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### Reliance Cotton Spinning Mills Limited Quarterly Accounts September 30, 2017

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### Company Information

**Board of Directors** 

Mr. Amer Abdullah

Mr. Shayan Abdullah

Mr. Shahid Abdullah Mr. Yousuf Abdullah Mr. Nabeel Abdullah Mr. Abdul Sattar

Mr. Asif Elahi

**Audit Committee** 

Mr. Shahid Abdullah Mr. Nabeel Abdullah

Mr. Asif Elahi

Chairman Member

Chairman
Chief Executive

Member

**Human Resource** 

& Remuneration Committee

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

**Chief Financial Officer** 

Mr. Jawwad Faisal

**Company Secretary** 

Mr. Umar Rahi

**Bankers of the Company** 

Habib Bank Limited MCB Bank Limited

Habib Metropolitan Bank Limited

National Bank of Pakistan

Meezan Bank Limited

Faysal Bank Limited

**United Bank Limited** 

Askari Bank Limited

**Auditors** 

Deloitte Yousuf Adil, Chartered Accountants

**Tax Consultant** 

Deloitte Yousuf Adil, Chartered Accountants

**Legal Advisor** 

Hassan & Hassan, Advocates

**Share Registrar** 

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

Mohani Road, Karachi.

**Geographical Presence:** 

**Registered Office** 

312, Cotton Exchange Building, I.I. Chundrigar Road, Karachi

Mills

Ferozwattoan,

District, Sheikhupura, Punjab.

**Company Website** 

www.sapphire.com.pk/rcsml



### Directors' Review

The Directors of the Company are pleased to present un-audited interim financial statements of the Company for the quarter ended September 30, 2017.

#### **Financial Highlights**

	Septer	nber 30,
	2017	2016
	Rupees in	thousand
Sales & services	989,470	896,850
Gross profit	140,681	100,160
Profit before taxation	93,959	65,784
Taxation:		
- Current	9,730	6,275
- Deferred	7,355	2,224
	17,085	8,499
Profit after taxation	76,874	57,285

During first quarter of the financial year, your company achieved sales of Rs. 989.47 million compared to Rs.896.85 during corresponding period of last year, an increase of 10.33%. The gross profit improved from 11.17% during last year to 14.22% during the period under review. Whereas, the company earned profit after tax of Rs. 76.874 million as against Rs. 57.286 million during last year's corresponding period.

#### Earnings per share

The company's earnings per share (EPS) were at Rs. 7.47 as compared to Rs. 5.57 during the same period of last year.

#### **Future outlook**

Despite tough conditions in both global and domestic markets, your company's management is focused on maintaining current track of profitable growth and enhancement of shareholders' value. We expect that the incentive package for textile exporters gets implemented in letter and spirit to improve cost competitiveness of country's textile sector.

The directors appreciate sincere contribution and the hard work by staff and workers of the company.

For and on behalf of the Board of Directors

Lahore

Dated: 26 October, 2017

Shayan Abdullah Chief Executive



### حصص داران کے لیئے ڈائر یکٹرز کی رپورٹ

سمپنی کے ڈائر بکٹران نہایت مسرت کے ساتھ 30 سمبر 2017 کو اختتام پذیر ہونے والی سہ ماہی کی غیر آ ڈٹ شدہ مالی تفصیلات پیش کررہے ہیں۔ مالیاتی کارکردگی کی جھلکیاں:

نبر	30	
2016	2017	
رميس)	(رقم ہزاروا	
896,850	989,470	فروخت اورخد مات
100,160	140,681	گل منافع
65,784	93,959	قبل از ٹیکس منافع
		شکس:
6,275	9,730	موجوده
2,224	7,355	تاخير شده
8,499	17,085	
57,285	76,874	بعداز فيكس منافع

مالی سال کی کہلی سہ ماہی میں آ کپی کمپنی نے989.47 ملین روپے کی فروخت کی جو گزشتہ مالی سال کے اس عرصہ میں896.85 ملین روپے تھی۔جو کہ 10.33 اضافی ہے۔خام منافع بڑھا جو کہ 14.22% رہااور گزشتہ مالی سال کے ای عرصہ میں 11.17 تھا۔جبکہ بمپنی نے بعداز ٹیکس منافع 76,874 ملین روپے کمایا جو کہ پچھلے سال کی اس مدت میں57.286 ملین روپے تھا۔

### آمدنی فی خصص:

سمپنی کی آمدنی فی خصص 7.47 رویے رہی جو کہ پیچھلے سال کے اسی عرصہ میں 5.57 رویے تھی۔

### مُستقبل كامنظرنامه:

عالمی اور مقامی منڈیوں میں مشکل کاروباری ماحول کے باوجود ، آ کچی کمپنی کی انتظام یہ موجود ہمنافع بخش ترقی کی راہ کوقائم رکھنے اور مصف یافتگان کی قدر بڑھانے پرتوجہ مرکوز کیے ہوئے ہے۔ ہم امید کرتے میں کہ ٹیکسٹائل برآ مدکنندگان کیلیئے حصلہ فزا پہکے برقانونی روح کےمطابق عمل درآ مدہوگا تا کہ ملک کے ٹیکسٹائل سیکٹر کی متقابلی لاگت کو بہتر بنایا جاسکے۔

ڈائر کیٹرز ، کمپنی کے عملے اور کار کنان کی محنت اور مخلص شراکت داری کوفید رکی زگاہ ہے دیکھتے ہیں۔

لا ہور

مورخه:26 اكتوبر2017

شایان عبدالله چف ایگزیکٹو



## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

		<b>Un-Audited</b>	Audited
		September 30,	June 30,
		2017	2017
ASSETS	ote	Rupe	es
NON CURRENT ACCETO			
NON-CURRENT ASSETS	4	4 206 00E 006	1 410 052 664
Property, plant and equipment	<del>1</del> 5	1,386,995,996	
9	)	688,315,674	
Long term deposits	•	8,987,690	
OURDENIT ACCETO		2,084,299,360	2,154,720,053
CURRENT ASSETS	ı	40.050.050	40.070.005
Stores, spare parts and loose tools		16,856,856	19,672,095
Stock in trade		809,716,432	824,793,139
Trade debts		450,763,995	304,660,386
Loans and advances		92,761,177	48,868,890
Short term deposits and prepayments		2,498,436	1,936,407
Other receivables		27,139,992	20,417,554
Tax refunds due from Government		182,427,929	201,941,408
Short term investments		79,064,731	84,154,658
Cash and bank balances		50,514,126	22,711,121
		1,711,743,674	1,529,155,658
	:	3,796,043,034	3,683,875,711
EQUITY AND LIABILITIES  SHARE CAPITAL AND RESERVES			
Authorized capital: 12,000,000 (June 30, 2017: 12,000,000) ordinary shares of			
Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid up capital		102,920,000	102,920,000
Reserves		2,059,970,264	
		2,162,890,264	2,155,251,899
NON-CURRENT LIABILITIES			
Long term financing		74,900,000	74,900,000
Deferred liabilities		157,629,508	145,250,447
CURRENT LIABILITIES		232,529,508	220,150,447
CURRENT LIABILITIES	ı	407 277 000	260 040 255
Trade and other payables		197,277,880	269,048,255
Mark-up accrued		11,346,398	16,062,689
Short term borrowings			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Dravision for toyotion		1,163,733,870	1,004,827,710
Provision for taxation		28,265,114	18,534,711
Provision for taxation  CONTINGENCIES AND COMMITMENTS	) 6		

The annexed notes from 1 to 10 form an integral part of thess condensed financial statements.

Lahore : Shayan Abdullah
Dated: October 26, 2016 Chief Executive Director



# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

		Un-audited	Un-audited
		Quarter ended	Quarter ended
		September 30,	· ·
		2017	2016
	Note	Rup	ees
Sales		989,470,526	896,850,014
Cost of sales	7	(848,788,632)	(796,690,466)
Gross profit		140,681,894	100,159,548
Distribution cost		(23,051,303)	(23,509,210)
Distribution cost		(20,001,000)	(20,000,210)
Administrative expenses		(11,444,677)	(10,607,005)
Other income		694,873	1,380,847
Other operating expenses		(4,807,786)	(3,603,610)
		(38,608,893)	(36,338,978)
		102,073,001	63,820,570
Finance cost		(21,928,722)	(15,198,762)
Share of profit of associates		13,814,564	17,162,413
Profit before taxation		93,958,843	65,784,221
Provision for taxation		(17,085,320)	(8,498,650)
Profit for the period		76,873,523	57,285,571
Earnings per share - basic and diluted		7.47	5.57

The annexed notes from 1 to 10 form an integral part of these condensed financial statements.

Lahore : Dated: October 26, 2016

Shayan Abdullah Chief Executive



### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Un-audited
Un-audited
Quarter ended
September 30,
2017
Un-audited
Quarter ended
September 30,
2016

..... Rupees .....

Profit for the period

76,873,523

57,285,571

Other comprehensive income:

Items that may be reclassified subsequently to profit and loss:

Share in associates' unrealized (loss)/gain on available for sale investments - net

Unrealized loss on remeasurment of short term investment

Share in associates' unrealized gain /(loss) on hedging instruments

Total comprehensive income for the period

Total comprehensive income for the period

(60,328,162)	7,870,705
(8,957,570) (69,285,732)	7,870,705
67,255	(26,612)
(60 219 477)	7 944 003

7,655,046

7,844,093 65,129,664

The annexed notes from 1 to 10 form an integral part of thess condensed financial statements.

Lahore :

Dated: October 26, 2016

Shayan Abdullah Chief Executive



## **CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)** FOR THE QUARTER ENDED SEPTEMBER 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES   Profit before taxation   93,958,843   65,784,221   Adjustments for:		Un-audited	Un-audited
CASH FLOWS FROM OPERATING ACTIVITIES   Profit before taxation   93,958,843   65,784,221   Adjustments for:   Depreciation on property, plant and equipment   33,832,583   33,034,183   Provision for employees benefits   6,360,000   6,250,000   Gain on disposal of property, plant and equipment   - (565,082)   Finance cost   21,928,722   15,198,762   Share of profit from associates   (13,814,564)   (17,162,413)   Tokying capital changes   (13,814,564)   (17,162,413)   Working capital changes   (13,814,564)   (17,162,413)   Working capital changes   (15,076,707   91,661,559)   Trade debts   (146,103,609)   (59,607,640)   Loans and advances   (13,824,043)   (44,841,459)   Deposit and short term prepayments   (562,029)   Other receivables   (6,722,438)   3,336,298   Increase/(decrease) in current liabilities   (71,770,377)   1,354,004   Dividends paid   (14,335,856)   (1,727,209)   Finance cost paid   (26,645,013)   (16,450,207)   Sales tax refund received   19,513,479   (6,819,199)   Finance cost paid   (26,645,013)   (16,450,207)   Sales tax refund received   19,513,479   (6,819,199)   Finance cost paid   (26,645,013)   (16,450,207)   Sales tax refund received   (19,513,479)   (13,427,961)   Proceeds from operating activities   (11,360,601)   (107,63,012)    CASH FLOWS FROM INVESTING ACTIVITIES   Capital expenditure on property, plant and equipment   (9,874,909)   (13,427,961)   Proceeds from disposal of property, plant and equipment   (3,874,959)   (11,02,331)   Proceeds from disposal of property, plant and equipment   (3,874,2554)   (11,102,331)   CASH FLOWS FROM INVESTING ACTIVITIES   (3,867,645)   Cash quertal expenditure on property, plant and equipment   (3,874,2554)   (11,102,331)   Proceeds from disposal of property, plant and equipment   (3,874,2554)   (11,102,331)   From the motorowings - net   (3,867,645)   (109,624,454)   Net cash used in investing activities   (158,906,160)   (109,624,454)   Net cash used in investing activities   (158,906,160)   (109,624,454)   Net increase in cash and cash equivalen		Quarter ended	Quarter ended
CASH FLOWS FROM OPERATING ACTIVITIES   Profit before taxation   93,958,843   65,784,221     Profit before taxation   93,958,843   65,784,221     Adjustments for:		•	•
CASH FLOWS FROM OPERATING ACTIVITIES         93,958,843         65,784,221           Adjustments for:         Depreciation on property, plant and equipment         33,832,583         33,034,183           Provision for employees benefits         6,360,000         6,250,000           Gain on disposal of property, plant and equipment         - (562,692)           Finance cost         21,928,722         15,198,762           Share of profit from associates         (13,814,564)         (17,162,413)           Working capital changes         (Increase)/decrease in current assets         2,815,239         2,516,299           Stores, spare parts and loose tools         2,815,239         2,516,299           Stock-in-trade         15,076,707         91,661,359           Trade debts         (146,103,609)         (569,07,640)           Loans and advances         (37,821,043)         (44,814,459)           Deposit and short term prepayments         (662,029)         (682,759)           Other receivables         (71,770,377)         1,354,004           Increases/(decrease) in current liabilities         (71,770,377)         1,354,004           Increases/(decreases) in current liabilities         (71,770,377)         1,354,004           Increases/(decreases) in current liabilities         (102,821,966)         (92,78,64 </th <th></th> <th></th> <th></th>			
Profit before taxation   33,958,843   65,784,221     Adjustments for:		Rupe	es
Adjustments for:   Depreciation on property, plant and equipment   33,832,833   33,034,183   Provision for employees benefits   6,360,000   6,250,000   Gain on disposal of property, plant and equipment   - (562,692)   Finance cost   21,928,722   15,198,762   15,198,762   12,228,722   10,2542,061   102,542,0		02 050 042	65 704 221
Depreciation on property, plant and equipment   \$3,832,583   \$3,034,183   Provision for employees benefits   \$6,360,000   \$6,250,000   \$6,250,000   \$6,250,000   \$6,250,000   \$6,250,000   \$15,000,0		33,330,043	03,704,221
Provision for employees benefits         6,360,000         6,250,000           Gain on disposal of property, plant and equipment         - (562,692)         15,198,762         15,198,762         15,198,762         15,198,762         15,198,762         15,198,762         15,198,762         15,198,762         15,198,762         15,198,762         10,154,133         142,265,584         102,542,061         102,542,462         102,542,462         102,542,462         102,542,462		33 832 583	33 034 183
Gain on disposal of property, plant and equipment         (562,692)           Finance cost         21,928,722         15,198,762           Share of profit from associates         (13,814,564)         (17,162,413)           Working capital changes           (Increase)/decrease in current assets           Stores, spare parts and loose tools         2,815,239         2,516,299           Stock-in-trade         15,076,707         91,661,359           Trade debts         (146,103,609)         (59,607,640)           Loans and advances         (37,821,043)         (44,841,459)           Deposit and short term prepayments         (562,029)         (682,759)           Other receivables         (6,722,438)         3,336,296           Increase/(decrease) in current liabilities         (71,770,377)         1,354,004           Trade and other payables         (71,770,377)         1,354,004           Cash generated from operations         (102,821,966)         96,278,164           Dividends paid         (13,338,856)         (1,727,209)           Employee benefits paid         (13,338,856)         (1,727,209)           Finance cost paid         (80,712,451)         (8,819,199)           Pinance cost paid         (80,712,451)         (8,819,199)		· · ·	
Finance cost   21,928,722   15,198,762   Share of profit from associates   (13,814,564   (17,162,413)   102,542,061   102,542,	· ·	-	
Share of profit from associates         (13,814,564)         (17,162,413)           Working capital changes         (Increase)/decrease in current assets           Stores, spare parts and loose tools         2,815,239         2,516,299           Stock-in-trade         15,076,707         91,661,359           Trade debts         (146,103,609)         (59,607,640)           Loans and advances         (37,821,043)         (44,841,459)           Deposit and short term prepayments         (562,029)         (682,759)           Other receivables         (6,722,438)         3,336,298           Increase/(decrease) in current liabilities         (71,770,377)         1,354,004           Trade and other payables         (71,770,377)         1,354,004           Cash generated from operations         (102,821,966)         96,278,164           Dividends paid         (1,335,856)         (17,772,209)           Employee benefits paid         (1,335,856)         (1,727,209)           Finance cost paid         (26,645,013)         (16,450,207)           Sales tax refund received         19,513,479         35,783,524           Income taxes paid         (6,071,245)         (6,819,199)           Net cash generated from operating activities         (14,538,635)         10,784,848 <t< td=""><th></th><td>21,928,722</td><td>· · · · · · · · · · · · · · · · · · ·</td></t<>		21,928,722	· · · · · · · · · · · · · · · · · · ·
Morking capital changes	Share of profit from associates		
(Increase)/decrease in current assets   Stores, spare parts and loose tools   Stock-in-trade   15,076,707   91,661,359   15,076,707   91,661,359   17,640   15,076,707   91,661,359   17,640   15,076,707   16,610,359   17,640   16,000   17,640   16,000   17,640   16,000			
Stores, spare parts and loose tools   2,815,239   15,076,077   91,661,359   15,076,077   91,661,359   15,076,077   91,661,359   15,076,077   91,661,359   15,076,070   146,103,609   (146,103,609)   (59,607,640)   (259,607,640)   (37,821,043)   (44,841,459)   (682,759)	Working capital changes		
Stock-in-trade   15,076,707   91,661,359   Trade debts   (146,103,609)   (59,607,640)   (59,607,640)   (59,607,640)   (59,607,640)   (69,607,640)   (692,759)   (682,759)   (682,759)   (682,759)   (682,759)   (682,759)   (67,22,438)   (33,336,298)   (71,770,377)   (71,770,37			
Trade debts         (146,103,609)         (59,607,640)           Loans and advances         (37,821,043)         (44,841,459)           Deposit and short term prepayments         (562,029)         (682,759)           Other receivables         (6,722,438)         3,336,298           Increase/(decrease) in current liabilities         (71,770,377)         1,354,004           Trade and other payables         (71,770,377)         1,354,004           Cash generated from operations         (102,821,966)         96,278,164           Dividends paid         -         (2,061)           Employee benefits paid         (1,335,856)         (1,727,209)           Finance cost paid         (26,645,013)         (16,450,207)           Sales tax refund received         19,513,479         35,783,524           Income taxes paid         (6,071,245)         (6,819,199)           Net cash generated from operating activities         (117,360,601)         107,063,012           CASH FLOWS FROM INVESTING ACTIVITIES           Capital expenditure on property, plant and equipment         -         2,325,630           Proceeds from disposal of property, plant and equipment         -         -         2,325,630           Short term investments - net         (3,867,645)         -         -			
Loans and advances		· · ·	
Deposit and short term prepayments			
Other receivables         (6,722,438)         3,336,298           Increase/(decrease) in current liabilities         (71,770,377)         1,354,004           Trade and other payables         (245,087,550)         (6,263,898)           Cash generated from operations         (102,821,966)         96,278,164           Dividends paid         -         (2,061)           Employee benefits paid         (1,335,856)         (1,727,209)           Finance cost paid         (26,645,013)         (16,450,207)           Sales tax refund received         19,513,479         35,783,524           Income taxes paid         (6,071,245)         (6,819,199)           Income taxes paid         (6,071,245)         (6,819,199)           Vet cash generated from operating actvities         (117,360,601)         107,063,012           CASH FLOWS FROM INVESTING ACTIVITIES         Capital expenditure on property, plant and equipment         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         -         2,325,630           Short term investments - net         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES         158,906,160         (109,624,454)           Ne		1 1	1
Increase/(decrease) in current liabilities	• • •		
Trade and other payables         (71,770,377)         1,354,004           Cash generated from operations         (245,087,550)         (6,263,898)           Dividends paid         -         (2,061)           Employee benefits paid         -         (2,061)           Finance cost paid         (26,645,013)         (16,450,207)           Sales tax refund received         19,513,479         35,783,524           Income taxes paid         (6,071,245)         (6,819,199)           Met cash generated from operating activities         (117,360,601)         107,063,012           CASH FLOWS FROM INVESTING ACTIVITIES           Capital expenditure on property, plant and equipment         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES           Short term borrowings - net         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160		(6,722,438)	3,336,298
Cash generated from operations         (245,087,550)         (6,263,898)           Dividends paid         -         (2,061)           Employee benefits paid         (1,335,856)         (1,727,209)           Finance cost paid         (26,645,013)         (16,450,207)           Sales tax refund received         19,513,479         35,783,524           Income taxes paid         (6,071,245)         (6,819,199)           Met cash generated from operating activities         (117,360,601)         107,063,012           CASH FLOWS FROM INVESTING ACTIVITIES           Capital expenditure on property, plant and equipment         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         -         2,325,630           Short term investments - net         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES           Short term borrowings - net         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,3		(-4 0)	4 05 4 00 4
Cash generated from operations         (102,821,966)         96,278,164           Dividends paid         -         (2,061)           Employee benefits paid         (1,335,856)         (1,727,209)           Finance cost paid         (26,645,013)         (16,450,207)           Sales tax refund received         19,513,479         35,783,524           Income taxes paid         (6,071,245)         (6,819,199)           Net cash generated from operating activities         (117,360,601)         107,063,012           CASH FLOWS FROM INVESTING ACTIVITIES         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         -         2,325,630           Short term investments - net         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,304,064	Trade and other payables	· · · · · · · · · · · · · · · · · · ·	
Dividends paid   Capital paid paid paid paid paid paid paid paid	Cook was another from an another a		
Employee benefits paid         (1,335,856)         (1,727,209)           Finance cost paid         (26,645,013)         (16,450,207)           Sales tax refund received         19,513,479         35,783,524           Income taxes paid         (6,071,245)         (6,819,199)           (14,538,635)         10,784,848           Net cash generated from operating activities         (117,360,601)         107,063,012           CASH FLOWS FROM INVESTING ACTIVITIES         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         -         2,325,630           Short term investments - net         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,304,064	Cash generated from operations	(102,821,966)	96,278,164
Finance cost paid   (26,645,013)   (16,450,207)   Sales tax refund received   19,513,479   35,783,524   (6,819,199)   (14,538,635)   (10,784,848   (117,360,601)   (107,063,012   (117,360,601)   (117,360,601)   (107,063,012   (117,360,601)   (117,360,60	Dividends paid	-	
Sales tax refund received       19,513,479       35,783,524         Income taxes paid       (6,071,245)       (6,819,199)         (14,538,635)       10,784,848         Net cash generated from operating activities       (117,360,601)       107,063,012         CASH FLOWS FROM INVESTING ACTIVITIES         Capital expenditure on property, plant and equipment       (9,874,909)       (13,427,961)         Proceeds from disposal of property, plant and equipment       -       2,325,630         Short term investments - net       (3,867,645)       -         Net cash used in investing activities       (13,742,554)       (11,102,331)         CASH FLOWS FROM FINANCING ACTIVITIES         Short term borrowings - net       158,906,160       (109,624,454)         Net cash used in financing activities       158,906,160       (109,624,454)         Net increase in cash and cash equivalents       27,803,005       (13,663,773)         Cash and cash equivalents at beginning of the period       22,711,121       21,304,064		- I	
Income taxes paid   (6,071,245)   (6,819,199)   (14,538,635)   10,784,848   (14,538,635)   10,784,848   (117,360,601)   107,063,012	·	1 1	1
Net cash generated from operating activities         (14,538,635)         10,784,848           CASH FLOWS FROM INVESTING ACTIVITIES         Capital expenditure on property, plant and equipment         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         -         2,325,630           Short term investments - net         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES         Short term borrowings - net         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,304,064			
Net cash generated from operating activities         (117,360,601)         107,063,012           CASH FLOWS FROM INVESTING ACTIVITIES           Capital expenditure on property, plant and equipment         (9,874,909)         (13,427,961)           Proceeds from disposal of property, plant and equipment         -         2,325,630           Short term investments - net         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES           Short term borrowings - net         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,304,064	Income taxes paid	<del></del>	<del></del>
CASH FLOWS FROM INVESTING ACTIVITIES Capital expenditure on property, plant and equipment Proceeds from disposal of property, plant and equipment Short term investments - net Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Short term borrowings - net Net cash used in financing activities  Table 158,906,160 109,624,454 Net cash used in financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at beginning of the period  CASH FLOWS FROM FINANCING ACTIVITIES  Table 158,906,160 109,624,454			
Capital expenditure on property, plant and equipment Proceeds from disposal of property, plant and equipment Short term investments - net Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Short term borrowings - net Net cash used in financing activities  158,906,160 (109,624,454) Net cash used in financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at beginning of the period  (13,427,961) (13,427,961) (13,427,961) (13,427,961) (13,867,645) (11,102,331) (11,102,331) (11,102,331)	Net cash generated from operating activities	(117,360,601)	107,063,012
Proceeds from disposal of property, plant and equipment Short term investments - net Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Short term borrowings - net Net cash used in financing activities  158,906,160 (109,624,454) Net cash used in financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at beginning of the period  22,711,121 21,304,064	CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments - net         (3,867,645)         -           Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES         5hort term borrowings - net         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,304,064	Capital expenditure on property, plant and equipment	(9,874,909)	(13,427,961)
Net cash used in investing activities         (13,742,554)         (11,102,331)           CASH FLOWS FROM FINANCING ACTIVITIES             Short term borrowings - net	Proceeds from disposal of property, plant and equipment	-	2,325,630
CASH FLOWS FROM FINANCING ACTIVITIES         Short term borrowings - net       158,906,160       (109,624,454)         Net cash used in financing activities       158,906,160       (109,624,454)         Net increase in cash and cash equivalents       27,803,005       (13,663,773)         Cash and cash equivalents at beginning of the period       22,711,121       21,304,064	Short term investments - net		
Short term borrowings - net         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,304,064	Net cash used in investing activities	(13,742,554)	(11,102,331)
Short term borrowings - net         158,906,160         (109,624,454)           Net cash used in financing activities         158,906,160         (109,624,454)           Net increase in cash and cash equivalents         27,803,005         (13,663,773)           Cash and cash equivalents at beginning of the period         22,711,121         21,304,064	CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities158,906,160(109,624,454)Net increase in cash and cash equivalents27,803,005(13,663,773)Cash and cash equivalents at beginning of the period22,711,12121,304,064	Short term borrowings - net	158,906,160	(109,624,454)
Cash and cash equivalents at beginning of the period 22,711,121 21,304,064			
· · · · · · · · · · · · · · · · · · ·	Net increase in cash and cash equivalents	27,803,005	(13,663,773)
Cash and cash equivalents at the end of the period 50.514.126 7.640.291	Cash and cash equivalents at beginning of the period	22,711,121	21,304,064
	Cash and cash equivalents at the end of the period	50,514,126	7,640,291

The annexed notes from 1 to 10 form an integral part of thess condensed financial statements.

Lahore : Shayan Abdullah
Dated: October 26, 2016 Chief Executive Director



					Ö	Capital reserves			
	Share capital	General	Un-appropriated profit	Share in associates' unrealized gain on available for sale investments	Share in associate's unrealized gain/(loss) on hedging instruments	Share in associate's remeasurement of post retirement benefits obligation	Share of items directly recognized in equity by associates	Sub-total	Total
					Rupees	Rupees			
Balance as at Jul 01, 2016	102,920,000	130,000,000	1,607,769,051	70,818,689	114,481	(1,555,028)	53,175,026	122,553,168	1,963,242,219
Comprehensive income:									
Profit for the quarter ended September 30, 2016	'		57,285,571	- 000	- (0.00)			- 0077	57,285,571
Otner comprehensive income	•	•	•	7,870,705	(20,012)	1		7,844,093	7,844,093
Total comprehensive income  Effects of items directly recognized in equity by	1	1	57,285,571	7,870,705	(26,612)	•	•	7,844,093	65,129,664
associates	1	1	•	•	•	•	(1,775,040)	(1,775,040)	(1,775,040)
Balance as at September 30, 2016 Comprehensive income:	102,920,000	130,000,000	1,665,054,622	78,689,394	87,869	(1,555,028)	51,399,986	128,622,221	2,026,596,843
Profit for the nine months ended June 30, 2017	'		171,708,454						171,708,454
Other comprehensive income	1	-	661,669	49,625,405	(84,650)	(237,792)		49,302,963	49,964,632
Total comprehensive income	•	•	172,370,123	49,625,405	(84,650)	(237,792)	•	49,302,963	221,673,086
Effects of items directly recognized in equity by associates		1	,	ı	1	ı	(41,558,030)	(41,558,030)	(41,558,030)
<b>Transactions with owners:</b> Final dividend for the year ended June 30, 2016 @ Rs.5 per share		ı	(51,460,000)	•	,	•	•	ı	(51,460,000)
Balance as at June 30, 2017	102,920,000	130,000,000	1,785,964,745	128,314,799	3,219	(1,792,820)	9,841,956	136,367,154	2,155,251,899
Comprehensive income:			202 070 97						26 070 500
Other comprehensive income			- 10,01	- (69,285,732)	67,255			- (69,218,477)	(69,218,477)
Total comprehensive income			76,873,523	(69,285,732)	67,255			(69,218,477)	7,655,046
Effects of items directly recognized in equity by associates		•	•	•	•	•	(16,681)	(16,681)	(16,681)
Balance as at September 30, 2017	102,920,000	130,000,000	1,862,838,268	59,029,067	70,474	(1,792,820)	9,825,275	67,131,996	2,162,890,264
The annexed notes from 1 to 10 form an integral part of thess condensed financial statements.	part of thess cor	ndensed financi	al statements.						

The annexed notes from 1 to 10 form an integral part of thess condensed financial statements.

Lahore : Dated: October 26, 2016

Shayan Abdullah Chief Executive



#### 1 GENERAL INFORMATION

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. The registered office of the Company is situated at 312, Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The Company is currently listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The mills are located at Warburton Road, Ferozwattoan, District Sheikhupura Punjab.

**1.1** This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

#### 2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the quarter ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim financial information does not include all of the information required for the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2017.

#### 3 ACCOUNTING POLICIES AND ESTIMATES

Judgments and estimates made by management in the preparation of these condensed interim financial information are the same as those applied to the preparation of the annual audited financial statement for the year ended June 30, 2017.



Note   Rupees   Rup				Un-audited September 30 2017	Audited June 30 2017
Operating assets Capital work in progress         4.1 (a)			Note	Rupees	Rupees
Capital work in progress   4.2   1,406,373   7,751,087   1,386,995,996   1,410,953,664   4.1   Operating assets   Opening book value   1,403,202,583   1,290,064,309   Additions during the period / year   Freehold land   Capital machinery   Capi	4	PROPERTY, PLANT AND EQUIPMENT			
Capital work in progress         4.2         1,406,373 (1,386,995,996) (1,410,953,664)           4.1         Operating assets           Opening book value         1,403,202,583         1,290,064,309           Additions during the period / year         Freehold land         -         20,525,000           Plant and machinery         -         50,043,444         Vehicles         -         23,319,263           Electric Installation         1,149,425         360,000         78,000           Computers         1,149,425         94,325,707           Transfer from capital work in progress         2,100,984         36,610,879           Plant and machinery         4,659,382         75,589,922           Vehicles         8,309,832         1,700,095           Electric installation         2,100,984         36,610,879           Plant and machinery         4,659,382         75,589,922           Vehicles         8,309,832         1,700,095           Electric installation         1,5070,198         178,977,007           Book value of assets disposed off during the period / year         (33,832,583)         (141,226,826)           Depreciation charged during the period / year         (33,832,583)         (141,226,826)           1,385,589,623         1,403,202,577		Operating assets	4.1	1,385,589,623	1,403,202,577
4.1 Operating assets         Opening book value       1,403,202,583       1,290,064,309         Additions during the period / year       -       20,525,000         Freehold land       -       50,043,444         Vehicles       -       23,319,263         Electric Installation       1,149,425       360,000         Computers       1,149,425       360,000         Computers       1,149,425       36,610,879         Transfer from capital work in progress       Factory Building       2,100,984       36,610,879         Plant and machinery       4,659,382       75,589,922         Vehicles       8,309,832       1,700,095         Electric installation       -       65,077,007         15,070,198       178,977,903         Book value of assets disposed off during the period / year       -       (18,938,516)         Depreciation charged during the period / year       (33,832,583)       (141,226,826)         1,385,589,623       1,403,202,577     4.2 Capital work in progress  Buildings - civil work  Plant and machinery  Advances for Vehicles  5,494,906		•	4.2		
Opening book value         1,403,202,583         1,290,064,309           Additions during the period / year         -         20,525,000           Plant and machinery         -         50,043,444           Vehicles         -         23,319,263           Electric Installation         1,149,425         360,000           Computers         1,149,425         360,000           Computers         1,149,425         36,610,879           Transfer from capital work in progress         2,100,984         36,610,879           Plant and machinery         4,659,382         75,589,922           Vehicles         8,309,832         1,700,095           Electric installation         -         65,077,007           15,070,198         178,977,903           Book value of assets disposed off during the period / year         -         (18,938,516)           Depreciation charged during the period / year         (33,832,583)         (141,226,826)           1,385,589,623         1,403,202,577           4.2         Capital work in progress           Buildings - civil work         -         1,969,462           Plant and machinery         289,164         286,719           Advances for Vehicles         1,117,209         5,494,906				1,386,995,996	1,410,953,664
Additions during the period / year  Freehold land Plant and machinery Vehicles Electric Installation Computers Fractory Building Plant and machinery Vehicles Factory Building Plant and machinery Vehicles Factory Building Plant and machinery Vehicles Factory Building Plant and machinery Vehicles Electric installation Transfer from capital work in progress Factory Building Plant and machinery Vehicles Book value of assets disposed off during the period / year Depreciation charged during the period / year Depreciation charged during the period / year Buildings - civil work Plant and machinery Advances for Vehicles  Buildings - civil work Plant and machinery Advances for Vehicles 1,117,209 5,494,906	4.1	Operating assets			
Freehold land Plant and machinery Vehicles Electric Installation Computers  Fractory Building Plant and machinery Vehicles  Factory Building Plant and machinery Vehicles  Factory Building Plant and machinery Vehicles Electric installation  Transfer from capital work in progress Factory Building Plant and machinery Vehicles Electric installation  Tomputer  Electric installation  Tomputer  Electric installation  Electric installation  Tomputer  Electric installation  Tomputer  Electric installation  Electric installation  Tomputer  Electric installation  Tomputer  Electric installation  Electric installation  Tomputer  Electric installation  Electric installat		Opening book value		1,403,202,583	1,290,064,309
Plant and machinery		Additions during the period / year			
Vehicles       -       23,319,263         Electric Installation       1,149,425       360,000         Computers       1,149,425       360,000         Transfer from capital work in progress       1,149,425       94,325,707         Transfer from capital work in progress         Factory Building       2,100,984       36,610,879         Plant and machinery       4,659,382       75,589,922         Vehicles       8,309,832       1,700,095         Electric installation       -       65,077,007         Book value of assets disposed off during the period / year       -       (18,938,516)         Depreciation charged during the period / year       (33,832,583)       (141,226,826)         1,385,589,623       1,403,202,577         4.2 Capital work in progress         Buildings - civil work       -       1,969,462         Plant and machinery       289,164       286,719         Advances for Vehicles       1,117,209       5,494,906		Freehold land		-	20,525,000
Electric Installation		Plant and machinery		-	50,043,444
Computers       -       78,000         1,149,425       94,325,707         Transfer from capital work in progress         Factory Building       2,100,984       36,610,879         Plant and machinery       4,659,382       75,589,922         Vehicles       8,309,832       1,700,095         Electric installation       -       65,077,007         15,070,198       178,977,903         Book value of assets disposed off during the period / year       -       (18,938,516)         Depreciation charged during the period / year       (33,832,583)       (141,226,826)         1,385,589,623       1,403,202,577     4.2 Capital work in progress  Buildings - civil work  - 1,969,462 Plant and machinery Advances for Vehicles  5,494,906		Vehicles		-	23,319,263
1,149,425   94,325,707		Electric Installation		1,149,425	360,000
Transfer from capital work in progress Factory Building Plant and machinery Vehicles Electric installation Book value of assets disposed off during the period / year Depreciation charged during the period /		Computers		_	78,000
Factory Building Plant and machinery Vehicles Electric installation Book value of assets disposed off during the period / year Depreciation charged during the p				1,149,425	94,325,707
Plant and machinery Vehicles Electric installation  Book value of assets disposed off during the period / year Depreciation charged during the period / year  Capital work in progress  Buildings - civil work Plant and machinery Advances for Vehicles  Plant and machinery A,659,382 A,309,832 1,700,095 65,077,007 15,070,198 178,977,903 (18,938,516) (141,226,826) 1,385,589,623 1,403,202,577 1,969,462 289,164 286,719 Advances for Vehicles 1,117,209 5,494,906		Transfer from capital work in progress			
Vehicles       8,309,832       1,700,095         Electric installation       -       65,077,007         15,070,198       178,977,903         Book value of assets disposed off during the period / year       -       (18,938,516)         Depreciation charged during the period / year       (33,832,583)       (141,226,826)         1,385,589,623       1,403,202,577    4.2 Capital work in progress  Buildings - civil work       -       1,969,462         Plant and machinery       289,164       286,719         Advances for Vehicles       1,117,209       5,494,906		Factory Building		2,100,984	36,610,879
Electric installation		Plant and machinery		4,659,382	75,589,922
15,070,198   178,977,903     Book value of assets disposed off during the period / year   - (18,938,516)     Depreciation charged during the period / year   (33,832,583)   (141,226,826)     1,385,589,623   1,403,202,577     4.2   Capital work in progress   Buildings - civil work   - 1,969,462     Plant and machinery   289,164   286,719     Advances for Vehicles   1,117,209   5,494,906		Vehicles		8,309,832	1,700,095
Book value of assets disposed off during the period / year - (18,938,516)  Depreciation charged during the period / year (33,832,583) (141,226,826)  1,385,589,623 1,403,202,577  4.2 Capital work in progress  Buildings - civil work - 1,969,462  Plant and machinery 289,164 286,719  Advances for Vehicles 1,117,209 5,494,906		Electric installation		-	
Depreciation charged during the period / year   (33,832,583)   (141,226,826)     1,385,589,623     1,403,202,577				15,070,198	178,977,903
4.2       Capital work in progress         Buildings - civil work       - 1,969,462         Plant and machinery       289,164       286,719         Advances for Vehicles       1,117,209       5,494,906		Book value of assets disposed off during the period / year		-	(18,938,516)
4.2 Capital work in progress         Buildings - civil work       - 1,969,462         Plant and machinery       289,164       286,719         Advances for Vehicles       1,117,209       5,494,906		Depreciation charged during the period / year		(33,832,583)	(141,226,826)
Buildings - civil work - 1,969,462 Plant and machinery 289,164 Advances for Vehicles 1,117,209 5,494,906				1,385,589,623	1,403,202,577
Plant and machinery       289,164       286,719         Advances for Vehicles       1,117,209       5,494,906	4.2	Capital work in progress			
Plant and machinery       289,164       286,719         Advances for Vehicles       1,117,209       5,494,906		Buildings - civil work		-	1,969,462
Advances for Vehicles 1,117,209 5,494,906				289.164	
		•		ŕ	•



5 LONG TERM INVESTMENTS Investments in associates - at equity method:	Un-audited September 30 2017	Audited June 30 2017
investments in associates - at equity method.	Rupees	Rupees
Quoted:		
Sapphire Fibres Limited	400,237,639	421,873,451
Sapphire Textile Mills Limited	78,406,866	91,363,134
SFL Limited	55,656,338	58,583,020
Un quoted:		
Sapphire Finishing Mills Limited	68,939,568	72,953,670
Sapphire Holding Limited	31,097,391	33,445,413
Sapphire Power Generation Limited	53,977,872	56,560,011
	688,315,674	734,778,699

**5.1** The existence of significant influence by the Company is evidenced by the representation on the board of directors of associated companies.

#### 6 CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

Guarantees have been issued by banks on behalf of the Company		
in the normal course of business	99,990,298	99,990,298
Post dated cheques issued in favour of Commissioner Inland		
Revenue and Collector of Customs	75,596,056	75,596,056
	175,586,354	175,586,354

#### 6.2 Claims of Input Sales Tax

The Company has claimed an input tax of Rs. 13.985 million and the same has been disallowed by Federal Board of Revenue (FBR) Pakistan by a notice dated June 20, 2015. However the Company has filed an appeal dated July 07, 2015 against the FBR decision and has reasonable grounds to claim the tax.

#### 6.3 Commitments

#### Irrevocable letters of credit for import of:

-plant and machinery	117,939,850	196,791,240
-stores and spare parts	3,489,807	1,394,375
-raw material	133,919,745	35,340,890
Contract for capital expenditure	<u> </u>	131,522
	255,349,402	233,658,027



		Note	Un-audited Quarter ended September 30, 2017	Un-audited Quarter ended September 30, 2016
7	COST OF SALES	Note	Rupees	Rupees
7	COST OF SALES			
	Stocks - opening		82,330,887	94,836,235
	Cost of goods manufactured	7.1	868,608,317	775,670,881
	Yarn purchase		2,076,429	2,309,150
			953,015,633	872,816,266
	Stocks - closing		(104,227,001)	(76,125,800)
			848,788,632	796,690,466
7.1	Cost of goods manufactured			
	Work in process - opening		143,725,269	128,561,008
	Raw material consumed		631,401,531	525,895,335
	Overheads		228,939,267	227,404,563
			860,340,798	753,299,898
	Work in process - closing		(135,457,750)	(106,190,025)
			868,608,317	775,670,881
0	TRANSACTIONS WITH DELATED DARTIES			

#### 8 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business enters into transactions with various related parties.

The transactions with related parties during the period generally consist of sales and purchases.

Nature and description of related party transactions during the period along with monetary values are as follows:

Nature of Relationship	Nature of Transaction		
Associated companies:			
	Sales of finished goods, raw material / stores		
	and spare parts	139,325,395	109,968,643
	Purchases of:		
	- finished goods, raw material / stores and	22,547,379	6,240,036
	- electricity	5,671,704	41,899,624
	Services rendered	55,974	-
	Services obtained	753,250	1,755,549
	Shared expenses -net	824,131	1,451,254

Transactions with related parties are carried out at arm's length in the normal course of business. The consideration is computed on commercial terms and conditions.



#### 9 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on October 26, 2017.

#### 10 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore : Dated: October 26, 2016

Shayan Abdullah Chief Executive