



Half Yearly Report of  
Reliance Cotton Spinning Mills Limited  
for the period ended December 31, 2025

INNOVATING  
LOCALLY  
COMPETING  
GLOBALLY

# COMPANY INFORMATION

# CONTENTS

## 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 Ghousi

## 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

Allied Bank Limited  
Askari Bank Limited  
Bank Islami Pakistan Limited  
Bank Of Punjab  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islami Bank Ltd  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Standard Chartered 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](http://www.sapphire.com.pk/rcsml)

## CORPORATE OFFICE

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

## MILLS

Feroze Wattoan,  
District Sheikhpura, Punjab.

Bhai Pheru  
Jumber Khurd, Bhai Pheru,  
Didtrict Kasur, Punjab.

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**UNCONSOLIDATED  
FINANCIAL STATEMENTS**

FOR THE SIX MONTH PERIOD ENDED  
DECEMBER 31, 2025

# DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present un-audited financial statements for the half year ended 31st December, 2025, duly reviewed by auditors.

## Financial Highlights

	December 31,	
	2025	2024
	<b>Rupees in thousand</b>	
Sales	7,350,295	8,319,323
Profit from operations	922,743	1,074,769
Finance cost	(414,783)	(375,775)
Taxation	(202,716)	(218,516)
<b>Profit after taxation</b>	<b>305,244</b>	<b>480,478</b>

## Financial Performance

In the first half of the current financial year, the Company recorded sales of Rs. 7.35 billion, as compared to Rs. 8.32 billion in the corresponding period of the previous year. The gross profit margin stood at 14.31%, as compared to 16.54% achieved during the same period last year. The Company reported profit after tax of Rs. 305.24 million, as against Rs. 480.48 million in the same period of last year.

## Earnings Per Share

The Company's earnings per share (EPS) for the first half were Rs. 28.66 as compared to Rs. 45.11 in the corresponding period of last year.

## Future Outlook

Pakistan's textile sector continues to operate under considerable pressure. Elevated taxation, particularly in light of recent developments relating to super tax, together with the appreciation of the rupee and persistently high energy tariffs, has significantly increased the cost of doing business in the country. This has weakened the competitiveness of local exporters compared with regional players. A sustainable recovery in the sector will depend upon meaningful tax rationalization, enhanced cost competitiveness, policy stability, and a continued strategic shift towards higher value-added exports.

In spite of these challenges, management continues to prioritize operational improvements, disciplined financial management and strategic diversification to drive enduring growth and strengthen the Company's resilience.

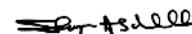
## Acknowledgment

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



SHAHID ABDULLAH  
DIRECTOR



SHAYAN ABDULLAH  
CHIEF EXECUTIVE

Lahore  
Dated: February 25, 2026

# ڈائریکٹرز کی حصص داران کو رپورٹ

کمپنی کے ڈائریکٹرز 31 دسمبر 2025ء کو ختم ہونے والی ششماہی کے لئے آڈیٹرز کی طرف سے باقاعدہ جائزہ شدہ کمپنی کے غیر نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

## مالیاتی جھلکیاں

روپے ہزاروں میں

تفصیل	31 دسمبر 2025ء	31 دسمبر 2024ء
فروخت	7,350,295	8,319,323
آپریٹنگ سے منافع	922,743	1,074,769
مالی لاگت	(414,783)	(375,775)
ٹیکسیشن	(202,716)	(218,516)
ٹیکس کے بعد منافع	305,244	480,478

## مالی کارکردگی

آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے دوران 8.32 بلین روپے کے مقابلے اس مالی سال کی پہلی ششماہی کے دوران 7.35 بلین روپے کی فروخت حاصل کی۔ فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کی اسی مدت کے 16.54 فیصد کے مقابلے اس مدت کے دوران 14.31 فیصد ہو گیا۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 480.48 ملین روپے منافع کے برعکس موجودہ مدت کے دوران 305.24 ملین روپے ٹیکس کے بعد منافع درج کیا ہے۔

## فی حصص آمدنی

کمپنی کی موجودہ مدت کی فی شیئر آمدنی (EPS) 28.66 روپے ہے جو کہ پچھلے سال کی اسی مدت کی 45.11 روپے تھی۔

## مستقبل کا نقطہ نظر

پاکستان کا ٹیکسٹائل شعبہ بدستور نمایاں دباؤ کے تحت کام کر رہا ہے۔ زیادہ ٹیکسوں کا بوجھ، بالخصوص سپرنٹنڈنٹ سے متعلق حالیہ پیش رفت، روپیہ کی قدر میں اضافہ اور توانائی کے مسلسل زیادہ نرخوں نے ملک میں کاروبار کرنے کی لاگت میں نمایاں اضافہ کر دیا ہے۔ ان عوامل نے مقامی برآمد کنندگان کی علاقائی حریف ممالک کے مقابلے میں مسابقتی حیثیت کو متاثر کیا ہے۔ شعبے کی پائیدار بحالی کے لیے موثر ٹیکس اصلاحات، لاگت میں مسابقت، پالیسی میں تسلسل اور زیادہ ویلیو ایڈڈ برآمدات کی جانب اسٹریٹجک منتقلی ناگزیر ہوگی۔

ان مشکلات کے باوجود، انتظامیہ آپریٹنگ بہتری جتنا مالی نظم و نسق اور اسٹریٹجک تنوع کو ترجیح دیتی ہوئی پائیدار ترقی کو فروغ دینے اور کمپنی کی مضبوطی کو مزید مستحکم بنانے کے لیے کوشاں ہے۔

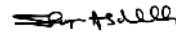
## اعتراف

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

## منجانب بورڈ آف ڈائریکٹرز



(شاہد عبداللہ)  
ڈائریکٹر



(شاہان عبداللہ)  
چیف ایگزیکٹو

لاہور

تاریخ: 25 فروری 2026ء

# INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Reliance Cotton Spinning Mills Limited

Report on Review of Interim Financial Statements

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Reliance Cotton Spinning Mills Limited** (the Company) as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

## Scope of Review

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

## Conclusion

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

## Other Matter

Pursuant to the requirement of section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the six months presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the three months period ended December 31, 2025 and 2024 have not been reviewed by us.

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

*Shinewing Hameed Chaudhri & Co.*

**SHINEWING HAMEED CHAUDHRI & CO.,**  
CHARTERED ACCOUNTANTS

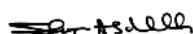
LAHORE: FEBRUARY 27, 2026  
UDIN: RR202510104AkWICE2Hs

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

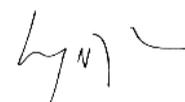
As At December 31, 2025

		(Un-audited) December 31,	(Audited) June 30,
	Note	2025 Rupees	2025 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	4,942,715,434	5,397,920,918
Long term investments	5	2,906,600,832	2,406,600,852
Investment property		165,395,497	171,291,004
Long term advances and deposits		24,892,424	24,892,424
Deferred taxation		-	83,008,526
		8,039,604,187	8,083,713,724
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		134,859,875	139,612,830
Stock-in-trade	6	6,165,512,711	5,493,215,939
Trade debts		1,982,188,124	2,062,079,011
Loans and advances		3,525,949,218	1,494,119,537
Short term deposits and prepayments		20,581,438	3,958,288
Short term investments		379,960,497	285,879,891
Other receivables		280,723,077	345,037,390
Tax refunds due from Government		792,063,389	547,453,226
Cash and bank balances		428,112,220	542,672,696
		13,709,950,549	10,914,028,808
<b>TOTAL ASSETS</b>		<b>21,749,554,736</b>	<b>18,997,742,532</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
12,000,000 ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid-up capital			
10,652,000 (2025:10,652,000) ordinary shares of Rs.10 each		106,520,000	106,520,000
Reserves		6,964,918,111	6,885,789,042
Unappropriated profit		2,628,169,607	2,386,837,236
		9,699,607,718	9,379,146,278
<b>TOTAL EQUITY</b>			
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances	7	1,410,813,089	1,752,834,872
Deferred taxation		21,240,434	-
Staff retirement benefit - gratuity		240,963,124	226,322,929
		1,673,016,647	1,979,157,801
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,092,981,851	1,862,405,088
Contract liabilities		68,091,536	112,548,946
Accrued mark-up / interest		106,382,692	80,502,150
Short term borrowings	8	7,343,786,948	4,676,419,815
Current portion of long term finances		363,835,774	388,447,776
Unclaimed dividend		1,120,719	920,117
Provision for taxation	9	400,730,851	518,194,561
		10,376,930,371	7,639,438,453
<b>TOTAL LIABILITIES</b>		<b>12,049,947,018</b>	<b>9,618,596,254</b>
CONTINGENCIES AND COMMITMENTS	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,749,554,736</b>	<b>18,997,742,532</b>

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

  
Chief Executive Officer

  
Director

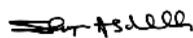
  
Chief Financial Officer

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

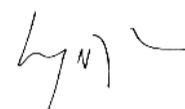
For The Quarter And Six Months Period Ended December 31, 2025

	Note	Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
		2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Sales	11	3,399,270,268	3,750,226,808	7,350,295,048	8,319,323,498
Cost of sales	12	(2,952,380,707)	(3,204,119,345)	(6,298,164,736)	(6,942,951,649)
<b>Gross profit</b>		446,889,561	546,107,463	1,052,130,312	1,376,371,849
Distribution cost		(63,045,833)	(72,403,541)	(138,030,563)	(168,802,625)
Administrative expenses		(89,068,718)	(92,140,478)	(182,309,560)	(160,544,096)
Other income		144,839,725	20,663,953	220,317,623	66,789,836
Other expenses		(375,082)	(22,745,149)	(29,364,541)	(39,045,537)
<b>Profit from operations</b>		439,239,653	379,482,248	922,743,271	1,074,769,427
Finance cost		(236,261,843)	(142,386,197)	(414,782,520)	(375,774,985)
<b>Profit before final tax levies and income tax</b>		202,977,810	237,096,051	507,960,751	698,994,442
Final taxes - levy		(54,843,493)	(2,401,629)	(109,639,106)	(3,227,324)
<b>Profit before income tax</b>		148,134,317	234,694,422	398,321,645	695,767,118
<b>Income Tax</b>					
- current		(2,935,679)	18,369,348	(3,779,851)	(169,392,465)
- deferred		(79,862,793)	(26,153,242)	(89,297,423)	(45,896,244)
		(82,798,472)	(7,783,894)	(93,077,274)	(215,288,709)
<b>Profit after taxation</b>		65,335,845	226,910,528	305,244,371	480,478,409
<b>Earnings per share - basic and diluted</b>		6.13	21.30	28.66	45.11

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

  
Chief Executive Officer

  
Director

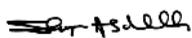
  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)

For The Quarter And Six Months Period Ended December 31, 2025

	Quarter ended		Six months period ended	
	December 31,	December 31,	December 31,	December 31,
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
<b>Profit after taxation</b>	65,335,845	226,910,528	305,244,371	480,478,409
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to statement of profit or loss subsequently</b>				
Unrealised gain on remeasurement of investment at fair value through other comprehensive income	(6,538,296)	66,986,070	94,080,606	57,358,001
Impact of deferred tax	(2,700,802)	(5,664,782)	(14,951,537)	(5,664,782)
	(9,239,098)	61,321,288	79,129,069	51,693,219
<b>Total comprehensive income for the period</b>	56,096,747	288,231,816	384,373,440	532,171,628

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

  
Chief Executive Officer

  
Director

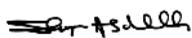
  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For The Six Months Period Ended December 31, 2025

	Six months period ended	
	December 31,	December 31,
	2025	2024
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before final tax levies and income taxation	507,960,751	698,994,442
<b>Adjustments for non-cash and other items:</b>		
Depreciation	252,977,090	302,412,148
Provision for doubtful loan	-	(8,000,000)
Staff retirement benefit - gratuity	41,035,000	38,700,000
Provision for workers' profit participation fund	25,275,229	27,372,823
Provision for workers' welfare fund	-	11,348,264
Reversal of provision for expected credit loss	-	1,960,859
Loss / (gain) on disposal of operating fixed assets	3,374,313	(2,139,964)
Provision for GIDC	-	81,486
Dividend income	(27,731,406)	(21,515,494)
Finance cost	414,782,520	375,774,985
	1,217,673,497	1,424,989,549
<b>Working capital changes</b>		
<b>Decrease / (increase) in current assets:</b>		
- stores, spare parts and loose tools	4,752,955	15,865,680
- stock-in-trade	(672,296,772)	(380,359,147)
- trade debts	79,890,887	(82,494,649)
- loans and advances	(2,031,829,681)	48,567,577
- short term deposit and prepayments	(16,623,150)	(23,666,179)
- deposits, other receivables and sales tax	(276,149,385)	124,016,086
	(2,912,255,146)	(298,070,632)
<b>Increase / (decrease) in current liabilities:</b>		
- trade and other payables	264,482,465	1,118,731,100
- contract liabilities	(44,457,410)	25,748,929
	220,025,055	1,144,480,029
<b>Net working capital changes</b>	(2,692,230,091)	846,409,397
Staff retirement benefits paid	(26,394,805)	(18,011,282)
Finance cost paid	(388,901,978)	(481,589,834)
Taxes paid	(135,029,132)	(3,920,611)
Workers' profit participation fund paid	(59,180,931)	(59,298,847)
Long term advances and deposits - net	-	625,000
	(609,506,846)	(562,195,574)
<b>Net cash (used in) / generated from operating activities</b>	(2,084,063,440)	1,709,203,372
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	28,272,072	(472,087,251)
Proceeds from disposal of operating fixed assets	176,477,516	2,997,000
Long term investment	(499,999,980)	(17,764,749)
Dividend income received	27,731,406	21,515,493
<b>Net cash used in investing activities</b>	(267,518,986)	(465,339,507)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances - repaid	(366,633,785)	(252,894,042)
Dividend paid	(63,711,398)	(41,108,972)
Short term borrowings - net	2,667,367,133	(938,282,271)
<b>Net cash generated from / (used in) financing activities</b>	2,237,021,950	(1,232,285,285)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(114,560,476)	11,578,580
<b>Cash and cash equivalents - at beginning of the period</b>	542,672,696	269,791,793
<b>Cash and cash equivalents - at end of the period</b>	428,112,220	281,370,373

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

  
Chief Executive Officer

  
Director

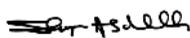
  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For The Quarter And Six Months Period Ended December 31, 2025

	Issued, subscribed and paid-up capital	Capital Reserve	Reserves				Unrealised gain on investments at fair value through other comprehensive income	Total
			General	Merger Reserve	Unappropriated profit	Sub-Total		
<b>Balance as at July 1, 2024 (Audited)</b>	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)
<b>Total comprehensive income for the six months period ended December 31, 2024</b>								
Profit for the period	-	-	-	-	480,478,409	480,478,409	-	480,478,409
Other comprehensive income	-	-	-	-	-	-	51,693,219	51,693,219
	-	-	-	-	480,478,409	480,478,409	51,693,219	532,171,628
<b>Balance as at December 31, 2024 (Un-audited)</b>	106,520,000	6,500,000,000	180,000,000	23,328,154	2,160,540,640	8,863,868,794	151,528,821	9,121,917,615
<b>Balance as at July 1, 2025 (Audited)</b>	106,520,000	6,500,000,000	180,000,000	23,328,154	2,386,837,236	9,090,165,390	182,460,888	9,379,146,278
Transactions with owners of the Company								
Final dividend related to the year ended								
June 30, 2024 @ Rs.6 per share	-	-	-	-	(63,912,000)	(63,912,000)	-	(63,912,000)
<b>Total comprehensive income for the six months period ended December 31, 2025</b>								
Profit for the period	-	-	-	-	305,244,371	305,244,371	-	305,244,371
Other comprehensive income	-	-	-	-	-	-	79,129,069	79,129,069
	-	-	-	-	305,244,371	305,244,371	79,129,069	384,373,440
<b>Balance as at December 31, 2025 (Un-audited)</b>	106,520,000	6,500,000,000	180,000,000	23,328,154	2,628,169,607	9,331,497,761	261,589,957	9,699,607,718

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

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

For The Six Months Period Ended December 31, 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

### Bhai Pheru

Jumber Khurd, Bhai Pheru, District. Kasur

Production plant

- 1.1 The Board of Directors, in their meeting held on September 25, 2025, and member of the Company in their extra ordinary general meeting held on December 08, 2025 have approved a Scheme of Compromises, Arrangement and Reconstruction under Sections 279 to 283 read with Section 285 of the Companies Act, 2017 for Amalgamation / Merger of the Company within / into Sapphire Fibres Limited - an Associated Company subject to obtaining necessary approvals and sanction of the Scheme by the Honorable High Court of Sindh at Karachi. For this purpose a petition has been filed with the Honorable High Court of Sindh which is pending adjudication as at December 31, 2025.

## 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 the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications 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, 2025. 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, 2025, 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 July 01, 2026, 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.

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

For The Six Months Period Ended December 31, 2025

## 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, 2025.

## 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, 2025.

	Note	(Un-audited) December 31, 2025 Rupees	(Audited) June 30, 2025 Rupees
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	4,738,962,931	4,972,219,087
Capital work-in-progress	4.2	203,752,503	425,701,831
		4,942,715,434	5,397,920,918
<b>4.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		4,972,219,087	6,108,529,641
Additions during the period / year	4.1.1	193,677,256	577,140,251
Disposals costing Rs.560.649 million (June 30, 2025: Rs. 2,130.481 million)			
- at net book value		(179,851,829)	(958,572,458)
Transfer to investment property costing Rs.Nil (June 30, 2025: Rs. 184.066 million)			
- at net book value		-	(173,285,876)
Depreciation charge for the period / year		(247,081,583)	(581,592,471)
Net book value at end of the period / year		4,738,962,931	4,972,219,087
<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:			
• factory		38,628,761	66,217,137
Plant and machinery		146,058,495	473,415,705
Electric installation		-	26,190,408
Vehicles		8,990,000	7,513,000
Electric Equipment		-	3,804,001
		193,677,256	577,140,251

4.1.2 These include transfer from capital work-in-progress amounting Rs.183.778 million (June 30, 2025: Rs.7.513 million).

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

For The Six Months Period Ended December 31, 2025

		(Un-audited) December 31,	(Audited) June 30,
	Note	2025 Rupees	2025 Rupees
<b>4.2 Capital work-in-progress</b>			
Buildings		20,981,160	35,595,418
Plant and machinery		182,771,343	381,116,413
Advance payments against- vehicles		-	8,990,000
		203,752,503	425,701,831
<b>5. LONG TERM INVESTMENTS</b>			
Subsidiary Companies - at cost	5.1	1,200,437,130	200,937,130
Associated Companies - at cost	5.2	1,706,163,702	1,706,163,702
Share for deposit money		-	499,500,020
		2,906,600,832	2,406,600,852
<b>5.1 Investments in subsidiary - unquoted at cost:</b>			
<b>RCSM Company (Private) Limited</b>			
20,043,713 ordinary shares of Rs.10 each Equity held: 100%	5.1.1	200,437,130	200,437,130
<b>Sapphire Electronics (Private) Limited</b>			
100,000,000 (June 30, 2025: 50,000) ordinary shares of Rs.10 each Equity held: 100%	5.1.2	1,000,000,000	500,000
		1,200,437,130	200,937,130

**5.1.1** During the period, the Company has further subscribed 99,950,000 shares of Sapphire Electronics (Pvt) Limited at rate of Rs.10 per share.

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

For The Six Months Period Ended December 31, 2025

		(Un-audited) December 31,	(Audited) June 30,
		2025 Rupees	2025 Rupees
<b>5.2</b>	<b>Investments in associates - at cost:</b>		
	<b>Quoted:</b>		
	<b>Sapphire Fibers Limited</b>		
	1,511,670 ordinary shares of Rs.10 each		
	Equity interest held 7.31%	1,319,112,991	1,319,112,991
	<b>Sapphire Textile Mills Limited</b>		
	100,223 ordinary shares of Rs.10 each		
	Equity interest held 0.462%	8,114,578	8,114,578
	<b>Un quoted:</b>		
	<b>SFL Limited</b>		
	401,570 ordinary shares of Rs.10 each		
	Equity interest held 42.83%	2,439,475	2,439,475
	<b>Sapphire Finishing Mills Limited</b>		
	1,556,000 ordinary shares of Rs.10 each		
	Equity interest held 1.69%	16,509,160	16,509,160
	<b>Sapphire Holding Limited</b>		
	100,223 ordinary shares of Rs.10 each		
	Equity interest held 0.5%	524,950	524,950
	<b>Sapphire Power Generation Limited</b>		
	2,580,250 ordinary shares of Rs.10 each		
	Equity interest held 16.10%	273,928,909	273,928,909
	<b>Sapphire Dairies (Pvt.) Limited (SDL)</b>		
	4,100,000 ordinary shares of Rs.10 each		
	Equity interest held 2.26%	85,533,639	85,533,639
	<b>Sanifa Agri Services Limited (SASL)</b>		
	11,590,000 ordinary shares of Rs.10 each		
	Equity interest held 33.11%	-	-
		1,706,163,702	1,706,163,702

**5.2.1** Investment in Sanifa Agri Services Limited has been carried at Rs.Nil in the book of accounts of the Company because of accumulated losses incurred by SASL.

		(Un-audited) December 31,	(Audited) June 30,
		2025 Rupees	2025 Rupees
<b>6.</b>	<b>STOCK-IN-TRADE</b>		
	Raw materials - in hand	4,659,934,920	3,645,567,099
	Raw materials - in transit	215,288,385	618,365,585
	Work-in-process	529,877,264	570,402,868
	Finished goods	742,120,929	620,988,946
	Waste	18,291,213	37,891,441
		6,165,512,711	5,493,215,939

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

For The Six Months Period Ended December 31, 2025

	Note	(Un-audited) December 31, 2025 Rupees	(Audited) June 30, 2025 Rupees
<b>7. LONG TERM FINANCES</b>			
Long term finances	7.1	1,774,648,863	2,141,282,648
Less: current portion grouped under current liabilities		(363,835,774)	(388,447,776)
		1,410,813,089	1,752,834,872
<b>7.1 Long term finances - secured</b>			
Balance at beginning of the period / year		2,141,282,648	2,927,082,191
Less: repayments made during the period / year		(366,633,785)	(785,799,543)
Balance at end of the period / year		1,774,648,863	2,141,282,648

**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, 2025. These long term finances, during the period, carried mark-up / profit at the rates ranged from 2.50% to 11.89% (June 30, 2025: 2.50% to 22.99%) per annum.

	Note	(Un-audited) December 31, 2025 Rupees	(Audited) June 30, 2025 Rupees
<b>8. SHORT TERM BORROWINGS</b>			
Short term and foreign currency loans	8.1	5,615,000,000	3,660,000,000
Running / cash finances -secured	8.1	1,728,786,948	1,016,419,815
		7,343,786,948	4,676,419,815

**8.1** The Company has obtained short term finance facilities, aggregating Rs.7,600 million (June 30, 2025: Rs.7,510 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.27,519 million (June 30, 2025: Rs.26,185 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 ranged from 8.99% to 12.39% (June 30, 2025: 5.15% to 21.85%) per annum. These facilities are expiring on various dates by November 30, 2026.

## 9. PROVISION FOR INCOME TAX AND LEVIES

The provision for levies and income taxation for the six month period ended and quarter ended December 31, 2025 has been made using the best possible estimate of the Company's total liability in respect of levies and income tax. Amount accrued may has to be adjusted in the subsequent period.

		(Un-audited) December 31, 2025 Rupees	(Audited) June 30, 2025 Rupees
<b>10. CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Contingencies</b>			
Guarantees issued by banks on behalf of the Company		935,361,730	935,361,730

**10.1.1** Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2025 the value of these cheques amounted to Rs.11,290.74 million (June 30, 2025: Rs.11,260.58 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, 2025.

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

For The Quarter And Six Months Period Ended December 31, 2025

	(Un-audited) December 31,	(Audited) June 30,
	2025 Rupees	2025 Rupees
<b>10.2 Commitments in respect of:</b>		
• Letters of credit for capital expenditure	84,165,000	63,411,120
• Letters of credit for purchase of cotton, raw materials and stores, spare parts & chemical	215,474,828	428,998,560
• Capital expenditure other than letters of credit	8,430,383	20,016,125
• Foreign & local bills discounted	485,563,310	483,167,408

## 11. SALES - net

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

	Note	Un-audited			
		Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
		2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
<b>SALES - NET</b>					
<b>Local:</b>					
Yarn		2,439,436,506	2,756,026,035	5,092,289,750	6,178,095,169
Raw material		39,071,364	20,044,150	309,839,512	139,552,891
Waste		113,423,637	86,876,706	228,165,707	210,299,303
		2,591,931,507	2,862,946,891	5,630,294,969	6,527,947,363
<b>Export:</b>					
Yarn		797,688,540	872,665,982	1,700,926,869	1,767,059,247
Processing income		3,389,620,047	3,735,612,873	7,331,221,838	8,295,006,610
<b>Steam income</b>		9,650,221	8,364,435	19,073,210	11,497,888
		-	6,249,500	-	12,819,000
<b>12. COST OF SALES</b>		3,399,270,268	3,750,226,808	7,350,295,048	8,319,323,498
Finished goods at beginning of the period		682,982,906	580,500,889	658,880,387	900,608,744
Cost of goods manufactured	12.1	3,029,809,943	3,344,107,543	6,399,696,491	6,762,831,992
		3,712,792,849	3,924,608,432	7,058,576,878	7,663,440,736
Finished goods at end of the period		(760,412,142)	(720,489,087)	(760,412,142)	(720,489,087)
		2,952,380,707	3,204,119,345	6,298,164,736	6,942,951,649

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

For The Quarter And Six Months Period Ended December 31, 2025

	Un-audited			
	Quarter ended		Six months period ended	
	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
<b>12.1 Cost of goods manufactured</b>				
Work-in-process at beginning of the period	641,321,454	759,078,659	570,402,868	631,593,634
Raw materials consumed	2,061,593,825	2,295,035,663	4,618,531,475	4,753,381,712
Direct labour and other overheads	856,771,928	1,005,327,370	1,740,639,412	2,093,190,795
	2,918,365,753	3,300,363,033	6,359,170,887	6,846,572,507
	3,559,687,207	4,059,441,692	6,929,573,755	7,478,166,141
<b>Work-in-process at end of the period</b>	(529,877,264)	(715,334,149)	(529,877,264)	(715,334,149)
	3,029,809,943	3,344,107,543	6,399,696,491	6,762,831,992

## 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, 2025, 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, 2025.

## 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.379.960 million (June 30, 2025: Rs.285.880million).

During the period ended December 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.

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

For The Six Months Period Ended December 31, 2025

		(Un-audited)	
		Six months period ended	
		December 31,	December 31,
		2025	2024
		Rupees	Rupees
<b>15.</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>		
<b>15.1</b>	<b>Significant transactions with related parties are as follows:</b>		
	<b>Transactions with Subsidiary Companies</b>		
	Advance against share subscription money	-	17,764,749
	Investment made	999,500,000	-
	Short term loan provided	5,779,500,000	-
	Short term loan returned	3,687,756,604	-
	Mark-up charged	159,019,793	-
	Expenses shared	21,307,970	-
	Rent charged	27,000,000	-
	<b>Transactions with Associated Companies</b>		
	<b>Sales:</b>		
	• raw material / yarn / stores and spare parts	657,859,535	937,768,987
	• fixed assets	311,000,000	-
	<b>Purchases:</b>		
	• raw material / yarn / stores and spare parts	318,396,217	326,471,783
	• fixed assets	7,100,000	-
	• services obtained	1,941,867	887,130
	Expenses charged by	10,730,672	37,461,430
	Expenses charged to	30,734,849	2,844,636
	<b>Dividend:</b>		
	• Received	15,116,700	8,990,189
	• Paid	51,374,220	27,094,620
	<b>Transactions with Key management personnel</b>		
	Remuneration and other benefits	98,728,007	88,503,884
		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>December 31,</b>	<b>December 31,</b>
		<b>2025</b>	<b>2024</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>15.2</b>	<b>Period / year end balances are as follows:</b>		
	<b>Receivables from related parties</b>		
	Trade debts and other receivables	223,539,839	191,391,708
	Loans and Advances	3,421,609,566	1,350,949,153
	<b>Payable to related parties</b>		
	Trade and other payables	429,986,111	102,294,004

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

For The Six Months Period Ended December 31, 2025

	December 31, 2025		June 30, 2025	
	Conventional Rupees	Shariah Compliant Rupees	Conventional Rupees	Shariah Compliant Rupees
<b>16. SHAHRIAH SCREENING DISCLOSURE</b>				
<b>Statement of Financial Position - Assets</b>				
Long term Investments	1,587,487,841	1,319,112,991	1,087,487,861	1,319,112,991
Short term Investments	329,964,181	49,996,316	-	285,879,891
Bank balances	381,084,597	3,690,425	381,084,597	3,690,425
<b>Statement of Financial Position - Liability</b>				
Long term finances	675,979,577	734,833,512	926,779,572	826,055,300
Short term borrowings	3,965,000,000	1,650,000,000	2,467,064,271	1,350,000,000
Running finances under mark-up arrangements	1,200,488,833	528,298,115	136,438,388	722,917,156
Accrued mark-up	65,476,472	40,906,220	48,935,112	31,567,038
<b>Statement of Profit and Loss and other Comprehensive Income</b>				
Revenue earned from shariah compliant bussiness segment	-	7,350,295,048	-	8,319,323,498
Other income				
a) Dividend Income	12,614,706	15,116,700	31,002,342	7,987,960
b) Loss / Gain on sale of operating fixed assets	-	(3,374,313)	-	372,060,187
Mark-up on short term finances	227,342,331	133,988,069	337,427,805	124,492,738
Mark-up on long term finances	18,063,354	18,586,858	116,240,194	44,988,967

The Company have banking relation with the following shariah-compliant financial institutions:

- Meezan Bank Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Pakistan Limited
- Faysal Bank Limited

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

For The Six Months Period Ended December 31, 2025

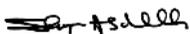
## 17. CORRESPONDING FIGURES

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, 2025 , whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the six months period ended December 31, 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.

## 18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorised for issue on February 25, 2026.



Chief Executive Officer

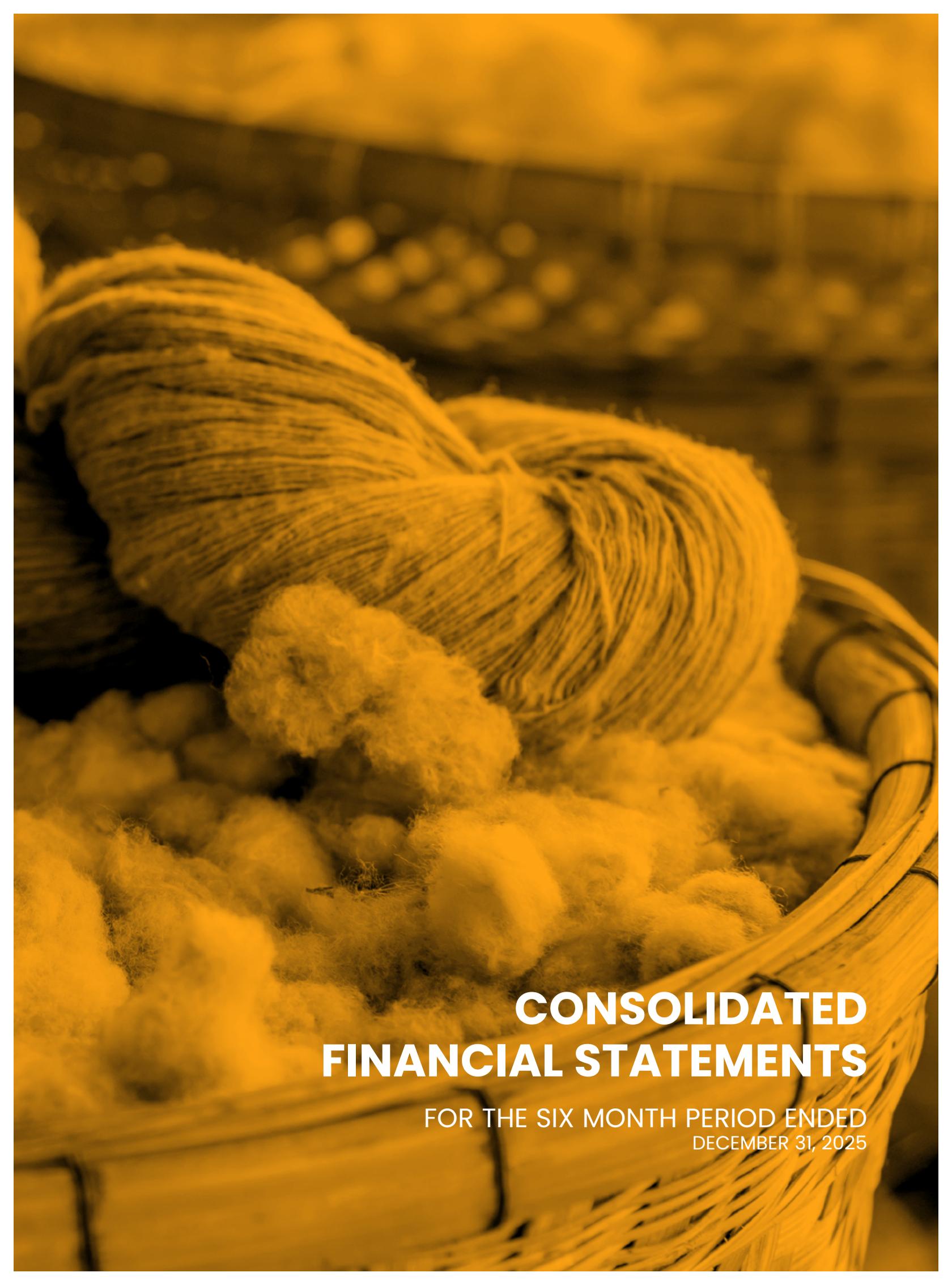


Director



Chief Financial Officer





**CONSOLIDATED  
FINANCIAL STATEMENTS**

FOR THE SIX MONTH PERIOD ENDED  
DECEMBER 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 half year ended December 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**

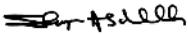
RCSM Company (Pvt.) Limited was incorporated in Pakistan as private limited by shares wholly owned by Reliance Cotton Spinning Mills Limited under Companies Ordinance, 1984 on November 08, 2017.

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 (Pvt) Limited is a wholly owned subsidiary of Reliance Cotton Spinning Mills Limited and was incorporated on September 23, 2024. The principal activity of the company is to trade, manufacture or otherwise acquire and sell electronic and electrical products.

## **For and on behalf of the Board**



**SHAYAN ABDULLAH**  
CHIEF EXECUTIVE



**SHAHID ABDULLAH**  
DIRECTOR

Lahore  
Dated: February 25, 2026

# ڈائریکٹرز کی حصص داران کو رپورٹ

ڈائریکٹرز 31 دسمبر 2025ء کو ختم ہونے والی ششماہی کے لئے ریلائنس کاٹن سپننگ ملز لمیٹڈ اور اسکی ذیلی کمپنی RCSM کمپنی (پرائیویٹ) لمیٹڈ اور سفارز الیکٹرونکس (پرائیویٹ) لمیٹڈ کے اشتمال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز-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:

RCSM کمپنی (پرائیویٹ) لمیٹڈ، کمپنیز آرڈیننس، 1984ء کے تحت 08 نومبر 2017ء کو ریلائنس کاٹن سپننگ ملز لمیٹڈ کی مکمل ملکیتی شیئرز کے ذریعے ایک پرائیویٹ 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۔

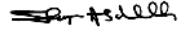
## سفارز الیکٹرونکس (پرائیویٹ) لمیٹڈ:

سفارز الیکٹرونکس کمپنی (پرائیویٹ) لمیٹڈ، ریلائنس کاٹن سپننگ ملز لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ 23 ستمبر 2024ء کو کمپنیز ایکٹ 2017ء کے تحت پاکستان میں قائم کیا گیا، کمپنی کی بنیادی سرگرمی الیکٹرانک اور برقی مصنوعات کی تجارت، تیاری یا دوسری صورت میں حصول اور فروخت ہے۔

## منجانب بورڈ آف ڈائریکٹرز



(شابد عبداللہ)  
ڈائریکٹر



(شایان عبداللہ)  
چیف ایگزیکٹو

لاہور

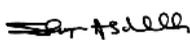
تاریخ: 25 فروری 2026ء

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

As At December 31, 2025

		(Un-audited) December 31,	(Audited) June 30,
	Note	2025 Rupees	2025 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	5,975,398,754	6,092,103,556
Long term investments	5	8,169,464,644	7,730,811,810
Investment property		165,395,497	171,291,004
Long term advances and deposits		24,892,424	24,892,424
		14,335,151,319	14,019,098,794
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		150,413,959	175,742,596
Stock-in-trade	6	10,868,585,107	7,977,736,601
Trade debts		2,009,578,219	2,062,517,411
Loans and advances		467,679,043	339,279,489
Short term deposits and prepayments		34,668,025	31,919,934
Short term investments		382,094,824	287,941,583
Other receivables		340,783,668	357,201,255
Tax refunds due from Government		1,975,996,416	1,237,341,881
Cash and bank balances		439,717,617	757,937,935
		16,669,516,879	13,227,618,685
<b>TOTAL ASSETS</b>		31,004,668,198	27,246,717,479
<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 10,652,000 ordinary shares of Rs.10 each		106,520,000	106,520,000
Reserves		7,623,064,111	7,205,106,156
Unappropriated profit		8,151,340,510	7,415,844,769
<b>TOTAL EQUITY</b>		15,880,924,621	14,727,470,925
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities	7	1,410,813,089	1,752,834,872
Staff retirement benefit - gratuity		240,963,124	226,322,929
Deffered taxation		863,727,771	699,484,669
		2,515,503,984	2,678,642,470
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,211,619,829	3,569,199,577
Contract liabilities		114,574,044	564,520,015
Accrued mark-up / interest		106,382,692	80,502,150
Short term borrowings	8	7,343,786,948	4,676,419,815
Current portion of long term finances	7	363,835,774	388,447,776
Unclaimed dividend		1,120,719	920,117
Provision for taxation	9	466,919,587	560,594,634
		12,608,239,593	9,840,604,084
<b>TOTAL LIABILITIES</b>		15,123,743,577	12,519,246,554
Contingencies and commitments	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		31,004,668,198	27,246,717,479

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

  
Chief Executive Officer

  
Director

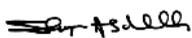
  
Chief Financial Officer

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

For The Quarter And Six Months Period Ended December 31, 2025

	Note	Quarter ended December 31,		Six months period ended December 31,	
		2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Sales	11	5,066,882,260	3,750,226,808	11,350,994,994	8,319,323,498
Cost of sales	12	(4,340,555,463)	(3,204,119,345)	(9,611,484,090)	(6,942,951,649)
<b>Gross profit</b>		726,326,797	546,107,463	1,739,510,904	1,376,371,849
Distribution cost		(72,703,861)	(72,403,541)	(156,134,080)	(168,802,626)
Administrative expenses		(91,473,054)	(92,140,479)	(225,324,069)	(160,544,097)
Other income		41,784,686	19,104,121	58,195,874	74,720,730
Other expenses		(435,796)	(22,778,381)	(29,476,567)	(39,123,769)
<b>Profit from operations</b>		603,498,772	377,889,183	1,386,772,062	1,082,622,087
Finance cost		(237,187,037)	(142,386,197)	(415,776,116)	(375,774,985)
Share of profit from Associated Companies		5,693,423	19,032,897	116,831,986	82,026,611
<b>Profit before revenue tax and income tax</b>		372,005,158	254,535,883	1,087,827,932	788,873,713
Final taxes - levy		(78,661,825)	(2,388,147)	(133,457,438)	(3,227,324)
<b>Profit before income tax</b>		293,343,333	252,147,736	954,370,494	785,646,389
Income Tax					
- current		18,631,702	16,210,603	(3,779,850)	(174,276,374)
- deferred		(88,052,590)	(40,384,360)	(149,291,565)	(68,694,205)
		(69,420,888)	(24,173,757)	(153,071,415)	(242,970,579)
<b>Profit after taxation</b>		223,922,445	227,973,979	801,299,079	542,675,810
<b>Earnings per share - basic and diluted</b>		21.02	21.40	75.23	50.95

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

  
Chief Executive Officer

  
Director

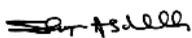
  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)

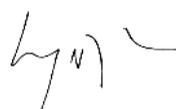
For The Quarter And Six Months Period Ended December 31, 2025

	Quarter ended December 31,		Six months period ended December 31,	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
<b>Profit after taxation</b>	223,922,445	227,973,979	801,299,079	542,675,810
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified</b>				
<b>to statement of profit or loss</b>				
<b>subsequently</b>				
Share in associates' unrealised (loss)/ gain				
on available for sales investment as FVTOCI	(6,538,296)	112,043,402	94,080,606	110,423,554
Unrealised gain/(loss) on remeasurement				
of investment at fair value through				
other comprehensive income	59,745,119	57,289,144	335,039,550	57,358,001
	53,206,823	169,332,546	429,120,156	167,781,555
Impact of deferred tax	(2,700,802)	(5,664,782)	(14,951,537)	(5,664,782)
Share in associate's unrealised (loss)/gain				
on hedging instruments	(3,677,307)	438,465	3,789,336	851,552
<b>Total comprehensive income for the period</b>	<b>270,751,159</b>	<b>392,080,208</b>	<b>1,219,257,034</b>	<b>705,644,135</b>

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

  
Chief Executive Officer

  
Director

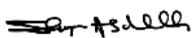
  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For The Six Months Period Ended December 31, 2025

	Six months period ended	
	December 31, 2025 Rupees	December 31, 2024 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	1,087,827,932	788,873,713
<b>Adjustments for non-cash and other items:</b>		
Depreciation	269,724,615	302,412,148
Provision for doubtful loan	-	(8,000,000)
Staff retirement benefit - gratuity	41,035,000	38,700,000
Provision for workers' profit participation fund	25,275,229	27,372,823
Provision for workers' welfare fund	-	11,348,264
Provision for GIDC	-	81,486
Fair value gain on investment	(72,635)	(140,840)
(Loss)/Gain on disposal of operating fixed assets	3,374,312	(2,139,964)
Reversal / provision for expected credit loss in trade debtors	-	1,960,859
Dividend income	(12,614,706)	(12,525,306)
Finance cost	415,776,116	375,774,985
Share of profit from associates	(116,831,986)	(82,026,611)
	1,713,493,876	1,441,691,557
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
- stores, spare parts and loose tools	25,328,637	15,343,862
- stock-in-trade	(2,890,848,506)	(380,359,147)
- trade debts	52,939,192	(82,494,649)
- loans and advances	(128,399,554)	48,567,577
- short term deposit and prepayments	(2,748,091)	(23,666,179)
- deposits, other receivables and sales tax	(571,137,503)	107,260,685
	(3,514,865,825)	(315,347,851)
<b>Increase / (decrease) in current liabilities:</b>		
- trade and other payables	676,325,958	1,120,151,378
- contract liabilities	(449,945,971)	25,748,929
	226,379,987	1,145,900,307
<b>Net working capital changes</b>	(3,288,485,838)	830,552,456
Staff retirement benefits paid	(26,394,805)	(18,011,282)
Finance cost paid	(389,895,574)	(481,589,834)
Taxes (paid)	(382,011,780)	(4,158,835)
Workers' profit participation fund paid	(59,180,932)	(59,298,847)
Long term advances and deposits - net	-	625,000
	(857,483,091)	(562,433,798)
<b>Net cash (used in) /generated from operating activities</b>	(2,432,475,053)	1,709,810,215
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(326,976,139)	(489,506,767)
Proceeds from disposal of operating fixed assets	176,477,518	2,997,000
Dividend income received	27,731,406	21,515,494
<b>Net cash used in investing activities</b>	(122,767,215)	(464,994,273)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan - repaid	(366,633,785)	(252,894,042)
Dividend paid	(63,711,398)	(41,108,972)
Short term borrowings - net	2,667,367,133	(938,282,271)
<b>Net cash generated from financing activities</b>	2,237,021,950	(1,232,285,285)
<b>Net increase in cash and cash equivalents</b>	(318,220,318)	12,530,658
<b>Cash and cash equivalents - at beginning of the period</b>	757,937,935	269,899,041
<b>Cash and cash equivalents- at end of the period</b>	439,717,617	282,429,699

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

  
Chief Executive Officer

  
Director

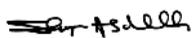
  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For The Six Months Period Ended December 31, 2025

	Reserves								Total
	Issued, subscribed and paid-up capital	Unrealised gain / (loss) on financial assets at fair value through other comprehensive income	On hedging instruments	Capital reserve	Revenue				
					General	Merger reserve	Sub-Total	Unappropriated profit	
Balance as at July 1, 2024 (Audited)	102,920,000	196,602,289	3,159,062	-	168,353,673	26,928,154	395,043,178	10,232,178,056	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)
Transfer to capital reserve	-	-	-	6,500,000,000	-	-	6,500,000,000	(6,500,000,000)	-
<b>Total comprehensive income for the six months period ended December 31, 2024</b>									
Profit for the period	-	-	-	-	-	-	-	542,675,810	542,675,810
Other comprehensive income	-	162,116,773	851,552	-	-	-	162,968,325	-	162,968,325
	-	162,116,773	851,552	-	-	-	162,968,325	542,675,810	705,644,135
Share of decrease in reserves of associated companies under equity method	-	-	-	-	-	-	-	(1,228,887)	(1,228,887)
<b>Balance as at December 31, 2024 (Un-audited)</b>	106,520,000	358,719,062	4,010,614	6,500,000,000	168,353,673	23,328,154	7,054,411,503	4,232,456,979	11,393,388,482
<b>Balance as at July 1, 2025 (Audited)</b>	106,520,000	512,120,247	1,304,082	6,500,000,000	168,353,673	23,328,154	7,205,106,156	7,415,844,769	14,727,470,925
Transactions with owners of the Company									
Final dividend related to the year ended									
June 30, 2025 @ Rs 6 per share	-	-	-	-	-	-	-	(63,912,000)	(63,912,000)
Total comprehensive income for the six months period ended December 31, 2025									
Profit for the period	-	-	-	-	-	-	-	801,299,079	801,299,079
Other comprehensive income	-	414,168,619	3,789,336	-	-	-	417,957,955	-	417,957,955
	-	414,168,619	3,789,336	-	-	-	417,957,955	801,299,079	1,219,257,034
Share of increase in reserves of associated companies under equity method	-	-	-	-	-	-	-	(1,891,338)	(1,891,338)
<b>Balance as at December 31, 2025 (Un-audited)</b>	106,520,000	926,288,866	5,093,418	6,500,000,000	168,353,673	23,328,154	7,623,064,111	8,151,340,510	15,880,924,621

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

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

For The Six Months Period Ended December 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

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

#### Bhai Pheru

Jumber Khurd, Bhai Pheru, District. Kasur

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 (Private) Limited

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 The Board of Directors of the holding company, in their meeting held on September 25, 2025, and member of the Company in their extraordinary general meeting held on December 08, 2025 have approved a Scheme of Compromises, Arrangement and Reconstruction under Sections 279 to 283 read with Section 285 of the Companies Act, 2017 for Amalgamation / Merger of the Company within / into Sapphire Fibres Limited - an Associated Company subject to obtaining necessary approvals and sanction of the Scheme by the Honorable High Court of Sindh at Karachi. For this purpose a petition has been filed with the Honorable High Court of Sindh which is pending adjudication as at December 31, 2025.

## 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.

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

For The Six Months Period Ended December 31, 2025

**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, 2025. 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, 2025, 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, 2026, 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, 2025.

## **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, 2025.

		<b>(Un-audited) December 31,</b>	<b>(Audited) June 30,</b>
	<b>Note</b>	<b>2025 Rupees</b>	<b>2025 Rupees</b>
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	5,035,091,435	5,285,095,116
Capital work-in-progress	4.2	940,307,319	807,008,440
		5,975,398,754	6,092,103,556
<b>4.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		5,285,095,116	6,108,529,641
Additions during the period / year	4.1.1	193,677,256	896,227,153
Disposals costing Rs.560.649 million (June 30, 2025: Rs. 2,130.481 million)			
- at net book value		(179,851,829)	(958,572,458)
Transfer from fixed assets, entered into lease agreement (June 30, 2025: Rs. 184.066 million)		-	(173,285,876)
Depreciation charge for the period / year		(263,829,108)	(587,803,344)
Net book value at end of the period / year		5,035,091,435	5,285,095,116

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

For The Six Months Period Ended December 31, 2025

		(Un-audited) December 31,	(Audited) June 30,
	Note	2025 Rupees	2025 Rupees
<b>4.1.1 Additions to operating fixed assets, including</b>			
<b>transfer from capital work-in-progress,during the period / year:</b>			
Buildings on freehold land:			
• Factory		38,628,761	66,217,137
• Plant and machinery		146,058,495	733,449,621
• Electric Instalation		-	31,176,507
• Mills equipment		-	4,313,001
• Furniture and fixture		-	35,213,787
• Computer		-	5,834,100
• Vehicles		8,990,000	20,023,000
		193,677,256	896,227,153
<b>4.1.2</b>	These include transfer from capital work-in-progress amounting Rs.183.778 million (June 30, 2025: Rs.7.513 million).		
<b>4.2 Capital work-in-progress</b>			
Building		24,615,104	122,420,162
Plant and machinery		904,902,725	670,558,788
Advance payments against:			
• Electric installation		6,700,000	950,000
• Vehicles		4,089,490	13,079,490
		10,789,490	14,029,490
		940,307,319	807,008,440
<b>5. LONG TERM INVESTMENTS</b>			
<b>Investments in associates - at cost:</b>			
<b>Quoted:</b>			
Sapphire Fibres Limited	5.1	6,563,636,684	6,193,876,715
Sapphire Textile Mills Limited	5.2	377,517,131	347,316,152
<b>Un-quoted:</b>			
SFL Limited	5.3	238,699,593	229,594,251
Sapphire Finishing Mills Limited	5.4	273,875,685	275,323,830
Sapphire Holding Limited	5.5	137,752,351	133,111,026
Sapphire Power Generation Limited	5.6	487,244,847	461,045,461
Sapphire Dairies (Pvt) Limited	5.7	90,738,353	90,544,375
Sanifa Agri Services Limited		-	-
		8,169,464,644	7,730,811,810

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

For The Six Months Period Ended December 31, 2025

	(Un-audited) December 31,	(Audited) June 30,
	2025 Rupees	2025 Rupees
<b>Investments in associates - at equity method:</b>		
<b>Quoted:</b>		
<b>5.1 Sapphire Fibers Limited</b>		
1,511,670 ordinary shares of Rs.10 each		
Equity interest held 7.313%	1,319,112,991	1,319,112,991
Share of post acquisition profit	5,259,640,393	4,882,751,684
Dividend received	(15,116,700)	(7,987,960)
	6,563,636,684	6,193,876,715
<b>5.2 Sapphire Textile Mills Limited</b>		
100,223 ordinary shares of Rs.10 each		
Equity interest held 0.462%	8,114,578	8,114,578
Share of post acquisition profit	369,402,553	342,759,491
Dividend received	-	(3,557,917)
	377,517,131	347,316,152
<b>Un quoted:</b>		
<b>5.3 SFL Limited</b>		
401,570 ordinary shares of Rs.10 each		
Equity interest held 42.83.00%	2,439,475	2,439,475
Share of post acquisition profit	236,260,118	227,154,776
	238,699,593	229,594,251
<b>5.4 Sapphire Finishing Mills Limited</b>		
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	257,366,525	258,814,670
	273,875,685	275,323,830
<b>5.5 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	137,227,401	132,586,076
	137,752,351	133,111,026
<b>5.6 Sapphire Power Generation Limited</b>		
2,580,200 ordinary shares of Rs.10 each		
Equity interest held 16.10%	81,931,127	81,931,127
Share of post acquisition profit	405,313,720	379,114,334
	487,244,847	461,045,461
<b>5.7 Sapphire Daries (Pvt.) Limited</b>		
41,000,000 ordinary shares of Rs.10 each		
Equity interest held 2.26%	41,000,000	41,000,000
Share of post acquisition profit	49,738,353	49,544,375
	90,738,353	90,544,375

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

For The Six Months Period Ended December 31, 2025

		(Un-audited) December 31,	(Audited) June 30,
	Note	2025 Rupees	2025 Rupees
<b>6. STOCK-IN-TRADE</b>			
Raw materials - in hand		7,294,971,624	4,569,802,316
Raw materials - in transit		324,263,127	1,224,621,419
Work-in-process		835,487,666	570,402,868
Finished goods		742,120,929	1,575,018,557
Waste		18,291,213	37,891,441
Electrical Appliance		1,653,450,548	-
		10,868,585,107	7,977,736,601
<b>7. LONG TERM LIABILITIES</b>			
Long term finances	7.1	1,774,648,863	2,141,282,648
Less: current portion grouped under current liabilities		(363,835,774)	(388,447,776)
		1,410,813,089	1,752,834,872
<b>7.1 Long term finances - secured</b>			
Balance at beginning of the period / year		2,141,282,648	2,927,082,191
Less: repayments made during the period / year		(366,633,785)	(785,799,543)
Balance at end of the period / year		1,774,648,863	2,141,282,648

**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, 2025. These long term finances, during the period, carried mark-up / profit at the rates ranged from 2.50% to 11.89% (June 30, 2025: 2.50% to 22.99%) per annum.

		(Un-audited) December 31,	(Audited) June 30,
	Note	2025 Rupees	2025 Rupees
<b>8. SHORT TERM BORROWINGS</b>			
Short term loans	8.1	5,615,000,000	3,660,000,000
Running finance under mark-up arrangements	8.1	1,728,786,948	1,016,419,815
		7,343,786,948	4,676,419,815

**8.1** The Company has obtained short term finance facilities, aggregating Rs.7,600 million (June 30, 2025: Rs.7,510 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.27,519 million (June 30, 2025: Rs.26,185 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 ranged from 8.99% to 12.39% (June 30, 2025: 5.15% to 21.85%) per annum. These facilities are expiring on various dates by November 30, 2026.

## **9. PROVISION FOR TAXATION**

The provision for levies and income taxation for the six month period ended and quarter ended December 31, 2025 has been made using the best possible estimate of the Company's total liability in respect of levies and income tax. Amount accrued may has to be adjusted in the subsequent period.

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

For The Six Months Period Ended December 31, 2025

	(Un-audited) December 31,	(Audited) June 30,
	2025 Rupees	2025 Rupees
<b>10. CONTINGENCIES AND COMMITMENTS</b>		
<b>10.1 Contingencies</b>		
Guarantees issued by banks on behalf of the Group	935,361,730	935,361,730
<b>10.1.1</b> Post dated Cheques have been issued to Collector of Customs as an indemnity to adequately discharge the liabilities for taxes and duties leviable on imports. As at December 31, 2025 the value of these cheques amounted to Rs.11,290.74 million (June 30, 2025: Rs.11,260.58 million).		
<b>10.1.2</b> 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, 2025.		

	(Un-audited) December 31,	(Audited) June 30,
	2025 Rupees	2025 Rupees
<b>10.2 Commitments in respect of :</b>		
• letters of credit for capital expenditure	84,165,000	63,411,120
• letters of credit for purchase of cotton, raw materials and stores, spare parts	215,474,828	428,998,560
• capital expenditure other than letters of credit	8,430,383	20,016,125
• foreign bills discounted	485,563,310	483,167,408

## 11. SALES - NET

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

	----- Un-Audited -----			
	Quarter ended		Six months period ended	
	December 31,	December 31,	December 31,	December 31,
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
<b>SALES - NET</b>				
<b>Spinning</b>				
<b>Local:</b>				
Yarn	2,439,436,506	2,756,026,035	5,092,289,750	6,178,095,170
Raw material	39,071,364	20,044,150	309,839,512	139,552,891
Waste	113,423,637	86,876,706	228,165,707	210,299,303
	2,591,931,507	2,862,946,891	5,630,294,969	6,527,947,363
<b>Export:</b>				
Yarn	797,688,540	872,665,983	1,700,926,869	1,767,059,247
	3,389,620,047	3,735,612,874	7,331,221,838	8,295,006,610
Processing income	9,650,221	8,364,435	19,073,210	11,497,888
Steam income	-	6,249,500	-	12,819,000
<b>Electronics</b>				
Electrical Appliances	1,667,611,992	-	4,000,699,946	-
	5,066,882,260	3,750,226,808	11,350,994,994	8,319,323,498

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

For The Six Months Period Ended December 31, 2025

		-----Un-Audited-----			
		Quarter ended		Six months period ended	
		December 31,	December 31,	December 31,	December 31,
		2025	2024	2025	2024
Note		Rupees	Rupees	Rupees	Rupees
<b>12.</b>	<b>COST OF SALES</b>				
	Finished goods at beginning of the period	1,606,276,070	580,500,889	1,649,489,653	900,608,744
	Cost of goods manufactured	5,148,142,083	3,344,107,543	10,375,857,127	6,762,831,992
		6,754,418,153	3,924,608,432	12,025,346,780	7,663,440,736
	Finished goods at end of the period	(2,413,862,690)	(720,489,087)	(2,413,862,690)	(720,489,087)
		4,340,555,463	3,204,119,345	9,611,484,090	6,942,951,649
<b>12.1</b>	<b>Cost of goods manufactured</b>				
	Work-in-process at beginning of the period	641,321,454	759,078,659	570,402,868	631,593,634
	Raw materials consumed	4,120,686,504	2,295,035,663	8,481,483,908	4,753,381,712
	Direct labour and other overheads	916,011,389	1,005,327,370	1,853,847,615	2,093,190,795
		5,036,697,893	3,300,363,033	10,335,331,523	6,846,572,507
		5,678,019,347	4,059,441,692	10,905,734,391	7,478,166,141
	Work-in-process at end of the period	(529,877,264)	(715,334,149)	(529,877,264)	(715,334,149)
		5,148,142,083	3,344,107,543	10,375,857,127	6,762,831,992

		December 31, 2025		June 30, 2025	
		Conventional	Shariah Compliant	Conventional	Shariah Compliant
		Rupees	Rupees	Rupees	Rupees
<b>13.</b>	<b>SHAHRIAH SCREENING DISCLOSURE</b>				
	<b>Statement of Financial Position - Assets</b>				
	Long term Investments	1,536,935,095	6,178,760,015	1,536,935,095	6,193,876,715
	Short term Investments	332,098,508	49,996,316	2,061,625	285,879,891
	Bank balances	381,084,597	3,690,425	542,568,807	215,369,128
	<b>Statement of Financial Position - Liability</b>				
	Long term finances	675,979,577	734,833,512	926,779,572	826,055,300
	Short term borrowings	3,965,000,000	1,650,000,000	2,467,064,271	1,350,000,000
	Running finances under				
	mark-up arrangements	1,200,488,833	528,298,115	136,438,388	722,917,156
	Accrued mark-up	65,476,472	40,906,220	48,935,112	31,567,038

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

For The Six Months Period Ended December 31, 2025

	December 31, 2025		June 30, 2025	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	Rupees	Rupees	Rupees	Rupees
<b>Statement of Profit and Loss</b>				
<b>and other Comprehensive Income</b>				
Revenue earned from shariah compliant				
bussiness segment	4,000,699,946	7,350,295,048	-	8,319,323,498
Other income				
a) Dividend Income	12,614,706	-	31,002,342	7,987,960
b) (Loss) / Gain on sale of operating fixed assets	-	(3,374,313)	-	372,060,187
Mark-up on short term finances	227,342,331	133,988,069	337,427,805	124,492,738
Mark-up on long term finances	18,063,354	18,586,858	116,240,194	44,988,967

The Company have banking relation with the following shariah-compliant financial institutions:

- a) Meezan Bank Limited
- b) Bank Islami Pakistan Limited
- c) Dubai Islamic Pakistan Limited
- d) Faysal Bank Limited

## 14. Segment Information

The Group's reportable segments are as follows:

- Spinning;
- Electronics

Spinning	Electronics	Total
----------	-------------	-------

----- Rupees -----

For six months period ended December 31, 2025			
Sales	7,350,295,048	4,000,699,946	11,350,994,994
Inter-segment sale	-	-	-
Segment result	914,099,748	669,277,076	1,583,376,824

Spinning	Electronics	Total
----------	-------------	-------

----- Rupees -----

For six months period ended December 31, 2024			
Sales	8,319,323,498	-	8,319,323,498
Inter-segment sale	-	-	-
Segment result	1,207,569,223	-	1,207,569,223

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

For The Six Months Period Ended December 31, 2025

	Un-audited	
	December 31, 2025 Rupees	December 31, 2024 Rupees
<b>Reconciliation of segment results with profit after tax is as follow:</b>		
Total result for reportable segment	1,583,376,824	1,207,569,223
Administrative Expenses	(225,324,069)	(160,544,097)
Other income	58,195,874	74,720,730
Other expenses	(29,476,567)	(39,123,769)
Finance cost	(415,776,116)	(375,774,985)
Share of profit of associates	116,831,986	82,026,611
Final taxes - levy	(133,457,438)	(3,227,324)
Income tax	(153,071,415)	(242,970,579)
Profit after taxation	801,299,079	542,675,810

## Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

Spinning	Electronics	Total
----------	-------------	-------

----- Rupees -----

<b>As at December 31, 2025</b>			
Segment assets	13,950,550,321	5,971,462,333	19,922,012,654
Unallocated assets			11,082,655,544
Total assets as per statement of financial position			31,004,668,198
Segment liabilities	11,857,418,415	2,347,028,527	14,204,446,942
Unallocated liabilities			919,296,635
Total liabilities as per statement of financial position			15,123,743,577

<b>As at June 30, 2025</b>			
Segment assets	15,301,664,536	3,458,335,339	18,759,999,875
Unallocated assets			8,486,717,604
Total assets as per statement of financial position			27,246,717,479
Segment liabilities	9,618,596,254	2,556,556,262	12,175,152,516
Unallocated liabilities			344,094,038
Total liabilities as per statement of financial position			12,519,246,554

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

For The Six Months Period Ended December 31, 2025

## 15. 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, 2025, 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, 2025.

## 16. 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.382.094 million (June 30, 2025: Rs.287.942million).

During the period ended December 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.

		(Un-audited)	
		Six months period ended	
		December 31,	December 31,
		2025	2024
		Rupees	Rupees
<b>17.</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>		
<b>17.1</b>	<b>Significant transactions with related parties are as follows:</b>		
	Transactions with Associated Companies		
	<b>Sales:</b>		
	• raw material / yarn / stores / appliances and spare parts	661,611,503	937,768,987
	• fixed assets	311,000,000	-
	<b>Purchases:</b>		
	• raw material / yarn / stores and spare parts	318,396,217	327,358,913
	• fixed assets	7,100,000	-
	• services obtained	1,941,867	887,130
	Expenses charged by	25,790,032	37,461,430
	Expenses Charged to	30,734,849	2,844,636
	<b>Dividend:</b>		
	• received	15,116,700	8,990,189
	• paid	51,374,220	27,094,620
	Transactions with Key management personnel		
	Remuneration and other benefits	110,734,724	88,503,894

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

For The Six Months Period Ended December 31, 2025

	(Un-audited) December 31,	(Audited) June 30,
	2025 Rupees	2025 Rupees
<b>17.2</b> Period / year end balances are as follows:		
<b>Receivables from related parties</b>		
Trade debts and other receivables	225,229,016	191,391,708
<b>Payable to related parties</b>		
Trade and other payables	464,332,011	102,294,004

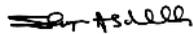
## 18. CORRESPONDING FIGURES

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, 2025, whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of consolidated financial statements of the Group for the six months period ended December 31, 2024.

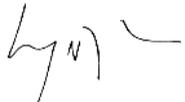
Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilitate better comparison and to conform with the changes in presentation.

## 19. DATE OF AUTHORISATION FOR ISSUE

These Group financial statements were approved by the Board of Directors and authorised for issue on February 25, 2025.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer







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