

Reliance Cotton Spinning Mills Limited

Third Quarter Report **2025**

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

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 other
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

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Condensed
Interim
Statement of
Cash Flows

Consolidated
Condensed
Interim
Statement of
Changes in Equity

Notes to the
Consolidated
Condensed Interim
Financial
Statements

CONTENTS





UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD
ENDED MARCH 31, 2025



Reliance Cotton Spinning Mills Ltd.

DIRECTORS' REPORT

The Directors of the Company are pleased to present un-audited financial statements for the nine-month period ended 31 March 2025.

Financial Highlights

	31 March	
	2025	2024
	Rupees in thousand	
Sales	12,029,653	10,612,117
Profit from operations	1,476,057	1,501,798
Finance cost	(483,797)	(640,157)
Taxation	(296,567)	(124,079)
Profit after taxation	695,693	737,561

Financial Performance

During the first nine months of the financial year, your Company achieved sales of Rs. 12.0 billion compared to Rs. 10.6 billion during the same period of last year, showing an increase of 13.4%. The gross profit as a percentage of sales declined to 13.8% from 16.5% in the previous year. Whereas the Company recorded a profit after tax of Rs. 696 million compared to Rs. 738 million in the corresponding period last year.

Earnings per share

The Company's earnings per share (EPS) were at Rs.65.31 as compared to Rs. 71.66 for the same period last year.

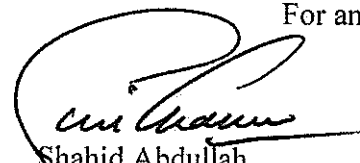
Future Outlook


Global economic growth is expected to remain stable in the current financial year, though escalating trade tensions and rising protectionism pose a threat to this outlook. Pakistan's textile exports continue to experience margin pressure due to intense global competition and high cost of doing business in the country.

Amid these challenges, the Company remains focused on diversifying its product range and exploring new markets to drive long-term growth.

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
April 28, 2025



Reliance Cotton Spinning Mills Ltd.

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 31 مارچ 2025ء کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالیاتی گوشواروں پر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی جھلکیاں

روپے ہزاروں میں

فصل	31 مارچ 2025ء	31 مارچ 2024ء
فروخت	12,029,653	10,612,117
آپریٹرز سے منافع	1,476,057	1,501,798
مالی لاگت	(483,797)	(640,157)
ٹیلیڈیشن	(296,567)	(124,079)
ٹیکس کے بعد منافع	695,693	737,561

مالی کارکردگی

رواں مالی سال کے پہلے نو ماہ کے دوران، آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے دوران 10.6 بلین روپے کے مقابلے 12.0 بلین روپے کی فروخت حاصل کی، جو 13.4% کا نمایاں اضافہ ظاہر کر رہی ہے۔ مجموعی منافع گزشتہ سال کے 16.5% سے کم ہو کر زیر جائزہ مدت کے دوران 13.8% ہوا۔ جبکہ کمپنی نے گزشتہ سال کی تقابلی مدت کے دوران 738 بلین روپے کے مقابلے موجودہ مدت کے دوران 696 بلین روپے ٹیکس کے بعد منافع کمایا ہے۔

فی حصص آمدنی

کمپنی کی موجودہ مدت کی فی شیئر آمدنی (EPS) 65.31 روپے ہے جو کہ پچھلے سال کی اسی مدت میں 71.66 روپے تھی۔

مستقبل کا نقطہ نظر

توقع ہے کہ رواں مالی سال میں عالمی اقتصادی نمو مستحکم رہے گی، اگرچہ بڑھتے ہوئے تجارتی تناؤ اور بڑھتی ہوئی تحفظ پسندی اس نقطہ نظر کے لئے خطرہ ہے۔ پاکستان کی ٹیکسٹائل برآمدات شدید عالمی مسابقت اور ملک میں کاروبار کرنے کی زیادہ لاگت کی وجہ سے مارجن پریشور کا سامنا کر رہی ہیں۔ ان مشکلات کے درمیان، کمپنی اپنی مصنوعات کی رینج کو متنوع بنانے اور طویل مدتی نمو کو آگے بڑھانے کے لئے نئی منزلوں کی تلاش پر توجہ مرکوز کیے ہوئے ہے۔

اعتراف

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

منجانب بورڈ آف ڈائریکٹرز

Shaukat Ali

شایان عبداللہ
چیف ایگزیکٹو

شاید عبداللہ
ڈائریکٹر


لاہور:

بتاریخ: 28 اپریل 2025ء

RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

AS AT MARCH 31, 2025		Un-audited March 31, 2025	Audited June 30, 2024
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,999,720,444	6,501,792,556
Long term investments	5	2,314,299,665	1,056,001,924
Long term advances and deposits		24,747,424	25,792,424
Deferred taxation		143,642,306	192,837,671
		8,482,409,839	7,776,424,575
Current assets			
Stores, spare parts and loose tools		146,800,608	198,949,587
Stock-in-trade	6	6,173,750,996	5,906,372,126
Trade debts		2,222,264,779	2,196,187,377
Loans and advances		110,960,326	118,858,624
Short term deposits and prepayments		21,850,204	2,750,722
Short term investments		257,238,391	198,595,221
Other receivables		284,679,964	384,180,714
Tax refunds due from Government		500,096,827	671,628,102
Cash and bank balances		315,653,428	269,791,793
		10,033,295,523	9,947,314,266
Total assets		18,515,705,362	17,723,738,841
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		6,861,806,926	306,763,756
Unappropriated profit		2,372,121,236	8,221,230,231
Total Equity		9,340,448,162	8,630,913,987
Liabilities			
Non-current liabilities			
Long term liabilities	7	2,049,574,341	2,457,874,482
Staff retirement benefit - gratuity		213,132,378	179,710,930
		2,262,706,719	2,637,585,412
Current liabilities			
Trade and other payables		1,579,183,022	1,545,374,213
Contract liabilities		375,923,542	30,698,160
Accrued mark-up / interest		93,273,443	211,087,213
Short term borrowings	8	3,773,500,653	3,497,159,879
Current portion of long term finances		610,574,598	664,785,046
Unclaimed dividend		920,117	861,089
Provision for taxation	9	479,175,106	505,273,842
		6,912,550,481	6,455,239,442
Total liabilities		9,175,257,200	9,092,824,854
Contingencies and commitments	10		
Total equity and liabilities		18,515,705,362	17,723,738,841

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


Chief Executive Officer

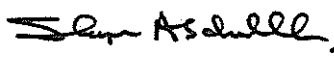

Director


Chief Financial Officer

RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2025

		Nine months period ended		Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Note		----- Rupees -----			
		(Restated)		(Restated)	
Sales - net	11	12,029,653,485	10,612,117,051	3,710,329,987	3,870,800,937
Cost of sales	12	(10,369,093,196)	(8,860,836,183)	(3,426,141,547)	(3,371,885,288)
Gross profit		1,660,560,289	1,751,280,868	284,188,440	498,915,649
Distribution cost		(250,057,968)	(125,013,810)	(81,255,343)	(37,729,230)
Administrative expenses		(224,606,576)	(137,591,369)	(64,062,480)	(54,078,350)
Other income		343,744,431	72,365,215	276,954,595	1,605,602
Other expenses		(53,583,590)	(59,243,049)	(14,538,053)	(12,391,956)
Profit from operations		1,476,056,586	1,501,797,855	401,287,159	396,321,715
Finance cost		(483,796,885)	(640,157,330)	(108,021,900)	(213,545,879)
Profit before final tax levies and income tax		992,259,701	861,640,525	293,265,259	182,775,836
Final tax - levy		(3,227,324)	(1,348,528)	-	(1,348,528)
Profit before income tax		989,032,377	860,291,997	293,265,259	181,427,308
Income tax					
- current		(247,778,007)	(123,139,858)	(78,385,542)	(47,366,518)
- deferred		(45,561,702)	409,220	334,542	(1,161,330)
		(293,339,709)	(122,730,638)	(78,051,000)	(48,527,848)
Profit after taxation		695,692,668	737,561,359	215,214,259	132,899,460
Earnings per share					
- basic and diluted		65.31	71.66	20.20	12.91

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


Chief Executive Officer


Director


Chief Financial Officer

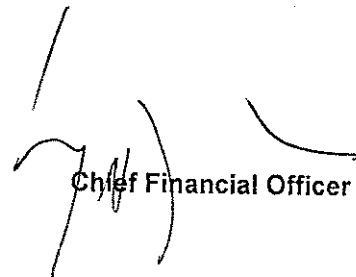
RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2025

	Nine months period ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees -----			
Profit after taxation	695,692,668	737,561,359	215,214,259	132,899,460
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	58,643,170	7,946,839	1,285,169	1,490,970
Impact of deferred tax	(3,633,663)	-	2,031,119	-
	55,009,507	7,946,839	3,316,288	1,490,970
Total comprehensive income for the period	750,702,175	745,508,198	218,530,547	134,390,430

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


Chief Executive Officer

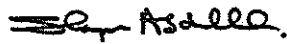

Director

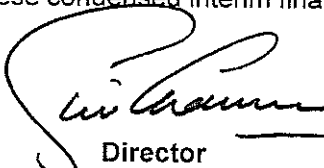

Chief Financial Officer

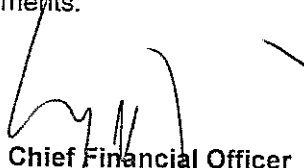
RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

	Nine months period ended	
	March 31, 2025	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before final tax levies and income taxation	992,259,701	861,640,525
Adjustments for non-cash and other items:		
Depreciation	444,300,317	258,203,304
Provision for doubtful loan	(8,000,000)	-
Staff retirement benefit - gratuity	58,050,000	33,300,000
Provision for workers' profit participation fund	36,218,154	39,135,626
Provision for workers' welfare fund	17,010,986	19,181,873
Reversal of provision for expected credit loss	1,960,859	-
Gain on disposal of operating fixed assets	(264,027,364)	(37,122,185)
Provision for GIDC	81,486	1,119,542
Dividend income	(31,304,380)	(10,728,162)
Finance cost	482,011,867	639,037,788
	1,728,561,626	1,803,768,311
Working capital changes		
Decrease / (increase) in current assets:		
- stores, spare parts and loose tools	52,148,979	(10,635,158)
- stock-in-trade	(267,378,870)	(225,047,374)
- trade debts	(28,038,261)	(330,729,771)
- loans and advances	15,898,297	6,987,505
- short term deposit and prepayments	(19,099,482)	2,295,700
- deposits, other receivables and sales tax	46,300,947	192,112,510
	(200,168,390)	(365,016,588)
Increase / (decrease) in current liabilities:		
- trade and other payables	39,878,516	(207,492,037)
- contract liabilities	345,225,382	(19,645,422)
	385,103,898	(227,137,459)
Net working capital changes	184,935,508	(592,154,047)
Staff retirement benefits paid	(24,628,552)	(25,234,451)
Finance cost paid	(599,825,637)	(627,232,283)
Taxes paid	(52,372,989)	(63,792,771)
Workers' profit participation fund paid	(59,298,847)	(46,095,735)
Long term advances and deposits - net	1,045,000	-
	(735,081,025)	(762,355,240)
Net cash generated from operating activities	1,178,416,109	449,259,023
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(513,400,109)	(900,894,683)
Proceeds from disposal of operating fixed assets	835,199,268	67,449,932
Long term investment	(1,258,297,741)	-
Advance for investment in subsidiary	-	(197,837,130)
Dividend income received	31,304,379	10,728,162
Net cash (used in) investing activities	(905,194,203)	(1,020,553,719)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - repaid	(462,592,074)	(176,007,529)
Dividend paid	(41,108,972)	(41,108,551)
Short term borrowings - net	276,340,774	774,876,428
Net cash (used in) / generated from financing activities	(227,360,272)	557,760,348
Net increase in cash and cash equivalents	45,861,635	(13,534,348)
Cash and cash equivalents - at beginning of the period	269,791,793	197,752,154
Cash and cash equivalents - at end of the period	315,653,428	184,217,806

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


Chief Executive Officer

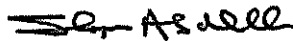

Director

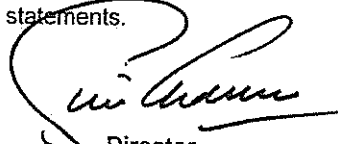

Chief Financial Officer


RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

	Issued, subscribed and paid-up capital	Capital Reserve	Reserves				Unrealised (loss) / income on investments at fair value through other comprehensive income	Total
			Revenue					
			General	Merger Reserve	Unappropriated 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 nine months period ended March 31, 2024								
Profit for the period	-	-	-	-	737,561,359	737,561,359	-	737,561,359
Other comprehensive income	-	-	-	-	-	-	7,946,839	7,946,839
	-	-	-	-	737,561,359	737,561,359	7,946,839	745,508,198
Balance as at March 31, 2024 (Un-audited)	102,920,000	-	130,000,000	-	7,499,702,273	7,629,702,273	5,449,852	7,738,072,125
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 nine months period ended March 31, 2025								
Profit for the period	-	-	-	-	695,692,668	695,692,668	-	695,692,668
Other comprehensive income	-	-	-	-	(3,633,663)	(3,633,663)	58,643,170	55,009,507
	-	-	-	-	692,059,005	692,059,005	58,643,170	750,702,175
Balance as at March 31, 2025 (Un-audited)	106,520,000	6,500,000,000	180,000,000	23,328,154	2,372,121,236	9,075,449,390	158,478,772	9,340,448,162

The annexed notes form an integral part of these condensed interim 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 NINE MONTHS PERIOD ENDED MARCH 31, 2025

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

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

Ferozewattoan

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.

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.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
Operating fixed assets	4.1	5,130,884,791	6,108,529,641
Capital work-in-progress	4.2	868,835,653	393,262,915
		<u>5,999,720,444</u>	<u>6,501,792,556</u>

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.1,446.746 million (June 30, 2024: Rs. 289.828 million) - at net book value		(571,107,392)	(143,937,192)
Depreciation charge for the period / year		(444,300,317)	(420,108,282)
Net book value at end of the period / year		<u>5,130,884,791</u>	<u>6,108,529,641</u>

4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:

	Un-audited March 31, 2025	Audited June 30, 2024
	----- Rupees -----	
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

		Un-audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
Buildings		50,691,199	31,361,807
Plant and machinery	4.2.1	756,451,546	357,162,108
Electric installation		58,879,913	-
Advance payments against- vehicles		2,812,995	4,739,000
		868,835,653	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.

5. LONG TERM INVESTMENTS

		Un-audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
Subsidiary Companies - 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	1,257,797,761	-
		2,314,299,665	1,056,001,924

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

20,043,713 ordinary shares of Rs.10 each	200,437,130	200,437,130
Equity held: 100%		

Sapphire Electronics (Private) Limited

49,998 ordinary shares of Rs.10 each	499,980	-
Equity held: 99.99%		

200,937,110	200,437,130
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	Un-audited March 31, 2025	Audited June 30, 2024
	----- Rupees -----	
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%	-	-
	<u>855,564,794</u>	<u>855,564,794</u>

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.1,257.298 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.

6. STOCK-IN-TRADE

	Un-audited March 31, 2025	Audited June 30, 2024
	----- Rupees -----	
Raw materials - in hand	3,285,852,964	3,406,275,461
Raw materials - in transit	1,501,469,416	967,894,287
Work-in-process	627,769,461	631,593,634
Finished goods	715,799,266	892,650,514
Waste	42,859,889	7,958,230
	<u>6,173,750,996</u>	<u>5,906,372,126</u>

7. LONG TERM LIABILITIES

		Un-audited March 31, 2025	Audited June 30, 2024
	Note	----- Rupees -----	
Long term finances	7.1	2,464,490,117	2,927,082,191
Provision for Gas Infrastructure Development Cess	7.2	195,658,822	195,577,337
		<u>2,660,148,939</u>	<u>3,122,659,528</u>
Less: current portion grouped under current liabilities		(610,574,598)	(664,785,046)
		<u>2,049,574,341</u>	<u>2,457,874,482</u>
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		(462,592,074)	(334,658,724)
Balance at end of the period / year		<u>2,464,490,117</u>	<u>2,927,082,191</u>

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.

8. SHORT TERM BORROWINGS

		Un-audited March 31, 2025	Audited June 30, 2024
	Note	----- Rupees -----	
Short term and foreign currency loans	8.1	2,840,000,000	1,260,000,000
Running / cash finances -secured	8.1	933,500,653	2,237,159,879
		<u>3,773,500,653</u>	<u>3,497,159,879</u>

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.30,641 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 9.00% to 21.12% (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 nine month period ended and quarter ended March 31, 2025 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.

10. CONTINGENCIES AND COMMITMENTS**10.1 Contingencies**

Un-audited March 31, 2025	Audited June 30, 2024
----- Rupees -----	

Guarantees issued by banks on behalf of the Company	<u>885,361,730</u>	<u>523,700,000</u>
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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 March 31, 2025 the value of these cheques amounted to Rs.11,260.58 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 :

Un-audited March 31, 2025	Audited June 30, 2024
----- Rupees -----	

• letters of credit for capital expenditure	<u>7,769,943</u>	<u>408,962,241</u>
• letters of credit for purchase of cotton, raw materials and stores, spare parts & chemical	<u>709,401,998</u>	<u>242,965,933</u>
• capital expenditure other than letters of credit	<u>53,994,683</u>	<u>12,275,251</u>
• foreign & local bills discounted	<u>255,223,839</u>	<u>538,367,280</u>

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 -----			
	Nine months period ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees -----		----- Rupees -----	
SALES - NET				
Local:				
Yarn	9,057,312,046	1,884,975,003	2,879,216,877	808,272,651
Raw material	220,485,695	27,434,388	80,932,804	18,049,452
Waste	286,802,015	189,314,854	76,502,712	106,619,749
	<u>9,564,599,756</u>	<u>2,101,724,245</u>	<u>3,036,652,393</u>	<u>932,941,852</u>
Export:				
Yarn	2,435,003,591	2,052,309,396	667,944,344	576,044,119
Yarn (indirect export)	-	6,310,568,486	-	2,296,356,902
Waste	-	129,992,175	-	56,508,265
	<u>2,435,003,591</u>	<u>8,492,870,057</u>	<u>667,944,344</u>	<u>2,928,909,286</u>
	<u>11,999,603,347</u>	<u>10,594,594,302</u>	<u>3,704,596,737</u>	<u>3,861,851,138</u>
Processing income	12,182,388	2,200,249	684,500	201,799
Steam income	17,867,750	15,322,500	5,048,750	8,748,000
	<u>12,029,653,485</u>	<u>10,612,117,051</u>	<u>3,710,329,987</u>	<u>3,870,800,937</u>

12. COST OF SALES

		----- Un-audited -----			
		Nine months period ended		Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Note		----- Rupees -----			
	Finished goods at beginning of the period	900,608,744	843,332,923	720,489,087	1,041,782,028
	Cost of goods manufactured	10,227,143,607	8,718,972,043	3,464,311,615	3,031,572,043
		11,127,752,351	9,562,304,966	4,184,800,702	4,073,354,071
	Finished goods at end of the period	(758,659,155)	(701,468,783)	(758,659,155)	(701,468,783)
		10,369,093,196	8,860,836,183	3,426,141,547	3,371,885,288
12.1	Cost of goods manufactured	----- Un-audited -----			
		Nine months period ended		Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		----- Rupees -----			
	Work-in-process at beginning of the period	631,593,634	609,784,835	715,334,149	622,509,285
	Raw materials consumed	7,131,320,825	6,504,936,990	2,377,939,113	2,248,391,277
	Direct labour and other overheads	3,091,998,609	2,311,272,159	998,807,814	867,693,422
		10,223,319,434	8,816,209,149	3,376,746,927	3,116,084,699
		10,854,913,068	9,425,993,984	4,092,081,076	3,738,593,984
	Work-in-process at end of the period	(627,769,461)	(707,021,941)	(627,769,461)	(707,021,941)
		10,227,143,607	8,718,972,043	3,464,311,615	3,031,572,043

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.257.238 million (June 30, 2024: Rs.198.595 million).

During the period ended March 31, 2025, 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.

15. TRANSACTIONS WITH RELATED PARTIES**15.1 Significant transactions with related parties are as follows:**

	Un-audited	
	Nine months period ended	
	March 31, 2025	March 31, 2024
	----- Rupees -----	
Transactions with Subsidiary Companies		
Advance against share subscription money	1,258,257,651	197,837,130
Transactions with Associated Companies		
Sales:		
• raw material / yarn / stores and spare parts	1,336,347,548	831,543,706
• fixed assets	705,343,729	50,000,000
Purchases:		
• raw material / yarn / stores and spare parts	373,936,505	317,561,744
• fixed assets	-	289,270,112
• services obtained	1,012,256	6,794,580
Expenses charged by	39,607,508	24,939,056
Expenses charged to	9,108,050	10,318,320
Dividend:		
• received	11,545,877	8,990,189
• paid	27,094,620	27,047,232
Transactions with Key management personnel		
Remuneration and other benefits	142,076,755	90,617,086

15.2 Period / year end balances
are as follows:

Receivables from related parties

Trade debts

Un-audited March 31, 2025	Audited June 30, 2024
----- Rupees -----	
617,850,295	320,505,751

Payable to related parties

Advance against sale of fixed assets

Trade and other payables

297,356,265	104,998,326
188,401,600	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 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 nine months period ended March 31, 2024.
- 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

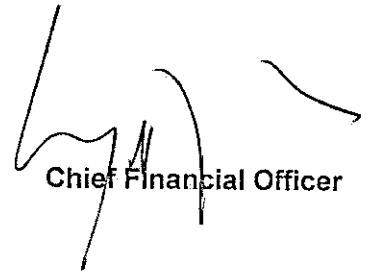
These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 28, 2025.



Chief Executive Officer



Director



Chief Financial Officer



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD
ENDED MARCH 31, 2025



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 **RCSM Company (Pvt.) Limited** and **Sapphire Electronics (Pvt.) Limited** for the period ended March 31, 2025. 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.

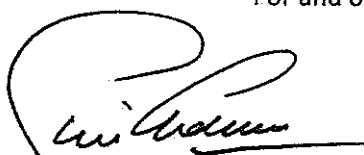
RCSM Company (Pvt.) Limited was incorporated in Pakistan as private limited by shares wholly owned by Reliance Cotton Spinning Mills Limited under Companies Ordinance, 1984 on November 08, 2017.

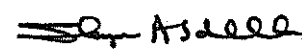
The principal activity of the subsidiary is to take or otherwise acquire and hold shares in any other company but not to act as an investment company.

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: April 28, 2025



Reliance Cotton Spinning Mills Ltd.

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز 31 مارچ 2025ء کو ختم ہونے والی مدت کے لئے ریلائنس کاؤن سپننگ ملز لمیٹڈ اور اسکی ذیلی کمپنی RCSM کمپنی (پرائیویٹ) لمیٹڈ اور سفارز الیکٹروکس (پرائیویٹ) لمیٹڈ کے اشتمال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ-27 (اشتمال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتمال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ الگ مالی گوشوارے منسلک کئے ہیں۔

RCSM کمپنی (پرائیویٹ) لمیٹڈ:

ریلائنس کاؤن سپننگ ملز لمیٹڈ (ہولڈنگ کمپنی) اور اس کی مکمل ملکیتی ذیلی کمپنی RCSM (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۔

RCSM کمپنی (پرائیویٹ) لمیٹڈ، کمپنیز آرڈیننس، 1984ء کے تحت 08 نومبر 2017ء کو ریلائنس کاؤن سپننگ 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 ہے، لیکن سرمایہ کاری کمپنی کے طور پر کام کرنا نہیں ہے۔

سفارز الیکٹروکس (پرائیویٹ) لمیٹڈ

سفارز الیکٹروکس کمپنی (پرائیویٹ) لمیٹڈ، 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 حادثاتی یا سازگار 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۔

مخائب بورڈ آف ڈائریکٹرز

Shahid Abdur Rahman

(شاید عبداللہ)

چیف ایگزیکٹو

Shahid Abdur Rahman

(شاید عبداللہ)

ڈائریکٹر

لاہور


تاریخ: 28 اپریل 2025ء

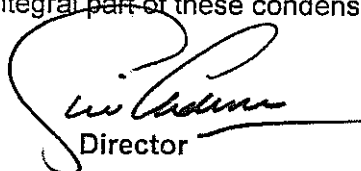
RELIANCE COTTON SPINNING MILLS LIMITED

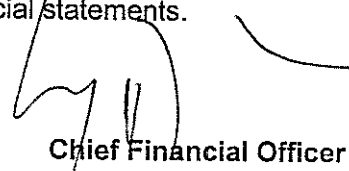
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION(UN-AUDITED) AS AT MARCH 31, 2025

	Note	Un-audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,249,514,602	6,501,792,556
Long term investments	5	3,465,800,201	3,192,234,705
Long term advances and deposits		24,747,424	25,792,424
		<u>9,740,062,227</u>	<u>9,719,819,685</u>
Current assets			
Stores, spare parts and loose tools		154,799,487	198,949,587
Stock-in-trade	6	8,213,550,550	5,906,372,126
Trade debts		2,222,264,779	2,196,187,377
Loans and advances		407,321,601	314,967,729
Short term deposits and prepayments		26,846,043	2,750,722
Short term investments		259,556,336	200,729,824
Other receivables		383,892,513	410,272,359
Tax refunds due from Government		868,971,708	671,628,102
Cash and bank balances		404,076,375	269,899,041
		<u>12,941,279,392</u>	<u>10,171,756,867</u>
Total assets		<u>22,681,341,619</u>	<u>19,891,576,552</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
12,000,000 ordinary shares of Rs.10 each		<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid-up capital			
10,652,000 (2024:10,292,000) ordinary shares of Rs.10 each		<u>106,520,000</u>	<u>102,920,000</u>
Reserves		7,064,006,565	395,043,178
Unappropriated profit		4,536,362,239	10,232,178,056
		<u>11,706,888,804</u>	<u>10,730,141,234</u>
Liabilities			
Non-current liabilities			
Long term liabilities	7	2,049,574,341	2,457,874,482
Staff retirement benefit - gratuity		213,132,378	179,710,930
Deferred taxation		132,538,151	60,681,321
		<u>2,395,244,870</u>	<u>2,698,266,733</u>
Current liabilities			
Trade and other payables		3,231,645,063	1,545,651,964
Contract liabilities		375,923,539	30,698,160
Accrued mark-up / interest		93,273,443	211,087,213
Short term borrowings	8	3,773,500,653	3,497,159,879
Current portion of long term finances		610,574,598	664,785,046
Unclaimed dividend		920,117	861,089
Provision for taxation	9	493,370,532	512,925,234
		<u>8,579,207,945</u>	<u>6,463,168,585</u>
Total Liabilities		<u>10,974,452,815</u>	<u>9,161,435,318</u>
Contingencies and commitments	10		
Total equity and liabilities		<u>22,681,341,619</u>	<u>19,891,576,552</u>

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


Chief Executive Officer

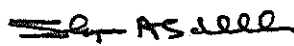

Director

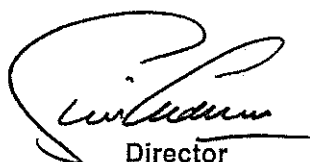

Chief Financial Officer

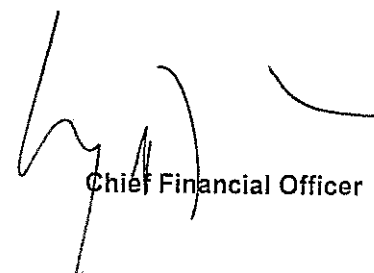
RELIANCE COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2025

	Note	Nine months period ended		Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		----- Rupees -----			
		(Restated)		(Restated)	
Sales - net	11	12,029,653,485	10,612,117,051	3,710,329,987	3,870,800,937
Cost of sales	12	(10,369,093,195)	(8,860,836,183)	(3,426,141,546)	(3,371,885,288)
Gross profit		1,660,560,290	1,751,280,868	284,188,441	498,915,649
Distribution cost		(250,057,968)	(125,013,810)	(81,255,342)	(37,729,230)
Administrative expenses		(224,606,576)	(137,591,369)	(64,062,479)	(54,078,350)
Other income		355,272,341	79,448,200	280,551,611	12,411,778
Other expenses		(53,686,822)	(61,036,221)	(14,563,053)	(14,127,481)
Profit from operations		1,487,481,265	1,507,087,669	404,859,178	405,392,366
Finance cost		(483,796,885)	(640,157,330)	(108,021,900)	(213,545,879)
Share of profit of associates		186,272,594	129,632,196	104,245,983	15,993,397
Profit before revenue tax and income tax		1,189,956,974	996,562,535	401,083,261	207,839,884
Final taxes - levy		(3,227,324)	(1,348,528)	-	(1,348,528)
Profit before income tax		1,186,729,650	995,214,007	401,083,261	206,491,356
Income Tax					
- current		(254,439,199)	(123,204,648)	(80,162,825)	(47,797,159)
- deferred		(68,223,167)	(15,111,335)	471,038	(8,630,550)
		(322,662,366)	(138,315,983)	(79,691,787)	(56,427,709)
Profit after taxation		864,067,284	856,898,024	321,391,474	150,063,647
Earnings per share					
- basic and diluted		81.12	83.26	30.17	14.58

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


Chief Executive Officer


Director

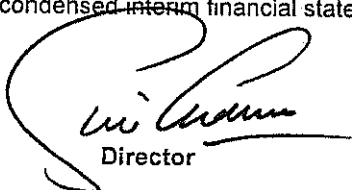

Chief Financial Officer

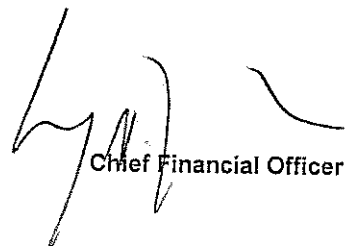
RELIANCE COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2025

	Nine months period ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees -----			
Profit after taxation	864,067,284	856,898,024	321,391,474	150,063,647
Other comprehensive income / (loss)				
Items that will not be reclassified to statement of profit or loss subsequently				
Share in associates' unrealised gain on available sales investment as FVTOCI	116,045,559	137,825,994	5,622,005	23,974,297
Unrealised gain on remeasurement of investment at fair value through other comprehensive income	58,643,170	7,946,839	1,285,169	1,490,970
	174,688,729	145,772,833	6,907,174	25,465,267
Impact of deferred tax	(3,633,663)	-	2,031,119	-
Share in associate's unrealised (loss) /income on hedging instruments	(2,125,342)	(57,477)	(2,976,894)	(57,477)
Total comprehensive income for the period	<u>1,032,997,008</u>	<u>1,002,613,379</u>	<u>327,352,873</u>	<u>175,471,437</u>

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


Chief Executive Officer


Director

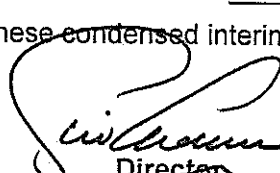

Chief Financial Officer

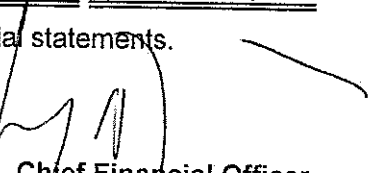
RELIANCE COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

	Nine months period ended	
	March 31, 2025	March 31, 2024
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,189,956,974	996,562,535
Adjustments for non-cash and other items:		
Depreciation	444,300,317	258,203,304
Provision for doubtful loan	(8,000,000)	-
Staff retirement benefit - gratuity	58,050,000	33,300,000
Provision for workers' profit participation fund	36,218,154	39,135,626
Provision for workers' welfare fund	17,010,986	19,181,873
Provision for GIDC	81,485	1,119,542
Fair value gain on investment	(183,342)	(171,840)
Gain on disposal of operating fixed assets	(264,027,364)	(37,122,185)
Provision / reversal for expected credit loss	1,960,859	-
Dividend income	(19,974,121)	(2,169,904)
Finance cost	482,011,867	639,037,788
Share of profit from associates	(186,272,594)	(129,632,196)
	<u>1,751,133,222</u>	<u>1,817,444,543</u>
Working capital changes		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	44,150,100	(10,635,158)
- stock-in-trade	(2,307,178,424)	(225,047,374)
- trade debts	(28,038,261)	(330,729,771)
- loans and advances	(84,353,872)	(189,121,600)
- short term deposit and prepayments	(24,095,321)	2,295,700
- deposits, other receivables and sales tax	(345,432,035)	176,475,965
	<u>(2,744,947,813)</u>	<u>(576,762,238)</u>
Increase / (decrease) in current liabilities:		
- trade and other payables	1,692,062,806	(207,559,539)
- contract liabilities	345,225,379	(19,645,420)
	<u>2,037,288,185</u>	<u>(227,204,959)</u>
Net working capital changes	<u>(707,659,628)</u>	<u>(803,967,197)</u>
Staff retirement benefits paid	(24,628,552)	(25,234,451)
Finance cost paid	(599,825,637)	(627,232,283)
Taxes (paid)	(102,752,954)	(63,857,561)
Workers' profit participation fund paid	(59,298,847)	(46,095,735)
Long term advances and deposits - net	1,045,000	-
	<u>(785,460,990)</u>	<u>(762,420,030)</u>
Net cash generated / (used in) from operating activities	<u>258,012,604</u>	<u>251,057,315</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(763,194,266)	(900,894,683)
Proceeds from disposal of operating fixed assets	835,199,268	67,449,932
Dividend income received	31,519,999	11,160,094
Net cash used in investing activities	<u>103,525,001</u>	<u>(822,284,657)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - repaid	(462,592,074)	(176,007,529)
Dividend paid	(41,108,972)	(41,108,551)
Short term borrowings - net	276,340,774	774,876,428
Net cash (used in) / generated from financing activities	<u>(227,360,272)</u>	<u>557,760,348</u>
Net increase in cash and cash equivalents	<u>134,177,334</u>	<u>(13,466,994)</u>
Cash and cash equivalents - at beginning of the period	<u>269,899,041</u>	<u>197,801,997</u>
Cash and cash equivalents - at end of the period	<u>404,076,375</u>	<u>184,335,003</u>

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


Chief Executive Officer


Director


Chief Financial Officer

1
RELiance COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

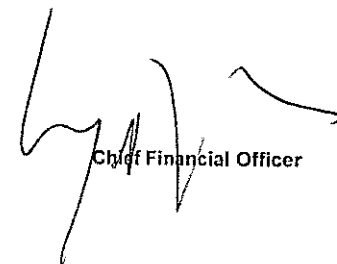
	Issued, subscribed and paid-up capital	Capital reserve	Reserves				Unrealised gain / (loss) on investments at fair value through other comprehensive income	Total	
			Revenue						
			On hedging instruments	General	Merger reserve	Unappropriated profit			Sub-total
----- Rupees -----									
Balance as at July 1, 2023 (Audited)	102,920,000	-	1,980,397	118,353,673	-	8,619,232,451	8,739,566,521	(95,855,381)	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 Nine months period ended March 31, 2024									
Profit for the period	-	-	-	-	-	856,898,024	856,898,024	-	856,898,024
Other comprehensive income	-	-	(57,477)	-	-	-	(57,477)	145,772,833	145,715,356
	-	-	(57,477)	-	-	856,898,024	856,840,547	145,772,833	1,002,613,379
Share of increase in reserves of associated companies under equity method	-	-	-	-	-	20,450	20,450	-	20,450
Balance as at March 31, 2024 (Un-audited)	102,920,000	-	1,922,920	118,353,673	-	9,434,982,925	9,555,259,518	49,917,452	9,708,096,969
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	196,602,289	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 Nine months period ended March 31, 2025									
Profit for the period	-	-	-	-	-	864,067,284	864,067,284	-	864,067,284
Other comprehensive income	-	-	(2,125,342)	-	-	(3,633,663)	(5,759,005)	174,688,729	168,929,724
	-	-	(2,125,342)	-	-	860,433,621	858,308,279	174,688,729	1,032,997,008
Transfer to capital reserve	-	6,500,000,000	-	-	-	(6,500,000,000)	-	-	-
Share of decrease in reserves of associated companies under equity method	-	-	-	-	-	(15,081,438)	(15,081,438)	-	(15,081,438)
Balance as at March 31, 2025 (Un-audited)	106,520,000	6,500,000,000	1,033,720	168,353,673	23,328,154	4,536,362,235	11,229,077,786	371,291,018	11,706,888,804

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



Chief Executive Officer


Director


Chief Financial Officer

RELIANCE COTON SPINNING MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

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.

• **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.

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.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
Operating fixed assets	4.1	5,130,884,791	6,108,529,641
Capital work-in-progress	4.2	1,118,629,811	393,262,915
		<u>6,249,514,602</u>	<u>6,501,792,556</u>

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.1,446.746 million (June 30, 2024: Rs. 289.828 million) - at net book value		(571,107,392)	(143,937,194)
Depreciation charge for the period / year		(444,300,317)	(420,108,282)
Net book value at end of the period / year		<u>5,130,884,791</u>	<u>6,108,529,641</u>

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	-
	<u>37,762,859</u>	<u>1,499,974,677</u>

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

		Un-audited March 31, 2025	Audited June 30, 2024
	Note	----- Rupees -----	
Buildings		50,691,199	31,361,807
Plant and machinery	4.2.1	1,006,245,704	357,162,108
Electric Installation		58,879,913	-
Advance payments against:			
• Vehicle		2,812,995	4,739,000
		2,812,995	4,739,000
		1,118,629,811	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.

5. LONG TERM INVESTMENTS**Investments in associates - at Equity Method****Quoted:**

	Note		
Sapphire Fibres Limited	5.1	1,990,037,951	1,870,741,663
Sapphire Textile Mills Limited	5.2	325,137,760	293,357,610

Un-quoted:

SFL Limited	5.3	215,714,074	210,784,518
Sapphire Finishing Mills Limited	5.4	281,318,722	287,121,571
Sapphire Holding Limited	5.5	108,358,354	104,323,303
Sapphire Power Generation Limited	5.6	456,182,272	339,347,849
Sapphire Dairies (Pvt) Limited	5.7	89,051,068	86,558,191
Sanifa Agri Services Limited	5.8	-	-

3,465,800,201	3,192,234,705
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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	1,529,511,828	1,410,215,540
Dividend received	(7,987,960)	(7,987,960)
	1,990,037,951	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	320,581,099	286,245,262
Dividend received	(3,557,917)	(1,002,230)
	325,137,760	293,357,610

		Un-audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
Un quoted:			
5.3 SFL Limited			
401,570 ordinary shares of Rs.10 each		2,439,475	2,439,475
Equity interest held 42.83.00%		213,274,599	208,345,043
Share of post acquisition profit		<u>215,714,074</u>	<u>210,784,518</u>
5.4 Sapphire Finishing Mills Limited			
1,556,000 ordinary shares of Rs.10 each		16,509,160	16,509,160
Equity interest held 1.69%		264,809,562	270,612,411
Share of post acquisition profit		<u>281,318,722</u>	<u>287,121,571</u>
5.5 Sapphire Holding Limited			
100,223 ordinary shares of Rs.10 each		524,950	524,950
Equity interest held 0.5%		107,833,404	103,798,353
Share of post acquisition profit		<u>108,358,354</u>	<u>104,323,303</u>
5.6 Sapphire Power Generation Limited			
2,580,200 ordinary shares of Rs.10 each		19,425,000	81,931,127
Equity interest held 16.10%		436,757,272	257,416,722
Share of post acquisition profit		<u>456,182,272</u>	<u>339,347,849</u>
5.7 Sapphire Daries (Pvt.) Limited			
4,100,000 ordinary shares of Rs.10 each		41,000,000	41,000,000
Equity interest held 2.26%		48,051,068	45,558,191
Share of post acquisition profit		<u>89,051,068</u>	<u>86,558,191</u>
5.8 Sanifa Agri Services Limited (SASL)			
11,590,000 ordinary shares of Rs.10 each		-	-
Equity interest held 33.11%		<u>-</u>	<u>-</u>

Un-audited March 31, 2025	Audited June 30, 2024
----- Rupees -----	

6. STOCK-IN-TRADE

Raw materials - in hand	5,293,384,903	3,406,275,461
Raw materials - in transit	1,533,737,030	967,894,287
Work-in-process	627,769,461	631,593,634
Finished goods	758,659,156	900,608,744
	8,213,550,550	5,906,372,126

7. LONG TERM LIABILITIES

Note

Long term finances	7.1	2,464,490,117	2,927,082,191
Provision for Gas Infrastructure Development Cess	7.2	195,658,822	195,577,337
		2,660,148,939	3,122,659,528
Less: current portion grouped under current liabilities		(610,574,598)	(664,785,046)
		2,049,574,341	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		(462,592,074)	(334,658,724)
Balance at end of the period / year		2,464,490,117	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.

8. SHORT TERM BORROWINGS

	Note	Un-audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
Short term and foreign currency loans	8.1	2,840,000,000	1,260,000,000
Running / cash finances -secured	8.1	933,500,653	2,237,159,879
		3,773,500,653	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.30,641 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 nine month period ended and quarter ended March 31, 2025 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.4

10. CONTINGENCIES AND COMMITMENTS**10.1 Contingencies**

	Un-audited March 31, 2025	Audited June 30, 2024
	----- Rupees -----	
Guarantees issued by banks on behalf of the Group	885,361,730	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 March 31, 2025 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.

10.2 Commitments in respect of :

	Un-audited March 31, 2025	Audited June 30, 2024
	----- Rupees -----	
• letters of credit for capital expenditure	7,769,943	408,986,241
• letters of credit for purchase of cotton, raw materials and stores, spare parts	709,401,998	242,965,933
• capital expenditure other than letters of credit	53,994,683	12,275,251
• foreign bills discounted	255,223,839	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 -----			
	Nine months period ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees -----		----- Rupees -----	
SALES - NET				
Local:				
Yarn	9,057,312,046	1,884,975,003	2,879,216,877	808,272,651
Raw material	220,485,695	27,434,388	80,932,804	18,049,452
Waste	286,802,015	189,314,854	76,502,712	106,619,749
	9,564,599,756	2,101,724,245	3,036,652,393	932,941,852
Export:				
Yarn	2,435,003,591	2,052,309,396	667,944,344	576,044,119
Yarn (indirect export)	-	6,310,568,486	-	2,296,356,902
Waste	-	129,992,175	-	56,508,265
	2,435,003,591	8,492,870,057	667,944,344	2,928,909,286
	11,999,603,347	10,594,594,302	3,704,596,737	3,861,851,138
Processing income	12,182,388	2,200,249	684,500	201,799
Steam income	17,867,750	15,322,500	5,048,750	8,748,000
	12,029,653,485	10,612,117,051	3,710,329,987	3,870,800,937

12. COST OF SALES

COST OF SALES		----- Un-audited -----			
		Nine months period ended		Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
----- Rupees -----					
Finished goods at beginning of the period	Note	900,608,744	843,332,923	720,489,087	1,041,782,028
Cost of goods manufactured	12.1	10,227,143,607	8,718,972,043	3,464,311,615	3,031,572,043
		11,127,752,351	9,562,304,966	4,184,800,702	4,073,354,071
Finished goods at end of the period		(758,659,156)	(701,468,783)	(758,659,156)	(701,468,783)
		10,369,093,195	8,860,836,183	3,426,141,546	3,371,885,288

**12.1 Cost of goods
manufactured**

Cost of goods manufactured	----- Un-audited -----			
	Nine months period ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	----- Rupees -----			
Work-in-process at beginning of the period	631,593,634	609,784,835	715,334,149	622,509,285
Raw materials consumed	7,131,320,825	6,504,936,990	2,377,939,113	2,248,391,277
Direct labour and other overheads	3,091,998,609	2,311,272,159	998,807,814	867,693,422
	10,223,319,434	8,816,209,149	3,376,746,927	3,116,084,699
	10,854,913,068	9,425,993,984	4,092,081,076	3,738,593,984
Work-in-process at end of the period	(627,769,461)	(707,021,941)	(627,769,461)	(707,021,941)
	10,227,143,607	8,718,972,043	3,464,311,615	3,031,572,043

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.259.556 million (June 30, 2024: Rs.200.730 million).

During the period ended March 31, 2025, 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.

15. TRANSACTIONS WITH RELATED PARTIES**15.1 Significant transactions with related parties are as follows:**

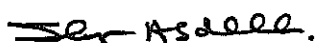
		Un-audited	
		Nine months period ended	
		March 31, 2025	March 31, 2024
		----- Rupees -----	
Transactions with Associated Companies			
Sales:			
• raw material / yarn / stores and spare parts		1,336,347,548	831,543,706
• fixed assets		705,343,729	50,000,000
Purchases:			
• raw material / yarn / stores and spare parts		373,936,505	317,561,744
• fixed assets		-	289,270,112
• services obtained		1,012,256	6,794,580
Expenses charged by		39,607,508	24,939,056
Expenses charged to		9,108,050	10,318,320
Dividend:			
• received		11,545,877	8,990,189
• paid		27,094,620	27,047,232
Transactions with Key management personnel			
Remuneration and other benefits		142,076,755	90,617,232
15.2	Period / year end balances are as follows:	Un-Audited March 31, 2025	Audited June 30, 2024
		----- Rupees -----	
Receivables from related parties			
Trade debts		617,850,295	320,505,751
Payable to related parties			
Advance against sale of fixed assets		297,356,265	-
Trade and other payables		188,401,600	104,998,326

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 nine months period ended March 31, 2024.
- 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

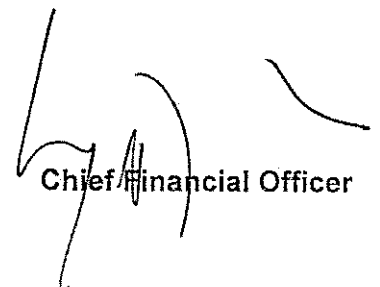
These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 28, 2025.



Chief Executive Officer



Director



Chief Financial Officer



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