



Reliance Weaving
Mills Limited
A Fatima Group Company

THE ART OF TEXTILE

1st Quarterly Accounts
September 30, 2023
(Un-audited)

1st Quarterly Accounts

FOR THE PERIOD SEPTEMBER 30, 2023

(UN-AUDITED)



CREDIT RATING RELIANCE WEAVING MILLS LIMITED

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CERTIFICATIONS



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 (Chairman)
Mr. Fahd Mukhtar (Member)
Mr. Muhammad Shaukat (Member)

HR & Remuneration Committee

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

Risk Management Committee

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

Nomination Committee

Mr. Fawad Ahmed Mukhtar (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 Saifi
Mr. Muhammad Nasir Iqbal
Mr. Salim Ahmed

GM Spinning (Multan)

Mr. Muhammad Shoab Alam

GM Spinning (Rawat)

Mr. Salahudin Khattak

GM Supply Chain

Mr. Muhammad Javed Nazir

GM Yarn Procurement

Mr. Anjum Jamil Sheikh

AUDITORS & SHARES REGISTRAR

External Auditors

M/s. ShineWing Hameed Chaudhri & Co.
Chartered Accountants
2526/F, Shadman Colony, Opposite High Court
Bahawalpur Road, Multan.
Tel: 061-4785211-12, 4511979
E-mail: tmux@hccpk.com
Website: www.hccpk.com

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

BANKERS / FINANCIAL INSTITUTIONS

Allied Bank Limited
Habib Bank Limited
United Bank Limited
National Bank of Pakistan

National Bank - Aitemad Islamic Banking
Meezan Bank Limited
Soneri Bank Limited
The Bank of Khyber
Habib Metropolitan Bank Limited
JS Bank Limited
Bank Al Habib Limited
Bank Al Habib Limited - Islamic Banking
Bank Alfalah Limited
Samba Bank Limited
Al-Baraka Bank Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
The Bank of Punjab - Taqwa Islamic Banking
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
Bank Islami Pakistan Limited
Standard Chartered Pakistan Limited

SITE ADDRESSES

Unit # 2,4,5 & 6

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

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat Rawalpindi.
Phone & Fax: 051-4611579-81 & 051-4611097

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



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). Multan Units and its surrounding comprises of 185.5 acres of land having 228 bachelors' quarters and 24 family quarters for workers and management employees.

The Spinning division at Multan comprises of two units, unit #4 & 6. Unit #4 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 Company has recently achieved a milestone in textile field in the form of launching new spinning unit #6 comprises of 14 Ring frames (25,536 spindles each) with total annual production capacity of 5,794 tons based on fine count average Ne 35. We have state of the art and modern technology, RIETER K48 with E Draft capable of making wide range of fine counts. These machines can attain high speed of 25,000 RPM with Muratec Opro Japanese Link coner and Marzoli Simplex with auto doffer and BTS system. Our machines are 2022 model. Currently, we are producing yarn counts from 30/1 cdd Cpt to 40/1 Cmb Cpt.

The Weaving unit comprises of 490 looms of high speed latest air jet machines of Tsudakoma (Japan) & Picanol (Belgium) with total grey cloth production of (100.83 Million Meters per year) (SGM's) is based on 60 picks. 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 34 acres of land having accommodation capacity for 500 workers and 85 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 Melange, 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.



DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

On the behalf of the Board of Directors, We are pleased to present three months Financial Statements of the Company for the period ended September 30, 2023.

FINANCIAL HIGHLIGHTS

The Company earned net profit of Rs 102 million during the period compared to Rs. 353 million. The turnover surged impressively by 27% from 8,770 million to 11,142 million with main contribution of successful installation and production of 25,536 fine count yarn spindles in current period; however, the profitability faced a downturn primarily due to increasing raw material prices and conversion costs, particularly utility prices. Additionally, the Company also witnessed a substantial 134% rise in finance costs to Rs 1,110 million, primarily driven by higher KIBOR rate and expanded working capital requirements.

FINANCIAL OUTLOOK

The country's economy is recovering with IMF support and stabilization measures. Challenges include high inflation, reduced exports, and declining remittances. Inflation remains high at 22%. On a positive note, the textile industry is experiencing a 70% increase in cotton arrivals, which could stabilize prices and boost foreign exchange earnings if production targets are met. The government is stabilizing essentials and exchange rates but might raise inflation with gas tariff increases for IMF support.

The company is optimizing costs and sales strategies and expects a new unit to boost profits, but overall margins will be pressured due to higher finance costs and energy tariffs. The Company, under its renewable/ green energy initiatives, successfully installed 3.2 MW solar energy project, with 2.6 MW in operation in recent years. Total capacity stands at 5.2 MW with the objective of generating environmentally friendly energy while concurrently reducing energy expenses.

For and on behalf of the Board,



Mr. Muhammad Shaukat
(Director)



Mr. Faisal Ahmed
(Chief Executive)

Date: October 31, 2023
Place: Multan

ڈائریکٹرز جائزہ رپورٹ

محترم ممبران،


بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 30 ستمبر 2023 کو ختم ہونے والی مدت کے لیے کمپنی کے تین ماہ کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

کمپنی نے اس مدت کے دوران 353 ملین روپے کے مقابلے میں 102 ملین روپے کا خالص منافع کمایا۔ ٹرن اوور 8,770 ملین سے 27 فیصد بڑھ کر 11,142 ملین تک پہنچ گیا جس میں موجودہ مدت میں 25,536 فائنانس کاؤنٹ یاران اسپنڈلز کی کامیاب تنصیب اور پیداوار کا اہم حصہ ہے۔ تاہم، منافع کو بنیادی طور پر خام مال کی قیمتوں اور تبادلوں کے اخراجات، خاص طور پر یوٹیلیٹی میں اضافے کی وجہ سے کمی کا سامنا کرنا پڑا۔ مزید برآں، کمپنی نے مالیاتی لاگت میں 1,110 ملین روپے تک 134% کا خاطر خواہ اضافہ دیکھا، جو بنیادی طور پر KIBOR کی بلند شرح اور توسیع شدہ ورکنگ کیسٹل کی ضروریات کے باعث ہے۔

آئی ایم ایف کے تعاون اور اسٹیٹ کام کے اقدامات سے ملکی معیشت بحال ہو رہی ہے۔ چیلنجز میں بلند افراط زر، برآمدات میں کمی اور تزیلات زر میں کمی شامل ہے۔ مہرگائی 22 فیصد پر برقرار ہے۔ ایکٹ مثبت نوٹ پر، ٹیکسٹائل کی صنعت کو روکی کی آمد میں 70 فیصد اضافے کا سامنا ہے، جس سے قیمتیں مستحکم ہو سکتی ہیں اور پیداواری اہداف پورے ہونے پر زور مبادلہ کی آمدنی میں اضافہ ہو سکتا ہے۔ حکومت اشیائے ضروریہ اور شرح مبادلہ کو مستحکم کر رہی ہے لیکن آئی ایم ایف کی مدد کے لیے گیس ٹیرف میں اضافے سے افراط زر میں اضافہ ہو سکتا ہے۔

کمپنی لاگت اور فروخت کی حکمت عملیوں کو بہتر بنا رہی ہے اور توقع کرتی ہے کہ ایکٹ نئے یونٹ سے منافع میں اضافہ ہوگا، لیکن مالیاتی اخراجات اور توانائی کے نرخوں میں اضافے کی وجہ سے مجموعی مارجن پر دباؤ پڑے گا۔ کمپنی نے اپنے قابل تجدید سبز توانائی کے اقدامات کے تحت کامیابی سے 3.2 میگا واٹ شمسی توانائی کے منصوبے کو نصب کیا، جس میں رواں سال 2.6 میگا واٹ کام جاری ہے۔ مجموعی صلاحیت 5.2 میگا واٹ ہے جس کا مقصد ماحول دوست توانائی پیدا کرنا ہے اور ساتھ ساتھ توانائی کے اخراجات کو کم کرنا ہے۔

بورڈ کے لئے اور اس کی طرف سے،



مسٹر فیصل احمد

چیف ایگزیکٹو



مسٹر محمد شوکت

ڈائریکٹر

مقام: ملتان

تاریخ: 31 اکتوبر 2023





CONDENSED INTERIM FINANCIAL INFORMATION

FIRST QUARTER ENDED SEPTEMBER 30, 2023
(UN-AUDITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at September 30, 2023

		(Un-audited) September 30 2023	(Audited) June 30 2023
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	5	16,770,881	16,710,351
Long term investments	6	1,437,282	1,437,282
Long term deposits		29,719	29,719
Deferred tax asset		307,170	307,170
		18,545,052	18,484,522
Current assets			
Stores, spares and loose tools		559,670	457,726
Stock-in-trade		11,007,723	10,162,917
Trade debts		5,382,811	4,689,630
Loans and advances	7	764,376	567,203
Prepayments and other receivables		350,773	202,151
Short term investments	8	339,236	341,625
Tax refunds due from the Government		405,242	1,070,765
Cash and bank balances		641,461	557,668
		19,451,292	18,049,685
TOTAL ASSETS		37,996,344	36,534,207
SHARE CAPITAL AND RESERVES			
Authorized share capital		700,000	700,000
Issued, subscribed and paid-up share capital		308,109	308,109
Reserves		6,920,096	6,820,009
Revaluation surplus on freehold land - Capital Reserve		2,984,467	2,984,467
		10,212,672	10,112,585
LIABILITIES			
Non-current liabilities			
Long term finances	9	5,511,113	5,694,162
Lease liabilities		95,902	109,976
Staff retirement benefits - gratuity		415,547	393,733
Deferred liabilities		-	4,623
		6,022,562	6,202,494
Current liabilities			
Trade and other payables		4,768,389	6,292,810
Unclaimed dividend		13,215	13,218
Accrued mark-up		1,177,561	924,828
Short term borrowings		14,346,181	11,372,091
Current portion of non-current liabilities		1,126,299	1,070,248
Taxation		329,465	545,933
		21,761,110	20,219,128
Total liabilities		27,783,672	26,421,622
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		37,996,344	36,534,207

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


Chief Executive


Director


Chief Financial Officer

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

For the three months period ended September 30, 2023

	Note	Three months period ended	
		September 30 2023	September 30 2022
Rupees in thousand			
Sales - net	11	11,142,286	8,769,982
Cost of sales		(9,635,869)	(7,542,761)
Gross profit		1,506,417	1,227,221
Distribution and marketing expenses		(107,072)	(146,600)
Administrative expenses		(101,167)	(80,125)
Other expenses		(20,492)	(74,536)
Other income		82,899	3,295
		(145,832)	(297,966)
Profit from operations		1,360,585	929,255
Finance cost		(1,110,595)	(473,807)
Profit before taxation		249,990	455,448
Provision for taxation		(147,513)	(102,510)
Profit after taxation		102,477	352,938
Earnings per share		3.33	11.45

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months period ended September 30, 2023

	Three months period ended	
	September 30 2023	September 30 2022
	Rupees in thousand	
Profit after taxation	102,477	352,938
Other comprehensive (loss) / 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	(2,389)	1,390
Total comprehensive income for the period	100,088	354,328

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


Chief Executive


Director


Chief Financial Officer

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

For the three months period ended September 30, 2023

	Reserves							Total
	Share capital	Share premium	Revaluation surplus on freehold land	Unrealised loss on forward foreign exchange contracts	General reserve	Fair value (loss) / gain on short term investments	Unappropriated profit	
(Rupees in thousand)								
Balance as at July 01, 2023 (audited)	308,109	41,081	2,984,467	-	74,172	(29,136)	6,733,891	10,112,584
Total comprehensive income for the period ended September 30, 2023								
- profit for the period	-	-	-	-	-	-	102,477	102,477
- other comprehensive loss	-	-	-	-	-	(2,389)	-	(2,389)
	-	-	-	-	-	(2,389)	102,477	100,088
Balance as at September 30, 2023 (Un-audited)	308,109	41,081	2,984,467	-	74,172	(31,525)	6,836,368	10,212,672
Balance as at July 01, 2022 (audited)	308,109	41,081	1,708,083	(10,981)	74,172	434,413	6,605,654	9,160,531
Total comprehensive income for the period ended September 30, 2022								
- profit for the period	-	-	-	-	-	-	352,938	352,938
- other comprehensive income	-	-	-	-	-	1,390	-	1,390
	-	-	-	-	-	1,390	352,938	354,328
Balance as at September 30, 2022 (Un-audited)	308,109	41,081	1,708,083	(10,981)	74,172	435,803	6,958,592	9,514,859

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the three months period ended September 30, 2023

	Three months period ended	
	September 30 2023	September 30 2022
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	249,990	455,448
Adjustments for non cash charges and other items:		
Depreciation	185,309	93,841
Staff retirement benefits - gratuity(net)	21,814	20,307
Gain on disposal of operating fixed assets - net	(690)	(3,218)
Finance cost	1,110,595	473,807
Profit before working capital changes	1,567,018	1,040,185
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(101,944)	(36,164)
Stock-in-trade	(844,806)	(689,118)
Trade debts	(693,181)	(94,945)
Loans and advances	(197,173)	(696,591)
Prepayments and other receivables	(148,622)	(133,562)
Tax refunds due from the Government (excluding income tax)	397,311	71,128
(Decrease) / Increase in trade and other payables	(1,524,421)	558,455
	(3,112,836)	(1,020,797)
Cash (used in) / generated from operations	(1,545,818)	19,388
Income taxes paid - net	(95,769)	(77,339)
Net cash used in operating activities	(1,641,587)	(57,951)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(246,354)	(1,119,775)
Sale proceeds of operating fixed assets	1,206	5,867
Long term deposits	-	(673)
Net cash used in investing activities	(245,148)	(1,114,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - net	(136,641)	320,746
Deferred liabilities	-	(1,517)
(Decrease) / Increase in lease liabilities	(9,055)	28,076
Short term borrowings - net	2,974,089	1,197,250
Finance cost paid	(857,862)	(358,422)
Dividend paid	(3)	(7)
Net cash generated from financing activities	1,970,528	1,186,126
Net increase in cash and cash equivalents	83,793	13,594
Cash and cash equivalents at beginning of the period	557,668	134,208
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	641,461	147,802

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


Chief Executive


Director


Chief Financial Officer

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

For the three months period ended September 30, 2023

1 LEGAL STATUS AND OPERATIONS

Reliance Weaving Mills Limited (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 Limited. The Company commenced its operations on May 14, 1990 and is principally engaged in manufacturing and sale of yarn and fabric.

Locations:

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, 2023.

- 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, 2023.

	Note	Un-audited September 30 2023	Audited June 30 2023
5 PROPERTY, PLANT AND EQUIPMENT			
Rupees in thousand			
Operating fixed assets	5.1	16,373,118	10,292,878
Capital work-in-progress		234,854	6,268,691
Right-of-use assets	5.2	162,909	148,782
		16,770,881	16,710,351

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

For the three months period ended September 30, 2023

	Un-audited September 30 2023	Audited June 30 2023
	Rupees in thousand	
5.1 Operating fixed assets		
Opening book value	10,292,878	8,749,721
Additions during the period / year:		
- freehold land	71,812	-
- buildings on freehold land	1,443,009	-
- plant and machinery	4,541,279	627,186
- electric installations	74,328	7
- factory equipment	122,105	8,527
- office equipment	1,517	6,148
- electric appliances	-	2,881
- furniture and fixtures	243	2,886
- vehicles	1,685	20,065
	6,255,978	667,700
Surplus on revaluation of land	-	1,276,384
Book value of operating fixed assets disposed-off	-	(1,162)
Depreciation charge for the period / year	(175,738)	(406,951)
Transfer from leased to owned	-	7,186
Book value as at period / year end	16,373,118	10,292,878
5.2 Right-of-use assets		
Opening balance	148,782	78,420
Additions during the period / year	24,214	107,507
Transfer to owned assets	-	(7,186)
Assets disposed-off	(516)	(2,002)
Depreciation for the period / year	(9,571)	(27,957)
	162,909	148,782

	Un-audited September 30 2023	Audited June 30 2023
	Rupees in thousand	
6 LONG TERM INVESTMENTS		
Fatima Energy Limited		
(At fair value through other comprehensive income)		
Investment in Ordinary Shares		
Total shares held at period / year end - 90,195,083		
- Equity held at period / year end - 15.82%	746,815	746,815
Investment in Preference Shares		
Total shares held at period / year end - 76,377,798	632,409	632,409
	1,379,224	1,379,224
Associated Company		
Fatima Transmission Company Limited		
Investment in Ordinary Shares (under equity method)		
7,187,500 ordinary shares of Rs.10 each - cost	71,875	71,875
Equity held: 31.25%		
Share of post acquisition loss and other comprehensive loss -net	(71,875)	(71,875)
Investment in preference shares		
(At fair value through other comprehensive income)		
Total shares held at period / year end - 7,339,768	58,058	58,058
	1,437,282	1,437,282
7 LOANS AND ADVANCES		
Advances - considered good		
- To employees	346,871	330,204
- To suppliers	236,062	156,294
Due from related parties	70,206	36,568
Letters of credit - margins, deposits etc.	111,237	44,137
	764,376	567,203

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

For the three months period ended September 30, 2023

		Un-audited September 30 2023	Audited June 30 2023
	Note	Rupees in thousand	
8 SHORT TERM INVESTMENTS			
(At fair value through other comprehensive income)			
Quoted			
Fatima Fertilizer Company Limited			
Opening fair value of 2,625,167 fully paid ordinary shares of Rs. 10 each		78,256	99,231
Fair value adjustment		(2,389)	(20,975)
Fair value at the end of the period / year		75,867	78,256
Others - Un-quoted			
Multan Real Estate Company (Private) Limited		263,369	263,369
		339,236	341,625
9 LONG TERM FINANCES			
From financial institutions - secured	9.1	6,396,394	6,533,035
Less: current portion		(885,281)	(838,873)
		5,511,113	5,694,162
9.1 The movement of long term finance during the period / year ended is as follows:			
Opening balance		6,533,035	4,221,343
Add: obtained during the period / year		-	3,184,264
		6,533,035	7,405,607
Less: repaid during the period / year		(136,641)	(872,572)
Closing balance		6,396,394	6,533,035
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, 2023, except the following:			
Foreign bills discounted outstanding as at September 30, 2023 are Rs. 2,008.160 million (June 30, 2023: Rs. 239.684 million).			
10.2 Commitments			
10.2.1 Letters of credit for:			
-Capital expenditures		-	50,380
-Other than capital expenditures		108,375	446,203
		108,375	496,583

		-----Un-audited----- Three months period ended September 30, 2023 2022 Rupees in thousand	
11 SALES - net			
Export	11.1	7,101,978	6,018,070
Local		3,994,394	2,758,652
Waste		162,124	110,025
		11,258,496	8,886,747
Less: Commission		119,953	(116,765)
		11,378,449	8,769,982

11.1 Export sales includes indirect export of fabric and yarn amounting to Rs.2,512 million (Sep 2022: Rs. 2,278 million).

12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, undertakings and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows:

Nature of transaction

Associated undertakings

- purchase of goods	531,352	523,682
- mark-up income	109	77
- mark-up expense	18,843	2,231
- payments received	300,000	143,600
- payments made	416,984	691,032
- other expenses shared	2,111	3,710

Key management personnel

- remuneration and other benefits	31,234	21,078
Others		
Donations to Mian Mukhtar A. Sheikh Trust	6,800	10,400

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, 2023.

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, 2023.

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

For the three months period ended September 30, 2023

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		
	Un-audited						Un-audited					
	2023		2022		2023		2022		2023		2022	
	Rupees in '000'											
Three months ended September 30,												
Sales - net	6,656,885	4,338,130	6,605,270	6,722,696	(2,119,869)	(2,290,844)	11,142,286	8,769,982				
Cost of sales	(5,778,504)	(3,940,955)	(5,977,234)	(5,892,649)	2,119,869	2,290,844	(9,635,859)	(7,542,761)				
Gross profit	878,381	397,174	628,036	830,047	-	-	1,506,417	1,227,221				
Distribution and marketing expenses	(31,819)	(5,641)	(75,253)	(140,959)	-	-	(107,072)	(146,600)				
Administrative expenses	(46,598)	(10,138)	(54,569)	(69,988)	-	-	(101,167)	(80,125)				
Other expenses	(11,562)	(26,319)	(8,930)	(48,217)	-	-	(20,492)	(74,536)				
Other income	19,758		63,141	3,295	-	-	82,899	3,295				
Profit from operations	(70,221)	(42,098)	(75,611)	(255,869)	-	-	(145,852)	(297,967)				
	808,160	355,076	552,425	574,178	-	-	1,360,585	929,254				
Finance cost	(659,027)	(154,101)	(451,568)	(319,706)	-	-	(1,110,595)	(473,807)				
Provision for taxation	149,133	200,976	100,857	284,473	-	-	249,990	465,447				
Profit for the period	61,486	175,224	40,991	177,113	-	-	102,477	352,937				

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, 2023.

15.3 Segment assets and liabilities

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

	Spinning		Weaving		Total	
	Un-audited Sep 30 2023	Audited June 30 2023	Un-audited Sep 30 2023	Audited June 30 2023	Un-audited Sep 30 2023	Audited June 30 2023
	Rupees in "000"					
Segment assets for reportable segment						
Operating fixed assets	10,081,376	4,761,945	6,464,650	5,679,716	16,536,026	10,441,661
Stores, spares and loose tools	384,826	261,944	174,844	195,782	559,670	457,726
Stock in trade	7,089,440	5,237,860	3,918,283	4,925,057	11,007,723	10,162,917
	17,555,642	10,261,749	10,547,777	10,800,555	28,103,419	21,062,304
Unallocated corporate assets					9,892,925	15,471,903
Total assets as per balance sheet					37,996,344	36,534,207

15.4 Segment liabilities for reportable segments

Unallocated corporate liabilities					7,041,097	8,410,693
Total liabilities as per balance sheet					27,783,672	26,421,622

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

For the three months period ended September 30, 2023

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 31st October 2023 by the Board of Directors of the Company.

18 GENERAL

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



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