



**3rd Quarterly Accounts**  
**March 31, 2017**  
**(Un-Audited)**



**Reliance Weaving**  
**Mills Limited**  
A Fatima Group Company





# 3rd Quarterly Accounts

March 31, 2017

(Un-Audited)

## Company Information

### Board of Directors

#### Executive Directors

Mr. Fazal Ahmed Sheikh  
Mr. Faisal Ahmed Mukhtar

#### Non-Executive Directors

Mr. Fawad Ahmed Mukhtar  
Mr. Fahd Mukhtar  
Mrs. Fatima Fazal  
Mrs. Farah Faisal

#### Independent Director

Dr. M. Shaukat Malik

### Board Committees

#### Audit Committee

Mr. Fahd Mukhtar  
Mrs. Fatima Fazal  
Dr. M. Shaukat Malik

Chairman  
Member  
Member

#### HR & Remuneration Committee

Mr. Fahd Mukhtar  
Mr. Faisal Ahmed Mukhtar  
Dr. M. Shaukat Malik

Chairman  
Member  
Member

### Executive Management Team

#### Chief Executive Officer

Mr. Fazal Ahmed Sheikh

#### Chief Financial Officer

Mr. Waheed Ahmed

#### Company Secretary

Mr. Aftab Qaiser

#### GM Marketing

Mr. Khawaja Sajid  
Mr. Aqeel Saifi

#### GM Weaving

Mr. Ikram Azeem

#### GM Spinning (Rawat)

Mr. Hafeez ur Rehman

#### GM Spinning (Multan)

Mr. Muhammad Shoab Alam

### Bankers

Allied Bank Ltd  
The bank of Khyber  
Bank Al-Falah Ltd  
Burj Bank Ltd  
Dubai Islamic Bank (Pakistan) Ltd  
First Habib Modaraba  
Habib Bank Ltd  
Habib Metropolitan Bank Ltd  
MCB Bank Ltd  
Meezan Bank Ltd  
National Bank of Pakistan

NIB Bank Ltd  
Pak Libya Holding Company (Pvt) Ltd  
Pak Brunei Investment Company Ltd  
Pak China Investment Company Ltd  
Saudi Pak Industrial & Agricultural Investment Company Ltd  
Sindh Bank Ltd  
Soneri Bank Ltd  
Standard Chartered Bank (Pakistan) Ltd  
Orix Modaraba  
Samba Bank Ltd  
United Bank Ltd

### Auditors & Share Registrar

#### External Auditors

Shinewing Hameed Chaudhri & Co.,  
Chartered Accountants,  
Multan.

#### Shares Registrar

M/s CDC Pakistan Ltd.  
2nd Floor 307-Upper Mall Lahore  
info@cdc.pak.com  
basharat.hashmi@fatima-group.com

#### Legal Advisor

Haji Muhammad Aslam Malik  
Opposite canal Offices Near High Court Multan

### Business Offices

#### Registered Office

2nd Floor Trust Plaza, LMQ Road, Multan.  
Tel # 061-4512031-2, 061-4546238  
Fax # 061-4511677, 061-4584288  
e-mail: info@fatima-group.com

#### Head Office

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

### Sites Address

#### 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

## Director's Review To The Shareholders

Directors of Your Company are pleased to present the financial statements of the Company for the nine months period ended 31 March 2017.

### State of affairs and financial results

During the period, the Company earned after tax net profit of Rs. 76 M as compared to loss of Rs.120 M in the comparative period last year. The turnover and gross margin of the Company improved by 12% and 1.6% respectively. Major reason of improvement of results is cotton buying at very competitive rate.

### Future Outlook

Going forward, as the cotton market is very bullish so benefit of cotton buying at competitive rate shall also translate in next quarter of the current year. Textile sector is demanding from the Government to release the rebate amount which was announced in the last textile package, we hope that the Government will accede to our request positively.

On Behalf of Board of Directors

Sd/-

**Fazal Ahmed Sheikh**  
(Chief Executive Officer)

**Date:** April 26, 2017  
**Place:** Lahore

## Condensed Interim Balance Sheet (Un-audited)

As At March 31, 2017

		Un-audited March 31, 2017	Audited June 30, 2016
		----- (Rs in "000") -----	
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
		400,000	400,000
		300,000	300,000
		700,000	700,000
		308,109	308,109
		193,235	179,977
		1,711,638	1,651,176
		2,212,982	2,139,262
		634,325	634,325
<b>Surplus on revaluation of fixed assets - freehold land</b>			
<b>Non-current Liabilities</b>			
		1,439,603	1,943,687
	4	447	2,952
		176,763	154,871
		1,616,813	2,101,510
<b>Current Liabilities</b>			
		770,712	744,035
		5,460,867	3,559,808
		711,985	868,988
		106,013	103,341
		7,049,577	5,276,172
		-	-
	5	11,513,697	10,151,269
<b>ASSETS</b>			
<b>Non-current assets</b>			
		5,013,163	5,166,040
	6	4,857	5,566
		862,069	795,659
	7	19,639	15,572
		50,958	50,958
		5,950,686	6,033,795
<b>Current assets</b>			
		187,413	182,572
		3,403,194	2,346,349
		840,961	528,178
		398,595	392,010
	8	12,561	27,834
		57,615	3,263
		123,835	110,578
	9	466,474	449,300
		72,363	77,390
		5,563,011	4,117,474
		11,513,697	10,151,269

The annexed selected notes from 1 to 18 form an integral part of this condensed interim financial information.

Sd/-

Chief Executive Officer

Sd/-

Director

## Condensed Interim Profit And Loss Account (Un-audited)

For the nine months period ended March 31, 2017

	Note	Nine months ended March 31,		Three months ended March 31,	
		2017	2016	2017	2016
------(Rs in "000")-----					
Sales - net	10	8,550,713	7,542,554	3,066,120	2,800,144
Cost of sales		<u>(7,785,636)</u>	<u>(6,986,741)</u>	<u>(2,806,268)</u>	<u>(2,575,350)</u>
<b>Gross profit</b>		<b>765,077</b>	555,813	<b>259,852</b>	224,794
Distribution and marketing expenses		<u>(83,986)</u>	(80,986)	<u>(23,224)</u>	(27,832)
Administrative expenses		<u>(108,564)</u>	(107,557)	<u>(35,653)</u>	(34,000)
Other operating expenses		<u>(20,252)</u>	(8,565)	<u>(9,263)</u>	(2,744)
Finance cost		<u>(398,442)</u>	(410,385)	<u>(141,115)</u>	(131,621)
Other income		13,795	10,920	9,659	4,009
Share of loss from associate		<u>(5,353)</u>	(3,129)	<u>(3,843)</u>	-
		<u>(602,802)</u>	<u>(599,702)</u>	<u>(203,439)</u>	<u>(192,188)</u>
<b>Profit/(loss) before taxation</b>		<b>162,275</b>	(43,889)	<b>56,413</b>	32,606
Provision for taxation		<u>(86,406)</u>	<u>(76,179)</u>	<u>(30,722)</u>	<u>(28,272)</u>
<b>Profit/(loss) for the period</b>		<b><u>75,869</u></b>	<b><u>(120,068)</u></b>	<b><u>25,691</u></b>	<b><u>4,334</u></b>
Earnings/(loss) per share					
- basic and diluted (Rupees)		<u>2.46</u>	<u>(3.90)</u>	<u>0.83</u>	<u>0.14</u>

The annexed selected notes from 1 to 18 form an integral part of this condensed interim financial information.

Sd/-  
Chief Executive Officer

Sd/-  
Director

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended March 31, 2017

	Nine months ended March 31,		Three months ended March 31,	
	2017	2016	2017	2016
Note	------(Rs in "000")-----			
Profit/(loss) for the period	75,869	(120,068)	25,691	4,334
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
-Gain/(loss) on remeasurement of available for sale investment	13,257	(15,200)	5,513	(30,058)
Items that may not be reclassified subsequently to profit or loss:				
Share of other comprehensive income of associate	(3)	49	-	-
	13,254	(15,151)	5,513	(30,058)
<b>Total comprehensive income for the period</b>	<u>89,123</u>	<u>(135,219)</u>	<u>31,204</u>	<u>(25,724)</u>

The annexed selected notes from 1 to 18 form an integral part of this condensed interim financial information.

Sd/-  
Chief Executive Officer

Sd/-  
Director



## Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended March 31, 2017

	Note	Nine months ended March 31,	
		2017	2016
		----- (Rs. in "000") -----	
<b>A. Cash flows from operating activities</b>			
Cash (used in) / generated from operations	11	(825,200)	570,697
Finance cost paid		(401,114)	(363,858)
Taxes paid - net		(47,233)	(75,069)
Staff retirement benefits paid		(19,082)	(21,245)
Workers Profit Participation Fund paid		(19,615)	-
<b>Net cash (used in)/ generated from operating activities</b>		<b>(1,312,244)</b>	<b>110,525</b>
<b>B. Cash flows from investing activities</b>			
Fixed capital expenditure		(25,815)	(24,042)
Proceed from disposal of property, plant and equipment		3,019	758
Long term deposits		(4,067)	5,322
Long term investment		(71,766)	15,905
<b>Net cash used in investing activities</b>		<b>(98,629)</b>	<b>(2,057)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from long term finances		44,629	300,000
Repayment of long term finances		(508,909)	(480,667)
Decrease in lease liability		(15,631)	(22,720)
Finance under mark up arrangement - net		1,901,060	133,453
Dividend paid		(15,303)	(4)
<b>Net cash generated from / (used in) financing activities</b>		<b>1,405,846</b>	<b>(69,938)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>		<b>(5,027)</b>	<b>38,530</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>77,390</b>	<b>70,807</b>
<b>Cash and cash equivalents at end of the period</b>		<b>72,363</b>	<b>109,337</b>

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial information.

Sd/-  
Chief Executive Officer

Sd/-  
Director

# Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months period ended March 31, 2017

	Capital reserve			Revenue reserve			Total
	Share capital	Share premium	Fair value reserve	General reserve	Unappropriated Profit		
	----- (Rs. in "000") -----						
<b>Balance as at July 01, 2015 (audited)</b>	<b>308,109</b>	<b>41,081</b>	<b>76,281</b>	<b>74,172</b>	<b>1,609,792</b>	<b>2,109,435</b>	
Loss for the period ended March 31, 2016	-	-	-	-	(120,068)	(120,068)	
Other comprehensive income	-	-	(15,200)	-	49	(15,151)	
<b>Total comprehensive income for the period</b>	-	-	(15,200)	-	(120,019)	(135,219)	
<b>Balance as at March 31, 2016</b>	<b>308,109</b>	<b>41,081</b>	<b>61,081</b>	<b>74,172</b>	<b>1,489,773</b>	<b>1,974,216</b>	
<b>Balance as at July 01, 2016 (audited)</b>	<b>308,109</b>	<b>41,081</b>	<b>64,724</b>	<b>74,172</b>	<b>1,651,176</b>	<b>2,139,262</b>	
Profit for the period ended March 31, 2017	-	-	-	-	75,869	75,869	
Other comprehensive income	-	-	13,257	-	(3)	13,254	
<b>Total comprehensive income for the period</b>	-	-	13,257	-	75,866	89,123	
<b>Transactions with owners of the Company recognized directly in equity</b>							
Cash dividend paid for the year ended June 30, 2016 @ Rs. 0.25 per share	-	-	-	-	(15,405)	(15,405)	
<b>Balance as at March 31, 2017</b>	<b>308,109</b>	<b>41,081</b>	<b>77,981</b>	<b>74,172</b>	<b>1,711,637</b>	<b>2,212,980</b>	

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial information.

Sd/-

Chief Executive Officer

Sd/-

Director

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

### 1. THE COMPANY AND ITS 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 and its shares are quoted on Pakistan Stock Exchange Limited ("PSX"). The Company commenced its operations on May 14, 1990 and principally engaged in the manufacture and sale of yarn and fabric. The registered office of the Company is situated at 2nd Floor, Trust Plaza, L.M.O. Road, Multan.

### 2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the nine months period ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2016. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2016 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the nine months period ended on March 31, 2016.

#### 2.3 Presentation and functional currency

The condensed interim financial information are presented in Pak Rupees, which is the Company's functional and presentation currency.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2016. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2016, which do not have any impact on this condensed interim financial information.

### 4. LONG TERM FINANCING

From financial institutions - secured  
Less: current portion

	Un-audited March 31, 2017	Audited June 30, 2016
Note	------(Rs. in "000")-----	
4.1	2,204,929	2,669,209
	(765,326)	(725,522)
	<u>1,439,603</u>	<u>1,943,687</u>

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

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

	Un-audited March 31, 2017	Audited June 30, 2016
Note	----- (Rs. in "000") -----	
Opening balance	2,669,209	2,782,095
Add: obtained during the period / year	44,629	500,000
	2,713,838	3,282,095
Less: repaid during the period / year	(508,909)	(612,886)
Closing balance	2,204,929	2,669,209

## 5. CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

There is no significant change in the status of contingent liabilities since the annual published audited financial statements as at June 30, 2016, except the following;

- Bank guarantee outstanding as at March 31, 2017 are Rs. 171.780 million ( June 30, 2016: Rs. 148.395 million).
- Foreign bills discounted outstanding as at March 31, 2017 are Rs. 461.723 million ( June 30, 2016: Rs. 809.304 million).

### 5.2 Commitments

#### 5.2.1 Commitments in respect of forward foreign exchange contracts:

- Sales	104,947	1,550
- Purchase	52,473	-

#### 5.2.2 Letters of credit for:

- Capital expenditures	427,244	-
- Other than capital expenditures	57,122	58,878
	484,366	58,878

#### 5.2.3 Stand by letters of credit for:

- Commitment to inject equity in Fatima Energy Limited:	1,750,000	1,750,000
--	-----------	-----------

## 6. PROPERTY, PLANT AND EQUIPMENT

Operating assets	4,977,607	5,138,451
Capital work in progress	35,556	27,589
	5,013,163	5,166,040

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	----- (Rs. in "000") -----	
<b>6.1 Operating assets</b>			
Opening written down value		5,138,451	5,349,600
Additions during the period / year		17,848	33,870
Net book value of operating assets disposed off - during the period / year		(5,685)	(1,114)
Depreciation charged during the period / year		(173,007)	(243,905)
<b>Closing written down value</b>		<b>4,977,607</b>	<b>5,138,451</b>
		<b>Additions at cost</b>	<b>Disposal at book value</b>
<b>6.1.1 Additions / disposals during the period</b>		----- (Rs. in '000) -----	
Plant and machinery		8,716	4,769
Electric installations		5,820	-
Factory equipment		687	-
Office equipment		1,402	-
Electric appliances		737	-
Furniture and fixtures		486	-
Vehicles		-	916
		<b>17,848</b>	<b>5,685</b>
		Un-audited March 31, 2017	Audited June 30, 2016
<b>7. LONG TERM INVESTMENT</b>	Note	----- (Rs. in "000") -----	
Investment in associate - Un-quoted			
Fatima Energy Limited	7.1	790,313	795,659
Fatima Transmission Company Limited	7.2	71,756	-
		<b>862,069</b>	<b>795,659</b>
<b>7.1 Fatima Energy Limited ("FEL") at equity method</b>			
Cost		800,054	800,054
Share of post acquisition loss		(19,971)	(14,627)
Share of other comprehensive income		2,211	2,213
Gain on dilution of investment in associate		8,019	8,019
<b>Carrying amount at end of the period</b>		<b>790,313</b>	<b>795,659</b>
No. of shares held		80,016,370	80,016,370
Ownership interest in percentage		14.11%	14.11%

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

Note	Un-audited	Audited
	March 31, 2017	June 30, 2016
	----- (Rs. in "000") -----	
<b>7.2 Fatima Transmission Company Limited ("FTCL") at equity method</b>		
Cost	71,766	-
Share of post acquisition loss	(10)	-
Carrying amount at end of the period	<u>71,756</u>	<u>-</u>
No. of shares held	7,176,563	-
Ownership interest in percentage	31.20%	0.00%
<b>8. LOANS AND ADVANCES</b>		
Advances - considered good		
- To employees	140,913	123,570
- To suppliers	80,059	76,753
Due from related parties	11,145	53,409
Letters of credit - margins, deposits, opening charges, etc.	166,478	138,278
	<u>398,595</u>	<u>392,010</u>
<b>9. OTHER FINANCIAL ASSETS</b>		
Short term investment - available for sale		
- Fatima Fertilizer Company Limited	9.1 102,355	89,098
Short term investment - Others		
Multan Real Estate Company (Pvt) Ltd.	21,480	21,480
	<u>123,835</u>	<u>110,578</u>
<b>9.1 Fatima Fertilizer Company Limited</b>		
Carrying amount at beginning of the period / year		
2,625,167 (June 30, 2016: 2,625,167)		
fully paid ordinary shares of Rs.10 each	89,098	102,565
Fair value adjustment	13,257	(13,467)
Closing market value of 2,625,167		
(June 30, 2016: 2,625,167) shares	<u>102,355</u>	<u>89,098</u>

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

	Un-audited Nine months ended March 31,		Un-audited Three months ended March 31,	
	2017	2016	2017	2016
	------(Rs in "000")-----			
<b>10. SALES - net</b>				
Export	3,484,702	3,766,186	1,030,419	1,257,989
Local	4,969,427	3,784,224	1,979,415	1,512,268
Waste	138,101	104,979	62,217	43,532
	<u>8,592,230</u>	<u>7,655,389</u>	<u>3,072,051</u>	<u>2,813,789</u>
Less: Commission	<u>(78,766)</u>	<u>(76,643)</u>	<u>(27,119)</u>	<u>(27,301)</u>
	<u>8,513,464</u>	<u>7,578,746</u>	<u>3,044,933</u>	<u>2,786,488</u>
Add: Weaving/doubling/sizing income	15,553	77,663	175	59,616
Export rebate	21,696	1,704	21,013	692
	<u>37,249</u>	<u>79,367</u>	<u>21,187</u>	<u>60,308</u>
Less: Sales tax	-	(115,559)	-	(46,652)
	<u>8,550,713</u>	<u>7,542,554</u>	<u>3,066,120</u>	<u>2,800,144</u>

	Un-audited Nine months period ended March 31,	
	2017	2016
	------(Un-audited)-----	
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit/(loss) before tax	162,275	(43,889)
<b>Adjustments for non cash charges and other items:</b>		
Depreciation on property, plant and equipment	173,007	182,850
Amortization of intangible assets	710	710
Staff retirement benefits accrued	40,974	33,084
Loss/ (gain) on disposal of property, plant and equipment	2,666	(6)
Share on loss from associate	5,353	3,129
Workers' profit participation fund accrued	8,823	-
Finance cost (excluding exchange (Gain)/ loss)	<u>397,888</u>	<u>397,326</u>
Profit before working capital changes	<u>791,696</u>	<u>573,204</u>
<b>Effect on cash flow due to working capital changes:</b>		
(Increase)/ decrease in current assets		
- Stores, spares and loose tools	(4,841)	(10,317)
- Stock in trade	(1,056,846)	(661,847)
- Trade debts	(312,783)	429,784
- Loans and advances	(6,585)	70,037
- Trade deposits and prepayments	15,273	(19,589)
- Tax refunds due from government (excluding income tax)	(50,449)	101,496
- Other receivables	(54,352)	(5,092)
(Decrease)/ increase in current liabilities		
- Trade and other payables (excluding workers' profit participation fund)	(146,313)	93,021
	<u>(1,616,896)</u>	<u>(2,507)</u>
Cash (used in)/ generated from operations	<u>(825,200)</u>	<u>570,697</u>

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

### 12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

Nature of transaction	Un-audited Nine months ended March 31,		Un-audited Three months ended March 31,	
	2017	2016	2017	2016
	------(Rs in "000")-----			
<b><u>Associated undertakings</u></b>				
Purchase of goods	24,249	56,142	8,045	13,472
Sale of goods	2,560	-	(400)	-
Mark up charged	10,467	6,609	10,424	19
Mark up expense	3,064	2,984	1,229	1,070
Purchase / Sale of operating fixed assets	1,303	344	1,303	344
Advances	60,850	-	-	-
Allotment of shares	71,766	30,120	-	30,120
Others	11,232	-	268	-
<b><u>Key management personnel</u></b>				
Remuneration under the terms of employment to:				
Director	3,006	2,031	1,002	676
Executives	19,880	15,051	6,086	4,615
<b><u>Others</u></b>				
Donations	8,763	7,600	4,163	1,779

All transactions 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, 2016.

### 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, 2016.



## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

	----- (Un-audited) -----			----- (Audited) -----		
	March 31, 2017			June 30, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees in '000'					
<b>Note</b>						
<b>Property, plant and equipment</b>						
- Freehold lands	-	752,939	-	-	752,939	-
<b>Other financial assets</b>						
- Short term investment - available for sale	102,355	-	-	89,098	-	-
	<u>102,355</u>	<u>752,939</u>	<u>-</u>	<u>89,098</u>	<u>752,939</u>	<u>-</u>

There were no transfers between levels and no changes in valuation techniques during the period / year.

The Company has not disclosed the fair values of all other assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

**15.1** The Company follows the revaluation model for its freehold land. The fair value measurement as at May 31, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of the State Bank of Pakistan and the possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. Fair market value of the land was assessed through inquires from various estate agents and brokers keeping in view the location of the property, size, status, utilization and current trends in prices of real estate in the vicinity of the property.

Since the date of last revaluation, there has been no material change in the market factors that derive the fair value of these properties, therefore, management believes that the carrying value of such freehold lands approximate its fair market value.

**15.2** Available for sale short term investment includes quoted equity shares. The investment is remeasured at each reporting date at its fair value by using the prevailing market rate of shares on Pakistan Stock Exchange Limited ('PSX').

**15.3** Had there been no revaluation, the book values would have been as follows:

	Un-audited March 31, 2017	Audited June 30, 2016
	----- Rupees in '000' -----	
<b>Property, plant and equipment</b>		
- Freehold lands	118,614	118,614
<b>Other financial assets</b>		
- Short term investment - available for sale	24,374	24,374
	<u>142,988</u>	<u>142,988</u>

# Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

## 16 SEGMENT REPORTING

### 16.1 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:

### 16.2 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	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Nine months ended March 31,</b>	<b>Un Audited</b>							
	<b>Rupees 000</b>							
Sales - net	5,024,773	4,794,009	5,921,915	4,977,294	(2,395,975)	(1,446,159)	8,550,713	8,325,144
Cost of sales	(4,618,068)	(4,582,107)	(5,563,543)	(4,633,383)	2,395,975	1,446,159	(7,785,636)	(7,769,331)
Gross profit	406,705	211,902	358,372	343,911	-	-	765,077	555,813
Distribution and marketing expenses	(16,699)	(15,827)	(67,287)	(65,159)	-	-	(83,986)	(80,986)
Administrative expenses	(54,283)	(53,424)	(54,281)	(54,133)	-	-	(108,564)	(107,557)
Finance cost	(208,204)	(225,798)	(190,238)	(184,587)	-	-	(398,442)	(410,385)
Other operating expenses	(15,632)	(5,483)	(4,620)	(3,082)	-	-	(20,252)	(8,565)
Other income	6,778	2,957	7,017	7,963	-	-	13,795	10,920
Share of loss from associate	(2,677)	(1,564)	(2,676)	(1,565)	-	-	(5,353)	(3,129)
	(290,717)	(299,139)	(312,085)	(300,563)	-	-	(602,802)	(599,702)
Profit / (Loss) before taxation	115,988	(87,237)	46,287	43,348	-	-	162,275	(43,889)
Provision for Taxation	(26,627)	(25,824)	(59,779)	(50,355)	-	-	(86,406)	(76,179)
<b>Profit / (Loss) for the period</b>	<b>89,361</b>	<b>(113,061)</b>	<b>(13,492)</b>	<b>(7,007)</b>			<b>75,869</b>	<b>(120,068)</b>

16.2.1 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, 2016.

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

### 16.3 Segment assets

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

	Spinning		Weaving		Total	
	Un-audited March 31, 2017	Audited June 30, 2016	Un-audited March 31, 2017	Audited June 30, 2016	Un-audited March 31, 2017	Audited June 30, 2016
	-----Rupees '000'-----					
Segment assets for reportable segment						
Operating fixed assets	3,033,968	3,141,175	1,929,788	1,978,568	4,963,756	5,119,743
Stores, spares and loose tools	119,726	116,559	67,687	66,013	187,413	182,572
Stock in trade	2,449,322	1,510,248	953,708	836,101	3,403,030	2,346,349
	<u>5,603,016</u>	<u>4,767,982</u>	<u>2,951,183</u>	<u>2,880,682</u>	<u>8,554,199</u>	<u>7,648,664</u>
Unallocated corporate assets					<u>2,959,498</u>	<u>2,502,605</u>
Total assets as per balance sheet					<u>11,513,697</u>	<u>10,151,269</u>
<b>16.4 Segment liabilities</b>						
Segment liabilities for reportable segments	<u>4,149,229</u>	<u>3,522,498</u>	<u>3,522,401</u>	<u>2,727,984</u>	<u>7,671,630</u>	<u>6,250,482</u>
Unallocated corporate liabilities					<u>994,760</u>	<u>1,127,200</u>
Total Liabilities as per balance sheet					<u>8,666,390</u>	<u>7,377,682</u>

## Selected Notes to Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2017

### 17. DATE OF AUTHORIZATION

These condensed interim financial information are authorized for issue by the Boeard of Directors of the Company on April 26, 2017.

### 18. GENERAL

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

Sd/-  
Chief Executive Officer

Sd/-  
Director



