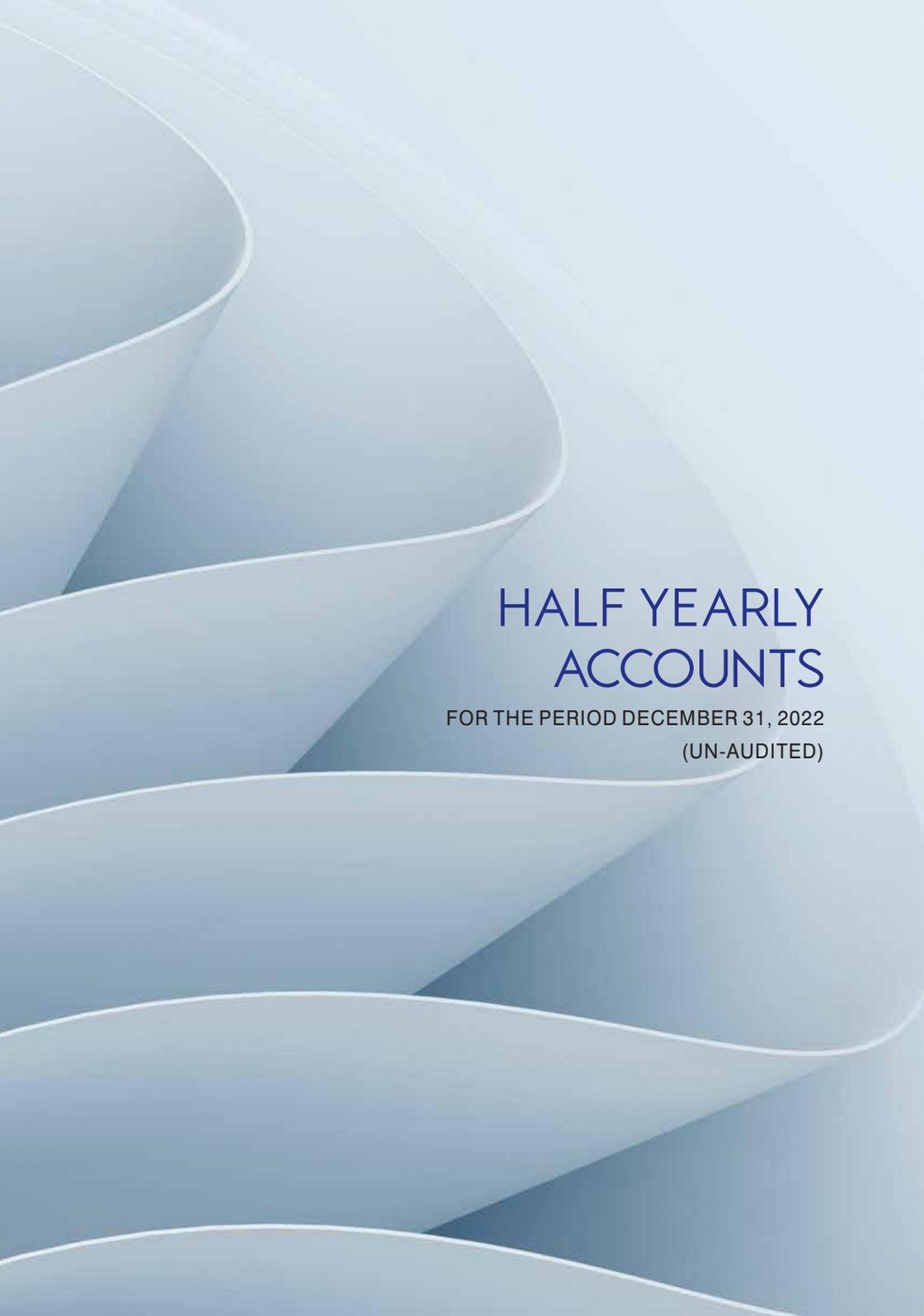


THE ART OF TEXTILE

Half Yearly Accounts

December 31, 2022
(Un-audited)





HALF YEARLY ACCOUNTS

FOR THE PERIOD DECEMBER 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
Mr. Muhammad Mukhtar Sheikh
Mrs. Fatima Fazal

Independent Directors

Mr. Muhammad Shaukat
Mr. Shahid Aziz

COMMITTEES OF THE BOARD

Audit Committee

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

HR & Remuneration Committee

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

Risk Management Committee

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

Nomination Committee

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

EXECUTIVE MANAGEMENT TEAM

Chief Financial Officer

Mr. Waheed Ahmad

Head of Human Resources

Mr. Asad A. Jan

Company Secretary

Mr. Kamran Ahmad Awan

Head of Internal Audit & Risk Assurance – OB

Mr. Muhammad Akbar Rana

Technical Director Weaving

Mr. Ikram Azeem

GM Marketing

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

GM Spinning (Multan)

Mr. Muhammad Shoab Alam

GM Spinning (Rawat)

Mr. Salahudin Khattak

AUDITORS & SHARES REGISTRAR

External Auditors

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

Shares Registrar

M/s. CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi-74400
E-mail: info@cdc.pak.com &
kamran.ahmad@fatima-group.com

BANKERS / FINANCIAL INSTITUTIONS

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
National Bank of Pakistan
Meezan Bank Limited
Soneri Bank Limited
The Bank of Khyber
Habib Metropolitan Bank Limited
JS Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Samba Bank Limited

Al-Baraka Bank Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
The Bank of Punjab
Askari Bank Limited, Islamic Banking Services
Saudi Pak Industrial & Agricultural Investment Company Limited
Pak Brunei Investment Company Limited
Pak China Investment Company Limited
Pak Libya Holding Company (Pvt) Limited
Pakistan Kuwait Investment Company (Pvt) Limited
First Habib Modaraba
Sindh Bank Limited
Summit Bank Limited
Bank Islami Pakistan Limited
Standard Chartered Bank Pakistan Limited
Faysal Bank Limited

SITE ADDRESSES

Unit # 1,2,4 & 5

Fazalpur Khanewal Road, Multan
Phone & Fax 061-6740020-3 & 061-6740039

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi
Phone & Fax 051-4262494-5 & 051-4611097

BUSINESS OFFICES

Registered Office

2nd Floor Trust Plaza, LMQ Road, Multan
Tel # 061-4509700-2, 061-4509749
Fax # 061-4511677, 061-4584288
E-mail: info@fatima-group.com

Head Office

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





CREDIT RATING RELIANCE WEAVING MILLS LIMITED

LONG TERM

SHORT TERM

A

A-2

CERTIFICATIONS



DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

On the behalf of the Board of Directors, We are pleased to present half yearly Financial Statements of the Company for the period ended December 31, 2022.

Financial Highlights

The Company earned net profit of Rs 201 million during the period as compared to Rs. 1,705 million. Profitability of the Company decreased due to decrease in sales prices of the fabric and yarn due to less demand. Energy cost has increased by Rs 493 million and financial cost has been increased by Rs 505 million.

Currently textile is facing many challenges for its survival. Raw material LC opening is a challenging task due to which coverage of raw material is short. Energy prices and KIBOR is continuously rising which make survival of textile is very difficult. The Company spinning unit is in its final stage of erection and expected to start in couple of months.

For and on behalf of the Board,



Mr. Muhammad Shaukat
(Director)



Mr. Faisal Ahmed
(Chief Executive)

Date: February 28, 2023

Place: Multan

ڈائریکٹرز جائزہ رپورٹ

محترم ممبران،

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

مالیاتی جھلکیاں

کمپنی نے اس مدت کے دوران 201 ملین روپے کا خالص منافع حاصل کیا۔ کم مانگ کی وجہ سے فیبرک اور یاران کی فروخت کی قیمتوں میں کمی کی وجہ سے کمپنی کا منافع 1,705 ملین کم ہوا۔ توانائی کی لاگت میں 493 ملین روپے اور مالیاتی لاگت میں 505 ملین روپے کا اضافہ ہوا ہے۔

اس وقت ٹیکسٹائل کو اپنی بقا کے لیے بہت سے چیلنجز کا سامنا ہے۔ خام مال کی ایل سی کھولنا ایک مشکل کام ہے جس کی وجہ سے خام مال کی کوریج کم ہے۔ توانائی کی قیمتیں اور KIBOR مسلسل بڑھ رہی ہیں جس کی وجہ سے ٹیکسٹائل کی بقاء بہت مشکل ہے۔ کمپنی کا اسپینگ یونٹ تعمیر کے آخری مرحلے میں ہے اور دو ماہ میں شروع ہونے کی امید ہے۔

بورڈ کے لیے اور اس کی جانب سے،


مسٹر فیصل احمد
چیف ایگزیکٹو


مسٹر محمد شوکت
ڈائریکٹر

مقام: ملتان

تاریخ: 28 فروری 2023

COMPANY PROFILE

Reliance Weaving Mills Limited was incorporated on April 07, 1990 with its Registered Office at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan and is listed on Pakistan Stock Exchange. The Head Office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore-Cantt.

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

The Spinning unit at Multan comprises of 42 ring frames consisting of 47,520 spindles with total annual production capacity of 25,248 tons based on average count Ne 14. We have state of the art and modern technology, TOYOTA RX-240 and RX-300 E Draft capable of making wide range of counts. These machines can attain high speed of 21,000 RPM. Our ring machines are 2004, 2013 and 2014 model. Currently, we are producing yarn counts from 6/1 cdd to 21/1 cdd. The above unit produces Carded Yarn, Combed Yarn, Siro Yarn, Core Yarn, Dual Core Yarn, Slub Yarn, Dual Core+Slub Yarn and Core+Slub Yarns. We are specialized in making yarn for Denim. We have installed compact system on our existing frames gaining the ability of compact yarn manufacturing and have also installed Bobbin Transport System (BTS), which will cause the automation in the system and reducing workers handling. We have also installed Auto-Doffer Auto-cone.

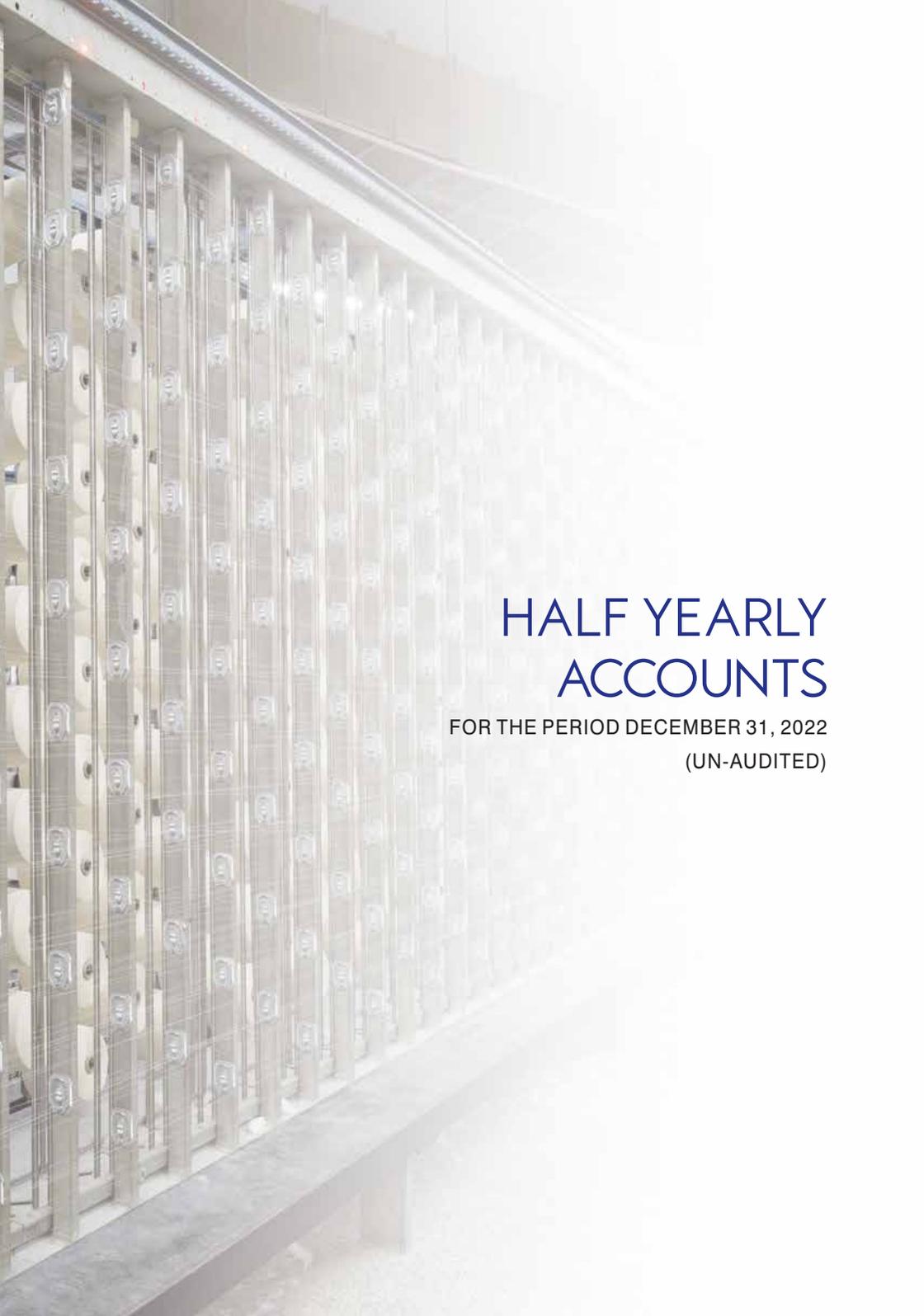
The Weaving unit comprises of 525 looms of high speed latest air jet machines of Tsudakoma (Japan) & Picanol (Belgium) with total grey cloth production of (109.5 Million Meters per year) (SGM's) is based on 60 picks per inch. We cater for home textiles and apparels from various varieties of yarns blends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

The Rawat Unit comprises of 33 acres of land having accommodation capacity for 500 workers and 76 rooms for bachelors. The unit consists of 38 Toyoda Japan (RY-5) spinning frame with total annual production capacity of 138,000 bags based on standard count of 20/1 cdd. The unit produces yarns namely Mélange, Marl, Slub, Injection Nappy and Fancy Draw Blend Yarns. We are producing almost all types of Fancy Yarns and Grey Fabrics and have state-of-the-art high speed machines with latest facilities coupled with highly skilled team of dedicated workers and engineers to meet the challenges of textile sector.

We are constantly working to upgrade our plant by replacing old machines with latest high speed machines to be abreast with modern trends in the local textile industry and abroad to have competitive edge over our competitors to bring our Company in the forefront of the textile sector of Pakistan.







HALF YEARLY ACCOUNTS

FOR THE PERIOD DECEMBER 31, 2022

(UN-AUDITED)

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF RELIANCE WEAVING MILLS LIMITED ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

We have reviewed the accompanying condensed interim statement of financial position of Reliance Weaving Mills Limited as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review engagement resulting in this independent auditors' review report is Talat Javed.

Date: February 28, 2023
UDIN: RR202210162lcr46MQ3d

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
MULTAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

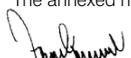
As at December 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	5	13,783,253	10,687,018
Long term investments	6	1,849,425	1,849,425
Long term deposits		29,719	29,046
Deferred tax asset		144,557	143,178
		15,806,954	12,708,667
Current assets			
Stores, spares and loose tools		564,113	365,569
Stock-in-trade	7	9,459,253	7,788,806
Trade debts	8	4,110,729	4,485,550
Loans and advances	9	728,507	607,867
Prepayments and other receivables		236,017	195,192
Short term investments	10	319,099	393,030
Tax refunds due from the Government	11	683,208	1,077,988
Cash and bank balances		374,191	134,208
		16,475,117	15,048,210
Total assets		32,282,071	27,756,877
Equity and liabilities			
Share 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
Reserves		8,862,514	8,852,423
		9,170,623	9,160,532
LIABILITIES			
Non-current liabilities			
Long term finances	12	5,659,180	3,401,153
Lease liabilities		110,268	69,264
Staff retirement benefits - gratuity		408,355	370,195
Deferred liabilities	13	31,747	57,842
		6,209,550	3,898,454
Current liabilities			
Trade and other payables	14	4,701,153	4,156,100
Unclaimed dividends		13,218	11,502
Accrued mark-up		583,037	368,527
Short term borrowings		10,441,305	8,707,411
Current portion of non-current liabilities	15	976,193	977,981
Taxation	16	186,992	476,369
		16,901,898	14,697,890
Total liabilities		23,111,448	18,596,345
TOTAL EQUITY AND LIABILITIES		32,282,071	27,756,877

Contingencies and commitments

17

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


Chief Executive


Director

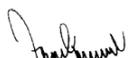

Chief Financial Officer

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

For the quarter and six months period ended December 31, 2022

	Note	Quarter ended		Six months period ended	
		Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
----- Rupees in thousand -----					
Sales - net	18	6,888,925	6,731,991	15,658,907	14,140,206
Cost of sales	19	(6,193,047)	(5,298,837)	(13,735,808)	(11,419,338)
Gross profit		695,878	1,433,154	1,923,099	2,720,868
Distribution and marketing expenses	20	(89,398)	(104,406)	(235,998)	(230,898)
Administrative expenses	21	(102,598)	(67,272)	(182,723)	(122,517)
Other expenses	22	(3,097)	(61,184)	(77,633)	(114,264)
Other income	23	4,928	66,478	8,223	151,382
		(190,165)	(166,384)	(488,131)	(316,297)
Profit from operations		505,713	1,266,770	1,434,968	2,404,571
Finance cost	24	(573,553)	(320,037)	(1,047,360)	(542,065)
(Loss) / Profit before taxation		(67,840)	946,733	387,608	1,862,506
Taxation					
- current	16	(84,482)	(76,017)	(186,992)	(157,199)
- deferred		1,379	388	1,379	388
		(83,103)	(75,629)	(185,613)	(156,811)
(Loss) / Profit after taxation		(150,943)	871,104	201,995	1,705,695
(Loss) / Earnings per share		(4.90)	28.27	6.56	55.36

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


Chief Executive


Director


Chief Financial Officer

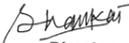
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the quarter and six months period ended December 31, 2022

	Quarter ended		Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
----- Rupees in thousand -----				
(Loss) / Profit after taxation	(150,943)	871,104	201,995	1,705,695
Other comprehensive income / (loss):				
Items that will be reclassified subsequently to profit or loss:				
Unrealised gain on remeasurement of forward foreign exchange contracts	-	-	5,271	-
Items that will not be reclassified subsequently to profit or loss:				
Unrealised (loss) / income on remeasurement of short term investments at fair value through other comprehensive income	(75,321)	16,486	(73,931)	19,006
	(75,321)	16,486	(73,931)	19,006
Total comprehensive (loss) / income	(226,264)	887,590	133,335	1,724,701

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


Chief Executive


Director

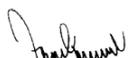

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the quarter and six months period ended December 31, 2022

	Six months period ended	
	December 31, 2022	June 30, 2022
Rupees in thousand		
Cash flows from operating activities		
Profit for the period - before taxation	387,608	1,862,506
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and right-of-use assets	201,988	165,294
Amortisation	-	473
Staff retirement benefits - gratuity (net)	38,160	26,378
Gain on disposal of operating fixed assets - net	(8,066)	(5,191)
Finance cost	1,047,360	542,065
Profit before working capital changes	1,667,050	2,591,525
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(198,544)	(2,928)
Stock-in-trade	(1,670,447)	(4,557,338)
Trade debts	374,821	(203,935)
Loans and advances	(120,640)	(218,617)
Prepayments and other receivables	(40,825)	(114,734)
Tax refunds due from the Government (excluding income tax)	71,183	115,121
Increase in trade and other payables	550,324	532,142
	(1,034,128)	(4,450,289)
Cash generated from / (used in) operations	632,922	(1,858,764)
Income tax paid - net	(152,772)	(129,332)
Net cash generated from / (used in) operating activities	480,150	(1,988,096)
Cash flows from investing activities		
Fixed capital expenditure	(3,302,473)	(1,121,711)
Sale proceeds on disposal of property, plant and equipments	12,316	9,453
Long term deposits	(673)	(271)
Short term investments made	-	(146,663)
Net cash used in investing activities	(3,290,830)	(1,259,192)
Cash flows from financing activities		
Long term finances - net	2,223,144	317,534
Deferred liabilities	(2,329)	(8,112)
Lease liabilities - net	50,333	(5,566)
Short term finances - net	1,733,894	3,564,472
Finance cost paid	(832,850)	(486,806)
Dividend paid	(121,528)	(76,017)
Net cash generated from financing activities	3,050,663	3,305,505
Net increase in cash and cash equivalents	239,983	58,217
Cash and cash equivalents - at beginning of the period	134,208	96,013
Cash and cash equivalents - at end of the period	374,191	154,230

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


Chief Executive


Director

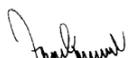

Chief Financial Officer

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

For the six months period ended December 31, 2022

	Capital Reserves				Revenue Reserves		Total	
	Share capital	Share premium	Revaluation surplus on freehold land	Unrealised loss on forward foreign exchange contracts	Fair value loss on short term investments	General reserve		Un-appropriated profit
	----- Rupees in thousand -----							
Balance as at June 30, 2022-audited	308,109	41,081	1,708,083	(10,980)	434,413	74,172	6,605,654	9,160,532
Transaction with owners:								
Cash dividend at the rate of Rs. 4 per ordinary share for the year ended June 30, 2022	-	-	-	-	-	-	(123,244)	(123,244)
Total comprehensive income for the period of six months ended December 31, 2022:								
- profit for the period	-	-	-	-	-	-	201,995	201,995
- other comprehensive income	-	-	-	5,271	(73,931)	-	-	(68,660)
	-	-	-	5,271	(73,931)	-	201,995	133,335
Balance as at December 31, 2022-un-audited	308,109	41,081	1,708,083	(5,709)	360,482	74,172	6,684,405	9,170,623
Balance as at June 30, 2021-audited	308,109	41,081	1,708,083	-	(127,452)	74,172	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 of six months ended December 31, 2021:								
- profit for the period	-	-	-	-	-	-	1,705,695	1,705,695
- other comprehensive income	-	-	-	-	19,006	-	-	19,006
	-	-	-	-	19,006	-	1,705,695	1,724,701
Balance as at December 31, 2021-un-audited	308,109	41,081	1,708,083	-	(108,446)	74,172	5,694,256	7,717,255

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


Chief Executive


Director


Chief Financial Officer

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

For the six months period ended December 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

2.1 Statement of compliance

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 International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and
- Provisions of and directives issued under the Companies Act, 2017.

Where 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.

2.2 These condensed interim financial statements do not include all of 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, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six months period ended December 31, 2022 have, however, been subjected to limited scope review by the external Auditors.

2.4 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, freehold land at revalued amounts assessed by an independent valuer and certain investments which have been measured at fair value.

2.5 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 adopted for 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, 2022.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4. Accounting estimates and judgments

4.1 The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2022.

		Un-audited Dec. 31, 2022	Audited June 30, 2022
		Rupees in thousand	
5. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	5.1	9,184,198	8,749,721
Capital work-in-progress	5.2	4,472,423	1,858,876
Right-of-use assets	5.3	126,632	78,421
		13,783,253	10,687,018

		Un-audited Dec. 31, 2022
		Rupees in thousand
5.1 Operating fixed assets		
Book value as at June 30, 2022		8,749,721
Additions during the period:		
- plant and machinery		603,460
- factory equipment		309
- office equipment		3,287
- electric appliances		2,258
- furniture and fixtures		2,496
- vehicles - owned		18,157
		629,967
		9,379,688
Book value of operating fixed assets disposed-off		(3,200)
Depreciation charge for the period		(192,290)
Book value as at December 31, 2022		9,184,198

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

For the six months period ended December 31, 2022

	Un-audited Dec. 31, 2022 Rupees in thousand
5.1 Operating fixed assets	
Book value as at June 30, 2022	8,749,721
Additions during the period:	
- plant and machinery	603,460
- factory equipment	309
- office equipment	3,287
- electric appliances	2,258
- furniture and fixtures	2,496
- vehicles - owned	18,157
	629,967
	9,379,688
Book value of operating fixed assets disposed-off	(3,200)
Depreciation charge for the period	(192,290)
Book value as at December 31, 2022	9,184,198

	Un-audited Dec. 31, 2022 Rupees in thousand
5.2 Capital work-in-progress	
Balance as at June 30, 2022	1,858,876
Additions during the period:	
- factory buildings	385,144
- Land	816
- plant and machinery & installations including in-transit valuing Rs. 1,398.551 million (June 30, 2022: Rs.943.089 million)	2,756,798
- Vehicles	43,764
	3,186,522
Transfer during the period	(572,975)
Balance as at December 31, 2022	4,472,423

5.3 Right-of-use assets	
Book value as at June 30, 2022	78,421
Additions during the period	58,959
Depreciation charge for the period	(9,698)
Right of use disposed off	(1,050)
Book value as at December 31, 2022	126,632

6. LONG TERM INVESTMENTS

There is no material change in carrying value and fair value of the investments in FEL and FTCL from annual audited financial statements as at June 30, 2022. Therefore no adjustment has been made in these condensed interim financial statements.

		Un-audited Dec. 31, 2022	Audited June 30, 2022
7. STOCK-IN-TRADE	Note	Rupees in thousand	
Raw materials including in-transit inventory valuing Rs.922.424 million (June 30, 2022: Rs.836.267 million)		3,760,512	3,649,121
Work-in-process		643,672	534,762
Finished goods		4,972,959	3,572,869
Waste		82,110	32,054
		9,459,253	7,788,806
8. TRADE DEBTS			
Export - secured		1,438,258	1,367,499
Local - unsecured and considered good		2,672,471	3,118,051
Considered doubtful		4,264	3,913
		2,676,735	3,121,964
		4,114,993	4,489,463
Less: provision for impairment		(4,264)	(3,913)
		4,110,729	4,485,550
9. LOANS AND ADVANCES			
Advances to:			
- Fatima Energy Ltd.	9.1	-	12,500
- key management personnel		1,820	100
- employees		303,924	283,330
- suppliers		279,921	236,678
Due from related parties	9.2	60,787	28,324
Letters of credit		662	4,080
Margin deposits		81,393	42,855
		728,507	607,867
9.1	These advances have been made to FEL against purchase of electricity and to meet its financial obligations. These carry mark-up at the rate of 1-month KIBOR plus 2.5% per annum. Effective mark-up charged during the period / year was nil (June 30, 2022: Ranged from 10.01% to 12.89%) per annum.		
9.2 Due from related parties			
Fatima Sugar Mills Ltd.		36,869	-
Reliance Commodities (Pvt.) Ltd.		23,918	23,918
Multan Cloth Finishing Factory		4,406	4,406
		65,193	28,324
Provision for impairment against due from Multan Cloth Finishing Factory		(4,406)	-
		60,787	28,324
9.3	Maximum aggregate amounts due from related parties at any month end during the period aggregated Rs.65.930 million (June 30, 2022: Rs.935.729 million).		

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

For the six months period ended December 31, 2022

		Un-audited Dec. 31, 2022	Audited June 30, 2022
		Rupees in thousand	
10. SHORT TERM INVESTMENTS	Note		
(At fair value through other comprehensive income)			
Quoted			
Fatima Fertilizer Company Ltd. (FFCL)			
Equity held: 0.13% (June 30, 2022: 0.13%)			
2,625,166 (June 30, 2022: 2,625,166)			
ordinary shares of Rs.10 each at fair value	10.1	99,231	75,473
Fair value adjustment		(11,025)	23,758
		88,206	99,231
Others - Un-quoted			
Multan Real Estate Company (Pvt.) Ltd. (MREC)			
Equity held: 14.16% (June 30, 2022: 14.16%)			
428,904 (June 30, 2022: 214,797) ordinary shares			
of Rs.100 each		293,799	21,480
Nil (June 30, 2022: 214,107) ordinary shares		-	146,663
purchased during the period / year		(62,906)	125,656
Fair value adjustment		230,893	293,799
Fatima Energy Ltd. (FEL)			
Equity held: nil (June 30, 2022: nil)			
Nil (June 30, 2022: 90,195,083)			
ordinary shares of Rs.10 each		-	599,797
Transferred to long term investments			(599,797)
during the period / year		-	-
		319,099	393,030
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.		
11. TAX REFUNDS DUE FROM THE GOVERNMENT			
Advance income tax		2,990	326,587
Sales tax refundable		859,403	929,602
Provision made against doubtful sales tax refunds		(187,289)	(187,289)
		672,114	742,313
Special excise duty		8,104	9,088
		683,208	1,077,988

		Un-audited Dec. 31, 2022	Audited June 30, 2022
	Note	Rupees in thousand	
12. LONG TERM FINANCES - secured			
FROM BANKING COMPANIES / FINANCIAL INSTITUTIONS			
Pak Brunei Investment Co. (TF)		20,000	60,000
Pak Brunei Investment Co. (SBP - LTFF)		200,000	200,000
Saudi Pak Industrial and Agricultural Investment Company Ltd. (SBP - LTFF)		468,112	505,612
Saudi Pak Industrial and Agricultural Investment Company Ltd. (SBP - LTFF)		190,951	206,863
Allied Bank Ltd. (TF)		150,000	187,500
Allied Bank Ltd. (TL)		198,604	100,000
Pak Libya Holding Company (Pvt.) Ltd. (LTF)		42,857	57,143
Pak Libya Holding Company (Pvt.) Ltd. (LTF)		160,000	180,000
Pak Libya Holding Company (Pvt.) Ltd. (SBP - LTFF)		147,119	92,050
United Bank Ltd. (NIDF-II under LTFF scheme)		389,188	423,496
Askari Bank Ltd. (DM)		50,000	75,000
Askari Bank Ltd. (DM)		112,500	112,500
Askari Bank Ltd. (DM-III)		-	105,546
Bank Islami Pakistan Ltd. (DM)		203,125	234,375
Pakistan Kuwait Investment Company (Pvt.) Ltd. (LTFF)		562,229	599,709
Bank Al Habib Ltd. (TF)		14,582	18,749
The Bank of Khyber (SBP - LTFF)		500,000	500,000
Samba Bank Ltd. (SBP - LTFF)		291,442	273,046
Pak China Investment Co. Ltd. (SBP - LTFF)		326,080	194,427
The Bank of Punjab (DM)		133,109	95,328
Bank Al Habib Ltd. (SBP - LTFF)		294,023	-
Askari Bank Ltd. (SBP - LTFF)		1,390,567	-
Pakistan Kuwait Investment Company (Pvt.) Ltd. (LTFF)		600,000	-
Balance at the period / year-end		6,444,488	4,221,344
Current portion grouped under current liabilities	15	(785,308)	(820,191)
		5,659,180	3,401,153

13. DEFERRED LIABILITIES

Provision against Gas Infrastructure Development Cess	13.1	31,747	57,842
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13.1 The Supreme Court of Pakistan (SCP), had 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 had provided some relief by increasing the time period for recovery of GIDC from 24 instalments to 48 instalments. The review application, however, was dismissed.

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

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

For the six months period ended December 31, 2022

		Un-audited Dec. 31, 2022	Audited June 30, 2022
	Note	Rupees in thousand	
14. TRADE AND OTHER PAYABLES			
Trade creditors		2,535,140	2,261,176
Bills payable		850,480	818,064
Due to Associated Companies and Related party	14.1	310,025	60,979
Accrued expenses		711,500	693,845
Tax deducted at source		68,554	137,382
Unrealised loss on remeasurement of forward exchange contracts		5,710	10,980
Workers' (profit) participation fund		219,744	173,674
		4,701,153	4,156,100
14.1 Due to Associated Companies and Related Party			
Fatima Fertilizer Company Ltd.		31,737	24,628
Fatima Sugar Mills Ltd.		-	6,487
Fatima Energy Ltd.		185,942	-
Fazal Cloth Mills Ltd.		92,346	29,864
		310,025	60,979
15. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances	12	785,308	820,191
Lease liabilities		31,133	21,804
Government grant		-	2,329
Provision against Gas Infrastructure Development Cess		159,752	133,657
		976,193	977,981
		Un-audited Dec. 31, 2022	
		Rupees in thousand	
16. TAXATION - net			
Balance as at June 30, 2022			476,369
Add: provision made during the period - current			186,992
Less: payments / adjustments made during the period			476,369
Balance as at December 31, 2022			186,992
16.1 Returns filed by the Company upto the tax year 2022 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 4C (Super tax on high earnings persons), 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.			
16.3 Income tax expense is recognised in each interim period based on best estimate. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate changes.			
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, 2022.			
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. 629.406 million as at December 31, 2022 (June 30, 2022: Rs. 191.477 million).			

17.3 Foreign bills discounted outstanding as at December 31, 2022 aggregated Rs. 256.053 million (June 30, 2022: Rs.1,182.248 million).

	Un-audited Dec. 31, 2022	Audited June 30, 2022
	Rupees in thousand	
17.4 Commitments for irrevocable letters of credit:		
- capital expenditure	544,119	2,819,445
- others	-	1,088,191
Commitments in respect of forward foreign exchange contracts	2,283,540	1,914,322
	2,827,659	5,821,958

	Quarter ended		Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
	----- Rupees in thousand -----			

18. SALES - net

Export	4,095,725	3,706,674	10,113,795	8,650,888
Local	2,796,411	2,967,184	5,555,063	5,454,730
Waste	87,203	132,444	197,228	200,488
	6,979,339	6,806,302	15,866,086	14,306,106
Less: commission	(90,414)	(74,311)	(207,179)	(165,900)
	6,888,925	6,731,991	15,658,907	14,140,206

19. COST OF SALES

Raw materials consumed	5,812,283	5,626,678	12,559,975	10,535,678
Stores and spares consumed	157,494	103,927	285,541	222,390
Packing materials consumed	33,699	44,814	77,564	85,629
Salaries, wages and other benefits	397,558	306,163	803,490	615,788
Fuel and power	554,304	414,663	1,284,796	791,348
Insurance	14,468	11,930	29,251	23,677
Repairs and maintenance	15,264	18,396	33,458	26,665
Depreciation	89,279	74,501	173,166	148,492
Utilities	96	90	183	181
Others	24,612	20,822	47,439	39,680
	7,099,057	6,621,984	15,294,863	12,489,528
Adjustment of work-in-process				
Opening	618,718	472,552	534,762	364,909
Closing	(643,672)	(515,213)	(643,672)	(515,213)
	(24,954)	(42,661)	(108,910)	(150,304)
Cost of goods manufactured	7,074,103	6,579,323	15,185,953	12,339,224
Adjustment of finished goods				
Opening stock	4,174,013	1,176,979	3,604,924	1,537,579
Closing stock	(5,055,069)	(2,457,465)	(5,055,069)	(2,457,465)
	(881,056)	(1,280,486)	(1,450,145)	(919,886)
	6,193,047	5,298,837	13,735,808	11,419,338

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

For the six months period ended December 31, 2022

	Quarter ended		Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
----- Rupees in thousand -----				
20. DISTRIBUTION AND MARKETING EXPENSES				
Ocean freight and shipping	46,229	67,104	136,534	156,125
Local freight	18,001	13,140	41,951	29,619
Export development surcharge	6,194	9,358	14,672	13,009
Forwarding and clearing expenses	13,918	12,773	31,920	27,794
Marketing expenses	5,009	1,699	9,772	4,019
Other expenses	47	332	1,149	332
	89,398	104,406	235,998	230,898
21. ADMINISTRATIVE EXPENSES				
Salaries and benefits	46,722	34,723	90,615	65,068
Printing and stationery	2,934	1,318	3,501	2,089
Vehicles' running	9,840	3,924	16,769	7,480
Traveling and conveyance	5,673	3,850	10,810	4,862
Rent, rates and taxes	468	750	744	1,065
Communication	1,671	1,158	3,018	2,424
Fees, subscription and periodicals	5,240	4,547	9,075	8,760
Utilities	1,334	543	2,645	1,717
Insurance	976	891	2,024	1,741
Repairs and maintenance	6,443	1,800	8,536	3,076
Entertainment	406	508	1,920	2,082
Advertisement	32	82	208	99
Depreciation	18,868	9,284	28,822	16,802
Amortisation of intangible assets	-	236	-	473
Legal and professional charges	292	1,123	828	1,361
Auditors' remuneration:	362	477	362	477
General	1,337	2,058	2,846	2,941
	102,598	67,272	182,723	122,517
22. OTHER EXPENSES				
Workers' (profit) participation fund	(3,359)	52,980	20,090	98,083
Exchange fluctuation loss - net	(6,979)	-	30,521	-
Donations	8,678	7,555	22,265	15,423
Loss on sale of fixed assets	-	-	-	109
Provision for impairment of loans and advances	4,406	-	4,406	-
Loss on forward rate agreement	-	15	-	15
Provision for impairment of trade debts	351	634	351	634
	3,097	61,184	77,633	114,264
23. OTHER INCOME				
Exchange fluctuation gain - net	-	22,747	-	106,831
Mark-up on advances to Associated Companies and Fatima Energy Ltd.	80	36,078	157	36,898
Gain on sale of operating fixed assets	4,848	5,300	8,066	5,300
Others	-	2,353	-	2,353
	4,928	66,478	8,223	151,382

	Quarter ended		Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
----- Rupees in thousand -----				
24. FINANCE COST				
Mark-up on long term finances	83,109	60,272	161,852	111,537
Mark-up on short term borrowings	426,020	223,310	787,167	365,218
Lease finance charges	4,214	1,834	7,152	3,979
Interest on workers' (profit) participation fund	25,980	8,714	25,980	9,335
Mark-up on Associates' advances	1,734	352	3,967	352
Interest against provision for Gas Infrastructure Development Cess	1,767	2,674	3,767	5,564
Bank charges and commission	30,729	22,881	57,475	46,080
	573,553	320,037	1,047,360	542,065

25. SEGMENT ANALYSIS

25.1 Segment revenue and results

	Spinning		Weaving		(Elimination of inter-segment transactions)		Total	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Dec. 31 2022	Dec. 31 2021	Dec. 31 2022	Dec. 31 2021	Dec. 31 2022	Dec. 31 2021	Dec. 31 2022	Dec. 31 2021
-----Rupees in thousand-----								
Sales - net	8,165,920	7,799,420	12,020,110	8,798,524	(4,527,123)	(2,457,738)	15,658,907	14,140,206
Cost of sales	(7,535,426)	(6,136,099)	(10,727,505)	(7,740,977)	4,527,123	2,457,738	(13,735,808)	(11,419,338)
Gross profit	630,494	1,663,321	1,292,605	1,057,547	-	-	1,923,099	2,720,868
Distribution and marketing expenses	(11,485)	(16,851)	(224,513)	(214,047)	-	-	(235,998)	(230,898)
Administrative expenses	(56,111)	(61,762)	(126,612)	(60,755)	-	-	(182,723)	(122,517)
Other expenses	(34,856)	(81,812)	(42,777)	(32,452)	-	-	(77,633)	(114,264)
Other income	5,493	29,368	2,730	122,014	-	-	8,223	151,382
	(96,959)	(131,057)	(391,172)	(185,240)	-	-	(488,131)	(316,297)
Profit from operations	533,535	1,532,264	901,433	872,307	-	-	1,434,968	2,404,571
Finance cost	(475,976)	(263,590)	(571,384)	(278,475)	-	-	(1,047,360)	(542,065)
Profit before taxation	57,559	1,268,674	330,049	593,832	-	-	387,608	1,862,506
Taxation	(41,764)	(58,836)	(143,849)	(97,975)	-	-	(185,613)	(156,811)
Profit for the period	15,795	1,209,838	186,200	495,857	-	-	201,995	1,705,695

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

For the six months period ended December 31, 2022

25.2 Segment assets and liabilities

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

	Spinning		Weaving		Total	
	Un-audited December 31, 2022	Audited June 30, 2022	Un-audited December 31, 2022	Audited June 30, 2022	Un-audited December 31, 2022	Audited June 30, 2022
	----- Rupees in thousand -----					
Segment assets for reportable segment						
Operating fixed assets	4,203,893	4,197,301	5,108,611	4,630,841	9,312,504	8,828,142
Stores, spares and loose tools	393,867	226,226	170,246	139,343	564,113	365,569
Stock-in-trade	4,440,409	3,573,956	5,013,844	4,223,860	9,454,253	7,797,816
	9,038,169	7,997,483	10,292,701	8,994,044	19,330,870	16,991,527
Unallocated corporate assets					12,951,201	10,765,350
Total assets as per statement of financial position					32,282,071	27,756,877
Segment liabilities for reportable segments	6,345,911	5,460,133	10,841,036	7,695,677	17,186,947	13,155,810
Unallocated corporate liabilities					5,924,501	5,440,535
Total liabilities as per statement of financial position					23,111,448	18,596,345

26. 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, 2022	Dec. 31, 2021
		Rupees in thousand	
Associated Companies and other related parties	- purchases	1,138,273	85,718
	- shares purchased from Pakarab Fertilizers Ltd.	-	146,663
	- mark-up income	157	3,263
	- mark-up expense	3,967	352
	- fund received	553,600	333,010
	- payments made	1,473,157	440,520
	- other expenses shared	6,035	19,012
	Key management personnel		
- Remuneration and other benefits		42,593	14,914
- Donations to Mian Mukhtar A. Sheikh Trust		18,300	14,000

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

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2022.

Fair value estimation

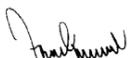
During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

28. CORRESPONDING FIGURES

The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative 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 extracted from the un-audited condensed interim financial statements for the period ended December 31, 2021.

29. 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 February 28, 2023.


Chief Executive


Director


Chief Financial Officer



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