



Reliance Weaving
Mills Limited
A Fatima Group Company

THE ART OF TEXTILE

3rd Quarterly Accounts

March 31, 2024
(Un-audited)

3rd Quarterly Accounts

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

(UN-AUDITED)



CREDIT RATING RELIANCE WEAVING MILLS LIMITED

A

A-2

CERTIFICATIONS



COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Faisal Ahmed (Chief Executive Officer)

Non-Executive Directors

Mr. Fawad Ahmed Mukhtar (Chairman)

Mr. Abbas Mukhtar

Mr. Muhammad Mukhtar Sheikh

Mrs. Fatima Fazal

Mr. Muhammad Fazeel Mukhtar

Independent Directors

Mr. Imran Bashir

Mr. Shoaib Ahmad Khan

COMMITTEES OF THE BOARD

Audit Committee

Mr. Imran Bashir (Chairman)

Mr. Shoaib Ahmad Khan (Member)

Mr. Muhammad Mukhtar Sheikh (Member)

HR & Remuneration Committee

Mr. Shoaib Ahmad Khan (Chairman)

Mr. Imran Bashir (Member)

Mr. Muhammad Fazeel Mukhtar (Member)

Risk Management Committee

Mr. Faisal Ahmed (Chairman)

Mr. Imran Bashir (Member)

Mr. Shoaib Ahmad Khan (Member)

Nomination Committee

Mr. Fawad Ahmed Mukhtar (Chairman)

Mr. Faisal Ahmed (Member)

Mr. Muhammad Fazeel Mukhtar (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

Technical Director Spinning (Multan)

Mr. Muhammad Shoaib Alam

GM Spinning (Rawat)

Mr. Salahudin Khattak

GM Supply Chain

Mr. Muhammad Javed Nazir

Head of Treasury

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: mux@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 behalf of the Board of Directors, we are pleased to present nine months financial statements of the Company for the period ended March 31, 2024.

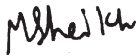
Financial Highlights

Revenue of the company has been increased by Rs. 7.57 billion and EBIDTA by Rs. 1.65 billion as compared to previous period. The company earned net profit of Rs. 39 million as compared to Rs. 36 million in previous period.

Profit of the company is affected mainly due to increase in finance cost by Rs. 1,340 million because of higher KIBOR upto 22% and increase in working capital requirements due to inflationary effect of raw material and finished goods. Energy costs have been increased by Rs. 810 million due to hike in gas / RLNG prices.

The textile sector in Pakistan is encountering various national and international challenges such as diminished global demand, inflated cost of doing business and costly imports which renders textile industry uncompetitive. Management remains hopeful about achieving profitability by emphasizing cost transformation. However, macro indicators like current account deficit has improved due to which PKR is strengthened against USD. Further, the spinning unit of 25,536 spindles has become operational in the current period due to which the future results of the company are expected to improve.

For and on behalf of the Board,



Muhammad Mukhtar Sheikh

(Director)



Faisal Ahmed

(Chief Executive)

Date: April 30, 2024

Place: Multan

ڈائریکٹرز جائزہ رپورٹ

محترم ممبران

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 مارچ 2024 کو ختم ہونے والی مدت کے لیے نو ماہ کی کمپنی کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔


مالیاتی جھلکیاں:

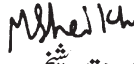
کمپنی کے ریونیو میں گزشتہ مدت کے مقابلے میں 7.57 بلین روپے اور EBIDTA میں 1.65 بلین روپے کا اضافہ ہوا ہے۔ کمپنی نے گزشتہ مدت میں 36 بلین روپے کے مقابلے میں رواں مدت میں 39 بلین روپے کا خالص منافع کمایا۔

کمپنی کا منافع بنیادی طور پر مالیاتی لاگت میں 1340 بلین روپے کے اضافے اور KIBOR کی شرح 22 فیصد تک ہونے اور کام کرنے والے سرمائے کی ضروریات میں خام مال اور تیار سامان کی افراط زر کے اثر کی وجہ سے متاثر ہوا ہے۔ گیس / آرائل این جی کی قیمتوں میں اضافے کی وجہ سے توانائی کی قیمتوں میں 810 بلین روپے کا اضافہ ہوا ہے۔

پاکستان میں ٹیکسٹائل کا شعبہ مختلف قومی اور بین الاقوامی چیلنجز کا سامنا کر رہا ہے جیسے کہ عالمی مانگ میں کمی، کاروبار کرنے کی مہنگی لاگت اور مہنگی درآمدات جو ٹیکسٹائل کی صنعت کو غیر مسابقتی بناتی ہیں۔ انتظامیہ لاگت کی تبدیلی پر زور دے کر منافع کے حصول کے بارے میں پر امید ہے۔ تاہم، کرنٹ اکاؤنٹ خسارہ جیسا کہ میکرو اینڈیکسٹرز میں بہتری آئی ہے جس کی وجہ پاکستانی کرنسی کا ڈالر کے مقابلے میں مضبوط ہونا ہے۔ مزید یہ کہ موجودہ عرصے میں 25,536 سپنڈلز کا سپنڈنگ یونٹ کام شروع کر چکا ہے جس کی وجہ سے کمپنی کے مستقبل کے نتائج میں بہتری کی توقع ہے۔

بورڈ کے لئے اور اس کی طرف سے


مسٹر فیصل احمد
چیف ایگزیکٹو


محمد مختار شیخ
ڈائریکٹر

مقام: ملتان

تاریخ: 30 اپریل 2024





CONDENSED INTERIM FINANCIAL INFORMATION

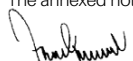
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024
(UN-AUDITED)

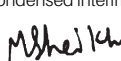
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)


As at March 31, 2024

		(Un-audited) March 31 2024	(Audited) June 30 2023
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	5	16,601,871	16,710,351
Long term investments	6	1,437,282	1,437,282
Long term deposits		29,719	29,719
Deferred tax asset		370,514	307,170
		18,439,386	18,484,522
Current assets			
Stores, spares and loose tools		457,473	457,726
Stock-in-trade		8,905,338	10,162,917
Trade debts		5,827,110	4,689,630
Loans and advances	7	644,829	567,203
Prepayments and other receivables		234,626	202,151
Short term investments	8	367,535	341,625
Tax refunds due from the Government		277,652	1,070,765
Cash and bank balances		569,947	557,668
		17,284,510	18,049,685
TOTAL ASSETS		35,723,896	36,534,207
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		700,000	700,000
Issued, subscribed and paid-up share capital		308,109	308,109
Reserves		6,884,946	6,820,009
Revaluation surplus on freehold land - Capital Reserve		2,984,467	2,984,467
		10,177,522	10,112,585
Liabilities			
Non-current liabilities			
Long term finances	9	5,205,201	5,694,162
Lease liabilities		66,412	109,976
Staff retirement benefits - gratuity		459,488	393,733
Deferred liabilities		-	4,623
		5,731,101	6,202,494
Current liabilities			
Trade and other payables		4,867,631	6,292,810
Unclaimed dividend		13,211	13,218
Accrued mark-up		867,496	924,828
Short term borrowings		12,300,559	11,372,091
Current portion of non-current liabilities		1,181,458	1,070,248
Taxation		584,918	545,933
		19,815,273	20,219,128
Total liabilities		25,546,374	26,421,622
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		35,723,896	36,534,207

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 nine months period ended March 31, 2024

	Note	Nine months period ended		Quarter ended	
		Mar. 31, 2024	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2023
----- Rupees in thousand -----					
Sales - net	11	31,723,989	24,156,236	11,558,124	8,497,328
Cost of sales		(27,781,435)	(21,641,631)	(10,216,071)	(7,905,822)
Gross profit		3,942,554	2,514,605	1,342,053	591,506
Distribution and marketing expenses		(295,312)	(321,955)	(112,632)	(85,957)
Administrative expenses		(349,479)	(274,844)	(112,927)	(92,121)
Other expenses		(30,453)	(56,081)	(1,668)	21,553
Other income		124,836	131,353	530	123,130
		(550,408)	(521,527)	(226,697)	(33,395)
Profit from operations		3,392,146	1,993,078	1,115,356	558,111
Finance cost		(3,007,093)	(1,667,107)	(980,088)	(619,748)
Profit / (loss) before taxation		385,053	325,971	135,268	(61,637)
Provision for taxation		(346,026)	(289,478)	(132,477)	(103,865)
Profit / (loss) after taxation		39,027	36,493	2,791	(165,502)
Earnings / (loss) per share		1.27	1.18	0.09	(5.37)

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 nine months period ended March 31, 2024

	Nine months period ended		Quarter ended	
	Mar. 31, 2024	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2023
	----- Rupees in thousand -----			
Profit / (loss) after taxation	39,027	36,493	2,791	(165,502)
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 statement of profit or loss:				
- Unrealised gain / (loss) on remeasurement of short term investments at fair value through other comprehensive income	25,910	(83,384)	10,999	(9,451)
Total comprehensive income / (loss) for the period	64,937	(41,620)	13,790	(174,953)

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 nine months period ended March 31, 2024

	Share capital	Capital Reserves				Revenue		Total
		Share premium	Revaluation surplus on freehold land	Unrealised loss on forward foreign exchange contracts	Fair value gain / (loss) on short term investments at FVTOCI	General reserve	Un-appropriated profit	
Rupees in thousand								
Balance as at July 01, 2023 (audited)	308,109	41,081	2,984,467	-	(29,136)	74,172	6,733,891	10,112,584
Total comprehensive income for the period of nine months ended March 31, 2024								
- profit for the period	-	-	-	-	-	-	39,027	39,027
- other comprehensive income	-	-	-	-	25,910	-	-	25,910
	-	-	-	-	25,910	-	39,027	64,937
Balance as at March 31, 2024 (Un-audited)	308,109	41,081	2,984,467	-	(3,226)	74,172	6,772,918	10,177,521
Balance as at July 01, 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 nine months ended March 31, 2023								
- profit for the period	-	-	-	-	-	-	36,493	36,493
- other comprehensive income / (loss)	-	-	-	5,271	(83,384)	-	-	(78,113)
	-	-	-	5,271	(83,384)	-	36,493	(41,620)
Balance as at March 31, 2023 (Un-audited)	308,109	41,081	1,708,083	(5,709)	351,029	74,172	6,518,903	8,995,668

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended March 31, 2024

	Nine months period ended	
	March 31 2024	March 31 2023
Rupees in thousand		
Cash flow from operating activities		
Profit for the period - before taxation	385,053	325,971
Adjustments for non cash charges and other items:		
Depreciation	559,578	308,529
Staff retirement benefits - gratuity	105,482	98,308
Provision for impairment of trade debts	665	
Gain on disposal of operating fixed assets - net	(2,391)	(8,066)
Finance cost	3,007,093	1,667,107
Profit before working capital changes	4,055,480	2,391,849
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	253	(282,432)
Stock-in-trade	1,257,579	(1,150,285)
Trade debts	(1,138,145)	(300,312)
Loans and advances	(77,626)	(243,305)
Prepayments and other receivables	(32,475)	(27,336)
Tax refunds due from the Government (excluding income tax)	739,787	(23,476)
(Decrease) / Increase in trade and other payables	(1,425,179)	907,624
	(675,806)	(1,119,522)
Cash generated from / (used in) operations	3,339,947	1,272,327
Staff retirement benefits paid	(39,727)	(39,449)
Income taxes paid - net	(317,059)	(270,917)
Net cash used in operating activities	3,022,888	961,961
Cash flows from investing activities		
Fixed capital expenditures	(451,891)	(4,483,792)
Sale proceeds of operating fixed assets	3,185	12,328
Long term deposits	-	(673)
Net cash used in investing activities	(448,706)	(4,472,137)
Cash flows from financing activities		
Long term finances - net	(392,303)	2,520,619
Deferred liabilities	-	(2,329)
Lease liabilities - net	(33,635)	42,899
Short term borrowings - net	928,467	2,624,228
Finance cost paid	(3,064,425)	(1,297,952)
Dividend paid	(7)	(121,528)
Net cash generated from financing activities	(2,561,903)	3,765,937
Net increase in cash and cash equivalents	12,279	255,761
Cash and cash equivalents - at beginning of the period	557,668	134,208
Cash and cash equivalents - at end of the period	569,947	389,969

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


Chief Executive


Director


Chief Financial Officer

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

For the nine months period ended March 31, 2024

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 March 31 2024	Audited June 30 2023	
Rupees in thousand				
5	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	5.1	16,344,053	10,292,878
	Capital work-in-progress		109,072	6,268,691
	Right-of-use assets	5.2	148,746	148,782
		16,601,871	16,710,351	

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

For the nine months period ended March 31, 2024

	Un-audited March 31 2024	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	1,475,336	-
- plant and machinery	4,798,917	627,186
- electric installations	75,050	7
- factory equipment	134,685	8,527
- office equipment	18,214	6,148
- electric appliances	7,878	2,881
- furniture and fixtures	1,098	2,886
- vehicles	4,823	20,065
	6,587,813	667,700
Surplus on revaluation of land	-	1,276,384
Book value of operating fixed assets disposed-off	(794)	(1,162)
Depreciation charge for the period / year	(535,844)	(406,951)
Transfer from leased to owned	-	7,186
Book value as at period / year end	16,344,053	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	(23,734)	(27,957)
	148,746	148,782

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

For the nine months period ended March 31, 2024

	Un-audited March 31 2024	Audited June 30 2023
Note	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 - 76,377,897	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 Equity held: 31.25%	71,875	71,875
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	366,860	330,204
- To suppliers	183,421	156,294
Due from related parties	37,946	36,568
Letters of credit - margins, deposits etc.	56,602	44,137
	644,829	567,203

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

For the nine months period ended March 31, 2024

		Un-audited March 31 2024	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		25,910	(20,975)
Fair value at the end of the period / year		104,166	78,256
Others - Un-quoted			
Multan Real Estate Company (Private) Limited		263,369	263,369
		367,535	341,625

9 LONG TERM FINANCES

From financial institutions - secured	9.1	6,140,731	6,533,035
Less: current portion		(935,530)	(838,873)
		5,205,201	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		200,000	3,184,264
		6,733,035	7,405,607
Less: repaid during the period / year		(592,304)	(872,572)
Closing balance		6,140,731	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:

Bank guarantee outstanding as at March 31, 2024 are Rs. 594.060 million (June 30, 2023: Rs. 436.177 million).

Foreign and inland bills discounted outstanding as at March 31, 2024 are Rs. 1,520.526 million (June 30, 2023: Rs. 239.684 million).

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

For the nine months period ended March 31, 2024

	Un-audited March 31 2024	Audited June 30 2023
Note	Rupees in thousand	
10.2 Commitments		
10.2.1 Letters of credit for:		
-Capital expenditures	-	50,380
-Other than capital expenditures	1,009,364	446,203
	1,009,364	496,583

	-----Un-audited----- Nine months period ended March 31, 2024	2023
	Rupees in thousand	
11 SALES - net		
Export	18,288,129	13,611,881
Local	13,087,835	10,536,824
Waste	665,015	340,078
Yarn doubling	3,742	157
	32,044,721	24,488,940
Less: Commission	(320,732)	(332,704)
	31,723,989	24,156,236

11.1 Export sales includes indirect export of fabric and yarn amounting to Rs.7,888 million (Mar 2023: Rs. 5,853 million).

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

For the nine months period ended March 31, 2024

12 TRANSACTIONS WITH RELATED PARTIES

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

Nature of transaction	-----Un-audited-----	
	Nine months period ended March 31,	
	2024	2023
	Rupees in thousand	
<u>Associated undertakings</u>		
- sale of goods	46,580	13,876
- purchase of goods	1,845,961	1,642,472
- mark-up income	323	244
- mark-up expense	52,280	5,751
- payments received	342,592	558,600
- payments made	1,960,718	565,000
- other expenses shared	12,107	1,766
<u>Key management personnel</u>		
- remuneration and other benefits	87,594	76,516
<u>Others</u>		
Donations to Mian Mukhtar A. Sheikh Trust	18,900	27,455

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 nine months period ended March 31, 2024

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)-----							
	Mar. 31 2024	Mar. 31 2023	Mar. 31 2024	Mar. 31 2023	Mar. 31 2024	Mar. 31 2023	Mar. 31 2024	Mar. 31 2023
	-----Rupees in thousand-----							
Sales - net	20,199,614	11,104,840	19,111,025	19,257,684	(7,586,650)	(6,206,288)	31,723,989	24,156,236
Cost of sales	(17,848,224)	(10,174,115)	(17,519,861)	(17,673,804)	7,586,650	6,206,288	(27,781,435)	(21,641,631)
Gross profit	2,351,390	930,725	1,591,164	1,583,880	-	-	3,942,554	2,514,605
Distribution and marketing expenses	(90,725)	(23,381)	(204,587)	(298,574)	-	-	(295,312)	(321,955)
Administrative expenses	(179,578)	(98,460)	(169,900.62)	(176,384)	-	-	(349,479)	(274,844)
Other expenses	(15,648)	(16,545)	(14,805)	(39,536)	-	-	(30,453)	(56,081)
Other income	24,967	3,825	99,869	127,528	-	-	124,836	131,353
	(260,984)	(134,561)	(289,424)	(386,966)	-	-	(550,408)	(521,527)
Profit from operations	2,090,406	796,164	1,301,740	1,196,914	-	-	3,392,146	1,993,078
Finance cost	(1,954,610)	(773,478)	(1,052,483)	(893,629)	-	-	(3,007,093)	(1,667,107)
Profit before taxation	135,795	22,686	249,258	303,285	-	-	385,053	325,971
Taxation	(120,624)	(134,584)	(225,402)	(154,894)	-	-	(346,026)	(289,478)
Profit / (loss) for the period	15,171	(111,898)	23,856	148,391	-	-	39,027	36,493

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.

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

For the nine months period ended March 31, 2024

15.3 Segment assets and liabilities

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

Segment assets and liabilities

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

	Spinning		Weaving		Total	
	Un-audited Mar. 31 2024	Audited June 30, 2023	Un-audited Mar. 31 2024	Audited June 30, 2023	Un-audited Mar. 31 2024	Audited June 30, 2023
	Rupees in thousand					
Segment assets for reportable segment						
Operating fixed assets	9,952,631	4,761,945	6,540,168	5,679,716	16,492,799	10,441,661
Stores, spares and loose tools	305,648	261,944	151,826	195,782	457,473	457,726
Stock-in-trade	4,686,641	5,237,860	4,238,697	4,925,057	8,905,338	10,162,917
	14,924,920	10,261,749	10,930,691	10,800,555	25,855,610	21,062,304
Unallocated corporate assets					9,868,286	15,471,903
Total assets as per statement of financial position					35,723,896	36,534,207
15.4 Segment liabilities for reportable segments	8,268,998	10,795,387	6,542,607	7,215,542	14,811,605	18,010,929
Unallocated corporate liabilities					10,734,769	8,410,694
Total liabilities as per statement of financial position					25,546,374	26,421,623

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 30th April 2024 by the Board of Directors of the Company.

18 GENERAL

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


Chief Executive


Director


Chief Financial Officer



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