



Reliance Weaving
Mills Limited
A Fatima Group Company



The Art of
TEXTILE

Half Yearly Accounts

December 31, 2020
(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 (88 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, doobby, 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 un-audited financial statements of the Company for the half year ended December 31, 2020.

Financial Highlights

The Company earned net profit of Rs 545 million during the period under review as compared to Rs. 206 million last period. Turnover of the Company has improved from Rs 9,253 million to Rs 10,775 million, depicting an improvement of 16% over the last period. Financial cost of the Company has reduced from Rs 641 million to Rs 420 million showing reduction of 34% over the corresponding period last year. This decrease in financial cost is due to reduction in KIBOR from 13% to 7.5% and utilization of dollar-based financing.

Cotton production in Pakistan reduced to 7.5 million bales leaving shortfall of 7 million bales. Cotton prices increased from Rs 9,000 per maund to 11,400 per maund. The yarn prices soared due to rise in cotton prices. Current year cotton prices shall play important role in generating the profitability of textile sector.

For and on behalf of the board,



Dr. M. Shaukat Malik
(Director)



Faisal Ahmed Mukhtar
(Chief Executive)

Date: February 24, 2021

Place: Multan

ڈائریکٹرز جائزہ رپورٹ

محترم ممبران،

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 دسمبر 2020 کو ختم ہونے والی مدت کے لئے کمپنی کے نصف سالانہ مالی بیانات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

مالی نتائج:

کمپنی نے سابقہ 206 ملین روپے کے مقابلے میں رواں مدت میں 545 ملین روپے کا منافع کمایا۔ کمپنی کا مجموعی کاروبار 9,253 ملین روپے سے ترقی کر کے 10,775 ملین روپے ہو گیا، جو کہ 16 فیصد اضافہ ہے۔ کمپنی کی مالی لاگت 641 ملین روپے سے کم ہو کر 420 ملین روپے ہو گئی جو کہ مالی سال کے مقابلے میں تقریباً 34 فیصد کمی ہے، مالی لاگت میں یہ کمی کا سبب 13 فیصد سے 7.5 فیصد کمی کی وجہ سے اور ڈائریکٹرز کی بنیاد پر فنانسنگ کی وجہ سے وقوع پذیر ہوئی۔

پاکستان میں کپاس کی پیداوار کم ہو کر 7.5 ملین گانٹھوں تک پہنچ گئی جس سے 7 ملین گانٹھوں کی کمی واقع ہوئی۔ کپاس کی قیمت 9,000 روپے فی گانٹھ سے 11,400 روپے فی گانٹھ تک بڑھ گئی۔ دھاگے کی قیمتیں کپاس کی قیمت میں اضافے کی وجہ سے بڑھ گئیں۔ رواں سال ٹیکسٹائل کے شعبے کے منافع میں کپاس کی قیمتیں اہم کردار ادا کریں گی۔

بورڈ کے لئے اور اس کی طرف سے،


فیصل احمد مختار
چیف ایگزیکٹو


ڈاکٹر ایم شوکت ملک
ڈائریکٹر

مقام: ملتان

تاریخ: 24 فروری 2021





Half Yearly Accounts

December 31, 2020
(Un-Audited)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2020

		(Un-audited) December 31 2020	(Audited) June 30 2020
	Note	-----Rupees in "000"-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	7,904,352	6,393,392
Intangible assets		1,308	1,781
Long term investments	6	35,634	35,634
Long term deposits		28,776	28,776
Deferred tax asset		137,408	135,874
		8,107,478	6,595,457
Current assets			
Stores, spares and loose tools		254,739	268,499
Stock-in-trade	7	7,107,557	4,669,118
Trade debts	8	2,271,756	1,827,072
Loans and advances	9	985,115	974,611
Prepayments and other receivables		145,306	75,941
Short term investments	10	876,222	782,192
Tax refunds and export rebate due from the Government	11	615,233	585,410
Cash and bank balances		149,155	42,972
		12,405,083	9,225,815
Total assets		20,512,561	15,821,272
Equity and liabilities			
Capital and reserves			
Authorised share capital			
40,000,000 ordinary shares of Rs.10 each		400,000	400,000
30,000,000 preference shares of Rs.10 each		300,000	300,000
		700,000	700,000
Issued, subscribed and paid-up share capital		308,109	308,109
Capital reserves			
- share premium		41,081	41,081
- revaluation surplus on freehold land		1,708,083	949,486
Revenue reserves			
- general reserve		74,172	74,172
- fair value gain on short term investments		52,019	45,797
- unappropriated profit		3,004,230	2,458,268
Shareholders' equity		5,187,694	3,876,913
Liabilities			
Non-current liabilities			
Long term finances	12	3,217,927	2,663,634
Lease liabilities		61,907	58,229
Staff retirement benefits - gratuity		284,071	258,432
Deferred liabilities	13	137,904	5,662
		3,701,809	2,985,957
Current liabilities			
Trade and other payables	14	2,891,667	1,684,522
Unclaimed dividends		8,458	8,523
Accrued mark-up		241,167	266,274
Short term borrowings		7,760,135	6,658,070
Current portion of non-current liabilities	15	597,575	143,401
Taxation	16	124,056	197,612
		11,623,058	8,958,402
Total liabilities		15,324,867	11,944,359
Total equity and liabilities		20,512,561	15,821,272
Contingencies and commitments			
	17		

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

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

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	Quarter ended		Six months period ended	
		December 31 2020	December 31 2019	December 31 2020	December 31 2019
-----Rs in '000'-----					
Sales - net	18	4,854,988	4,620,169	10,775,342	9,253,505
Cost of sales		4,131,745	3,979,474	9,464,187	7,976,892
Gross profit		723,243	640,695	1,311,155	1,276,613
Distribution and marketing expenses		66,241	51,032	136,438	110,463
Administrative expenses		53,789	56,861	101,542	105,861
Other expenses	19	27,321	46,028	49,068	88,002
Other income	20	(37,122)	(45,573)	(61,176)	(51,008)
		110,229	108,348	225,872	253,318
Profit from operations		613,014	532,347	1,085,283	1,023,295
Finance cost		219,553	311,348	420,015	641,901
		393,461	220,999	665,268	381,394
Share of loss of Associated Companies - net		-	(66,058)	-	(69,058)
Profit before taxation		393,461	154,941	665,268	312,336
Taxation					
- current	16	52,583	49,652	120,840	106,404
- deferred		(1,534)	(537)	(1,534)	(537)
		51,049	49,115	119,306	105,867
Profit after taxation		342,412	105,826	545,962	206,469
Earnings per share		11.11	3.43	17.72	6.70

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

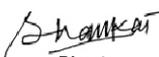
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Note	Quarter ended		Six months period ended	
	December 31 2020	December 31 2019	December 31 2020	December 31 2019
	-----Rs in '000'-----			
Profit after taxation	342,412	105,826	545,962	206,469
Other comprehensive income / (loss) :				
Items that will not be reclassified subsequently to profit or loss:				
Share of other comprehensive income of an Associated Company	-	265	-	265
Unrealised income / (loss) on remeasurement of short term investments at fair value through other comprehensive income	(1,522)	1,474	6,222	(5,115)
Surplus arisen upon revaluation of freehold land	758,597	-	758,597	-
	757,075	1,739	764,819	(4,850)
Total comprehensive income	1,099,487	107,565	1,310,781	201,619

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Capital reserve			Revenue reserve		Unappropriated profit	Total
	Share capital	Share premium	Revaluation surplus on freehold land	General reserve	Fair value gain / (loss) on short term investments		
	-----Rupees in "000"-----						
Balance as at June 30, 2020-audited	308,109	41,081	949,486	74,172	45,797	2,458,268	3,876,913
Total comprehensive income for the period ended December 31, 2020:							
- profit for the period	-	-	-	-	-	545,962	545,962
- other comprehensive income	-	-	758,597	-	6,222	-	764,819
	-	-	758,597	-	6,222	545,962	1,310,781
Balance as at December 31, 2020-un-audited	308,109	41,081	1,708,083	74,172	52,019	3,004,230	5,187,694
Balance as at June 30, 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 December 31, 2019:							
- profit for the period	-	-	-	-	-	206,469	206,469
- other comprehensive income / (loss)	-	-	-	-	(5,115)	265	(4,850)
	-	-	-	-	(5,115)	206,734	201,619
Balance as at December 31, 2019-un-audited	308,109	41,081	949,486	74,172	45,429	2,566,088	3,984,365

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive


Director

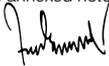

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six months period ended	
	December 31 2020	December 31 2019
-----Rs in "000"-----		
Cash flows from operating activities		
Profit for the period - before taxation	665,268	312,336
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and right-of-use assets	141,584	136,186
Amortisation	473	474
Staff retirement benefits - gratuity (net)	25,639	25,427
Gain / (loss) on disposal of operating fixed assets - net	653	(1,076)
Share of loss from Associated Companies - net	-	69,058
Finance cost	420,015	641,901
Profit before working capital changes	1,253,632	1,184,306
Effect on cash flows due to working capital changes (Increase) / decrease in current assets		
Stores, spares and loose tools	13,760	(69,620)
Stock-in-trade	(2,438,439)	(896,818)
Trade debts	(444,684)	448,403
Loans and advances	(10,504)	(15,503)
Prepayments and other receivables	(69,365)	(59,035)
Short term investments (sales tax refund bonds and accrued profit)	-	40,934
Tax refunds and export rebate due from the Government (excluding income tax)	(127,966)	10,122
Increase in trade and other payables	1,207,145	1,058,419
	(1,870,053)	516,902
Cash (used in) / generated from operations	(616,421)	1,701,208
Income tax paid - net	(96,253)	(51,568)
Net cash (used in) / generated from operating activities	(712,674)	1,649,640
Cash flows from investing activities		
Fixed capital expenditure	(895,910)	(111,378)
Sale proceeds of operating fixed assets	1,310	2,971
Long term advances	-	(300,000)
Short term investments made	(87,808)	-
Net cash used in investing activities	(982,408)	(408,407)
Cash flows from financing activities		
Long term finances - net	934,518	10,380
Deferred liabilities	204,097	-
Lease liabilities - net	5,772	3,753
Short term finances - net	1,102,065	(571,667)
Finance cost paid	(445,122)	(652,418)
Dividend paid	(65)	(35,757)
Net cash generated from / (used in) financing activities	1,801,265	(1,245,709)
Net increase / (decrease) in cash and cash equivalents	106,183	(4,476)
Cash and cash equivalents - at beginning of the period	42,972	113,073
Cash and cash equivalents - at end of the period	149,155	108,597

The annexed notes form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND OPERATIONS

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

2. BASIS OF PREPARATION

2.1 Statement Of Compliance

These condensed interim financial statements of the Company 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 IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2020.

2.3 The comparative condensed interim statements of financial position presented in these condensed interim financial statements have been extracted from the audited financial statements of the Company for the year ended June 30, 2020, whereas the comparative condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended December 31, 2019.

2.4 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

2.5 Basis Of Measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary and freehold land at revalued amounts assessed by an independent valuer.

2.6 Functional And Presentation Currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. SIGNIFICANT 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 audited annual financial statements of the Company as at and for the year ended June 30, 2020.

3.1 Changes In Accounting Standards, Interpretations And Pronouncements

- a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commenced on July 01, 2020. However, these do not have any significant impact on the Company's financial reporting.

- b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Company's annual accounting periods commencing on or after January 01, 2021. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
- 4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended June 30, 2020.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2020.

		Un-audited December 31, 2020	Audited June 30, 2020
5. PROPERTY, PLANT AND EQUIPMENT	Note	-----Rs in "000"-----	
Operating fixed assets	5.1	7,719,101	6,238,305
Capital work-in-progress		96,660	72,480
Right-of-use assets	5.2	88,591	82,607
		7,904,352	6,393,392

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

		Un-audited December 31, 2020
Note		--Rupees in '000'--
5.1 Operating Fixed Assets		
	Book value as at June 30, 2020	6,238,305
	Additions during the period:	
	- freehold land	3,719
	- buildings on freehold land	52,460
	- plant and machinery	759,468
	- electric installations	23,906
	- factory equipment	3,097
	- office equipment	4,821
	- electric appliances	1,077
	- furniture and fixtures	749
	- vehicles - owned	5,604
		854,901
	Surplus arisen during the period upon revaluation of freehold land	758,597
	5.3	
	Transfer from right of use assets	10,410
	5.2	
		7,862,213
	Book value of operating fixed assets disposed-off	(1,963)
	Depreciation charge for the period	(136,001)
	Depreciation on transfer from right-of-use assets	(5,148)
	5.2	
	Book value as at December 31, 2020	7,719,101
5.2 Right-of-use assets		
	Book value as at June 30, 2020	82,608
	Transfer to owned assets:	
	5.1	
	- cost	(10,410)
	- accumulated depreciation	5,148
	Additions during the period	16,828
	Depreciation for the period	(5,583)
		88,591

5.3 The Company on August 31, 2020 has carried-out revaluations of its freehold land situated at Mouza Karpalpur, District Multan and Mukhtarabad, Rawat, District Rawalpindi. The revaluation exercises have been conducted by an independent valuer - JOSEPH LOBO (Pvt.) Ltd.3-Sasi Arcade, Clifton Road, block -7 Karachi. Freehold land has been revalued on the basis of fair market values and it has resulted in revaluation surplus aggregating Rs.758.597 million as worked-out below:

**Un-audited
December 31,
2020**
--Rupees in "000"--

Book value of freehold land as at June 30, 2020	1,104,103
Revalued amounts as at August 31, 2020	1,862,700
Revaluation surplus arisen upon latest revaluations	758,597

Had there been no revaluations, book value of freehold land would have been Rs.158.336 million as at December 31, 2020 (June 30, 2020: Rs.154.617 million).

Based on the revaluation reports dated August 31, 2020, the forced sale values of the revalued freehold land have been assessed at Rs.1,489.976 million.

6. LONG TERM INVESTMENTS - UN-QUOTED ASSOCIATED COMPANY

	Note	Un-audited Dec. 31, 2020	Audited June 30, 2020
		-----Rupees in "000"-----	
Fatima Transmission Company Ltd. (FTCL)			
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 income		(36,241)	(37,181)
		35,634	34,694
Share of loss for the year	6.1	-	(33)
Adjustment based on preceding year's audited financial statements		-	973
Carrying value of investment at period / year-end		35,634	35,634

6.1 Due to non-availability of financial statements of FTCL for the six months period ended December 31, 2020, no adjustment in respect of current period profit/ loss has been recognised in these condensed interim financial statements.

7. STOCK-IN-TRADE

Raw materials including in-transit inventory valuing Rs.1,450.226 million (June 30, 2020: Rs.35.235 million)	4,849,493	1,451,254
Work-in-process	339,886	249,013
Finished goods	1,851,620	2,929,403
Waste	66,558	39,448
	7,107,557	4,669,118

8. TRADE DEBTS

Export - secured	964,578	791,706
Local - unsecured and considered good	1,307,178	1,035,366
Considered doubtful	4,575	3,683
	1,311,753	1,039,049
	2,276,331	1,830,755
Less: provision for impairment	(4,575)	(3,683)
	2,271,756	1,827,072

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

9. LOANS AND ADVANCES	Note	Un-audited Dec. 31, 2020	Audited June 30, 2020
		-----Rupees in "000"-----	
Advances to:			
- Fatima Energy Ltd.	9.1	561,250	506,340
- key management personnel		2,000	3,143
- employees		235,793	221,209
- suppliers		69,078	77,925
Due from related parties	9.2	70,342	47,915
Letters of credit		1,036	1,792
Margin deposits		45,616	116,287
		985,115	974,611

- 9.1** These advances have been made to Fatima Energy Ltd. (FEL - an Associated Company upto June 30, 2020) to meet its financial obligations. These carry mark-up at the rate of 1-month KIBOR plus 2.5% per annum; the effective mark-up rates charged during the period ranged from 9.81% to 9.93% per annum. The associated relation has ceased on June 30, 2020; accordingly, the management has decided to classify these advances under current assets. These advances will be adjusted / settled during the financial year ending December 31, 2021.

Movement in FEL account during the period was as follows

Balance as at June 30, 2020		506,340	
Shares of FEL purchased	10	(87,808)	
Funds advanced to FEL		139,108	
Expenses paid on behalf of FEL		3,610	
		561,250	

9.2 Due from related parties

Reliance Commodities (Pvt.) Ltd.		21,918	18,626
Fatima Transmission Company Ltd.		42,866	24,812
Multan Cloth Finishing Factory		4,406	4,406
Fatima Fert Ltd.		71	71
Mukhtar A Shaikh memorial Welfare Trust		1,081	-
		70,342	47,915

- 9.3** Maximum aggregate amounts due from related parties at any month end during the period aggregated Rs.217.354 million (June 30, 2020: Rs.464.605 million).

10. SHORT TERM INVESTMENTS

(At fair value through other comprehensive income)

Quoted	Note	Un-audited Dec. 31, 2020	Audited June 30, 2020
-----Rupees in "000"-----			
Fatima Fertilizer Company Ltd. (FFCL)			
2,625,167 fully paid ordinary shares of Rs.10 each at fair value	10.1	70,171	78,361
Fair value adjustment		6,222	(8,190)
Fair value at end of the period / year		76,393	70,171
Others - Un-quoted			
Multan Real Estate Company (Pvt.) Ltd. (MREC)			
214,797 ordinary shares of Rs.100 each Equity held 9.90%	10.2	21,480	21,480
Fatima Energy Ltd. (FEL)			
80,016,370 ordinary shares of Rs.10 each	10.3	690,541	690,541
10,178,713 ordinary shares at the rate of Rs.8.63 each purchased during the period		87,808	-
Total shares held at period end - 90,195,083 - Equity held at period end - 15.82%		778,349	690,541
		876,222	782,192

10.1 FFCL is a related party of the Company; however, considering shareholding percentage in FFCL i.e. 0.13%, the Company does not have significant influence to participate in the financial and operating decisions of FFCL. Accordingly, investments in FFCL have not been accounted for using the equity method.

10.2 Due to non-availability of financial statements of MREC for the period ended December 31, 2020, investment in MREC has been accounted for at cost.

10.3 Based on the un-audited financial statements of FEL for the year ended June 30,2020, no material difference has arisen between the carrying value of investment in FEL and fair value of this investment as at December 31,2020.

11. TAX REFUNDS AND EXPORT REBATE DUE FROM THE GOVERNMENT

Export rebate and duty draw back	132,384	134,460	
Advance income tax	181,136	279,279	
Sales tax refundable	288,716	161,341	
Special excise duty	12,997	10,330	
		615,233	585,410

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

12. LONG TERM FINANCES - secured	Note	Un-audited Dec. 31, 2020	Audited June 30, 2020
-----Rupees in "000"-----			
National Bank of Pakistan (DF-IV)		22,534	28,168
Pak Brunei Investment Co. (TF)		80,000	80,000
Meezan Bank Ltd. (DM-II)		32,149	32,149
Saudi Pak Industrial and Agricultural Investment Company Ltd. (LTFF)		600,000	600,000
Saudi Pak Industrial and Agricultural Investment Company Ltd. (LTFF)		222,776	146,690
Allied Bank Ltd. (TF)		58,333	58,333
Allied Bank Ltd. (TF)		262,500	262,500
Pak Libya Holding Company (Pvt.) Ltd. (LTF)		100,000	100,000
Pak Libya Holding Company (Pvt.) Ltd. (LTF)		200,000	200,000
United Bank Ltd. (NIDF-I)		30,000	30,000
United Bank Ltd. (NIDF-II under LTFF scheme)		496,143	500,404
Askari Bank Ltd. (DM-I)		125,000	125,000
Askari Bank Ltd. (DM-II)		150,000	150,000
Askari (DM-III)		406,872	129,101
Bank Islami Pakistan Ltd. (DM)		250,000	250,000
Pakistan Kuwait Investment Company (Pvt.) Ltd. (LTFF)		599,709	9,153
Meezan Bank Ltd. (BMF)		87,881	87,881
Balance at the period / year-end		3,723,897	2,789,379
Less: current portion grouped under current liabilities		505,970	125,745
		3,217,927	2,663,634

13. DEFERRED LIABILITIES

Government grant		7,567	5,662
Provision against Gas Infrastructure Development Cess	13.1	130,337	-
		137,904	5,662

13.1 The Supreme Court of Pakistan (SCP), during the period, has decided the appeal against consumers upholding the vires of Gas Infrastructure Development Cess (GIDC) Act, 2015 through its judgment dated August 13, 2020. The review petition was filed against the judgment, wherein the SCP has provided some relief by increasing the time period for recovery of GIDC from 24 instalments to 48 instalments. The review application, however, has been dismissed.

The Company has recorded the provision at its present value by discounting the future cash flows using four years risk free average (i.e. 8.04% per annum) and has booked income of Rs.31.861 million, which has been adjusted against cost of sales.

14. TRADE AND OTHER PAYABLES	Note	Un-audited Dec. 31, 2020	Audited June 30, 2020
-----Rupees in "000"-----			
Trade creditors		1,344,299	963,123
Bills payable		999,098	38,749
Due to Associated Companies	14.1	152,879	175,474
Accrued expenses		304,345	455,455
Tax deducted at source		56,626	39,689
Workers' (profit) participation fund		34,420	12,032
		2,891,667	1,684,522
14.1 Due To Associated Companies			
Fatima Fertilizer Company Ltd.		33,982	34,011
Fatima Sugar Mills Ltd.		110,305	129,176
Pak Arab Fertilizers Ltd.		8,592	8,426
Fazal Cloth Mills Ltd.		-	3,861
		152,879	175,474
15. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances	12	505,970	125,745
Lease liabilities		13,381	11,287
Government grant		17,062	6,369
Provision against Gas Infrastructure Development Cess		61,162	-
		597,575	143,401
16. TAXATION - net			
Balance as at June 30, 2020		197,612	
Add: provision made during the period:			
- current		124,056	
- prior year		(3,216)	
		120,840	
Less: payments / adjustments made during the period		194,396	
Balance as at December 31, 2020		124,056	

16.1 Returns filed by the Company upto the tax year 2020 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

16.2 Provision for the current period represents tax payable under sections 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

17. CONTINGENCIES AND COMMITMENTS

17.1 There has been no significant change during the current period in the status of contingencies as reported in the audited financial statements of the Company for the year ended June 30, 2020.

17.2 Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs.176.377 million as at December 31, 2020 (June 30, 2020: Rs.176.377 million).

17.3 Foreign bills discounted outstanding as at December 31, 2020 aggregated Rs.785.216million (June 30, 2020: Rs.1,078.650 million).

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Un-audited Dec. 31, 2020	Audited June 30, 2020
17.4 Commitments for irrevocable letters of credit:	-----Rupees in "000"-----	
- capital expenditure	101,685	575,633
- others	776,839	690,685
	878,524	1,266,318

	Quarter ended		Six months period ended	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
18. Sales - Net	-----Rupees in "000"-----			
Export	3,552,678	4,084,024	7,860,180	6,785,636
Local	1,272,674	513,112	2,898,090	2,437,078
Waste	79,082	72,824	128,133	130,720
Yarn doubling	4,060	2,034	4,060	2,034
	4,908,494	4,671,994	10,890,463	9,355,468
Less: commission	(53,506)	(51,825)	(115,121)	(101,963)
	4,854,988	4,620,169	10,775,342	9,253,505

19. OTHER EXPENSES

Other expenses for the current period include exchange fluctuation loss amounting Rs.Nil (2019 : Rs. 54.110 million).

20. Other income

Other income for the current period includes exchange fluctuation gain amounting Rs.35.999 million (2019 : Rs. Nil).

21. SEGMENT ANALYSIS

21.1 Segment revenue and results

Six months period ended December 31, (Un-audited)	Spinning		Weaving		(Elimination of inter- segment transactions)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	-----Rupees in "000"-----							
Sales - net	6,121,682	5,009,513	6,351,653	6,138,382	(1,697,993)	(1,894,390)	10,775,342	9,253,505
Cost of sales	(5,383,821)	(4,444,621)	(5,778,359)	(5,426,661)	1,697,993	1,894,390	(9,464,187)	(7,976,892)
Gross profit	737,861	564,892	573,294	711,721	-	-	1,311,155	1,276,613
Distribution cost	(21,326)	(17,983)	(115,112)	(92,480)	-	-	(136,438)	(110,463)
Administrative expenses	(50,061)	(52,792)	(51,481)	(53,069)	-	-	(101,542)	(105,861)
Other expenses	(39,884)	(41,186)	(9,184)	(46,816)	-	-	(49,068)	(88,002)
Other income	12,528	4,544	48,648	46,464	-	-	61,176	51,008
	(98,743)	(107,417)	(127,129)	(145,901)	-	-	(225,872)	(253,318)
Profit from operations	639,118	457,475	446,165	565,820	-	-	1,085,283	1,023,295
Finance cost	(200,823)	(341,590)	(219,192)	(300,311)	-	-	(420,015)	(641,901)
	438,295	115,885	226,973	265,509	-	-	665,268	381,394
Share of loss of Associated Companies - net	-	(34,529)	-	(34,529)	-	-	-	(69,058)
Profit before taxation	438,295	81,356	226,973	230,980	-	-	665,268	312,336
Taxation	(51,662)	(36,370)	(67,644)	(69,497)	-	-	(119,306)	(105,867)
Profit for the period	386,633	44,986	159,329	161,483	-	-	545,962	206,469

21.2 Segment assets and liabilities

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

	Spinning		Weaving		Total	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	December 31, 2020	June 30, 2020	December 31, 2020	June 30, 2020	December 31, 2020	June 30, 2020
	-----Rupees in "000"-----					
Segment assets for reportable segment						
Operating fixed assets	4,173,829	3,627,751	3,730,523	2,610,554	7,904,352	6,238,305
Stores, spares and loose tools	180,435	146,380	74,304	122,119	254,739	268,499
Stock-in-trade	4,641,945	2,226,124	2,465,612	2,442,994	7,107,557	4,669,118
	8,996,209	6,000,255	6,270,439	5,175,667	15,266,648	11,175,922
Unallocated corporate assets					5,245,913	4,645,350
Total assets as per statement of financial position					20,512,561	15,821,272
Segment liabilities for reportable segments	6,181,682	4,687,128	5,394,699	4,841,869	11,576,381	9,528,997
Unallocated corporate liabilities					3,748,486	2,415,362
Total liabilities as per statement of financial position					15,324,867	11,944,359

22. 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 were as follows:

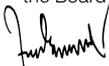
Relationship	Nature of transaction	Six months period ended	
		Dec. 31, 2020	Dec. 31, 2019
Associated Companies		-----Rupees in "000"-----	
	- purchase of goods	50,738	164,738
	- mark-up income	1,744	7,649
	- mark-up expense	3,188	651
	- advances obtained	618,236	413,000
	- advances repaid	705,889	632,519
	- other expenses shared	12,594	12,734
Key management personnel			
	- Remuneration and other benefits	14,211	14,221
	-Donations to Mian Mukhtar A. Sheikh Trust	12,864	16,663
	- All transactions with related parties have been carried-out on commercial terms and conditions.		

23. CORRESPONDING FIGURES

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.

24. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on 24 February, 2021.


Chief Executive


Director


Chief Financial Officer



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