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Sapphire Textile Mills Limited

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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, 2015.

FINANCIAL HIGHLIGHTS

	Rupees in Thousand	
	Quarter Ended September 30	
	2015	2014
Sales & Services	5,606,251	5,674,332
Gross Profit	705,886	732,714
Other Income	578,107	83,280
Profit before taxation	730,489	336,584
Taxation		
- Current	(69,448)	(77,978)
- Deferred	(26,735)	(30,388)
	(96,183)	(108,366)
Profit after taxation	634,306	228,218

REVIEW OF OPERATIONS

The profit before tax for the first quarter of the current financial year was Rs. 730.489 million compared to Rs. 336.584 million in the corresponding period of previous year. The gross profit as a percentage of sales was 12.59% as compared to 12.91% in the corresponding period. During the period beside operational income; gain on sale of equity investments and higher dividend income from equity investments resulted improved profitability.

EARNINGS PER SHARE

The earnings per share for the first quarter ended September 30, 2015 is Rs. 31.58 as compared to Rs. 11.36 for previous year's corresponding period.

FUTURE PROSPECTS

In view of the short cotton crop in Pakistan, as well as high manufacturing costs vis-à-vis other textile manufacturing countries, the profitability of the company is expected to remain under pressure, however the management is trying its utmost to control costs and move to higher value products to maintain profitability.

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 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

Condensed Interim Balance Sheet

As At September 30, 2015

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
		---------- Rupees ----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**8,722,024,514**	8,751,209,578
Investment property		**162,003,928**	162,237,097
Intangible assets		**6,888,645**	7,514,871
Long term investments		**9,552,303,921**	9,823,448,087
Long term loans and advances		**53,541,020**	58,202,397
Long term deposits and prepayments		**82,379,812**	78,083,220
		18,579,141,840	18,880,695,250
CURRENT ASSETS			
Stores, spares and loose tools		**316,622,113**	309,958,010
Stock-in-trade		**3,128,269,003**	3,969,334,963
Trade debts		**1,397,061,063**	1,297,680,833
Loans and advances		**322,516,626**	167,965,261
Trade deposits and short term prepayments		**33,359,564**	15,139,318
Other receivables		**306,350,614**	145,975,668
Other financial assets		**2,960,863,195**	2,145,664,201
Tax refunds due from Government		**1,102,177,127**	1,105,311,136
Cash and bank balances		**93,976,641**	50,080,021
		9,661,195,946	9,207,109,411
TOTAL ASSETS		**28,240,337,786**	28,087,804,661
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		**13,874,007,626**	14,169,339,753
		14,074,839,026	14,370,171,153
NON-CURRENT LIABILITIES			
Long term financing		**5,633,325,516**	5,013,027,494
Deferred liabilities		**465,415,640**	472,127,414
Long term payable		**446,249,240**	431,631,479
		6,544,990,396	5,916,786,387
CURRENT LIABILITIES			
Trade and other payables		**2,456,191,655**	2,316,663,831
Accrued Interest / mark-up		**117,357,447**	149,867,565
Short term borrowings		**4,024,168,064**	4,718,214,518
Current portion of long term financing		**826,601,397**	489,359,511
Provision for taxation		**196,189,801**	126,741,696
		7,620,508,364	7,800,847,121
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		**28,240,337,786**	28,087,804,661

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

Karachi: **NADEEM ABDULLAH** **MOHAMMAD ABDULLAH**
Dated: October 28, 2015 CHIEF EXECUTIVE DIRECTOR

Condensed Interim Profit and Loss Account

(Un-audited)

For the First Quarter ended September 30, 2015

	Note	September 30, 2015	2014
		---------- Rupees ----------	
Sales and services		**5,606,250,807**	5,674,331,524
Cost of sales and services	**7**	**(4,900,364,360)**	(4,941,617,237)
Gross profit		**705,886,447**	732,714,287
Distribution cost		**(220,714,874)**	(228,108,552)
Administrative expenses		**(66,409,527)**	(79,658,282)
Other operating expenses		**(63,005,708)**	(31,659,886)
Other income		**578,107,369**	83,280,491
		227,977,260	(256,146,229)
Profit from operations		**933,863,707**	476,568,058
Finance cost		**(203,374,973)**	(139,983,741)
Profit before taxation		**730,488,734**	336,584,317
Taxation			
Current		**(69,448,105)**	(77,977,968)
Deferred		**(26,734,746)**	(30,388,744)
		(96,182,851)	(108,366,712)
Profit for the period after taxation		**634,305,883**	228,217,605
Earnings per share - basic and diluted		**31.58**	11.36

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

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Condensed Interim Statement of Comprehensive Income

(Un-audited)

For the First Quarter ended September 30, 2015

	September 30, 2015	2014
	---------- Rupees ----------	
Profit for the period after taxation	**634,305,883**	228,217,605
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Available for sale investments		
Unrealized loss on remeasurement of available for sale investments	**(1,229,654,974)**	(250,198,157)
Reclassification adjustments relating to gain realized on disposal of available for sale investments	**305,202,674**	14,092,873
	(924,452,300)	(236,105,284)
Forward foreign currency contracts		
Unrealized (loss) / gain on remeasurement of forward foreign currency contracts	**(7,833,534)**	1,057,081
Reclassification adjustments relating to loss / (gain) realized on settlement of forward foreign currency contracts	**2,647,824**	(1,003,061)
	(5,185,710)	54,020
Other comprehensive loss for the period	**(929,638,010)**	(236,051,264)
Total comprehensive loss for the period	**(295,332,127)**	(7,833,659)

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

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Condensed Interim Cash Flow Statement

(Un-audited)

For the First Quarter ended September 30, 2015

	Note	September 30, 2015	2014
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	**1,282,102,768**	413,243,020
Long term loans, deposits and prepayments		**364,785**	(2,315,059)
Finance cost paid		**(233,293,910)**	(138,107,502)
Staff retirement benefits - gratuity paid		**(58,913,130)**	(11,762,129)
Taxes paid		**3,134,009**	(107,595,817)
		(288,708,246)	(259,780,507)
Net cash generated from operating activities		**993,394,522**	153,462,513
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(177,000,057)**	(301,405,780)
Investment in associates and subsidiaries		**(309,066,070)**	(37,000,000)
Investment others		**(1,274,316,021)**	(80,788,463)
Proceeds from disposal of property, plant and equipment		**4,541,134**	5,832,440
Proceeds from sale of investments		**474,614,035**	40,738,823
Dividend received		**59,703,760**	49,410,138
Rental income received		**7,964,526**	3,997,752
Net cash used in investing activities		**(1,213,558,693)**	(319,215,090)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		**(711,508,553)**	326,928,329
Proceeds from long term financing		**1,063,949,000**	115,000,000
Repayment of long term financing		**(106,409,092)**	(95,351,092)
Net cash generated from financing activities		**246,031,355**	346,577,237
Net increase in cash and cash equivalents		**25,867,184**	180,824,660
Cash and cash equivalents at the beginning of the period		**48,966,565**	88,107,437
Cash and cash equivalents at the end of the period		**74,833,749**	268,932,097
Cash and cash equivalents			
Cash and bank balances		**93,976,641**	275,060,493
Temporary overdraft - unsecured		**(19,142,892)**	(6,128,396)
Cash and cash equivalents at the end of the period		**74,833,749**	268,932,097

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

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Condensed Interim Statement of Changes in Equity

For the First Quarter ended September 30, 2015

	Reserves						Other Components of equity			Total Equity
	Share Capital	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, 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 income / (loss) 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
Balance as at July 01, 2015 (Audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	8,659,139,529	10,210,341,729	3,961,645,848	(2,647,824)	3,958,998,024	14,370,171,153
Total comprehensive income / (loss) for the quarter ended September 30, 2015										
Profit after taxation	-	-	-	-	634,305,883	634,305,883	-	-	-	634,305,883
Other comprehensive loss	-	-	-	-	-	-	(924,452,300)	(5,185,710)	(929,638,010)	(929,638,010)
	-	-	-	-	634,305,883	634,305,883	(924,452,300)	(5,185,710)	(929,638,010)	(295,332,127)
Balance as at September 30, 2015 (Un-audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	9,293,445,412	10,844,647,612	3,037,193,548	(7,833,534)	3,029,360,014	14,074,839,026

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

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Karachi:
Dated: October 28, 2015

Notes to the Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

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, finishing and printing 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, 2015 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, 2015.

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, 2015.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information is in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are 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, 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 June 30, 2015.

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
		---------- Rupees ----------	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		**8,278,169,754**	8,291,545,469
Capital work-in-progress	**5.2**	**443,854,760**	459,664,109
		8,722,024,514	8,751,209,578

5.1 The cost of additions and disposals to operating fixed assets during the first quarter ended September 30, 2015 were as follows.

Notes to the Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

	(Un-audited) September 30, 2015		(Audited) June 30, 2015	
	Addition	Disposal	Addition	Disposal
	Cost		Cost	
	---------- Rupees ----------		---------- Rupees ----------	
Freehold land	-	-	79,150,000	-
On Freehold land:				
Factory buildings	**10,228,817**	-	459,685,987	-
Labour, staff colony and others	-	-	58,635,110	-
Factory buildings on lease hold land	-	-	4,218,478	-
Plant & machinery	**152,121,341**	**10,662,533**	2,170,066,939	67,606,672
Electric installations	**4,932,767**	-	118,551,800	-
Fire Fighting equipment	-	-	1,326,799	-
Electric equipments	**1,824,189**	-	7,631,798	-
Computers	**4,941,906**	**53,000**	12,135,093	627,450
Office equipments	-	-	1,786,500	-
Mills equipments	**398,000**	-	30,472,071	-
Furniture & fixtures	**4,364,386**	-	13,396,810	-
Vehicles	**13,998,000**	**3,840,853**	69,359,414	29,974,510
	192,809,406	**14,556,386**	3,026,416,799	98,208,632

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
		---------- Rupees ----------	
5.2	**Capital work-in-progress**		
	Advance for land	**1,300,000**	-
	Civil works and Buildings	**342,072,865**	292,115,607
	Plant and machinery	**88,745,299**	154,746,763
	Electric installations	**6,002,670**	7,102,670
	Fire fighting equipment	**2,106,000**	2,106,000
	Electric equipments	**894,246**	894,246
	Mills equipments	**2,258,480**	968,730
	Furniture & Fixtures	**475,200**	1,730,093
		443,854,760	459,664,109

6 CONTINGENCIES AND COMMITMENTS

Contingencies

6.1	Guarantees issued by banks on behalf of the Company	**317,937,368**	267,051,368

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, 2015 the value of these cheques amounted to Rs.93.744 million (June 30, 2015: Rs. 110.835 million)

6.3 There is no change in status of the contingencies as disclosed in notes from 29.3 to 29.7 of the audited annual financial statements of the Company for the year ended June 30, 2015.

Commitments

6.4	Confirmed letter of credit in respect of:		
	- plant and machinery	**543,037,572**	89,386,896
	- raw material	**111,445,770**	140,306,178
	- stores and spares	**61,205,365**	36,685,999
		715,688,707	266,379,073

			September 30, 2015	2014
7	**COST OF SALES AND SERVICES**	**Note**	---------- Rupees ----------	
	Finished goods - Opening stock		**602,173,021**	790,588,259
	Cost of goods manufactured	**7.1**	**4,964,493,289**	4,804,044,359
			5,566,666,310	5,594,632,618
	Finished goods - Closing stock		**(666,301,950)**	(653,015,381)
			4,900,364,360	4,941,617,237

Notes to the Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

		September 30, 2015	2014
		---------- Rupees ----------	
7.1	**Cost of Goods Manufactured**		
	Work in process - opening stock	**302,862,009**	299,835,103
	Raw materials consumed	**3,224,183,898**	3,150,973,091
	Cost of raw material sold	**1,180,002**	72,838,232
	Overheads	**1,745,727,662**	1,571,403,361
		5,273,953,571	5,095,049,787
	Work in process - closing stock	**(309,460,282)**	(291,005,428)
		4,964,493,289	4,804,044,359
8	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	**730,488,734**	336,584,317
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	**203,190,769**	146,007,606
	Depreciation on investment property	**233,169**	259,077
	Gain on sale of investments	**(359,739,072)**	(12,048,495)
	Amortization of intangible assets	**626,226**	311,689
	Gain on sale of property, plant and equipment	**(1,546,782)**	(1,021,200)
	Dividend income	**(205,217,351)**	(62,148,178)
	Provision for gratuity	**25,466,610**	19,663,500
	Provision for stores, spares and loose tools	**6,846,517**	-
	Provision for doubtful debts	**-**	3,000,000
	Amortization of unwinding up of liability	**3,158,518**	-
	Exchange differences	**10,891,906**	24,950,449
	Finance cost	**200,783,792**	115,033,292
	Rental income	**(7,964,526)**	(3,997,752)
		(123,270,224)	230,009,988
	Operating cash flow before changes in working capital	**607,218,510**	566,594,305
	Changes in working capital		
	(Increase) / Decrease in current assets		
	Stores, spares and loose tools	**(13,510,620)**	(4,747,270)
	Stock-in-trade	**841,065,960**	27,061,582
	Trade debts	**(99,380,230)**	(306,403,168)
	Loans and advances	**(154,551,365)**	(281,220,657)
	Trade deposits and short term prepayments	**(18,220,246)**	(41,922,156)
	Other receivables	**(14,861,355)**	(2,874,751)
		540,542,144	(610,106,420)
	Increase in current liabilities		
	Trade and other payables	**134,342,114**	456,755,135
		1,282,102,768	413,243,020

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:

Subsidiaries:		
Sales	**226,737,324**	-
Share deposit money	**309,066,070**	37,000,000
Shares received	**299,066,070**	-
Expenses charged to	**4,771,000**	1,589,973
Associates:		
Sales	**365,267,530**	211,165,952
Purchases	**78,156,200**	123,652,982
Electricity purchased	**150,376,312**	100,562,104
Expenses charged by	**999,469**	-
Expenses charged to	**8,817,977**	3,822,835
Loan obtained	**400,000,000**	184,860,000

Notes to the Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

		September 30, 2015	2014
		---------- Rupees ----------	
	Other related parties:		
	Donations	**7,650,000**	2,400,000
	Contribution to provident fund	**5,367,887**	3,545,406
	Remuneration to key management personnel	**88,613,136**	73,419,005

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, 2015 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, 2014.

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 28, 2015.

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Directors' Report to the Shareholders

On behalf of Board of Directors of Holding Company of **Sapphire Wind Power Company Limited, Sapphire Tech (Private) Limited, Sapphire Solar (Private) Limited, Sapphire Home Incorporation, Sapphire Retail Limited and Tricon Boston Consulting Corporation (Private) Limited**, it is my pleasure to present Directors' Report with Un-audited Consolidated Financial Statement for the Quarter ended September 30, 2015.

Sapphire Wind Power Company Limited

The Company is 70% owned by Sapphire Textile Mills Ltd and 30% by Alfalah Bank Ltd. Construction works at the wind farm site are in progress and a few turbines have started trial production. It is expected that the project will commence commercial operation by the end of November, 2015.

Sapphire Tech (Pvt.) Limited

Sapphire Tech (Private) Limited is incorporated under Companies Ordinance, 1984. The subsidiary is established to setup electric power generation project and sell electric power. It is 100% equity owned. As there being no progress, as such the shareholders have granted approval for the winding up/sale of this company.

Sapphire Solar (Private) Limited

Sapphire Solar (Private) Limited is wholly owned subsidiary of Sapphire Textile Mills Limited. As there being no progress, as such the shareholders have granted approval for the winding up/sale of this company.

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 Company has already set up three retail outlets in Karachi, Lahore and Islamabad. The consumers' response is satisfactory and the management is working on expanding the operations.

Tricon Boston Consulting Corporation (Private) Limited

Tricon Boston Consulting Corporation (Pvt.) Limited has an LOI for 3 x 50 MW Wind Energy Projects in Jamphir Sindh and is incorporated under the laws of Pakistan and has license to establish and operate wind energy project. Technical Studies are in progress to develop the project.

On behalf of the Board

Karachi
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

Consolidated Condensed Interim Balance Sheet

As At September 30, 2015

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**18,865,711,044**	16,546,335,874
Investment property		**162,003,928**	162,237,097
Intangible assets		**462,428,955**	463,055,181
Long term investments		**6,906,436,890**	7,477,119,413
Long term loans and advances		**53,541,020**	58,202,397
Long term deposits and prepayments		**143,400,353**	129,947,175
		26,593,522,190	24,836,897,137
CURRENT ASSETS			
Stores, spares and loose tools		**316,622,113**	309,958,010
Stock-in-trade		**3,425,319,152**	4,205,271,398
Trade debts		**1,219,753,527**	1,211,609,370
Loans and advances		**331,167,723**	172,279,598
Trade deposits and short term prepayments		**86,634,813**	53,205,298
Other receivables		**271,558,115**	115,975,668
Other financial assets		**2,960,863,195**	2,145,664,201
Tax refunds due from Government		**1,129,300,279**	1,129,955,962
Cash and bank balances		**723,649,779**	2,298,034,770
		10,464,868,696	11,641,954,275
TOTAL ASSETS		**37,058,390,886**	36,478,851,412
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		**14,128,033,685**	14,428,904,744
Equity attributable to holders of parent company		**14,328,865,085**	14,629,736,144
Non-controlling interest		**939,599,739**	812,156,782
Total Equity		**15,268,464,824**	15,441,892,926
NON-CURRENT LIABILITIES			
Long term financing		**12,645,403,900**	11,834,215,878
Deferred liabilities		**470,440,982**	477,118,917
Long term payable		**446,249,240**	431,631,479
		13,562,094,122	12,742,966,274
CURRENT LIABILITIES			
Trade and other payables		**2,825,157,258**	2,577,608,219
Accrued Interest / mark-up		**184,569,661**	214,938,544
Short term borrowings		**4,026,468,064**	4,720,514,518
Current portion of long term financing		**987,805,457**	650,563,571
Provision for taxation		**203,831,500**	130,367,360
		8,227,831,940	8,293,992,212
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		**37,058,390,886**	36,478,851,412

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

Karachi: **NADEEM ABDULLAH** **MOHAMMAD ABDULLAH**
Dated: October 28, 2015 CHIEF EXECUTIVE DIRECTOR

Consolidated Condensed Interim Profit and Loss Account

(Un-audited)

For the First Quarter ended September 30, 2015

	Note	September 30, 2015	2014
		---------- Rupees ----------	
Sales and services		**5,781,116,997**	5,674,331,524
Cost of sales and services	**7**	**(5,015,966,391)**	(4,943,182,220)
Gross profit		**765,150,606**	731,149,304
Distribution cost		**(281,011,139)**	(235,272,681)
Administrative expenses		**(75,534,151)**	(84,358,076)
Other operating expenses		**(63,202,707)**	(31,772,727)
Other income		**581,572,785**	83,280,491
		161,824,788	(268,122,993)
Profit from operations		**926,975,394**	463,026,311
Finance cost		**(206,172,877)**	(140,009,934)
		720,802,517	323,016,377
Share of profit of associated companies		**25,736,167**	7,338,845
Profit before taxation		**746,538,684**	330,355,222
Taxation			
Current		**(73,464,140)**	(77,977,968)
Deferred		**(26,768,585)**	(30,595,209)
		(100,232,725)	(108,573,177)
Profit after taxation for the period		**646,305,959**	221,782,045
Attributable to:			
Shareholders of Parent Company		**646,393,318**	223,108,240
Non- controlling interest		**(87,359)**	(1,326,195)
		646,305,959	221,782,045
Earnings per share - attributable to the Shareholder of parent company		**32.19**	11.11

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

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Consolidated Condensed Interim Statement of Comprehensive Income

(Un-audited)

For the First Quarter ended September 30, 2015

	September 30, 2015	2014
	---------- Rupees ----------	
Profit after taxation for the period	**646,305,959**	221,782,045
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Available for sale investments		
Unrealized loss on remeasurement of available for sale investments	**(1,229,654,974)**	(250,198,157)
Reclassification adjustments relating to gain realized on disposal of available for sale investments	**305,202,674**	14,092,873
Unrealized gain on remeasurement of available for sale investments - associates	**542,096**	33,515
	(923,910,204)	(236,071,769)
Forward foreign currency contracts		
Unrealized (loss) / gain on remeasurement of forward foreign currency contracts	**(7,833,534)**	1,057,081
Reclassification adjustments relating to gain / (loss) realized on settlement of forward foreign currency contracts	**2,647,824**	(1,003,061)
Unrealized gain / (loss) on remeasurement of forward foreign currency contracts - associates	**42,817**	(6,025)
	(5,142,893)	47,995
Exchange difference on translating foreign operation	**2,407,096**	(1,932,861)
Items that may not be reclassified subsequently to profit and loss		
Shares of decrease in reserves of associated companies under equity method	**(19,123,045)**	(3,330,944)
Other comprehensive loss for the period	**(945,769,046)**	(241,287,579)
Total comprehensive loss for the period	**(299,463,087)**	(19,505,534)
Attributable to:		
Shareholders of Parent Company	**(299,375,728)**	(18,179,339)
Non- controlling interest	**(87,359)**	(1,326,195)
	(299,463,087)	(19,505,534)

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

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Consolidated Condensed Interim Cash Flow Statement

(Un-audited)

For the First Quarter ended September 30, 2015

	Note	September 30, 2015	2014
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	**1,401,348,959**	345,764,742
Long term loans, deposits and prepayments		**(8,791,801)**	(1,871,545)
Finance cost paid		**(233,950,579)**	(138,133,695)
Staff retirement benefits - gratuity paid		**(58,913,130)**	(11,762,129)
Taxes paid		**655,683**	(107,812,420)
		(300,999,827)	(259,579,789)
Net cash generated from operating activities		**1,100,349,132**	86,184,953
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(2,306,334,751)**	(2,884,728,235)
Investment others		**(1,274,316,021)**	(80,788,463)
Proceeds from disposal of property, plant and equipment		**4,541,134**	5,832,440
Proceeds from sale of investments		**474,614,035**	40,738,823
Dividend received		**59,703,760**	49,410,138
Rental income received		**7,964,526**	3,997,752
Net cash used in investing activities		**(3,033,827,317)**	(2,865,537,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		**(711,508,553)**	326,928,329
Proceeds from long term financing		**1,063,949,000**	2,600,340,000
Repayment of long term financing		**(137,489,092)**	(95,351,092)
Exchange difference on translating foreign operations		**77,418**	152,096
Issuance of shares - net		**126,034,985**	-
Net cash generated from financing activities		**341,063,758**	2,832,069,333
Net (decrease) / increase in cash and cash equivalents		**(1,592,414,427)**	52,716,741
Cash and cash equivalents at the beginning of the period		**2,296,921,314**	673,588,408
Cash and cash equivalents at the end of the period		**704,506,887**	726,305,149
Cash and cash equivalents			
Cash and bank balances		**723,649,779**	739,207,239
Temporary overdraft - unsecured		**(19,142,892)**	(12,902,090)
Cash and cash equivalents at the end of the period		**704,506,887**	726,305,149

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

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Consolidated Condensed Interim Statement of Changes in Equity

For the First Quarter ended September 30, 2015

	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, 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	259,626,886	13,899,704,005
Total comprehensive income / (loss) for the quarter ended September 30, 2014													
Profit after taxation	-	-	-	-	223,108,240	223,108,240	-	-	-	-	223,108,240	(1,326,195)	221,782,045
Other comprehensive (loss) / income	-	-	-	-	-	-	(236,071,769)	47,995	(1,932,861)	(237,956,635)	(237,956,635)	-	(237,956,635)
	-	-	-	-	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
Balance as at July 01, 2015 (Audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	8,916,354,080	10,467,556,280	3,972,020,026	(2,699,243)	(7,972,319)	3,961,348,464	14,629,736,144	812,156,782	15,441,892,926
Total comprehensive income / (loss) for the quarter ended September 30, 2015													
Profit after taxation	-	-	-	-	646,393,318	646,393,318	-	-	-	-	646,393,318	(87,359)	646,305,959
Other comprehensive (loss) / income	-	-	-	-	-	-	(923,910,204)	(5,142,893)	2,407,096	(926,646,001)	(926,646,001)	-	(926,646,001)
	-	-	-	-	646,393,318	646,393,318	(923,910,204)	(5,142,893)	2,407,096	(926,646,001)	(280,252,683)	(87,359)	(280,340,042)
Shares of decrease in reserves of associated companies under equity method	-	-	-	-	(19,123,045)	(19,123,045)	-	-	-	-	(19,123,045)	-	(19,123,045)
Transaction with owners													
Issuance of shares of subsidiary - SWPCL	-	-	-	-	-	-	-	-	-	-	-	128,171,172	128,171,172
Share Issuance cost of subsidiary - SWPCL	-	-	-	-	(1,495,331)	(1,495,331)	-	-	-	-	(1,495,331)	(640,856)	(2,136,187)
Balance as at September 30, 2015 (Un-audited)	200,831,400	156,202,200	65,000,000	1,330,000,000	9,542,129,022	11,093,331,222	3,048,109,822	(7,842,136)	(5,565,223)	3,034,702,463	14,328,865,085	939,599,739	15,268,464,824

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

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR

Karachi:
Dated: October 28, 2015

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

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, finishing and printing of fabrics.

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

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

Tricon Boston Consulting Corporation (Private) Limited (Holding 100%)

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

Sapphire 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 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. As there being no progress, as such the shareholders have granted approval for the winding up/sale of the company.

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. As there being no progress, as such the shareholders have granted approval for the winding up/sale of the company.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

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, 2015 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, 2015.

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, 2015.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this consolidated condensed interim financial information is in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are 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, 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 June 30, 2015.

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
		---------- Rupees ----------	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		**8,333,337,403**	8,346,834,734
Capital work-in-progress	**5.2**	**10,532,373,641**	8,199,501,140
		18,865,711,044	16,546,335,874

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

5.1 The cost of additions and disposals to operating fixed assets during first quarter ended September 30, 2015 were as follows.

	(Un-audited) September 30, 2015		(Audited) June 30, 2015	
	Addition	Disposal	Addition	Disposal
	Cost		Cost	
	---------- Rupees ----------		---------- Rupees ----------	
Freehold land	-	-	79,150,000	-
On Freehold land:				
Factory buildings	**10,228,817**	-	459,685,987	-
Labour, staff colony and others	-	-	58,635,110	-
On Leasehold land:				
Factory buildings	-	-	4,218,478	-
Leased building improvements	**1,136,025**	-	27,870,381	-
Plant & machinery	**152,121,341**	**10,662,533**	2,170,066,939	67,606,672
Electric installations	**4,932,767**	-	118,551,800	-
Fire Fighting equipment	-	-	1,326,799	-
Electric equipments	**1,824,189**	-	13,799,860	-
Computers	**6,137,629**	**53,000**	15,516,413	627,450
Office equipment	**81,900**	-	2,002,310	-
Mills equipment	**398,000**	-	30,472,071	-
Furniture & fixtures	**4,573,582**	-	16,026,769	-
Vehicles	**13,998,000**	**3,840,853**	77,368,787	29,974,510
	195,432,250	**14,556,386**	3,074,691,704	98,208,632

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
		---------- Rupees ----------	
5.2	**Capital work-in-progress**		
	Advance for land	**1,300,000**	-
	Civil works and Buildings	**958,831,276**	572,445,018
	Plant and machinery	**7,938,541,031**	5,668,859,623
	Electric installations	**6,002,670**	7,102,670
	Fire fighting equipment	**2,106,000**	2,106,000
	Electric equipments	**894,246**	894,246
	Mills equipments	**2,258,480**	968,730
	Furniture & Fixtures	**475,200**	1,730,093
	Advances to contractors	**564,382,900**	1,225,453,997
	Un-allocated expenditure	**1,057,581,838**	719,940,763
		10,532,373,641	8,199,501,140

6 CONTINGENCIES AND COMMITMENTS

Contingencies

6.1	Guarantees issued by banks on behalf of the Group	**317,937,368**	267,051,368

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, 2015 the value of these cheques amounted to Rs.93.744 million (June 30, 2015: Rs. 110.835 million).

6.3 There is no change in status of the contingencies and commitments as disclosed in notes 29.3 to 29.7 and 29.10 of the audited annual financial statements of the Group for the year ended June 30, 2015.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
		---------- Rupees ----------	
	Commitments		
6.4	Confirmed letter of credit in respect of:		
	- plant and machinery	**543,037,572**	89,386,896
	- raw material	**111,445,770**	140,306,178
	- stores and spares	**61,205,365**	36,685,999
		715,688,707	266,379,073

		Note	September 30, 2015	2014
			---------- Rupees ----------	
7	**COST OF SALES AND SERVICES**			
	Finished goods - Opening stock		**699,698,614**	790,588,259
	Cost of goods manufactured	**7.1**	**5,139,828,194**	4,805,609,342
			5,839,526,808	5,596,197,601
	Finished goods - Closing stock		**(823,560,417)**	(653,015,381)
			5,015,966,391	4,943,182,220
7.1	**Cost of Goods Manufactured**			
	Work in process - opening stock		**395,499,800**	299,835,103
	Raw materials consumed		**3,131,847,843**	3,151,178,120
	Cost of raw material sold		**1,180,002**	72,838,232
	Overheads		**2,003,152,576**	1,572,763,315
			5,531,680,221	5,096,614,770
	Work in process - closing stock		**(391,852,027)**	(291,005,428)
			5,139,828,194	4,805,609,342
8	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation and share of profit of associated companies		**720,802,517**	323,016,377
	Adjustments for non-cash charges and other items:			
	Depreciation on operating fixed assets		**205,935,229**	146,696,288
	Depreciation on investment property		**233,169**	259,077
	Gain on sale of investments		**(359,739,072)**	(12,048,495)
	Amortization of intangible assets		**626,226**	311,689
	Gain on sale of property, plant and equipment		**(1,546,782)**	(1,021,200)
	Dividend income		**(205,217,351)**	(62,148,178)
	Provision for gratuity		**25,466,610**	19,663,500
	Provision for doubtful debts		**-**	3,000,000
	Provision for stores, spares and loose tools		**6,846,517**	-
	Unwinding cost of long term liability		**3,158,518**	-
	Exchange differences		**10,891,906**	24,950,449
	Finance cost		**203,581,696**	115,059,485
	Rental income		**(7,964,526)**	(3,997,752)
			(117,727,860)	230,724,863
	Operating cash flow before changes in working capital		**603,074,657**	553,741,240
	Changes in working capital			
	(Increase) / Decrease in current assets			
	Stores, spares and loose tools		**(13,510,620)**	(4,747,270)
	Stock-in-trade		**779,952,246**	27,061,582
	Trade debts		**(8,144,157)**	(306,403,168)
	Loans and advances		**(158,888,125)**	(302,717,743)
	Trade deposits and short term prepayments		**(33,429,515)**	(63,621,880)
	Other receivables		**(10,068,856)**	(2,027,228)
			555,910,973	(652,455,707)
	Increase in current liabilities			
	Trade and other payables		**242,363,329**	444,479,209
			1,401,348,959	345,764,742

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

9 SEGMENT ANALYSIS

9.1 SEGMENT RESULTS

	Spinning	Weaving	Processing, printing and Home Textile	Power Generation	Total
	---------- Rupees ----------				
For the first quarter ended September 30, 2015					
Revenue - external customers	**3,158,176,143**	**1,532,793,210**	**1,090,147,644**	**-**	**5,781,116,997**
Inter - segment sales	**502,728,447**	**130,731,931**	**9,226,324**	**-**	**642,686,702**
Segment results	**92,169,604**	**102,000,791**	**16,674,213**	**(8,412,169)**	**202,432,439**
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	25,278,722	(4,313,972)	271,508,613

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

	September 30, 2015	2014
	---------- Rupees ----------	
Total results for reportable segments	**202,432,439**	271,508,613
Other operating expenses	**(63,202,707)**	(31,772,727)
Other income	**581,572,785**	83,280,491
Share of profit of associated companies	**25,736,167**	7,338,845
Profit before taxation	**746,538,684**	330,355,222
Taxation	**(100,232,725)**	(108,573,177)
Profit after taxation for the period	**646,305,959**	221,782,045

9.2 SEGMENT ASSETS

	Spinning	Weaving	Processing, printing and Home Textile	Power Generation	Total
	---------- Rupees ----------				
As at September 30, 2015					
Segment assets	**7,582,498,659**	**2,777,711,715**	**4,070,422,738**	**10,762,289,564**	**25,192,922,676**
As at June 30, 2015					
Segment assets	8,313,505,510	2,657,955,995	4,007,503,290	10,033,740,438	25,012,705,233

Reconciliation of segment assets with total assets is as follows:

	(Un-audited) September 30, 2015	(Audited) June 30, 2015
	---------- Rupees ----------	
Total assets for reportable segments	**25,192,922,676**	25,012,705,233
Unallocated assets	**11,865,468,210**	11,466,146,179
Total assets as per Balance sheet	**37,058,390,886**	36,478,851,412

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited)

For the First Quarter ended September 30, 2015

		September 30, 2015	2014
		---------- Rupees ----------	
10	**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	**365,267,530**	211,165,952
Purchases	**78,885,856**	123,652,982
Electricity purchased	**150,376,312**	100,562,104
Expenses charged by	**999,469**	-
Expenses charged to	**8,817,977**	3,822,835
Loan obtained	**400,000,000**	184,860,000
Other related parties:		
Donations	**7,650,000**	2,400,000
Contribution to provident fund	**5,618,112**	3,545,406
Remuneration to key management personnel	**97,084,283**	76,240,205

11 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, 2015 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, 2014.

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.

12 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 28, 2015 .

Karachi:
Dated: October 28, 2015

NADEEM ABDULLAH
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR