



Reliance Weaving
Mills Limited
A Fatima Group Company

3rd Quarterly
Accounts

2020

March 31, 2020 (Un-Audited)

Committed to
EXCELLENCE

COMPANY INFORMATION

BOARD OF DIRECTORS

Non-Executive Directors

Mr. Fawad Ahmed Mukhtar
Mr. Fahd Mukhtar
Mrs. Fatima Fazal

Chairman

Executive Directors

Mr. Fazal Ahmed Sheikh
Mr. Faisal Ahmed Mukhtar

CEO

Independent Directors

Dr. M. Shoukat Malik
Mr. Shahid Aziz

BOARD COMMITTEES

Audit Committee

Mr. Shahid Aziz
Mr. Fahd Mukhtar
Dr. M. Shoukat Malik

Chairman
Member
Member

HR & Remuneration Committee

Dr. M. Shoukat Malik
Mr. Faisal Ahmed Mukhtar
Mr. Fahd Mukhtar

Chairman
Member
Member

Risk Management Committee

Mr. Faisal Ahmed Mukhtar
Mr. Shahid Aziz
Dr. M. Shoukat Malik

Chairman
Member
Member

EXECUTIVE MANAGEMENT TEAM

Chief Financial Officer

Mr. Waheed Ahmed

Company Secretary

Mr. Attab Ahmed Qaiser

GM Marketing

Mr. Khawaja Sajid
Mr. Aqeel Saifi
Mr. Salim Ahmed

GM Weaving

Mr. Ikram Azeem

GM Spinning (Multan)

Mr. Muhammad Shoaib Alam

DGM Spinning (Rawat)

Mr. Salahudin Khattak

EXTERNAL AUDITORS

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants
HM House, 7-Bank Square, Lahore.
E-mail: ihr@hccpk.com

SHARES REGISTRAR

M/s. CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e- Faisal,
Karachi-74400
E-mail: info@cdc.pak.com & kamran.ahmad@fatima-group.com

BANKERS/FINANCIAL INSTITUTIONS

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
National Bank of Pakistan
Meezan Bank Limited
Soneri Bank Limited
The Bank of Khyber
Habib Metropolitan Bank Limited
JS Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Samba Bank Limited
Al-Baraka Bank Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited

The Bank of Punjab
Askari Bank Limited, Islamic Banking Services
Saudi Pak Industrial & Agricultural Investment Company Limited
Pak Brunei Investment Company Limited
Pak China Investment Company Limited
Pak Libya Holding Company (Pvt) Limited
First Habib Modaraba
Sindh Bank Limited
Summit Bank Limited
Bank Islami Pakistan Limited
Standard Chartered Bank Pakistan Limited
Faysal Bank Limited

SITE ADDRESSES

Unit # 1, 2, 4 & 5

Fazalpur Khanewal Road, Multan.
Phone & Fax: 061-6740020-3 & 061-6740039

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.
Phone & Fax: 051-4611579-81 & 051-4611097

BUSINESS OFFICES

Registered Office

2nd Floor Trust Plaza, LMQ Road, Multan.
Tel: 061-4509700, 061-4509749
Fax: 061-4511677, 061-4584288
E-mail: info@fatima-group.com

Head Office

E-110, Khayaban-e-Jinnah Lahore Cantt.
Tel: 042-35909449, 042-111-328-462
Fax: 042-36621389
Website: www.fatima-group.com

COMPANY PROFILE

Reliance Weaving Mills Limited is a Public Limited Company incorporated on April 07, 1990 with its Registered Office at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan and is listed on Pakistan Stock Exchange. The Head Office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore-Cantt.

The unit is a fully integrated yarns and fabrics production complex and is located at two sites that is Fazalpur Khanewal Road, Multan (Multan Unit) housed on 87 acres of land and the site area of Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi (Rawat Unit) comprises of 34 acres of land. The Housing Colony at Multan unit comprises of 228 bachelor rooms and 24 family quarters for workers and non-management cadre employees while there is an accommodation capacity for 500 workers and 76 rooms for bachelors at Rawat unit.

The spinning unit at Multan comprises of 42 ring frames consisting of 47,520 spindles with total annual production of 24,494 tons based on average count Ne 14. We have state of the art and modern technology, TOYOTA RX-240 and RX-300 E Draft capable of making wide range of counts. These machines can attain high speed of 21,000 RPM. Our ring machines are 2004, 2013 and 2014 model. Currently, we are producing yarn counts from 6/1 cdd to 21/1 cdd. The above unit produces Carded Yarn, Combed Yarn, Siro Yarn, Core Yarn, Dual Core Yarn, Slub Yarn, Dual Core+Slub Yarn and Core+Slub Yarns.

The Rawat unit consist of 38 Toyoda Japan (RY-5) spinning frame with total annual production capacity of 118,195 bags based on standard

count of 20/1 cdd. The unit produces yarns namely Mélange, Marl, Slub, Injection Nappy and Fancy Draw Blend Yarns.

The Weaving unit comprises of 392 looms of high speed latest air jet machines of Tsudakoma (Japan) & picanol (Belgium) with total grey cloth production of (82.22 Million Meters) (SGM's) based on 53.35 picks per inch. We cater for home textiles and apparels from various variety of yarns blends such as Cotton/Polyester, Cotton/Viscose/ Linen, Fancy Yarns, Stretch Yarns and from different natural fibers & synthetic blends.

The unit is equipped with latest warping and sizing machine, air compressors, air conditioning / chiller system, boilers and self-gas engine power generation. The weaving facilities can produce plain (basket/mat weave, ribbed warp & wet), twill, satin, sateen weave, variation of basic weave such as creps, pile (cut/unused) double cloth, gauze (leno), swivel, tappet, dobby, Name jacquard & triaxial.

We are producing almost all types of Fancy Yarns and Grey Fabrics and have state-of-the-art high speed machines with latest facilities coupled with highly skilled team of dedicated workers and engineers to meet the challenges of textile sector.

We are constantly working to upgrade our plant by replacing old machines with latest high speed machines to be abreast with modern trends in the local textile industry and abroad to have competitive edge over our competitors to bring our Company in the forefront of the textile sector of Pakistan.



CREDIT RATING RELIANCE WEAVING MILLS LIMITED



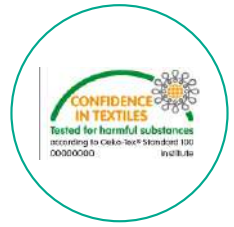
LONG TERM

A-

SHORT TERM

A2

CERTIFICATIONS



DIRECTOR'S REPORT TO THE MEMBERS

Dear Members,

On the behalf of the Board of Directors, We are pleased to present the nine months Financial Statements of the company for the period ended March 31, 2020.

Financial Highlights

The company earned Gross profit of Rs 1,748 million during the period as compared to Rs. 1,224 million, which is 42% improved. Turnover of the company has improved from Rs 11,900 million to Rs 14,413 million, which is 21% increase. Financial cost of the company has increased from Rs 670 million to Rs 920 million which is almost 31% increased as compare to previous period. Major loss in current period is exchange loss of RS 188 million due to sudden devaluation of PKR against USD by 7.7% due to panic created by COVID-19 , it hit the profitability very badly and despite major improvements in all segments reduced the profit to RS 50 million as compare to RS 268 million in last period.

The major event in current period is COVID-19 virus that started in china has affected all parts of the world and is one of worst period in human history. Almost all major economies are under complete or partial lockdown. The demand for textile products abroad and domestic sales have come down to grinding halt due to panic situation created COVID-19 outbreak. Plenty of export orders hold or cancelled and the situation is very serious. Domestic textile mills are gradually resuming production in accordance with the policies of Government. GoP has introduced many relief packages for industry like deferment of long term loans installment, salary relief package at discounted rate etc.

On Behalf of Board of Directors



Fazal Ahmed Sheikh
(Chief Executive Officer)



Faisal Ahmed Mukhtar
(Director)

Date: April 29, 2020
Place: Lahore

ڈائریکٹرز کا جائزہ

محترم ممبران،

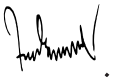
بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ، 2020ء کو ختم ہونے والی مدت کے لیے کمپنی کے تیسرے سہ ماہی مالی بیانات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

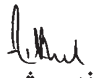
مالی جھلکیاں:

کمپنی کو اس مدت کے دوران 1,224 ملین روپے کے مقابلے میں 1,748 ملین روپے کا خام منافع ہوا جس میں 42 فیصد بہتری آئی۔ کمپنی کا کل کاروبار 11,900 ملین سے بڑھ کر 14,413 ملین روپے ہوا جو کہ 21 فیصد اضافہ ہے۔ کمپنی کی مالی لاگت 670 ملین سے بڑھ کر 920 ملین روپے ہو گئی جو کہ پچھلے سال کے مقابلے میں تقریباً 31 فیصد اضافہ ہے۔ موجودہ مدت میں کوویڈ-19 سے پیدا ہونے والی گھبراہٹ کی وجہ سے USD کے مقابلے میں پاکستانی روپے کی قدر میں 7.7 فیصد کمی ہوئی اور شرح تبادلہ میں 188 ملین روپے کے خسارے کی وجہ سے دیگر شعبہ جات میں بہتری کے باوجود مجموعی منافع میں کمی واقع ہوئی اور منافع 50 ملین روپے رہا جو کہ پچھلے سال 268 ملین روپے تھا۔

موجودہ مدت میں سب سے اہم واقعہ کوویڈ-19 وائرس ہے جو کہ چین سے شروع ہوا اور دنیا کے تمام حصوں کو متاثر کیا۔ یہ انسانی تاریخ کے بدترین دور میں سے ایک ہے۔ تقریباً تمام بڑی معیشتیں جزوی یا مکمل لاک ڈاؤن ہیں۔ کوویڈ-19 کے پھیلاؤ کے خوف سے پیدا شدہ صورت حال میں بیرون ملک ٹیکسٹائل مصنوعات کی طلب اور مقامی فروخت میں زبردستی کمی واقع ہوئی ہے۔ برآمدات کے بہت سے آرڈرز منسوخ یا ہولڈ کیے جا چکے ہیں اور صورتحال بہت سنگین ہے۔ گھریلو ٹیکسٹائل ملز حکومت کی پالیسیوں کے مطابق آہستہ آہستہ پیداوار دوبارہ شروع کر رہی ہیں۔ حکومت نے صنعت کے لیے بہت سے ریلیف پیکج متعارف کروائے ہیں جیسے کہ طویل مدتی قرضوں کی قسط میں التواء، رعایتی شرح پر تنخواہ میں ریلیف پیکج وغیرہ شامل ہیں۔

بورڈ کے لئے اور اس کی طرف سے


فیصل احمد مختار
ڈائریکٹر


فیصل احمد مختار
چیف ایگزیکٹو آفیسر

مقام: لاہور

تاریخ: 29 اپریل، 2020

3rd Quarterly Accounts

March 31, 2020
(Un-Audited)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2020

		(Un-audited) March 31 2020	(Audited) June 30 2019
	Note	-----Rupees in "000"-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,221,873	6,227,003
Intangible assets		2,018	2,728
Long term investments	6	689,075	763,601
Long term advances		300,000	-
Long term deposits		28,776	20,216
Deferred tax asset		81,581	71,221
		7,323,323	7,084,769
Current assets			
Stores, spares and loose tools		240,178	204,857
Stock-in-trade		5,563,763	5,944,942
Trade debts		2,316,352	2,281,363
Loans and advances	7	515,161	401,679
Prepayments and other receivables		83,858	35,474
Short term investments	8	77,711	137,332
Tax refunds & export rebate due from the government		492,487	606,596
Cash and bank balances		84,054	113,073
		9,373,564	9,725,316
TOTAL ASSETS		16,696,887	16,810,085
SHARE CAPITAL AND RESERVES			
Authorized share capital		700,000	700,000
Issued, subscribed and paid-up share capital		308,109	308,109
Reserves		147,111	165,797
Revaluation surplus on freehold land		949,486	949,486
Unappropriated profit		2,409,712	2,467,192
		3,814,418	3,890,584
Liabilities			
Non-current liabilities			
Long term finances	9	2,078,050	1,826,835
Lease liabilities		8,261	8,829
Staff retirement benefits - gratuity		280,829	241,279
		2,367,140	2,076,943
Current liabilities			
Trade and other payables		1,642,822	2,012,704
Unclaimed dividend		65,574	17,336
Markup accrued		244,138	309,363
Short term borrowings		7,850,300	7,816,016
Current portion of non-current liabilities		542,329	529,479
Taxation		170,166	157,660
		10,515,329	10,842,558
Total liabilities		12,882,469	12,919,501
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		16,696,887	16,810,085

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

Note	Nine months period ended		Three months period ended		
	March 31	March 31	March 31	March 31	
	2020	2019	2020	2019	
-----Rs in "000"-----					
Sales - net	11	14,413,661	11,900,576	5,160,155	4,772,811
Cost of sales		(12,665,114)	(10,675,923)	(4,688,224)	(4,281,241)
Gross profit		1,748,547	1,224,653	471,931	491,570
Distribution and marketing expenses		(179,107)	(110,851)	(68,644)	(52,083)
Administrative expenses		(155,240)	(136,340)	(49,379)	(45,901)
Other expenses	12	(287,245)	(41,213)	(199,244)	(12,810)
Other income		78,474	121,119	27,466	17,912
		(543,118)	(167,285)	(289,801)	(92,882)
Profit from operations		1,205,429	1,057,368	182,130	398,688
Finance cost		(920,740)	(670,486)	(278,835)	(273,351)
		284,689	386,882	(96,705)	125,339
Share of loss of associates		(74,790)	(32,357)	(5,733)	(2,250)
Profit / (Loss) before taxation		209,899	354,525	(102,438)	123,087
Provision for taxation		(159,806)	(86,313)	(53,938)	(54,990)
Profit / (Loss) after Taxation		50,093	268,212	(156,376)	68,097
Earnings per share		1.63	8.71	(5.08)	2.21

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine months period ended		Three months period ended	
	March 31	March 31	March 31	March 31
	2020	2019	2020	2019
	-----Rs in "000"-----			
Profit / (Loss) after taxation	50,093	268,212	(156,376)	68,097
Other comprehensive income:				
Items that will not be reclassified subsequently to statement of profit or loss:				
- Unrealised (Loss) / Gain on remeasurement of short term investments at fair value through other comprehensive income	(18,687)	2,573	(12,098)	(8,112)
- Share of other comprehensive income / (loss) of Associated Companies	265	(3,318)	-	-
Total comprehensive income / (loss) for the period	31,671	267,467	(168,474)	59,985

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Director




Chief Financial Officer


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

Note	Nine months period ended	
	March 31	
	2020	2019
	-----Rs in "000"-----	
Cash flows from operating activities		
Profit for the period - before taxation	209,899	354,525
Adjustments for non cash charges and other items:		
Depreciation	205,529	187,284
Amortisation	710	710
Staff retirement benefits - gratuity(net)	39,550	38,932
Gain on disposal of operating fixed assets - net	(1,034)	(225)
Share of loss from Associated Companies - net	74,790	32,357
Finance cost	920,740	670,486
Profit before working capital changes	1,450,184	1,284,069
Effect on cash flows due to working capital changes:		
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(35,322)	(17,806)
Stock-in-trade	381,179	(2,383,191)
Trade debts	(34,989)	84,274
Loans and advances	(113,482)	(146,843)
Prepayments and other receivables	(48,384)	(12,122)
Tax refunds and export rebate due from the Government (excluding income tax)	55,554	22,772
Sales tax refund bonds and accrued profit	40,934	
Increase in trade and other payables	(369,882)	501,850
	(124,392)	(1,951,066)
Cash generated from / (used in) operations	1,325,792	(666,997)
Income taxes paid - net	(99,104)	(73,112)
Net cash generated from / (used in) operating activities	1,226,688	(740,109)
Cash flows from investing activities		
Fixed capital expenditures	(202,618)	(505,883)
Sale proceeds of operating fixed assets	3,254	8,741
Long term deposits	(8,560)	741
Long term advances - FEL	(300,000)	-
Net cash used in investing activities	(507,924)	(496,400)
Cash flows from financing activities		
Long term finances - net	263,980	408,766
(Decrease) / Increase in lease liabilities	(483)	1,179
Short term borrowings - net	34,283	1,520,528
Finance cost paid	(985,965)	(579,353)
Dividend paid	(59,598)	(78,355)
Net cash (used in) / generated from financing activities	(747,783)	1,272,765
Net (decrease) / increase in cash and cash equivalents	(29,019)	36,256
Cash and cash equivalents at beginning of the period	113,073	79,087
Cash and cash equivalents at end of the period	84,054	115,343

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Capital reserve		Revenue reserve		Fair value gain / (loss) on short term investments	Un-appropriated profit	Total
	Share capital	Share premium	Revaluation surplus on freehold land	General reserve			
Rupees in "000"							
Balance as at July 01, 2019 (audited)	308,109	41,081	949,486	74,172	50,544	2,467,192	3,890,584
Transaction with owners:							
Cash dividend at the rate of Rs.3.50 per ordinary share for the year ended June 30, 2019	-	-	-	-	-	(107,838)	(107,838)
Total comprehensive income for the period ended March 31, 2020							
- profit for the period	-	-	-	-	-	50,093	50,093
- other comprehensive (loss) / income	-	-	-	-	(18,687)	265	(18,422)
	-	-	-	-	(18,687)	50,358	31,671
Balance as at March 31, 2020 (Un-audited)	308,109	41,081	949,486	74,172	31,857	2,409,712	3,814,417
Balance as at June 30, 2018 (audited)	308,109	41,081	949,486	74,172	60,682	1,968,262	3,401,792
Transaction with owners:							
Cash dividend at the rate of Rs.2.25 per ordinary share for the year ended June 30, 2018	-	-	-	-	-	(69,325)	(69,325)
Total comprehensive income for the period ended March 31, 2019							
- profit for the period	-	-	-	-	-	268,212	268,212
- other comprehensive income / (loss)	-	-	-	-	2,573	(3,318)	(745)
	-	-	-	-	2,573	264,894	267,467
Balance as at March 31, 2019 (Un-audited)	308,109	41,081	949,486	74,172	63,255	2,163,831	3,599,934

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

1 Legal status and operations

Reliance Weaving Mills Ltd. (the Company) was incorporated in Pakistan as a public limited company on April 07, 1990 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company commenced its operations on May 14, 1990 and is principally engaged in the manufacture and sale of yarn and fabric. The registered office of the Company is situated at second Floor, Trust Plaza, L.M.Q. Road, Multan and its mills are located at Fazalpur Khanewal Road, Multan and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.

2 Basis of preparation

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 the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of 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

3 Accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2019.

3.1 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2019 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, except for the following for which relevant effect has been incorporated in these condensed interim financial statements:

- Amendments to IAS 19, 'Employee benefits'
 - IAS 23, 'Borrowing costs'
 - IFRIC 23, 'Uncertainty over income tax treatments'
 - IFRS 16, 'Leases'
- 4 These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2019.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	Un-audited March 31, 2020	Audited June 30, 2019
Rupees in thousand			
5 Property, plant and equipment			
Operating fixed assets	5.1	6,152,876	6,213,181
Capital work-in-progress		35,478	13,822
Right-of-use assets	5.2	33,519	-
		6,221,873	6,227,003
5.1 Operating fixed assets			
Book value as at June 30, 2019		6,213,181	
Additions during the period:			
- freehold land		35,315	
- buildings on freehold land		17,130	
- plant and machinery		97,558	
- electric installations		3,164	
- factory equipment		2,350	
- office equipment		5,526	
- electric appliances		2,968	
- furniture and fixtures		2,036	
- vehicles		5,396	
		171,443	
Book value of operating fixed assets disposed-off		(2,219)	
Depreciation charge for the period		(199,987)	
Transfer to right-of-use assets		(29,542)	
Book value as at March 31, 2020		6,152,876	
5.2 Right-of-use assets			
Opening balance		-	-
Transfer from operating assets		29,542	-
Additions during the period		9,518	-
Depreciation for the period		(5,541)	-
		33,519	-

		Un-audited March 31, 2020	Audited June 30, 2019
	Note	Rupees in thousand	
6 Long term investments			
Investment in associates - Un-quoted			
Fatima Energy Limited	6.1	653,408	728,907
Fatima Transmission Company Limited	6.2	35,667	34,694
		689,075	763,601
6.1 Fatima Energy Limited ("FEL") at equity method			
Cost		800,054	800,054
Share of post acquisition loss		(157,398)	(81,899)
Share of other comprehensive income		2,348	2,348
Gain on dilution of investment in associate		8,404	8,404
Carrying amount at end of the period		653,408	728,907
No. of shares held		80,016,370	80,016,370
Ownership interest in percentage		14.04%	14.04%
6.2 Fatima Transmission Company Limited ("FTCL") at equity method			
Cost		71,875	71,875
Share of post acquisition loss		(36,208)	(37,181)
Carrying amount at end of the period		35,667	34,694
No. of shares held		7,187,500	7,187,500
Ownership interest in percentage		31.25%	31.25%
7 Loans and advances			
Advances - considered good			
- To employees		214,702	202,772
- To suppliers		85,056	30,354
Due from related parties		165,088	141,090
Letters of credit - margins, deposits etc.		50,315	27,463
		515,161	401,679
8 Short term investment			
Short term investment - available for sale			
Fatima Fertilizer Company Limited	8.1	56,231	78,361
Short term investment - Others			
Multan Real Estate Company (PVT) Limited		21,480	21,480
Sales tax refund bonds and accrued profit thereon		-	37,491
		77,711	137,332
8.1 Fatima Fertilizer Company Limited			
Carrying amount at beginning of 2,625,167 fully paid ordinary shares of Rs. 10 each		78,361	85,055
Fair value adjustment		(22,130)	(6,694)
Closing market value of 2,625,167 shares		56,231	78,361

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	Un-audited March 31, 2020 Rupees in thousand	Audited June 30, 2019
9 Long term finances			
From financial institutions - secured	9.1	2,607,875	2,343,895
Less: current portion		(529,825)	(517,060)
		2,078,050	1,826,835

9.1 The movement of long term finance during the period / year ended is as follows:

Opening balance		2,343,895	1,860,140
Add: obtained during the period / year		596,690	1,114,469
		2,940,585	2,974,609
Less: repaid during the period / year		(332,710)	(630,714)
Closing balance		2,607,875	2,343,895

10 Contingencies and commitments

10.1 Contingencies

There is no significant change in the status of contingent liabilities since the annual published audited financial statements as at June 30, 2019, except the following;

Bank guarantee outstanding as at March 31, 2020 are Rs. 267.606 million (June 30, 2019: Rs. 229.361 million).

Foreign bills discounted outstanding as at March 31, 2020 are Rs. 566.735 million (June 30, 2019: Rs. 208.136 million).

10.2 Commitments

10.2.1 Letters of credit for:

-Capital expenditures		588,515	33,002
-Other than capital expenditures		553,498	9,508
		1,142,013	42,510

		-----Un-audited ----- Nine months period ended March 31, 2020 2019 Rupees in thousand	
11 Sales - net			
Export	11.1	9,683,924	4,247,310
Local		4,680,413	7,634,397
Waste		204,781	138,529
		2,034	
		14,571,152	12,020,236
Less: Commission		(157,491)	(119,660)
		14,413,661	11,900,576

11.1 These includes indirect exports of fabric and yarn aggregating Rs. 2,172 million (March 31, 2019: Nil)

12 Other expenses

Other expenses for the current period include exchange fluctuation loss aggregating Rs.250.810 million (March 31, 2019 : Rs. Nil).

13 Transactions with Related Parties

The related parties comprise of associated companies, undertakings and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows:

Nature of transaction	-----Un-audited-----	
	Nine months period ended March 31, 2020	2019
	Rupees in thousand	
<u>Associated undertakings</u>		
- purchase of goods	203,296	27,938
- sale of goods	-	1,576
- mark-up income	23,472	1,461
- mark-up expense	960	2,031
- advances obtained	614,600	655,519
- advances repaid	974,133	729,297
- other expenses shared	18,739	11,502
<u>Key management personnel</u>		
Remuneration and other benefits	20,464	15,541
Donations to Mian Mukhtar A. Sheikh Trust	23,964	20,200

14 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

15 Capital management

The Company's capital management objective and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

16 Segment reporting

16.1 Reportable segments

The Company's reportable segments are as follows:

- Spinning segment - production of different quality of yarn using natural and artificial fibers
- Weaving segment - production of different quality of greige fabric using yarn

Information regarding the Company's reportable segments is presented below:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

16.2 Segment revenue and results

Following is an analysis of the Company's revenue and results by reportable segments

	Spinning		Weaving		(Elimination of inter-segment)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Un-audited								
Nine months ended March 31,	2020	2019	2020	2019	2020	2019	2020	2019
----- Rupees in "000" -----								
Sales - net	7,492,266	6,611,426	9,325,681	7,574,588	(2,404,286)	(2,285,438)	14,413,661	11,900,576
Cost of sales	(6,866,735)	(5,987,535)	(8,202,665)	(6,973,826)	2,404,286	2,285,438	(12,665,114)	(10,675,923)
Gross profit	625,531	623,891	1,123,016	600,762	(0)	-	1,748,547	1,224,653
Distribution and marketing expenses	(32,150)	(23,174)	(146,957)	(87,677)	-	-	(179,107)	(110,851)
Administrative expenses	(71,643)	(61,430)	(83,597)	(74,910)	-	-	(155,240)	(136,340)
Other expenses	(29,648)	(19,390)	(257,597)	(21,823)	-	-	(287,245)	(41,213)
Other income	11,483	16,248	66,991	104,871	-	-	78,474	121,119
Profit from operations	503,573	536,144	701,856	521,223	(0)	-	1,205,429	1,057,368
Finance cost	(379,423)	(341,812)	(541,317)	(328,675)	-	-	(920,740)	(670,486)
	124,150	194,332	160,539	192,548	(0)	-	284,689	386,882
Share of loss from associate	(37,395)	(16,226)	(37,395)	(16,131)	-	-	(74,790)	(32,357)
Profit / (Loss) before taxation	86,755	178,106	123,144	176,417	(0)	-	209,899	354,525
Provision for taxation	(62,845)	(52,743)	(96,961)	(33,570)	-	-	(159,806)	(86,313)
Profit / (Loss) for the period	23,910	125,363	26,183	142,848	(0)	-	50,093	268,212

15.2.1 The accounting policies of the reportable segments are the same as the Company's accounting policies described in the annual financial statements for the year ended June 30, 2019.

16.3 Segment assets and liabilities

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

	Spinning		Weaving		Total	
	Un-audited March 31 2020	Audited June 30 2019	Un-audited March 31 2020	Audited June 30 2019	Un-audited March 31 2020	Audited June 30 2019
----- Rupees in "000" -----						
Segment assets for reportable segment						
Operating fixed assets	3,499,418	3,520,045	2,722,455	2,693,136	6,221,873	6,213,181
Stores, spares and loose tools	151,656	135,529	88,522	69,327	240,178	204,856
Stock in trade	3,706,485	3,804,833	1,857,278	2,140,109	5,563,763	5,944,942
	7,357,559	7,460,407	4,668,255	4,902,572	12,025,814	12,362,979
Unallocated corporate assets					4,671,073	4,447,106
Total assets as per balance sheet					16,696,887	16,810,085
16.4 Segment liabilities for reportable segments	5,177,337	4,877,864	5,301,602	5,303,295	10,478,939	10,181,159
Unallocated corporate liabilities					2,403,530	2,738,342
Total liabilities as per balance sheet					12,882,469	12,919,501

17 Corresponding Figures

17.1 In order to comply with the requirements of IAS 34 "Interim financial reporting", the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

17.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

18 Date of authorization

These condensed interim financial information are authorized for issue on April 29, 2020 by the Board of Directors of the Company.

19 General

Figures have been rounded off to the nearest thousand rupees except as stated otherwise.



Chief Executive Officer



Director



Chief Financial Officer



Reliance Weaving
Mills Limited
A Fatima Group Company

📍 2nd Floor Trust Plaza, LMQ Road, Multan

📞 +92 61 450 9700, 450 9749

📠 +92 61 458 4288, 451 1267

✉️ waheed.mushtaq@fatima-group.com