

Half Yearly Accounts

December 31, 2014

(Un-Audited)



Company Information

Board of Directors

Executive Directors

Mr. Fazal Ahmed Sheikh
Mr. Faisal Ahmed Mukhtar

Non-Executive Directors

Mr. Fawad Ahmed Mukhtar Chairman
Mr. Fahd Mukhtar
Mrs. Fatima Fazal
Mrs. Farah Faisal
Mr. Shahid Aziz

Sub Committees of the Board

Audit Committee

Mr. Fahd Mukhtar Chairman
Mrs. Fatima Fazal Member
Mrs. Farah Faisal Member

HR & Remuneration Committee

Mr. Fahd Mukhtar Chairman
Mr. Faisal Ahmed Mukhtar Member
Mrs. Farah Faisal 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

GM Unit 1 & 2

Mr. Ikram Azeem

GM Unit # 3

Mr. Hafeez ur Rehman

GM Unit # 4

Mr. Muhammad Shoaib Alam

Bankers

Allied Bank Ltd
Bank of Khyber
Bank Al-Falah Ltd
Burj Bank Ltd
Dubai Islamic Bank 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 Brunei Investment Company Ltd
Pak China Investment Company Ltd
Saudi Pak Industrial & Agricultural Investment Company Ltd
Silk Bank Ltd
Sindh Bank Ltd
Soneri Bank Ltd
Standard Chartered Bank (Pakistan) Ltd
Standard Chartered Modaraba
Summit Bank Ltd
United Bank Ltd

Auditors & Share Registrar

External Auditors

M. Yousuf Adil Saleem & 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

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

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 half yearly financial statements of the company for the period ended 31 December 2014.

State of affairs and financial results

During the period, the company earned after tax net profit of Rs. 8.74 M as compared to Rs. 263 M in the comparative period. The profit was squeezed due to following reasons:

- The company utilized cotton which was at higher price during this period.
- PKR appreciating against USD, major sales of the company is export so company's profit reduced significantly.
- India dumped cheap yarn in the local market at discount of 10% to 15% from the local prices.

On the back of said reasons, company's profitability posted a significant decline.

Future Outlook

Going forward, we expect that exports of the textile segment would pick up given the seasonal recovery in demand during 2nd half of the year. Decline in fuel prices would reduce the power bill of the company significantly if Government continues to transfer reduction in power tariff to consumer. Besides, decrease in discount rate by 100 bps in recent monetary policy will give additional support to the bottom line of the company in 2nd half of current year.

Management cordially acknowledges profound efforts of every member, stakeholder and employee of the company who took part in achieving company's set goals and motivates them to continue their efforts with new enthusiasm.

On Behalf of Board of Directors

Sd/-

Fazal Ahmed Sheikh
(Chief Executive Officer)

Date: February 27, 2015
Place: Lahore

Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Reliance Weaving Mills Limited (the Company) as at December 31, 2014, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2014.

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 interim financial information 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 interim financial information as of and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner:

Talat Javed

Date: February 27, 2015

Place: Multan

Condensed Interim Balance Sheet (Un-audited)

	Un-audited December 31 2014	Audited June 30 2014
Note	----- (Rs in "000") -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
40,000,000 (June 30, 2014 : 40,000,000)		
ordinary shares of Rs. 10 each	400,000	400,000
30,000,000 (June 30, 2014 : 30,000,000)		
preference shares of Rs. 10 each	300,000	300,000
	700,000	700,000
Issued, subscribed and paid up capital	308,109	308,109
Reserves	182,866	165,094
Retained earnings	1,750,204	1,787,680
	2,241,179	2,260,883
Surplus on revaluation of fixed assets	634,325	634,325
Non-current Liabilities		
Long term finance	4	2,126,223
Liabilities against asset subject to finance lease		32,486
Deferred liabilities		108,396
		2,267,105
Current Liabilities		
Current portion of non-current liabilities		582,354
Finances under mark up arrangements and other credit facilities		4,419,296
Trade and other payables		689,948
Provision for taxation		57,171
Mark-up accrued		133,014
		5,881,783
Contingencies and commitments	5	-
Total equity and liabilities		11,024,392
		9,689,511

The annexed selected notes from 1 to 17 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive Officer

As At 31 December 2014

		Un-audited December 31 2014	Audited June 30 2014
	Note	----- (Rs in "000") -----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,415,730	4,588,944
Intangible assets		6,986	7,459
Long term investments	7	833,166	350,300
Long term deposits		22,531	22,579
Deferred tax asset		106,158	-
		<u>6,384,571</u>	<u>4,969,282</u>
Current assets			
Stores, spares and loose tools		234,504	231,121
Stock in trade		2,317,874	2,383,599
Trade debts		977,309	1,028,675
Loans and advances	8	321,505	355,070
Trade deposits and prepayments		24,914	48,535
Other receivables		21,739	23,213
Other financial assets	9	93,902	76,130
Tax refunds and due from government		544,618	458,801
Cash and bank balances		103,456	115,085
		<u>4,639,821</u>	<u>4,720,229</u>
Total assets		<u><u>11,024,392</u></u>	<u><u>9,689,511</u></u>

Sd/-
Director

Condensed Interim Profit and Loss Account (Un-audited)

For the six months period ended December 31, 2014

	Note	Six months ended		Three months ended	
		December 31		December 31	
		2014	2013	2014	2013
		------(Rs in "000")-----			
Sales - net	10	5,425,310	5,699,393	2,618,955	2,884,684
Cost of sales		(5,057,642)	(4,922,481)	(2,272,627)	(2,490,391)
Gross profit		367,668	776,912	346,328	394,293
Distribution and marketing expenses		(81,645)	(81,684)	(47,484)	(44,732)
Administrative expenses		(79,189)	(87,506)	(38,113)	(43,059)
Other operating expenses		(8,065)	(21,747)	(3,648)	(9,927)
Finance cost		(339,558)	(272,421)	(176,564)	(162,341)
Other income		17,175	7,957	(780)	817
Share of loss from associate		(3,824)	-	1,609	-
		(495,106)	(455,401)	(264,980)	(259,242)
(Loss) / profit before taxation		(127,438)	321,511	81,348	135,051
Taxation		136,178	(58,501)	(26,971)	(29,857)
Profit after taxation		8,740	263,010	54,377	105,194
Earnings per share - basic and diluted		0.28	8.54	1.76	3.41

The annexed selected notes from 1 to 17 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 six months period ended December 31, 2014

	Six months ended		Three months ended	
	December 31		December 31	
	2014	2013	2014	2013
	------(Rs in "000")-----			
Profit after tax	8,740	263,010	54,377	105,194
Other comprehensive income: Items that may be reclassified subsequently to profit and loss account:				
Un-realized Gain on re-measurement of available for sale investment	17,772	9,792	19,320	6,721
Total comprehensive income for the period	<u>26,512</u>	<u>272,802</u>	<u>73,697</u>	<u>111,915</u>

The annexed selected notes from 1 to 17 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 six months period ended December 31, 2014

	Note	Six months ended	
		December 31 2014	December 31 2013
		Rupees in '000'	
A. Cash flows from operating activities			
Cash generated from / (used in) operations	11	514,855	(624,381)
Finance cost paid		(333,497)	(230,114)
Taxes paid - net		(56,685)	(53,616)
Staff retirement benefits paid		(7,554)	(5,999)
Net cash generated from / (used in) operations		117,119	(914,110)
B. Cash flow from investing activities			
Fixed capital expenditure		(941,016)	(501,200)
Proceed from disposal of property, plant and equipment		166	432
Long term investment		(486,690)	-
Long term deposits		48	(370)
Net cash used in investing activities		(1,427,492)	(501,138)
C. Cash flow from financing activities			
Proceeds from long term finances		791,922	332,697
Repayment of long term finances		(144,861)	(118,979)
Finances under mark up arrangements-net		672,339	1,287,174
Repayment of lease liabilities - net		(7,477)	(1,466)
Dividend paid		(13,179)	(61,622)
Net cash generated from financing activities		1,298,744	1,437,804
Net (decrease)/ increase in cash and cash equivalents		(11,629)	22,556
Cash and cash equivalents at beginning of the period		115,085	73,089
Cash and cash equivalents at end of the period		103,456	95,645

The annexed selected notes from 1 to 17 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive Officer

Sd/-
Director

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

For the six months period ended December 31, 2014

	Capital reserve			Revenue reserve		Total
	Share capital	Share premium	Fair value reserve	General reserve	Retained earnings	
	----- Rupees '000' -----					
Balance as at July 01, 2013 - restated (audited)	308,109	41,081	38,894	74,172	1,631,639	2,093,895
Profit for the period ended December 31, 2013	-	-	-	-	263,010	263,010
Other comprehensive income	-	-	9,792	-	-	9,792
Total comprehensive income	-	-	9,792	-	263,010	272,802
Transactions with the owners:						
Cash dividend paid for the year ended June 30, 2013 @ Rs. 2 for every share	-	-	-	-	(61,622)	(61,622)
Balance as at December 31, 2013	<u>308,109</u>	<u>41,081</u>	<u>48,686</u>	<u>74,172</u>	<u>1,833,027</u>	<u>2,305,075</u>
Balance as at July 01, 2014 - (audited)	308,109	41,081	49,841	74,172	1,787,680	2,260,883
Profit for the period ended December 31, 2014	-	-	-	-	8,740	8,740
Other comprehensive income	-	-	17,772	-	-	17,772
Total comprehensive income	-	-	17,772	-	8,740	26,512
Transactions with the owners:						
Cash Dividend paid for the year ended June 30, 2014 @ Rs. 1.5 for every share	-	-	-	-	(46,216)	(46,216)
Balance as at December 31, 2014	<u>308,109</u>	<u>41,081</u>	<u>67,613</u>	<u>74,172</u>	<u>1,750,204</u>	<u>2,241,179</u>

The annexed selected notes from 1 to 17 form an integral part of this condensed interim financial information.

Sd/-

Chief Executive Officer

Sd/-

Director

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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 Karachi and Lahore Stock Exchanges. The Company commenced its operations on 14 May 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.
- 1.2 The condensed interim financial information are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the six month period ended December 31, 2014 has been prepared in accordance with the International Accounting Standard - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the 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, 2014. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2014 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 six months ended on December 31, 2013.
- 2.3 This condensed interim financial information is un-audited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2014.

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

		Un-audited December 31 2014	Audited June 30 2014
	Note	----- (Rs in "000") -----	
4. LONG TERM FINANCE			
From financial institutions - secured	4.1	2,682,080	2,035,019
Less: current portion		(555,857)	(366,898)
		<u>2,126,223</u>	<u>1,668,121</u>

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

Opening balance	2,035,019	1,223,856
Add: obtained during the period / year	791,922	998,862
	<u>2,826,941</u>	<u>2,222,718</u>
Less: repaid during the period / year	(144,861)	(187,699)
Closing balance	<u>2,682,080</u>	<u>2,035,019</u>

5. CONTINGENCIES AND COMMITMENTS

Contingencies

5.1 There is no significant change in the status of contingent liabilities since the annual published audited financial statements as at June 30, 2014, except the following;

- Foreign bills discounted outstanding as at December 31, 2014 are Rs. 1,092 million (June 30, 2014 : Rs. 1,060.051 million).
- The Company has arranged bank guarantees from Habib Bank Limited and Meezan Bank Limited favoring Sui Northern Gas Pipelines Limited of Rs. 53.439 million (June 30, 2014: Rs. 53.439 million) and Rs. 7.121 million (June 30, 2014: Rs. 7.121 million) respectively against payment of sui gas dues. The Company has also arranged bank guarantees favoring MEPCO from MCB Bank Limited of Rs. 19.519 million (June 30, 2014: Rs. 19.519 million) for payment against electricity dues. The Company has also arranged bank guarantee from Meezan Bank Limited, Habib Bank Limited and Bank Al-Falah Limited favoring Director Excise and Taxation of Rs. 34.486 million (June 30, 2014: Rs. 15.743 million).

Commitments

5.2 Commitments in respect of forward foreign exchange contracts:

- Sales	1,199,428	761,320
- Purchase - for capital expenditures	-	650,913
	<u>1,199,428</u>	<u>1,412,233</u>

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

		Un-audited December 31 2014	Audited June 30 2014
	Note	----- (Rs in "000") -----	
5.3	Letters of credit for:		
	- Capital expenditures	25,582	689,671
	- Other than capital expenditures	218,144	199,050
		<u>243,726</u>	<u>888,721</u>
5.4	Stand by letters of credit for:		
	- Commitment to inject equity in Fatima Energy Limited:	<u>3,120,000</u>	<u>3,520,000</u>
6.	PROPERTY, PLANT AND EQUIPMENT		
	Operating assets	5,347,778	4,355,912
	Capital work in progress	67,952	233,032
		<u>5,415,730</u>	<u>4,588,944</u>
6.1	Operating fixed assets		
	Opening written down value	4,355,912	3,754,412
	Effect of revaluation of land during the period/year	-	182,053
	Additions during the period/year	1,106,096	608,560
	Net book value of operating assets		
	disposed off - during the period/year	(104)	(1,709)
	Depreciation charged during the period/year	(114,126)	(187,404)
	Closing written down value	<u>5,347,778</u>	<u>4,355,912</u>
		(Un-audited)	
		Six months period ended	
		----- (Rs in "000") -----	
6.1.1	Additions / disposals during the period	Additions at cost	Disposal at book value
	Freehold land	1,045	-
	Buildings	86,661	-
	Plant and machinery	924,388	-
	Electric installations	84,466	-
	Factory equipment	25	-
	Office equipment	2,413	-
	Electric appliances	2,084	-
	Furniture and fixtures	472	-
	Vehicles	2,765	(104)
	Leased vehicles	1,777	-
		<u>1,106,096</u>	<u>(104)</u>

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

		(Un-audited) December 31 2014	Audited June 30 2014
----- (Rs in "000") -----			
7. LONG TERM INVESTMENT			
Investment in associate	7.1	811,792	328,926
Advance against shares	7.2	21,374	21,374
		<u>833,166</u>	<u>350,300</u>
7.1 Investment in associate - Fatima Energy Limited (FEL)			
At equity method			
Cost		770,044	109
Share of post acquisition loss		(3,933)	(109)
		<u>766,111</u>	<u>-</u>
Advance for issue of shares		45,681	328,926
		<u>811,792</u>	<u>328,926</u>
No. of shares held		77,004,376	10,936
Ownership interest in percentage		39.15%	31.25%
Equity method has been applied on management accounts of Fatima Energy Limited as at December 31, 2014.			
7.2 This represents advance against shares to Multan Real Estate Company (Private) Limited.			
8. LOANS AND ADVANCES			
Advances - considered good			
- To employees		94,045	85,128
- To suppliers		55,450	92,410
Due from related parties		4,434	5,668
Letters of credit - margins, deposits, opening charges, etc.		167,576	171,864
		<u>321,505</u>	<u>355,070</u>
9. OTHER FINANCIAL ASSETS			
Short term investment - available for sale			
Fatima Fertilizer Company Limited			
Opening carrying amount of 2,625,167 (July 01, 2013:			
2,625,167 fully paid ordinary shares of Rs.10 each		76,130	65,183
Fair value adjustment		17,772	10,947
Closing market value of 2,625,167 (June 30, 2014:			
2,625,167) shares		<u>93,902</u>	<u>76,130</u>

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

- 9.1 Fatima Fertilizer Company Limited (FFCL) is an associate of the Company through common directorship of 3 directors. However, the Company does not have a significant influence to participate in the financial and operating decisions of FFCL. Therefore, investment in FFCL is not accounted for using the equity method.

	Six months period ended		Three months period ended	
	December 31		December 31	
	2014	2013	2014	2013
	----- (Rs in "000") -----		----- (Rs in "000") -----	
10. SALES - net				
Export	3,467,661	3,631,091	1,587,926	1,759,710
Local	1,979,427	2,112,463	1,041,266	1,145,993
Waste	48,718	53,356	21,748	26,774
	<u>5,495,806</u>	<u>5,796,910</u>	<u>2,650,940</u>	<u>2,932,477</u>
Less: Commission	(73,840)	(100,456)	(32,920)	(49,410)
	<u>5,421,966</u>	<u>5,696,454</u>	<u>2,618,020</u>	<u>2,883,067</u>
Add: Doubling	1,640	717	-	717
Export rebate	1,704	2,222	935	900
	<u>3,344</u>	<u>2,939</u>	<u>935</u>	<u>1,617</u>
	<u>5,425,310</u>	<u>5,699,393</u>	<u>2,618,955</u>	<u>2,884,684</u>

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

	Un-audited	
	Six months period ended December 31	
	2014	2013
	----- (Rs in "000") -----	
11. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before tax	(127,438)	321,511
Adjustments for non cash charges and other items:		
Depreciation on property, plant and equipment	114,126	88,079
Amortization of intangible assets	473	473
Staff retirement benefits accrued	19,895	16,568
Gain on disposal of property, plant and equipment	(62)	(217)
Share of loss from associate	3,824	-
Provision for workers' profit participation fund	-	16,123
Interest on workers' profit participation fund	-	1,766
Finance cost (excluding exchange (Gain)/loss)	342,639	257,694
Profit before working capital changes	353,457	701,997
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets		
- Stores, spares and loose tools	(3,383)	(20,856)
- Stock in trade	65,725	(1,118,231)
- Trade debts	51,366	(124,219)
- Loans and advances	33,565	(134,560)
- Trade deposits and prepayments	23,621	(12,079)
- Other receivables	1,474	(24,596)
- Tax refunds due from government (excluding income tax)	(58,610)	(26,275)
Increase in current liabilities		
- Trade and other payables (excluding workers' welfare fund and workers' profit participation fund)	47,640	85,246
	161,398	(1,326,378)
Cash generated from / (used in) operations	514,855	(624,381)

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:

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

	Un-audited			
	Six months period ended		Three months period ended	
	December 31		December 31	
	2014	2013	2014	2013
	----- (Rs in "000") -----		----- (Rs in "000") -----	
Nature of transaction				
<u>Associated undertakings</u>				
Purchase of goods	13,220	15,159	200	14,043
Mark up charged	12,030	9,267	2,018	4,894
Sale of operating fixed assets	73	-	-	-
Purchase of operating fixed assets	-	219	-	-
Advances	38,735	62,769	15,954	-
Allotment of shares	769,935	-	423,000	-
<u>Key management personnel</u>				
Remuneration to:				
Director	1,355	1,363	677	682
Executives	9,676	7,592	5,748	3,742
<u>Others</u>				
Donations	6,580	5,624	3,280	3,224

All transactions with related parties have been carried out on agreed 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, 2014.

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, 2014.

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

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

Six months ended 31 December

	Spinning		Weaving		(Elimination of inter-segment transactions)		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	Rupees '000'							
Sales - net	2,969,921	3,299,481	4,021,754	4,427,446	(1,566,365)	(2,027,534)	5,425,310	5,699,393
Cost of sales	(2,811,650)	(2,997,251)	(3,812,357)	(3,952,764)	1,566,365	2,027,534	(5,057,642)	(4,922,481)
Gross profit	158,271	302,230	209,397	474,682	-	-	367,668	776,912
Distribution and marketing expenses	(15,507)	(10,258)	(66,138)	(71,426)	-	-	(81,645)	(81,684)
Administrative expenses	(33,753)	(30,179)	(45,436)	(57,327)	-	-	(79,189)	(87,506)
Finance cost	(166,306)	(133,680)	(173,252)	(138,741)	-	-	(339,558)	(272,421)
Other operating expenses	(3,250)	(8,108)	(4,815)	(13,639)	-	-	(8,065)	(21,747)
Loss on investment of Associates	6,277	4,277	10,898	3,680	-	-	17,175	7,957
	-	-	(3,824)	-	-	-	(3,824)	-
	(212,539)	(177,948)	(282,567)	(277,453)	-	-	(495,106)	(455,401)
Profit / (Loss) Before Taxation	(64,268)	124,282	(73,170)	197,229	-	-	(127,438)	321,511
Taxation	123,882	(12,911)	12,296	(45,590)	-	-	136,178	(58,501)
Profit / (Loss) After Taxation	69,614	111,371	(60,874)	151,639			8,740	263,010

15.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies described in the annual financial statements.

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

15.3 Segment assets

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

	Spinning		Weaving		Total	
	31-Dec-14	30-Jun-14	31-Dec-14	30-Jun-14	31-Dec-14	30-Jun-14
	-----Rupees 000-----					
Segment assets for reportable segment						
Operating fixed assets	3,428,566	2,420,028	1,843,646	1,863,226	5,272,232	4,283,254
Stores, spares and loose tools	122,351	123,562	112,153	107,559	234,504	231,121
Stock in trade	1,478,924	1,321,170	838,950	1,062,429	2,317,874	2,383,599
Debtors	121,948	127,883	855,361	900,792	977,309	1,028,675
	5,151,809	3,992,643	3,650,110	3,934,006	8,801,919	7,926,649
Unallocated corporate assets					2,222,473	1,762,862
Total assets as per balance sheet					11,024,392	9,689,511
15.4 Segment liabilities						
Segment liabilities for reportable segment	4,027,605	2,690,127	3,132,747	2,109,166	7,160,352	4,799,293
Unallocated corporate liabilities					988,536	1,995,010
Total liabilities as per balance sheet					8,148,888	6,794,303

Notes to Condensed Interim Financial Information (Un-audited)

For the six months period ended December 31, 2014

16. DATE OF AUTHORIZATION

These condensed interim financial information are authorized for issue by the Board of Directors of the Company on February 27, 2015.

17. GENERAL

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

Sd/-
Chief Executive Officer

Sd/-
Director

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