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Sapphire Fibres Limited

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Company Profile

BOARD OF DIRECTORS

Chairman	:	Mr. Mohammad Abdullah
Chief Executive	:	Mr. Shahid Abdullah
Director	:	Mr. Nadeem Abdullah Mr. Amer Abdullah Mr. Yousuf Abdullah Mr. Shayan Abdullah Mr. Tajammal Hussain Bokharee
Audit Committee	:	
Chairman		Mr. Amer Abdullah
Member		Mr. Shayan Abdullah
Member		Mr. Tajammal Hussain Bokharee
Human Resource & Remuneration Committee	:	
Chairman		Mr. Yousuf Abdullah
Member		Mr. Shahid Abdullah
Member		Mr. Shayan Abdullah
Chief Financial Officer	:	Mr. Mujahid Akbar Bozdar
Secretary	:	Mr. Shaukat Mahmud
Auditors	:	Hameed Chaudhri & Company Chartered Accountants
Management Consultant	:	M. Yousuf Adil Saleem & Company Chartered Accountants
Tax Consultants	:	Mushtaq & Company Chartered Accountants
Legal Advisor	:	Hassan & Hassan Advocates
Bankers	:	Allied Bank Limited, Citi Bank N.A., Habib Bank Limited, Habib Metropolitan Bank Limited, MCB Bank Limited, United Bank Limited
Share Registrar	:	THK Associates (private) Ltd
Registered Office	:	316, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.
Mills	:	Kharianwala, Tehsil and District Sheikhpura Feroze Wattoan, Tehsil and District Sheikhpura Raiwind Road, Lahore.

Directors' Report to the Shareholders

The Directors of the Company are pleased to present un-audited financial statements for the quarter ended 30 September, 2015.

Financial Highlights

	30 September	
	2015	2014
	Rupees in thousand	
Sales & services	2,999,540	3,579,515
Gross profit	349,502	550,002
Profit from operations	316,748	465,948
Other income	165,441	111,190
Profit before taxation	242,575	358,690
Taxation:		
- Current	47,615	46,781
- Deferred	8,589	5,782
	56,204	52,563
Profit after taxation	186,371	306,127

The company's sales of the current period was lower by Rs.579.975 million as compared to last period due to decline in sale rates. The Gross profit as percentage of sales stood at 11.65 % as compared to 15.37% in the last comparative period. The Company has earned after tax profit of Rs. 186.371 million as against Rs. 306.127 million of the last year's corresponding period.

Earnings per share

The company's earnings per share (EPS) were at Rs.9.47 as compared to Rs. 15.55 of the same period of the last year.

Future outlook

The Textile sector in Pakistan is expected to remain under pressure due to subdued demand and reduced prices of its products both in local as well as international markets. However, reduction of mark -up rates by State Bank of Pakistan and improved energy supply condition will give some relief in coming period.

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

For and on behalf of the Board

Karachi
Dated: 28 October, 2015

SHAHID ABDULLAH
Chief Executive

Balance Sheet (Un-audited)

As At September 30, 2015

ASSETS	NOTE	Un-Audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	5,140,294,594	4,342,003,331
Investment property		162,003,928	162,237,097
Intangible assets		4,190,585	4,627,824
Long term investments	6	9,762,642,962	10,200,468,290
Long term loans		780,000	340,000
Long term deposits		28,236,645	28,221,645
		15,098,148,714	14,737,898,187
CURRENT ASSETS			
Stores, spare parts and loose tools		197,592,807	185,025,614
Stock-in-trade		2,179,092,136	2,543,316,114
Trade debts		1,308,297,659	1,118,913,594
Loans and advances		134,824,550	46,086,110
Trade deposits and short term prepayments		4,300,528	13,246,526
Short term investments		2,009,994,988	1,921,844,053
Other receivables		499,689,222	387,465,779
Tax refunds due from Government		434,005,999	417,883,638
Cash and bank balances		153,323,329	132,197,163
		6,921,121,218	6,765,978,591
TOTAL ASSETS		22,019,269,932	21,503,876,778
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital 35,000,000 ordinary shares of Rs.10 each		350,000,000	350,000,000
Issued, subscribed and paid-up capital 19,687,500 ordinary shares of Rs.10 each		196,875,000	196,875,000
Reserves		5,223,936,447	6,006,216,187
Unappropriated profit		8,916,701,197	8,730,329,881
Total Equity		14,337,512,644	14,933,421,068
NON CURRENT LIABILITIES			
Long term finances		542,393,168	60,697,585
Staff retirement benefits - gratuity		273,595,842	257,188,963
Deferred taxation		196,294,277	139,260,190
Long term security deposit		2,100,000	2,100,000
		1,014,383,287	459,246,738
CURRENT LIABILITIES			
Trade and other payables		1,303,604,023	1,323,817,736
Accrued Markup/Interest		61,925,558	73,937,828
Short term borrowings		4,997,124,160	4,456,347,830
Current portion of long term finances		12,712,666	12,712,666
Provision for taxation		292,007,594	244,392,912
		6,667,374,001	6,111,208,972
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		22,019,269,932	21,503,876,778

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

Karachi:

Dated: October 28, 2015

SHAHID ABDULLAH

CHIEF EXECUTIVE

SHAYAN ABDULLAH

DIRECTOR

Profit and Loss Account (Un-audited)

For the Quarter ended September 30, 2015

	Note	September, 2015 Rupees	September, 2014 Rupees
Sales		2,999,539,956	3,579,515,348
Cost of sales	8	2,650,037,727	3,029,513,248
Gross profit		349,502,229	550,002,100
Distribution cost		113,075,110	114,160,731
Administrative expenses		67,625,118	53,494,672
Other expenses		17,495,539	27,588,754
Other income		(165,441,086)	(111,190,268)
		32,754,681	84,053,889
Profit from operations		316,747,548	465,948,211
Finance cost		74,171,959	107,258,044
Profit before taxation		242,575,589	358,690,167
TAXATION			
Current		47,614,682	46,780,895
Deferred		8,589,591	5,782,168
		56,204,273	52,563,063
Profit after taxation		186,371,316	306,127,104
Earnings per share - basic and diluted		9.47	15.55

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

Statement of Comprehensive Income (Un-audited)

For the Quarter ended September 30, 2015

	30 September, 2015 Rupees	30 September, 2014 Rupees
Profit after taxation	186,371,316	306,127,104
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Unrealised loss due to change in fair value of available for sale investments		
- long term	(563,663,220)	(354,693,841)
- short term	(146,164,747)	(29,734,154)
Impact of deferred tax	(48,444,495)	2,393,159
Adjustment for gain included in profit and loss account upon sale of available-for-sale investments	(31,228,491)	(2,055,664)
	(789,500,953)	(384,090,500)
Unrealised gain on remeasurement of forward foreign currency contracts	7,221,213	-
	(782,279,740)	(384,090,500)
Total comprehensive Loss for the period	(595,908,424)	(77,963,396)

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

Cash Flow Statement (Un-audited)

For the Quarter ended September 30, 2015

	September, 2015 Rupees	September, 2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	242,575,589	358,690,167
Adjustments for non cash charges and other items		
Depreciation	83,491,056	84,275,134
Amortisation of intangible assets	437,239	277,925
Staff retirement benefits - gratuity	20,010,000	14,025,000
Provision for workers' (profit) participation / welfare fund	16,834,719	26,583,911
Gain on disposal of tangible fixed assets	(2,172,614)	(543,012)
Gain on sale of investments	(15,428,866)	(263,438)
Gain on sale of stores and spares	(78,015)	(28,468)
Dividend and interest income	(138,786,894)	(102,521,752)
Finance cost	74,171,959	107,258,044
	38,478,584	129,063,344
Cash inflow from operating activities before working capital changes	281,054,173	487,753,511
Decrease / (Increase) in current assets		
Stores, spares and loose tools	(13,085,578)	(53,705,093)
Stock in trade	364,223,978	394,278,337
Trade debts	(189,384,065)	(78,080,778)
Loans and advances	(88,738,440)	(104,567,178)
Deposits, other receivables and sales tax	(6,114,351)	(32,614,070)
Increase / (decrease) in trade and other payables	27,221,331	(51,315,978)
	94,122,875	73,995,240
CASH INFLOW FROM OPERATING ACTIVITIES	375,177,048	561,748,751
Gratuity paid	(3,603,121)	(5,221,562)
Finance cost paid	(84,750,801)	(111,622,148)
Taxes paid / refund (net)	(55,201,794)	34,473,882
Workers' profit participation fund	(65,277,387)	-
Long term loans and deposits	(455,000)	(71,000)
	(209,288,103)	(82,440,828)
NET CASH INFLOW FROM OPERATING ACTIVITIES	165,888,945	479,307,923
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(889,976,536)	(70,440,017)
Increase in investments available for sale	(542,514,977)	(198,613,768)
Sale proceeds of tangible fixed assets	10,600,000	600,000
Sale proceed of short term investments	166,561,778	10,634,080
Sale proceeds of stores and spares	596,400	397,665
Dividend, interest and other income received	87,536,706	58,313,238
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,167,196,629)	(199,108,802)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans - Obtained	485,706,000	-
Long term loans - Repaid	(4,010,417)	(152,202,500)
Dividend paid	(38,063)	-
Short term borrowings - net	540,776,330	(61,043,299)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	1,022,433,850	(213,245,799)
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,126,166	66,953,322
CASH AND CASH EQUIVALENTS - at the beginning of the period	132,197,163	149,916,610
CASH AND CASH EQUIVALENTS - at the end of the period	153,323,329	216,869,932

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

Karachi:

Dated: October 28, 2015

SHAHID ABDULLAH

CHIEF EXECUTIVE

SHAYAN ABDULLAH

DIRECTOR

Statement of Changes in Equity (Un-audited)

For the Quarter ended September 30, 2015

	Issued, subscribed and paid up capital	Reserves				Unrealised gain on hedging instruments	Sub-total	Unappropriated profit	Total
		Capital	General	Unrealised gain on available-for-sale investments	Unrealised gain on hedging instruments				
Balance as at 01 July, 2014	196,875,000	145,740,000	1,183,845,000	5,264,641,401	-	6,594,226,401	8,005,667,352	14,796,768,753	
Total comprehensive income for the period ended 30 Sept, 2014									
Profit for the period	-	-	-	-	-	-	306,127,104	306,127,104	
Other comprehensive loss	-	-	(384,090,500)	(384,090,500)	-	(384,090,500)	-	(384,090,500)	
Balance as at 30 Sept, 2014	196,875,000	145,740,000	1,183,845,000	4,880,550,901	-	6,210,135,901	8,311,794,456	14,718,805,357	
Balance as at 01 July, 2015	196,875,000	145,740,000	1,183,845,000	4,676,631,187	-	6,006,216,187	8,730,329,881	14,933,421,068	
Total comprehensive income for the period ended 30 Sept, 2015									
Profit for the period	-	-	-	-	-	-	186,371,316	186,371,316	
Other comprehensive (loss) / income	-	-	(789,500,953)	(789,500,953)	7,221,213	(782,279,740)	-	(782,279,740)	
Balance as at 30 Sept, 2015	196,875,000	145,740,000	1,183,845,000	3,887,130,234	7,221,213	5,223,936,447	8,916,701,197	14,337,512,644	

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

Karachi:

Dated: October 28, 2015

SHAHID ABDULLAH
CHIEF EXECUTIVESHAYAN ABDULLAH
DIRECTOR

Notes to the Financial Statements (Un-audited)

For the Quarter ended September 30, 2015

1. CORPORATE INFORMATION

The Company was incorporated in Pakistan on 05 June, 1979 as a Public Limited Company and its shares are quoted on Karachi, Islamabad and Lahore Stock Exchanges. It is principally engaged in manufacture and sale of yarn, fabrics and garments. The registered office of the Company is located at 316, Cotton Exchange Building, Karachi and its mills are located at Raiwind Road Lahore, Feroze Wattoan and Kharianwala in district Sheikhpura.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 (Interim Financial Reporting). This condensed interim financial information do not include all the information required for annual financial statements and therefore should be read in conjunction with the annual published financial statements of the Company for the year ended 30 June, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding published financial statements of the Company for the year ended 30 June, 2015.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information requires management to make judgments, 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 this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual audited financial statements for the year ended 30 June, 2015.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June, 2015.

		Un-audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
5. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	5.1	3,789,471,194	3,811,921,872
Capital work in progress	5.2	1,350,823,400	530,081,459
		<u>5,140,294,594</u>	<u>4,342,003,331</u>

Notes to the Condensed Interim Financial Statements

For the Quarter ended September 30, 2015

	Un-audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
5.1 Operating fixed assets		
Opening book value	3,811,921,872	3,763,786,358
Additions during the period		
- land (freehold)	2,600,000	34,328,800
- land (leasehold)	-	91,253,250
- residential buildings and others	-	1,383,308
- leased office improvements	-	3,699,088
- factory buildings on freehold land	1,153,756	28,202,881
- plant and machinery	64,836,800	198,933,044
- electric installations	560,020	19,930,188
- office equipment	-	1,287,317
- mill equipment	-	90,000
- electric equipment	-	649,532
- computer hardware	-	690,697
- vehicles	-	16,555,713
- furniture and fixtures	84,017	5,004,407
	69,234,593	402,008,225
Book value of assets disposed-off during the quarter/year	(8,427,385)	(8,667,256)
Depreciation charge for the quarter/year	(83,257,886)	(345,205,455)
Closing book value	3,789,471,194	3,811,921,872
5.2 Capital work-in-progress		
Building	274,722,445	323,836,651
Plant and machinery	570,706,104	133,279,432
Furniture and fixture	1,693,841	1,609,824
Un-allocated capital expenditure	139,904,418	22,296,250
Advance payments:		
- freehold land	6,860,000	5,860,000
- factory / office building	338,668,756	30,185,300
- plant & machinery	13,023,071	13,014,002
- vehicles	5,244,765	-
	1,350,823,400	530,081,459
6. LONG TERM INVESTMENTS		
Subsidiary Company - at cost	6.1 3,039,008,316	3,039,008,316
Associated Companies - at cost	165,761,769	165,761,769
Others - available for sale	6.2 6,557,872,877	6,995,698,205
	9,762,642,962	10,200,468,290
6.1	172,446,420 shares of the Subsidiary Company have been pledged with a financial institution under Share Pledge Agreement dated 16 April, 2007 and Working Capital Support Agreement dated 13 August, 2010 as security against finance facilities advanced to the Subsidiary Company.	

Notes to the Condensed Interim Financial Statements

For the Quarter ended September 30, 2015

	Un-audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
6.2 Others - available for sale		
MCB Bank Limited - Quoted		
18,798,786 ordinary shares of Rs.10 each - cost	914,415,613	915,047,933
Adjustment arising from re-measurement to fair value	3,398,965,834	3,771,344,194
	4,313,381,447	4,686,392,127
Habib Bank Limited - Quoted		
11,208,900 ordinary shares of Rs.10 each - cost	1,998,477,317	1,869,400,894
Adjustment arising from re-measurement to fair value	217,298,035	411,189,106
	2,215,775,352	2,280,590,000
	6,529,156,799	6,966,982,127
Novelty Enterprises (Pvt.) Limited - Unquoted		
2,351,995 ordinary shares of Rs.10 each	28,716,078	28,716,078
	6,557,872,877	6,995,698,205

7. CONTINGENCIES AND COMMITMENTS

7.1 Guarantees issued by banks to various Government institutions on behalf of the Company aggregate Rs.223.296 million (30 June, 2015: Rs.203.296 million).

7.2 During the year ended June 30, 2014 it was discovered that there were unauthorised withdrawals of funds from one of the Company's bank accounts using forged signatures on cheques from cheque books issued by the Bank's staff without the Company's authority. On becoming aware of the matter, FIR has been lodged in addition to taking up the matter with the bank. Based on the advice of its legal counsel, the management believes that the Company does not have any liability whatsoever in respect of such net unauthorised withdrawals of funds accumulating to Rs.33.157 million inclusive of mark-up and other charges.

Furthermore the Company has filed a suit on March 21, 2014 in the honourable Sindh High Court, which has granted a stay order on April 08, 2014 in favour of the Company whereby the bank has been restrained from placing the Company's name in the State Bank Credit Information Bureau (CIB) list of defaulter and prevented from taking coercive action against the Company.

	Un-audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
7.3 Commitments in respect of :		
- letters of credit for capital expenditure	1,157,873,786	760,637,594
- letters of credit for purchase of raw materials and stores, spare parts & chemicals	82,892,073	173,185,247
- capital expenditure other than letters of credit	709,059,476	863,988,931
- foreign currency forward contract	816,484,100	313,580,000

Notes to the Condensed Interim Financial Statements

For the Quarter ended September 30, 2015

	Note	Un-audited 30 September, 2015 Rupees	Un-audited 30 September, 2014 Rupees
8. COST OF SALES			
Stocks - opening		509,819,710	540,491,694
Cost of goods manufactured	8.1	2,647,847,530	2,970,322,277
Cost of raw materials sold		8,419,762	25,316,889
		<u>3,166,087,002</u>	<u>3,536,130,860</u>
Stocks - closing		516,049,275	506,617,612
		<u>2,650,037,727</u>	<u>3,029,513,248</u>
8.1 Cost of goods manufactured			
Work in process - opening		156,135,025	211,059,838
Raw materials consumed		1,710,779,172	1,945,858,209
Overheads		939,678,882	1,007,081,249
		<u>2,650,458,054</u>	<u>2,952,939,458</u>
		2,806,593,079	3,163,999,296
Work in process closing		158,745,549	193,677,019
		<u>2,647,847,530</u>	<u>2,970,322,277</u>

9. RELATED PARTY TRANSACTIONS

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

	Relationship with the company	Name of transaction	Un-audited 30 September, 2015 Rupees	Un-audited 30 September, 2014 Rupees
I.	Associates	Sale of goods and services	149,444,776	126,162,145
		Purchase of goods and services	56,886,354	149,941,610
		Electric power purchased	76,217,707	42,481,779
		Assets sold	10,000,000	-
		Expenses charged to	927,635	44,060
		Expenses charged by	6,373,982	2,084,407
II.	Other related parties	Contributions towards provident fund	1,378,600	1,231,451

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 28, 2015 by the Board of Directors of the Company.

11. PRESENTATION

Figures in the financial statements have been rounded-off to the nearest rupee.

Karachi:

SHAHID ABDULLAH

SHAYAN ABDULLAH

Dated: October 28, 2015

CHIEF EXECUTIVE

DIRECTOR

Directors' Report to the Shareholders

The directors are pleased to present their report together with consolidated financial statements of Sapphire Fibres Limited and its subsidiary Sapphire Electric Company Limited for the quarter ended 30 September, 2015. The Company has annexed consolidated financial statements along with its separate financial statements in accordance with the requirements of the International Accounting Standard-27 (Consolidated and Separate Financial Statements)

SAPPHIRE ELECTRIC COMPANY LIMITED

Sapphire Electric Company Limited (SECL) was incorporated in Pakistan as an unlisted public company limited by shares under companies ordinance 1984 on 18 January, 2005. It became subsidiary of Sapphire Fibres Limited (SFL) on 1st July, 2008. SFL holds 68.11% shares of SECL as on 30 September, 2015.

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

For and on behalf of the Board of Directors

Karachi:
Dated: 28 October, 2015

SHAHID ABDULLAH
Chief Executive

Balance Sheet (Un-audited)

As At September 30, 2015

ASSETS	NOTE	Un-Audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
Non Current Assets			
Property, plant and equipment	6	19,718,628,365	19,066,564,093
Investment Property		162,003,928	162,237,097
Intangible assets		9,803,489	10,240,728
Long term investments	7	6,954,993,941	7,397,761,427
Long term loans - secured		780,000	340,000
Long term deposits and prepayments		29,466,445	29,451,445
		26,875,676,168	26,666,594,790
Current Assets			
Stores, spare parts and loose tools		197,592,807	185,025,614
Stock-in-trade		2,342,521,120	2,702,458,368
Trade debts		8,668,985,265	7,916,952,414
Loans and advances		142,053,447	51,269,789
Trade deposits and short term prepayments		8,778,873	68,525,309
Short term investments		2,009,994,988	1,921,844,053
Other receivables		602,297,894	490,074,451
Interest receivable		1,959,045	2,847,109
Tax refunds due from the Government		472,885,459	490,865,349
Cash and bank balances		695,540,021	641,988,396
		15,142,608,919	14,471,850,852
Total Assets		42,018,285,087	41,138,445,642
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		196,875,000	196,875,000
Reserves		5,384,877,548	6,147,112,487
Unappropriated profit		11,744,146,239	11,242,405,702
Equity attributable to shareholders of the Parent Company		17,325,898,787	17,586,393,189
Non-controlling interest		2,711,938,984	2,552,572,810
Total equity		20,037,837,771	20,138,965,999
Non current liabilities			
Long term finances		7,710,397,893	7,547,351,644
Staff retirement benefits - gratuity		273,595,842	257,188,963
Deferred taxation		197,975,002	140,926,128
Long term security deposit		2,100,000	2,100,000
		8,184,068,737	7,947,566,735
Current liabilities			
Trade and other payables		4,544,737,334	3,890,635,604
Accrued Markup / Interest		337,704,203	388,056,315
Short term borrowings		7,404,605,546	7,323,128,255
Current maturity of long term finances		1,217,323,902	1,205,699,822
Provision for taxation		292,007,594	244,392,912
		13,796,378,579	13,051,912,908
Contingencies and commitments	8		
Total equity and liabilities		42,018,285,087	41,138,445,642

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

Karachi:

SHAHID ABDULLAH
CHIEF EXECUTIVESHAYAN ABDULLAH
DIRECTOR

Dated: October 28, 2015

Profit and Loss Account (Un-audited)

For the Quarter ended September 30, 2015

		September, 2015 Rupees	September, 2014 Rupees
	Note		
Sales		7,438,373,913	10,243,674,085
Cost of sales	9	<u>6,295,979,795</u>	<u>8,864,398,900</u>
Gross profit		1,142,394,118	1,379,275,185
Selling and distribution expenses		113,075,110	114,160,731
Administrative expenses		80,836,337	69,193,629
Other expenses		21,284,425	34,016,432
Other income		(167,486,964)	(112,023,673)
		<u>47,708,908</u>	<u>105,347,119</u>
Operating profit		1,094,685,210	1,273,928,066
Finance cost		351,714,219	548,451,377
		<u>742,970,991</u>	<u>725,476,689</u>
Share of profit of associates		7,136,528	438,687
Profit before taxation		750,107,519	725,915,376
TAXATION			
Current		48,272,943	47,064,253
Deferred		8,604,378	5,874,584
		<u>56,877,321</u>	<u>52,938,837</u>
Profit after taxation		<u>693,230,198</u>	<u>672,976,539</u>
Attributable to:			
- Shareholders of the Parent Company		533,864,024	555,072,471
- Non-controlling interest		<u>159,366,174</u>	<u>117,904,068</u>
		<u>693,230,198</u>	<u>672,976,539</u>
Earnings per share - attributable to the shareholders of the Parent Company		<u>27.12</u>	<u>28.19</u>

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

Karachi:
Dated: October 28, 2015

SHAHID ABDULLAH
CHIEF EXECUTIVE

SHAYAN ABDULLAH
DIRECTOR

Statement of Comprehensive Income (Un-audited)

For the Quarter ended September 30, 2015

	September, 2015 Rupees	September, 2014 Rupees
Profit after taxation	693,230,198	672,976,539
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Unrealised loss due to change in fair value of available for sale investments		
- long term	(563,663,220)	(354,693,841)
- short term	(146,164,747)	(29,734,154)
Impact of deferred tax	(48,444,495)	2,393,159
Adjustment for gain included in profit and loss account upon sale of available-for-sale investments	(31,228,491)	(2,055,664)
Share of fair value gain on re-measurement of available-for-sale investments of Associated Companies	361,589	22,355
	(789,139,364)	(384,068,145)
Unrealised gain / (loss) on remeasurement of forward foreign exchange contracts	7,248,446	(4,024)
Total comprehensive (loss) / income for the period	(88,660,720)	288,904,370
Attributable to:		
- Shareholders of the Parent Company	(248,026,894)	171,000,302
- Non-controlling Interest	159,366,174	117,904,068
	(88,660,720)	288,904,370

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

Karachi:
Dated: October 28, 2015

SHAHID ABDULLAH
CHIEF EXECUTIVE

SHAYAN ABDULLAH
DIRECTOR

Cash Flow Statement (Un-audited)

For the Quarter ended September 30, 2015

	September, 2015 Rupees	September, 2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation and share of profit of associates	742,970,991	725,476,689
Adjustments for non cash charges and other items		
Depreciation	230,657,497	229,357,557
Amortisation of intangible assets	437,239	277,925
Staff retirement benefits - gratuity	20,010,000	1,624,183
Provision for workers' (profit) participation / welfare fund	16,834,719	26,583,911
Gain on disposal of tangible fixed assets	(2,172,614)	(543,012)
Gain on disposal of investments	(15,428,866)	(263,438)
Gain on sale of stores & spares	(78,015)	(28,468)
Dividend, interest and other income	(140,723,772)	(103,355,157)
Exchange fluctuation loss	3,788,886	6,427,678
Finance cost	351,714,221	548,451,379
	<u>465,039,295</u>	<u>708,532,558</u>
Cash inflow from operating activities before working capital changes	1,208,010,286	1,434,009,247
Decrease/(increase) in current assets		
Stores, spares and loose tools	(17,372,308)	(53,335,896)
Stock in trade	(198,424,808)	28,826,477
Trade debts	(189,384,065)	(103,265,913)
Loans and advances	(88,738,440)	(104,567,178)
Deposits, other receivables and sales tax	76,746,064	(164,099,220)
Increase in trade and other payables	697,747,887	119,104,295
	<u>280,574,330</u>	<u>(277,337,435)</u>
CASH INFLOW FROM OPERATING ACTIVITIES	1,488,584,616	1,156,671,812
Gratuity paid	(3,603,121)	7,179,255
Finance cost paid	(400,632,903)	(568,816,249)
Taxes paid / refund (net)	(55,862,999)	31,609,322
Workers' profit participation fund paid	(65,277,387)	-
Long term loans and deposits	(455,000)	(171,000)
	<u>(525,831,410)</u>	<u>(530,198,672)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	962,753,206	626,473,140
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(890,915,986)	(70,440,017)
Increase in investments available for sale	(542,514,977)	(198,613,768)
Sale proceeds of investments	166,561,778	10,634,080
Sale proceeds of tangible fixed assets	10,600,000	600,000
Sale proceeds of stores & spares	596,400	-
Dividend, interest and other income received	90,361,648	60,569,229
	<u>(1,165,311,137)</u>	<u>(197,250,476)</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans - Obtained	485,706,000	-
Long term loans - Repaid	(311,035,671)	(420,427,571)
Dividend paid	(38,063)	-
Short term borrowings - net	81,477,291	224,677,778
	<u>256,109,557</u>	<u>(195,749,793)</u>
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	53,551,626	233,472,871
CASH AND CASH EQUIVALENTS - at the beginning of the period	641,988,395	981,697,075
CASH AND CASH EQUIVALENTS - at the end of the period	695,540,021	1,215,169,946

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

Karachi:

SHAHID ABDULLAH
CHIEF EXECUTIVESHAYAN ABDULLAH
DIRECTOR

Dated: October 28, 2015

Statement of Changes in Equity (Un-audited)

For the Quarter ended September 30, 2015

	Rupees							Total	Non Controlling Interest
	Capital			Reserves					
	Share premium	Maintenance reserve	General	Unrealised gain on available-for-sale investments	Unrealised gain on hedging instruments	Sub-total	Unappropriated profit		
Balance as at 01 July, 2014	145,740,000	30,512,398	1,183,845,000	5,269,341,352	87,488	6,629,526,238	9,652,794,091	16,479,195,329	2,120,248,780
Total comprehensive income for the period ended 30 Sept, 2014	-	-	-	-	-	-	555,072,471	555,072,471	117,904,068
Profit for the period	-	-	-	(384,068,145)	(4,024)	(384,072,169)	-	(384,072,169)	-
Other comprehensive (loss) / income	-	-	-	(384,068,145)	(4,024)	(384,072,169)	555,072,471	171,000,302	117,904,068
Transfer to maintenance reserve	-	28,318,070	-	-	-	28,318,070	(28,318,070)	-	-
Further acquisition	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Effect of items directly credited in equity by associates	-	-	-	-	-	-	(2,173,867)	(2,173,867)	-
Balance as at 30 Sept, 2014	145,740,000	58,830,468	1,183,845,000	4,885,273,207	83,464	6,273,772,139	10,177,374,625	16,648,021,764	2,238,152,848
Balance as at 01 July, 2015	145,740,000	134,825,918	1,183,845,000	4,682,667,471	34,098	6,147,112,487	11,242,405,702	17,586,393,189	2,552,572,810
Total comprehensive income for the period ended 30 Sept, 2015	-	-	-	-	-	-	533,864,024	533,864,024	159,366,174
Profit for the period	-	-	-	(789,139,364)	7,248,446	(781,890,918)	-	(781,890,918)	-
Other comprehensive income/(loss)	-	-	-	(789,139,364)	7,248,446	(781,890,918)	533,864,024	(248,026,894)	159,366,174
Transfer to maintenance reserve	-	19,655,979	-	-	-	19,655,979	(19,655,979)	-	-
Further acquisition	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Effect of items directly credited in equity by associates	-	-	-	-	-	-	(12,467,508)	(12,467,508)	-
Balance as at 30 Sept, 2015	145,740,000	154,481,897	1,183,845,000	3,893,528,107	7,282,544	5,384,877,548	11,744,146,239	17,325,898,787	2,711,938,984

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

Karachi:

Dated: October 28, 2015

SHAHID ABDULLAH
CHIEF EXECUTIVESHAYAN ABDULLAH
DIRECTOR

Notes to the Financial Statements (Un-audited)**For the Quarter ended September 30, 2015****1. LEGAL STATUS AND OPERATIONS**

The Group consists of Sapphire Fibres Limited (the Parent Company) and its Subsidiary Company - Sapphire Electric Company Limited.

The Parent Company was incorporated in Pakistan on 05 June, 1979 as a Public Limited Company and its shares are quoted on Karachi, Islamabad and Lahore Stock Exchanges. It is principally engaged in manufacture and sale of yarn, fabrics and garments. The registered office of the Parent Company is located at 316, Cotton Exchange Building, Karachi and its mills are located at Raiwind Road Lahore, Feroze Wattoan and Kharianwala in district Sheikhpura.

The Subsidiary Company was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 on 18 January, 2005. The principal activity of the Subsidiary Company is to build, own, operate and maintain a combined cycle power station having a net capacity of 212 MW at Muridke, District Sheikhpura, Punjab. The address of registered office of the Subsidiary Company is 7 - A/K, Main Boulevard, Gulberg - II, Lahore. The Parent Company's direct interest, as at 30 September, 2015 in the Subsidiary Company is 68.11% (30 June, 2015: 68.11%).

2. BASIS OF PREPARATION

2.1 This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. This condensed interim consolidated financial information does not include all the information required for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended 30 June, 2015.

2.2 This condensed interim consolidated financial information is presented in Pak Rupee, which is the functional currency of the Group. All the financial information presented in Pak Rupee has been rounded-off to the nearest Rupee except stated otherwise.

3. PRINCIPLES OF CONSOLIDATION

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

All Intra-group balances and transactions are eliminated.

Investments in Associated Companies, as defined in the Companies Ordinance, 1984, are accounted for using the equity method of accounting.

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

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the annual published consolidated financial statements of the Group for the year ended 30 June, 2015.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim consolidated financial information requires management to make judgments, 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 this condensed interim consolidated financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual audited consolidated financial statements for the year ended 30 June, 2015.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June, 2015.

Notes to the Financial Statements (Un-audited)

For the Quarter ended September 30, 2015

	Note	Un-audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	18,363,782,572	18,533,399,691
Capital work in progress	6.2	1,354,845,793	533,164,402
		19,718,628,365	19,066,564,093
6.1 Tangible fixed assets			
Opening book value		18,533,399,691	19,060,155,648
Additions/Adjustments during the period/year			
- land (freehold)		2,600,000	34,328,800
- land (leasehold)		-	91,253,250
- residential buildings and others		-	1,383,308
- leased office improvements		-	3,699,088
- factory buildings		1,153,756	29,889,829
- plant and machinery		64,836,800	205,352,950
- electric installations		560,020	19,930,188
- mill equipments		-	90,000
- electric equipments		-	1,766,453
- office equipments		-	649,532
- computer hardware		-	980,343
- vehicles		-	16,555,713
- furniture and fixtures		84,017	5,104,157
		69,234,593	410,983,611
Book value of assets disposed-off / adjustments during the quarter/year		(8,427,385)	(8,667,256)
Depreciation charge for the quarter/year		(230,424,327)	(929,072,312)
Closing book value		18,363,782,572	18,533,399,691
6.2 Capital work-in-progress			
Building		276,483,995	324,736,651
Plant and machinery		571,013,547	133,586,875
Furniture and fixtures		1,693,841	1,609,824
Un-allocated capital expenditure		139,904,418	22,296,250
Advance payments:			
- free hold land		6,860,000	5,860,000
- factory / office buildings		338,668,756	30,185,300
- plant and machinery		13,023,071	13,014,002
- furniture & fixture		77,900	-
- vehicles		7,120,265	1,875,500
		1,354,845,793	533,164,402
7. LONG TERM INVESTMENTS			
Associated Companies	7.1	397,121,064	402,063,222
Others - available for sale	7.2	6,557,872,877	6,995,698,205
		6,954,993,941	7,397,761,427

Notes to the Financial Statements (Un-audited)

For the Quarter ended September 30, 2015

	Un-audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
7.1 Associated Companies		
Quoted		
Reliance Cotton Spinning Mills Limited		
138,900 ordinary shares of Rs.10 each	1,306,269	1,306,269
Equity held: 1.35%		
Add: share of post acquisition profit	24,725,271	24,809,214
Less: dividend received during the period / year	-	(233,970)
	<u>26,031,540</u>	<u>25,881,513</u>
SFL Limited		
10,199 ordinary shares of Rs.10 each	100,000	100,000
Equity held: 0.051%		
Add: share of post acquisition profit	1,375,132	1,377,285
	<u>1,475,132</u>	<u>1,477,285</u>
Un-quoted		
Sapphire Power Generation Limited		
2,824,500 ordinary shares of Rs.10 each	64,355,500	64,355,500
Equity held: 17.63%		
Add: share of post acquisition profit	209,448,980	211,761,782
	<u>273,804,480</u>	<u>276,117,282</u>
Sapphire Dairies (Private) Limited		
10,000,000 ordinary shares of Rs.10 each	100,000,000	100,000,000
Equity held: 9.52 %		
Add: share of post acquisition loss	(4,190,088)	(1,412,858)
	<u>95,809,912</u>	<u>98,587,142</u>
	<u>397,121,064</u>	<u>402,063,222</u>
7.2 Others - available for sale		
MCB Bank Limited - Quoted		
18,798,786 ordinary shares of Rs.10 each	914,415,613	915,047,933
Adjustment arising from re-measurement to fair value	3,398,965,834	3,771,344,194
	<u>4,313,381,447</u>	<u>4,686,392,127</u>
Habib Bank Limited - Quoted		
11,208,900 ordinary shares of Rs.10 each	1,998,477,317	1,869,400,894
Adjustment arising from re-measurement to fair value	217,298,035	411,189,106
	<u>2,215,775,352</u>	<u>2,280,590,000</u>
	<u>6,529,156,799</u>	<u>6,966,982,127</u>
Novelty Enterprises (Pvt.) Limited - Unquoted		
2,351,995 ordinary shares of Rs.10 each	28,716,078	28,716,078
	<u>6,557,872,877</u>	<u>6,995,698,205</u>

Notes to the Financial Statements (Un-audited)

For the Quarter ended September 30, 2015

8. CONTINGENCIES AND COMMITMENTS

8.1 Guarantees issued by banks to various Government institutions on behalf of the Parent and Subsidiary Company aggregate Rs.1,133.30 million (30 June, 2015: Rs.1,113.300 million).

8.2 During the year ended June 30, 2014 it was discovered that there were unauthorised withdrawals of funds from one of the Parent Company's bank accounts using forged signatures on cheques from cheque books issued by the Bank's staff without the Parent Company's authority. On becoming aware of the matter, FIR has been lodged in addition to taking up the matter with the bank. Based on the advice of its legal counsel, the management believes that the Parent Company does not have any liability whatsoever in respect of such net unauthorised withdrawals of funds accumulating to Rs.33.157 million inclusive of mark-up and other charges.

Furthermore the Parent Company has filed a suit on March 21, 2014 in the honourable Sindh High Court, which has granted a stay order on April 08, 2014 in favour of the Parent Company whereby the bank has been restrained from placing the Parent Company's name in the State Bank Credit Information Bureau (CIB) list of defaulter and prevented from taking coercive action against the Parent Company.

	Un-audited 30 September, 2015 Rupees	Audited 30 June, 2015 Rupees
8.3 Commitments in respect of :		
- letters of credit for capital expenditure	<u>1,349,473,786</u>	<u>952,275,100</u>
- letters of credit for purchase of raw materials and stores, spare parts & chemicals	<u>82,892,073</u>	<u>173,185,247</u>
- capital expenditure other than letters of credit	<u>709,059,476</u>	<u>863,988,931</u>
- foreign currency forward contract	<u>816,484,100</u>	<u>313,580,000</u>

8.4 The Subsidiary Company has an agreement with a consortium between General Electric International, Inc. and General Electric Energy Parts, Inc. for the operations and maintenance (O & M) of the power station started from the Commercial Operations Date of the power station upto earlier of the time when the power station has run 144,000 Fired Hours and February 14, 2030. Under the terms of the O & M agreement, the Subsidiary Company is required to pay a monthly fixed O & M fee and a variable O & M fee depending on operation of the plant on gas or diesel, both of which shall be subject to an annual increase of 3%.

		Un-audited 30 September, 2015 Rupees	Un-audited 30 September, 2014 Rupees
9. COST OF SALES			
	Note		
Stocks - opening		509,819,710	540,491,694
Cost of goods manufactured	9.1	6,293,789,598	8,805,207,929
Cost of raw materials sold		<u>8,419,762</u>	<u>25,316,889</u>
		<u>6,812,029,070</u>	<u>9,371,016,512</u>
Stocks - closing		<u>516,049,275</u>	<u>506,617,612</u>
		<u>6,295,979,795</u>	<u>8,864,398,900</u>
9.1 Cost of goods manufactured			
Work in process - opening		156,135,025	211,059,838
Raw materials consumed		<u>4,952,132,756</u>	<u>7,374,112,097</u>
Overheads		<u>1,344,267,366</u>	<u>1,413,713,013</u>
		<u>6,296,400,122</u>	<u>8,787,825,110</u>
		<u>6,452,535,147</u>	<u>8,998,884,948</u>
Work in process - closing		<u>158,745,549</u>	<u>193,677,019</u>
		<u>6,293,789,598</u>	<u>8,805,207,929</u>

Notes to the Financial Statements (Un-audited)

For the Quarter ended September 30, 2015

10 SEGMENT INFORMATION

The Group's reportable segments are as follows:

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

10.1 Segment revenues and results

	Spinning	Knitting, Procssing and garments	Power	Elimination of Inter segment transactions	Total
	----- Rupees -----				
For the period ended 30 September, 2015					
Sales	2,429,419,296	570,120,660	4,438,833,957	(668,301,906)	6,770,072,007
Cost of sales	2,119,407,032	530,630,695	3,645,942,068	(668,301,906)	5,627,677,889
Gross profit	310,012,264	39,489,965	792,891,889	-	1,142,394,118
Selling and distribution cost	95,274,580	17,800,530	-	-	113,075,110
Administrative expenses	59,183,038	8,442,080	13,211,219	-	80,836,337
Finance cost	67,141,461	7,030,498	277,542,260	-	351,714,219
	221,599,079	33,273,108	290,753,479	-	545,625,666
Profit before taxation and unallocated income/expenses	88,413,185	6,216,857	502,138,410	-	596,768,452
Unallocated income and expenses					
Other income					167,486,964
Other expenses					(21,284,425)
Share of profit of associates					7,136,528
Taxation					(56,877,321)
Profit after taxation					693,230,198
	Spinning	Knitting, Procssing and garments	Power	Elimination of Inter segment transactions	Total
	----- Rupees -----				
For the period ended 30 September, 2014					
Sales	2,762,728,640	1,665,547,742	6,664,158,737	(848,761,034)	10,243,674,085
Cost of sales	2,304,901,051	1,573,373,231	5,834,885,652	(848,761,034)	8,864,398,900
Gross profit	457,827,589	92,174,511	829,273,085	-	1,379,275,185
Selling and distribution cost	93,513,305	20,647,426	-	-	114,160,731
Administrative expenses	44,998,362	8,496,310	15,698,957	-	69,193,629
Finance cost	92,118,598	15,139,446	441,193,333	-	548,451,377
	230,630,265	44,283,182	456,892,290	-	731,805,737
Profit before taxation and unallocated income/expenses	227,197,324	47,891,329	372,380,795	-	647,469,448
Unallocated income and expenses					
Other income					112,023,673
Other expenses					(34,016,432)
Share of profit of associates					438,687
Taxation					(52,938,837)
Profit after taxation					672,976,539

Notes to the Financial Statements (Un-audited)

For the Quarter ended September 30, 2015

10.2 Segment assets and liabilities

	Spinning	Knitting, Proccsing and garments	Power	Total
	----- Rupees -----			
As at 30 September, 2015				
Segment assets	6,454,195,333	2,850,419,343	22,659,563,141	31,964,177,817
Unallocated assets				<u>10,054,107,270</u>
				<u>42,018,285,087</u>
Segment liabilities	4,518,751,297	2,433,089,312	14,194,400,632	21,146,241,241
Unallocated liabilities				<u>834,206,075</u>
				<u>21,980,447,316</u>
As at 30 June, 2015				
Segment assets	6,633,957,220	1,883,077,129	22,329,054,151	30,846,088,500
Unallocated assets				<u>10,292,357,142</u>
				<u>41,138,445,642</u>
Segment liabilities	4,537,281,302	1,430,546,862	14,324,749,323	20,292,577,487
Unallocated liabilities				<u>706,902,156</u>
				<u>20,999,479,643</u>

10.3 Geographical information

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

11. RELATED PARTY TRANSACTIONS

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

Relationship with the company	Name of transaction	Un-audited 30 September, 2015 Rupees	Un-audited 30 September, 2014 Rupees
I. Associates	Sale of goods and services	149,444,776	126,162,145
	Purchase of goods and services	56,886,354	149,941,610
	Electric power purchased	76,217,707	42,481,779
	Assets purchased	10,000,000	-
	Expenses charged to	927,635	44,060
	Expenses charged by	6,373,982	2,084,407
II. Other related parties	Contribution towards provident fund	1,937,082	1,675,612
	Rent expenses	1,315,383	1,315,383

12. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors, of subsidiary company have declared a cash dividend of Rs.3 per share amounting to Rupees 1,272,064,072 at their meeting held on September 30, 2015 for approval of the members at the Annual General Meeting to be held on October 29, 2015. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is declared.

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 28, 2015 by the Board of Directors of the Company.

14. PRESENTATION

Figures in the financial statements have been rounded-off to the nearest rupee.

Karachi:

SHAHID ABDULLAH

SHAYAN ABDULLAH

Dated: October 28, 2015

CHIEF EXECUTIVE

DIRECTOR