



Reliance Weaving
Mills Limited
A Fatima Group Company



The Art of
TEXTILE

3rd Quarterly Accounts

March 31, 2021
(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
Mrs. Fatima Fazal
Mr. Muhammad Mukhtar Sheikh

Independent Directors

Mr. Shahid Aziz
Dr. M. Shaukat Malik

Committees of the Board

Audit Committee

Mr. Shahid Aziz Committee Chairman
Mr. Fahd Mukhtar Committee Member
Dr. M. Shaukat Malik Committee Member

HR & Remuneration Committee

Dr. M. Shaukat Malik Committee Chairman
Mr. Shahid Aziz Committee Member
Mr. Fahd Mukhtar Committee Member

Risk Management Committee

Mr. Faisal Ahmed Committee Chairman
Mr. Shahid Aziz Committee Member
Dr. M. Shaukat Malik Committee Member

Executive Management Team

Chief Financial Officer

Mr. Waheed Ahmed

Company Secretary

Mr. Aftab 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: lhr@hccpk.com

Shares Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahr-e- Faisal,
Karachi-74400
info@cdc.pak.com & Kamran.Ahmad@fatima-group.com

Bankers / Financial Institutions

National Bank of Pakistan, Multan
Bank Al Habib Limited, Multan
Allied Bank Limited, Multan
Habib Bank Limited, Multan
MCB Bank Limited, Multan
United Bank Limited, Multan/Lahore
Meezan Bank Limited, Multan
Soneri Bank Limited, Multan
The Bank of Khyber, Multan
Habib Metropolitan Bank Limited, Multan/Lahore
JS Bank Limited, Multan/Lahore
Bank Alfalah Limited, Multan
Samba Bank Limited, Lahore
Al-Baraka Bank Pakistan Limited, Lahore
Dubai Islamic Bank (Pakistan) Limited, Multan
The Bank of Punjab, Lahore
Askari Bank Limited, Islamic Banking Services, Multan
Pak Brunei Investment Company Limited, Karachi
Summit Bank Limited, Multan
Pak China Investment Company Limited, Islamabad
First Habib Modaraba, Multan
Pak Libya Holding Company (Pvt) Limited, Karachi
Bank Islami Pakistan Limited, Multan
Pak Kuwait Investment Company (Pvt.) Limited Karachi
Saudi Pak Industrial & Agricultural Investment Company Limited, Islamabad

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

Site Addresses

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

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 spinning unit at Multan comprises of 42 ring frames consisting of 47,520 spindles with total annual production capacity 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. We have installed compact system on our existing frames gaining the ability of compact yarn manufacturing. We have also installed BTS (bobbin transport system), which will cause the Automation in the system and reducing workers handling. We have also installed Auto-Doffer and Auto-cone.

The Weaving unit comprises of 427 looms of high speed latest air jet machines of Tsudakoma (Japan) & picanol (Belgium) with total grey cloth production of (80.55 Million Meters) (SGM's) is based on 61.35 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, 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, namely jacquard & triaxial.

The Rawat unit consist of 38 Toyota Japan (RY-5) spinning frame with total annual production capacity of 138000 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.

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.

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



SHORT TERM



CERTIFICATIONS



DIRECTORS' REVIEW

Dear Members,

On the behalf of the Board of Directors, We are pleased to present nine months Financial Statements of the company for the period ended March 31, 2021.

Financial Highlights

The company earned net profit of Rs 1,030 million during the period as compared to Rs 50 million. Turnover of the company has improved from Rs 14,413 million to Rs 17,273 million, which depicts 20% increase. Gross profit of the company increased from 12% to 13.46%. Financial cost of the company has reduced from Rs 920 million to Rs 673 million which is almost 27% decreased as compare to corresponding period, this decrease in financial is due to reduce in KIBOR from 13% to 7.5% and availed dollar based financing.

Future outlook of remaining period of the company is looking promising. The company has purchased its raw material at very competitive rate. However, appreciation of PKR against USD has negative impact on future profitability of the company.



Dr. M. Shaukat Malik
(Director)



Faisal Ahmed Mukhtar
(Chief Executive)

Date: April 27, 2021
Place: Multan

ڈائریکٹرز جائزہ رپورٹ

محترم ممبران،

بورڈ آف ڈائریکٹرز کی جانب سے میں ۳۱ مارچ ۲۰۲۱ کو ختم ہونے والی مدت کے لیے کمپنی کے ۹ ماہ کے مالی بیانات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

مالی نتائج:

کمپنی نے سابقہ 50 ملین روپے کے مقابلے میں رواں مدت میں 1,030 ملین روپے کا منافع کمایا۔ کمپنی کا مجموعی کاروبار 14,413 ملین روپے سے ترقی کر کے 17,273 ملین روپے ہو گیا، جو کہ 20 فیصد اضافہ ہے۔ کمپنی کا خام منافع 12 فیصد سے بڑھ کر 13.46 فیصد ہو گیا۔ کمپنی کی مالی لاگت 920 ملین روپے سے کم ہو کر 673 ملین روپے ہو گئی جو کہ مالی سال کے مقابلے میں تقریباً 27 فیصد کمی ہے، مالی لاگت میں یہ کمی کا بہرہ میں 13 فیصد سے 7.5 فیصد کمی کی وجہ سے اور ڈالر کرنسی کی بنیاد پر فنانسنگ کی وجہ سے وقوع پذیر ہوئی۔

کمپنی کی باقی مدت کے بارے میں مستقبل کے نقطہ نظر امید افزا نظر آرہا ہے۔ کمپنی نے اپنا تمام مال انتہائی مسابقتی نرخ پر خریدیا ہے۔ تاہم، ڈالر کے مقابلے میں پاکستانی روپے کی قدر کمپنی کے مستقبل کے منافع پر منفی اثر ڈالتی ہے۔

بورڈ کے لئے اور اس کی طرف سے،

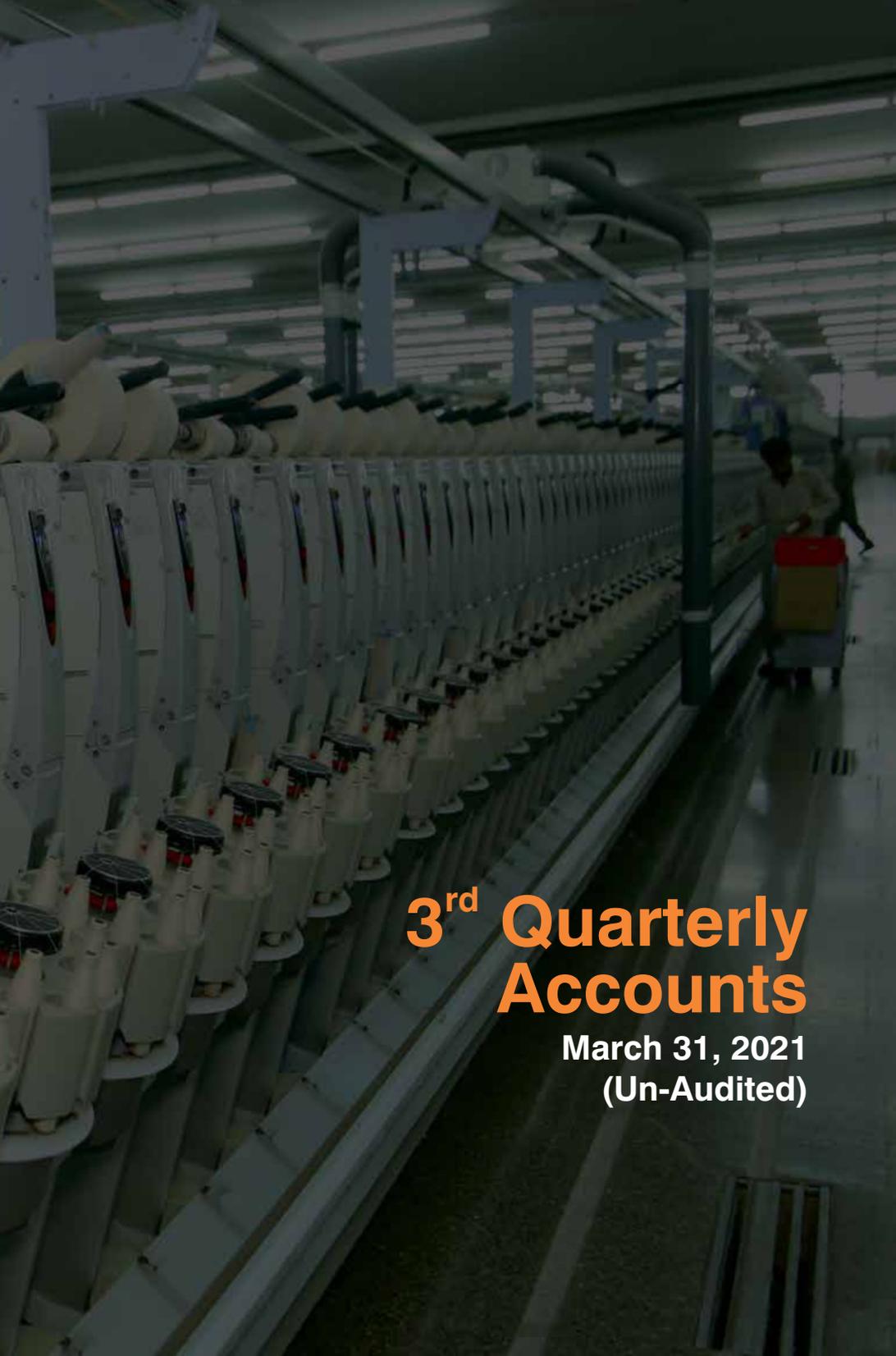

فیصل احمد مختار
چیف ایگزیکٹو


ڈاکٹر ایم شوکت ملک
ڈائریکٹر

مقام: ملتان

تاریخ: 27 اپریل 2021





**3rd Quarterly
Accounts**

**March 31, 2021
(Un-Audited)**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2021

		(Un-audited) March 31 2021	(Audited) June 30 2020
	Note	-----Rupees in "000"-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	7,874,159	6,393,392
Intangible assets		1,072	1,781
Long term investments	6	35,635	35,635
Long term deposits		28,776	28,776
Deferred tax asset		137,408	135,874
		8,077,050	6,595,458
Current assets			
Stores, spares and loose tools		398,709	268,499
Stock-in-trade		6,858,252	4,669,118
Trade debts		2,607,649	1,827,071
Loans and advances	7	1,205,154	974,612
Prepayments and other receivables		120,608	75,940
Short term investments	8	876,956	782,192
Tax refunds & export rebate due from the government		639,051	585,410
Cash and bank balances		78,930	42,972
		12,785,309	9,225,814
TOTAL ASSETS		20,862,359	15,821,272
SHARE CAPITAL AND RESERVES			
Authorized share capital		700,000	700,000
Issued, subscribed and paid-up share capital		308,109	308,109
Reserves		168,005	161,050
Revaluation surplus on freehold land		1,708,083	949,486
Unappropriated profit		3,488,822	2,458,268
		5,673,019	3,876,913
Liabilities			
Non-current liabilities			
Long term finances	9	3,066,253	2,663,635
Lease liabilities		59,563	58,229
Staff retirement benefits - gratuity		297,462	258,431
Deferred liabilities		123,388	5,662
		3,546,666	2,985,957
Current liabilities			
Trade and other payables		1,871,455	1,684,521
Unclaimed dividend		8,451	8,523
Markup accrued		260,187	266,274
Short term borrowings		8,588,182	6,658,071
Current portion of non-current liabilities		708,516	143,401
Taxation		205,883	197,612
		11,642,674	8,958,402
Total liabilities		15,189,340	11,944,359
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		20,862,359	15,821,272

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 PERIOD ENDED MARCH 31, 2021

	Note	Nine months period ended		Three months period ended	
		March 31 2021	March 31 2020	March 31 2021	March 31 2020
-----Rs in '000'-----					
Sales - net	11	17,273,346	14,413,661	6,498,004	5,160,155
Cost of sales		(14,948,233)	(12,665,114)	(5,484,045)	(4,688,224)
Gross profit		2,325,113	1,748,547	1,013,959	471,931
Distribution and marketing expenses		(221,747)	(179,107)	(85,309)	(68,644)
Administrative expenses		(155,401)	(155,240)	(53,859)	(49,379)
Other expenses		(84,334)	(287,245)	(35,266)	(199,244)
Other income		44,940	78,474	(16,236)	27,466
		(416,542)	(543,118)	(190,670)	(289,801)
Profit from operations		1,908,571	1,205,429	823,289	182,130
Finance cost		(673,668)	(920,740)	(253,654)	(278,835)
		1,234,903	284,689	569,635	(96,705)
Share of loss of associates		-	(74,790)	-	(5,733)
Profit / (loss) before taxation		1,234,903	209,899	569,635	(102,438)
Provision for taxation		(204,349)	(159,806)	(85,043)	(53,938)
Profit / (loss) after Taxation		1,030,554	50,093	484,592	(156,376)
Earnings per share		33.45	1.63	15.73	(5.08)

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


Chief Executive


Director


Chief Financial Officer

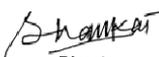
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

	Nine months period ended		Three months period ended	
	March 31 2021	March 31 2020	March 31 2021	March 31 2020
	-----Rs in "000"-----			
Profit / (loss)after taxation	1,030,554	50,093	484,592	(156,376)
Other comprehensive income:				
Items that will not be reclassified subsequently to statement of profit or loss:				
- Unrealised Gain / (Loss) on remeasurement of short term investments at fair value through other comprehensive income	6,956	(18,687)	(788)	(12,098)
- Share of other comprehensive income of Associated Companies - net of tax	-	265	-	-
-Surplus arisen upon revaluation of freehold land	758,597	-	-	-
Total comprehensive income for the period	1,796,107	31,671	483,804	(168,474)

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 PERIOD ENDED MARCH 31, 2021

	Capital reserve		Revenue reserve		Fair value gain / (loss) on short term investments	Unappropriated profit	Total
	Share capital	Share premium	Revaluation surplus on freehold land	General reserve			
-----Rupees in "000"-----							
Balance as at July 01, 2020 (audited)	308,109	41,081	949,486	74,172	45,796	2,458,268	3,876,912
Total comprehensive income for the period ended March 31, 2021							
- profit for the period	-	-	-	-	-	1,030,554	1,030,554
- other comprehensive income	-	-	758,597	-	6,956	-	765,553
	-	-	758,597	-	6,956	1,030,554	1,796,107
Balance as at March 31, 2021 (Un-audited)	308,109	41,081	1,708,083	74,172	52,752	3,488,822	5,673,019
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 income / (loss)	-	-	-	-	(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

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 PERIOD ENDED MARCH 31, 2021

	Nine months period ended	
	March 31 2021	March 31 2020
	-----Rs in '000'-----	
Cash flow from operating activities		
Profit for the period - before taxation	1,234,903	209,899
Adjustments for non cash charges and other items:		
Depreciation	222,655	205,529
Amortisation	710	710
Staff retirement benefits - gratuity(net)	39,029	39,550
Gain on disposal of operating fixed assets - net	(13,953)	(1,034)
Share of loss from Associated Companies - net	-	74,790
Finance cost	673,668	920,740
Profit before working capital changes	2,157,012	1,450,184
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(130,210)	(35,322)
Stock-in-trade	(2,189,135)	381,179
Trade debts	(780,578)	(34,989)
Loans and advances	(230,542)	(113,482)
Prepayments and other receivables	(44,667)	(48,384)
Tax refunds and export rebate due from the Government (excluding income tax)	(80,904)	55,554
Sales tax refund bonds and accrued profit	-	40,934
Increase in trade and other payables	186,314	(369,882)
	(3,269,722)	(124,392)
Cash (used in) / from operations	(1,112,710)	1,325,792
Income taxes paid - net	(170,348)	(99,104)
Net cash (used in) / generated from operating activities	(1,283,058)	1,226,688
Cash flows from investing activities		
Fixed capital expenditures	(957,036)	(202,618)
Sale proceeds of operating fixed assets	26,165	3,254
Long term deposits	-	(8,560)
Short term investments	(87,808)	-
Long term advances - FEL	-	(300,000)
Net cash used in investing activities	(1,018,679)	(507,924)
Cash flows from financing activities		
Long term finances - net	891,440	263,980
Deferred liabilities	192,597	-
Increase / (Decrease) in lease liabilities	2,756	(483)
Short term borrowings - net	1,930,111	34,283
Finance cost paid	(679,137)	(985,965)
Dividend paid	(72)	(59,598)
Net cash generated from / (used in) financing activities	2,337,695	(747,783)
Net increase/(decrease) in cash and cash equivalents	35,958	(29,019)
Cash and cash equivalents at beginning of the period	42,972	113,073
Cash and cash equivalents at end of the period	78,930	84,054

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


Chief Executive


Director


Chief Financial Officer

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

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, 2020.

- 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, 2020.

		Un-audited March 31 2021	Audited June 30 2020
Note	-----Rs in "000"-----		
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	7,742,319	6,238,305
Capital work-in-progress		46,087	72,480
Right-of-use assets	5.2	85,753	82,607
		7,874,159	6,393,392

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

	Un-audited March 31 2021	Audited June 30 2020
Note	-----Rupees in "000"-----	
5.1 Operating fixed assets		
Opening book value	6,238,305	6,183,639
Additions during the period:		
- freehold land	3,719	35,326
- buildings on freehold land	123,498	18,478
- plant and machinery	781,460	235,789
- electric installations	37,052	6,737
- factory equipment	2,332	4,060
- office equipment	9,142	5,918
- electric appliances	1,395	3,720
- furniture and fixtures	1,854	2,310
- vehicles	6,150	10,936
	966,602	323,274
Surplus on revaluation of land	758,597	0
Book value of operating fixed assets disposed-off	(12,212)	(2,339)
Depreciation charge for the period	(214,235)	(268,788)
Transfer from leased to owned	5,262	2,519
Book value as at March 31, 2021	7,742,319	6,238,305
5.2 Right-of-use assets		
Opening balance	82,607	-
Transfer from operating assets	-	29,542
Additions during the period	16,828	11,561
Transfer to owned assets	(5,262)	(2,519)
Assets disposed-off	-	(929)
Transitional effect on initial application	-	56,902
Depreciation for the period	(8,420)	(11,950)
	85,753	82,607

	Note	Un-audited March 31 2020	Audited June 30 2020
		-----Rupees in "000"-----	
6 LONG TERM INVESTMENTS			
Associated Company - Un-quoted			
Fatima Transmission Company Limited			
Cost		71,875	71,875
Share of post acquisition loss		(36,240)	(36,240)
Carrying amount at end of the period		35,635	35,635
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		245,810	224,353
- To suppliers		220,895	77,925
Due from related parties		680,206	554,255
Letters of credit - margins, deposits etc.		58,243	118,080
		1,205,154	974,613
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		70,171	78,361
Fair value adjustment		6,956	(8,190)
Fair value at the end of the period / year		77,127	70,171
Others - Un-quoted			
Multan Real Estate Company (PVT) Limited		21,480	21,480
Fatima Energy Limited		778,349	690,541
		876,956	782,192
9 LONG TERM FINANCES			
From financial institutions - secured	9.1	3,680,820	2,789,379
Less: current portion		(614,566)	(125,745)
		3,066,254	2,663,634

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

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

Note	Un-audited March 31 2021 -----Rupees in "000"-----	Audited June 30 2020
Opening balance	2,789,379	2,343,895
Add: obtained during the period / year	944,412	822,825
	3,733,791	3,166,720
Less: repaid during the period / year	(52,971)	(377,341)
Closing balance	3,680,820	2,789,379

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, 2020, except the following;

Bank guarantee outstanding as at March 31, 2021 are Rs. 368.206 million (June 30, 2020: Rs. 267.606 million).

Foreign bills discounted outstanding as at March 31, 2021 are Rs. 1355.820 million (June 30, 2020: Rs. 1078.650 million).

10.2 Commitments

10.2.1 Letters of credit for:

-Capital expenditures	46,922	575,633
-Other than capital expenditures	995,548	690,685
	1,042,470	1,266,318

11 SALES - net

		Un-audited Nine months period ended March 31, 2021 -----Rupees in "000"-----	2020
Export	11.1	12,580,947	9,683,924
Local		4,651,331	4,680,413
Waste		224,328	204,779
		17,456,606	14,569,116
Less: Commission		(183,260)	(157,491)
		17,273,346	14,411,625

11.1 Export sales includes indirect export of fabric and yarn amounting to Rs.5,584 million (Mar-20: Rs. 2,171 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 Nine months period ended March 31,	
	2021	2020
	Rupees in thousand	
<u>Associated undertakings</u>		
- purchase of goods	83,503	203,296
- mark-up income	1,744	23,472
- mark-up expense	4,303	960
- advances obtained	905,236	614,600
- advances repaid	1,147,889	974,133
- other expenses shared	17,222	18,739
<u>Key management personnel</u>		
- remuneration and other benefits	20,646	20,464
Donations to Mian Mukhtar A. Sheikh Trust	18,000	16,663

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, 2020.

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, 2020.

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

	Spinning		Weaving		Un-audited				2020
	2021	2020	2021	2020	2021	2020	2021	2020	
Nine months ended March 31,	Rupees in '000'								
Sales - net	9,640,635	7,492,266	10,207,510	9,325,681	(2,574,699)	(2,404,286)	17,273,346	14,413,661	
Cost of sales	(8,099,895)	(6,866,735)	(9,423,036)	(8,202,665)	2,574,699	2,404,286	(14,948,233)	(12,665,114)	
Gross profit	1,540,640	625,531	784,474	1,123,016	-	-	2,325,113	1,748,547	
Distribution and marketing expenses	(33,032)	(32,150)	(188,715)	(146,957)	-	-	(221,747)	(179,107)	
Administrative expenses	(57,795)	(71,643)	(97,606)	(83,597)	-	-	(155,401)	(155,240)	
Other expenses	(65,785)	(29,648)	(18,549)	(257,597)	-	-	(84,334)	(287,245)	
Other income	9,071	11,483	35,869	66,991	-	-	44,940	78,474	
Profit from operations	(147,541)	(121,958)	(269,001)	(421,160)	-	-	(416,542)	(543,118)	
Finance cost	1,393,098	503,573	515,473	701,856	-	-	1,908,571	1,205,429	
Share of loss from associate	(318,520)	(379,423)	(355,148)	(541,317)	-	-	(673,668)	(920,740)	
Provision for taxation	1,074,578	124,150	160,324	160,539	-	-	1,234,903	284,689	
Profit for the period	983,309	23,910	47,245	26,183	-	-	1,030,554	50,093	

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, 2020.

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

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 March 31 2021	Audited June 30 2020	Un-audited March 31 2021	Audited June 30 2020	Un-audited March 31 2021	Audited June 30 2020
Segment assets for reportable						
Operating fixed assets	4,140,490	3,627,751	3,733,670	2,610,554	7,874,159	6,238,305
Stores, spares and loose tools	297,957	146,380	100,752	122,119	398,709	268,499
Stock in trade	4,655,828	2,226,124	2,202,424	2,442,994	6,858,252	4,669,118
	9,094,274	6,000,255	6,036,846	5,175,667	15,131,120	11,175,922
Unallocated corporate assets					5,731,238	4,645,350
Total assets as per balance sheet					20,862,359	15,821,272
	6,575,101	4,687,128	5,850,487	4,841,869	12,425,589	9,528,997
Unallocated corporate liabilities					2,763,751	2,415,362
Total liabilities as per balance sheet					15,189,339	11,944,359

15.4 Segment liabilities for reportable segments

Unallocated corporate liabilities
Total liabilities as per balance sheet

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

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
- 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 April 27, 2021 by the Board of Directors of the Company.

18 GENERAL

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



Chief Executive



Director



Chief Financial Officer



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