



**Half Yearly Report 2022**

**Reliance Cotton Spinning  
Mills Limited**

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## **Reliance Cotton Spinning Mills Limited**

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## 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. Asif Elahi-Independent Director

### AUDIT COMMITTEE

Mr. Asif Elahi	Chairman
Mr. Shahid Abdullah	Member
Mr. Nabeel Abdullah	Member

### HUMAN RESOURCE &

### REMUNERATION COMMITTEE

Mr. Asif Elahi	Chairman
Mr. Yousuf Abdullah	Member
Mr. Shayan Abdullah	Member

### SHARES REGISTRAR

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

### CHIEF FINANCIAL OFFICER

Mr. Jawwad Faisal

### COMPANY SECRETARY

Mr. Rameez Ghausi

### 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 922132416705

[www.sapphire.com.pk/rcsml](http://www.sapphire.com.pk/rcsml)

### MILLS

Feroze Wattoan,  
District, Sheikhpura, Punjab.



## DIRECTORS' REPORT

The Directors of the Company are pleased to present un-audited interim financial statements for the half year ended 31 December 2022, duly reviewed by the auditors.

### Financial Highlights

	31 December	
	2022	2021
	Rupees in thousand	
Sales & services	4,788,898	5,111,495
Gross profit	1,049,674	1,647,021
Profit from operations	829,395	1,449,353
Other income	20,910	21,864
Profit before taxation	707,446	1,346,910
Provision for tax	62,607	49,245
<b>Profit after taxation</b>	<b>644,839</b>	<b>1,297,665</b>

During first half of the financial year, company's revenue decreased from Rs. 5,111 million to Rs. 4,789 million; a drop of 6.3% compared to the same period of last year. Gross profit as a percentage of sales was 21.92% against 32.22% during last year. Whereas, Company earned profit after tax of Rs. 645 million compared to Rs. 1,297 million in first six months of last year.

### Earnings per share

The Company's earnings per share (EPS) were at Rs.62.65 as compared to Rs. 126.08 during the same period of last year.

### Future outlook

Global outlook remains tilted to the downside due to lower growth projections and higher inflation, with the possibility of any additional adverse shocks pushing world economy into recession. Whereas in Pakistan, deteriorating macroeconomic indicators pose significant challenges for growth during remainder of the financial year and beyond.

Despite these challenging circumstances, the management is taking every possible measure to maximize capacity utilization to maintain growth and profitability.

The directors appreciate the hard work and commendable services rendered by staff and workers of the Company.

For and on behalf of the Board

Director

Chief Executive

Lahore  
Dated: 25 February, 2023



## Reliance Cotton Spinning Mills Ltd.

### ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی جھلکیاں

روپے ہزاروں میں

تفصیل	31 دسمبر 2022ء	31 دسمبر 2021ء
فروخت اور خدمات	4,788,898	5,111,495
مجموعی منافع	1,049,674	1,647,021
آپریٹنگ منافع	829,395	1,449,353
دیگر آمدنی	20,910	21,864
ٹیکس سے پہلے منافع	707,446	1,346,910
ٹیکس کی پروویژن	62,807	49,245
ٹیکس کے بعد منافع	644,839	1,297,665

مالی سال کی پہلی ششماہی کے دوران کمپنی کی آمدنی 5,111 ملین روپے سے کم ہو کر 4,789 ملین روپے ہو گئی ہے جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 6.3 فیصد کم ہے۔ فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کے دوران 32.22 فیصد کے مقابلے میں 21.92 فیصد تک رہا۔ جبکہ، کمپنی نے گزشتہ سال اسی مدت میں درج 1,297 ملین روپے کے مقابلے میں موجودہ ششماہی کے دوران 645 ملین روپے ٹیکس کے بعد منافع کمایا ہے۔

فی حصص آمدنی

کمپنی کی موجودہ ششماہی کی فی حصص آمدنی (EPS) 62.65 روپے ہے جو کہ پچھلے سال کی اسی مدت کی 126.08 روپے تھی۔

مستقبل کا نقطہ نظر

ترقی کی کم توقعات اور افزائش میں اضافے کی وجہ سے، دنیا کا نقطہ نظر اب بھی مایوسی کا شکار ہے، اس بات کا امکان موجود ہے کہ مزید منفی رجحان عالمی معیشت کو معاشی زوال کی طرف لے جاسکتا ہے۔ جبکہ پاکستان میں بگڑتے ہوئے وسیع اقتصادی اعداد و شمار مالی سال کی بقیہ مدت اور اس کے بعد کی ترقی کی راہ میں سنگین رکاوٹ ہیں۔ ان مشکل حالات کے باوجود انتظامیہ ترقی اور منافع کو برقرار رکھنے کے لئے صلاحیت کو زیادہ سے زیادہ استعمال کرنے کی ہر ممکن کوشش کر رہی ہے۔

اعتراف

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

منجانب بورڈ آف ڈائریکٹرز

\_\_\_\_\_

(عامر عبداللہ)

ڈائریکٹر

\_\_\_\_\_

(شایان عبداللہ)

چیف ایگزیکٹو

لاہور تاریخ: 25 فروری 2023ء

**INDEPENDENT AUDITOR'S 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 statements of financial position of **Reliance Cotton Spinning Mills Limited** as at December 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year 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 financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

**Scope of Review**

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

**Conclusion**

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

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

*Shinewing Hameed Chaudhri & Co.*

**SHINEWING HAMEED CHAUDHRI & CO.**  
**CHARTERED ACCOUNTANTS**  
**LAHORE; FEBRUARY 25, 2023**

UDIN:RR202210104lcbdzRnUu

**RELIANCE COTTON SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Note	Un-audited December 31, 2022	Audited June 30, 2022
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,540,452,775	3,240,429,126
Long term investments	5	91,569,645	91,569,645
Long term advances and deposits		8,987,690	9,087,690
		<u>3,641,010,110</u>	<u>3,341,086,461</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		71,637,875	67,383,004
Stock-in-trade	6	5,733,713,702	4,706,207,204
Trade debts		1,307,987,763	1,782,516,207
Loans and advances		102,313,788	115,133,605
Short term deposits and prepayments		7,618,257	1,048,065
Short term investments		47,359,781	53,461,960
Other receivables		57,147,719	178,868,742
Tax refunds due from Government		895,563,012	672,751,973
Cash and bank balances		115,028,905	27,494,124
		<u>8,338,370,802</u>	<u>7,604,864,884</u>
<b>Total assets</b>		<u>11,979,380,912</u>	<u>10,945,951,345</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
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			
10,292,000 ordinary shares of Rs.10 each		<u>102,920,000</u>	<u>102,920,000</u>
Reserves		<u>118,652,555</u>	<u>124,754,734</u>
Unappropriated profit		<u>6,627,013,644</u>	<u>6,059,364,729</u>
		<u>6,848,586,199</u>	<u>6,287,039,463</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term liabilities	7	1,752,640,785	1,633,494,492
Staff retirement benefit - gratuity		92,760,106	92,326,481
Deferred taxation		21,698,843	20,523,741
		<u>1,867,099,734</u>	<u>1,746,344,714</u>
<b>Current liabilities</b>			
Trade and other payables		1,490,698,267	1,367,013,885
Contract liabilities		67,034,641	68,893,983
Accrued mark-up / interest		50,979,522	43,655,577
Short term borrowings	8	1,311,180,798	1,043,240,168
Current portion of long term finances		254,036,687	210,608,139
Unclaimed dividend		1,087,845	844,398
Provision for taxation	9	88,677,219	178,311,018
		<u>3,263,694,979</u>	<u>2,912,567,168</u>
<b>Total liabilities</b>		<u>5,130,794,713</u>	<u>4,658,911,882</u>
<b>Contingencies and commitments</b>	10		
<b>Total equity and liabilities</b>		<u>11,979,380,912</u>	<u>10,945,951,345</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**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

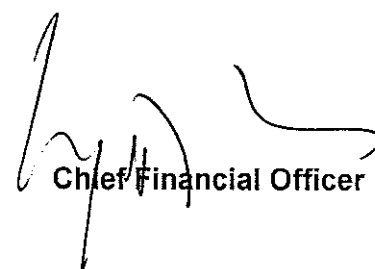
	Note	Quarter ended		Six months period ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		----- Rupees -----			
Sales - net	11	2,258,999,339	2,560,813,990	4,788,898,827	5,111,494,838
Cost of sales	12	(1,917,393,305)	(1,725,988,138)	(3,739,224,789)	(3,464,474,202)
<b>Gross profit</b>		<b>341,606,034</b>	<b>834,825,852</b>	<b>1,049,674,038</b>	<b>1,647,020,636</b>
Distribution cost		(32,525,034)	(50,569,667)	(80,616,517)	(104,192,196)
Administrative expenses		(56,343,669)	(23,196,142)	(110,160,200)	(46,988,123)
Other income		15,088,255	17,472,146	20,909,722	21,863,741
Other expenses		(13,099,865)	(34,384,791)	(50,411,612)	(68,351,196)
<b>Profit from operations</b>		<b>254,725,721</b>	<b>744,147,398</b>	<b>829,395,431</b>	<b>1,449,352,862</b>
Finance cost		(47,224,957)	(66,870,200)	(121,949,573)	(102,442,771)
<b>Profit before taxation</b>		<b>207,500,764</b>	<b>677,277,198</b>	<b>707,445,858</b>	<b>1,346,910,091</b>
Taxation		(30,498,957)	(24,973,594)	(62,606,943)	(49,244,798)
<b>Profit after taxation</b>		<b>177,001,807</b>	<b>652,303,604</b>	<b>644,838,915</b>	<b>1,297,665,293</b>
<b>Earnings per share</b>					
- basic and diluted		17.20	63.37	62.65	126.08

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

  
Chief Executive Officer

  
Director




  
Chief Financial Officer



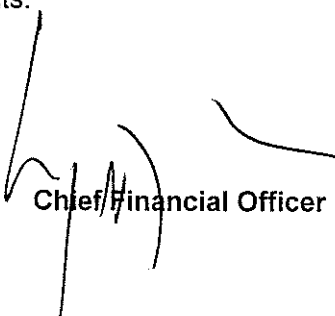
**RELIANCE COTTON SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Quarter ended		Six months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Profit after taxation	177,001,807	652,303,604	644,838,915	1,297,665,293
Other comprehensive loss				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised loss on remeasurement of investment at fair value through other comprehensive income	(1,346,127)	(1,597,888)	(6,102,179)	(1,775,771)
<b>Total comprehensive income for the period</b>	<b>175,655,680</b>	<b>650,705,716</b>	<b>638,736,736</b>	<b>1,295,889,522</b>

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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended	
	December 31, 2022	December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	----- Rupees -----	
Profit before taxation	707,445,858	1,346,910,091
<b>Adjustments for non-cash and other items:</b>		
Depreciation	128,448,149	111,135,524
Amortisation of government grant	(841,007)	(1,991,148)
Staff retirement benefit - gratuity	17,700,000	14,400,000
Provision for workers' profit participation fund	34,368,640	67,890,771
Provision for workers' welfare fund	15,840,472	-
Provision for GIDC	1,681,720	-
Gain on disposal of operating fixed assets	(3,815,273)	(3,250,669)
Dividend income	(7,849,347)	(9,098,265)
Finance cost	121,949,573	102,442,771
	<b>1,014,928,785</b>	<b>1,628,439,075</b>
<b>Working capital changes</b>		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	(4,254,871)	30,958,110
- stock-in-trade	(1,027,506,498)	(1,922,593,519)
- trade debts	474,528,444	(681,039,476)
- loans and advances	12,819,817	(14,181,575)
- short term deposit and prepayments	(6,570,192)	(7,068,845)
- deposits, other receivables and sales tax	(202,267,557)	(304,689,266)
	<b>(753,250,857)</b>	<b>(2,898,614,571)</b>
<b>Increase / (decrease) in current liabilities:</b>		
- trade and other payables	223,458,807	60,298,463
- contract liabilities	(1,859,342)	32,660,973
	<b>221,599,465</b>	<b>92,959,436</b>
<b>Net working capital changes</b>	<b>(531,651,392)</b>	<b>(2,805,655,135)</b>
Staff retirement benefits paid	(17,266,375)	(8,769,060)
Finance cost paid	(112,943,908)	(99,929,094)
Taxes paid	(49,888,098)	(35,587,303)
Workers' profit participation fund paid	(150,824,250)	(63,679,920)
Long term advances and deposits - net	100,000	2,200,000
	<b>(330,822,631)</b>	<b>(205,765,377)</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>152,454,762</b>	<b>(1,382,981,437)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(433,403,275)	(506,291,054)
Proceeds from disposal of operating fixed assets	8,746,750	10,752,264
Dividend income received	7,849,347	9,098,265
Government grant	841,007	1,991,148
<b>Net cash used in investing activities</b>	<b>(415,966,171)</b>	<b>(484,449,377)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances - obtained	247,345,000	411,039,120
- repaid	(87,292,887)	(66,137,476)
Dividend paid	(76,946,553)	(51,210,330)
Short term borrowings - net	267,940,630	1,595,405,833
<b>Net cash generated from financing activities</b>	<b>351,046,190</b>	<b>1,889,097,147</b>
<b>Net increase in cash and cash equivalents</b>	<b>87,534,781</b>	<b>21,666,333</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>27,494,124</b>	<b>8,756,563</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>115,028,905</b>	<b>30,422,896</b>

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

  
**Chief Executive Officer**

  
**Director**

**SHC**

  
**Chief Financial Officer**

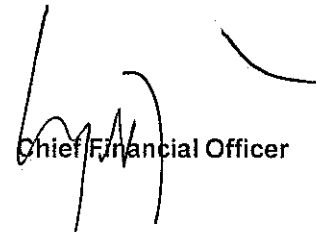
RELIANCE COTTON SPINNING MILLS LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Issued, subscribed and paid-up capital	Reserves		Unrealised loss on investments at fair value through other comprehensive income	Total	
		General	Unappropriated profit			Sub-total
----- Rupees -----						
Balance as at July 1, 2021 <i>(Audited)</i>	102,920,000	130,000,000	3,340,985,754	3,470,985,754	(3,237,162)	3,570,668,592
<b>Transactions with owners of the Company</b>						
Final dividend related to the year ended June 30, 2021 @ Rs.5 per share	-	-	(51,460,000)	(51,460,000)	-	(51,460,000)
<b>Total comprehensive income for the six months period ended December 31, 2021</b>						
Profit for the period	-	-	1,297,665,293	1,297,665,293	-	1,297,665,293
Other comprehensive loss	-	-	-	-	(1,775,771)	(1,775,771)
	-	-	1,297,665,293	1,297,665,293	(1,775,771)	1,295,889,522
<b>Balance as at December 31, 2021 <i>(Un-audited)</i></b>	<b>102,920,000</b>	<b>130,000,000</b>	<b>4,587,191,047</b>	<b>4,717,191,047</b>	<b>(5,012,933)</b>	<b>4,815,098,114</b>
Balance as at July 1, 2022 <i>(Audited)</i>	102,920,000	130,000,000	6,059,364,729	6,189,364,729	(5,245,266)	6,287,039,463
<b>Transactions with owners of the Company</b>						
Final dividend related to the year ended June 30, 2022 @ Rs.7.5 per share	-	-	(77,190,000)	(77,190,000)	-	(77,190,000)
<b>Total comprehensive income for the six months period ended December 31, 2022</b>						
Profit for the period	-	-	644,838,915	644,838,915	-	644,838,915
Other comprehensive loss	-	-	-	-	(6,102,179)	(6,102,179)
	-	-	644,838,915	644,838,915	(6,102,179)	638,736,736
<b>Balance as at December 31, 2022 <i>(Un-audited)</i></b>	<b>102,920,000</b>	<b>130,000,000</b>	<b>6,627,013,644</b>	<b>6,757,013,644</b>	<b>(11,347,445)</b>	<b>6,848,586,199</b>

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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

**Karachi**

**Purpose**

312, Cotton Exchange Building,  
I.I Chundrigar Road

Registered office

**Lahore**

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

Head office

**Sheikhupura**

Ferozewattoan

Production plant

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of compliance**

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

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

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

**2.1.2** These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022. 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, 2022, 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 January 01, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

**2.3 Accounting policies**

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2022.

**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, 2022.

**4. PROPERTY, PLANT AND EQUIPMENT**

		Un-audited December 31, 2022	Audited June 30, 2022
	Note	----- Rupees -----	
Operating fixed assets	4.1	2,604,398,944	2,484,217,013
Capital work-in-progress	4.2	936,053,831	756,212,113
		<u>3,540,452,775</u>	<u>3,240,429,126</u>
<b>4.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		2,484,217,013	2,105,320,345
Additions during the period / year	4.1.1	253,561,557	625,610,561
Disposals costing Rs.19.221 million (June 30, 2022: Rs.69.326 million) - at net book value		(4,931,477)	(8,902,954)
Depreciation charge for the period / year		(128,448,149)	(237,810,939)
Net book value at end of the period / year		<u>2,604,398,944</u>	<u>2,484,217,013</u>
<b>4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:</b>			
Buildings on freehold land:			
• residential		-	14,708,434
• factory		-	4,940,697
Plant and machinery		244,450,199	575,248,430
Electric installation		4,261,358	-
Vehicles		4,850,000	30,713,000
		<u>253,561,557</u>	<u>625,610,561</u>
<b>4.1.2</b> These include transfer from capital work-in-progress amounting Rs.253.561 million (June 30, 2022: Rs.625.610 million).			

## 4.2 Capital work-in-progress

		Un-audited December 31, 2022	Audited June 30, 2022
	Note	----- Rupees -----	
Buildings		151,070,718	81,893,953
Plant and machinery (including in transit aggregating Rs.11.632 million) (June 30, 2022: Rs.96.860 million)		719,212,863	552,706,333
Advance payments against:			
• factory / office building		10,133,649	22,505,003
• plant and machinery	4.2.1	48,137,601	93,241,824
• vehicles		7,499,000	5,865,000
		65,770,250	121,611,827
		936,053,831	756,212,113

4.2.1 These include advances amounting Rs.46.638 million made to Ignite Power (Pvt.) Limited (a related party) for installation of solar power project.

## 5. LONG TERM INVESTMENTS

		Un-audited December 31, 2022	Audited June 30, 2022
	Note	----- Rupees -----	
Subsidiary Company - at cost	5.1	2,600,000	2,600,000
Associated Companies - at cost	5.2	88,969,645	88,969,645
		91,569,645	91,569,645
5.1 Investments in subsidiary - unquoted at cost:			
<b>RCSM Company (Private) Limited</b>			
260,000 ordinary share of Rs. 10 each Equity Interest held 100%		2,600,000	2,600,000
5.2 Investments in associates - at cost:			
<b>Quoted:</b>			
<b>Sapphire Fibers Limited</b>			
393,697 ordinary shares of Rs.10 each Equity interest held 1.905%		41,956,482	41,956,482
<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 1.998%		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>			
555,000 ordinary shares of Rs.10 each Equity interest held 3.46%		19,425,000	19,425,000
		88,969,645	88,969,645

6. STOCK-IN-TRADE	Note	Un-audited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
Raw materials - in hand		3,969,095,576	3,560,945,774
Raw materials - in transit		822,309,938	435,749,233
Work-in-process		466,085,214	309,372,499
Finished goods		476,222,974	400,139,698
		<u>5,733,713,702</u>	<u>4,706,207,204</u>
<b>7. LONG TERM LIABILITIES</b>			
Long term finances	7.1	1,915,068,040	1,754,174,918
Provision for Gas Infrastructure Development Cess	7.2	91,609,432	89,927,713
		<u>2,006,677,472</u>	<u>1,844,102,631</u>
Less: current portion grouped under current liabilities		<u>(254,036,687)</u>	<u>(210,608,139)</u>
		<u>1,752,640,785</u>	<u>1,633,494,492</u>
<b>7.1 Long term finances - secured</b>			
Balance at beginning of the period / year		1,754,174,918	1,102,718,295
Add: disbursements during the period / year	7.1.1	247,345,000	791,608,489
Less: repayments made during the period / year		<u>(86,451,878)</u>	<u>(140,151,866)</u>
Balance at end of the period / year		<u>1,915,068,040</u>	<u>1,754,174,918</u>

7.1.1 Except for the receipt of four tranches of long term finances under the existing finance facilities all other 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 30,2022. These Long term finances , during the period , carried mark-up / profit at the rates ranged from 1.00% to 17.00% (June 30,2022 : 1.00% to 10.82%) .

7.2 The Honorable 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 Honorable 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 December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
Short term loans	8.1	1,080,000,000	745,000,000
Running finance under mark-up arrangements	8.1	231,180,798	297,705,695
Temporary bank overdraft - unsecured		-	534,473
		<u>1,311,180,798</u>	<u>1,043,240,168</u>

8.1 The Company has obtained short term finance facilities, aggregating Rs.5,053 million (June 30, 2022: Rs.5,723 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.16,539 million (June 30, 2022: Rs.14,829 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 14.06% to 17.58% (June 30, 2022: 7.44% to 15.31%) per annum. These facilities are expiring on various dates by June 30, 2023.

**9. PROVISION FOR TAXATION**

The provision for taxation for the six month period ended and quarter ended December 31, 2022 has been made using the best possible estimate of total annual tax liability of the Company. Amount accrued may has to be adjusted in the subsequent period.

**10. CONTINGENCIES AND COMMITMENTS****10.1 Contingencies**

	Un-audited December 31, 2022	Audited June 30, 2022
		----- Rupees -----
Guarantees issued by banks on behalf of the Company	<u>336,662,298</u>	<u>286,662,298</u>

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, 2022 the value of these cheques amounted to Rs.3.052 billion (June 30, 2022: Rs.550.659 million).

10.1.2 The Company has claimed an input tax credit of Rs.38.068 million which was disallowed by FBR through its notice dated June 20, 2015. The Company has filed an appeal against the decision of FBR in Honorable Lahore High Court dated July 07, 2015. The management expects a favourable out come in this case.

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, 2022.

**10.2 Commitments in respect of :**

	Un-audited December 31, 2022	Audited June 30, 2022
		----- Rupees -----
• letters of credit for capital expenditure	<u>428,403,058</u>	<u>653,562,710</u>
• letters of credit for purchase of cotton, raw materials and stores, spare parts & chemical	<u>894,373,678</u>	<u>203,360,516</u>
• capital expenditure other than letters of credit	<u>-</u>	<u>145,465,316</u>
• foreign & local bills discounted	<u>124,981,085</u>	<u>136,793,710</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:

	Quarter ended		Six months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----		----- Rupees -----	
<b>SALES - NET</b>				
<b>Local:</b>				
Yarn	490,393,927	677,027,906	868,563,340	1,186,079,819
Raw material	7,713,435	14,575,238	11,152,267	24,528,077
Waste	8,660,146	34,533,587	65,040,946	48,966,619
	506,767,509	726,136,731	944,756,553	1,259,574,515
<b>Export:</b>				
Yarn	405,454,083	641,716,833	962,098,313	1,209,349,983
Yarn (indirect export)	1,284,086,533	1,162,406,728	2,796,759,193	2,563,527,466
Waste	56,400,908	27,454,098	75,302,926	73,632,674
	1,745,941,524	1,831,577,659	3,834,160,432	3,846,510,123
	2,252,709,033	2,557,714,390	4,778,916,985	5,106,084,638
Processing income	2,471,306		3,690,842	
Steam income	3,819,000	3,099,600	6,291,000	5,410,200
	2,258,999,339	2,560,813,990	4,788,898,827	5,111,494,838

**12. COST OF SALES**

	----- Un-audited -----			
	Quarter ended		Six months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Finished goods at beginning of the period	612,489,832	273,314,321	400,139,698	363,753,827
Cost of goods manufactured <b>12.1</b>	1,781,126,447	1,810,837,603	3,815,308,065	3,458,884,161
	2,393,616,279	2,084,151,924	4,215,447,763	3,822,637,988
Finished goods at end of the period	(476,222,974)	(358,163,786)	(476,222,974)	(358,163,786)
	1,917,393,305	1,725,988,138	3,739,224,789	3,464,474,202

Note

**12.1 Cost of goods  
manufactured**

	----- Un-audited -----			
	Quarter ended		Six months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Work-in-process at beginning of the period	330,278,866	214,426,485	309,372,499	223,211,729
Raw materials consumed	1,418,013,853	1,501,949,403	2,883,877,241	2,712,416,152
Direct labour and other overheads	498,918,942	371,498,649	1,088,143,539	800,293,214
	1,916,932,795	1,873,448,052	3,972,020,780	3,512,709,366
	2,247,211,661	2,087,874,537	4,281,393,279	3,735,921,095
Work-in-process at end of the period	(466,085,214)	(277,036,934)	(466,085,214)	(277,036,934)
	1,781,126,447	1,810,837,603	3,815,308,065	3,458,884,161

**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, 2022, 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, 2022.

**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.47.360 million (June 30, 2022: Rs.53.461 million).

During the period ended December 31, 2022, 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	
	Six months period ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
<b>Transactions with Associated Companies</b>		
Sales:		
• raw material / yarn / stores and spare parts	651,886,341	437,555,022
Purchases:		
• raw material / yarn / stores and spare parts	14,330,372	53,740,791
Expenses charged by	3,394,770	6,199,552
Donations made	30,300,000	-
Dividend:		
• received	4,939,200	5,440,310
• paid	50,552,310	8,527,150
<b>Transactions with Key management personnel</b>		
Remuneration and other benefits	53,098,687	45,631,367
<b>15.2 Period / year end balances are as follows:</b>	<b>Un-audited</b>	<b>Audited</b>
	<b>December 31,</b>	<b>June 30,</b>
	<b>2022</b>	<b>2022</b>
	----- Rupees -----	
<b>Receivables from related parties</b>		
Capital work in progress	46,637,601	46,637,601
Trade debts	287,597,526	173,660,951
<b>Payable to related parties</b>		
Trade and other payables	66,107,059	43,883,717


**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, 2022, 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, 2021.
- Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation.

**17. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorised for issue on February 25, 2023.

  
Chief Executive Officer

  
Director

SHC

  
Chief Financial Officer



## DIRECTORS' REPORT

The directors are pleased to present their report together with consolidated financial statements of Reliance Cotton Spinning Mills Limited and its subsidiary RCSM Company (Pvt.) Limited for the period ended December 31, 2022. 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 (Pvt.) Limited collectively referred to as 'the Group' was incorporated in Pakistan under the Companies Ordinance, 1984. The wholly owned subsidiary was incorporated on November 08, 2017.

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

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

For and on behalf of Board

Handwritten signature of Shayan Abdullah in black ink.

Chief Executive  
Shayan Abdullah

Handwritten signature of Amer Abdullah in black ink.

Director  
Amer Abdullah

Lahore  
February 25, 2023



ڈائریکٹرز کی حصص داران کو رپورٹ

ڈائریکٹرز 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے ریلائنس کاٹن سپننگ ملز لمیٹڈ اور اسکی ذیلی کمپنی RCSM (پرائیویٹ) لمیٹڈ کے اشتہال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ معیار-27 (اشتہال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتہال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ الگ مالی گوشوارے منسلک کئے ہیں۔

RCSM کمپنی (پرائیویٹ) لمیٹڈ:

RCSM کمپنی (پرائیویٹ) لمیٹڈ (ہولڈنگ کمپنی) اور اس کی مکمل ملکیتی ذیلی کمپنی RCSM کمپنی (پرائیویٹ) لمیٹڈ جو مجموعی طور ایک "گروپ" کہلاتا ہے کمپنیز آرڈیننس، 1984 کے تحت پاکستان میں قائم ہوا۔ مکمل ملکیتی ذیلی کمپنی 8 نومبر 2017ء کو قائم ہوئی تھی۔

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

منجانب بورڈ آف ڈائریکٹرز

(عمر عبداللہ)

ڈائریکٹر

(شایان عبداللہ)

چیف ایگزیکٹو

لاہور

تاریخ: 25 فروری 2023

RELIANCE COTTON SPINNING MILLS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

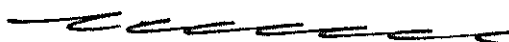
AS AT DECEMBER 31, 2022

	Note	Un-audited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,540,452,775	3,240,429,126
Long term investments	5	1,414,357,100	1,320,571,480
Long term advances and deposits		8,987,690	9,087,690
		<u>4,963,797,565</u>	<u>4,570,088,296</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		71,637,875	67,383,004
Stock-in-trade	6	5,733,713,702	4,706,207,204
Trade debts		1,307,987,763	1,782,516,207
Loans and advances		102,313,788	115,133,605
Short term deposits and prepayments		7,618,257	1,048,065
Short term investments		50,014,910	55,954,543
Other receivables		57,147,719	178,868,742
Tax refunds due from Government		895,563,012	672,751,973
Cash and bank balances		115,078,748	27,546,250
		<u>8,341,075,774</u>	<u>7,607,409,593</u>
<b>Total assets</b>		<u><u>13,304,873,339</u></u>	<u><u>12,177,497,889</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
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			
10,292,000 ordinary shares of Rs.10 each		<u>102,920,000</u>	<u>102,920,000</u>
Reserves		<u>34,629,404</u>	<u>60,973,010</u>
Unappropriated profit		<u>7,889,629,778</u>	<u>7,214,445,036</u>
		<u>8,027,179,182</u>	<u>7,378,338,046</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term liabilities	7	1,752,640,785	1,633,494,492
Staff retirement benefit - gratuity		92,760,106	92,326,481
Deferred taxation		168,463,286	160,651,702
		<u>2,013,864,177</u>	<u>1,886,472,675</u>
<b>Current liabilities</b>			
Trade and other payables		1,490,833,268	1,367,133,885
Contract liabilities		67,034,641	68,893,983
Accrued mark-up / interest		50,979,522	43,655,577
Short term borrowings	8	1,311,180,798	1,043,240,168
Current portion of long term finances		254,036,687	210,608,139
Unclaimed dividend		1,087,845	844,398
Provision for taxation	9	88,677,219	178,311,018
		<u>3,263,829,980</u>	<u>2,912,687,168</u>
<b>Contingencies and commitments</b>	10		
<b>Total equity and liabilities</b>		<u><u>13,304,873,339</u></u>	<u><u>12,177,497,889</u></u>

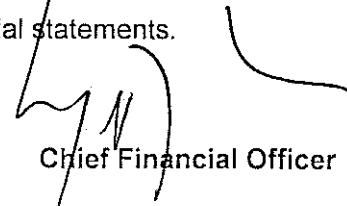
The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director

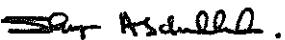


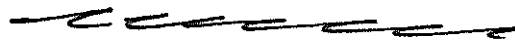
Chief Financial Officer

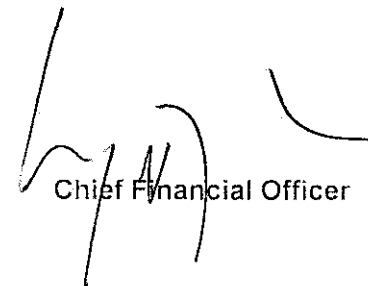
RELIANCE COTTON SPINNING MILLS LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Note	Quarter ended		Six months period ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- Rupees -----					
Sales - net	11	2,258,999,339	2,560,813,990	4,788,898,827	5,111,494,838
Cost of sales	12	(1,917,393,305)	(1,725,988,138)	(3,739,224,789)	(3,464,474,202)
<b>Gross profit</b>		<b>341,606,034</b>	<b>834,825,852</b>	<b>1,049,674,038</b>	<b>1,647,020,636</b>
Distribution cost		(32,525,034)	(50,569,667)	(80,616,517)	(104,192,196)
Administrative expenses		(56,343,669)	(23,196,142)	(110,160,200)	(46,988,123)
Other income		10,246,453	12,125,802	16,161,752	16,517,397
Other expenses		(13,104,651)	(34,411,709)	(50,428,898)	(68,390,614)
<b>Profit from operations</b>		<b>249,879,133</b>	<b>738,774,136</b>	<b>824,630,175</b>	<b>1,443,967,100</b>
Finance cost		(47,224,957)	(66,870,200)	(121,949,573)	(102,442,771)
Share of profit of associates		24,165,864	66,701,381	119,032,748	139,822,918
<b>Profit before taxation</b>		<b>226,820,040</b>	<b>738,605,317</b>	<b>821,713,350</b>	<b>1,481,347,247</b>
Taxation		(31,825,692)	(33,036,671)	(69,272,107)	(63,711,482)
<b>Profit after taxation</b>		<b>194,994,348</b>	<b>705,568,646</b>	<b>752,441,243</b>	<b>1,417,635,765</b>
<b>Earnings per share</b>					
- basic and diluted		18.95	68.56	73.11	137.74

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

  
Chief Executive Officer


  
Director

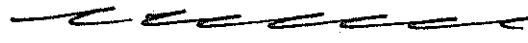
  
Chief Financial Officer

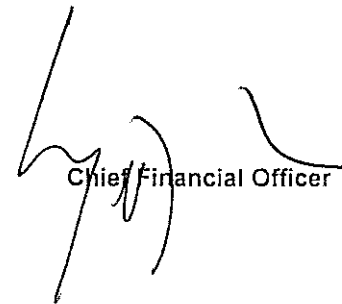
RELIANCE COTTON SPINNING MILLS LIMITED  
 CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Quarter ended		Six months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Profit after taxation	194,994,348	705,568,646	752,441,243	1,417,635,765
Other comprehensive income				
Items that will not be reclassified to statement of profit or loss subsequently				
Share in associates' unrealised (loss) / gain on available sales investment as FVTOCI	(2,376,378)	3,863,078	(20,881,184)	(11,189,553)
Unrealised (loss) / gain on remeasurement of investment at fair value through other comprehensive income	(1,346,127)	2,655,509	(6,102,179)	(1,775,771)
	(3,722,505)	6,518,587	(26,983,363)	(12,965,324)
Share in associate's unrealised gain / (Loss) on hedging instruments	372,110	81,977	639,757	(61,214)
<b>Total comprehensive income for the period</b>	<b>191,643,953</b>	<b>712,169,210</b>	<b>726,097,637</b>	<b>1,404,609,227</b>

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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Six months period ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	821,713,350	1,481,347,247
<b>Adjustments for non-cash and other items:</b>		
Depreciation	128,448,149	111,135,524
Amortisation of government grant	(841,007)	(1,991,148)
Staff retirement benefit - gratuity	17,700,000	28,866,684
Provision for workers' profit participation fund	34,368,640	67,890,771
Provision for workers' welfare fund	15,840,472	-
Provision for GIDC	1,681,720	-
Fair value gain on investment	(162,546)	-
Gain on disposal of operating fixed assets	(3,815,273)	(3,250,669)
Dividend income	(2,910,147)	(3,712,503)
Finance cost	121,949,573	102,442,771
Share of profit from associates	(119,032,748)	(139,822,918)
	<u>1,014,940,183</u>	<u>1,642,905,759</u>
<b>Working capital changes</b>		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	(4,254,871)	30,958,110
- stock-in-trade	(1,027,506,498)	(1,922,593,519)
- trade debts	474,528,444	(681,039,476)
- loans and advances	12,819,817	(14,181,575)
- short term deposit and prepayments	(6,570,192)	(7,068,845)
- deposits, other receivables and sales tax	(202,267,558)	(304,689,266)
	<u>(753,250,858)</u>	<u>(2,898,614,571)</u>
<b>Increase / (decrease) in current liabilities:</b>		
- trade and other payables	223,473,811	60,200,816
- contract liabilities	(1,859,342)	32,660,973
	<u>221,614,469</u>	<u>92,861,789</u>
<b>Net working capital changes</b>	<u>(531,636,389)</u>	<u>(2,805,752,782)</u>
Staff retirement benefits paid	(17,266,375)	(8,769,060)
Finance cost paid	(112,943,908)	(99,929,094)
Taxes (paid)	(49,916,783)	(50,053,988)
Workers' profit participation fund paid	(150,824,250)	(63,679,920)
Long term advances and deposits - net	100,000	2,200,000
	<u>(330,851,315)</u>	<u>(220,232,062)</u>
<b>Net cash generated from / (Used in) from operating activities</b>	<u>152,452,478</u>	<u>(1,383,079,085)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(433,403,275)	(506,291,054)
Proceeds from disposal of operating fixed assets	8,746,750	10,752,264
Dividend income received	7,849,347	9,098,265
Government grant	841,007	1,991,148
<b>Net cash used in investing activities</b>	<u>(415,966,171)</u>	<u>(484,449,377)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances - obtained	247,345,000	411,039,120
- repaid	(87,292,887)	(66,137,476)
Dividend paid	(76,946,553)	(51,210,330)
Short term borrowings - net	267,940,630	1,595,405,833
<b>Net cash generated from financing activities</b>	<u>351,046,190</u>	<u>1,889,097,147</u>
<b>Net increase in cash and cash equivalents</b>	<u>87,532,498</u>	<u>21,568,685</u>
<b>Cash and cash equivalents - at beginning of the period</b>	<u>27,546,250</u>	<u>8,920,138</u>
<b>Cash and cash equivalents - at end of the period</b>	<u>115,078,748</u>	<u>30,488,823</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 CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

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

----- Rupees -----

Balance as at July 1, 2021 (Audited)	102,920,000	(8,977,256)	467,951	118,353,673	109,844,368	4,222,246,418	4,435,010,786
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Transactions with owners of the Company

Final dividend related to the year ended  
June 30, 2021 @ Rs 5 per share

(51,460,000) (51,460,000)

Total comprehensive income for the  
six months period ended December 31, 2021

Profit for the period

-	-	-	-	-	1,417,635,765	1,417,635,765
-	(12,965,324)	(61,214)	-	(13,026,538)	-	(13,026,538)
-	(12,965,324)	(61,214)	-	(13,026,538)	1,417,635,765	1,404,609,227

Share of increase in reserves of associated  
companies under equity method

4,299,272 4,299,272

Balance as at December 31, 2021 (Un-audited)

102,920,000	(21,942,580)	406,737	118,353,673	96,817,830	5,592,721,455	5,792,459,285
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Balance as at July 1, 2022 (Audited)

102,920,000	(57,891,148)	510,485	118,353,673	60,973,010	7,214,445,036	7,378,338,046
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Transactions with owners of the Company

Final dividend related to the year ended  
June 30, 2022 @ Rs 7.5 per share

(77,190,000) (77,190,000)

Total comprehensive income for the  
six months period ended December 31, 2022

Profit for the period

-	-	-	-	-	752,441,243	752,441,243
-	(26,983,363)	639,757	-	(26,343,606)	-	(26,343,606)
-	(26,983,363)	639,757	-	(26,343,606)	752,441,243	726,097,637

Share of decrease in reserves of associated  
companies under equity method


(66,501) (66,501)

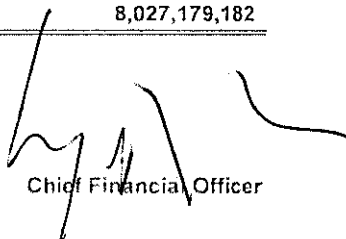
Balance as at December 31, 2022 (Un-audited)

102,920,000	(84,874,511)	1,150,242	118,353,673	34,629,404	7,889,629,778	8,027,179,182
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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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

1. THE GROUP AND ITS OPERATIONS

The Group consist of:

**The Parent Company**

- Reliance Cotton Spinning Mills Limited

**Subsidiary Company**

- RCSM Company (Private) Limited

• **Reliance Cotton Spinning Mills Limited**

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

**Karachi**

**Purpose**

312, Cotton Exchange Building,  
I.I Chundrigar Road

Registered office

**Lahore**

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

Head office

**Sheikhupura**

Warbuton Feroze Wattoan,

Production plant

**Subsidiary Companies**

• **RCSM Company (Private) Limited**

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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

2.1.2 These consolidated financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022. 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, 2022, 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, 2023, 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, 2022.

## 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, 2022.

## 4. PROPERTY, PLANT AND EQUIPMENT

		Un-audited December 31, 2022	Audited June 30, 2022
	Note	----- Rupees -----	
Operating fixed assets	4.1	2,604,398,944	2,484,217,013
Capital work-in-progress	4.2	936,053,831	756,212,113
		<u>3,540,452,775</u>	<u>3,240,429,126</u>
<b>4.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		2,484,217,013	2,105,320,345
Additions during the period / year	4.1.1	253,561,557	625,610,561
Disposals costing Rs.19.221 million (June 30, 2022: Rs.69.326 million) - at net book value		(4,931,477)	(8,902,954)
Depreciation charge for the period / year		(128,448,149)	(237,810,939)
Net book value at end of the period / year		<u>2,604,398,944</u>	<u>2,484,217,013</u>

4.1.1	Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:	Un-audited December 31, 2022	Audited June 30, 2022
	Buildings on freehold land:	----- Rupees -----	
	• residential	-	14,708,434
	• factory	-	4,940,697
	Plant and machinery	244,450,199	575,248,430
	Electric Instalation	4,261,358	0
	Vehicles	4,850,000	30,713,000
		<u>253,561,557</u>	<u>625,610,561</u>

4.1.2 These include transfer from capital work-in-progress amounting Rs.253.561 million (June 30, 2022: Rs.625.610 million).

4.2	Capital work-in-progress	Un-audited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
	Buildings	151,070,718	81,893,953
	Plant and machinery (including in transit aggregating Rs.11.632 million) (June 30, 2022: Rs.96.860 million)	719,212,863	552,706,333
	Advance payments against:		
	• factory / office building	10,133,649	22,505,003
	• plant and machinery	48,137,601	93,241,824
	• vehicles	7,499,000	5,865,000
		<u>65,770,250</u>	<u>121,611,827</u>
		<u>936,053,831</u>	<u>756,212,113</u>

4.2.1 These include advances amounting Rs.46.638 million made to Ignite Power (Pvt.) Limited (a related party) for installation of solar power project.

## 5. LONG TERM INVESTMENTS

### Investments in associates - at cost:

#### Quoted:

	Note		
Sapphire Fibres Limited	5.1	704,752,722	667,230,823
Sapphire Textile Mills Limited	5.2	192,650,552	185,929,252

#### Un-quoted:

SFL Limited	5.3	148,396,783	133,536,834
Sapphire Finishing Mills Limited	5.4	239,068,545	212,582,801
Sapphire Holding Limited	5.5	72,360,951	65,894,734
Sapphire Power Generation Limited	5.6	57,127,547	55,397,036

<u>1,414,357,100</u>	<u>1,320,571,480</u>
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### Investments in associates - at cost:

#### Quoted:

5.1	Sapphire Fibers Limited		
	393,697 ordinary shares of Rs.10 each		
	Equity interest held 1.905%	41,956,482	41,956,482
	Share of post acquisition profit	666,733,210	629,211,311
	Dividend received	(3,936,970)	(3,936,970)
		<u>704,752,722</u>	<u>667,230,823</u>

	Un-audited December 31, 2022	Audited June 30, 2022
5.2 <b>Sapphire Textile Mills Limited</b>		
100,223 ordinary shares of Rs.10 each	----- Rupees -----	
Equity interest held 0.462%	8,114,578	8,114,578
Share of post acquisition profit	185,538,204	179,318,019
Dividend received	(1,002,230)	(1,503,345)
	<u>192,650,552</u>	<u>185,929,252</u>
<b>Un quoted:</b>		
5.3 <b>SFL Limited</b>		
401,570 ordinary shares of Rs.10 each		
Equity interest held 2.00%	2,439,475	2,439,475
Share of post acquisition profit	145,957,308	131,097,359
	<u>148,396,783</u>	<u>133,536,834</u>
5.4 <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
Share of post acquisition profit	222,559,385	196,073,641
	<u>239,068,545</u>	<u>212,582,801</u>
5.5 <b>Sapphire Holding Limited</b>		
100,223 ordinary shares of Rs.10 each		
Equity interest held 0.5%	524,950	524,950
Share of post acquisition profit	71,836,001	65,369,784
	<u>72,360,951</u>	<u>65,894,734</u>
5.6 <b>Sapphire Power Generation Limited</b>		
555,000 ordinary shares of Rs.10 each		
Equity interest held 3.46%	19,425,000	19,425,000
Share of post acquisition profit	37,702,547	35,972,036
	<u>57,127,547</u>	<u>55,397,036</u>
6. <b>STOCK-IN-TRADE</b>		
Raw materials - in hand	3,969,095,576	3,560,945,774
Raw materials - in transit	822,309,938	435,749,233
Work-in-process	466,085,214	309,372,499
Finished goods	476,222,974	400,139,698
	<u>5,733,713,702</u>	<u>4,706,207,204</u>

		Un-audited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>7. LONG TERM LIABILITIES</b>	<b>Note</b>		
Long term finances	7.1	1,915,068,040	1,754,174,918
Provision for Gas Infrastructure Development Cess	7.2	91,609,432	89,927,713
		<u>2,006,677,472</u>	<u>1,844,102,631</u>
Less: current portion grouped under current liabilities		(254,036,687)	(210,608,139)
		<u>1,752,640,785</u>	<u>1,633,494,492</u>
<b>7.1 Long term finances - secured</b>			
Balance at beginning of the period / year		1,754,174,918	1,102,718,295
Add: disbursements during the period / year	7.1.1	247,345,000	791,608,489
Less: repayments made during the period / year		(86,451,878)	(140,151,866)
Balance at end of the period / year		<u>1,915,068,040</u>	<u>1,754,174,918</u>

7.1.1 Except for the receipt of four tranches of long term finances under the existing finance facilities all other 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 30,2022. These Long term finances , during the period , carried mark-up / profit at the rates ranged from 1.00% to 17.00% (June 30,2022 : 1.00% to 10.82%) .

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

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

		Un-audited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>8. SHORT TERM BORROWINGS</b>	<b>Note</b>		
Short term loans	8.1	1,080,000,000	745,000,000
Running finance under mark-up arrangements	8.1	231,180,798	297,705,695
Temporary bank overdraft - unsecured		-	534,473
		<u>1,311,180,798</u>	<u>1,043,240,168</u>

- 8.1 The Company has obtained short term finance facilities, aggregating Rs.5,053 million (June 30, 2022: Rs.5,723 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.16,539 million (June 30, 2022: Rs.14,829 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 14.06% to 17.58% (June 30, 2022: 7.44% to 15.31%) per annum. These facilities are expiring on various dates by June 30, 2023.

## 9. PROVISION FOR TAXATION

The provision for taxation for the six month period ended and quarter ended December 31, 2022 has been made using the best possible estimate of total annual tax liability of the Company. Amount accrued may has to be adjusted in the subsequent period.

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

Un-audited December 31, 2022	Audited June 30, 2022
----- Rupees -----	

Guarantees issued by banks on behalf of the Group	336,662,298	286,662,298
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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, 2022 the value of these cheques amounted to Rs.3.052 Billion (June 30, 2022: Rs.550.659 million).

- 10.1.2 The Company has claimed an input tax credit of Rs.38.068 million which was disallowed by FBR through its notice dated June 20, 2015. The Company has filed an appeal against the decision of FBR in Honorable Lahore High Court dated July 07, 2015. The management expects a favourable out come in this case.

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, 2022.

### 10.2 Commitments in respect of :

	Un-audited December 31, 2022	Audited June 30, 2022
----- Rupees -----		
• letters of credit for capital expenditure	428,403,058	653,562,710
• letters of credit for purchase of cotton, raw materials and stores, spare parts	894,373,678	203,360,516
• capital expenditure other than letters of credit	-	145,465,316
• foreign bills discounted	124,981,085	136,793,710



## 11. SALES - net

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

	Quarter ended		Six months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----		----- Rupees -----	
<b>SALES - NET</b>				
Local:				
Yarn	490,393,927	677,027,906	868,563,340	1,186,079,819
Raw material	7,713,435	14,575,238	11,152,267	24,528,077
Waste	8,660,147	34,533,587	65,040,946	48,966,619
	506,767,509	726,136,731	944,756,553	1,259,574,515
Export:				
Yarn	405,454,083	641,716,833	962,098,313	1,209,349,983
Yarn (indirect export)	1,284,086,533	1,162,406,728	2,796,759,193	2,563,527,466
Waste	56,400,908	27,454,098	75,302,926	73,632,674
	1,745,941,524	1,831,577,659	3,834,160,432	3,846,510,123
	2,252,709,033	2,557,714,390	4,778,916,985	5,106,084,638
Processing income	2,471,306	-	3,690,842	-
Steam income	3,819,000	3,099,600	6,291,000	5,410,200
	2,258,999,339	2,560,813,990	4,788,898,827	5,111,494,838

## 12. COST OF SALES

Finished goods at beginning of the period	Note	612,489,832	273,314,321	400,139,698	363,753,827
Cost of goods manufactured	12.1	1,781,126,447	1,810,837,603	3,815,308,065	3,458,884,161
		2,393,616,279	2,084,151,924	4,215,447,763	3,822,637,988
Finished goods at end of the period		(476,222,974)	(358,163,786)	(476,222,974)	(358,163,786)
		1,917,393,305	1,725,988,138	3,739,224,789	3,464,474,202

12.1 Cost of goods manufactured	----- Un-audited -----			
	Quarter ended		Six months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Work-in-process at beginning of the period	330,278,866	214,426,485	309,372,499	223,211,729
Raw materials consumed	1,418,013,853	1,501,949,403	2,883,877,241	2,712,416,152
Direct labour and other overheads	498,918,942	371,498,649	1,088,143,539	800,293,214
	1,916,932,795	1,873,448,052	3,972,020,780	3,512,709,366
	2,247,211,661	2,087,874,537	4,281,393,279	3,735,921,095
Work-in-process at end of the period	(466,085,214)	(277,036,934)	(466,085,214)	(277,036,934)
	1,781,126,447	1,810,837,603	3,815,308,065	3,458,884,161

### 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, 2022, 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, 2022.

### 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.50.014 million (June 30, 2022: Rs.55.954 million).

During the period ended December 31, 2022, 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:

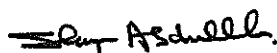
	Un-audited	
	Six months period ended	
	December 31, 2022	December 31, 2021
	----- Rupees -----	
<b>Transactions with Associated Companies</b>		
Sales:		
• raw material / yarn / stores and spare parts	651,886,341	437,555,022
Purchases:		
• raw material / yarn / stores and spare parts	14,330,372	53,740,791
Expenses charged by	3,394,770	6,199,552
Donation made	30,300,000	-
Dividend:		
• received	4,939,200	5,440,310
• paid	50,552,310	8,527,150
<b>Transactions with Key management personnel</b>		
Remuneration and other benefits	53,098,687	45,631,367
	Un-audited	Audited
<b>15.2 Period / year end balances are as follows:</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
	----- Rupees -----	
<b>Receivables from related parties</b>		
Capital work in progress	46,637,601	46,637,601
Trade debts	287,597,526	173,660,951
<b>Payable to related parties</b>		
Trade and other payables	66,107,059	43,883,717

**16. CORRESPONDING FIGURES**

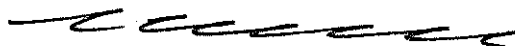
- In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2022, whereas, 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, 2021.
- 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.

**17. DATE OF AUTHORISATION FOR ISSUE**

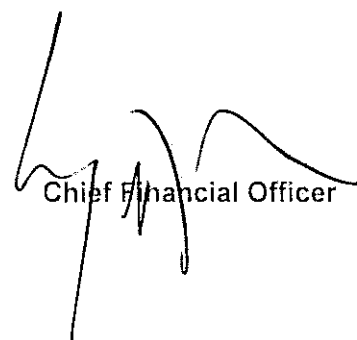
These Group financial statements were approved by the Board of Directors and authorised for issue on February 25, 2023.



Chief Executive Officer



Director



Chief Financial Officer