Sapphire Textile Mills Limited

Quarterly Accounts September 30, 2014

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COMPANY PROFILE

Board Of Directors

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

Audit Committee

Chairman	:	Mr. Yousuf Abdullah
Member	:	Mr. Nabeel Abdullah
Member	:	Mr. Nadeem Karamat

Human Resource & Remuneration Committee

Chairman	:	Mr. Amer Abdullah
Member	:	Mr. Nabeel Abdullah
Member	:	Mr. Yousuf Abdullah

Chief Financial Officer	:	Mr. Abdul Sattar
Secretary	:	Mr. Zeeshan
Auditors	:	Mushtaq & Company, Chartered Accountants
Management Consultant	:	M. Yousuf Adil Saleem & 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, Citi Bank N.A.
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 Quarter ended September 30, 2014.

FINANCIAL HIGHLIGHTS

	Rupees in Thousand	
	Quarter Ended September 30	
	2014	2013
Sales & Services	5,674,332	6,935,190
Gross Profit	732,714	908,929
Other Income	83,280	253,801
Profit before taxation	336,584	625,512
Taxation		
- Current	(77,978)	(54,266)
- Deferred	(30,389)	(39,999)
	(108,367)	(94,265)
Profit after taxation	228,218	531,247

REVIEW OF OPERATIONS

The profit before tax for the first quarter of the current financial year was Rs.336.584million compared to Rs. 625.512 million in the corresponding period of previousyear. During thisperiod otherincome decreased to Rs. 83.28 million from 253.801 million in the previous corresponding period. The gross profit slipped to 12.91% from 13.11%. Profit after tax decreased from Rs.531.247 million to Rs.228.218 million. The sales amount is lower compared to the corresponding period in the previous year due to lower prices of raw cotton and products produced by the company, as well strong Pak rupee versus US Dollar.

EARNINGS PER SHARE

The earnings per share for the first quarter ended September 30, 2014 is Rs. 11.36 as compared to Rs. 26.45 for previous year's corresponding period.

FUTURE PROSPECTS

Raw cotton prices are under pressure due to global surplus. Competitive countries like India and China have a record surpluses in raw material due to higher production and inventories of raw cotton. As a result Pakistan's comparative advantage in raw material price is being eroded. In addition higher energy cost are also a big challenge for Pakistan manufacturer. The management is making every effort to reduce cost and makes its products competitive.

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:October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014

	Note	(Un-audited) September 30, 2014	(Audited) June 30, 2014
		---------- Rupees ----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**8,231,520,633**	8,080,933,699
Investment property		**163,014,329**	163,273,406
Intangible assets		**2,877,805**	3,189,494
Long term investments		**5,128,195,000**	5,346,291,863
Long term loans and advances		**68,702,935**	70,905,506
Long term deposits and prepayments		**66,454,298**	61,936,668
		13,660,765,000	13,726,530,636
CURRENT ASSETS			
Stores, spares and loose tools		**274,961,548**	270,214,278
Stock-in-trade		**3,749,160,818**	3,776,222,400
Trade debts		**1,527,827,003**	1,224,423,835
Loans and advances		**473,002,352**	191,781,695
Trade deposits and short term prepayments		**55,477,217**	13,555,061
Other receivables		**69,717,863**	54,051,052
Other financial assets		**1,986,109,045**	1,915,019,331
Tax refunds due from Government		**888,634,189**	781,038,372
Cash and bank balances		**275,060,493**	97,713,627
		9,299,950,528	8,324,019,651
TOTAL ASSETS		**22,960,715,528**	22,050,550,287
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs. 10 each		**350,000,000**	350,000,000
Issued, subscribed and paid-up capital			
20,083,140 ordinary shares of Rs.10 each		**200,831,400**	200,831,400
Reserves		**13,131,950,118**	13,139,783,777
		13,332,781,518	13,340,615,177
NON-CURRENT LIABILITIES			
Long term financing		**2,370,991,113**	2,352,644,005
Deferred liabilities		**451,125,001**	412,834,886
		2,822,116,114	2,765,478,891
CURRENT LIABILITIES			
Trade and other payables		**2,492,901,606**	2,036,146,471
Accrued Interest / mark-up		**77,908,179**	100,982,389
Short term borrowings		**3,549,834,819**	3,201,433,835
Current portion of long term financing		**396,050,868**	394,749,068
Provision for taxation		**289,122,424**	211,144,456
		6,805,817,896	5,944,456,219
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		**22,960,715,528**	22,050,550,287

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014	2013
		---------- Rupees ----------	
Sales and services		**5,674,331,524**	6,935,189,538
Cost of sales and services	**7**	**(4,941,617,237)**	(6,026,260,792)
Gross profit		**732,714,287**	908,928,746
Distribution cost		**(228,108,552)**	(277,748,301)
Administrative expenses		**(79,658,282)**	(59,676,898)
Other operating expenses		**(31,659,886)**	(47,624,133)
Other income		**83,280,491**	253,800,663
		(256,146,229)	(131,248,669)
Profit from operations		**476,568,058**	777,680,077
Finance cost		**(139,983,741)**	(152,168,181)
Profit before taxation		**336,584,317**	625,511,896
Taxation			
Current		**(77,977,968)**	(54,265,425)
Deferred		**(30,388,744)**	(39,999,005)
		(108,366,712)	(94,264,430)
Profit for the period after taxation		**228,217,605**	531,247,466
Earnings per share - basic and diluted		**11.36**	26.45

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	September 30, 2014	2013
	---------- Rupees ----------	
Profit for the period after taxation	**228,217,605**	531,247,466
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Available for sale investments		
Unrealized (loss) / gain on remeasurement of available for sale investments	**(250,198,157)**	220,137,152
Reclassification adjustments relating to gain / (loss) realized on disposal of available for sale investments	**14,092,873**	(89,776,748)
	(236,105,284)	130,360,404
Forward foreign currency contracts		
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts	**1,057,081**	(25,369,326)
Reclassification adjustments relating to (gain) / loss realized on settlement of foreign currency contracts	**(1,003,061)**	2,345,865
	54,020	(23,023,461)
Other comprehensive (loss) / income for the period	**(236,051,264)**	107,336,943
Total comprehensive (loss) / income for the period	**(7,833,659)**	638,584,409

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014	2013
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	**413,243,020**	1,654,905,240
Long term loans, deposits and prepayments		**(2,315,059)**	(7,817,231)
Finance cost paid		**(138,107,502)**	(171,537,528)
Staff retirement benefits - gratuity paid		**(11,762,129)**	(8,596,802)
Taxes paid		**(107,595,817)**	(96,750,590)
		(259,780,507)	(284,702,151)
Net cash generated from operating activities		**153,462,513**	1,370,203,089
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(301,405,780)**	(364,550,953)
Investment in associated undertakings / subsidiaries		**(37,000,000)**	(95,000,000)
Investment others		**(80,788,463)**	(669,445,418)
Proceeds from disposal of property, plant and equipment		**5,832,440**	6,124,010
Proceeds from sale of investments		**40,738,823**	412,061,133
Dividend received		**49,410,138**	62,975,275
Rental income received		**3,997,752**	3,463,500
Net cash used in investing activities		**(319,215,090)**	(644,372,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		**326,928,329**	(597,603,328)
Proceeds from long term financing		**115,000,000**	-
Repayment of long term financing		**(95,351,092)**	(92,149,000)
Dividend paid		**-**	(220,081)
Net cash generated from / (used in) financing activities		**346,577,237**	(689,972,409)
Net increase in cash and cash equivalents		**180,824,660**	35,858,227
Cash and cash equivalents at the beginning of the period		**88,107,437**	93,961,019
Cash and cash equivalents at the end of the period		**268,932,097**	129,819,246
Cash and cash equivalents			
Cash and bank balances		**275,060,493**	132,206,439
Temporary overdraft - unsecured		**(6,128,396)**	(2,387,193)
Cash and cash equivalents at the end of the period		**268,932,097**	129,819,246

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Share Capital	Reserves					Other Components of equity			Total Equity
		Capital	Revenue			SUB TOTAL	Unrealized gain / (loss)		SUB TOTAL	
		Share Premium	Fixed Assets Replacement	General reserves	Unappropriated Profit		On available for sale investments	On forward foreign exchange contracts		
	Rupees									
Balance as at July 01, 2013 (Audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	7,047,755,142	8,598,957,342	2,596,147,865	2,345,865	2,598,493,730	11,398,282,472
Total comprehensive income for the quarter ended September 30, 2013										
Profit after taxation	-	-	-	-	531,247,466	531,247,466	-	-	-	531,247,466
Other comprehensive income	-	-	-	-	-	-	130,360,404	(23,023,461)	107,336,943	107,336,943
	-	-	-	-	531,247,466	531,247,466	130,360,404	(23,023,461)	107,336,943	638,584,409
Balance as at September 30, 2013 (Un-audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	7,579,002,608	9,130,204,808	2,726,508,269	(20,677,596)	2,705,830,673	12,036,866,881
Balance as at July 01, 2014 (Audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	7,841,193,093	9,392,395,293	3,746,385,423	1,003,061	3,747,388,484	13,340,615,177
Total comprehensive (loss) / income for the quarter ended September 30, 2014										
Profit after taxation	-	-	-	-	228,217,605	228,217,605	-	-	-	228,217,605
Other comprehensive (loss) / income	-	-	-	-	-	-	(236,105,284)	54,020	(236,051,264)	(236,051,264)
	-	-	-	-	228,217,605	228,217,605	(236,105,284)	54,020	(236,051,264)	(7,833,659)
Balance as at September 30, 2014 (Un-audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	8,069,410,698	9,620,612,898	3,510,280,139	1,057,081	3,511,337,220	13,332,781,518

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

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 Karachi 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 and processing of fabrics.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the first quarter ended September 30, 2014 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 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 as at and for the year ended June 30, 2014.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi Stock Exchange and section 245 of the Ordinance.

2.2 Functional and presentation currency

These financial statements 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, 2014.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this 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 recognized prospectively commencing from the period of revision.

Judgments 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 as at and for the year ended June 30, 2014.

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 June 30, 2014.

		Note	(Un-audited) September 30, 2014	(Audited) June 30, 2014
5	**PROPERTY, PLANT AND EQUIPMENT**		---------- Rupees ----------	
	Operating fixed assets		**5,926,842,874**	5,994,977,274
	Capital work-in-progress	**5.2**	**2,304,677,759**	2,085,956,425
			8,231,520,633	8,080,933,699

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

5.1 The cost of additions and disposals to operating fixed assets during the first quarter ended September 30, 2014 were as follows.

	(Un-audited) September 30, 2014		(Audited) June 30, 2014	
	Addition	**Disposal**	Addition	Disposal
	Cost		Cost	
	---------- Rupees ----------		---------- Rupees ----------	
Land:				
Freehold	**3,500,000**	**-**	32,021,300	-
Lease hold	**-**	**-**	26,844,802	-
On Freehold land:				
Factory buildings	**-**	**-**	101,446,083	-
Labour, staff colony and others	**8,536,868**	**-**	62,460,040	-
On Leasehold land:				
Factory buildings	**4,218,478**	-	30,619,846	-
Leased building improvements	**-**	**-**	5,535,060	-
Plant & machinery	**32,866,940**	**22,001,941**	855,204,111	111,360,039
Electric installations	**-**	**-**	20,168,268	-
Fire Fighting equipment	**-**	**-**	2,956,185	-
Electric equipments	**5,818,345**	**-**	387,229	-
Computers	**1,202,800**	**135,417**	8,368,435	-
Office equipments	**-**	**-**	1,263,119	-
Mills equipments	**78,000**	**-**	300,000	75,000
Furniture & fixtures	**420,500**	**-**	3,025,839	-
Vehicles	**26,042,515**	**3,111,380**	32,114,558	14,582,270
	82,684,446	**25,248,738**	1,182,714,875	126,017,309

		(Un-audited) September 30, 2014	(Audited) June 30, 2014
5.2	**Capital work-in-progress**	**---------- Rupees ----------**	
	Civil works and Buildings	**636,683,646**	529,638,866
	Plant and machinery	**1,514,610,087**	1,440,917,314
	Electric installations	**112,302,801**	84,901,000
	Fire fighting equipment	**1,580,220**	1,580,220
	Mills equipments	**19,636,529**	17,490,163
	Furniture & Fixtures	**588,235**	3,343,460
	Un-allocated expenditure	**19,276,241**	8,085,402
		2,304,677,759	2,085,956,425

6 CONTINGENCIES AND COMMITMENTS

Contingencies

6.1	Guarantees issued by banks on behalf of the Company	**257,587,385**	252,587,385

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 September 30, 2014 the value of these cheques amounted to Rs.135.582 million (June 30, 2014: Rs. 91.311 million)

6.3 There is no change in status of the contingencies as disclosed in notes from 29.3 to 29.8 of the audited annual financial statements of the Company for the year ended June 30, 2014.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

		(Un-audited) September 30, 2014	(Audited) June 30, 2014
	Commitments	---------- Rupees ----------	
6.4	Confirmed letter of credit in respect of:		
	- plant and machinery	**58,045,564**	38,845,624
	- raw material	**118,230,829**	35,234,533
	- stores and spares	**15,947,906**	9,083,376
		192,224,299	83,163,533

			September 30, 2014	2013
7	**COST OF SALES AND SERVICES**	**Note**	---------- Rupees ----------	
	Finished goods - Opening stock		**790,588,259**	863,499,963
	Cost of goods manufactured	**7.1**	**4,804,044,359**	5,927,448,930
			5,594,632,618	6,790,948,893
	Finished goods - Closing stock		**(653,015,381)**	(764,688,101)
			4,941,617,237	6,026,260,792
7.1	**Cost of Goods Manufactured**			
	Work in process - opening stock		**299,835,103**	347,731,791
	Raw materials consumed		**3,150,973,091**	4,434,132,243
	Cost of raw material sold		**72,838,232**	18,341,529
	Overheads		**1,571,403,361**	1,505,023,165
			5,095,049,787	6,305,228,728
	Work in process - closing stock		**(291,005,428)**	(377,779,798)
			4,804,044,359	5,927,448,930
8	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		**336,584,317**	625,511,896
	Adjustments for non-cash charges and other items:			
	Depreciation on operating fixed assets		**146,007,606**	135,352,261
	Depreciation on investment property		**259,077**	287,863
	Gain on sale of investments		**(12,048,495)**	(103,117,703)
	Amortization of intangible assets		**311,689**	690,550
	Gain on sale of property, plant and equipment		**(1,021,200)**	(1,654,836)
	Dividend income		**(62,148,178)**	(131,359,623)
	Provision for gratuity		**19,663,500**	25,950,000
	Provision for doubtful debts		**3,000,000**	3,000,000
	Exchange differences		**24,950,449**	(6,682,000)
	Finance cost		**115,033,292**	152,168,181
	Rental income		**(3,997,752)**	(3,463,500)
			230,009,988	71,171,193
	Operating cash flow before changes in working capital		**566,594,305**	696,683,089
	Changes in working capital			
	(Increase) / Decrease in current assets			
	Stores, spares and loose tools		**(4,747,270)**	(55,514,966)
	Stock-in-trade		**27,061,582**	661,855,521
	Trade debts		**(306,403,168)**	(32,526,899)
	Loans and advances		**(281,220,657)**	(263,500,906)
	Trade deposits and short term prepayments		**(41,922,156)**	(20,875,038)
	Other receivables		**(2,874,751)**	1,069,711
			(610,106,420)	290,507,423
	Increase in current liabilities			
	Trade and other payables		**456,755,135**	667,714,728
			413,243,020	1,654,905,240

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

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:

	September 30, 2014	2013
	---------- Rupees ----------	
Subsidiaries:		
Share deposit money	**37,000,000**	95,000,000
Shares received	**-**	127,020,000
Expenses charged to	**1,589,973**	4,106,201
Associates:		
Sales	**211,165,952**	323,206,021
Purchases	**123,652,982**	147,050,799
Electricity purchased	**100,562,104**	66,197,875
Expenses charged to	**3,822,835**	3,349,702
Loan obtained	**184,860,000**	-
Other related parties:		
Donations	**2,400,000**	2,150,000
Contribution to provident fund	**3,545,406**	2,903,884
Remuneration to key management personnel	**73,419,005**	51,530,788

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, 2014 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. first quarter ended September 30, 2013.

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 AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on October 30, 2014.

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Sapphire Textile Mills Limited

Quarterly Accounts September 30, 2014

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 Tech (Pvt) Limited, Sapphire Solar (Private) Limited, Sapphire Home Incorporation, and Sapphire Retail Limited,** it is my please to present Directors' Report with Un-audited Consolidated Financial Statement for the period ended September 30, 2014.

Sapphire Wind Power Company Limited

The Company is 70% owned by Sapphire Textile Mills Ltd and 30% by Alfalah Bank Ltd. It has signed the funding documents with OPIC, USA for providing $ 95 million debt for the project.

Financial close of the project was declared on 7th July, 2014 and the first tranche of OPIC Funding was released on 27th August, 2014, Sapphire Wind Power Company Limited gave the Notice to proceed to the EPC contractor on 28th August, 2014.

Construction works at the wind farm site have been undertaken and it is expected that the project will commence commercial operation in 15 months i.e. by the end of November, 2015.

Sapphire Tech (Pvt.) Limited

Sapphire Tech (Pvt.) 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.

Sapphire Solar (Private) Limited

Sapphire Solar (Pvt.) Limited is wholly owned subsidiary of Sapphire Textile Mills Limited. The company had obtained an LOI from Alternative Energy Development Board to set up an IPP, solar energy Project of 10 MW.

Sapphire Home Incorporation

Sapphire Home Incorporation is 100% owned by Sapphire Textile Mills Ltd and was incorporated under the laws of the State of New York in United States of America (USA). There are certain customers in the USA which need goods on landed duty paid basis. Sapphire Home Inc. provides this service for the home textile products for these customers.

Sapphire Retail Limited

Sapphire Retail Limited is a wholly owned subsidiary of Sapphire Textile Mills Limited. The principal business of subsidiary is to operate retail outlets for sale of textile and other products. The Retail operation are expected to start by the end of the year.

On behalf of the Board

Karachi
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014

	Note	(Un-audited) September 30, 2014	(Audited) June 30, 2014
		---------- Rupees ----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**11,087,290,205**	8,354,069,498
Investment property		**163,014,329**	163,273,406
Intangible assets		**3,455,050**	3,766,739
Long term investments		**4,768,624,258**	5,021,770,687
Long term loans and advances		**68,702,935**	70,905,506
Long term deposits and prepayments		**214,445,031**	210,370,915
		16,305,531,808	13,824,156,751
CURRENT ASSETS			
Stores, spares and loose tools		**274,961,548**	270,214,278
Stock-in-trade		**3,749,160,818**	3,776,222,400
Trade debts		**1,527,827,003**	1,224,423,835
Loans and advances		**494,499,438**	191,781,695
Trade deposits and short term prepayments		**77,176,941**	13,555,061
Other receivables		**71,824,371**	57,005,083
Other financial assets		**1,986,109,045**	1,915,019,331
Tax refunds due from Government		**889,719,061**	781,906,641
Cash and bank balances		**739,207,239**	683,194,598
		9,810,485,464	8,913,322,922
TOTAL ASSETS		**26,116,017,272**	22,737,479,673
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
35,000,000 ordinary shares of Rs.10 each		**350,000,000**	350,000,000
Issued, subscribed and paid-up capital			
20,083,140 ordinary shares of Rs.10 each		**200,831,400**	200,831,400
Reserves		**13,421,166,380**	13,439,345,719
Equity attributable to holders of parent company		**13,621,997,780**	13,640,177,119
Non-controlling interest		**258,200,691**	259,526,886
Total Equity		**13,880,198,471**	13,899,704,005
NON-CURRENT LIABILITIES			
Long term financing	6	**4,856,331,113**	2,352,644,005
Deferred liabilities		**455,985,558**	417,488,978
		5,312,316,671	2,770,132,983
CURRENT LIABILITIES			
Trade and other payables		**2,601,512,146**	2,157,032,937
Accrued Interest / mark-up		**77,908,179**	100,982,389
Short term borrowings		**3,558,908,513**	3,203,733,835
Current portion of long term financing		**396,050,868**	394,749,068
Provision for taxation		**289,122,424**	211,144,456
		6,923,502,130	6,067,642,685
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		**26,116,017,272**	22,737,479,673

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014	2013
		---------- Rupees ----------	
Sales and services		**5,674,331,524**	6,935,189,538
Cost of sales and services	**8**	**(4,943,182,220)**	(6,026,260,792)
Gross profit		**731,149,304**	908,928,746
Distribution cost		**(235,272,681)**	(277,800,308)
Administrative expenses		**(84,358,076)**	(127,878,785)
Other operating expenses		**(31,772,727)**	(49,029,373)
Other income		**83,280,491**	235,733,663
		(268,122,993)	(218,974,803)
Profit from operations		**463,026,311**	689,953,943
Finance cost		**(140,009,934)**	(152,168,181)
		323,016,377	537,785,762
Share of profit of associated companies		**7,338,845**	24,826,401
Profit before taxation		**330,355,222**	562,612,163
Taxation			
Current		**(77,977,968)**	(54,265,425)
Deferred		**(30,595,209)**	(40,348,786)
		(108,573,177)	(94,614,211)
Profit after taxation for the period		**221,782,045**	467,997,952
Attributable to:			
Shareholders of Parent Company		**223,108,240**	467,997,952
Non- controlling interest		**(1,326,195)**	-
		221,782,045	467,997,952
Earnings per share - attributable to the Shareholder of parent company		**11.11**	23.30

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	September 30, 2014	2013
	---------- Rupees ----------	
Profit after taxation for the period	**221,782,045**	467,997,952
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Available for sale investments		
Unrealized (loss) / gain on remeasurement of available for sale investments	**(250,198,157)**	220,137,152
Reclassification adjustments relating to gain / (loss) realized on disposal of available for sale investments	**14,092,873**	(89,776,748)
Unrealized gain on remeasurement of available for sale investments - associates	**33,515**	53,868
	(236,071,769)	130,414,272
Forward foreign currency contracts		
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts	**1,057,081**	(25,369,326)
Reclassification adjustments relating to (gain) / loss realized on settlement of foreign currency contracts	**(1,003,061)**	2,345,865
Unrealized loss on remeasurement of forward foreign currency contracts - associates	**(6,025)**	(57,059)
	47,995	(23,080,520)
Exchange difference on translating foreign operation	**(1,932,861)**	307,997
Items that may not be reclassified subsequently to profit and loss		
Shares of decrease in reserves of associated companies under equity method	**(3,330,944)**	(1,921,692)
Other comprehensive (loss) / income for the period	**(241,287,579)**	105,720,057
Total comprehensive (loss) / income for the period	**(19,505,534)**	573,718,009
Attributable to:		
Shareholders of Parent Company	**(18,179,339)**	573,718,009
Non- controlling interest	**(1,326,195)**	-
	(19,505,534)	573,718,009

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014	2013
		---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	**345,764,742**	1,578,026,362
Long term loans, deposits and prepayments		**(1,871,545)**	(7,817,231)
Finance cost paid		**(138,133,695)**	(171,537,528)
Staff retirement benefits - gratuity paid		**(11,762,129)**	(8,596,802)
Taxes paid		**(107,812,420)**	(96,878,595)
		(259,579,789)	(284,830,156)
Net cash generated from operating activities		**86,184,953**	1,293,196,206
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(2,884,728,235)**	(377,290,288)
Investment in associated undertakings		**-**	18,000,000
Investment others		**(80,788,463)**	(669,445,418)
Proceeds from disposal of property, plant and equipment		**5,832,440**	6,124,010
Proceeds from sale of investments		**40,738,823**	412,061,133
Dividend received		**49,410,138**	44,975,275
Rental income received		**3,997,752**	2,413,500
Net cash used in investing activities		**(2,865,537,545)**	(563,161,788)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		**326,928,329**	(597,603,328)
Proceeds from long term financing		**2,600,340,000**	-
Repayment of long term financing		**(95,351,092)**	(92,149,000)
Exchange difference on translating foreign operations		**152,096**	307,997
Dividend paid		**-**	(220,081)
Net cash generated from / (used in) financing activities		**2,832,069,333**	(689,664,412)
Net increase in cash and cash equivalents		**52,716,741**	40,370,006
Cash and cash equivalents at the beginning of the period		**673,588,408**	100,287,509
Cash and cash equivalents at the end of the period		**726,305,149**	140,657,515
Cash and cash equivalents			
Cash and bank balances		**739,207,239**	143,044,708
Temporary overdraft - unsecured		**(12,902,090)**	(2,387,193)
Cash and cash equivalents at the end of the period		**726,305,149**	140,657,515

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Share Capital	Reserves					Other Components of equity				Total	Non-Controlling Interest	Total Equity
		Capital	Revenue			SUB TOTAL	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				
	Rupees												
Balance as at July 01, 2013 (Audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	7,236,761,118	8,787,963,318	2,603,717,005	2,347,780	765,571	2,606,830,356	11,595,625,074	-	11,595,625,074
Total comprehensive income for the quarter ended September 30, 2013													
Profit after taxation	-	-	-	-	467,997,952	467,997,952	-	-	-	-	467,997,952	-	467,997,952
Other comprehensive income	-	-	-	-	-	-	130,414,272	(23,080,520)	307,997	107,641,749	107,641,749	-	107,641,749
	-	-	-	-	467,997,952	467,997,952	130,414,272	(23,080,520)	307,997	107,641,749	575,639,701	-	575,639,701
Shares of decrease in reserves of associated companies under equity method	-	-	-	-	(1,921,692)	(1,921,692)	-	-	-	-	(1,921,692)	-	(1,921,692)
Balance as at September 30, 2013 (Un-audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	7,702,837,378	9,254,039,578	2,734,131,277	(20,732,740)	1,073,568	2,714,472,105	12,169,343,083	-	12,169,343,083
Balance as at July 01, 2014 (Audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	8,129,336,146	9,680,538,346	3,754,756,166	1,033,212	3,017,995	3,758,807,373	13,640,177,119	259,526,886	13,899,704,005
Total comprehensive (loss) / income for the quarter ended September 30, 2014													
Profit after taxation	-	-	-	-	223,108,240	223,108,240	-	-	-	-	223,108,240	-	223,108,240
Other comprehensive (loss) / income	-	-	-	-	-	-	(236,071,769)	47,995	(1,932,861)	(237,956,635)	(237,956,635)	(1,326,195)	(239,282,830)
	-	-	-	-	223,108,240	223,108,240	(236,071,769)	47,995	(1,932,861)	(237,956,635)	(14,848,395)	(1,326,195)	(16,174,590)
Shares of decrease in reserves of associated companies under equity method	-	-	-	-	(3,330,944)	(3,330,944)	-	-	-	-	(3,330,944)	-	(3,330,944)
Balance as at September 30, 2014 (Un-audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	8,349,113,442	9,900,315,642	3,518,684,397	1,081,207	1,085,134	3,520,850,738	13,621,997,780	258,200,691	13,880,198,471

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

Karachi:
Dated: October 30, 2014

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

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 Karachi 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 and processing 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. The company is currently in the process of setting up an approximately 50 MW wind power station at the abovementioned location. The company's tariff has been determined by National Electric Power Regulatory Authority (NEPRA) through order dated November 21, 2013. Further, NEPRA has issued a Generation License to the company on July 27, 2012 for a term of twenty years. The company has achieved the Financial Closing on July 7, 2014 as per the terms of the IA. Resultantly, the IA and EPA are fully effective from the Financial Closing date of July 7, 2014.

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

The company was incorporated in USA. The company is principally engaged in marketing services in United Sates of America. The registered office of the company is located at 1430, Broadway, Suite 1805, New York, NY 10018.

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 own or 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 Power (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 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 project for development of solar energy is at its planning stage.

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.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

2 BASIS OF PREPARATION

2.1 Statement of compliance

This consolidated condensed interim financial information of the Group for the first quarter ended September 30, 2014 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, 2014.

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

2.2 Functional and presentation currency

These financial statements 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, 2014.

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 recognized 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 as at and for the year ended June 30, 2014.

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 June 30, 2014.

		Note	(Un-audited) September 30, 2014	(Audited) June 30, 2014
5	**PROPERTY, PLANT AND EQUIPMENT**		---------- Rupees ----------	
	Operating fixed assets		**5,940,640,361**	6,007,190,843
	Capital work-in-progress	**5.2**	**5,146,649,844**	2,346,878,655
			11,087,290,205	8,354,069,498

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

5.1 The cost of additions and disposals to operating fixed assets during first quarter ended September 30, 2014 were as follows.

	(Un-audited) September 30, 2014		(Audited) June 30, 2014	
	Addition	Disposal	Addition	Disposal
	Cost		Cost	
	---------- Rupees ----------		---------- Rupees ----------	
Land:				
Freehold	**3,500,000**	**-**	32,021,300	-
Lease hold	**-**	**-**	26,844,802	-
On Freehold land:				
Factory buildings	**-**	**-**	101,446,083	-
Labour, staff colony and others	**8,536,868**	**-**	62,460,040	-
On Leasehold land:				
Factory buildings	**4,218,478**	-	30,619,846	-
Leased building improvements	**-**	**-**	5,535,060	-
Plant & machinery	**32,866,940**	**22,001,941**	855,204,111	111,360,039
Electric installations			20,168,268	-
Fire Fighting equipment			2,956,185	-
Electric equipments	**5,818,345**		387,229	-
Computers	**1,339,195**	**135,417**	8,368,435	-
Office equipment	**78,000**		1,281,619	-
Mills equipment			300,000	75,000
Furniture & fixtures	**420,500**		3,025,839	-
Vehicles	**28,178,720**	**3,111,380**	45,233,293	14,582,270
	84,957,046	**25,248,738**	1,195,852,110	126,017,309

		(Un-audited) September 30, 2014	(Audited) June 30, 2014
5.2	**Capital work-in-progress**	---------- **Rupees** ----------	
	Civil works and Buildings	**647,351,057**	535,378,272
	Plant and machinery	**3,886,164,897**	1,442,131,351
	Electric installations	**112,302,801**	84,901,000
	Fire fighting equipment	**1,580,220**	1,580,220
	Mills equipments	**19,636,529**	17,490,163
	Furniture & Fixtures	**588,235**	3,343,460
	Unallocated expenditure	**479,026,105**	262,054,189
		5,146,649,844	2,346,878,655

6 LONG TERM FINANCING

It includes Rs. 2.485 billion represents debt financing by Overseas Private Investment Corporation in Sapphire Wind Power Company Limited (subsidiary company) in pursuance of the Finance Agreement dated March 31, 2014. The loan is secured by way of a first priority security interest on over all current and future assets of the company. The loan is repayable in 20 Semi-annual installments. The interest on this loan is charged at the rate of 3 months LIBOR plus 3.7 percent. The interest is payable quarterly.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

		(Un-audited) September 30, 2014	(Audited) June 30, 2014
		---------- Rupees ----------	
7	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies		
7.1	Guarantees issued by banks on behalf of the Group	**258,100,885**	253,081,635

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 September 30, 2014 the value of these cheques amounted to Rs.135.582 million (June 30, 2014: Rs.91.311 million)

7.3 There is no change in status of the contingencies as disclosed in notes 29.2, 29.4 to 29.9 and 29.12 of the audited annual financial statements of the Group for the year ended June 30, 2014.

Commitments

7.4	Confirmed letter of credit in respect of:		
	- plant and machinery	**58,045,564**	38,845,624
	- raw material	**118,230,829**	35,234,533
	- stores and spares	**15,947,906**	9,083,376
		192,224,299	83,163,533

		Note	September 30, 2014	2013
			---------- Rupees ----------	
8	**COST OF SALES AND SERVICES**			
	Finished goods - Opening stock		**790,588,259**	863,499,963
	Cost of goods manufactured		**4,805,609,342**	5,927,448,930
			5,596,197,601	6,790,948,893
	Finished goods - Closing stock		**(653,015,381)**	(764,688,101)
		8.1	**4,943,182,220**	6,026,260,792
8.1	**Cost of Goods Manufactured**			
	Work in process - opening stock		**299,835,103**	347,731,791
	Raw materials consumed		**3,151,178,120**	4,434,132,243
	Cost of raw material sold		**72,838,232**	18,341,529
	Overheads		**1,572,763,315**	1,505,023,165
			5,096,614,770	6,305,228,728
	Work in process - closing stock		**(291,005,428)**	(377,779,798)
			4,805,609,342	5,927,448,930

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

		September 30, 2014	2013
9	**CASH GENERATED FROM OPERATIONS**	---------- Rupees ----------	
	Profit before taxation and share of profit of associated companies	**323,016,377**	537,785,762
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	**146,696,288**	135,398,431
	Depreciation on investment property	**259,077**	287,863
	Gain on sale of investments	**(12,048,495)**	(103,117,703)
	Amortization of intangible assets	**311,689**	690,550
	Gain on sale of property, plant and equipment	**(1,021,200)**	(1,654,836)
	Dividend income	**(62,148,178)**	(113,359,623)
	Provision for gratuity	**19,663,500**	25,950,000
	Provision for doubtful debts	**3,000,000**	3,000,000
	Exchange differences	**24,950,449**	(6,615,000)
	Finance cost	**115,059,485**	152,168,181
	Rental income	**(3,997,752)**	(3,463,500)
		230,724,863	89,284,363
	Operating cash flow before changes in working capital	**553,741,240**	627,070,125
	Changes in working capital		
	(Increase) / Decrease in current assets		
	Stores, spares and loose tools	**(4,747,270)**	(55,514,966)
	Stock-in-trade	**27,061,582**	661,855,521
	Trade debts	**(306,403,168)**	(32,526,899)
	Loans and advances	**(302,717,743)**	(263,600,906)
	Trade deposits and short term prepayments	**(63,621,880)**	(20,875,038)
	Other receivables	**(2,027,228)**	(11,831,014)
		(652,455,707)	277,506,698
	Increase in current liabilities		
	Trade and other payables	**444,479,209**	673,449,539
		345,764,742	1,578,026,362

10 SEGMENT ANALYSIS

10.1 SEGMENT RESULTS

	Spinning	Weaving	Processing and Home Textile	Power Generation	Deying and Finishing	Total
	---------- Rupees ----------					
For the first quarter ended September 30, 2014						
Revenue - external customers	**3,319,277,796**	**1,719,524,644**	**635,529,084**	**-**	**-**	**5,674,331,524**
Inter - segment sales	**722,824,019**	**261,656,974**	**3,579,548**			**988,060,541**
Segment results	**137,877,792**	**112,666,071**	**25,836,049**	**(4,313,972)**	**(557,327)**	**271,508,613**
For the first quarter ended September 30, 2013						
Revenue - external customers	4,306,548,140	2,013,030,983	615,610,415	-	-	6,935,189,538
Inter - segment sales	288,807,351	154,052,856	3,213,339	-	-	446,073,546
Segment results	259,781,917	131,063,687	28,304,914	(68,069,046)	-	351,081,472

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

Reconciliation of segment results with profit after tax is as follows:	September 30, 2014	2013
	---------- Rupees ----------	
Total results for reportable segments	**271,508,613**	351,081,472
Other operating expenses	**(31,772,727)**	(49,029,373)
Other income	**83,280,491**	235,733,663
Share of profit of associated companies	**7,338,845**	24,826,401
Profit before taxation	**330,355,222**	562,612,163
Taxation	**(108,573,177)**	(94,614,211)
Profit after taxation for the period	**221,782,045**	467,997,952

10.2 SEGMENT ASSETS

	Spinning	Weaving	Processing and Home Textile	Power Generation	Deying and Finishing	Total
	---------- Rupees ----------					
As at September 30, 2014						
Segment assets	**8,535,531,460**	**2,860,574,025**	**1,336,540,083**	**3,466,030,256**	**2,038,634,237**	**18,237,310,061**
As at June 30, 2014						
Segment assets	7,978,897,402	2,967,920,804	1,004,424,532	996,990,145	1,850,327,203	14,798,560,086

Reconciliation of segment assets with total assets is as follows:	(Un-audited) September 30, 2014	(Audited) June 30, 2014
	---------- Rupees ----------	
Total assets for reportable segments	**18,237,310,061**	14,798,560,086
Unallocated assets	**7,878,707,211**	7,938,919,587
Total assets as per Balance sheet	**26,116,017,272**	22,737,479,673

	September 30, 2014	2013
	---------- 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	**211,165,952**	323,206,021
Purchases	**123,652,982**	147,050,799
Electricity purchased	**100,562,104**	66,197,875
Expenses charged to	**3,822,835**	3,349,702
Loan obtained	**184,860,000**	-
Other related parties:		
Donations	**2,400,000**	2,150,000
Contribution to provident fund	**3,545,406**	2,903,884
Remuneration to key management personnel	**76,240,205**	53,365,788

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
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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 Group for the year ended June 30, 2014 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. first quarter ended September 30, 2013.

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 AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved by the Board of Directors of Holding Company and authorized for issue on October 30, 2014 .

Karachi:	**NADEEM ABDULLAH**	**MOHAMMAD ABDULLAH**
Dated: October 30, 2014	CHIEF EXECUTIVE	DIRECTOR