



Reliance Cotton Spinning Mills Limited

Half Yearly Report **2024**

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahid Abdullah	Chairman
Mr. Shayan Abdullah	Chief Executive
Mr. Amer Abdullah	Director
Mr. Yousuf Abdullah	Director
Mr. Nabeel Abdullah	Director
Mrs. Madiha Saeed Nagra	Independent Director
Mr. Anjum Saleem	Independent Director

AUDIT COMMITTEE

Mr. Anjum Saleem	Chairman
Mr. Shahid Abdullah	Member
Mr. Nabeel Abdullah	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Anjum Saleem	Chairman
Mr. Yousuf Abdullah	Member
Mr. Shayan Abdullah	Member

RISK COMMITTEE

Mr. Shahid Abdullah	Chairman
Mr. Shayan Abdullah	Member
Mr. Jawwad Faisal	Member

CHIEF FINANCIAL OFFICER

Mr. Jawwad Faisal

COMPANY SECRETARY

Mr. Rameez Ghausi

SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Limited,
4th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.

TAX CONSULTANTS

Yousuf Adil, Chartered Accountants

AUDITORS

Shinewing Hameed Chaudhri & Company
Chartered Accountants

LEGAL ADVISOR

Hassan & Hassan, Advocates

BANKERS

Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
United Bank Limited

REGISTERED OFFICE:

📍 312, Cotton Exchange Building,
I. I. Chundrigar Road, Karachi.

☎ Tel: +92 21 111 000 100

📠 Fax +92 21 32416705

🌐 Website: www.sapphire.com.pk/rcsml

CORPORATE OFFICE:

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

MILLS:

Feroze Wattwan,
District Sheikhpura, Punjab.

Bhai Pheru,
Jumber Khurd, Bhai Pheru, District. Kasur

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

04

Directors
Report (English)

05

Directors'
Report (Urdu)

06

Auditors'
Review Report

07

Unconsolidated
Condensed
Interim
Statement of
Financial Position

08

Unconsolidated
Condensed
Interim
Statement of
Profit or Loss

09

Unconsolidated
Condensed
Interim
Statement of other
Comprehensive
Income

10

Unconsolidated
Condensed
Interim
Statement of
Cash Flows

11

Unconsolidated
Condensed
Interim
Statement of
Changes in Equity

12

Notes to the
Unconsolidated
Condensed Interim
Financial
Statements

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

24

Directors
Report (English)

25

Directors'
Report (Urdu)

26

Unconsolidated
Condensed
Interim
Statement of
Financial Position

27

Consolidated
Condensed
Interim
Statement of
Profit or Loss

28

Consolidated
Condensed
Interim
Statement of other
Comprehensive
Income

29

Consolidated
Condensed
Interim
Statement of
Cash Flows

30

Consolidated
Condensed
Interim
Statement of
Changes in Equity

31

Notes to the
Consolidated
Condensed Interim
Financial
Statements

CONTENTS







UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2024

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company are pleased to present un-audited financial statements for the half year ended 31 December 2024, duly reviewed by the auditors.

Financial Highlights

	December 31,	
	2024	2023
Rupees in thousand		
Sales	8,319,323	6,741,316
Profit from operations	1,074,769	1,105,476
Finance cost	(375,775)	(426,611)
Taxation	(218,516)	(74,203)
Profit after taxation	480,478	604,662

Financial Performance

During first half of the financial year, your Company achieved sales of Rs. 8.3 billion compared to Rs. 6.7 billion during corresponding period of last year, showing improvement of 23.4%. The gross profit as a percentage of sales was 16.5% compared to last year's 18.6%. Whereas the company earned profit after tax of Rs. 480 million as against Rs. 605 million during corresponding period of last year.

Earnings per share

The Company's earnings per share (EPS) were at Rs. 45.11 as compared to Rs. 58.75 for the same period of last year.

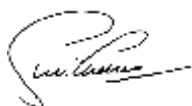
Future outlook

Global economic growth in 2025 is expected to remain steady, with shifts in textile demand influenced by consumer trends, trade policies, and sustainability regulations. However, Pakistan's textile exporters face pressure on margins due to strong global competition and high energy tariffs in the country, which continue to increase production costs and reduce profitability.

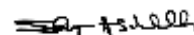
Despite these challenges, the management remains committed to further diversify Company's product range and exploring new market opportunities for long-term growth and success.

The Board extends its sincere appreciation to the Company's employees for their dedication and hard work.

For and on behalf of the Board



SHAHID ABDULLAH
DIRECTOR



SHAYAN ABDULLAH
CHIEF EXECUTIVE

Lahore
Dated: February 26, 2025

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹرز 31 دسمبر 2024ء کو ختم ہونے والی ششماہی کے لئے آڈیٹرز کی طرف سے باقاعدہ جائزہ شدہ کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی جھلکیاں

روپے ہزاروں میں

تفصیل	31 دسمبر 2024ء	31 دسمبر 2023ء
فروخت	8,319,323	6,741,316
آپریٹنگز سے منافع	1,074,769	1,105,476
مالی لاگت	(375,775)	(426,611)
ٹیکسیشن	(218,516)	(74,203)
ٹیکس کے بعد منافع	480,478	604,662

مالی کارکردگی

آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے دوران 6.7 بلین روپے کے مقابلے اس مالی سال کی پہلی ششماہی کے دوران 8.3 بلین روپے کی فروخت حاصل کی، جو 23.4 فیصد اضافہ ظاہر کرتی ہے۔ فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کے 18.6 فیصد کے مقابلے اس مدت کے دوران 16.5 فیصد ہو گیا۔ جبکہ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 605 ملین روپے کے برعکس موجودہ مدت کے دوران 480 ملین روپے ٹیکس کے بعد منافع کمایا ہے۔

فی حصص آمدنی

کمپنی کی موجودہ مدت کی فی حصص آمدنی (EPS) 45.11 روپے ہے جو کہ پچھلے سال کی اسی مدت کی 58.75 روپے تھی۔

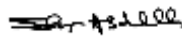
مستقبل کا نقطہ نظر

توقع ہے کہ 2025 میں عالمی اقتصادی نمو مستحکم رہے گی، ٹیکسٹائل کی طلب میں تغیرات، صارفین کے رجحانات، تجارتی پالیسیوں اور استحکام کے ضوابط سے متاثر ہوں گے۔ تاہم پاکستان کے ٹیکسٹائل برآمد کنندگان کو مضبوط عالمی مسابقت اور ملک میں توانائی کے زیادہ ٹیرف کی وجہ سے مارجن پر دباؤ کا سامنا ہے جس سے پیداواری لاگت میں اضافہ اور منافع میں کمی کا سلسلہ جاری ہے۔ ان مشکلات کے باوجود، انتظامیہ کمپنی کی مصنوعات کی رینج کو مزید متنوع بنانے اور طویل مدتی نمو اور کامیابی کے لئے مارکیٹ کے نئے مواقع تلاش کرنے کے لئے پُر عزم ہے۔

اعتراف

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

منجانب بورڈ آف ڈائریکٹرز



(شایان عبداللہ)

چیف ایگزیکٹو



(شاید عبداللہ)

ڈائریکٹر

لاہور

تاریخ: 26 فروری 2025ء

INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Reliance Cotton Spinning Mills Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Reliance Cotton Spinning Mills Limited** (the Company) as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2024.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Osman Hameed Chaudhri.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

LAHORE:

DATE: February 27, 2025

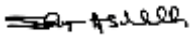
UDIN: RR202410104b3t6WmDJK



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT DECEMBER 31, 2024

		(Un-audited) December 31,	(Audited) June 30,
	Note	2024 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	6,670,610,620	6,501,792,556
Long term investments	5	1,073,766,673	1,056,001,924
Long term advances and deposits		25,167,424	25,792,424
Deferred taxation		141,276,645	192,837,671
		7,910,821,362	7,776,424,575
CURRENT ASSETS			
Stores, spare parts and loose tools		183,083,907	198,949,587
Stock-in-trade	6	6,286,731,273	5,906,372,126
Trade debts		2,276,721,167	2,196,187,377
Loans and advances		78,291,047	118,858,624
Short term deposits and prepayments		26,416,901	2,750,722
Short term investments		255,953,222	198,595,221
Other receivables		122,412,879	384,180,714
Tax refunds due from Government		536,196,397	671,628,102
Cash and bank balances		281,370,373	269,791,793
		10,047,177,166	9,947,314,266
TOTAL ASSETS		17,957,998,528	17,723,738,841
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
12,000,000 ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid-up capital			
10,652,000 (2024:10,292,000) ordinary shares of Rs.10 each		106,520,000	102,920,000
Reserves		6,854,856,975	306,763,756
Unappropriated profit		2,160,540,640	8,221,230,231
Total Equity		9,121,917,615	8,630,913,987
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term liabilities	7	2,210,971,437	2,457,874,482
Staff retirement benefit - gratuity		200,399,648	179,710,930
		2,411,371,085	2,637,585,412
CURRENT LIABILITIES			
Trade and other payables		2,643,527,553	1,545,374,213
Contract liabilities		56,447,089	30,698,160
Accrued mark-up / interest		105,272,364	211,087,213
Short term borrowings	8	2,558,877,608	3,497,159,879
Current portion of long term finances		658,875,534	664,785,046
Unclaimed dividend		920,117	861,089
Provision for taxation	9	400,789,563	505,273,842
		6,424,709,828	6,455,239,442
TOTAL LIABILITIES		8,836,080,913	9,092,824,854
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		17,957,998,528	17,723,738,841

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


Chief Executive Officer


Director

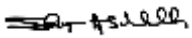

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS-(Un Audited)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
		2024 Rupees	2023 Rupees (Restated)	2024 Rupees	2023 Rupees (Restated)
Sales - net	11	3,750,226,808	3,242,281,350	8,319,323,498	6,741,316,114
Cost of sales	12	(3,204,119,345)	(2,638,440,715)	(6,942,951,649)	(5,488,950,895)
Gross profit		546,107,463	603,840,635	1,376,371,849	1,252,365,219
Distribution cost		(72,403,541)	(41,243,650)	(168,802,625)	(87,284,580)
Administrative expenses		(92,140,478)	(45,162,541)	(160,544,096)	(83,513,019)
Other income		20,663,953	63,190,447	66,789,836	70,759,613
Other expenses		(22,745,149)	(23,455,311)	(39,045,537)	(46,851,093)
Profit from operations		379,482,248	557,169,580	1,074,769,427	1,105,476,140
Finance cost		(142,386,197)	(229,179,610)	(375,774,985)	(426,611,451)
Profit before final tax levies and income tax		237,096,051	327,989,970	698,994,442	678,864,689
Final tax - levy		(2,401,629)	(17,488,081)	(3,227,324)	(71,692,931)
Profit before income tax		234,694,422	310,501,889	695,767,118	607,171,758
Income tax					
- current		18,369,348	-	(169,392,465)	(1,348,529)
- deferred		(26,153,242)	(3,998,635)	(45,896,244)	(1,161,330)
		(7,783,894)	(3,998,635)	(215,288,709)	(2,509,859)
Profit after taxation		226,910,528	306,503,254	480,478,409	604,661,899
Earnings per share					
- basic and diluted		21.30	29.78	45.11	58.75

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


Chief Executive Officer


Director

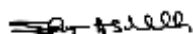

Chief Financial Officer



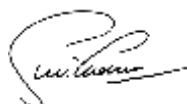
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-Audited) FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Quarter ended		Six months period ended	
	December 31,	December 31,	December 31,	December 31,
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Profit after taxation	226,910,528	306,503,254	480,478,409	604,661,899
Other comprehensive income				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised gain on remeasurement of investment at fair value through other comprehensive income	66,986,070	4,456,612	57,358,001	6,455,869
Impact of deferred tax	(5,664,782)	-	(5,664,782)	-
	61,321,288	4,456,612	51,693,219	6,455,869
Total comprehensive income for the period	288,231,816	310,959,866	532,171,628	611,117,768

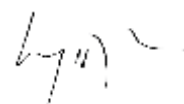
The annexed notes form an integral part of these condensed un-consolidated interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Six months period ended	
	December 31,	December 31,
	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before final tax levies and income taxation	698,994,442	678,864,689
Adjustments for non-cash and other items:		
Depreciation	302,412,148	164,173,504
Provision for doubtful loan	(8,000,000)	-
Staff retirement benefit - gratuity	38,700,000	22,200,000
Provision for workers' profit participation fund	27,372,823	32,071,161
Provision for workers' welfare fund	11,348,264	13,854,382
Provision / Reversal of provision for expected credit loss	1,960,859	(5,934,537)
Gain on disposal of operating fixed assets	(2,139,964)	(41,227,557)
Provision for GIDC	81,486	836,277
Dividend income	(21,515,494)	(10,653,162)
Finance cost	375,774,985	425,775,174
	1,424,989,549	1,279,959,931
Working capital changes		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	15,865,680	(43,385,424)
- stock-in-trade	(380,359,147)	(601,510,861)
- trade debts	(82,494,649)	147,083,964
- loans and advances	48,567,577	10,765,646
- short term deposit and prepayments	(23,666,179)	(8,802,790)
- deposits, other receivables and sales tax	124,016,086	123,708,411
	(298,070,632)	(372,141,054)
Increase / (decrease) in current liabilities:		
- trade and other payables	1,118,731,100	(227,329,469)
- contract liabilities	25,748,929	(29,841,579)
	1,144,480,029	(257,171,048)
Net working capital changes	846,409,397	(629,312,102)
Staff retirement benefits paid	(18,011,282)	(15,890,971)
Finance cost paid	(481,589,834)	(383,426,632)
Taxes paid	(3,920,611)	(41,391,496)
Workers' profit participation fund paid	(59,298,847)	(46,095,735)
Long term advances and deposits - net	625,000	-
	(562,195,574)	(486,804,834)
Net cash generated from operating activities	1,709,203,372	163,842,995
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(472,087,251)	(857,649,307)
Proceeds from disposal of operating fixed assets	2,997,000	56,094,000
Long term investment	(17,764,749)	-
Advance for investment in subsidiary	-	(196,109,105)
Dividend income received	21,515,493	10,653,162
Net cash (used in) investing activities	(465,339,507)	(987,011,250)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - repaid	(252,894,042)	(138,848,347)
Dividend paid	(41,108,972)	(41,108,551)
Short term borrowings - net	(938,282,271)	1,046,270,221
Net cash (used in) / generated from financing activities	(1,232,285,285)	866,313,323
Net increase in cash and cash equivalents	11,578,580	43,145,068
Cash and cash equivalents - at beginning of the period	269,791,793	197,752,154
Cash and cash equivalents - at end of the period	281,370,373	240,897,222

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


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Issued, subscribed and paid- up capital	Capital Reserve	Reserves				Unrealised (loss)/ income on investments at fair value through other compreh- ensive income	Total
			Revenue					
			General	Merger Reserve	Unappropri- ated profit	Sub-total		
— Rupees —								
Balance as at July 1, 2023 (Audited)	102,920,000	-	130,000,000	-	6,803,308,914	6,933,308,914	(2,496,987)	7,033,731,927
Transactions with owners of the Company								
Final dividend related to the year ended								
June 30, 2023 @ Rs. 4 per share	-	-	-	-	(41,168,000)	(41,168,000)	-	(41,168,000)
Total comprehensive income for the								
six months period ended December 31, 2023								
Profit for the period	-	-	-	-	604,661,899	604,661,899	-	604,661,899
Other comprehensive income	-	-	-	-	-	-	6,455,869	6,455,869
	-	-	-	-	604,661,899	604,661,899	6,455,869	611,117,768
Balance as at December 31, 2023 (Un-audited)	102,920,000	-	130,000,000	-	7,366,802,813	7,496,802,813	3,958,882	7,603,681,695
Balance as at July 1, 2024 (Audited)	102,920,000	-	180,000,000	26,928,154	8,221,230,231	8,428,158,385	99,835,602	8,630,913,987
Share capital issued under scheme of merger	3,600,000	-	-	(3,600,000)	-	(3,600,000)	-	-
Transfer to capital reserve	-	6,500,000,000	-	-	(6,500,000,000)	-	-	-
Transactions with owners of the Company								
Final dividend related to the year ended								
June 30, 2024 @ Rs.4 per share	-	-	-	-	(41,168,000)	(41,168,000)	-	(41,168,000)
Total comprehensive income for the								
six months period ended December 31, 2024								
Profit for the period	-	-	-	-	480,478,409	480,478,409	-	480,478,409
Other comprehensive income	-	-	-	-	-	-	51,693,219	51,693,219
	-	-	-	-	480,478,409	480,478,409	51,693,219	532,171,628
Balance as at December 31, 2024 (Un-audited)	106,520,000	6,500,000,000	180,000,000	23,328,154	2,160,540,640	8,863,868,794	151,528,821	9,121,917,615

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


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Reliance Cotton Spinning Mills Limited ("the Company") was incorporated in Pakistan on June 13, 1990 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was listed on June 16, 1993 on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn.

Karachi	Purpose
312, Cotton Exchange Building, I.I. Chundrigar Road	Registered office

Lahore	
1st Floor, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II,	Head office

Sheikhupura	
Feroze Wattwan	Production plant

1.1 Merger of Amer Cotton Mills (Private) Limited (ACML) with and into the Company

Amer Cotton Mills (Private) Limited (the Company) was incorporated in Pakistan on December 19, 1985 as a Private Limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). It is principally engaged in manufacturing and sale of yarn. Manufactured yarn is sold both locally and internationally.

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

Bhai Pheru	
Jumber Khurd, Bhai Pheru, District. Kasur	Production plant

The Company and ACML had filed a joint petition before the Honourable Sindh High Court, seeking / obtaining sanction of the Court for a Scheme of Arrangement for Amalgamation under sections 279 to 283 of the Companies Act, 2017 ("Merger Scheme"). The merger was originally considered by the Board of Directors of both the Companies in their respective meetings held on August 28, 2024, wherein the Merger Scheme was adopted. The Merger Scheme was also approved by the shareholders of both Companies in the separate Extra Ordinary General Meetings of the members held on September 26, 2024. On November 15, 2024, the Court has sanctioned the Merger Scheme without any modifications, additions, or deletions.

As the Court has not specified any effective date of merger in its order, the Board of Directors of the Company has declared, as allowed under the Merger Scheme, March 31, 2024 as the Effective Date of Merger. As a result of the Merger, from and on the Effective Date:

- (i) - the entire undertaking of ACML together with all the properties, assets, rights, liabilities, obligations, permanent employees, claims, charges, contracts, etc. of every description have been transferred to and vested (at book values) in the Company;
- (ii) - The Company has issued its 0.09 ordinary share of Rs.10 each for every 1 ordinary shares of ACML held by the shareholders of ACML on the effective date. As a result of merger, the Company has issued 360,000 ordinary shares to the entitled shareholders of the ACML. These shares were issued on November 28, 2024.
- (iii) - ACML has been merged / amalgamated into the Company without any further act, deed, matter or thing including any winding-up procedures.
- (iv) - To eliminate the cross holdings of the Companies 18,100 ordinary shares of the Company held by ACML at the effective date of merger shall be cancelled and the same shall be re-issued to the existing shareholders of ACML.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

2.1.3 After the approval of merger of ACML with and into the Company, the Company prepared a special purpose non statutory financial statement as at June 30, 2024 taking into account the effect of merger. These special purpose non statutory financial statements were duly audited by the statutory auditors of the Company. Comparative figures of the statement of financial position in these condensed interim financial statements have been extracted from these special purpose non statutory financial statements.

2.2 Initial application of standards, amendments or interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.3 Material accounting policy information

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2024.

2.3.1 Restatement

In May 2024, the Institute of Chartered Accountants of Pakistan (ICAP) had issued a circular on "IAS -12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of taxes paid under minimum tax regime (which is not adjustable against the future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax. Accordingly, the impact has been incorporated in these interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS - 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the condensed interim statement of financial position and statement of cash flows as a result of this change.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2024.

		(Un-audited)	(Audited)
		December 31,	June 30,
	Note	2024 Rupees	2024 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	5,843,023,313	6,108,529,641
Capital work-in-progress	4.2	827,587,307	393,262,915
		6,670,610,620	6,501,792,556

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		(Un-audited)	(Audited)
		December 31,	June 30,
	Note	2024 Rupees	2024 Rupees
4.1 Operating fixed assets			
Net book value at beginning of the period / year		6,108,529,641	2,990,289,649
Book value of ACML's operating fixed assets acquired upon merger		-	2,182,310,791
Additions during the period / year	4.1.1	37,762,859	1,499,974,675
Disposals costing Rs.3.366 million			
(June 30, 2024: Rs. 289.828 million) - at net book value		(857,039)	(143,937,192)
Depreciation charge for the period / year		(302,412,148)	(420,108,282)
Net book value at end of the period / year		5,843,023,313	6,108,529,641
4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on freehold land:			
• residential		-	25,416,940
• factory		9,755,237	213,657,155
Plant and machinery		19,489,621	957,230,952
Electric installation		-	303,310,228
Mills equipment		3,804,001	359,400
Vehicles		4,714,000	-
		37,762,859	1,499,974,675

4.1.2 These include transfer from capital work-in-progress amounting Rs.37.762 million (June 30, 2024: Rs.1,499.975 million).

4.2 Capital work in progress			
Buildings		36,060,917	31,361,807
Plant and machinery	4.2.1	788,713,395	357,162,108
Advance payments against - vehicles		2,812,995	4,739,000
		827,587,307	393,262,915

4.2.1 The Company, during the period, has capitalized borrowing cost of Rs.Nil (June 30, 2024: Rs.35.934 million) charged at the rate ranging from Nil (June 30, 2024: 17.03% to 23.13%) per annum.

		(Un-audited)	(Audited)
		December 31,	June 30,
	Note	2024 Rupees	2024 Rupees
5. LONG TERM INVESTMENTS			
Subsidiary Company - at cost	5.1	200,937,110	200,437,130
Associated Companies - at cost	5.2	855,564,794	855,564,794
Advance for shares subscription	5.3	17,264,769	-
		1,073,766,673	1,056,001,924

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	(Un-audited) December 31,	(Audited) June 30,
	2024 Rupees	2024 Rupees
5.1 Investments in subsidiary - unquoted at cost:		
RCSM Company (Private) Limited		
20,043,713 ordinary shares of Rs.10 each Equity held: 100%	200,437,130	200,437,130
Sapphire Electronics (Private) Limited		
49,998 ordinary shares of Rs.10 each Equity held: 99.99%	499,980	-
	200,937,110	200,437,130
5.2 Investments in associates - at cost:		
Quoted:		
Sapphire Fibers Limited		
798,796 ordinary shares of Rs.10 each Equity interest held 3.864%	468,514,083	468,514,083
Sapphire Textile Mills Limited		
100,223 ordinary shares of Rs.10 each Equity interest held 0.462%	8,114,578	8,114,578
Un-quoted:		
SFL Limited		
401,570 ordinary shares of Rs.10 each Equity interest held 42.83%	2,439,475	2,439,475
Sapphire Finishing Mills Limited		
1,556,000 ordinary shares of Rs.10 each Equity interest held 1.69%	16,509,160	16,509,160
Sapphire Holding Limited		
100,223 ordinary shares of Rs.10 each Equity interest held 0.5%	524,950	524,950
Sapphire Power Generation Limited		
2,580,250 ordinary shares of Rs.10 each Equity interest held 16.10%	273,928,909	273,928,909
Sapphire Dairies (Pvt.) Limited (SDL)		
4,100,000 ordinary shares of Rs.10 each Equity interest held 2.26%	85,533,639	85,533,639
Sanifa Agri Services Limited (SASL)		
11,590,000 ordinary shares of Rs.10 each Equity interest held 33.11%	-	-
	855,564,794	855,564,794

5.2.1 Investment in Sanifa Agri Services Limited has been carried at Rs.Nil in the book of accounts of ACML because of accumulated losses.

5.3 The Company during the period made payment of Rs.17.765 million for subscription of shares of Sapphire Electronics (Private) Limited Company (a Subsidiary Company). As at reporting date 49,998 shares of Rs.10 each have been allotted to the Company.

	(Un-audited) December 31,	(Audited) June 30,
	2024 Rupees	2024 Rupees
6. STOCK-IN-TRADE		
Raw materials - in hand	4,072,191,258	3,406,275,461
Raw materials - in transit	778,716,779	967,894,287
Work-in-process	715,334,149	631,593,634
Finished goods	695,542,652	892,650,514
Waste	24,946,435	7,958,230
	6,286,731,273	5,906,372,126

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		(Un-audited)	(Audited)
		December 31,	June 30,
		2024	2024
	Note	Rupees	Rupees
7. LONG TERM LIABILITIES			
Long term finances	7.1	2,674,188,149	2,927,082,191
Provision for Gas Infrastructure Development Cess	7.2	195,658,822	195,577,337
		2,869,846,971	3,122,659,528
Less: current portion grouped under current liabilities		(658,875,534)	(664,785,046)
		2,210,971,437	2,457,874,482
7.1 Long term finances - secured			
Balance at beginning of the period / year		2,927,082,191	1,872,866,164
Add: disbursements / merger during the period / year	7.1.1	-	1,388,874,751
Less: repayments made during the period / year		(252,894,042)	(334,658,724)
Balance at end of the period / year		2,674,188,149	2,927,082,191

7.1.1 All the terms and conditions of long term finances are materially same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2024. These long term finances, during the period, carried mark-up / profit at the rates ranged from 2.50% to 22.91% (June 30, 2024: 2.50% to 24.02%) per annum.

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

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

The Company has recorded a provision against GIDC. The amount has been recorded at its present value, by discounting future estimated cash flows using risk free rate of return.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2024	2024
	Note	Rupees	Rupees
8. SHORT TERM BORROWINGS			
Short term and foreign currency loans	8.1	999,231,871	1,260,000,000
Running / cash finances -secured	8.1	1,559,645,737	2,237,159,879
		2,558,877,608	3,497,159,879

8.1 The Company has obtained short term finance facilities, aggregating Rs.7,528 million (June 30, 2024: Rs.7,458 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.17,565 million (June 30, 2024: Rs.17,565 million) over current assets of the Company, lien on export / import documents, trust receipts and promissory notes duly signed by the directors. These finances carry mark-up / profit at the rates ranging from 9.20% to 22.28% (June 30, 2024: 18.05% to 24.04%) per annum. These facilities are expiring on various dates by August 31, 2025.

9. PROVISION FOR TAXATION

The provision for taxation for the six month period ended and quarter ended December 31, 2024 has been made using the best possible estimate of total annual tax liability of the Company. Amount accrued may be adjusted in the subsequent period.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	(Un-audited) December 31,	(Audited) June 30,
	2024 Rupees	2024 Rupees
10. CONTINGENCIES AND COMMITMENTS		
10.1 Contingencies		
Guarantees issued by banks on behalf of the Company	882,861,730	523,700,000

10.1.1 Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2024 the value of these cheques amounted to Rs.11,280.54 million (June 30, 2024: Rs.11,299.16 million).

10.1.2 There has been no material change in the status of other contingencies as disclosed in the audited annual financial statements of the Company for the year ended June 30, 2024.

10.2 Commitments in respect of :		
• letters of credit for capital expenditure	8,420,706	408,962,241
• letters of credit for purchase of cotton, raw materials and stores, spare parts & chemical	1,255,335,917	242,965,933
• capital expenditure other than letters of credit	24,103,083	12,275,251
• foreign & local bills discounted	353,080,525	538,367,280

11. SALES - NET

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

	----- Un-audited -----			
	Quarter ended		Six months period ended	
	December 31,	December 31,	December 31,	December 31,
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
SALES - NET				
Local:				
Yarn	2,756,026,035	489,159,940	6,178,095,169	1,076,702,351
Raw material	20,044,150	411,205	139,552,891	9,384,937
Waste	86,876,706	16,252,378	210,299,303	82,695,105
	2,862,946,891	505,823,523	6,527,947,363	1,168,782,393
Export:				
Yarn	872,665,982	622,852,660	1,767,059,247	1,476,265,277
Yarn (indirect export)	-	2,057,821,506	-	4,014,211,584
Waste	-	50,255,036	-	73,483,910
	872,665,982	2,730,929,202	1,767,059,247	5,563,960,771
	3,735,612,873	3,236,752,725	8,295,006,610	6,732,743,164
Processing income	8,364,435	277,125	11,497,888	1,998,450
Steam income	6,249,500	5,251,500	12,819,000	6,574,500
	3,750,226,808	3,242,281,350	8,319,323,498	6,741,316,114

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		-----Un-audited-----			
		Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
	Note	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
12. COST OF SALES					
Finished goods at beginning of the period		580,500,889	737,788,089	900,608,744	843,332,923
Cost of goods manufactured	12.1	3,344,107,543	2,942,434,654	6,762,831,992	5,687,400,000
		3,924,608,432	3,680,222,743	7,663,440,736	6,530,732,923
Finished goods at end of the period		(720,489,087)	(1,041,782,028)	(720,489,087)	(1,041,782,028)
		3,204,119,345	2,638,440,715	6,942,951,649	5,488,950,895
12.1 Cost of goods manufactured					
Work-in-process at beginning of the period		759,078,659	618,186,985	631,593,634	609,784,835
Raw materials consumed		2,295,035,663	2,151,742,510	4,753,381,712	4,256,545,713
Direct labour and other overheads		1,005,327,370	795,014,444	2,093,190,795	1,443,578,737
		3,300,363,033	2,946,756,954	6,846,572,507	5,700,124,450
		4,059,441,692	3,564,943,939	7,478,166,141	6,309,909,285
Work-in-process at end of the period		(715,334,149)	(622,509,285)	(715,334,149)	(622,509,285)
		3,344,107,543	2,942,434,654	6,762,831,992	5,687,400,000

13. FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since June 30, 2024, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statement does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2024.

14. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Given below is the analysis of financial instruments, carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The Company's financial assets measured at fair value consists of level 1 financial assets amounting Rs.255.953 million (June 30, 2024: Rs.198.595 million).

During the period ended December 31, 2024, there were no transfers amongst the levels. Further, there were no changes in the valuation techniques during the period.

The carrying values of other financial assets and liabilities reflected in the financial statements approximate their fair values.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		(Un-audited)	
		Six months period ended	
		December 31,	December 31,
		2024 Rupees	2023 Rupees
15.	TRANSACTIONS WITH RELATED PARTIES		
15.1	Significant transactions with related parties are as follows:		
	Transactions with Subsidiary Companies		
	Advance against share subscription money	17,764,749	196,109,105
	Transactions with Associated Companies		
	Sales:		
	• raw material / yarn / stores and spare parts	937,768,987	549,631,776
	• fixed assets	-	50,000,000
	Purchases:		
	• raw material / yarn / stores and spare parts	326,471,783	97,728,631
	• fixed assets	-	289,270,112
	• services obtained	887,130	-
	Expenses charged by	37,461,430	22,546,480
	Expenses charged to	2,844,636	10,318,320
	Dividend:		
	• Received	8,990,189	8,990,189
	• Paid	27,094,620	27,047,232
	Transactions with Key management personnel		
	Remuneration and other benefits	88,503,884	61,280,064
15.2	Period / year end balances are as follows:		
	Receivables from related parties		
	Trade debts	506,946,120	292,089,052
	Payable to related parties		
	Advance against sale of fixed assets	961,629,200	-
	Trade and other payables	132,235,948	58,848,764

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

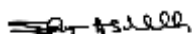
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

16. CORRESPONDING FIGURES

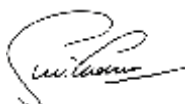
- In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited non statutory financial statements of the Company for the year ended June 30, 2024 (post merger), whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the six months period ended December 31, 2023.
- Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation.

17. DATE OF AUTHORISATION FOR ISSUE

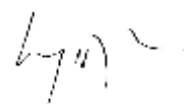
These condensed interim financial statements were approved by the Board of Directors and authorised for issue on February 26, 2025.



Chief Executive Officer



Director



Chief Financial Officer

Note:

[illegible]

Note:

[illegible]



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2024

DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors are pleased to present their report together with consolidated financial statements of Reliance Cotton Spinning Mills Limited and its subsidiaries RSCM Company (Pvt.) Limited and Sapphire Electronics (Pvt.) Limited for the six months period ended December 31, 2024. The Company has annexed consolidated financial statements along with its separate financial statements in accordance with the requirements of the International Accounting Standard-27 (Consolidated and Separate Financial Statements).

RSCM Company (Pvt.) Limited

Reliance Cotton Spinning Mills Limited ("the Holding Company") and its wholly owned subsidiary RSCM Company (Private) Limited collectively referred to as "the Group" was incorporated in Pakistan under the Companies Ordinance, 1984. The Holding Company is listed on Pakistan Stock Exchange Limited (formerly known as Karachi Stock Exchange Limited and Lahore Stock Exchange Limited). The wholly owned subsidiary was incorporated on November 8, 2017.


RSCM Company (Pvt.) Limited was incorporated in Pakistan as private limited by shares wholly owned by Reliance Cotton Spinning Mills Limited under Companies Ordinance, 1984 on November 08, 2017.

The principal activity of the subsidiary is to take or otherwise acquire and hold shares in any other company but not to act as an investment company.

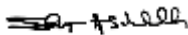
Sapphire Electronics (Pvt.) Limited

Sapphire Electronics Company (Pvt.) Limited was incorporated in Pakistan under the Companies Act, 2017 on September 23, 2024. The principal line of business of the company shall be to carry on the business of manufacturers, buyers, sellers, importers, exporters, dealers, suppliers, wholesalers, retailers, assemblers and distributors of all kinds of electrical and electronic goods including but not limited to electronic products, computers, domestic appliances goods and to do all such other things and acts as may appear to be incidental or conducive to the attainment of the above objects and to have full power to exercise all powers to achieve or to endeavor to achieve the above objects.

For and on behalf of the Board



SHAHID ABDULLAH
DIRECTOR



SHAYAN ABDULLAH
CHIEF EXECUTIVE

Lahore
Dated: February 26, 2025

ڈائریکٹر رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 دسمبر 2024ء کو ختم ہونے والی ششماہی کے لئے ریلائنس کاٹن سپنگ ملز لمیٹڈ اور اسکی ذیلی کمپنی RSCM کمپنی (پرائیویٹ) لمیٹڈ اور سفارز الیکٹرونکس (پرائیویٹ) لمیٹڈ کے اشتہال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ-27 (اشتہال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتہال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ الگ مالی گوشوارے منسلک کئے ہیں۔

RSCM کمپنی (پرائیویٹ) لمیٹڈ:

ریلائنس کاٹن سپنگ ملز لمیٹڈ (ہولڈنگ کمپنی) اور اس کی مکمل ملکیتی ذیلی کمپنی RSCM (پرائیویٹ) لمیٹڈ جو مجموعی طور پر ایک "گروپ" کہلاتا ہے کمپنیز آرڈیننس، 1984ء کے تحت پاکستان میں قائم ہوا۔ ہولڈنگ کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ (سابقہ کراچی اسٹاک ایکسچینج لمیٹڈ اور لاہور اسٹاک ایکسچینج لمیٹڈ) میں اندراج شدہ ہے۔ مکمل ملکیتی ذیلی کمپنی 8 نومبر 2017ء کو قائم ہوئی تھی۔

RSCM کمپنی (پرائیویٹ) لمیٹڈ کمپنیز آرڈیننس، 1984ء کے تحت 08 نومبر 2017ء کو ریلائنس کاٹن سپنگ ملز لمیٹڈ کی مکمل ملکیتی شیئرز کے ذریعے ایک پبلک لمیٹڈ کی حیثیت سے پاکستان میں قائم ہوئی۔

ذیلی کمپنی کا بنیادی کاروبار کسی دیگر کمپنی کے حصص لینا یا دوسری صورت میں خریدنا اور ہولڈ کرنا، لیکن سرمایہ کاری کمپنی کے طور پر کام کرنا نہیں ہے۔

سفارز الیکٹرونکس (پرائیویٹ) لمیٹڈ:

سفارز الیکٹرونکس کمپنی (پرائیویٹ) لمیٹڈ کو 23 ستمبر 2024ء کو کمپنیز ایکٹ 2017ء کے تحت پاکستان میں قائم کیا گیا۔ کمپنی کے کاروبار کی بنیادی لائن مینوفیکچررز، خریداروں، فروخت کنندگان، درآمد کنندگان، برآمد کنندگان، ڈیلرز، سپلائرز، ہول سیلرز، ریٹیلرز، اسمبلرز اور تمام قسم کے برقی اور الیکٹرانک سامان بشمول لیکن محدود نہیں کمپیوٹرز، گھریلو آلات کا سامان کے ڈسٹری بیوٹرز کا کاروبار کرنا اور ایسے دیگر تمام کام کرنا جو مندرجہ بالا اشیاء کے حصول کے لئے موافق اور ناموافق معلوم ہوتے ہیں اور مندرجہ بالا اشیاء کو حاصل کرنے یا حاصل کرنے کی کوشش کرنے کے لئے تمام اختیارات استعمال کرنے کی اجازت ہے۔

منجانب بورڈ آف ڈائریکٹرز

— — — — —

(شایان عبداللہ)

چیف ایگزیکٹو

— — — — —

(شاہد عبداللہ)

ڈائریکٹر

لاہور

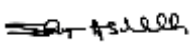
تاریخ: 26 فروری 2025ء

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION-(Un Audited)

As At December 31, 2024

		(Un-audited) December 31,	(Audited) June 30,
	Note	2024 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	6,688,030,135	6,501,792,556
Long term investments	5	3,375,317,345	3,192,234,705
Long term advances and deposits		25,167,424	25,792,424
		10,088,514,904	9,719,819,685
CURRENT ASSETS			
Stores, spare parts and loose tools		183,605,725	198,949,587
Stock-in-trade	6	6,286,731,273	5,906,372,126
Trade debts		2,276,721,167	2,196,187,377
Loans and advances		274,400,152	314,967,729
Short term deposits and prepayments		26,416,901	2,750,722
Short term investments		258,228,666	200,729,824
Other receivables		165,259,925	410,272,359
Tax refunds due from Government		536,324,963	671,628,102
Cash and bank balances		282,429,699	269,899,041
		10,290,118,471	10,171,756,867
TOTAL ASSETS		20,378,633,375	19,891,576,552
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 12,000,000 ordinary shares of Rs.10 each		120,000,000	120,000,000
Issued, subscribed and paid-up capital			
10,652,000 (2024:10,292,000) ordinary shares of Rs.10 each		106,520,000	102,920,000
Reserves		7,054,411,503	395,043,178
Unappropriated profit		4,232,456,979	10,232,178,056
		11,393,388,482	10,730,141,234
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term liabilities	7	2,210,971,437	2,457,874,482
Staff retirement benefit - gratuity		200,399,648	179,710,930
Deferred taxation		135,040,308	60,681,321
		2,546,411,393	2,698,266,733
CURRENT LIABILITIES			
Trade and other payables		2,645,225,582	1,545,651,964
Contract liabilities		56,447,089	30,698,160
Accrued mark-up / interest		105,272,364	211,087,213
Short term borrowings	8	2,558,877,608	3,497,159,879
Current portion of long term finances		658,875,534	664,785,046
Unclaimed dividend		920,117	861,089
Provision for taxation	9	413,215,206	512,925,234
		6,438,833,500	6,463,168,585
TOTAL LIABILITIES		8,985,244,893	9,161,435,318
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		20,378,633,375	19,891,576,552

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


Chief Executive Officer


Director

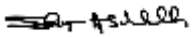

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS-(Un Audited)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
		2024 Rupees	2023 Rupees (Restated)	2024 Rupees	2023 Rupees (Restated)
Sales - net	11	3,750,226,808	3,242,281,350	8,319,323,498	6,741,316,114
Cost of sales	12	(3,204,119,345)	(2,638,440,715)	(6,942,951,649)	(5,488,950,895)
Gross profit		546,107,463	603,840,635	1,376,371,849	1,252,365,219
Distribution cost		(72,403,541)	(41,243,650)	(168,802,626)	(87,284,580)
Administrative expenses		(92,140,479)	(45,162,541)	(160,544,097)	(83,513,019)
Other income		19,104,121	59,315,943	74,720,730	67,036,422
Other expenses		(22,778,381)	(23,487,916)	(39,123,769)	(46,908,740)
Profit from operations		377,889,183	553,262,471	1,082,622,087	1,101,695,302
Finance cost		(142,386,197)	(229,179,610)	(375,774,985)	(426,611,451)
Share of profit from associates		19,032,897	14,027,098	82,026,611	113,638,799
Profit before revenue tax and income tax		254,535,883	338,109,959	788,873,713	788,722,650
Final taxes - levy		(2,388,147)	-	(3,227,324)	(1,348,529)
Profit before income tax		252,147,736	338,109,959	785,646,389	787,374,121
Income Tax					
- current		16,210,603	(23,283,801)	(174,276,374)	(74,058,960)
- deferred		(40,384,360)	(3,998,635)	(68,694,205)	(6,480,785)
		(24,173,757)	(27,282,436)	(242,970,579)	(80,539,745)
Profit after taxation		227,973,979	310,827,523	542,675,810	706,834,376
Earnings per share					
- basic and diluted		21.40	30.20	50.95	68.68

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


Chief Executive Officer

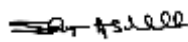

Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME-(Un Audited) FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Quarter ended		Six months period ended	
	December 31,	December 31,	December 31,	December 31,
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Profit after taxation	227,973,979	310,827,523	542,675,810	706,834,376
Other comprehensive income				
Items that will not be reclassified to statement of profit or loss subsequently				
Share in associates' unrealised gain				
on available for sale investment at FVTOCI	112,043,402	84,704,791	110,423,554	113,851,697
Unrealised gain on remeasurement of investment				
at fair value through other comprehensive income	57,289,144	4,456,612	57,358,001	6,455,869
	169,332,546	89,161,403	167,781,555	120,307,566
Impact of deferred tax	(5,664,782)	-	(5,664,782)	-
Share in associate's unrealised gain/(loss)				
on hedging instruments	438,465	(2,598,738)	851,552	-
Total comprehensive income for the period	392,080,208	397,390,188	705,644,135	827,141,942

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


Chief Executive Officer

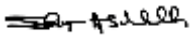

Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Six months period ended	
	December 31, 2024 Rupees	December 31, 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before final tax levies and income taxation	788,873,713	788,722,650
Adjustments for non-cash and other items:		
Depreciation	302,412,148	164,173,504
Provision for doubtful loan	(8,000,000)	-
Staff retirement benefit - gratuity	38,700,000	22,200,000
Provision for workers' profit participation fund	27,372,823	32,071,161
Provision for workers' welfare fund	11,348,264	13,854,382
Provision for GIDC	81,486	836,276
Fair value gain on investment	(140,840)	(50,519)
Gain on disposal of operating fixed assets	(2,139,964)	(41,227,556)
Provision / Reversal of provision for expected credit loss	1,960,859	(5,934,537)
Dividend income	(12,525,306)	(1,952,096)
Finance cost	375,774,985	425,775,175
Share of profit from associates	(82,026,611)	(113,638,799)
	1,441,691,557	1,284,829,641
Working capital changes		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	15,343,862	(43,385,424)
- stock-in-trade	(380,359,147)	(601,510,861)
- trade debts	(82,494,649)	147,083,964
- loans and advances	48,567,577	(185,343,459)
- short term deposit and prepayments	(23,666,179)	(8,802,791)
- deposits, other receivables and sales tax	107,260,685	118,735,299
	(315,347,851)	(573,223,272)
Increase / (decrease) in current liabilities:		
- trade and other payables	1,120,151,378	(227,384,465)
- contract liabilities	25,748,929	(29,841,582)
	1,145,900,307	(257,226,047)
Net working capital changes	830,552,456	(830,449,319)
Staff retirement benefits paid	(18,011,282)	(15,890,971)
Finance cost paid	(481,589,834)	(383,426,633)
Taxes paid	(4,158,835)	(41,434,864)
Workers' profit participation fund paid	(59,298,847)	(46,095,735)
Long term advances and deposits - net	625,000	-
	(562,433,798)	(486,848,203)
Net cash generated / (used in) from operating activities	1,709,810,215	(32,467,881)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(489,506,767)	(857,649,307)
Proceeds from disposal of operating fixed assets	2,997,000	56,094,000
Dividend income received	21,515,494	10,942,286
Net cash used in investing activities	(464,994,273)	(790,613,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - repaid	(252,894,042)	(138,848,347)
Dividend paid	(41,108,972)	(41,108,551)
Short term borrowings - net	(938,282,271)	1,046,270,221
Net cash (used in) / generated from financing activities	(1,232,285,285)	866,313,323
Net increase in cash and cash equivalents	12,530,658	43,232,421
Cash and cash equivalents - at beginning of the period	269,899,041	197,801,997
Cash and cash equivalents - at end of the period	282,429,699	241,034,418

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


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un Audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Issued, subscribed and paid-up capital	Capital Reserve	Reserves				Unrealised gain / (loss) on investments at fair value through other comprehensive income	Total
			On hedging instruments	General	Merger Reserve	Sub-total		
Balance as at July 1, 2023 (Audited)	102,920,000	-	1,980,397	118,353,673	-	8,619,232,451	8,739,566,521	8,746,631,140
Transactions with owners of the Company								
Final dividend related to the year ended								
June 30, 2023 @ Rs. 4 per share	-	-	-	-	-	(41,168,000)	(41,168,000)	(41,168,000)
Total comprehensive income for the six months period ended December 31, 2023								
Profit for the period	-	-	-	-	-	706,834,376	706,834,376	706,834,376
Other comprehensive income	-	-	-	-	-	-	-	120,307,566
Share of increase in reserves of associated companies under equity method	-	-	-	-	-	20,448	20,448	20,448
Balance as at December 31, 2023 (Un-audited)	102,920,000	-	1,980,397	118,353,673	-	9,284,919,275	9,405,253,345	9,532,625,530
Balance as at July 1, 2024 (Audited)	102,920,000	-	3,159,062	168,353,673	26,928,154	10,232,178,056	10,430,618,945	10,730,141,234
Share capital issued under scheme of merger	3,600,000	-	-	-	(3,600,000)	-	(3,600,000)	-
Transactions with owners of the Company								
Final dividend related to the year ended								
June 30, 2024 @ Rs.4 per share	-	-	-	-	-	(41,168,000)	(41,168,000)	(41,168,000)
Total comprehensive income for the six months period ended December 31, 2024								
Profit for the period	-	-	-	-	-	542,675,810	542,675,810	542,675,810
Other comprehensive income	-	-	851,552	-	-	-	851,552	162,116,773
Transfer to capital reserve	-	6,500,000,000	-	-	-	(6,500,000,000)	-	-
Share of decrease in reserves of associated companies under equity method	-	-	-	-	-	(1,228,887)	(1,228,887)	(1,228,887)
Balance as at December 31, 2024 (Un-audited)	106,520,000	6,500,000,000	4,010,614	168,353,673	23,328,154	4,232,456,979	10,928,149,420	11,393,388,482

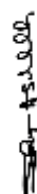
The annexed notes form an integral part of these condensed interim financial statements.



Director



Chief Financial Officer



Chief Executive Officer

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

1. THE GROUP AND ITS OPERATIONS

The Group consist of:

The Parent Company

- Reliance Cotton Spinning Mills Limited

Subsidiary Company

- RCSM Company (Private) Limited

• Reliance Cotton Spinning Mills Limited

Reliance Cotton Spinning Mills Limited ("The Parent Company") was incorporated in Pakistan on June 13, 1990 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was listed on June 16, 1993 on Pakistan Stock Exchange Limited. The principal activity of the Holding Company is manufacturing and sale of yarn.

Karachi

312, Cotton Exchange Building,
I.I. Chundrigar Road,

Purpose

Registered office

Lahore

1st Floor, Tricon Corporate Centre,
73-E, Main Jail Road, Gulberg II,

Head office

Sheikhupura

Feroze Wattwan, District Sheikhupura,

Production plant

• RCSM Company (Private) Limited

RCSM Company (Private) Limited was incorporated in Pakistan under the Companies Ordinance, 1984 (now companies Act, 2017) on November 8, 2017. The principal activity of the subsidiary is to take or otherwise acquire and hold shares in any other company but not to act as an investment company.

• Sapphire Electronics (Pvt.) Limited

Sapphie Electronics Company (Pvt.) Limited was incorporated in Pakistan under the Companies Act, 2017 on September 23, 2024. The principal line of business of the company shall be to carry on the business of manufacturers, buyers, sellers, importers, exporters, dealers, suppliers, wholesalers, retailers, assemblers and distributors of all kinds of electrical and electronic goods including but not limited to electronic products, computers, domestic appliances goods and to do all such other things and acts as may appear to be incidental or conducive to the attainment of the above objects and to have full power to exercise all powers to achieve or to endeavour to achieve the above objects.

1.1 Merger of Amer Cotton Mills (Private) Limited (ACML) with and into the Company

Amer Cotton Mills (Private) Limited (the Company) was incorporated in Pakistan on December 19, 1985 as a Private Limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). It is principally engaged in manufacturing and sale of yarn. Manufactured yarn is sold both locally and internationally.

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

Bhai Pheru

Jumber Khurd, Bhai Pheru, District. Kasur

Production plant

The Company and ACML had filed a joint petition before the Honourable Sindh High Court, seeking / obtaining sanction of the Court for a Scheme of Arrangement for Amalgamation under sections 279 to 283 of the Companies Act, 2017 ("Merger Scheme"). The merger was originally considered by the Board of Directors of both the Companies in their respective meetings held on August 28, 2024, wherein the Merger Scheme was adopted. The Merger Scheme was also approved by the shareholders of both Companies in the separate Extra Ordinary General Meetings of the members held on September 26, 2024. On November 15, 2024, the Court has sanctioned the Merger Scheme without any modifications, additions, or deletions.

As the Court has not specified any effective date of merger in its order, the Board of Directors of the Company has declared, as allowed under the Merger Scheme, March 31, 2024 as the Effective Date of Merger. As a result of the Merger, from and on the Effective Date:

(i) - the entire undertaking of ACML together with all the properties, assets, rights, liabilities, obligations, permanent employees, claims, charges, contracts, etc. of every description have been transferred to and vested (at book values) in the Company;

(ii) - The Company has issued its 0.09 ordinary share of Rs.10 each for every 1 ordinary shares of ACML held by the shareholders of ACML on the effective date. As a result of merger, the Company has issued 360,000 ordinary shares to the entitled shareholders of the ACML. These shares were issued on November 28, 2024.

(iii) - ACML has been merged / amalgamated into the Company without any further act, deed, matter or thing including any winding-up procedures.

(iv) - To eliminate the cross holdings of the Companies 18,100 ordinary shares of the Company held by ACML at the effective date of merger shall be cancelled and the same shall be re-issued to the existing shareholders of ACML.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These consolidated financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.1.3 After the approval of merger of ACML with and into the Company, the Company prepared a special purpose non statutory financial statement as at June 30, 2024 taking into account the effect of merger. These special purpose non statutory financial statements were duly audited by the statutory auditors of the Company. Comparative figures of the statement of financial position in these condensed interim financial statements have been extracted from these special purpose non statutory financial statements.

2.2 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 01, 2025, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these Consolidated financial statements.

2.3 Material accounting policy information

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2024.

2.3.1 Restatement

In May 2024, the Institute of Chartered Accountants of Pakistan (ICAP) had issued a circular on "IAS - 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of taxes paid under minimum tax regime (which is not adjustable against the future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax. Accordingly, the impact has been incorporated in these interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS - 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the condensed interim statement of financial position and statement of cash flows as a result of this change.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2024.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		(Un-audited) December 31,	(Audited) June 30,
	Note	2024 Rupees	2024 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	5,843,023,313	6,108,529,641
Capital work-in-progress	4.2	845,006,822	393,262,915
		6,688,030,135	6,501,792,556
4.1 Operating fixed assets			
Net book value at beginning of the period / year		6,108,529,641	2,990,289,649
Book value of property, plant and equipment of ACML acquired upon merger		-	2,182,310,791
Additions during the period / year	4.1.1	37,762,859	1,499,974,677
Disposals costing Rs.3.366 million (June 30, 2024: Rs. 289.828 million) - at net book value		(857,039)	(143,937,194)
Depreciation charge for the period / year		(302,412,148)	(420,108,282)
Net book value at end of the period / year		5,843,023,313	6,108,529,641
4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on freehold land:			
• residential		-	25,416,940
• factory		9,755,237	213,657,155
Plant and machinery		19,489,621	957,230,954
Electric installation		-	303,310,228
Mills equipment		3,804,001	359,400
Vehicles		4,714,000	-
		37,762,859	1,499,974,677
4.1.2	These include transfer from capital work-in-progress amounting Rs.37.762 million (June 30, 2024: Rs.1,499.975 million).		
4.2 Capital work-in-progress			
Buildings		36,060,917	31,361,807
Plant and machinery	4.2.1	806,132,910	357,162,108
Advance payments against:			
• Vehicle		2,812,995	4,739,000
		2,812,995	4,739,000
		845,006,822	393,262,915

4.2.1 The Company, during the period, has capitalized borrowing cost of Rs.Nil (June 30, 2024: Rs.35.934 million) charged at the rate ranging from Nil (June 30, 2024: 17.03% to 23.13%) per annum.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		(Un-audited) December 31,	(Audited) June 30,
	Note	2024 Rupees	2024 Rupees
5. LONG TERM INVESTMENTS			
Investments in associates - at Equity Method			
Quoted:			
Sapphire Fibres Limited	5.1	1,994,745,803	1,870,741,663
Sapphire Textile Mills Limited	5.2	321,339,875	293,357,610
Un-quoted:			
SFL Limited	5.3	216,752,078	210,784,518
Sapphire Finishing Mills Limited	5.4	287,322,288	287,121,571
Sapphire Holding Limited	5.5	108,726,830	104,323,303
Sapphire Power Generation Limited	5.6	359,734,777	339,347,849
Sapphire Dairies (Pvt) Limited	5.7	86,695,694	86,558,191
Sanifa Agri Services Limited	5.8	-	-
		3,375,317,345	3,192,234,705
Investments in associates - at cost:			
Quoted:			
5.1 Sapphire Fibers Limited			
798,796 ordinary shares of Rs.10 each			
Equity interest held 3.8642%		468,514,083	468,514,083
Share of post acquisition profit		1,534,219,680	1,410,215,540
Dividend received		(7,987,960)	(7,987,960)
		1,994,745,803	1,870,741,663
5.2 Sapphire Textile Mills Limited			
100,223 ordinary shares of Rs.10 each			
Equity interest held 0.462%		8,114,578	8,114,578
Share of post acquisition profit		314,227,527	286,245,262
Dividend received		(1,002,230)	(1,002,230)
		321,339,875	293,357,610
Un-quoted:			
5.3 SFL Limited			
401,570 ordinary shares of Rs.10 each			
Equity interest held 42.83%		2,439,475	2,439,475
Share of post acquisition profit		214,312,603	208,345,043
		216,752,078	210,784,518

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	(Un-audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
5.4 Sapphire Finishing Mills Limited		
1,556,000 ordinary shares of Rs.10 each		
Equity interest held 1.69%	16,509,160	16,509,160
Share of post acquisition profit	270,813,128	270,612,411
	287,322,288	287,121,571
5.5 Sapphire Holding Limited		
100,223 ordinary shares of Rs.10 each		
Equity interest held 0.5%	524,950	524,950
Share of post acquisition profit	108,201,880	103,798,353
	108,726,830	104,323,303
5.6 Sapphire Power Generation Limited		
2,580,200 ordinary shares of Rs.10 each		
Equity interest held 16.10%	19,425,000	81,931,127
Share of post acquisition profit	340,309,777	257,416,722
	359,734,777	339,347,849
5.7 Sapphire Dairies (Pvt.) Limited		
4,100,000 ordinary shares of Rs.10 each		
Equity interest held 2.26%	41,000,000	41,000,000
Share of post acquisition profit	45,695,694	45,558,191
	86,695,694	86,558,191
5.8 Sanifa Agri Services Limited (SASL)		
11,590,000 ordinary shares of Rs.10 each		
Equity interest held 33.11%	-	-
	-	-
6. STOCK-IN-TRADE		
Raw materials - in hand	4,072,191,258	3,406,275,461
Raw materials - in transit	778,716,779	967,894,287
Work-in-process	715,334,149	631,593,634
Finished goods	695,542,652	892,650,514
Waste	24,946,435	7,958,230
	6,286,731,273	5,906,372,126

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		(Un-audited) December 31,	(Audited) June 30,
	Note	2024 Rupees	2024 Rupees
7. LONG TERM LIABILITIES			
Long term finances	7.1	2,674,188,149	2,927,082,191
Provision for Gas Infrastructure			
Development Cess	7.2	195,658,822	195,577,337
		2,869,846,971	3,122,659,528
Less: current portion grouped under current liabilities		(658,875,534)	(664,785,046)
		2,210,971,437	2,457,874,482
7.1 LONG TERM FINANCES - SECURED			
Balance at beginning of the period / year		2,927,082,191	1,872,866,164
Add: disbursements / merger during the period / year	7.1.1	-	1,388,874,751
Less: repayments made during the period / year		(252,894,042)	(334,658,724)
Balance at end of the period / year		2,674,188,149	2,927,082,191

7.1.1 All the terms and conditions of long term finances are materially same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2024. These long term finances, during the period, carried mark-up / profit at the rates ranged from 2.50% to 22.91% (June 30, 2024: 2.50% to 24.02%) per annum.

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

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

The Company has recorded a provision against GIDC. The amount has been recorded at its present value, by discounting future estimated cash flows using risk free rate of return.

		(Un-audited) December 31,	(Audited) June 30,
	Note	2024 Rupees	2024 Rupees
8. SHORT TERM BORROWINGS			
Short term and foreign currency loans	8.1	999,231,871	1,260,000,000
Running / cash finances -secured	8.1	1,559,645,737	2,237,159,879
		2,558,877,608	3,497,159,879

8.1 The Company has obtained short term finance facilities, aggregating Rs.7,528 million (June 30, 2024: Rs.7,458 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.17,565 million (June 30, 2024: Rs.17,565 million) over current assets of the Company, lien on export / import documents, trust receipts and promissory notes duly signed by the directors. These finances carry mark-up / profit at the rates ranging from 9.20% to 22.28% (June 30, 2024: 18.05% to 24.04%) per annum. These facilities are expiring on various dates by August 31, 2025.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

9. PROVISION FOR TAXATION

The provision for taxation for the six month period ended and quarter ended December 31, 2024 has been made using the best possible estimate of total annual tax liability of the Company. Amount accrued may has to be adjusted in the subsequent period.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Guarantees issued by banks on behalf of the Group	882,861,730	523,700,000
---	-------------	-------------

Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2024 the value of these cheques amounted to Rs.11,280.54 million (June 30, 2024: Rs.11,299.160 million).

There has been no material change in the status of other contingencies as disclosed in the audited annual financial statements of the Company for the year ended June 30, 2024.

	(Un-audited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
10.2 Commitments in respect of :		
• letters of credit for capital expenditure	8,420,706	408,986,241
• letters of credit for purchase of cotton, raw materials and stores, spare parts	1,255,335,917	242,965,933
• capital expenditure other than letters of credit	24,103,083	12,275,251
• foreign bills discounted	353,080,525	538,367,280

11. SALES - NET

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

	----- Un-Audited -----			
	Quarter ended		Six months period ended	
	December 31, 2024 Rupees	December 31, 2023 Rupees	December 31, 2024 Rupees	December 31, 2023 Rupees
SALES - NET				
Local:				
Yarn	2,756,026,035	489,159,940	6,178,095,169	1,076,702,351
Raw material	20,044,150	411,205	139,552,891	9,384,937
Waste	86,876,706	16,252,378	210,299,303	82,695,105
	2,862,946,891	505,823,523	6,527,947,363	1,168,782,393
Export:				
Yarn	872,665,982	622,852,660	1,767,059,247	1,476,265,277
Yarn (indirect export)	-	2,057,821,506	-	4,014,211,584
Waste	-	50,255,036	-	73,483,910
	872,665,982	2,730,929,202	1,767,059,247	5,563,960,771
	3,735,612,873	3,236,752,725	8,295,006,610	6,732,743,164
Processing income	8,364,435	277,125	11,497,888	1,998,450
Steam income	6,249,500	5,251,500	12,819,000	6,574,500
	3,750,226,808	3,242,281,350	8,319,323,498	6,741,316,114

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		-----Un-Audited-----			
		Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
	Note	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
12. COST OF SALES					
Finished goods at beginning of the period		580,500,889	737,788,089	900,608,744	843,332,923
Cost of goods manufactured	12.1	3,344,107,543	2,942,434,654	6,762,831,992	5,687,400,000
		3,924,608,432	3,680,222,743	7,663,440,736	6,530,732,923
Finished goods at end of the period		(720,489,087)	(1,041,782,028)	(720,489,087)	(1,041,782,028)
		3,204,119,345	2,638,440,715	6,942,951,649	5,488,950,895
12.1 Cost of goods manufactured					
Work-in-process at beginning of the period		759,078,659	618,186,985	631,593,634	609,784,835
Raw materials consumed		2,295,035,663	2,151,742,510	4,753,381,712	4,256,545,713
Direct labour and other overheads		1,005,327,370	795,014,444	2,093,190,795	1,443,578,737
		3,300,363,033	2,946,756,954	6,846,572,507	5,700,124,450
		4,059,441,692	3,564,943,939	7,478,166,141	6,309,909,285
Work-in-process at end of the period		(715,334,149)	(622,509,285)	(715,334,149)	(622,509,285)
		3,344,107,543	2,942,434,654	6,762,831,992	5,687,400,000

13. FINANCIAL RISK MANAGEMENT

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

There has been no change in the Group's sensitivity to these risks since June 30, 2024, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

These consolidated financial statement does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Group's audited annual financial statement as at June 30, 2024.

14. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Given below is the analysis of financial instruments, carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The Company's financial assets measured at fair value consists of level 1 financial assets amounting Rs.258.229 million (June 30, 2024: Rs.200.730 million).

During the period ended December 31, 2024, there were no transfers amongst the levels. Further, there were no changes in the valuation techniques during the period.

The carrying values of other financial assets and liabilities reflected in the financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		(Un-audited) Six months period ended December 31,	
		2024 Rupees	2023 Rupees
15.	TRANSACTIONS WITH RELATED PARTIES		
15.1	Significant transactions with related parties are as follows:		
	Transactions with Associated Companies		
	Sales:		
	• raw material / yarn / stores and spare parts	937,768,987	549,631,776
	• fixed assets	-	50,000,000
	Purchases:		
	• raw material / yarn / stores and spare parts	326,471,783	97,728,631
	• fixed assets	-	289,270,112
	• services obtained	887,130	-
	Expenses charged by	37,461,430	22,546,480
	Expenses charged to	2,844,636	10,318,320
	Dividend:		
	• Received	8,990,189	8,990,189
	• Paid	27,094,620	27,047,232
	Transactions with Key management personnel		
	Remuneration and other benefits	88,503,894	61,280,064

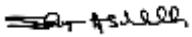
		(Un-audited) December 31,	(Audited) June 30,
		2024 Rupees	2024 Rupees
15.2	Period / year end balances are as follows:		
	Receivables from related parties		
	Trade debts	506,946,120	292,089,052
	Payable to related parties		
	Advance against sale of fixed assets	961,629,200	-
	Trade and other payables	132,235,948	58,848,764

16. CORRESPONDING FIGURES

- In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2024, whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of consolidated financial statements of the Group for the six months period ended December 31, 2023.
- Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorised for issue on February 26, 2025.


Chief Executive Officer


Director


Chief Financial Officer

Note:

[illegible]



CORPORATE OFFICE

312, Cotton Exchange Building, I.I.
Chundrigar Road, Karachi, Pakistan.
Phone: +92 21 111 000 100, +92 21 3241 0930 Fax: +92 21 3241 6705
E-Mail: contact@sapphiretextiles.com.pk

LAHORE OFFICE

1st Floor, Tricon Corporate Centre, 73-E Main Jail Road,
Gulberg II, Lahore, Pakistan.
Phone: +92 42 111 000 100, +92 42 3575 0410 Fax: +92 21 3241 6705
E-Mail: contact@sapphiretextiles.com.pk