

3rd Quarterly
Accounts
For the period March 31, 2022

THE **ART** OF
TEXTILE

3RD QUARTERLY ACCOUNTS

FOR THE PERIOD MARCH 31, 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
Mrs. Fatima Fazal
Mr. Muhammad Mukhtar Sheikh

Independent Directors

Mr. Shahid Aziz
Mr. Muhammad Shaukat

COMMITTEES OF THE BOARD

Audit Committee

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

HR & Remuneration Committee

Mr. Muhammad Shaukat (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)
Mr. Muhammad Shaukat (Committee Member)

Nomination Committee

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

EXECUTIVE MANAGEMENT TEAM

Chief Financial Officer

Mr. Waheed Ahmed

Company Secretary

Mr. Aftab Ahmed Qaiser

Sr. Executive Internal Audit & Risk

Mr. Muhammad Akbar Rana

GM Weaving

Mr. Ikram Azeem

GM Marketing

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

GM Spinning (Multan)

Mr. Muhammad Shoaib Alam

GM 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

BANKS/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

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

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.
Phone & Fax: 061-6740020-3 & 061-6740039

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.
Phone & Fax: 051-4262494-95 & 051-4611097



DIRECTORS' REVIEW TO THE SHAREHOLDERS

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, 2022.

Financial Highlights

The Company earned net profit of Rs 2,526 million during the period as compared to Rs. 1,030 million. Turnover of the Company has improved from Rs 17,273 million to Rs 22,447 million, which is 30% increase. Gross profit of the Company increased from 13.5% to 19.15 % . Results of the Company are very healthy despite the fact that fuel and power cost has been increase by Rs 382 million due increase in rate of RLNG from 6 USD per MMBTU to 9 USD per MMBTU and partial availability of gas. Financial cost of the Company has increased by Rs 201 million due to increase in KIBOR and increase in working capital requirements of the Company. Ocean freight has been increased by Rs 160 million due to increase in international freight charges.

Future outlook of remaining period of the Company is uncertain due to slowdown in international market. Further, KIBOR rate and energy rates are continuously increasing which shall impact future profitability of the Company. The Company has opened LC of further 52 looms which are expected to start in first quarter of next year. The Company has also opened LC to import 2 MW solar energy panel to increase its green energy portion in overall energy mix of the Company.



Dr. M. Shaukat Malik
(Director)



Faisal Ahmed Mukhtar
(Chief Executive)

Date: April 28, 2022
Place: Multan

ڈائریکٹرز جائزہ رپورٹ

محترم ممبران،

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 مارچ 2022 کو ختم ہونے والی مدت کے لیے کمپنی کے نو ماہ کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

کمپنی نے سابقہ 1,030 ملین روپے کے مقابلے میں اس مدت کے دوران 2,526 ملین روپے کا خالص منافع کمایا۔ کمپنی کا ٹرن اور 17,273 ملین روپے سے بڑھ کر 22,447 ملین روپے ہو گیا ہے جو کہ 30 فیصد اضافہ ہے۔ کمپنی کا مجموعی منافع 13.5 فیصد سے بڑھ کر 19.15 فیصد ہو گیا۔ یہ حقیقت ہے کہ RNLNG کی شرح میں 6 USD فی MMBTU سے 9 USD فی MMBTU اضافے اور گیس کی جزوی دستیابی کی وجہ سے ایندھن اور بجلی کی لاگت میں 382 ملین روپے کا اضافہ ہوا اس کے باوجود کمپنی کے نتائج صحت افزا رہے۔ KIBOR میں اضافے اور کمپنی کے ورکنگ کیپیٹل کی ضروریات میں اضافے کی وجہ سے کمپنی کی مالی لاگت میں 201 ملین روپے کا اضافہ ہوا ہے۔ بین الاقوامی فریٹ چارجز میں اضافے کی وجہ سے اوشین فریٹ میں 160 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۔ مزید، KIBOR کی شرح اور توانائی کی شرحیں مسلسل بڑھ رہی ہیں جو کمپنی کے مستقبل کے منافع کو متاثر کرے گی۔ کمپنی نے مزید 52 لاکھ روپے ایل سی کھولے ہیں جو اگلے سال کی پہلی سہ ماہی میں شروع ہونے کی امید ہے۔ کمپنی نے 2 میگا واٹ سولر انرجی پینل درآمد کرنے کے لیے ایل سی بھی کھول دیا ہے تاکہ کمپنی کے مجموعی انرجی کس میں گرین انرجی کے حصے کو بڑھایا جاسکے۔

بورڈ کے لئے اور اس کی طرف سے،


فیصل احمد مختار
چیف ایگزیکٹو


ڈائریکٹر
ڈائریکٹر

مقام: ملتان

تاریخ: 28 اپریل 2022



CREDIT RATING
RELIANCE
WEAVING
MILLS LIMITED

LONG TERM

SHORT TERM



CERTIFICATIONS



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 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 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 odd to 21/1 odd. 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.

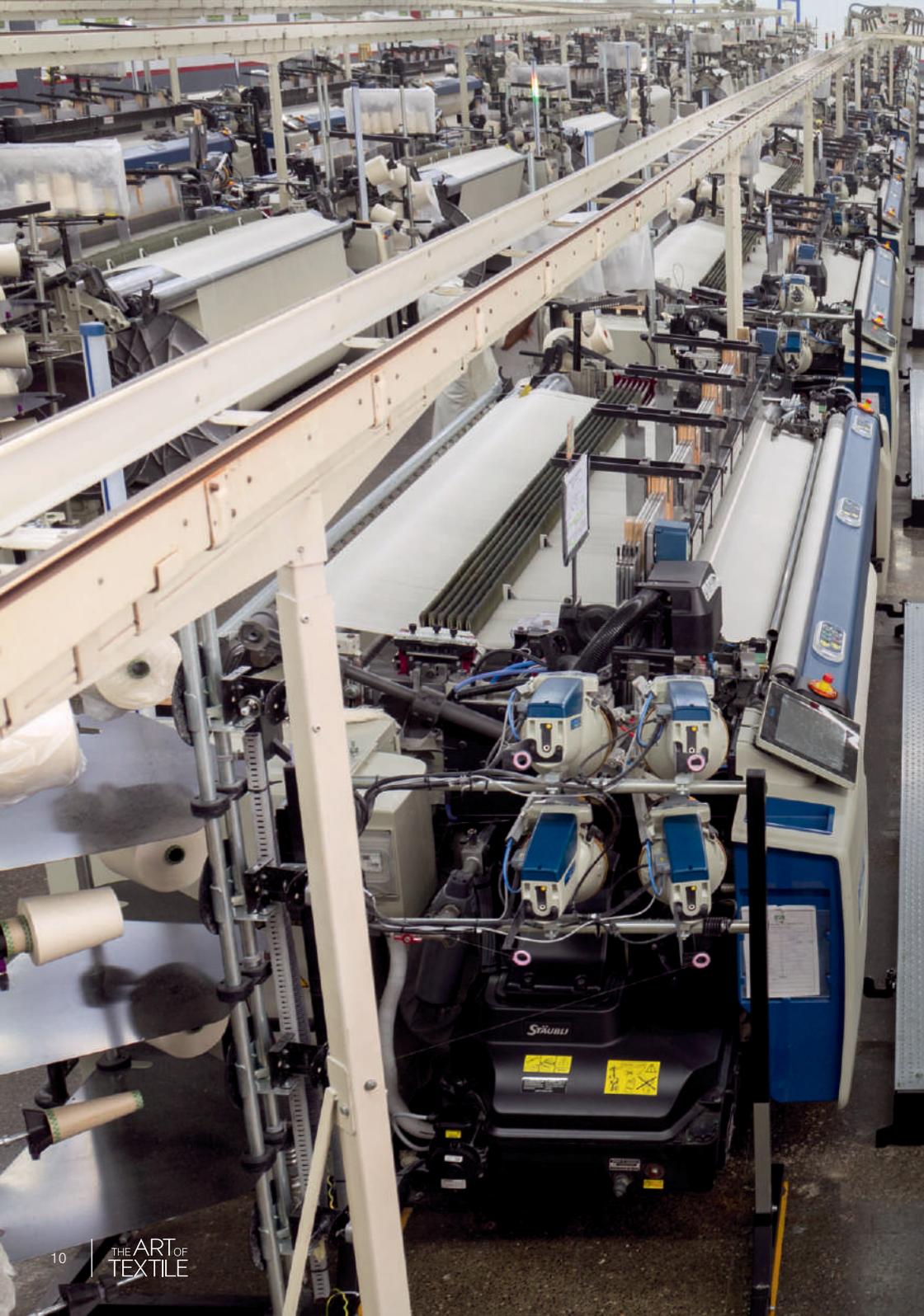
The Weaving unit comprises of 463 looms of high speed latest air jet machines of Tsudakoma (Japan) & Picanol (Belgium) with total grey cloth production of (95.7 Million Meters) (SGM's) is based on 60 picks per inch. We cater for home textiles and apparels from various varieties of yarns blends such as Cotton/Polyester, Cotton/Viscose/ Linen, Fancy Yarns, Stretch Yarns from different natural fibers & synthetic blends. The unit is equipped with latest warping and sizing machines, 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 Multan Units and its surrounding comprises of 103 acres of land having 228 bachelors' rooms and 24 family quarters for workers and management employees.

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 odd. 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.







3RD QUARTERLY
ACCOUNTS

MARCH 31, 2022 (UN-AUDITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2022

		(Un-audited) March 31 2022	(Audited) June 30 2021
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,282,026	7,994,970
Intangible assets		125	835
Long term investments	6	1,644,075	-
Long term deposits		29,046	28,775
Deferred tax asset		133,617	133,229
		11,088,889	8,157,809
Current assets			
Stores, spares and loose tools		365,339	391,392
Stock-in-trade		8,667,530	5,050,742
Trade debts		3,822,536	2,850,837
Loans and advances	7	736,494	1,151,545
Prepayments and other receivables		204,883	125,191
Short term investments	8	277,744	696,751
Tax refunds & export rebate due from the government		969,766	792,116
Cash and bank balances		162,728	96,013
		15,207,020	11,154,587
TOTAL ASSETS		26,295,909	19,312,396
SHARE CAPITAL AND RESERVES			
Authorized share capital		700,000	700,000
Issued, subscribed and paid-up share capital		308,109	308,109
Reserves		302,427	(12,199)
Revaluation surplus on freehold land		1,708,083	1,708,083
Unappropriated profit		6,515,308	4,065,588
		8,833,927	6,069,581
Liabilities			
Non-current liabilities			
Long term finances	9	2,664,934	2,766,492
Lease liabilities		79,320	66,081
Staff retirement benefits - gratuity		321,254	281,948
Deferred liabilities		70,516	109,429
		3,136,024	3,223,950
Current liabilities			
Trade and other payables		2,728,380	1,648,605
Unclaimed dividend		11,553	10,559
Markup accrued		346,575	260,440
Short term borrowings		9,789,247	6,894,242
Current portion of non-current liabilities		1,196,097	913,806
Taxation		254,106	291,213
		14,325,958	10,018,865
Total liabilities		17,461,982	13,242,815
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		26,295,909	19,312,396

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 NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Note	Nine months ended, March 31,		Three months ended, March 31,	
		2022	2021	2022	2021
----- Rupees -----					
Sales - net	11	22,447,210	17,273,346	8,307,003	6,498,004
Cost of sales		(18,148,245)	(14,948,233)	(6,728,903)	(5,484,045)
Gross profit		4,298,965	2,325,113	1,578,100	1,013,959
Distribution and marketing expenses		(393,165)	(221,747)	(162,267)	(85,309)
Administrative expenses		(227,101)	(155,401)	(104,584)	(53,859)
Other expenses		(176,199)	(84,334)	(62,044)	(35,266)
Other income		152,101	44,940	828	(16,236)
		(644,364)	(416,542)	(328,067)	(190,670)
Profit from operations		3,654,601	1,908,571	1,250,033	823,289
Finance cost		(874,135)	(673,668)	(332,069)	(253,654)
Profit before taxation		2,780,466	1,234,903	917,964	569,635
Provision for taxation		(253,718)	(204,349)	(96,907)	(85,043)
Profit after Taxation		2,526,748	1,030,554	821,057	484,592
Earnings per share		82.01	33.45	26.65	15.73

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


Chief Executive


Director


Chief Financial Officer

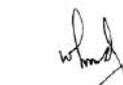
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months ended, March 31,		Three months ended, March 31,	
	2022	2021	2022	2021
	----- Rupees -----			
Profit after taxation	2,526,748	1,030,554	821,057	484,592
Other comprehensive income:				
Items that will not be reclassified subsequently to statement of profit or loss:				
- Unrealised (Loss) / Gain on remeasurement of investments at fair value through other comprehensive income	314,625	6,956	312,106	(788)
- Surplus arisen upon revaluation of freehold land	-	758,597	-	-
Total comprehensive income for the period	2,841,373	1,796,107	1,133,163	483,804


Chief Executive


Director


Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	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			
Balance as at July 01, 2021 (audited)	308,109	41,081	1,708,083	74,172	(127,452)	4,065,588	6,069,581
Transaction with owners:							
Cash dividend at the rate of Rs.2.50 per ordinary share for the year ended June 30, 2021	-	-	-	-	-	(77,027)	(77,027)
Total comprehensive income for the period ended March 31, 2022	-	-	-	-	-	2,526,748	2,526,748
- profit for the period	-	-	-	-	314,625	-	314,625
- other comprehensive income	-	-	-	-	314,625	2,526,748	2,841,373
Balance as at March 31, 2022 (Un-audited)	308,109	41,081	1,708,083	74,172	187,173	6,515,309	8,833,927
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	-	-	-	-	-	1,030,554	1,030,554
- profit for the period	-	-	758,597	-	6,956	-	765,553
- other comprehensive income	-	-	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

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


Chief Executive


Director

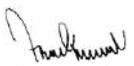

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months period ended	
	March 31	
	2022	2021
	Rupees in thousand	
Cash flow from operating activities		
Profit for the period - before taxation	2,780,466	1,234,903
Adjustments for non cash charges and other items:		
Depreciation	254,946	222,655
Amortisation	710	710
Staff retirement benefits - gratuity(net)	39,306	39,029
Gain on disposal of operating fixed assets - net	(5,191)	(13,953)
Finance cost	874,135	673,668
Profit before working capital changes	3,944,372	2,157,012
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets		
Stores, spares and loose tools	26,053	(130,210)
Stock-in-trade	(3,616,789)	(2,189,135)
Trade debts	(971,699)	(780,578)
Loans and advances	(348,727)	(230,542)
Prepayments and other receivables	(79,691)	(44,667)
Tax refunds and export rebate due from the Government (excluding income tax)	(260,590)	(80,904)
Increase in trade and other payables	1,070,441	186,314
	(4,181,002)	(3,269,722)
Cash used in operations	(236,630)	(1,112,710)
Income taxes paid - net	(208,272)	(170,348)
Net cash used in operating activities	(444,902)	(1,283,058)
Cash flows from investing activities		
Fixed capital expenditures	(1,546,264)	(957,036)
Sale proceeds of operating fixed assets	9,453	26,165
Long term deposits	(270)	-
Short term investments	(146,663)	(87,808)
Net cash used in investing activities	(1,683,744)	(1,018,679)
Cash flows from financing activities		
Long term finances - net	159,864	891,440
Deferred liabilities	(11,121)	192,597
Increase in lease liabilities	6,315	2,756
Short term borrowings - net	2,895,006	1,930,111
Finance cost paid	(778,670)	(679,137)
Dividend paid	(76,033)	(72)
Net cash generated from financing activities	2,195,361	2,337,695
Net increase in cash and cash equivalents	66,715	35,958
Cash and cash equivalents at beginning of the period	96,013	42,972
Cash and cash equivalents at end of the period	162,728	78,930

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 NINE MONTHS PERIOD ENDED MARCH 31, 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, 2021.

- 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, 2021.

	Note	Un-audited March 31, 2022	Audited June 30, 2021
5 PROPERTY, PLANT AND EQUIPMENT		Rupess in thousand	
Operating fixed assets	5.1	8,258,390	7,878,103
Capital work-in-progress		941,045	27,579
Right-of-use assets	5.2	82,591	89,288
		9,282,026	7,994,970

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Un-audited March 31, 2022	Audited June 30, 2021
	Rupees in thousand	
5.1 Operating fixed assets		
Opening book value	7,878,103	6,238,305
Additions during the period:		
- freehold land	-	29,141
- buildings on freehold land	55	131,858
- plant and machinery	534,614	940,240
- electric installations	7,009	38,357
- factory equipment	2,863	7,546
- office equipment	2,580	14,520
- electric appliances	1,446	3,556
- furniture and fixtures	1,452	2,282
- vehicles	78,566	13,084
	628,585	1,180,584
Surplus on revaluation of land	-	758,597
Book value of operating fixed assets disposed-off	(4,262)	(16,538)
Depreciation charge for the period	(244,036)	(292,492)
Transfer from leased to owned	-	9,647
Book value as at March 31, 2022	8,258,390	7,878,103
5.2 Right-of-use assets		
Opening balance	89,288	82,608
Additions during the period	4,213	31,078
Transfer to owned assets	-	(9,647)
Depreciation for the period	(10,910)	(14,751)
	82,591	89,288

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Note	Un-audited March 31, 2022	Audited June 30, 2021
6 LONG TERM INVESTMENTS - Un-quoted			Rupees in thousand
(At fair value through other comprehensive income)			
Fatima Energy Ltd. (FEL)			
Investment in Ordinary Shares			
Opening fair value	8	599,797	-
Ordinary share purchased during the period/year		-	-
Fair value adjustment incorporated during the period		290,428	-
Total shares held at period / year end - 90,195,083		890,225	-
- Equity held at period / year end - 15.82%			
Investment in Preference Shares			
76,377,798 preference shares at the rate of Rs.10	6.1	763,779	-
Fair value adjustment incorporated during the period		(9,929)	-
Total shares held at period / year end - 76,377,798		753,850	-
		1,644,075	-
		1,644,075	-
6.1			
'During ther period, outstanding advances of Fatima Energy Limited (FEL) aggregating Rs.763.779 million has been converted into 76,377,897 preference shares. These preference shares are unlisted, non-voting, non-cumulative, participatory convertible and redeemable at the option of FEL. The investments in FEL has been designated at fair value through OCI under IFRS 9.			
7 LOANS AND ADVANCES			
Advances - considered good			
- To employees		271,597	253,341
- To suppliers		260,377	112,003
Due from related parties		103,910	752,552
Letters of credit - margins, deposits etc.		100,610	33,649
		736,494	1,151,545

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Note	Un-audited March 31, 2022	Audited June 30, 2021
8 SHORT TERM INVESTMENTS		Rupess in thousand	
(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		75,473	70,171
Fair value adjustment		34,128	5,303
Fair value at the end of the period / year		109,601	75,474
Others - Un-quoted			
Multan Real Estate Company (PVT) Limited		168,143	21,480
Fatima Energy Limited			
Opening fair value of 90,195,083 fully paid ordinary shares of Rs. 10 each		599,797	690,541
10,178,713 ordinary shares at the rate of Rs.8.63 each purchased during the year		-	87,808
Fair value adjustment		-	(178,552)
Total shares held at period end - 90,195,083 (June 2021:90,195,083)		599,797	599,797
- Equity held at period end - 15.82% (June 2021:15.82%)		(599,797)	-
Transferred to long term investments	6	-	599,797
		-	599,797
		277,744	696,751
9 LONG TERM FINANCES			
From financial institutions - secured	9.1	3,726,055	3,566,191
Less: current portion		(1,061,121)	(799,699)
		2,664,934	2,766,492
9.1	The movement of long term finance during the period / year ended is as follows:		
Opening balance		3,566,191	2,789,379
Add: obtained during the period / year		685,635	870,484
		4,251,826	3,659,863
Less: repaid during the period / year		(525,771)	(93,672)
Closing balance		3,726,055	3,566,191

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

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, 2021, except the following:

Bank guarantee outstanding as at March 31, 2022 are Rs. 382.406 million (June 30, 2021: Rs. 368.206 million).

Foreign bills discounted outstanding as at March 31, 2022 are Rs. 1,717.842 million (June 30, 2021: Rs. 1374.270 million).

10.2 Commitments	Note	Un-audited March 31, 2022	Audited June 30, 2021
Rupees in thousand			
10.2.1 Letters of credit for:			
- Capital expenditures		3,248,316	2,548,458
- Other than capital expenditures		1,649,789	821,016
		4,898,105	3,369,474

		-----Un-audited ----- Nine months period ended March 31,	
		2022	2021
Rupees in thousand			
11 SALES - net			
Export	11.1	13,902,497	12,580,948
Local		8,504,692	4,647,270
Waste		333,350	224,328
Yarn Doubling		-	4,060
		22,740,539	17,456,606
Less: Commission		(293,329)	(183,260)
		22,447,210	17,273,346

11.1 Export sales includes indirect export of fabric and yarn amounting to Rs.5,247 million (March-21: Rs. 3,517 million).

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

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,	
	2022	2021
	Rupees in thousand	
Associated undertakings		
- sale of goods	42,445	-
- purchase of goods	176,275	83,503
- mark-up income	3,263	1,744
- mark-up expense	-	4,303
- advances obtained	628,900	905,236
- advances repaid	622,964	1,147,889
- shares of MREC purchased from Pak Arab Fertilizer	146,663	-
- other expenses shared	2,434	17,222
Key management personnel		
- remuneration and other benefits	47,299	20,646
Others		
Donations to Mian Mukhtar A. Sheikh Trust	22,100	18,000

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, 2021.

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, 2021.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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

	Spinning		Weaving		(Elimination of inter-segment transactions)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Nine months ended March 31,	Un-audited							
	Rupees in "000"							
Sales - net	13,035,171	9,640,535	14,088,683	10,207,510	(4,676,644)	(2,574,699)	22,447,210	17,273,346
Cost of sales	(10,486,367)	(8,099,895)	(12,338,522)	(9,423,037)	4,676,644	2,574,699	(18,148,245)	(14,948,233)
Gross profit	2,548,804	1,540,640	1,750,161	784,473	-	-	4,298,965	2,325,113
Distribution and marketing expenses	(25,133)	(33,032)	(368,032)	(188,715)	-	-	(993,165)	(221,747)
Administrative expenses	(68,388)	(57,795)	(158,713)	(97,606)	-	-	(227,101)	(155,401)
Other expenses	(121,303)	(65,785)	(54,896)	(18,549)	-	-	(176,199)	(84,334)
Other income	30,141	9,071	121,960	35,869	-	-	152,101	44,940
	(184,683)	(147,541)	(459,681)	(269,001)	-	-	(644,364)	(416,542)
Profit from operations	2,364,121	1,393,099	1,290,480	515,472	-	-	3,654,601	1,908,571
Finance cost	(417,338)	(319,520)	(456,797)	(355,148)	-	-	(874,135)	(673,668)
Provision for taxation	(91,482)	(91,269)	(162,236)	(113,080)	-	-	(253,718)	(204,349)
Profit / (Loss) for the period	1,855,301	983,310	671,447	47,244	-	-	2,526,748	1,030,554

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, 2021.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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 March 31 2022	Audited June 30 2021	Un-audited March 31 2022	Audited June 30 2021	Un-audited March 31 2022	Audited June 30 2021
	-----Rupees in '000-----					
Segment assets for reportable segment						
Operating fixed assets	4,151,590	4,234,664	5,130,436	3,760,306	9,282,026	7,994,970
Stores, spares and loose tools	239,798	294,159	125,541	97,233	365,339	391,392
Stock in trade	4,843,582	2,707,924	3,623,948	2,342,817	8,667,530	5,050,741
	9,234,970	7,236,747	9,079,925	6,200,356	18,314,895	13,437,103
Unallocated corporate assets					7,981,014	5,875,293
Total assets as per balance sheet					26,295,909	19,312,396

15.4 Segment liabilities for reportable segments

Unallocated corporate liabilities					3,902,100	2,602,194
Total liabilities as per balance sheet					17,461,982	13,242,815

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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 April 28, 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.



Chief Executive



Director



Chief Financial Officer



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