

# Reliance Cotton Spinning Mills Limited

First Quarter 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/rcsm](http://www.sapphire.com.pk/rcsm)

## CORPORATE OFFICE:

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

## MILLS:

Feroze Wattoan,  
District Sheikhpura, Punjab.

# UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Directors' Report (English)	Directors' Report (Urdu)	Unconsolidated Condensed Interim Statement of Financial Position	Unconsolidated Condensed Interim Statement of Profit or Loss
Unconsolidated Condensed Interim Statement of Comprehensive Income	Unconsolidated Condensed Interim Statement of Cash Flows	Unconsolidated Condensed Interim Statement of Changes in Equity	Notes to the Unconsolidated Condensed Interim Financial Statements

# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Directors' Report (English)	Directors' Report (Urdu)	Unconsolidated Condensed Interim Statement of Financial Position	Consolidated Condensed Interim Statement of Profit or Loss
Consolidated Condensed Interim Statement of Comprehensive Income	Consolidated Condensed Interim Statement of Cash Flows	Consolidated Condensed Interim Statement of Changes in Equity	Notes to the Consolidated Condensed Interim Financial Statements







# UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED  
SEPTEMBER 30, 2024



## DIRECTORS' REPORT

The Directors of the Company are pleased to present un-audited financial statements for the quarter ended 30<sup>th</sup> September 2024.

## Financial Highlights

	30 September	
	2024	2023
	Rupees in thousand	
Sales	4,257,733	3,499,035
Profit from operations	600,803	548,307
Finance cost	(97,786)	(197,432)
Taxation	(192,973)	(52,716)
Profit after taxation	310,044	298,159

## Financial Performance

In the first quarter of this financial year, your Company achieved sales of Rs. 4.26 billion, reflecting an increase of 21.7% compared to Rs. 3.50 billion in the corresponding period of last year. This growth was driven by robust demand for our products in both domestic and export markets. The gross profit as a percentage of sales stood at 18.0%, slightly lower than 18.5% achieved during last year. The Company recorded a profit after tax of Rs. 310 million compared to Rs. 298 million during first quarter of last year.

## Earnings Per Share

The Company's earnings per share (EPS) for the quarter were Rs. 30.12 as compared to Rs. 28.97 in the corresponding period of last year.

## Future Outlook

A positive shift in inflation and interest rates is expected to bring some relief in terms of margins and profitability in coming months. However, the heavy taxation burden on export-oriented sectors, including textiles, will hinder growth and deter investment in these critical industries.

The management remains committed to driving continuous improvement across all operations, ensuring sustained growth and long-term value for stakeholders.

## Significant Changes Occurred During the Quarter

The Board of Directors of the Company in their meeting held on August 28, 2024, has approved the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation / Merger of Amer Cotton Mills (Pvt.) Limited (ACML) - an Associated Company and its members with and into the Company in terms of provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017.

Upon the completion of merger / amalgamation through the intended Scheme, ACML will be dissolved under the order of the Honorable High Court of Sindh at Karachi without winding up and the shares of the Company shall be issued to the registered shareholders of ACML as per the SWAP ratio determined by the management of the Company. For this purpose, a petition has been filed with the Honorable High Court of Sindh on September 02, 2024.

312, Cotton Exchange Building,  
I.I. Chundrigar Road, Karachi (Pakistan).  
UAN: +92 21 3241 0930, Fax: +92 21 3241 6705  
7A-K, Main Boulevard, Gulberg II, Lahore (Pakistan)  
Phone: +92 42 35750410, Fax: +92 42 35758783  
World Fax: +1 917 5913166



**Reliance Cotton Spinning Mills Ltd.**

### **Acknowledgment**

The Directors extend their appreciation to the staff and workers of the Company for their dedication and hard work.

For and on behalf of the Board

A handwritten signature in black ink, appearing to be "Shahid Abdullah".

Shahid Abdullah  
Director

A handwritten signature in black ink, appearing to be "Shayan Abdullah".

Shayan Abdullah  
Chief Executive

Lahore  
October 29, 2024



## Reliance Cotton Spinning Mills Ltd.

### ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2024ء کو ختم ہونے والی سرمایہ کے لئے کمپنی کے غیر نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مالی جھلکیاں

روپے ہزاروں میں

30 ستمبر 2023	30 ستمبر 2024	
3,499,035	4,257,733	فروخت
548,307	600,803	آپریشنز سے منافع
(197,432)	(97,786)	مالی لاگت
(52,716)	(192,973)	ٹیکسیشن
298,159	310,044	ٹیکس کے بعد منافع

### مالیاتی کارکردگی

رواں مالی سال کی پہلی سہ ماہی کے دوران کمپنی نے 4.26 بلین روپے کی فروخت حاصل کی جو گزشتہ سال کے اسی عرصے کے 3.50 بلین روپے کے مقابلے میں 21.7 فیصد زیادہ ہے۔ یہ اضافہ دونوں ملکی اور برآمدی مارکیٹوں میں ہماری مصنوعات کے لئے طلب بڑھنے کی وجہ سے ہوا ہے۔ فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کی پہلی سہ ماہی کے دوران 18.5 فیصد سے معمولی کم ہو کر زیر جائزہ مدت کے دوران 18.0 فیصد رہ گیا۔ کمپنی نے بعد از ٹیکس منافع 310 بلین روپے درج کر لیا جو گزشتہ سال کی اسی سہ ماہی کے دوران 298 بلین روپے تھا۔

### فی حصص آمدنی

کمپنی کی موجودہ سرمایہ کی فی حصص آمدنی (EPS) 30.12 روپے ہے جو کہ پچھلے سال کی اسی سہ ماہی کی 28.97 روپے تھی۔

### مستقبل کا نقطہ نظر

افراط زر اور شرح سود میں مثبت تبدیلی سے آئندہ مہینوں میں مارجن اور منافع کے لحاظ سے کچھ سکون ملنے کی توقع ہے۔ تاہم ٹیکسٹائل سمیت برآمدی شعبوں پر بیہادری ٹیکسوں کا بوجھ نمو کی راہ میں رکاوٹ بنے گا اور ان اہم صنعتوں میں سرمایہ کاری کو روک دے گا۔

انتظامیہ تمام آپریشنز میں مسلسل بہتری لانے، اسٹیک ہولڈرز کے لئے مستحکم نمو اور طویل مدتی قدر کو یقینی بنانے کے لئے پُر عزم ہے۔

### سہ ماہی کے دوران ہونے والی اہم تبدیلیاں

کمپنی کے بورڈ آف ڈائریکٹرز نے 28 اگست 2024ء کو منعقدہ اپنے اجلاس میں کمپنیز ایکٹ 2017ء کے سیکشن 279 تا 283 اور دیگر تمام متعلقہ دفعات کے مطابق، عام کارٹن ملز (پرائیویٹ) لمیٹڈ (اے سی ایم ایل) ایک ایسوسی ایٹڈ کمپنی اور اس کے ممبران اور کمپنی کے ادغام/انتظام کے لئے سمجھوتوں، انتظامات اور غیر نوکی اسکیم کی منظوری دی ہے۔

مطلوبہ ادغام/انتظام کی اسکیم کی تکمیل کے بعد اے سی ایم ایل کو معزز عدالت عالیہ سندھ کراچی کے حکم کے تحت وائسٹنگ اپ کے بغیر تحلیل کر دیا جائے گا اور کمپنی کے شیئرز کمپنی کی انتظامیہ کی جانب سے مقرر کردہ سویپ تناسب کے مطابق اے سی ایم ایل کے رجسٹرڈ شیئرز ہولڈرز کو جاری کیے جائیں گے۔ اس مقصد کے لیے 02 ستمبر 2024ء کو معزز عدالت عالیہ سندھ میں ایک پٹیشن دائر کی گئی ہے۔

### اظہار تشکر

ڈائریکٹرز کمپنی کے عملہ اور کارکنوں کی مسلسل لگن اور سخت محنت کو سراہتے ہیں۔

منجانب بورڈ

شایان عبداللہ  
ڈائریکٹر

شایان عبداللہ  
چیف ایگزیکٹو

لاہور:


تاریخ: 29 اکتوبر 2024ء

**Reliance Cotton Spinning Mills Limited**  
**Statement Of Financial Position**  
**As at September 30, 2024**

		Un-Audited September 30, 2024	Audited June 30, 2024
	Note	--- Rupees ---	
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	4	4,101,949,799	4,151,998,699
Long term investments	5	715,964,376	715,964,376
Long term advances and deposits		9,572,690	9,887,690
Deferred taxation		58,627,371	67,949,917
		<u>4,886,114,236</u>	<u>4,945,800,682</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		79,133,332	65,071,820
Stock-in-trade		5,226,336,834	5,338,704,058
Trade debts		2,735,312,667	1,876,069,280
Loans and advances		545,472,277	90,863,597
Short term deposits and prepayments		1,003,023	1,003,023
Short term investments		23,246,890	23,731,750
Other receivables		199,569,164	173,602,022
Tax refunds due from Government		203,000,413	440,618,474
Cash and bank balances		244,073,280	242,057,392
		<u>9,257,147,880</u>	<u>8,251,721,416</u>
<b>Total assets</b>		<u><u>14,143,262,116</u></u>	<u><u>13,197,522,098</u></u>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital			
12,000,000 ordinary shares of Rs.10 each		120,000,000	120,000,000
Issued, subscribed and paid-up capital		102,920,000	102,920,000
Reserves		6,505,031,874	135,516,734
Unappropriated profit		1,871,634,727	7,931,591,126
<b>Total equity</b>		<u>8,479,586,601</u>	<u>8,170,027,860</u>
<b>Non current liabilities</b>			
Long term liabilities		1,351,306,635	1,406,786,986
Staff retirement benefit - gratuity		189,266,751	172,166,761
Deferred taxation		-	-
		<u>1,540,573,386</u>	<u>1,578,953,747</u>
<b>Current liabilities</b>			
Trade and other payables		1,664,273,588	1,273,368,343
Contract liabilities		61,170,145	28,786,532
Accrued mark-up / interest		56,546,121	56,150,323
Short term borrowings		1,564,355,547	1,497,168,386
Current portion of long term liabilities		332,084,066	332,044,816
Unclaimed dividend		861,089	861,089
Provision for income tax and levies		443,811,573	260,161,002
		<u>4,123,102,129</u>	<u>3,448,540,491</u>
<b>Total liabilities</b>		<u>5,663,675,515</u>	<u>5,027,494,238</u>
<b>Contingencies and commitments</b>	6		
<b>Total equity and liabilities</b>		<u><u>14,143,262,116</u></u>	<u><u>13,197,522,098</u></u>

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

  
**Chief Executive Officer**

  
**Director**


  
**Chief Financial Officer**



**Reliance Cotton Spinning Mills Limited**  
**Statement Of Profit Or Loss**  
**For the First Quarter Ended September 30, 2024**

		Un-Audited September 30, 2024	Un-Audited September 30, 2023
	Note	--- R u p e e s ---	
Sales	7	4,257,733,257	3,499,034,764
Cost of sales		(3,492,088,359)	(2,850,510,180)
<b>Gross profit</b>		<b>765,644,898</b>	<b>648,524,584</b>
Distribution cost		(89,722,143)	(46,040,930)
Administrative expenses		(65,177,185)	(38,350,478)
Other income		6,357,483	7,569,166
Other expenses		(16,300,388)	(23,395,782)
<b>Profit from operations</b>		<b>600,802,665</b>	<b>548,306,560</b>
Finance cost		(97,785,947)	(197,431,841)
<b>Profit before revenue tax and income tax</b>		<b>503,016,718</b>	<b>350,874,719</b>
Final taxes - levy		(59,336)	(47,556,109)
<b>Profit before income tax</b>		<b>502,957,382</b>	<b>303,318,610</b>
<b>Income Tax</b>			
- current		(183,591,235)	-
- deferred		(9,322,546)	(5,159,965)
		(192,913,781)	(5,159,965)
<b>Profit for the quarter</b>		<b>310,043,601</b>	<b>298,158,645</b>
<b>Earnings per share - basic and diluted</b>		<b>30.12</b>	<b>28.97</b>

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

  
**Chief Executive Officer**


  
**Director**

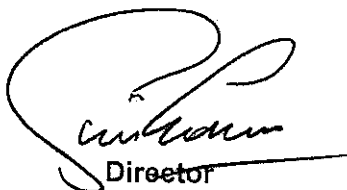
  
**Chief Financial Officer**

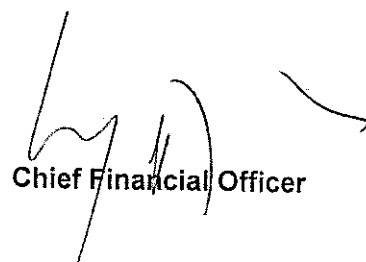
**Reliance Cotton Spinning Mills Limited**  
**Statement Of Other Comprehensive Income**  
**For the First Quarter Ended September 30, 2024**

	Un-Audited September 30, 2024	Un-Audited September 30, 2023
	--- Rupees ---	
Profit for the period	310,043,601	298,158,645
Other comprehensive (loss) / income		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised (loss) / income on remeasurement of investment at fair value through other comprehensive income	(484,860)	1,999,257
<b>Total comprehensive income for the period</b>	<b>309,558,741</b>	<b>300,157,902</b>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**Reliance Cotton Spinning Mills Limited**  
**Statement Of Cash Flows**  
**For the First Quarter Ended September 30, 2024**

Un-Audited                      Un-Audited  
September 30,                  September 30,  
2024                                  2023  
--- Rupees ---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before revenue tax and income tax	503,016,718	350,874,719
Adjustments for non-cash and other items:		
Depreciation	98,811,397	73,437,345
Staff retirement benefit - gratuity	18,600,000	11,100,000
Provision for workers' profit participation fund	16,300,388	16,187,023
Provision made for workers' welfare fund	-	7,208,759
Gain on disposal of operating fixed assets	(2,139,965)	(912,068)
Unwinding of interest of GIDC	39,249	606,511
Dividend income	(395,572)	(198,184)
Finance cost	97,746,698	196,825,329
	<u>731,978,913</u>	<u>655,129,434</u>

**Working capital changes**

Decrease / (increase) in current assets:

- stores, spare parts and loose tools	(14,061,512)	(15,737,637)
- stock-in-trade	112,367,224	(773,788,587)
- trade debts	(859,243,387)	(45,074,827)
- loans and advances	(454,608,680)	(154,493,715)
- short term deposit and prepayments	-	(24,358,773)
- other receivables and sales tax	135,533,558	789,091
	<u>(1,080,012,797)</u>	<u>(1,012,664,448)</u>

(Decrease) / increase in current liabilities:

- trade and other payables	374,604,857	(433,331,049)
- contract liabilities	32,383,613	66,905,355
	<u>406,988,470</u>	<u>(366,425,694)</u>
	58,954,586	(723,960,708)

**Net working capital changes**

Staff retirement benefits paid	(1,500,010)	(5,335,542)
Finance cost paid	(97,350,900)	(185,707,122)
Taxes paid / refunds	76,116,640	(27,974,625)
Rebate income received	722	64,730
Long term advances and deposits - net	315,000	-
	<u>(22,418,548)</u>	<u>(218,952,559)</u>
	36,536,038	(942,913,267)

**Net cash generated from / (used in) operating activities**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Fixed capital expenditure	(49,619,535)	(458,677,831)
Proceeds from disposal of operating fixed assets	2,997,003	6,094,000
Dividend income received	395,572	198,184
<b>Net cash used in investing activities</b>	<u>(46,226,960)</u>	<u>(452,385,647)</u>

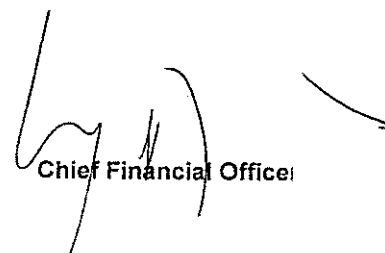
**CASH FLOWS FROM FINANCING ACTIVITIES**

Long term finances - repaid	(55,480,351)	(39,177,218)
Short term borrowings - net	67,187,161	1,495,514,254
<b>Net cash generated from financing activities</b>	<u>11,706,810</u>	<u>1,456,337,036</u>
<b>Net increase in cash and cash equivalents</b>	<u>2,015,888</u>	<u>61,038,122</u>
<b>Cash and cash equivalents - at beginning of the period</b>	<u>242,057,392</u>	<u>197,752,154</u>
<b>Cash and cash equivalents - at end of the period</b>	<u>244,073,280</u>	<u>258,790,276</u>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**Reliance Cotton Spinning Mills Limited**  
**Statement Of Changes In Equity**  
**For the First Quarter Ended September 30, 2024**

Issued, subscribed and paid-up capital	Reserves					Total
	Revenue	Capital	Revenue			
	Unrealised (loss) / gain on financial assets at fair value through other comprehensive income	Capital	General	Sub-total	Unappropriated profit	

Balance as at July 01, 2023	102,920,000	(2,496,987)	-	130,000,000	127,503,013	6,803,308,914	7,033,731,927
Total comprehensive income for the period ended Sep 30, 2023							
Profit for the quarter	-	-	-	-	-	298,158,645	298,158,645
Other comprehensive income	-	1,999,257	-	-	1,999,257	-	1,999,257
Balance as at Sep 30, 2023	-	1,999,257	-	-	1,999,257	298,158,645	300,157,902

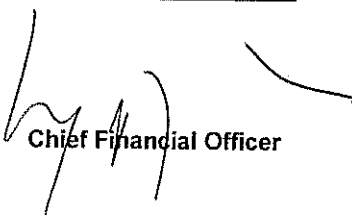
Balance as at Sep 30, 2023	102,920,000	(497,730)	-	130,000,000	129,502,270	7,101,467,559	7,333,889,829
Balance as at June 30, 2024	102,920,000	5,516,734	-	130,000,000	135,516,734	7,931,591,126	8,170,027,860
Total comprehensive income for the period ended Sep 30, 2024							
Profit for the quarter	-	-	-	-	-	310,043,601	310,043,601
Other comprehensive (loss)	-	(484,860)	-	-	(484,860)	-	(484,860)
	-	(484,860)	-	-	(484,860)	310,043,601	309,558,741
Transfer to capital reserve			6,500,000,000	(130,000,000)	6,370,000,000	(6,370,000,000)	-

Balance as at Sep 30, 2024	102,920,000	5,031,874	6,500,000,000	-	6,505,031,874	1,871,634,727	8,479,586,601
----------------------------	-------------	-----------	---------------	---	---------------	---------------	---------------

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

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**RELIANCE COTON SPINNING MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**For the First Quarter Ended September 30, 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.

<b>Karachi</b>	<b>Purpose</b>
312, Cotton Exchange Building, I.I Chundrigar Road	Registered office
<b>Lahore</b>	
1st Floor, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II,	Head office
<b>Sheikhupura</b>	
Ferozewattoan	Production plant

**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.

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.

**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 October 01, 2024, 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 Accounting policies

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.

### 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.

### 4. PROPERTY, PLANT AND EQUIPMENT

		Un-audited September 30, 2024	Audited June 30, 2024
	Note	----- Rupees -----	
Operating fixed assets	4.1	3,919,908,509	4,011,058,942
Capital work-in-progress	4.2	182,041,290	140,939,757
		<u>4,101,949,799</u>	<u>4,151,998,699</u>
<b>4.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		4,011,058,942	2,990,289,649
Additions during the period / year	4.1.1	8,518,001	1,413,490,515
Book value of assets disposed off during the period / year		(857,037)	(30,327,749)
Depreciation charge for the period / year		(98,811,397)	(362,393,473)
Net book value at end of the period / year		<u>3,919,908,509</u>	<u>4,011,058,942</u>
<b>4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:</b>			
Buildings on freehold land:			
• residential		-	25,416,940
• factory		-	127,532,393
Plant and machinery		-	957,230,954
Electric installation		-	303,310,228
Vehicles		4,714,000	-
Mills equipment		3,804,001	-
		<u>8,518,001</u>	<u>1,413,490,515</u>



**4.2 Capital work-in-progress**

	Un-audited September 30, 2024	Audited June 30, 2024
	----- Rupees -----	
Buildings	33,793,873	31,361,807
Plant and machinery	148,247,417	104,838,950
Vehicles	-	4,739,000
	<u>182,041,290</u>	<u>140,939,757</u>

**5. LONG TERM INVESTMENTS**

		Un-audited September 30, 2024	Audited June 30, 2024
		----- Rupees -----	
Subsidiary Company - at cost	5.1	200,437,130	200,437,130
Associated Companies - at cost	5.2	515,527,246	515,527,246
		<u>715,964,376</u>	<u>715,964,376</u>

**5.1 Investments in subsidiary - unquoted at cost:****RCSM Company (Private) Limited**

20,043,713 ordinary share of Rs. 10 each

Equity Interest held 100%

200,437,130 200,437,130

**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**

555,000 ordinary shares of Rs.10 each

Equity interest held 3.46%

19,425,000 19,425,000

515,527,246 515,527,246

**6. CONTINGENCIES AND COMMITMENTS****6.1 Contingencies**

Un-audited September 30, 2024	Audited June 30, 2024
----- Rupees -----	
Guarantees issued by banks on behalf of the Company	399,780,298
Post dated cheque issued	5,207,667,000

**6.2 Claim of Sales Tax**

There has been no material change in the status of contingencies pointed in the financial statement for the year ended June 30, 2024

**6.3 Commitments in respect of:**

Un-audited September 30, 2024	Audited June 30, 2024
----- Rupees -----	
• letters of credit for capital expenditure	393,833,136
• letters of credit for purchase of cotton, raw materials and stores, spare parts & chemical	733,574,799

**7. COST OF SALES**

		----- Un-audited ----- Quarter ended	
		September 30, 2024	September 30, 2023
Finished goods at beginning of the period	Note	626,261,910	843,332,923
Cost of goods manufactured	7.1	3,403,744,834	2,744,965,346
		4,030,006,744	3,588,298,269
Finished goods at end of the period		(537,918,385)	(737,788,089)
		3,492,088,359	2,850,510,180

**7.1 Cost of goods manufactured**

		----- Un-audited ----- Quarter ended	
		September 30, 2024	September 30, 2023
Work-in-process at beginning of the period		616,706,382	609,784,835
Raw materials consumed		2,557,242,391	2,104,803,203
Direct labour and other overheads		979,836,834	648,564,293
		3,537,079,225	2,753,367,496
Work-in-process at end of the period		(750,040,773)	(618,186,985)
		3,403,744,834	2,744,965,346

## 8. TRANSACTIONS WITH RELATED PARTIES

## 8.1 Significant transactions with related parties are as follows:

	Un-audited	
	Quarter ended	
	September 30, 2024	September 30, 2023
	----- Rupees -----	
<b>Transactions with Associated Companies</b>		
Sales:		
• raw material / yarn / stores and spare parts	434,458,250	312,123,421
Purchases:		
• raw material / yarn / stores and spare parts	264,579,696	368,050,966
Expenses charged by	2,952,462	2,006,387
Expenses Charged to	1,422,318	-

## 9. DATE OF AUTHORISATION FOR ISSUE

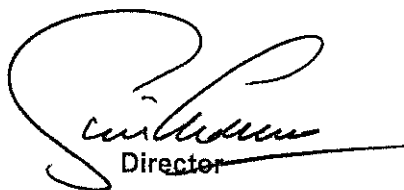
These condensed interim financial statements were approved by the Board of Directors and authorised for issue on October 29, 2024.

## 10. General

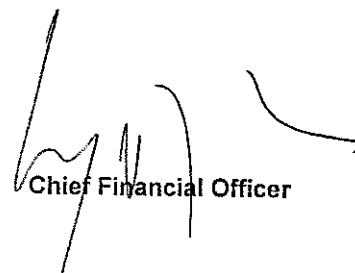
Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Director



Chief Financial Officer



# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED  
SEPTEMBER 30, 2024



## **DIRECTORS' REPORT**

The directors are pleased to present their report together with consolidated financial statements of Reliance Cotton Spinning Mills Limited and its subsidiary RCSM Company (Pvt.) Limited for the quarter ended September 30, 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).


### **RCSM Company (Pvt.) Limited**


Reliance Cotton Spinning Mills Limited ("the Holding Company") and its wholly owned subsidiary RCSM 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.

RCSM 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.

For and on behalf of the Board

  
Shahid Abdullah  
(Director)

  
(Shayan Abdullah)  
(Chief Executive)

Lahore  
October 29, 2024



## ڈائریکٹرز کی حصص داران کو رپورٹ

ڈائریکٹرز 30 ستمبر 2024ء کو ختم ہونے والی مدت کے لئے ریلائنس کائونسلنگ ملز لمیٹڈ اور اس کی ذیلی کمپنی RCSM کمپنی (پرائیویٹ) لمیٹڈ کے اشتہال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ معیار-27 (اشتہال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتہال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ مالی گوشوارے منسلک کئے ہیں۔

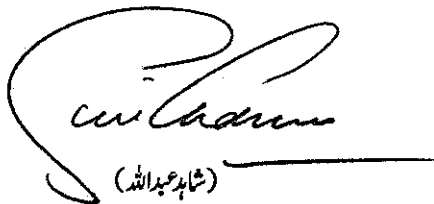
### RCSM کمپنی (پرائیویٹ) لمیٹڈ:


ریلائنس کائونسلنگ ملز لمیٹڈ (ہولڈنگ کمپنی) اور اس کی مکمل ملکیتی ذیلی کمپنی RCSM کمپنی (پرائیویٹ) لمیٹڈ جو مجموعی طور پر ایک "گروپ" کہلاتا ہے کمپنیز آرڈیننس، 1984ء کے تحت پاکستان میں قائم ہوا۔ ہولڈنگ کمپنی پاکستان سٹاک ایکسچینج لمیٹڈ میں درج ہے (جو پہلے کراچی سٹاک ایکسچینج لمیٹڈ اور لاہور سٹاک ایکسچینج لمیٹڈ کے نام سے جانا جاتا تھا)۔ مکمل ملکیتی ذیلی کمپنی 8 نومبر 2017ء کو قائم ہوئی تھی۔

RCSM کمپنی (پرائیویٹ) لمیٹڈ کمپنیز آرڈیننس، 1984ء کے تحت 08 نومبر 2017ء کو ریلائنس کائونسلنگ ملز لمیٹڈ کی مکمل ملکیتی حصص 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 ہے، لیکن سرمایہ کاری کمپنی کے طور پر کام کرنا نہیں ہے۔

منجانب بورڈ آف ڈائریکٹرز

  
(شاہد عبداللہ)  
ڈائریکٹر

  
(شاہد عبداللہ)  
چیف ایگزیکٹو

لاہور

تاریخ: 29 اکتوبر 2024ء



**Reliance Cotton Spinning Mills Limited**  
**Consolidated Statement Of Financial Position**  
**As at September 30, 2024**

		Un-Audited September 30, 2024	Audited June 30, 2024
	Note	--- Rupees ---	
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	4	4,101,949,799	4,151,998,699
Long term investments	5	2,902,063,211	2,839,320,839
Long term advances and deposits		9,572,690	9,887,690
		<u>7,013,585,700</u>	<u>7,001,207,228</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		79,133,332	65,071,820
Stock-in-trade		5,226,336,834	5,338,704,058
Trade debts		2,735,312,667	1,876,069,280
Loans and advances		741,581,382	286,972,702
Short term deposits and prepayments		1,003,023	1,003,023
Short term investments		25,461,619	25,866,353
Other receivables		235,057,927	199,693,667
Tax refunds due from Government		203,000,413	440,618,474
Cash and bank balances		244,160,528	242,164,640
		<u>9,491,047,725</u>	<u>8,476,164,017</u>
<b>Total assets</b>		<u><u>16,504,633,425</u></u>	<u><u>15,477,371,245</u></u>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital			
12,000,000 ordinary shares of Rs.10 each		120,000,000	120,000,000
Issued, subscribed and paid-up capital		102,920,000	102,920,000
Reserves		6,608,147,519	219,116,229
Unappropriated profit		3,916,235,831	9,934,825,771
<b>Total equity</b>		<u>10,627,303,350</u>	<u>10,256,862,000</u>
<b>Non current liabilities</b>			
Long term liabilities		1,351,306,635	1,406,786,986
Staff retirement benefit - gratuity		189,266,751	172,166,761
Deferred taxation		203,060,069	185,170,680
		<u>1,743,633,455</u>	<u>1,764,124,427</u>
<b>Current liabilities</b>			
Trade and other payables		1,664,576,339	1,273,646,093
Contract liabilities		61,170,144	28,786,532
Accrued mark-up / interest		56,546,121	56,150,323
Short term borrowings		1,564,355,547	1,497,168,386
Current portion of long term liabilities		332,084,066	332,044,816
Unclaimed dividend		861,089	861,089
Provision for income tax and levies		454,103,314	267,727,579
		<u>4,133,696,620</u>	<u>3,456,384,818</u>
<b>Total liabilities</b>		<u>5,877,330,075</u>	<u>5,220,509,245</u>
<b>Contingencies and commitments</b>	6		
<b>Total equity and liabilities</b>		<u><u>16,504,633,425</u></u>	<u><u>15,477,371,245</u></u>

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

  
**Chief Executive Officer**


  
**Director**

  
**Chief Financial Officer**

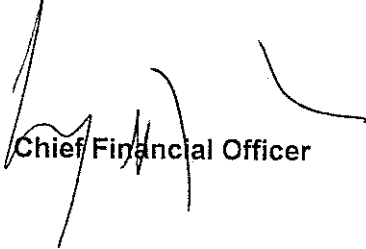
**Reliance Cotton Spinning Mills Limited**  
**Consolidated Statement Of Profit Or Loss**  
**For the First Quarter Ended September 30, 2024**

	Note	Un-Audited September 30, 2024	Un-Audited September 30, 2023
--- Rupees ---			
Sales		4,257,733,257	3,499,034,764
Cost of sales	7	(3,492,088,359)	(2,850,510,180)
<b>Gross profit</b>		<b>765,644,898</b>	<b>648,524,584</b>
Distribution cost		(89,722,143)	(46,040,930)
Administrative expenses		(65,177,185)	(38,350,478)
Other income		15,848,209	7,720,479
Other expenses		(16,345,388)	(23,420,824)
<b>Profit from operations</b>		<b>610,248,391</b>	<b>548,432,831</b>
Finance cost		(97,785,947)	(197,431,841)
		512,462,444	351,000,990
Share of profit from Associated Companies		56,112,964	99,611,701
<b>Profit before revenue tax and income tax</b>		<b>568,575,408</b>	<b>450,612,691</b>
Final taxes - levy		(72,818)	(47,578,090)
<b>Profit before income tax</b>		<b>568,502,590</b>	<b>403,034,601</b>
<b>Income Tax</b>			
- current		(186,316,399)	-
- deferred		(17,889,389)	(7,027,748)
		(204,205,788)	(7,027,748)
<b>Profit for the quarter</b>		<b>364,296,802</b>	<b>396,006,853</b>
<b>Earnings per share - basic and diluted</b>		<b>35.40</b>	<b>38.48</b>


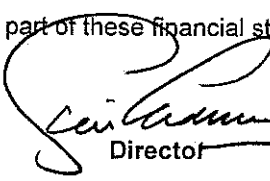
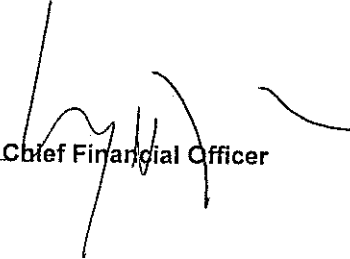
The annexed notes form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

**Reliance Cotton Spinning Mills Limited**  
**Consolidated Statement Of Other Comprehensive Income**  
**For the First Quarter Ended September 30, 2024**

	Un-Audited September 30, 2024	Un-Audited September 30, 2023
	--- Rupees ---	
Profit for the period	364,296,802	396,006,853
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised (loss) / income on remeasurement of investment at fair value through other comprehensive income	(484,860)	1,999,257
Share of fair value gain on remeasurement of investment at fair value through other comprehensive income by Associates	7,523,361	29,146,906
	7,038,501	31,146,163
Items that will be reclassified to statement of profit or loss subsequently		
Forward foreign exchange contracts		
Share of unrealised gain on remeasurement of forward foreign currency contract of Associates	346,462	2,598,738
Other comprehensive income for the period	7,384,963	33,744,901
Total comprehensive income for the period	371,681,765	429,751,754
The annexed notes form an integral part of these financial statements.		
 Chief Executive Officer	 Director	 Chief Financial Officer

Reliance Cotton Spinning Mills Limited  
Consolidated Statement Of Cash Flows  
For the First Quarter Ended September 30, 2024

Un-Audited  
September 30,  
2024

Un-Audited  
September 30,  
2023

--- Rupees ---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before revenue tax and income tax	568,575,408	450,612,691
Adjustments for non-cash and other items:		
Depreciation	98,811,397	73,437,345
Staff retirement benefit - gratuity	18,600,000	11,100,000
Provision for workers' profit participation fund	16,300,388	16,187,023
Provision for workers' welfare fund	-	7,208,759
Gain on disposal of operating fixed assets	(2,139,964)	(912,068)
Unwinding of interest of GIDC	39,249	606,511
Dividend income	(485,452)	(198,184)
Share of profit from Associated Companies	(56,112,964)	(99,611,701)
Finance cost	97,746,698	196,825,330
	<b>741,334,760</b>	<b>655,255,706</b>

**Working capital changes**

Decrease/ (increase) in current assets:

- stores, spare parts and loose tools
- stock-in-trade
- trade debts
- loans and advances
- short term deposit and prepayments
- other receivables and sales tax

(14,061,512)	(15,737,637)
112,367,224	(773,788,587)
(859,243,387)	(45,074,826)
(454,608,680)	(154,493,715)
-	(24,358,773)
126,136,440	789,091
<b>(1,089,409,915)</b>	<b>(1,012,664,447)</b>

(Decrease) / increase in current liabilities:

- trade and other payables
- contract liabilities

374,629,858	(433,413,551)
32,383,612	66,905,355
<b>407,013,470</b>	<b>(366,508,196)</b>
<b>58,938,315</b>	<b>(723,916,937)</b>

**Net working capital changes**

Staff retirement benefits paid  
Finance cost paid  
Taxes refunds / (paid)  
Rebate income received  
Long term advances and deposits - net

(1,500,010)	(5,335,542)
(97,350,900)	(185,707,122)
76,116,640	(27,996,607)
722	64,730
315,000	-
<b>(22,418,548)</b>	<b>(218,974,541)</b>
<b>36,519,767</b>	<b>(942,891,478)</b>

**Net cash generated from / (used in) operating activities**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Fixed capital expenditure  
Proceeds from disposal of operating fixed assets  
Short term investment  
Dividend income received

**Net cash used in investing activities**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Long term finances - repaid

Short term borrowings - net

**Net cash generated from financing activities**

**Net increase in cash and cash equivalents**

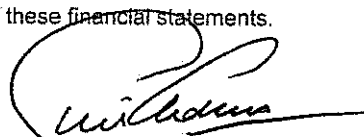
**Cash and cash equivalents - at beginning of the period**

**Cash and cash equivalents - at end of the period**

(49,619,535)	(458,677,831)
2,997,003	6,094,000
(93,609)	70,669
485,452	198,184
<b>(46,230,689)</b>	<b>(452,314,978)</b>
<b>(55,480,351)</b>	<b>(39,177,218)</b>
67,187,161	1,495,514,254
<b>11,706,810</b>	<b>1,456,337,036</b>
<b>1,995,888</b>	<b>61,130,580</b>
<b>242,164,640</b>	<b>197,801,997</b>
<b>244,160,528</b>	<b>258,932,577</b>

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

  
Chief Executive Officer


  
Director

  
Chief Financial Officer

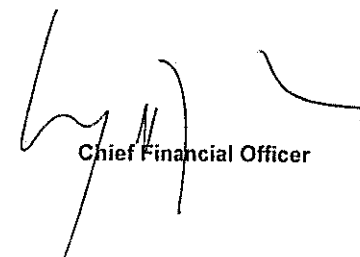
Reliance Cotton Spinning Mills Limited  
Consolidated Statement Of Changes In Equity  
For the First Quarter Ended September 30, 2024

Issued, subscribed and paid-up capital	Reserves						Total	
	Revenue		Capital	Revenue				
	Unrealised (loss) / gain on financial assets at fair value through other comprehensive income	On hedging instruments	Capital	General	Sub-total	Unappropriated profit		
-----R u p e e s-----								
Balance as at July 01, 2023	102,920,000	(95,855,381)	1,980,397	-	118,353,673	24,478,689	8,619,232,451	8,746,631,140
Total comprehensive income for the Period ended Sep 30, 2023								
Profit for the quarter	-	-		-	-	-	396,006,853	396,006,853
Other comprehensive income	-	31,146,163	2,598,738	-	-	33,744,901	-	33,744,901
	-	31,146,163	2,598,738	-	-	33,744,901	396,006,853	429,751,754
Effect of items directly credit in equity by Associated companies	-	-	-	-	-	-	18,189	18,189
Balance as at Sep 30, 2023	<u>102,920,000</u>	<u>(64,709,218)</u>	<u>4,579,135</u>	<u>-</u>	<u>118,353,673</u>	<u>58,223,590</u>	<u>9,015,257,493</u>	<u>9,176,401,083</u>
Balance as at June 30, 2024	102,920,000	97,679,975	3,082,581	-	118,353,673	219,116,229	9,934,825,771	10,256,862,000
Total comprehensive income for the Period ended Sep 30, 2024								
Profit for the quarter	-	-	-	-	-	-	364,296,802	364,296,802
Other comprehensive income	-	7,038,501	346,462	-	-	7,384,963	-	7,384,963
	-	7,038,501	346,462	-	-	7,384,963	364,296,802	371,681,765
Transfer to capital reserve	-	-	-	6,500,000,000	(118,353,673)	6,381,646,327	(6,381,646,327)	-
Effect of items directly relating in equity by Associated companies	-	-	-	-	-	-	(1,240,415)	(1,240,415)
Balance as at Sep 30, 2024	<u>102,920,000</u>	<u>104,718,476</u>	<u>3,429,043</u>	<u>6,500,000,000</u>	<u>-</u>	<u>6,608,147,519</u>	<u>3,916,235,831</u>	<u>10,627,303,350</u>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**RELIANCE COTON SPINNING MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**  
**For the First Quarter Ended September 30, 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**

**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**

Warbuton Feroze Wattoan,

Production plant

**Subsidiary Companies**

• **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.



## 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.

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.

### 2.2 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 October 01, 2024, 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 Accounting policies

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

## 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.

4. PROPERTY, PLANT AND EQUIPMENT		Un-audited September 30, 2024	Audited June 30, 2024
		----- Rupees -----	
	Note		
Operating fixed assets	4.1	3,919,908,509	4,011,058,942
Capital work-in-progress	4.2	182,041,290	140,939,757
		<u>4,101,949,799</u>	<u>4,151,998,699</u>
<b>4.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		4,011,058,942	2,990,289,649
Additions during the period / year	4.1.1	8,518,001	1,413,490,515
Book value of assets disposed off during the period / year		(857,037)	(30,327,749)
Depreciation charge for the period / year		(98,811,397)	(362,393,473)
Net book value at end of the period / year		<u>3,919,908,509</u>	<u>4,011,058,942</u>
<b>4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:</b>			
Buildings on freehold land:			
• residential		-	25,416,940
• factory		-	127,532,393
Plant and machinery		-	957,230,954
Electric installation		-	303,310,228
Vehicles		4,714,000	-
Mills equipment		3,804,001	-
		<u>8,518,001</u>	<u>1,413,490,515</u>
<b>4.2 Capital work-in-progress</b>			
Buildings		33,793,873	31,361,807
Plant and machinery		148,247,417	104,838,950
Vehicles		-	4,739,000
		<u>182,041,290</u>	<u>140,939,757</u>

5. LONG TERM INVESTMENTS

5.	LONG TERM INVESTMENTS		Un-audited September 30, 2024	Audited June 30, 2024	
		Note	----- Rupees -----		
	Investments in associates - at Equity method:				
	Quoted:				
	Sapphire Fibres Limited	5.1	1,911,646,318	1,870,741,663	
	Sapphire Textile Mills Limited	5.2	309,565,245	293,357,610	
	Un-quoted:				
	SFL Limited	5.3	212,559,226	210,784,518	
	Sapphire Finishing Mills Limited	5.4	287,608,399	287,121,571	
	Sapphire Holding Limited	5.5	105,855,844	104,323,303	
	Sapphire Power Generation Limited	5.6	74,828,179	72,992,174	
			<u>2,902,063,211</u>	<u>2,839,320,839</u>	
	Investments in associates - at equity mehod:				
	Quoted:				
5.1	Sapphire Fibers Limited				
	798,796 ordinary shares of Rs.10 each				
	Equity interest held 3.864%		468,514,083	468,514,083	
	Share of post acquisition profit		1,443,132,235	1,410,215,540	
	Dividend received		-	(7,987,960)	
			<u>1,911,646,318</u>	<u>1,870,741,663</u>	
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		301,450,667	286,245,262	
	Dividend received		-	(1,002,230)	
			<u>309,565,245</u>	<u>293,357,610</u>	
	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		210,119,751	208,345,043	
			<u>212,559,226</u>	<u>210,784,518</u>	
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		271,099,239	270,612,411	
			<u>287,608,399</u>	<u>287,121,571</u>	

		Un-audited September 30, 2024	Audited June 30, 2024
		----- Rupees -----	
5.5	<b>Sapphire Holding Limited</b>		
	100,223 ordinary shares of Rs.10 each		
	Equity interest held 0.5%	524,950	524,950
	Share of post acquisition profit	105,330,894	103,798,353
		<u>105,855,844</u>	<u>104,323,303</u>
5.6	<b>Sapphire Power Generation Limited</b>		
	555,000 ordinary shares of Rs.10 each		
	Equity interest held 3.46%	19,425,000	19,425,000
	Share of post acquisition profit	55,403,179	53,567,174
		<u>74,828,179</u>	<u>72,992,174</u>
6.	<b>CONTINGENCIES AND COMMITMENTS</b>		
6.1	<b>Contingencies</b>	Un-audited September 30, 2024	Audited June 30, 2024
		----- Rupees -----	
	Guarantees issued by banks on behalf of the Group	399,780,298	399,780,298
	Post dated cheque issued	<u>5,207,667,000</u>	<u>5,207,667,000</u>
6.2	<b>Claim of Sales Tax</b>		
	There has been no material change in the status of contingencies pointed in the financial statement for the year ended June 30, 2024		
6.3	<b>Commitments in respect of:</b>		
	• letters of credit for capital expenditure	393,833,136	408,962,241
	• letters of credit for purchase of cotton, raw materials and stores, spare parts	<u>733,574,799</u>	<u>242,965,933</u>

7. COST OF SALES

		----- Un-audited -----	
		Quarter ended	
		September 30,	September 30,
		2024	2023
	Note		
Finished goods at beginning of the period		626,261,910	843,332,923
Cost of goods manufactured	7.1	3,403,744,834	2,744,965,346
		<u>4,030,006,744</u>	<u>3,588,298,269</u>
Finished goods at end of the period		(537,918,385)	(737,788,089)
		<u>3,492,088,359</u>	<u>2,850,510,180</u>

7.1 Cost of goods manufactured

		----- Un-audited -----	
		Quarter ended	
		September 30,	September 30,
		2024	2023
Work-in-process at beginning of the period		616,706,382	609,784,835
Raw materials consumed		2,557,242,391	2,104,803,203
Direct labour and other overheads		979,836,834	648,564,293
		<u>3,537,079,225</u>	<u>2,753,367,496</u>
Work-in-process at end of the period		(750,040,773)	(618,186,985)
		<u>3,403,744,834</u>	<u>2,744,965,346</u>

**8. TRANSACTIONS WITH RELATED PARTIES****8.1 Significant transactions with related parties are as follows:**

Un-audited	
Quarter ended	
September 30, 2024	September 30, 2023
----- Rupees -----	

**Transactions with Associated Companies****Sales:**

- raw material / yarn / stores  
and spare parts

434,458,250	312,123,421
-------------	-------------

**Purchases:**

- raw material / yarn / stores  
and spare parts

264,579,696	368,050,966
-------------	-------------

Expenses charged by

2,952,462	2,006,387
-----------	-----------

Expenses Charged to

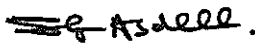
1,422,318	-
-----------	---

**9. DATE OF AUTHORISATION FOR ISSUE**

These condensed consolidated interim financial statements were approved by the Board of Directors and authorised for issue on October 29, 2024.

**10. General**

Figures have been rounded off to the nearest rupees.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer





**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](mailto: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](mailto:contact@sapphiretextiles.com.pk)