



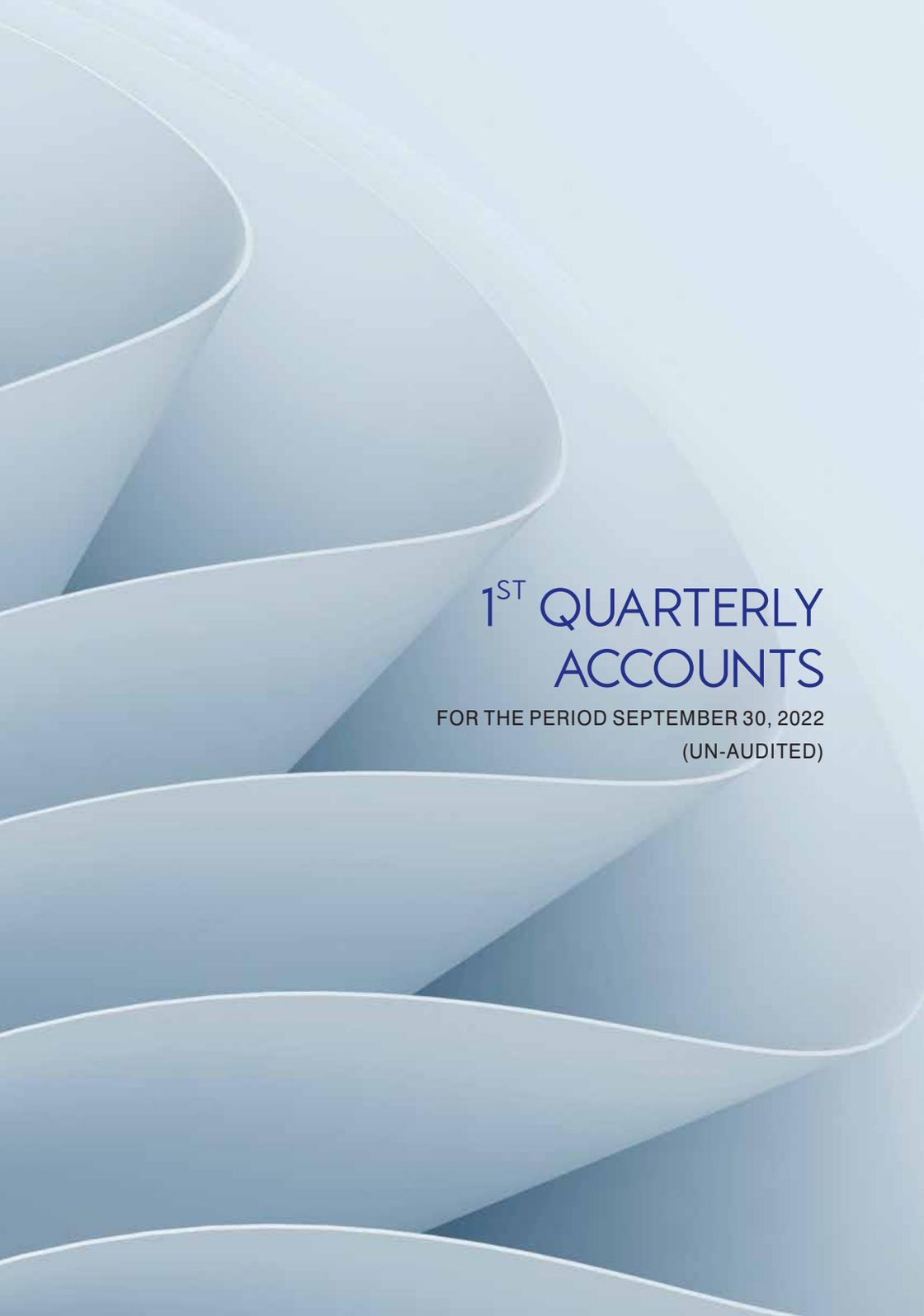
Reliance Weaving
Mills Limited
A Fatima Group Company

THE ART OF TEXTILE

1st Quarterly
Accounts

September 30, 2022
(Un-audited)





1ST QUARTERLY ACCOUNTS

FOR THE PERIOD SEPTEMBER 30, 2022
(UN-AUDITED)

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Faisal Ahmed (Chief Executive Officer)

Non-Executive Directors

Mr. Fawad Ahmed Mukhtar (Chairman)
Mr. Fahd Mukhtar
Mr. Muhammad Mukhtar Sheikh
Mrs. Fatima Fazal

Independent Directors

Mr. Muhammad Shaukat
Mr. Shahid Aziz

COMMITTEES OF THE BOARD

Audit Committee

Mr. Shahid Aziz (Committee Chairman)
Mr. Fahd Mukhtar (Member)
Mr. Muhammad Shaukat (Member)

HR & Remuneration Committee

Mr. Muhammad Shaukat (Committee Chairman)
Mr. Shahid Aziz (Member)
Mr. Fahd Mukhtar (Member)

Risk Management Committee

Mr. Faisal Ahmed (Committee Chairman)
Mr. Shahid Aziz (Member)
Mr. Muhammad Shaukat (Member)

Nomination Committee

Mr. Fawad Ahmed Mukhtar (Committee Chairman)
Mr. Faisal Ahmed (Member)
Mrs. Fatima Fazal (Member)

EXECUTIVE MANAGEMENT TEAM

Chief Financial Officer

Mr. Waheed Ahmad

Head of Human Resources

Mr. Asad A. Jan

Acting Company Secretary

Mr. Kamran Ahmad Awan

Head of Internal Audit & Risk Assurance – OB

Mr. Muhammad Akbar Rana

Technical Director Weaving

Mr. Ikram Azeem

GM Marketing

Mr. Khawaja Sajid
Mr. Aqeel Saifi
Mr. Muhammad Nasir Iqbal
Mr. Salim Ahmed

GM Spinning (Multan)

Mr. Muhammad Shoab Alam

GM Spinning (Rawat)

Mr. Salahudin Khattak

AUDITORS & SHARES REGISTRAR

External Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants
2526/F Shadman Colony Opp. High Court
Bahawalpur Road, Multan.

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
Pakistan Kuwait Investment 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 051-4262494-5 & 051-4611097

BUSINESS OFFICES

Registered Office

2nd Floor Trust Plaza, LMQ Road, Multan
Tel # 061-4509700-2, 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





CREDIT RATING RELIANCE WEAVING MILLS LIMITED

LONG TERM

SHORT TERM

A

A-2

CERTIFICATIONS



DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

On behalf of the Board of Directors, we are pleased to present three months Financial Statements of the Company for the period ended September 30, 2022.

Financial Highlights

The Company earned net profit of Rs 353 million during the period as compared to Rs. 833 million. Turnover of the company has improved by 18% from Rs 7,408 million to Rs 8,770 million. Decline in profitability during the current quarter as compared with previous is caused by increased cotton prices which are not absorbed in finished goods price. Further, fuel & power cost is increased by 94% from 377 million to 730 million due to increase in rate of RLNG and partial availability of gas. Financial cost of the Company has increased by Rs 251 million due to increase in KIBOR and increase in working capital requirements of the Company.

Future outlook of remaining period of the Company is uncertain due to slowdown in international market. The impact of the IMF program is likely to have significant cost push impact as it is feared that government may be forced to end the subsidy given to export oriented sector in the price of energy. Therefore, profit margins in the textile industry are likely to be impacted by the increasing raw material, energy and interest cost.

The BMR / expansion program of the Company is continuing at a steady pace. New spinning mill project of fine count of 25,520 spindles is expected to be installed in the 3rd quarter of current year. In order to produce cheaper energy, the Company is in the process of installing 3 MW solar energy projects which is expected to start at the end of the 2nd quarter of current year. This will contribute green energy at reasonable cost while being supportive to the environment.

For and on behalf of the Board,



Mr. Muhammad Shaukat
(Director)



Mr. Faisal Ahmed
(Chief Executive)

Date: October 19, 2022

Place: Multan

ڈائریکٹرز جائزہ رپورٹ

محترم ممبران،

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2022 کو ختم ہونے والی مدت کے لیے کمپنی کے 3 ماہ کے مالی بیانات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کمپنی نے سابقہ 833 ملین روپے کے مقابلے میں رواں مدت میں 353 ملین روپے کا منافع کمایا۔ کمپنی کا مجموعی کاروبار 7,408 ملین روپے سے ترقی کر کے 8,770 ملین روپے ہو گیا۔ جو کہ 18 فیصد اضافہ ہے۔ گزشتہ کے مقابلے موجودہ سہ ماہی کے دوران منافع میں کمی روٹی کی بڑھتی ہوئی قیمتوں کی وجہ سے ہوئی ہے جو تیار اشیاء کی قیمتوں میں جذب نہیں ہوتی ہے۔ مزید یہ کہ آرائل این جی کی شرح میں اضافے اور گیس کی جزوی دستیابی کی وجہ سے ایندھن اور بجلی کی لاگت 377 ملین سے 94 فیصد بڑھ کر 730 ملین ہو گئی۔ K I B O R میں اضافے اور کمپنی کے ورکنگ کیپیٹل کی ضروریات میں اضافے کی وجہ سے کمپنی کی مالی لاگت میں 251 ملین روپے کا اضافہ ہوا ہے۔

بین الاقوامی مارکیٹ میں سست روی کی وجہ سے کمپنی کی باقی ماندہ مدت کا مستقبل غیر یقینی ہے۔ آئی ایم ایف پروگرام کے اثرات سے لاگت میں نمایاں اضافہ ہونے کا امکان ہے کیونکہ خدشہ ہے کہ حکومت توانائی کی قیمت میں ایکسپورٹ اور اینڈر سیکٹر کو دی جانے والی سبسڈی ختم کرنے پر مجبور ہو سکتی ہے۔ لہذا، ٹیکسٹائل کی صنعت میں منافع کا مارجن خام مال، توانائی اور سود کی بڑھتی ہوئی لاگت سے متاثر ہونے کا امکان ہے۔

کمپنی کا BMR توسیعی پروگرام مستحکم رفتار سے جاری ہے۔ 25,520 سپینڈلز کی فائن کاؤنٹ کا نیا اسپننگ مل پروجیکٹ رواں سال کی تیسری سہ ماہی میں نصب کیے جانے کی امید ہے۔ سستی توانائی پیدا کرنے کے لیے، کمپنی 3 میگا واٹ کے شمسی توانائی کے منصوبے لگانے کے عمل میں ہے جو کہ رواں سال کی دوسری سہ ماہی کے آخر میں شروع ہونے کی امید ہے۔ یہ ماحول کے لیے معاون ہوتے ہوئے مناسب قیمت پر سبز توانائی فراہم کرے گا۔

بورڈ کے لئے اور اس کی طرف سے،


مسٹر فیصل احمد
چیف ایگزیکٹو


مسٹر محمد شوکت
ڈائریکٹر

مقام: ملتان

تاریخ: 19 اکتوبر 2022

COMPANY PROFILE

Reliance Weaving Mills Limited was 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 Company is a fully integrated comprising of yarns and fabrics production facilities, which is located at two sites i.e. Fazalpur Khanewal Road, Multan (Multan Unit) and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi (Rawat Unit). The Multan Units and its surrounding comprises of 112 acres of land having 228 bachelors' quarters and 24 family quarters for workers and management employees.

The Spinning unit at Multan comprises of 42 ring frames consisting of 47,520 spindles with total annual production capacity of 25,248 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. We are specialized in making yarn for Denim. We have installed compact system on our existing frames gaining the ability of compact yarn manufacturing and have also installed Bobbin Transport System (BTS), which will cause the automation in the system and reducing workers handling. We have also installed Auto-Doffer Auto-cone.

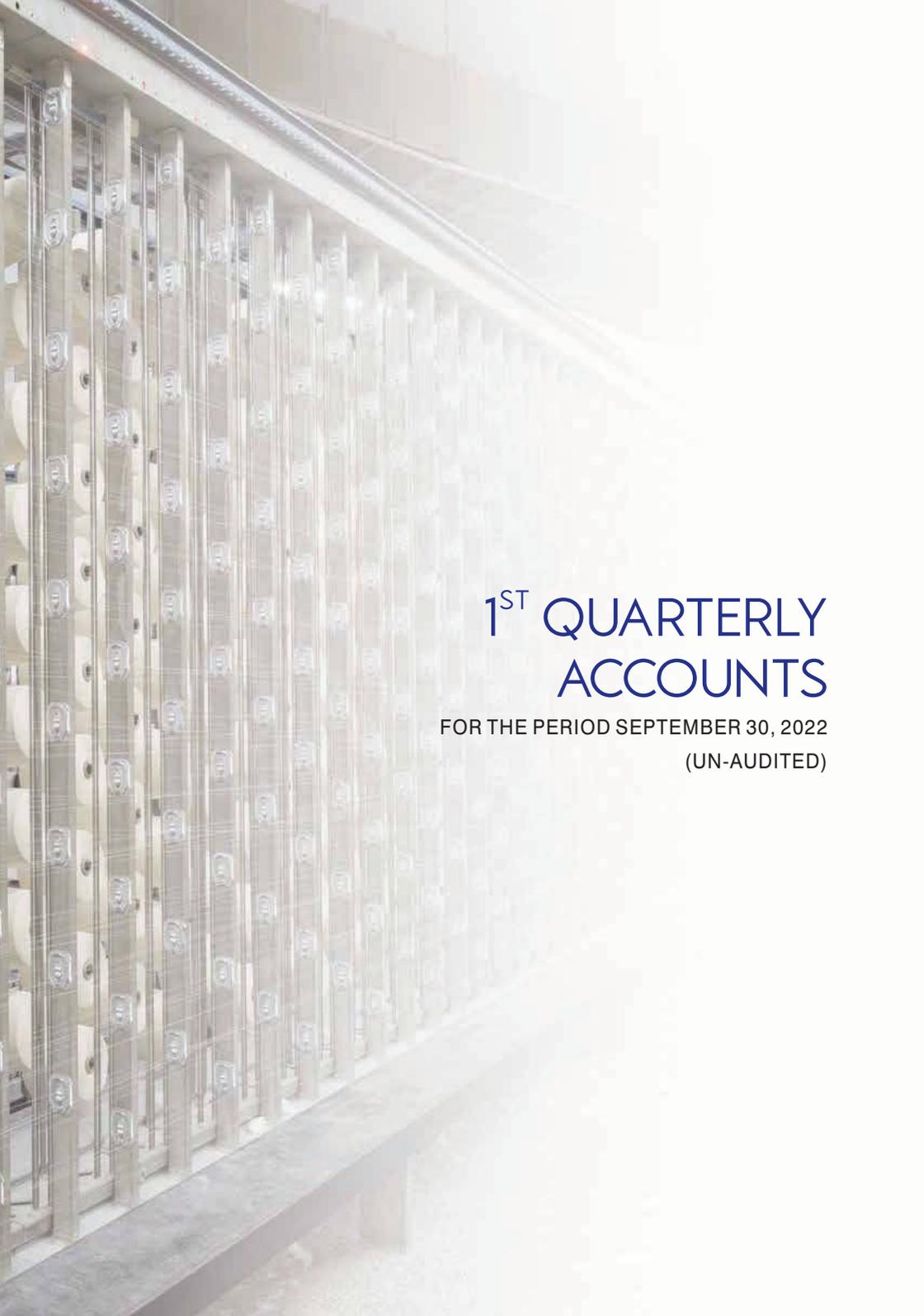
The Weaving unit comprises of 525 looms of high speed latest air jet machines of Tsudakoma (Japan) & Picanol (Belgium) with total grey cloth production of (109.5 Million Meters per year) (SGM's) is based on 60 picks per inch. We cater for home textiles and apparels from various varieties of yarns blends such as Cotton/Polyester, Cotton/Viscose/ Linen, Fancy Yarns, Stretch Yarns from different natural fibers & synthetic blends. The unit is equipped with latest warping and sizing machine, batchers, complete range fabric inspection and packing machinery installations, well equipped laboratory having complete range yarn and fabric testing facility, LDS system, air compressors, air conditioning / chiller system, boilers and self-gas engine power generation. The weaving facilities can produce plain (basket/mat weave, ribbed warp & weft), twill, satin, sateen weave, variation of basic weave such as creps, pile (cut/ unused) double cloth, gauze (leno), swivel, tappet, dobby, namely jacquard & triaxial.

The Rawat Unit comprises of 33 acres of land having accommodation capacity for 500 workers and 76 rooms for bachelors. The unit consists of 38 Toyoda Japan (RY-5) spinning frame with total annual production capacity of 138,000 bags based on standard count of 20/1 cdd. The unit produces yarns namely Mélange, Marl, Slub, Injection Nappy and Fancy Draw Blend Yarns. 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.







1ST QUARTERLY ACCOUNTS

FOR THE PERIOD SEPTEMBER 30, 2022

(UN-AUDITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at September 30, 2022

		(Un-audited) September 30 2022	(Audited) June 30 2022
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	5	11,710,304	10,687,018
Long term investments	6	1,849,425	1,849,425
Long term deposits		29,719	29,045
Deferred tax asset		143,178	143,178
		13,732,626	12,708,666
Current assets			
Stores, spares and loose tools		401,732	365,569
Stock-in-trade		8,477,924	7,788,806
Trade debts		4,580,494	4,485,550
Loans and advances	7	1,304,458	607,867
Prepayments and other receivables		328,754	195,192
Short term investments	8	394,422	393,031
Tax refunds due from the Government		680,273	1,077,988
Cash and bank balances		147,802	134,208
		16,315,859	15,048,211
TOTAL ASSETS		30,048,485	27,756,877
SHARE CAPITAL AND RESERVES			
Authorized share capital		700,000	700,000
Issued, subscribed and paid-up share capital		308,109	308,109
Reserves		9,206,750	8,852,423
		9,514,859	9,160,532
LIABILITIES			
Non-current liabilities			
Long term finances	9	3,757,146	3,401,153
Lease liabilities		99,322	69,265
Staff retirement benefits - gratuity		390,502	370,195
Deferred liabilities		44,921	57,842
		4,291,891	3,898,455
Current liabilities			
Trade and other payables		4,714,555	4,156,100
Unclaimed dividend		11,495	11,502
Accrued mark-up		483,920	368,528
Short term borrowings		9,904,662	8,707,412
Current portion of non-current liabilities		952,156	977,981
Taxation		174,947	476,367
		16,241,735	14,697,890
Total liabilities		20,533,626	18,596,345
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		30,048,485	27,756,877

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


Chief Executive


Director


Chief Financial Officer

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

For the three months period ended September 30, 2022

	Note	Three months period ended	
		September 30 2022	September 30 2021
Rupees in thousand			
Sales - net	11	8,769,982	7,408,215
Cost of sales		(7,542,761)	(6,120,501)
Gross profit		1,227,221	1,287,714
Distribution and marketing expenses		(146,600)	(126,492)
Administrative expenses		(80,125)	(55,245)
Other expenses		(74,536)	(53,080)
Other income		3,295	84,123
		(297,966)	(150,694)
Profit from operations		929,255	1,137,020
Finance cost		(473,807)	(222,809)
Profit before taxation		455,448	914,211
Provision for taxation		(102,510)	(81,182)
Profit after Taxation		352,938	833,029
Earnings per share		11.45	27.04

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


Chief Executive


Director

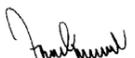

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months period ended September 30, 2022

	Three months period ended	
	September 30 2022	September 30 2021
	Rupees in thousand	
Profit after taxation	352,938	833,029
Other comprehensive income:		
Items that will not be reclassified subsequently to statement of profit or loss:		
- Unrealised Gain on remeasurement of investments at fair value through other comprehensive income	1,390	2,519
Total comprehensive income for the period	354,328	835,548

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


Chief Executive


Director


Chief Financial Officer

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

For the three months period ended September 30, 2022

	Share capital	Share premium	Revaluation surplus on freehold land	Unrealised loss on forward foreign exchange contracts	Reserves		unappropriated profit	Total
					Fair value (loss) / gain on	General reserve		
(Rupees in thousand)								
Balance as at July 01, 2022 (audited)	308,109	41,081	1,708,083	(10,981)	434,413	74,172	6,605,654	9,160,531
Total comprehensive income for the period ended September 30, 2022								
- profit for the period	-	-	-	-	-	-	352,938	352,938
- other comprehensive income	-	-	-	-	1,390	-	-	1,390
Balance as at September 30, 2022 (Un-audited)	308,109	41,081	1,708,083	(10,981)	435,803	74,172	6,958,592	9,514,859
Balance as at July 01, 2021 (audited)	308,109	41,081	1,708,083	-	(127,453)	74,172	4,065,588	6,069,580
Total comprehensive income for the period ended September 30, 2021								
- profit for the period	-	-	-	-	-	-	833,029	833,029
- other comprehensive income	-	-	-	-	2,519	-	-	2,519
Balance as at September 30, 2021 (Un-audited)	308,109	41,081	1,708,083	-	(124,934)	74,172	4,898,617	6,905,128

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the three months period ended September 30, 2022

	Three months period ended	
	September 30 2022	September 30 2021
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	455,448	914,211
Adjustments for non cash charges and other items:		
Depreciation	93,841	81,509
Amortisation	-	237
Staff retirement benefits - gratuity(net)	20,307	17,878
Gain on disposal of operating fixed assets - net	(3,218)	(109)
Finance cost	473,807	222,809
Profit before working capital changes	1,040,185	1,236,535
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(36,164)	21,826
Stock-in-trade	(689,118)	(925,506)
Trade debts	(94,945)	(1,900,314)
Loans and advances	(696,591)	(290,042)
Prepayments and other receivables	(133,562)	(103,837)
Tax refunds and export rebate due from the Government (excluding income tax)	71,128	232,889
Increase in trade and other payables	558,455	501,527
	(1,020,797)	(2,463,457)
Cash generated from / (used in) operations	19,388	(1,226,922)
Income taxes paid - net	(77,339)	(45,909)
Net cash used in operating activities	(57,951)	(1,272,831)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(1,119,775)	(166,346)
Sale proceeds of operating fixed assets	5,867	963
Long term deposits	(673)	(270)
Net cash used in investing activities	(1,114,581)	(165,653)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - net	320,746	39,997
Deferred liabilities	(1,517)	(4,382)
Increase in lease liabilities	28,076	(5,157)
Short term borrowings - net	1,197,250	1,694,973
Finance cost paid	(358,422)	(250,551)
Dividend paid	(7)	(25)
Net cash generated from financing activities	1,186,126	1,474,855
Net increase in cash and cash equivalents	13,594	36,371
Cash and cash equivalents at beginning of the period	134,208	96,013
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	147,802	132,384

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


Chief Executive


Director


Chief Financial Officer

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

For the three months period ended September 30, 2022

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, 2022.

- 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, 2022.

		Un-audited September 30, 2022	Audited June 30, 2022
5 PROPERTY, PLANT AND EQUIPMENT		Rupees in thousand	
Operating fixed assets	5.1	8,685,532	8,749,721
Capital work-in-progress		2,926,434	1,858,877
Right-of-use assets	5.2	98,338	78,420
		11,710,304	10,687,018

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

For the three months period ended September 30, 2022

	(Un-audited) September 30 2022	(Audited) June 30 2022
	Rupees in thousand	
5.1 Operating Fixed Assets		
Opening book value	8,749,721	7,878,102
Additions during the period / year:		
- buildings on freehold land	-	209,914
- plant and machinery	9,460	856,782
- electric installations	-	26,473
- factory equipment	21	7,392
- office equipment	1,135	3,629
- electric appliances	871	3,304
- furniture and fixtures	839	2,246
- vehicles	17,433	97,518
	29,759	1,207,258
Book value of operating fixed assets disposed-off	(2,649)	(3,556)
Depreciation charge for the period / year	(91,299)	(337,269)
Transfer from leased to owned	-	5,186
Book value as at period / year end	8,685,532	8,749,721
5.2 Right-of-use Assets		
Opening balance	78,420	89,288
Additions during the period / year	22,460	7,800
Transfer to owned assets	-	(5,186)
Assets disposed-off	-	(811)
Depreciation for the period / year	(2,542)	(12,671)
	98,338	78,420

	(Un-audited) September 30 2022	(Audited) June 30 2022
Rupees in thousand		
6 LONG TERM INVESTMENTS		
Fatima Energy Ltd. (FEL)		
(At fair value through other comprehensive income)		
Investment in Ordinary Shares		
Total shares held at period / year end - 90,195,083		
- Equity held at period / year end - 15.82%	958,774	958,774
Investment in Preference Shares		
Total shares held at period / year end - 76,377,798	811,896	811,896
	1,770,670	1,770,670
Associated Company		
Fatima Transmission Company Ltd. (FTCL)		
Investment in Ordinary Shares (under equity method)		
7,187,500 ordinary shares of Rs.10 each - cost	71,875	71,875
Equity held: 31.25%		
Share of post acquisition loss and other comprehensive loss -net	(71,875)	(71,875)
Investment in preference shares		
(At fair value through other comprehensive income)		
Total shares held at period / year end - 7,339,768	78,755	78,755
	1,849,425	1,849,425
7 LOANS AND ADVANCES		
Advances - considered good		
- To employees	294,448	283,430
- To suppliers	452,182	236,678
Due from related parties	477,813	40,823
Letters of credit - margins, deposits etc.	80,015	46,935
	1,304,458	607,866
8 SHORT TERM INVESTMENTS		
(At fair value through other comprehensive income)		
Quoted		
Fatima Fertilizer Company Limited		
Opening fair value of 2,625,167 fully paid ordinary shares of Rs. 10 each	99,230	75,474
Fair value adjustment	1,393	23,758
Fair value at the end of the period / year	100,623	99,232
Others - Un-quoted		
Multan Real Estate Company (PVT) Limited	293,799	293,799
	394,422	393,031

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

For the three months period ended September 30, 2022

9	LONG TERM FINANCES	Note	(Un-audited)	(Audited)
			September 30 2022	June 30 2022
			Rupees in thousand	
	From financial institutions - secured	9.1	4,542,088	4,221,342
	Less: current portion		(784,943)	(820,190)
			3,757,145	3,401,152
9.1 The movement of long term finance during the period / year ended is as follows:				
	Opening balance		4,221,342	3,566,192
	Add: obtained during the period / year		516,419	1,454,850
			4,737,761	5,021,042
	Less: repaid during the period / year		(195,673)	(799,700)
	Closing balance		4,542,088	4,221,342

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, 2022, except the following;

Bank guarantee outstanding as at September 30, 2022 are Rs. 369.706 million (June 30, 2022: Rs. 369.706 million).

Foreign bills discounted outstanding as at September 30, 2022 are Rs. 1,153.643 million (June 30, 2022: Rs. 1,182.248 million).

10.2 Commitments

10.2.1 Letters of credit for:

-Capital expenditures		3,248,316	2,819,445
-Other than capital expenditures		1,649,789	1,088,191
-Forward foreign exchange contracts		2,902,700	1,914,322
		7,800,805	5,821,958

11	SALES - net		(Un-audited)	(Un-audited)
			September 30 2022	September 30 2021
			Three months period ended	
			Rupees in thousand	
	Export	11.1	6,018,070	4,944,214
	Local		2,758,652	2,487,546
	Waste		110,025	68,044
			8,886,747	7,499,804
	Less: Commission		(116,765)	(91,589)
			8,769,982	7,408,215

11.1 Export sales includes indirect export of fabric and yarn amounting to Rs.2,278 million (Sep 2021: Rs. 1,784 million).

12 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)	
	September 30 2022	September 30 2021
	Rupees in thousand	
Associated undertakings		
- purchase of goods	523,682	25,927
- mark-up income	77	38
- mark-up expense	2,231	781
- payments received	143,600	103,000
- payments made	691,032	116,212
- other expenses shared	3,710	3,452
Key management personnel		
- remuneration and other benefits	21,078	8,692
Others		
Donations to Mian Mukhtar A. Sheikh Trust	10,400	7,100

All transaction with related parties have been carried-out on commercial terms and conditions.

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, 2022.

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, 2022.

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

For the three months period ended September 30, 2022

15 SEGMENT REPORTING

15.1 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:

15.2 Segment revenue and results

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

	2022		2021		2022		2021		2022		2021	
	Spinning	Weaving	Elimination of inter-segment transactions)		Total							
----- Un-audited -----												
Rupees in '000'												
Three months ended September 30,												
Sales - net	4,338,130	3,717,741	6,722,696	4,917,673	(2,290,844)	(1,227,199)	8,769,982	7,408,215				
Cost of sales	(3,940,955)	(2,914,122)	(5,892,649)	(4,433,578)	2,290,844	1,227,199	(7,542,761)	(6,120,501)				
Gross profit	397,175	803,619	830,047	484,095	-	-	1,227,221	1,287,714				
Distribution and marketing expenses	(5,641)	(8,063)	(140,959)	(118,429)	-	-	(146,600)	(126,492)				
Administrative expenses	(10,138)	(7,264)	(69,988)	(47,981)	-	-	(80,125)	(55,245)				
Other expenses	(26,319)	(41,211)	(48,217)	(11,869)	-	-	(74,536)	(53,080)				
Other income	-	20,678	3,295	63,445	-	-	3,295	84,123				
Profit from operations	(42,098)	(35,860)	(255,869)	(114,834)	-	-	(297,966)	(150,894)				
Finance cost	355,077	767,759	574,178	369,261	-	-	929,255	1,137,020				
Provision for taxation	(154,101)	(106,928)	(319,706)	(115,881)	-	-	(473,807)	(222,809)				
Profit for the period	200,976	660,831	254,473	253,380	-	-	455,448	914,211				
	(25,750)	(31,181)	(76,760)	(50,001)	-	-	(102,510)	(81,182)				
	175,226	629,650	177,713	203,379	-	-	352,938	833,029				

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, 2022.

15.3 Segment assets and liabilities

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

	Spinning		Weaving		Total	
	Un-audited Sep 30 2022	Audited June 30 2022	Un-audited Sep 30 2022	Audited June 30 2022	Un-audited Sep 30 2022	Audited June 30 2022
Segment assets for reportable						
Operating fixed assets	9,232,268	6,056,177	2,478,036	4,630,841	11,710,304	10,687,018
Stores, spares and loose tools	249,915	226,226	151,816	139,343	401,732	365,569
Stock in trade	4,200,531	3,573,956	4,277,393	4,223,860	8,477,924	7,797,816
	13,682,714	9,856,359	6,907,245	8,994,044	20,589,959	18,850,403
Unallocated corporate assets					9,458,526	8,906,474
Total assets as per balance sheet					30,048,485	27,756,877

15.4 Segment liabilities for reportable segments

Unallocated corporate liabilities	6,089,039	5,460,133	8,622,863	7,695,677	14,711,902	13,155,810
Total liabilities as per balance sheet					5,821,723	5,440,535
					20,533,626	18,596,345

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

For the three months period ended September 30, 2022

16 CORRESPONDING FIGURES

16.1 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.

16.2 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.

17 DATE OF AUTHORIZATION

These condensed interim financial information are authorized for issue on 19th October 2022 by the Board of Directors of the Company.

18 GENERAL

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



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