



**RELIANCE COTTON SPINNING
MILLS LIMITED**

**Half Yearly Report
2023**

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

COMPANY SECRETARY

Mr. Rameez Ghausi

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Jawwad Faisal

RISK COMMITTEE

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

SHARE REGISTRAR

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

TAX CONSULTANTS

Yousuf Adil, Chartered Accountants

AUDITORS

Shinewing Hameed Chaudhri & Company
Chartered Accountants

LEGAL ADVISOR

Hassan & Hassan, Advocates

BANKERS

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

REGISTERED OFFICE:

312, Cotton Exchange Building,
I. I. Chundrigar Road, Karachi.
Tel: +92 21 111 000 100
Fax 922132416705

Website: www.sapphire.com.pk/rcsm

CORPORATE OFFICE:

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

MILLS:

Feroze Wattoan,
District, Shekhupura, Punjab.

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DIRECTORS' REPORT

The Directors of the Company are pleased to present un-audited financial statements for the half year ended 31 December 2023, duly reviewed by the auditors.

Financial Highlights

	31 December	
	2023	2022
	Rupees in thousand	
Sales	6,741,316	4,788,898
Profit from operations	1,105,476	829,395
Finance cost	(426,611)	(121,949)
Taxation	(74,203)	(62,607)
Profit after taxation	604,662	644,839

Financial Performance

During first half of the financial year, your company achieved sales of Rs. 6.7 billion compared to Rs. 4.8 billion during corresponding period of last year, showing significant improvement of 40.8%. The gross profit as a percentage of sales was 18.6% compared to last year's 21.9%. Whereas the company earned profit after tax of Rs. 605 million as against Rs. 645 million during corresponding period of last year.

Earnings per share

The company's earnings per share (EPS) were at Rs. 58.75 as compared to Rs. 62.65 for the same period of last year.

Future Outlook

Global growth expectations point to a deeper slowdown in 2024 reflecting effects of tight monetary policies and high inflation. We anticipate a deceleration in demand for textiles in both domestic and export markets resulting in sustained pressure on profitability during remainder of the financial year. While these circumstances are posing a considerable challenge, the management is actively focused on improving corporate performance.

The directors appreciate the dedication and hard work of the staff and workers of the company.

For and on behalf of the Board

Shahid Abdullah
Director

Shayan Abdullah
Chief Executive

Lahore
February 26, 2024



ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2023ء 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 2023ء	31 دسمبر 2022ء
فروخت	6,741,316	4,788,898
آپریٹنگ سے منافع	1,105,476	829,395
مال لاگت	(426,611)	(121,949)
ٹیکس	(74,203)	(62,607)
ٹیکس کے بعد منافع	604,662	644,839

مالی کارکردگی

کمپنی نے گزشتہ سال کی اسی مدت کے دوران 4.8 بلین روپے کے مقابلے اس مالی سال کی پہلی ششماہی کے دوران 6.7 بلین روپے کی فروخت حاصل کی، جو 40.8 فیصد نمایاں بہتری ظاہر کرتی ہے۔
فروخت فیصد کے طور پر مجموعی منافع گزشتہ سال کے 21.9 فیصد کے مقابلے اس مدت کے دوران 18.6 فیصد ہو گیا۔ جبکہ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 645 بلین روپے کے برعکس موجودہ مدت کے دوران 605 بلین روپے ٹیکس کے بعد منافع کمایا ہے۔

فی حصص آمدنی

کمپنی کی موجودہ مدت کی فی شیئر آمدنی (EPS) 58.75 روپے ہے جو کہ پچھلے سال کی اسی مدت کی 62.65 روپے تھی۔

مستقبل کا نقطہ نظر

مالی نمو کی توقعات 2024 میں گہری ست روی ظاہر کرتی ہیں جو سخت مالیاتی پالیسیوں اور زیادہ افراط زر کے اثرات کی عکاسی کرتی ہیں۔ ہمیں توقع ہے کہ دونوں ملکی اور برآمدی مارکیٹوں میں ٹیکسٹائل کی طلب میں کمی آئے گی جس کے نتیجے میں مالی سال کی دوسری ششماہی کے دوران منافع پر مستقل دباؤ پڑے گا۔ اگرچہ یہ حالات کافی مشکلات پیش کر رہے ہیں، انتظامیہ کارپوریٹ کارکردگی کو بہتر بنانے کے لئے فعال طور پر توجہ مرکوز کر رہی ہے۔

اعتراف

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

(شاہد عبداللہ)

ڈائریکٹر

منجانب بورڈ آف ڈائریکٹرز

SQ AS 4002

(شایان عبداللہ)

چیف ایگزیکٹو

لاہور

تاریخ: 26 فروری 2024ء

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, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

Scope of Review

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

Conclusion

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

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

Shinewing Hameed Chaudhri & Co.

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

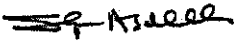
LAHORE: FEBRUARY 28, 2024


UDIN: RR202310104kiClshd0z

RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,269,897,545	3,591,288,186
Long term investments	5	714,236,351	518,127,246
Long term advances and deposits		8,987,690	8,987,690
		<u>4,993,121,586</u>	<u>4,118,403,122</u>
Current assets			
Stores, spare parts and loose tools		118,363,287	74,977,863
Stock-in-trade	6	6,804,644,792	6,203,133,931
Trade debts		1,871,715,797	2,012,865,224
Loans and advances		22,141,077	32,906,723
Short term deposits and prepayments		13,362,105	4,559,315
Short term investments		20,544,385	14,088,516
Other receivables		51,365,794	149,220,766
Tax refunds due from Government		469,533,082	575,764,159
Cash and bank balances		240,897,222	197,752,154
		<u>9,612,567,541</u>	<u>9,265,268,651</u>
Total assets		<u><u>14,605,689,127</u></u>	<u><u>13,383,671,773</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
12,000,000 ordinary shares of Rs.10 each		<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid-up capital			
10,292,000 ordinary shares of Rs.10 each		<u>102,920,000</u>	<u>102,920,000</u>
Reserves		<u>133,958,882</u>	<u>127,503,013</u>
Unappropriated profit		<u>7,366,802,813</u>	<u>6,803,308,914</u>
		<u>7,603,681,695</u>	<u>7,033,731,927</u>
Liabilities			
Non-current liabilities			
Long term liabilities	7	1,525,044,666	1,640,499,005
Staff retirement benefit - gratuity		119,602,473	113,293,444
Deferred taxation		27,760,110	28,921,440
		<u>1,672,407,249</u>	<u>1,782,713,889</u>
Current liabilities			
Trade and other payables		1,339,981,449	1,567,481,110
Contract liabilities		35,095,540	64,937,119
Accrued mark-up / interest		136,874,791	94,526,249
Short term borrowings	8	3,377,413,523	2,331,143,302
Current portion of long term finances		302,686,365	325,244,097
Unclaimed dividend		861,089	801,640
Provision for taxation	9	136,687,426	183,092,440
		<u>5,329,600,183</u>	<u>4,567,225,957</u>
Total liabilities		<u>7,002,007,432</u>	<u>6,349,939,846</u>
Contingencies and commitments	10		
Total equity and liabilities		<u><u>14,605,689,127</u></u>	<u><u>13,383,671,773</u></u>

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


Chief Executive Officer



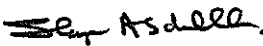

Director


Chief Financial Officer

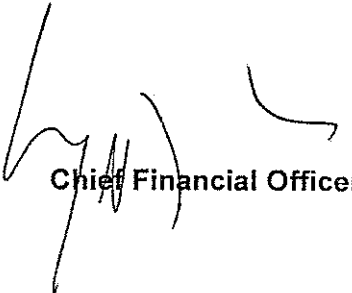
RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Quarter ended		Six months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- Rupees -----					
Sales - net	11	3,242,281,350	2,258,999,339	6,741,316,114	4,788,898,827
Cost of sales	12	(2,638,440,715)	(1,917,393,305)	(5,488,950,895)	(3,739,224,789)
Gross profit		603,840,635	341,606,034	1,252,365,219	1,049,674,038
Distribution cost		(41,243,650)	(32,525,034)	(87,284,580)	(80,616,517)
Administrative expenses		(45,162,541)	(56,343,669)	(83,513,019)	(110,160,200)
Other income		63,190,447	15,088,255	70,759,613	20,909,722
Other expenses		(23,455,311)	(13,099,865)	(46,851,093)	(50,411,612)
Profit from operations		557,169,580	254,725,721	1,105,476,140	829,395,431
Finance cost		(229,179,610)	(47,224,957)	(426,611,451)	(121,949,573)
Profit before taxation		327,989,970	207,500,764	678,864,689	707,445,858
Taxation		(21,486,716)	(30,498,957)	(74,202,790)	(62,606,943)
Profit after taxation		306,503,254	177,001,807	604,661,899	644,838,915
Earnings per share					
- basic and diluted		29.78	17.20	58.75	62.65

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


Chief Executive Officer


SHC
Director


Chief Financial Officer

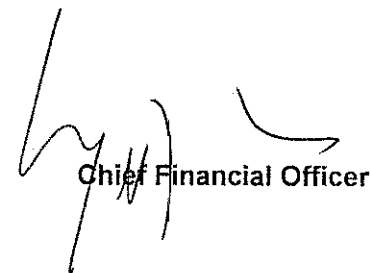
RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Quarter ended		Six months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Profit after taxation	306,503,254	177,001,807	604,661,899	644,838,915
Other comprehensive income				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised gain / (loss) on remeasurement of investment at fair value through other comprehensive income	4,456,612	(1,346,127)	6,455,869	(6,102,179)
Total comprehensive income for the period	310,959,866	175,655,680	611,117,768	638,736,736

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


Chief Executive Officer



 Director

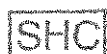

Chief Financial Officer

RELIANCE COTTON SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six months period ended	
	December 31, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	----- Rupees -----	
Profit before taxation	678,864,689	707,445,858
Adjustments for non-cash and other items:		
Depreciation	164,173,504	128,448,149
Amortisation of government grant	-	(841,007)
Staff retirement benefit - gratuity	22,200,000	17,700,000
Provision for workers' profit participation fund	32,071,161	34,368,640
Provision for workers' welfare fund	13,854,382	15,840,472
Provision for GIDC	836,277	1,681,720
Reversal of provision for expected credit loss	(5,934,537)	-
Gain on disposal of operating fixed assets	(41,227,557)	(3,815,273)
Dividend income	(10,653,162)	(7,849,347)
Finance cost	425,775,174	121,949,573
	1,279,959,931	1,014,928,785
Working capital changes		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	(43,385,424)	(4,254,871)
- stock-in-trade	(601,510,861)	(1,027,506,498)
- trade debts	147,083,964	474,528,444
- loans and advances	10,765,646	12,819,817
- short term deposit and prepayments	(8,802,790)	(6,570,192)
- deposits, other receivables and sales tax	123,708,411	(202,267,557)
	(372,141,054)	(753,250,857)
(Decrease) / increase in current liabilities:		
- trade and other payables	(227,329,469)	223,458,807
- contract liabilities	(29,841,579)	(1,859,342)
	(257,171,048)	221,599,465
Net working capital changes	(629,312,102)	(531,651,392)
Staff retirement benefits paid	(15,890,971)	(17,266,375)
Finance cost paid	(383,426,632)	(112,943,908)
Taxes paid	(41,391,496)	(49,888,098)
Workers' profit participation fund paid	(46,095,735)	(150,824,250)
Long term advances and deposits - net	-	100,000
	(486,804,834)	(330,822,631)
Net cash generated from operating activities	163,842,995	152,454,762
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(857,649,307)	(433,403,275)
Proceeds from disposal of operating fixed assets	56,094,000	8,746,750
Dividend income received	10,653,162	7,849,347
Government grant	-	841,007
Advance for investment in subsidiary	(196,109,105)	-
Net cash used in investing activities	(987,011,250)	(415,966,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - obtained	-	247,345,000
- repaid	(138,848,347)	(87,292,887)
Dividend paid	(41,108,551)	(76,946,553)
Short term borrowings - net	1,046,270,221	267,940,630
Net cash generated from financing activities	866,313,323	351,046,190
Net increase in cash and cash equivalents	43,145,068	87,534,781
Cash and cash equivalents - at beginning of the period	197,752,154	27,494,124
Cash and cash equivalents - at end of the period	240,897,222	115,028,905

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


Chief Executive Officer



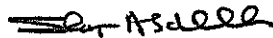

Director


Chief Financial Officer


RELIANCE COTTON SPINNING MILLS LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up capital	Reserves		Unrealised (loss) / income on investments at fair value through other comprehensive income	Total	
		General	Unappropriated profit			Sub-total
Rupees						
Balance as at July 1, 2022 (Audited)	102,920,000	130,000,000	6,059,364,729	6,189,364,729	(5,245,266)	6,287,039,463
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)	-	(77,190,000)
Total comprehensive income for the six months period ended December 31, 2022						
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
Balance as at December 31, 2022 (Un-audited)	102,920,000	130,000,000	6,627,013,644	6,757,013,644	(11,347,445)	6,848,586,199
Balance as at July 1, 2023 (Audited)	102,920,000	130,000,000	6,803,308,914	6,933,308,914	(2,496,987)	7,033,731,927
Transactions with owners of the Company						
Final dividend related to the year ended June 30, 2023 @ Rs.4 per share	-	-	(41,168,000)	(41,168,000)	-	(41,168,000)
Total comprehensive income for the six months period ended December 31, 2023						
Profit for the period	-	-	604,661,899	604,661,899	-	604,661,899
Other comprehensive income	-	-	-	-	6,455,869	6,455,869
	-	-	604,661,899	604,661,899	6,455,869	611,117,768
Balance as at December 31, 2023 (Un-audited)	102,920,000	130,000,000	7,366,802,813	7,496,802,813	3,958,882	7,603,681,695

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


 Chief Executive Officer

SHC


 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, 2023

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.
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act.

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

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023. 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, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.3 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

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, 2023.

4. PROPERTY, PLANT AND EQUIPMENT

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees -----	
Operating fixed assets	4.1	3,498,051,332	2,990,289,649
Capital work-in-progress	4.2	771,846,213	600,998,537
		<u>4,269,897,545</u>	<u>3,591,288,186</u>
4.1 Operating fixed assets			
Net book value at beginning of the period / year		2,990,289,649	2,484,217,013
Additions during the period / year	4.1.1	686,801,631	799,381,010
Disposals costing Rs.49.531 million (June 30, 2023: Rs. 24.427 million) - at net book value		(14,866,444)	(7,684,133)
Depreciation charge for the period / year		(164,173,504)	(285,624,241)
Net book value at end of the period / year		<u>3,498,051,332</u>	<u>2,990,289,649</u>
4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on freehold land:			
• residential		-	8,793,033
• factory		-	131,404,444
Plant and machinery		686,801,631	637,937,175
Electric installation		-	4,261,358
Vehicles		-	16,985,000
		<u>686,801,631</u>	<u>799,381,010</u>

4.1.2 These include transfer from capital work-in-progress amounting Rs.686.802 million (June 30, 2023: Rs.799.381 million).

4.2 Capital work-in-progress

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees -----	
Buildings		167,614,695	138,643,918
Plant and machinery (including in transit aggregating Rs.69.470 million) (June 30, 2023: Rs.Nil)	4.2.1	557,247,686	446,319,619
Advance payments against:			
• factory / office building		5,110,000	16,035,000
• plant and machinery		41,873,832	-
		46,983,832	16,035,000
		771,846,213	600,998,537

4.2.1 The Company, during the period, has capitalized borrowing cost of Rs.27.800 million (June 30, 2023: Rs.7.322 million) charged at the rate ranging from 17.03% to 22.95% (June 30, 2023: 3.50% to 4.00%) per annum.

4.2.2 These include additions of items amounting Rs.289.270 million purchased from Amer Cotton (Pvt.) Limited (a related party).

5. LONG TERM INVESTMENTS

		Un-audited December 31, 2023	Audited June 30, 2023
		----- Rupees -----	
Subsidiary Company - at cost	5.1	2,600,000	2,600,000
Associated Companies - at cost	5.2	515,527,246	515,527,246
Advance for shares subscription	5.3	196,109,105	-
		714,236,351	518,127,246

5.1 Investments in subsidiary - unquoted at cost:

RCSM Company (Private) Limited

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:

Quoted:

Sapphire Fibers Limited

798,796 ordinary shares of Rs.10 each
Equity interest held 3.864%

	468,514,083	468,514,083
--	--------------------	--------------------

Sapphire Textile Mills Limited

100,223 ordinary shares of Rs.10 each
Equity interest held 0.462%

	8,114,578	8,114,578
--	------------------	------------------

Un-audited December 31, 2023	Audited June 30, 2023
----- Rupees -----	

Un quoted:**SFL Limited**

401,570 ordinary shares of Rs.10 each
Equity interest held 1.998%

2,439,475	2,439,475
-----------	-----------

Sapphire Finishing Mills Limited

1,556,000 ordinary shares of Rs.10 each
Equity interest held 1.69%

16,509,160	16,509,160
------------	------------

Sapphire Holding Limited

100,223 ordinary shares of Rs.10 each
Equity interest held 0.5%

524,950	524,950
---------	---------

Sapphire Power Generation Limited

555,000 ordinary shares of Rs.10 each
Equity interest held 3.46%

19,425,000	19,425,000
------------	------------

515,527,246	515,527,246
--------------------	--------------------

5.3 This represents advance amounting Rs.196.109 million made for subscription of shares of RCSM Company (Private) Limited (a Subsidiary Company).

6. STOCK-IN-TRADE

Un-audited December 31, 2023	Audited June 30, 2023
----- Rupees -----	

Note

Raw materials - in hand

4,737,520,048	3,982,794,123
---------------	---------------

Raw materials - in transit

402,833,431	767,222,050
-------------	-------------

Work-in-process

622,509,285	609,784,835
-------------	-------------

Finished goods

1,041,782,028	843,332,923
---------------	-------------

6,804,644,792	6,203,133,931
----------------------	----------------------

7. LONG TERM LIABILITIES

Long term finances

7.1

1,734,017,817	1,872,866,164
---------------	---------------

Provision for Gas Infrastructure
Development Cess

7.2

93,713,214	92,876,938
------------	------------

1,827,731,031	1,965,743,102
----------------------	----------------------

Less: current portion grouped under
current liabilities

(302,686,365)	(325,244,097)
---------------	---------------

1,525,044,666	1,640,499,005
----------------------	----------------------

7.1 Long term finances - secured

Balance at beginning of the period / year

1,872,866,164	1,754,174,918
---------------	---------------

Add: disbursements during the
period / year

7.1.1

-	312,039,880
---	-------------

Less: repayments made during the period / year

(138,848,347)	(193,348,634)
---------------	---------------

Balance at end of the period / year

1,734,017,817	1,872,866,164
----------------------	----------------------

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, 2023. These Long term finances , during the period , carried mark-up / profit at the rates ranged from 2.50% to 24.02% (June 30, 2023: 1.00% to 24.08%) per annum.

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, 2023	Audited June 30, 2023
----- Rupees -----			
Short term loans	8.1	2,270,000,000	1,625,449,000
Running finance under mark-up arrangements	8.1	1,107,413,523	705,694,302
		3,377,413,523	2,331,143,302

8.1 The Company has obtained short term finance facilities, aggregating Rs.5,053 million (June 30, 2023: Rs.5,553 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.17,206 million (June 30, 2023: Rs.16,539 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 16.37% to 24.04% (June 30, 2023: 14.06% to 23.08%) per annum. These facilities are expiring on various dates by June 30, 2024.

9. PROVISION FOR TAXATION

The provision for taxation for the six month period ended and quarter ended December 31, 2023 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, 2023	Audited June 30, 2023
----- Rupees -----		
Guarantees issued by banks on behalf of the Company	386,662,298	386,662,298

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, 2023 the value of these cheques amounted to Rs.5,207.360 million (June 30, 2023: Rs.5,343.701 million).

10.1.2 The Company has claimed an input tax credit of Rs.45.749 million (June 30, 2023: Rs.45.749 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, 2023.

10.2 Commitments in respect of :

	Un-audited December 31, 2023	Audited June 30, 2023
----- Rupees -----		
• letters of credit for capital expenditure	344,864,520	571,789,427
• letters of credit for purchase of cotton, raw materials and stores, spare parts & chemical	689,310,172	308,063,329
• capital expenditure other than letters of credit	46,988,414	51,039,978
• foreign & local bills discounted	317,954,249	283,113,000

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- Rupees -----		----- Rupees -----	
SALES - NET					
Local:					
Yarn		489,159,940	490,393,927	1,076,702,351	868,563,340
Raw material		411,205	7,713,435	9,384,937	11,152,267
Waste		16,252,378	8,660,147	82,695,105	65,040,946
		505,823,523	506,767,509	1,168,782,393	944,756,553
Export:					
Yarn		622,852,660	405,454,083	1,476,265,277	962,098,313
Yarn (indirect export)	11.1	2,057,821,506	1,284,086,533	4,014,211,584	2,796,759,193
Waste		50,255,036	56,400,908	73,483,910	75,302,926
		2,730,929,202	1,745,941,524	5,563,960,771	3,834,160,432
		3,236,752,725	2,252,709,033	6,732,743,164	4,778,916,985
Processing income		277,125	2,471,306	1,998,450	3,690,842
Steam income		5,251,500	3,819,000	6,574,500	6,291,000
		3,242,281,350	2,258,999,339	6,741,316,114	4,788,898,827

11.1. This includes sales made to direct exporters against Export facilitation Scheme (EFS) to related parties under S.R.O 957(1)/ 2021 dated July 30, 2021, amounting to Rs. 469.270 million (December 31, 2022: Rs. Nil)

12. COST OF SALES

		----- Un-audited -----			
		Quarter ended		Six months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Note		----- Rupees -----			
	Finished goods at beginning of the period	737,788,089	612,489,832	843,332,923	400,139,698
	Cost of goods manufactured	2,942,434,654	1,781,126,447	5,687,400,000	3,815,308,065
		3,680,222,743	2,393,616,279	6,530,732,923	4,215,447,763
	Finished goods at end of the period	(1,041,782,028)	(476,222,974)	(1,041,782,028)	(476,222,974)
		2,638,440,715	1,917,393,305	5,488,950,895	3,739,224,789

12.1 Cost of goods manufactured

		----- Un-audited -----			
		Quarter ended		Six months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- Rupees -----			
	Work-in-process at beginning of the period	618,186,985	330,278,866	609,784,835	309,372,499
	Raw materials consumed	2,151,742,510	1,418,013,853	4,256,545,713	2,883,877,241
	Direct labour and other overheads	795,014,444	498,918,942	1,443,578,737	1,088,143,539
		2,946,756,954	1,916,932,795	5,700,124,450	3,972,020,780
		3,564,943,939	2,247,211,661	6,309,909,285	4,281,393,279
	Work-in-process at end of the period	(622,509,285)	(466,085,214)	(622,509,285)	(466,085,214)
		2,942,434,654	1,781,126,447	5,687,400,000	3,815,308,065

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, 2023, 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, 2023.

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.20.544 million (June 30, 2023: Rs.14.089 million).

During the period ended December 31, 2023, 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, 2023	December 31, 2022
	----- Rupees -----	
Transactions with Subsidiary Company		
Advance against share subscription money	196,109,105	-
Transactions with Associated Companies		
Sales:		
• raw material / yarn / stores and spare parts	549,631,776	651,886,341
• fixed assets	50,000,000	-
Purchases:		
• raw material / yarn / stores and spare parts	97,728,631	14,330,372
• fixed assets	289,270,112	-
Expenses charged by	22,546,480	3,394,770
Expenses charged to	10,318,320	-
Donations made	-	30,300,000
Dividend:		
• received	8,990,189	4,939,200
• paid	27,047,232	50,552,310
Transactions with Key management personnel		
Remuneration and other benefits	61,280,064	53,098,687
15.2 Period / year end balances are as follows:	Un-audited	Audited
	December 31,	June 30,
	2023	2023
	----- Rupees -----	
Receivables from related parties		
Trade debts	144,649,864	566,961,004
Payable to related parties		
Trade and other payables	13,926,032	214,362,472

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, 2023, 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, 2022.
- 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 **26-02-24**



Chief Executive Officer

 SHC


Director


Chief Financial Officer



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 subsidiary RCSM Company (Pvt.) Limited for the period ended December 31, 2023. The Company has annexed consolidated financial statements along with its separate financial statements in accordance with the requirements of the International Accounting Standard-27 (Consolidated and Separate Financial Statements)

RCSM Company (Pvt.) Limited

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

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

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

For and on behalf of the Board

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

Shahid Abdullah
(Director)

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

(Shayan Abdullah)
(Chief Executive)

Lahore
February 26, 2024



ڈائریکٹرز کی حصص داران کو رپورٹ

ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والی مدت کے لئے ریلائنس کاٹن سپننگ ملز لمیٹڈ اور اسکی ذیلی کمپنی RCSM (پرائیویٹ) لمیٹڈ کے اشتمال شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ کمپنی نے بین الاقوامی اکاؤنٹنگ معیار-27 (اشتمال شدہ اور الگ مالی گوشوارے) کی ضروریات کے مطابق اشتمال شدہ مالی گوشواروں کے ساتھ ساتھ اپنے الگ الگ مالی گوشوارے منسلک کئے ہیں۔

RCSM کمپنی (پرائیویٹ) لمیٹڈ:

ریلائنس کاٹن سپننگ ملز 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۔ ہولڈنگ کمپنی پاکستان سٹاک ایکسچینج لمیٹڈ میں درج ہے (جو پہلے کراچی سٹاک ایکسچینج لمیٹڈ اور لاہور سٹاک ایکسچینج لمیٹڈ کے نام سے جانا جاتا تھا۔ مکمل ملکیتی ذیلی کمپنی 8 نومبر 2017ء کو قائم ہوئی تھی۔

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

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

منجانب بورڈ آف ڈائریکٹرز

(شاد عبد اللہ)

ڈائریکٹر

(شایان مہد اللہ)

چیف ایگزیکٹو


لاہور

تاریخ: 26 فروری 2024ء

RELIANCE COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION(UN-AUDITED)
AS AT DECEMBER 31, 2023

	Note	Un-audited December 31, 2023	Audited June 30, 2023
		----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,269,897,545	3,591,288,186
Long term investments	5	2,665,230,453	2,446,709,699
Long term advances and deposits		8,987,690	8,987,690
		<u>6,944,115,688</u>	<u>6,046,985,575</u>
Current assets			
Stores, spare parts and loose tools		118,363,287	74,977,863
Stock-in-trade	6	6,804,644,792	6,203,133,931
Trade debts		1,871,715,797	2,012,865,224
Loans and advances		218,250,182	32,906,723
Short term deposits and prepayments		13,362,106	4,559,315
Short term investments		23,444,162	16,937,774
Other receivables		56,338,906	149,220,766
Tax refunds due from Government		469,533,082	575,764,159
Cash and bank balances		241,034,418	197,801,997
		<u>9,816,686,732</u>	<u>9,268,167,752</u>
Total assets		<u><u>16,760,802,420</u></u>	<u><u>15,315,153,327</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
12,000,000 ordinary shares of Rs.10 each		<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid-up capital			
10,292,000 ordinary shares of Rs.10 each		102,920,000	102,920,000
Reserves			
Unappropriated profit		9,284,919,275	8,619,232,451
		<u>9,532,625,530</u>	<u>8,746,631,140</u>
Liabilities			
Non-current liabilities			
Long term liabilities	7	1,525,044,666	1,640,499,005
Staff retirement benefit - gratuity		119,602,473	113,293,444
Deferred taxation		253,831,567	247,350,781
		<u>1,898,478,706</u>	<u>2,001,143,230</u>
Current liabilities			
Trade and other payables		1,340,079,450	1,567,634,110
Contract liabilities		35,095,540	64,937,119
Accrued mark-up / interest		136,874,791	94,526,249
Short term borrowings	8	3,377,413,523	2,331,143,302
Current portion of long term finances		302,686,365	325,244,097
Unclaimed dividend		861,089	801,640
Provision for taxation	9	136,687,426	183,092,440
		<u>5,329,698,184</u>	<u>4,567,378,957</u>
Total Liabilities		<u>7,228,176,890</u>	<u>6,568,522,187</u>
Contingencies and commitments	10		
Total equity and liabilities		<u><u>16,760,802,420</u></u>	<u><u>15,315,153,327</u></u>

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


Chief Executive Officer

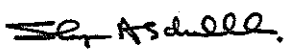

Director


Chief Financial Officer

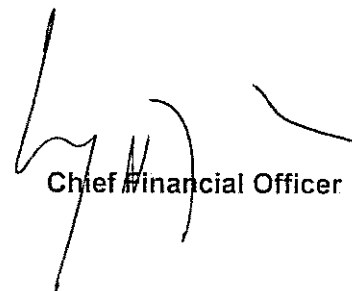
RELIANCE COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Quarter ended		Six months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- Rupees -----			
Sales - net	11	3,242,281,350	2,258,999,339	6,741,316,114	4,788,898,827
Cost of sales	12	(2,638,440,715)	(1,917,393,305)	(5,488,950,895)	(3,739,224,789)
Gross profit		603,840,635	341,606,034	1,252,365,219	1,049,674,038
Distribution cost		(41,243,650)	(32,525,034)	(87,284,580)	(80,616,517)
Administrative expenses		(45,162,541)	(56,343,669)	(83,513,019)	(110,160,200)
Other income		59,315,943	10,246,453	67,036,422	16,161,752
Other expenses		(23,487,916)	(13,104,651)	(46,908,740)	(50,428,898)
Profit from operations		553,262,471	249,879,133	1,101,695,302	824,630,175
Finance cost		(229,179,610)	(47,224,957)	(426,611,451)	(121,949,573)
Share of profit of associates		14,027,098	24,165,864	113,638,799	119,032,748
Profit before taxation		338,109,959	226,820,040	788,722,650	821,713,350
Taxation		(27,282,436)	(31,825,692)	(81,888,274)	(69,272,107)
Profit after taxation		310,827,523	194,994,348	706,834,376	752,441,243
Earnings per share					
- basic and diluted		30.20	18.95	68.68	73.11

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


Chief Executive Officer

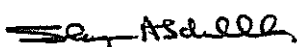

Director

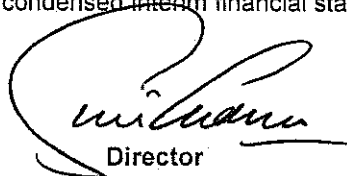

Chief Financial Officer

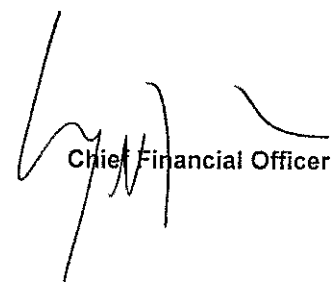
RELIANCE COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Quarter ended		Six months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Profit after taxation	310,827,523	194,994,348	706,834,376	752,441,243
Other comprehensive income				
Items that will not be reclassified to statement of profit or loss subsequently				
Share in associates' unrealised gain/(loss) on available sales investment as FVTOCI	84,704,791	(2,376,378)	113,851,697	(20,881,184)
Unrealised gain/(loss) on remeasurement of investment at fair value through other comprehensive income	4,456,612	(1,346,127)	6,455,869	(6,102,179)
	89,161,403	(3,722,505)	120,307,566	(26,983,363)
Share in associate's unrealised (loss)/gain on hedging instruments	(2,598,738)	372,110	-	639,757
Total comprehensive income for the period	397,390,188	191,643,953	827,141,942	726,097,637

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, 2023

	Six months period ended	
	December 31, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	----- Rupees -----	
Profit before taxation	788,722,650	821,713,350
Adjustments for non-cash and other items:		
Depreciation	164,173,504	128,448,149
Amortisation of government grant	-	(841,007)
Staff retirement benefit - gratuity	22,200,000	17,700,000
Provision for workers' profit participation fund	32,071,161	34,368,640
Provision for workers' welfare fund	13,854,382	15,840,472
Provision for GIDC	836,276	1,681,720
Fair value gain on investment	(50,519)	(162,546)
Gain on disposal of operating fixed assets	(41,227,556)	(3,815,273)
Reversal / provision for expected credit loss in trade debtors	(5,934,537)	-
Dividend income	(1,952,096)	(2,910,147)
Finance cost	425,775,175	121,949,573
Share of profit from associates	(113,638,799)	(119,032,748)
	1,284,829,641	1,014,940,183
Working capital changes		
(Increase) / decrease in current assets:		
- stores, spare parts and loose tools	(43,385,424)	(4,254,871)
- stock-in-trade	(601,510,861)	(1,027,506,498)
- trade debts	147,083,964	474,528,444
- loans and advances	(185,343,459)	12,819,817
- short term deposit and prepayments	(8,802,791)	(6,570,192)
- deposits, other receivables and sales tax	118,735,299	(202,267,558)
	(573,223,272)	(753,250,858)
Increase / (decrease) in current liabilities:		
- trade and other payables	(227,384,465)	223,473,811
- contract liabilities	(29,841,582)	(1,859,342)
	(257,226,047)	221,614,469
Net working capital changes	(830,449,319)	(531,636,389)
Staff retirement benefits paid	(15,890,971)	(17,266,375)
Finance cost paid	(383,426,633)	(112,943,908)
Taxes (paid)	(41,434,864)	(49,916,783)
Workers' profit participation fund paid	(46,095,735)	(150,824,250)
Long term advances and deposits - net	-	100,000
	(486,848,203)	(330,851,315)
Net cash (used in) /generated from operating activities	(32,467,881)	152,452,479
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(857,649,307)	(433,403,275)
Proceeds from disposal of operating fixed assets	56,094,000	8,746,750
Dividend income received	10,942,286	7,849,347
Government grant	-	841,007
Net cash used in investing activities	(790,613,021)	(415,966,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - obtained	-	247,345,000
- repaid	(138,848,347)	(87,292,887)
Dividend paid	(41,108,551)	(76,946,553)
Short term borrowings - net	1,046,270,221	267,940,630
Net cash generated from financing activities	866,313,323	351,046,190
Net increase in cash and cash equivalents	43,232,421	87,532,498
Cash and cash equivalents - at beginning of the period	197,801,997	27,546,250
Cash and cash equivalents - at end of the period	241,034,418	115,078,748

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


Chief Executive Officer

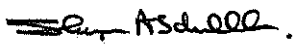

Director

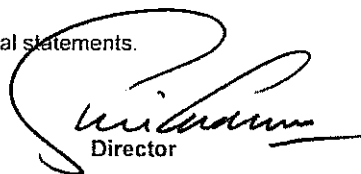

Chief Financial Officer

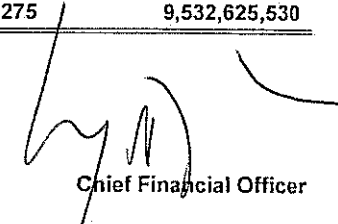
RELIANCE COTTON SPINNING MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up capital	Unrealised gain / (loss) on investments at fair value through other comprehensive income	Reserves				Total
			Revenue			Unappropriated profit	
			On hedging instruments	General	Sub-total		
----- Rupees -----							
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
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
Other comprehensive (loss) / income	-	(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
Balance as at July 1, 2023 (Audited)	102,920,000	(95,855,381)	1,980,397	118,353,673	24,478,689	8,619,232,451	8,746,631,140
Transactions with owners of the Company							
Final dividend related to the year ended June 30, 2023 @ Rs 4 per share	-	-	-	-	-	(41,168,000)	(41,168,000)
Total comprehensive income for the six months period ended December 31, 2023							
Profit for the period	-	-	-	-	-	706,834,376	706,834,376
Other comprehensive income	-	120,307,566	-	-	120,307,566	-	120,307,566
	-	120,307,566	-	-	120,307,566	706,834,376	827,141,942
Share of increase in reserves of associated companies under equity method			-			20,448	20,448
Balance as at December 31, 2023 (Un-audited)	102,920,000	24,452,185	1,980,397	118,353,673	144,786,255	9,284,919,275	9,532,625,530

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, 2023

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 SIGNIFCANT 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, 2023. 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, 2023, 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, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these Consolidated financial statements.

2.3 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these consolidated financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

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, 2023.

4. PROPERTY, PLANT AND EQUIPMENT

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees -----	
Operating fixed assets	4.1	3,498,051,332	2,990,289,649
Capital work-in-progress	4.2	771,846,213	600,998,537
		4,269,897,545	3,591,288,186

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees -----	
4.1 Operating fixed assets			
Net book value at beginning of the period / year		2,990,289,649	2,484,217,013
Additions during the period / year	4.1.1	686,801,631	799,381,010
Disposals costing Rs.49.531 million (June 30, 2023: Rs.24.427 million) - at net book value		(14,866,444)	(7,684,133)
Depreciation charge for the period / year		(164,173,504)	(285,624,241)
Net book value at end of the period / year		<u>3,498,051,332</u>	<u>2,990,289,649</u>
4.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:		Un-audited December 31, 2023	Audited June 30, 2023
Buildings on freehold land:		----- Rupees -----	
• residential		-	8,793,033
• factory		-	131,404,444
Plant and machinery		686,801,631	637,937,175
Electric Instalation		-	4,261,358
Vehicles		-	16,985,000
		<u>686,801,631</u>	<u>799,381,010</u>
4.1.2 These include transfer from capital work-in-progress amounting Rs.686.802 million (June 30, 2023: Rs.799.381 million).			
4.2 Capital work-in-progress		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees -----	
Buildings		167,614,695	138,643,918
Plant and machinery (including in transit aggregating Rs.69.470 million) (June 30, 2023: Rs.Nil)	4.2.1	557,247,686	446,319,619
Advance payments against:			
• factory / office building		5,110,000	16,035,000
• plant and machinery		41,873,832	-
		<u>46,983,832</u>	<u>16,035,000</u>
		<u>771,846,213</u>	<u>600,998,537</u>
4.2.1 The Company, during the period, has capitalized borrowing cost of Rs.27.800 million (June 30, 2023: Rs.7.322 million) charged at the rate ranging from 17.03% to 22.95% (June 30, 2023: 3.50% to 4.00%) per annum.			
4.2.2 These include additions of items amounting Rs.289.270 million purchased from Amer Cotton (Pvt.) Limited (a related party).			

		Un-audited December 31, 2023	Audited June 30, 2023
----- Rupees -----			
5. LONG TERM INVESTMENTS			
	Investments in associates - at cost:		
	Quoted:		
		Note	
	Sapphire Fibres Limited	5.1	1,719,761,783
	Sapphire Textile Mills Limited	5.2	264,009,891
	Un-quoted:		
	SFL Limited	5.3	220,457,752
	Sapphire Finishing Mills Limited	5.4	293,045,914
	Sapphire Holding Limited	5.5	99,720,776
	Sapphire Power Generation Limited	5.6	68,234,337
			<u>2,665,230,453</u>
			<u>2,446,709,699</u>
	Investments in associates - at cost:		
	Quoted:		
5.1	Sapphire Fibers Limited		
	798,796 ordinary shares of Rs.10 each		
	Equity interest held 3.8642%	468,514,083	468,514,083
	Share of post acquisition profit	1,259,235,660	1,121,276,408
	Dividend received	(7,987,960)	(3,936,970)
		<u>1,719,761,783</u>	<u>1,585,853,521</u>
5.2	Sapphire Textile Mills Limited		
	100,223 ordinary shares of Rs.10 each		
	Equity interest held 0.462%	8,114,578	8,114,578
	Share of post acquisition profit	256,897,543	208,761,005
	Dividend received	(1,002,230)	(1,002,230)
		<u>264,009,891</u>	<u>215,873,353</u>
	Un quoted:		
5.3	SFL Limited		
	401,570 ordinary shares of Rs.10 each		
	Equity interest held 2.00%	2,439,475	2,439,475
	Share of post acquisition profit	218,018,277	203,690,373
		<u>220,457,752</u>	<u>206,129,848</u>
5.4	Sapphire Finishing Mills Limited		
	1,556,000 ordinary shares of Rs.10 each		
	Equity interest held 1.69%	16,509,160	16,509,160
	Share of post acquisition profit	276,536,754	268,861,090
		<u>293,045,914</u>	<u>285,370,250</u>
5.5	Sapphire Holding Limited		
	100,223 ordinary shares of Rs.10 each		
	Equity interest held 0.5%	524,950	524,950
	Share of post acquisition profit	99,195,826	91,244,620
		<u>99,720,776</u>	<u>91,769,570</u>
5.6	Sapphire Power Generation Limited		
	555,000 ordinary shares of Rs.10 each		
	Equity interest held 3.46%	19,425,000	19,425,000
	Share of post acquisition profit	48,809,337	42,288,157
		<u>68,234,337</u>	<u>61,713,157</u>

	Note	Un-audited December 31, 2023	Audited June 30, 2023
----- Rupees -----			
6. STOCK-IN-TRADE			
Raw materials - in hand		4,737,520,048	3,982,794,123
Raw materials - in transit		402,833,431	767,222,050
Work-in-process		622,509,285	609,784,835
Finished goods		1,041,782,028	843,332,923
		<u>6,804,644,792</u>	<u>6,203,133,931</u>
7. LONG TERM LIABILITIES			
Long term finances	7.1	1,734,017,817	1,872,866,164
Provision for Gas Infrastructure Development Cess	7.2	93,713,214	92,876,938
		<u>1,827,731,031</u>	<u>1,965,743,102</u>
Less: current portion grouped under current liabilities		(302,686,365)	(325,244,097)
		<u>1,525,044,666</u>	<u>1,640,499,005</u>
7.1 Long term finances - secured			
Balance at beginning of the period / year		1,872,866,164	1,754,174,918
Add: disbursements during the period / year	7.1.1	-	312,039,880
Less: repayments made during the period / year		(138,848,347)	(193,348,634)
Balance at end of the period / year		<u>1,734,017,817</u>	<u>1,872,866,164</u>

7.1.1 All the terms and conditions of long term finances are materially same as disclosed in audited annual financial statements of the Company for the year ended June 30, 2023. These Long term finances , during the period , carried mark-up / profit at the rates ranged from 2.50% to 24.02% (June 30, 2023: 1.00% to 24.08%) per annum.

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

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees -----	
Short term loans	8.1	2,270,000,000	1,625,449,000
Running finance under mark-up arrangements	8.1	1,107,413,523	705,694,302
		<u>3,377,413,523</u>	<u>2,331,143,302</u>

- 8.1 The Company has obtained short term finance facilities, aggregating Rs.5,053 million (June 30, 2023: Rs.5,553 million) from various commercial banks under mark-up arrangements. These finance facilities are secured against hypothecation charge of Rs.17,206 million (June 30, 2023: Rs.16,539 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 16.37% to 24.04% (June 30, 2023: 14.06% to 23.08%) per annum. These facilities are expiring on various dates by June 30, 2024.

9. PROVISION FOR TAXATION

The provision for taxation for the six month period ended and quarter ended December 31, 2023 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, 2023	Audited June 30, 2023
	----- Rupees -----	
Guarantees issued by banks on behalf of the Group	<u>336,662,298</u>	<u>336,662,298</u>

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, 2023 the value of these cheques amounted to Rs.5207.360 million (June 30, 2023: Rs.5343.701 million).

- 10.1.2 The Company has claimed an input tax credit of Rs.45.749 million (June 30, 2023: Rs.45.749 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, 2023.

	Un-audited December 31, 2023	Audited June 30, 2023
	----- Rupees -----	
10.2 Commitments in respect of :		
• letters of credit for capital expenditure	<u>344,864,520</u>	<u>571,789,427</u>
• letters of credit for purchase of cotton, raw materials and stores, spare parts	<u>689,310,172</u>	<u>308,063,329</u>
• capital expenditure other than letters of credit	<u>46,988,414</u>	<u>51,039,978</u>
• foreign bills discounted	<u>317,954,249</u>	<u>283,113,000</u>

11. SALES - net

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

		----- Un-Audited -----			
		Quarter ended		Six months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Note		----- Rupees -----		----- Rupees -----	
SALES - NET					
Local:					
Yarn		489,159,940	490,393,927	1,076,702,351	868,563,340
Raw material		411,205	7,713,435	9,384,937	11,152,267
Waste		16,252,378	8,660,147	82,695,105	65,040,946
		505,823,523	506,767,509	1,168,782,393	944,756,553
Export:					
Yarn		622,852,660	405,454,083	1,476,265,277	962,098,313
Yarn (indirect export)	11.1	2,057,821,506	1,284,086,533	4,014,211,584	2,796,759,193
Waste		50,255,036	56,400,908	73,483,910	75,302,926
		2,730,929,202	1,745,941,524	5,563,960,771	3,834,160,432
		3,236,752,725	2,252,709,033	6,732,743,164	4,778,916,985
Processing income		277,125	2,471,306	1,998,450	3,690,842
Steam income		5,251,500	3,819,000	6,574,500	6,291,000
		3,242,281,350	2,258,999,339	6,741,316,114	4,788,898,827

- 11.1. This includes sales made to direct exporters against Export facilitation Scheme (EFS) to related parties under S.R.O 957(1)/ 2021 dated July 30, 2021, amounting to Rs. 469.270 million (December 31, 2022: Rs. Nil)

12. COST OF SALES

		----- Un-audited -----			
		Quarter ended		Six months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- Rupees -----			
Finished goods at beginning of the period	Note	737,788,089	612,489,832	843,332,923	400,139,698
Cost of goods manufactured	12.1	2,942,434,654	1,781,126,447	5,687,400,000	3,815,308,065
		3,680,222,743	2,393,616,279	6,530,732,923	4,215,447,763
Finished goods at end of the period		(1,041,782,028)	(476,222,974)	(1,041,782,028)	(476,222,974)
		2,638,440,715	1,917,393,305	5,488,950,895	3,739,224,789

12.1 Cost of goods
manufactured

	----- Un-audited -----			
	Quarter ended		Six months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Work-in-process at beginning of the period	618,186,985	330,278,866	609,784,835	309,372,499
Raw materials consumed	2,151,742,510	1,418,013,853	4,256,545,713	2,883,877,241
Direct labour and other overheads	795,014,444	498,918,942	1,443,578,737	1,088,143,539
	2,946,756,954	1,916,932,795	5,700,124,450	3,972,020,780
	3,564,943,939	2,247,211,661	6,309,909,285	4,281,393,279
Work-in-process at end of the period	(622,509,285)	(466,085,214)	(622,509,285)	(466,085,214)
	2,942,434,654	1,781,126,447	5,687,400,000	3,815,308,065

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, 2023, 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, 2023.

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.23.444 million (June 30, 2023: Rs.16.938 million).

During the period ended December 31, 2023, 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, 2023	December 31, 2022
----- Rupees -----		
Transactions with Associated Companies		
Sales:		
• raw material / yarn / stores and spare parts	549,631,776	651,886,341
• fixed assets	50,000,000	-
Purchases:		
• raw material / yarn / stores and spare parts	97,728,631	14,330,372
• fixed assets	289,270,112	-
Expenses charged by	22,546,480	3,394,770
Expenses charged by	10,318,320	-
Donation made	-	30,300,000
Dividend:		
• received	8,990,189	4,939,200
• paid	27,047,232	50,552,310
Transactions with Key management personnel		
Remuneration and other benefits	61,280,064	53,098,687
Audited		
15.2 Period / year end balances are as follows:	December 31, 2023	June 30, 2022
----- Rupees -----		
Receivables from related parties		
Trade debts	144,649,864	566,961,004
Payable to related parties		
Trade and other payables	13,926,032	214,362,472

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, 2023, 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, 2022.

- 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 Group financial statements were approved by the Board of Directors and authorised for issue on February 26, 2024.



Chief Executive Officer



Director



Chief Financial Officer



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