

1st Quarterly Accounts September 30, 2017 (Un-Audited)



Reliance Weaving
Mills Limited
A Fatima Group Company



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1st Quarterly Accounts

September 30, 2017
(Un-Audited)

Company Information

Board of Directors

Executive Directors

Mr. Fazal Ahmed Sheikh
Mr. Faisal Ahmed Mukhtar

Non-Executive Directors

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

Independent Director

Dr. M. Shaukat Malik

Nominee Director

Mr. Shahid Aziz (NIT)

Chairman

Board Committees

Audit Committee

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

Chairman
Member
Member

HR & Remuneration Committee

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

Chairman
Member
Member

Executive Management Team

Chief Executive Officer

Mr. Fazal Ahmed Sheikh

Chief Financial Officer

Mr. Waheed Ahmed

Company Secretary

Mr. Aftab Qaiser

GM Marketing

Mr. Khawaja Sajid
Mr. Aqeel Saifi

GM Production Weaving

Mr. Ikram Azeem

GM Production Spinning (Multan)

Mr. Muhammad Shoaib Alam

GM Production Spinning (Rawat)

Mr. Hafeez ur Rehman

Bankers

Allied Bank Ltd
Habib Bank Ltd
United Bank Ltd
National Bank of Pakistan
Meezan Bank Ltd
Soneri Bank Ltd

The bank of Khyber

Habib Metropolitan Bank Ltd

Bank Al-Falah Ltd

Samba Bank Ltd

Al Baraka Bank Pakistan Ltd

Dubai Islamic Bank (Pakistan) Ltd

The Bank of Punjab

Askari Bank Ltd (Islamic Banking Services)

Saudi Pak Industrial & Agricultural Investment Company Ltd

Pak Brunei Investment Company Ltd

Pak China Investment Company Ltd

Pak Libya Holding Company (Pvt) Ltd

First Habib Modaraba

Sindh Bank Ltd

Summit Bank Ltd

Bank Islami Pakistan Ltd

Faysal Bank Ltd

Auditors & Share Registrar

External Auditors

Shinewing Hameed Chaudhri & Co.
Chartered Accountants,
1st Floor Abdali Tower 17, Abdali Road,
Multan

Shares Registrar

M/s CDC Pakistan Ltd.
2nd Floor 307-Upper Mall Lahore
info@cdc.pak.com
basharat.hashmi@fatima-group.com

Sites Address

Unit # 1,2,4 & 5

Fazalpur Khanewal Road, Multan.
Tel. No. 061-6740020-3
Fax. No. 061-6740039

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.
Tel. No. 051-4611579-81
Fax. No. 051-4611097

Business Offices

Registered Office

2nd Floor Trust Plaza, LMQ Road, Multan.
Tel # 061-4512031-2, 061-4546238
Fax # 061-4511677, 061-4584288
e-mail: info@fatima-group.com

Head Office

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

Director's Review To The Members

Dear Members,

On behalf of the Board of Directors, I am pleased to present 1st quarterly Financial Statements of the Company for the period ended September 30, 2017.

Financial Highlights

The Company earned net profit Rs 2.4 million during the period as compared to Rs. 35 million. The turnover of the Company improved from Rs 2,900 million to 3,334 million as against the same period last year. The reduction in profitability was due to low margin of grey cloth segment and increase in power cost by Rs 41 million as compared to last period due to increase in RLNG price.

It is expected that the Cotton price will remain soft in current year due to multiple international factors, since cotton is the basic raw material for spinning so this will improve the margin of the spinning sector. Domestic cotton production is expected to be around 13 million bales while annual consumption will continue to remain higher than domestic production. The Government has recently announced textile package in which duty drawback rates remain the same as per last package, with some minor changes. The management of the Company intends to increase the export sales to get the maximum benefit from the package.

On Behalf of Board of Directors

Sd/-

Fazal Ahmed Sheikh
(Chief Executive Officer)

Date: October 30, 2017
Place: Lahore

Condensed Interim Balance Sheet (Un-audited)

	Un-audited September 30, 2017	Audited June 30, 2017
Note	----- (Rs. in "000") -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
40,000,000 (2017: 40,000,000)		
ordinary shares of Rs. 10 each	400,000	400,000
30,000,000 (2017 : 30,000,000)		
preference shares of Rs. 10 each	300,000	300,000
	700,000	700,000
Issued, subscribed and paid up capital	308,109	308,109
Reserves	180,441	179,496
Retained earnings	1,739,960	1,737,474
	2,228,510	2,225,079
Surplus on revaluation of fixed assets	634,325	634,325
Non-current Liabilities		
Long term finances	4	1,663,311
Liabilities against asset subject to finance lease	6,889	1,270
Deferred liability	194,653	184,911
	1,864,853	1,948,524
Current Liabilities		
Current portion of non-current liabilities	685,854	833,443
Finances under mark up arrangements and other credit facilities - secured	4,209,178	4,581,656
Trade and other payables	768,769	876,981
Mark up accrued	97,659	121,480
	5,761,460	6,413,560
Contingencies and commitments	5	-
Total equity and liabilities	10,489,148	11,221,488

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

As At September 30, 2017

		Un-audited September 30, 2017	Audited June 30, 2017
	Note	----- (Rs. in "000") -----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,464,780	5,371,086
Intangible assets		4,384	4,620
Long term investments	7	854,418	855,744
Long term deposits		20,297	19,725
Deferred tax asset		55,179	55,179
		6,399,058	6,306,354
Current assets			
Stores, spares and loose tools		184,647	182,141
Stock in trade		2,190,758	3,009,201
Trade debts		692,594	603,771
Loans and advances	8	212,004	308,055
Trade deposits and prepayments		61,576	3,233
Other receivables		12,576	16,510
Other financial assets	9	110,867	109,922
Tax refunds and due from the government		570,501	585,671
Cash and bank balances		54,567	96,630
		4,090,090	4,915,134
Total assets		10,489,148	11,221,488

Sd/-
Director

Condensed Interim Profit And Loss Account (Un-audited)

For the period ended September 30, 2017

	Note	First Quarter ended September 30,	
		2017	2016
		----- (Rs. in "000") -----	
Sales - net	10	3,334,450	2,900,471
Cost of sales		(3,089,120)	(2,646,500)
Gross profit		245,330	253,971
Distribution and marketing expenses		(34,735)	(27,675)
Administration expenses		(36,133)	(31,617)
Other operating expenses		(6,085)	(3,735)
Finance cost		(128,908)	(126,049)
Other income		1,662	908
Share of loss from associate		(1,326)	(1,022)
		(205,525)	(189,190)
Profit before taxation		39,805	64,781
Provision for taxation		(37,319)	(29,289)
Profit for the period		2,486	35,492
Earnings per share - basic and diluted (Rupees)		0.08	1.15

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended September 30, 2017

	First Quarter ended September 30,	
	2017	2016
Note	----- (Rs. in "000") -----	
Profit for the period	2,486	35,492
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
- Gain on remeasurement of available-for sale investment	945	1,890
	945	1,890
Total comprehensive income for the period	3,431	37,382

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the period ended September 30, 2017

		First Quarter ended September 30,	
		2017	2016
		----- (Rs. in "000") -----	
Note			
A. Cash flows from operating activities			
	11	846,384	61,260
		(105,087)	(128,732)
		(9,263)	(15,393)
		(5,620)	(4,262)
		-	(19,615)
		726,414	(106,742)
B. Cash flows from investing activities			
		(154,662)	(2,743)
		236	446
		(571)	-
		(154,997)	(2,297)
C. Cash flows from financing activities			
		124,233	-
		(372,583)	(191,872)
		7,348	(6,093)
		(372,478)	305,719)
		(613,480)	107,754
		(42,063)	(1,285)
		96,630	77,390
		54,567	76,105

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Condensed Interim Statement of Changes in Equity (Un-audited)

For the period ended September 30, 2017

	Rs. "000"					
	Share capital	Capital reserve Share premium	Fair value reserve	Revenue reserve General reserve	Retained earnings	Total
Balance as at July 01, 2016 (audited)	308,109	41,081	64,725	74,172	1,651,176	2,139,263
Profit for the period ended September 30, 2016	-	-	-	-	35,492	35,492
Other comprehensive income	-	-	1,890	-	-	1,890
Total comprehensive income for the period	-	-	1,890	-	35,492	37,382
Balance as at September 30, 2016	<u>308,109</u>	<u>41,081</u>	<u>66,615</u>	<u>74,172</u>	<u>1,686,668</u>	<u>2,176,645</u>
Balance as at July 01, 2017 (audited)	308,109	41,081	64,243	74,172	1,737,474	2,225,079
Profit for the period ended September 30, 2017	-	-	-	-	2,486	2,486
Other comprehensive income	-	-	945	-	-	945
Total comprehensive income for the period	-	-	945	-	2,486	3,431
Balance as at September 30, 2017	<u>308,109</u>	<u>41,081</u>	<u>65,188</u>	<u>74,172</u>	<u>1,739,960</u>	<u>2,228,510</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Sd/-

Chief Executive Officer

Sd/-

Chief Financial Officer

Sd/-

Director

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

1. THE COMPANY AND ITS OPERATIONS

Reliance Weaving Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on April 07, 1990 under the repealed Companies Ordinance, 1984 and its shares are quoted on Pakistan Stock Exchange Limited ("PSX"). The Company commenced its operations on May 14, 1990 and principally engaged in the manufacture and sale of yarn and fabric. The registered office of the Company is situated at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the three-months 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 Act, 2017. In case where requirements differ, provisions of or directives issued under the Companies Act, 2017 have been followed.

2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2017. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2017 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the three months ended on September 30, 2016.

2.3 Presentation and functional currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2017. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2017, which do not have any impact on this condensed interim financial information.

		Un-audited September 30, 2017	Audited June 30, 2017
	Note	----- (Rs. in "000") -----	
4. LONG TERM FINANCES			
From financial institutions - secured	4.1	2,344,094	2,592,443
Less: current portion		(680,783)	(830,100)
		1,663,311	1,762,343

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

4.1 The movement of long term finances during the period / year ended is as follows:

	Un-audited September 30, 2017	Audited June 30, 2017
Note	----- (Rs. in "000") -----	
Opening balance	2,592,443	2,669,209
Add: obtained during the period / year	124,233	560,233
	2,716,676	3,229,442
Less: repaid during the period / year	(372,583)	(636,999)
Closing balance	2,344,093	2,592,443

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

- There is no significant change in the status of contingent liabilities since the annual published audited financial statements as at June 30, 2017, except the following;
- Bank guarantee outstanding as at September 30, 2017 are Rs. 176.780 million (June 30, 2017: Rs. 176.780 million).
- Foreign bills discounted outstanding as at September 30, 2017 are Rs. 995.131 million (June 30, 2017: Rs. 473.419 million).

5.2 Commitments

5.2.1 Commitments in respect of forward foreign exchange contracts:

- Sales

56,377

52,830

5.2.2 Letters of credit for:

- Capital expenditures

2,415

122,219

- Other than capital expenditures

71,653

22,923

74,068

145,142

5.3 Stand by letters of credit for:

- Commitment to inject equity in Fatima Energy Ltd:

500,000

1,000,000

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

6.1

5,444,546

5,344,973

Capital work in progress

20,234

26,113

5,464,780

5,371,086

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

		Un-audited September 30, 2017	Audited June 30, 2017																				
6.1	Operating assets																						
	Opening written down value	5,344,973	5,138,451																				
	Additions during the period / year	160,540	446,812																				
	Net Book value of operating assets disposed off during the period / year	(236)	(7,192)																				
	Depreciation charged during the period / year	(60,731)	(233,098)																				
	Closing written down value	5,444,546	5,344,973																				
<p>Un-audited First Quarter ended September 30, 2017</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #4a4a8a; color: white;">Additions at cost</th> <th style="background-color: #808080; color: white;">Disposal at book value</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;">----- (Rs. in '000) -----</td> </tr> <tr> <td style="text-align: right;">Building</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;">Plant and machinery</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;">Electric installations</td> <td style="text-align: right;">(7)</td> </tr> <tr> <td style="text-align: right;">Office equipment</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;">Electric appliances</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;">Furniture and fixtures</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;">Vehicles</td> <td style="text-align: right;">(229)</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">160,536</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(236)</td> </tr> </tbody> </table>				Additions at cost	Disposal at book value	----- (Rs. in '000) -----		Building	-	Plant and machinery	-	Electric installations	(7)	Office equipment	-	Electric appliances	-	Furniture and fixtures	-	Vehicles	(229)	160,536	(236)
Additions at cost	Disposal at book value																						
----- (Rs. in '000) -----																							
Building	-																						
Plant and machinery	-																						
Electric installations	(7)																						
Office equipment	-																						
Electric appliances	-																						
Furniture and fixtures	-																						
Vehicles	(229)																						
160,536	(236)																						
6.1.1	Additions / disposals during the period																						
	Building	1,450	-																				
	Plant and machinery	149,733	-																				
	Electric installations	450	(7)																				
	Office equipment	94	-																				
	Electric appliances	1,531	-																				
	Furniture and fixtures	540	-																				
	Vehicles	6,738	(229)																				
		160,536	(236)																				
		Un-audited September 30, 2017	Audited June 30, 2017																				
----- (Rs in '000) -----																							
7.	LONG TERM INVESTMENTS																						
	Investment in associates - Un-quoted																						
	Fatima Energy Limited	782,952	784,278																				
	Fatima Transmission Company Limited	71,466	71,466																				
		854,418	855,744																				
7.1	Fatima Energy Limited ("FEL") at equity method																						
	Cost	800,054	800,054																				
	Share of post acquisition loss	(27,545)	(26,219)																				
	Share of other comprehensive income	2,424	2,424																				
	Gain on dilution of investment in associate	8,019	8,019																				
	carrying amount at end of the period	782,952	784,278																				
	No. of shares held	80,016,370	80,016,370																				
	Ownership interest in percentage	14.11%	14.11%																				

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

	Un-audited September 30, 2017	Audited June 30, 2017
----- (Rs in '000) -----		
7.2 Fatima Transmission Company Limited ("FTCL") at equity method		
Cost	71,875	71,875
Share of post acquisition loss	(409)	(409)
Carrying amount at end of the period	71,466	71,466
No. of shares held	7,187,500	7,187,500
Ownership interest in percentage	31.25%	31.25%
8. LOANS AND ADVANCES		
Advances - considered good		
- To employees	155,040	145,392
- To suppliers	1,151	58,784
Due from related parties	25,030	28,326
Letters of credit - margins, deposits, opening charges, etc.	30,783	75,553
	212,004	308,055
9. OTHER FINANCIAL ASSETS		
Short term investment - available for sale		
Fatima Fertilizer Company Limited	9.1 89,387	88,442
Short term investment - Others		
Multan Real Estate Company (PVT) Limited	21,480	21,480
	110,867	109,922
9.1 Fatima Fertilizer Company Limited		
Carrying amount at beginning of the period		
2,625,167 (June 30, 2017: 2,625,167) fully paid ordinary shares of Rs. 10 each	88,442	89,098
Fair value adjustment	945	(656)
Closing market value of 2625,167 (June 30, 2017: 2,625,167) shares	89,387	88,442

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

	Un-audited Three months period ended September 30,	
	2017	2016
	----- (Rs in '000) -----	
10. SALES - net		
Export	1,637,651	1,459,324
Local	1,611,403	1,424,792
Waste	62,984	35,374
	<u>3,312,038</u>	<u>2,919,490</u>
Less: Commission	(35,088)	(27,926)
	<u>3,276,950</u>	<u>2,891,564</u>
Add: Weaving, Doubling, Sizing income	-	8,499
Export rebate	57,500	408
	<u>57,500</u>	<u>8,907</u>
	<u>3,334,450</u>	<u>2,900,471</u>
11. CASH GENERATED FROM OPERATIONS		
Profit before tax	39,805	64,781
Adjustments for non cash charges and other items:		
Depreciation on property, plant and equipment	60,731	57,620
Amortization of intangible assets	237	237
Staff retirement benefits accrued	15,363	13,658
(Gain) on disposal of property, plant and equipment	(2)	(38)
Share of loss from associate	1,326	1,022
Provision for WPPF	1,000	1,371
Finance cost excluding exchange Gain/ (loss)	128,784	124,772
Profit before working capital changes	<u>247,244</u>	<u>263,423</u>
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets		
- Stores, spares and loose tools	(2,506)	4,075
- Stock in trade	818,443	119,867
- Trade debts	(88,823)	(217,150)
- Loans and advances	96,050	11,127
- Trade deposits and prepayments	(58,343)	(6,916)
- Tax refunds and due from government (excluding income tax)	(60,403)	21,397
- Other receivables	3,934	(7,022)
Increase in current liabilities		
- Trade and other payables (excluding workers' profit participation fund)	(109,212)	(127,541)
	<u>599,140</u>	<u>(202,163)</u>
Cash generated from operations	<u>846,384</u>	<u>61,260</u>

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

Nature of transaction	Un-audited Three months period ended September 30,	
	2017	2016
	-----(Rs in "000")----	
<u>Associated undertakings</u>		
Purchase of goods	11,131	9,466
Sale of goods	1,490	2,960
Mark up charged	1,576	22
Mark up expense	989	1,596
Advances issued	40,000	24,956
Advances repaid	127,000	228,097
<u>Key management personnel</u>		
Remuneration to:		
Director	1,002	1,002
Executives	2,915	6,296
<u>Others</u>		
Donations	4,500	2,000

13. 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, 2017.

14. 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, 2017.

15. FAIR VALUES

Note	(Un-audited) September 30, 2017			(Audited) June 30, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees in "000" -----					
Property, plant and equipment						
- Freehold lands	15.1	- 752,939	-	- 752,939	-	-
Other financial assets						
- Short term investment						
- available for sale	15.2	89,387	-	88,442	-	-
		<u>89,387</u>	<u>752,939</u>	<u>88,442</u>	<u>752,939</u>	<u>-</u>

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

There were no transfers between levels and no changes in valuation techniques during the period/year.

- 15.1 The Company follows the revaluation model for its freehold land. The fair value measurement as at May 31, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of the State Bank of Pakistan and the possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. Fair market value of the land was assessed through inquires from various estate agents and brokers keeping in view the location of the property, size, status, utilization and current trends in prices of real estate in the vicinity of the property.

Since the date of last revaluation, there has been no material change in the market factors that derive the fair value of these properties, therefore, management believes that the carrying value of such 'freehold lands' approximate its fair market value.

- 15.2 Available for sale short term investment includes quoted equity shares. The investment is remeasured at each reporting date at its fair value by using the prevailing market rate of shares on Pakistan Stock Exchange Limited ("PSX").

- 15.3 Had there been no revaluation, the book values would have been as follows:

	Un-audited September 30, 2017	Audited June 30, 2017
	----- (Rs in '000) -----	
Property, plant and equipment		
- Freehold lands	118,614	118,614
Other financial assets		
- Short term investment - available for sale	24,199	24,199
	142,813	142,813

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

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:

16.2 Segment revenue and results

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

	Un-audited						Total	
	Spinning		Weaving		(Elimination of inter-segment transactions)			
	2017	2016	2017	2016	2017	2016		
Three months ended 30- September	Rupees 000							
Sales - net	1,785,181	1,711,722	2,250,832	2,036,622	(701,563)	(847,873)	3,334,450	2,900,471
Cost of sales	(1,643,849)	(1,545,710)	(2,146,834)	(1,948,663)	701,563	847,873	(3,089,120)	(2,646,500)
Gross profit	141,332	166,012	103,998	87,959	-	-	245,330	253,971
Distribution and marketing expenses	(7,288)	(5,145)	(27,447)	(22,530)			(34,735)	(27,675)
Administrative expenses	(13,999)	(15,809)	(22,134)	(15,808)			(36,133)	(31,617)
Finance cost	(52,484)	(63,489)	(76,424)	(62,560)			(128,908)	(126,049)
Other operating expenses	(3,062)	(2,251)	(3,023)	(1,484)			(6,085)	(3,735)
Other income	779	89	883	819			1,662	908
Share of loss from associate	-	(511)	(1,326)	(511)			(1,326)	(1,022)
Profit / (Loss) before taxation	(76,054)	(87,116)	(129,471)	(102,074)			(205,525)	(189,190)
Provision for taxation	65,278	78,896	(25,473)	(14,115)			39,805	64,781
Profit / (Loss) for the period	(12,775)	(8,696)	(24,544)	(20,593)			(37,319)	(29,289)
	52,503	70,200	(50,017)	(34,708)			2,486	35,492

16.2.1 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, 2017.

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

16.3 Segment assets

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

	Spinning		Weaving		Total	
	Un-audited September 30 2017	Audited June 30 2017	Un-audited September 30 2017	Audited June 30 2017	Un-audited September 30 2017	Audited June 30 2017
Segment assets for reportable segment						
Operating fixed assets	3,105,932	3,117,449	2,338,614	2,227,525	5,444,546	5,344,974
Stores, spares and loose tools	122,667	121,917	61,980	60,224	184,647	182,141
Stock in trade	1,605,853	1,905,343	584,905	1,103,858	2,190,758	3,009,201
	4,834,452	5,144,709	2,985,499	3,391,607	7,819,951	8,536,316
Unallocated corporate assets					2,669,197	2,685,171
Total assets as per balance sheet					<u>10,489,148</u>	<u>11,221,487</u>
16.4 Segment liabilities						
Segment liabilities for reportable segment	3,353,907	4,155,210	3,211,325	3,023,501	6,565,232	7,178,711
Unallocated corporate liabilities					1,061,081	1,183,373
Total Liabilities as per balance sheet					<u>7,626,313</u>	<u>8,362,084</u>

-----Rupees '000'

Notes to Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2017

17. DATE OF AUTHORIZATION

These condensed interim financial information are authorized for issue on October 30, 2017 by the Board of Directors of the Company.

18. GENERAL

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

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Reliance Weaving Mills Limited

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