
<b>(Increase) / Decrease in current assets</b>		
Stores, spares and loose tools	(116,797,844)	(24,444,593)
Stock-in-trade	(2,826,252,590)	(2,017,040,090)
Trade debts	317,690,669	(550,323,411)
Loans and advances	(178,180,783)	(116,291,951)
Trade deposits and short term prepayments	(9,013,156)	(18,479,919)
Other receivables	32,033,359	(25,994,368)
	<u>(2,780,520,345)</u>	<u>(2,752,574,332)</u>
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	(81,250,756)	1,004,145,429
	<u>(1,155,142,455)</u>	<u>(395,150,359)</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

**10 SEGMENT ANALYSIS**

**10.1 SEGMENT RESULTS**

	Spinning	Weaving	Processing, printing and Home Textile	Power Generation	Total
	----- Rupees -----				
<b>For the half year ended December 31, 2016</b>					
Revenue - external customers	5,979,845,455	4,070,770,787	3,330,041,304	873,864,290	14,254,521,836
Inter - segment sales	1,537,995,934	369,666,967	121,244,754	-	2,028,907,655
Segment results	(194,374,788)	297,522,022	21,527,799	76,242,061	200,917,094
<b>For the half year ended December 31, 2015</b>					
Revenue - external customers	6,193,913,494	3,036,638,422	2,447,194,090	285,310,201	11,963,056,207
Inter - segment sales	1,106,230,549	376,233,979	20,983,808	-	1,503,448,336
Segment results	5,664,596	230,044,433	53,345,968	109,824,947	398,879,944

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

	December 31,	
	2016	2015
	----- Rupees -----	
Total results for reportable segments	200,917,094	398,879,944
Other operating expenses	(76,882,867)	(99,621,434)
Other income	1,573,100,133	762,632,846
Share of profit of associated companies	44,152,802	22,075,749
Profit before taxation	1,741,287,162	1,083,967,105
Taxation	(73,534,109)	(164,251,301)
Profit after taxation for the period	1,667,753,053	919,715,804

**10.2 SEGMENT ASSETS**

	Spinning	Weaving	Processing, printing and Home Textile	Power Generation	Total
	----- Rupees -----				
<b>As at December 31, 2016</b>					
Segment assets	12,280,968,254	3,641,942,526	5,984,030,654	14,242,977,625	36,149,919,059
<b>As at June 30, 2016</b>					
Segment assets	9,006,640,603	3,299,479,512	4,744,629,762	14,796,935,382	31,847,685,259

**Reconciliation of segment assets with total assets is as follows:**

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	----- Rupees -----	
Total assets for reportable segments	36,149,919,059	31,847,685,259
Unallocated assets	17,051,842,580	12,965,712,230
Total assets as per balance sheet	53,201,761,639	44,813,397,489

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

December 31,  
2016                      2015  
----- Rupees -----

**11 TRANSACTIONS WITH RELATED PARTIES**

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

**Associates:**

Sales	<b>799,200,213</b>	707,671,828
Purchases	<b>188,401,688</b>	115,448,437
Electricity / steam purchased	<b>124,329,518</b>	337,480,810
Expenses charged by	<b>4,165,713</b>	3,662,719
Expenses charged to	<b>19,129,788</b>	18,595,543
Dividend paid	<b>78,719,578</b>	56,228,270
Dividend received	<b>19,603,247</b>	19,617,390
Loans (repaid) / obtained - net	<b>(187,966,571)</b>	490,050,633
Markup charged by	<b>19,902,606</b>	12,291,885

**Other related parties:**

Donations	<b>10,400,000</b>	19,950,000
Contribution to provident fund	<b>19,686,967</b>	11,611,793
Remuneration to key management personnel	<b>311,564,477</b>	198,683,869

**12 CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended June 30, 2016 and the Corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances comparable period of the immediately preceding financial year i.e. half year ended December 31, 2015.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in this condensed interim financial information.

**13 DATE OF AUTHORISATION FOR ISSUE**

This consolidated condensed interim financial information were approved by the board of directors of holding company and authorised for issue on February 23, 2017.

Karachi:  
Dated: February 23, 2017

**NADEEM ABDULLAH**  
CHIEF EXECUTIVE

**MOHAMMAD ABDULLAH**  
DIRECTOR