



# Company Information

<b>BOARD OF DIRECTORS</b>	Mr. Fawad Ahmed Mukhtar Mr. Fazal Ahmed Sheikh Mr. Faisal Ahmed Mukhtar Mr. Fahd Mukhtar Mrs. Fatima Fazal Mrs. Farah Faisal Mr. Shahid Aziz	Chairman CEO     (NIT Nominee)
<b>AUDIT COMMITTEE</b>	Mr. Fawad Ahmed Mukhtar Mr. Faisal Ahmed Mukhtar Mrs. Fatima Fazal Mr. Basharat Hashmi	Chairman   Secretary
<b>CFO</b>	Mr. Waheed Ahmed	
<b>COMPANY SECRETARY</b>	Mr. Amanullah	
<b>AUDITORS</b>	KPMG Taseer Hadi & Co. Chartered Accountant, Lahore	
<b>SHARES OFFICE</b>	Vision Consulting Ltd 3-C, LDA Flates, Lawrance Road Lahore vcl.shares@gmail.com basharat.hashmi@fatima-group.com	
<b>BANKERS</b>	Allied Bank Ltd Habib Bank Ltd MCB Bank Ltd Meezan Bank Ltd National Bank of Pakistan United Bank Ltd Standard Chartered Bank of Pakistan Ltd First National Bank Mudarba	
<b>HEAD OFFICE &amp; REGISTERED OFFICE</b>	2 <sup>nd</sup> Floor Trust Plaza, L.M.Q. Road, Multan Tel. No: 061-4512031-32, 061-4546238 Fax No: 061-4511677, 061-4584288 e-mail: waheed.mushtaq@fatima-group.com	
<b>WEBSITE</b>	www.fatima-group.com	
<b>MILLS ADDRESS (Unit # 1,2 &amp; 4)</b>	Fazalpur Khanewal Road Multan (Pakistan) Tel. No: 061-6740020-4 Fax No: 061-6740039 E-mail: anjum.jamil@fatima-group.com	
<b>MILLS ADDRESS (Unit # 3)</b>	Mukhtarabad, Chak Beli Khan Road Rawt, Rawalpindi (Pakistan) Tel. No: 051-4611579-81 Fax No: 051-4611092 E-mail: imran.malik@fatima-group.com	

# Directors' Report to the Shareholders

**Dear Shareholders,**

On behalf of Board of Directors of your Company I am pleased to present nine monthly Financial Statements of the Company for the period ended March 31, 2010.

The Company achieved significant growth in sales & profitability. Turnover during the period was Rs 4,816 M as compared to Rs 3,316 M, thus showing an increase of 45%. This is due to higher unit prices of yarn and fabric which have been increased by 80% to 90 % during the period. The Pakistani Rupee has also been devalued against US dollar. Gross profit has increased to RS. 697 M as compared to Rs. 521 M for the corresponding period, thus showing an increase of 33%. The Company ended up with after tax net profit of Rs 187 M as compare to loss of Rs 193 M .

The price of raw cotton this year showed a rising trend and at the moment has touched all time high of Rs 6,800 per maund due to global shortfall of cotton. The significant yarn and fabric export coupled with higher margins finally provided good returns to textile sector.

The signs are encouraging for the textile industry of Pakistan and it is expected demand remains strong for yarn, fabric as well as the downstream sector. Currently major challenge face by the industry is the gas and electricity shortages which lead to lower productions and increased costs. Government has imposed quota on export of coarse count yarn which will not only affect textile sector's growth but also country's balance of trade. It is important that wise decision should be made in view of changing global scenario and to meet the demand of the future. Company has opened LCs for import of latest Air Jet Looms which will increase profitability of the Company.

Management of the Company cordially appreciates efforts put forth by all stake holders in the betterment and progress of the Company.

Dated: 29 April 2010  
Place : Multan

**FAZAL AHMED SHEIKH**  
(Chief Executive Officer)

# Interim Balance Sheet (Un-audited)

	<i>Note</i>	Un-audited 31 March 2010	Audited 30 June 2009
----- (Rs in '000) -----			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
40,000,000 (30 June 2009: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
30,000,000 (30 June 2009: 30,000,000) preference shares of Rs. 10 each		300,000	300,000
		<b>700,000</b>	<b>700,000</b>
Issued, subscribed and paid up capital		308,109	308,109
Reserves		295,081	295,081
Unappropriated profit / (loss)		176,177	(11,807)
		779,367	591,383
<b>Surplus on revaluation of fixed assets</b>		<b>452,271</b>	<b>452,271</b>
<b>Non-current liabilities</b>			
Long term finances and other payables		421,171	745,980
Loans from related parties - subordinated loan		37,000	37,000
Advance against long term loan		30,000	-
Deferred liabilities		13,280	9,938
		501,451	792,918
<b>Current liabilities</b>			
Current portion of non-current liabilities - secured		243,266	70,984
Finances under mark up arrangements and other credit facilities - secured		2,451,693	1,949,207
Trade and other payables		278,753	161,613
Markup accrued on loans and other payables		100,097	108,344
		3,073,809	2,290,148
<b>Contingencies and commitments</b>	5	-	-
		<b>4,806,898</b>	<b>4,126,720</b>

The annexed notes from 1 to 16 form an integral part of these condensed financial statements

Chief Executive Officer

## As At 31 March, 2010

	<i>Note</i>	Un-audited 31 March 2010	Audited 30 June 2009
----- (Rs in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	2,314,608	2,284,501
Intangible assets		718	804
Long term deposits		12,254	6,880
		2,327,580	2,292,185
Deferred tax asset	7	18,403	28,518
<b>Current assets</b>			
Stores, spares and loose tools		132,784	121,410
Stock in trade		1,546,725	1,124,587
Trade debts		347,367	198,108
Loans and advances	8	148,034	94,333
Trade deposits and prepayments		9,316	1,295
Other receivables		552	3,034
Short term investments	9	180,563	179,681
Tax refunds due from the government		85,679	65,336
Cash and bank balances		9,895	18,233
		2,460,915	1,806,017
		4,806,898	4,126,720

Director

# Interim Profit And Loss Account (Un-audited)

For nine months ended 31 March 2010

Note	Nine months ended 31 March		Three months ended 31 March	
	2010	2009	2010	2009
	------(Rs in '000)-----		------(Rs in '000)-----	
Sales - net	10 <b>4,816,037</b>	3,316,176	<b>1,583,582</b>	1,003,860
Cost of sales	<b>(4,118,681)</b>	(2,794,286)	<b>(1,282,293)</b>	(910,419)
<b>Gross profit</b>	<b>697,356</b>	521,890	<b>301,289</b>	93,441
Distribution and marketing expenses	<b>(87,381)</b>	(52,739)	<b>(27,756)</b>	(15,670)
Administration expenses	<b>(49,194)</b>	(41,886)	<b>(17,093)</b>	(13,156)
Other operating expenses	<b>(25,836)</b>	(92,239)	<b>(14,447)</b>	(720)
Finance cost	<b>(302,109)</b>	(537,693)	<b>(119,839)</b>	(101,659)
Other operating income	<b>228</b>	4,264	<b>205</b>	304
<b>Profit / (loss) before tax</b>	<b>233,064</b>	(198,403)	<b>122,359</b>	(37,460)
Taxation	<b>(45,080)</b>	4,833	<b>(21,601)</b>	(3,998)
<b>Profit / (loss) after tax</b>	<b>187,984</b>	(193,570)	<b>100,758</b>	(41,458)
Earnings per share	<b>6.10</b>	(6.28)	<b>3.27</b>	(1.35)

The annexed notes from 1 to 16 form an integral part of these condensed financial statements.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**Interim Statement of Comprehensive Income (Un-audited)**  
**For nine months ended 31 March 2010**

	Nine months ended 31 March		Three months ended 31 March	
	2010	2009	2010	2009
	----- <b>(Rs in '000)</b> -----		----- <b>(Rs in '000)</b> -----	
<b>Profit/(loss) for the period</b>	<b>187,984</b>	(193,570)	<b>100,758</b>	(41,458)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>187,984</b>	(193,570)	<b>100,758</b>	(41,458)

The annexed notes from 1 to 16 form an integral part of these condensed financial statements.

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**Chief Executive Officer**

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**Director**

## Interim Cash Flow Statement (Un-audited)

### For nine months ended 31 March 2010

		Nine months ended 31 March	
		2010	2009
Note		------(Rs in '000)-----	
<b>Cash flows from operating activities</b>			
	Cash generated from operations	69,475	195,223
	Finance cost paid	(327,566)	(324,904)
	Taxes paid - net	(40,740)	(27,430)
	Staff retirement benefits paid	(5,890)	(3,989)
	<b>Net cash used in operating activities</b>	<b>(304,721)</b>	<b>(161,100)</b>
<b>Cash flows from investing activities</b>			
	Fixed capital expenditure	(99,589)	(74,593)
	Proceed from disposal of property plant and equipment	778	1,320
	Long term deposits	(5,373)	(4,459)
	Proceeds from disposal of short term investments	-	75,000
	<b>Net cash used in investing activities</b>	<b>(104,184)</b>	<b>(2,732)</b>
<b>Cash flows from financing activities</b>			
	Proceeds from advance against long term loan	30,000	-
	Repayment of long term finances	(46,919)	(167,168)
	Repayment of loan to related party	(85,000)	-
	Payment on settlement of derivative financial instrument	-	(42,322)
	Dividend paid	(2)	-
	<b>Net cash used in financing activities</b>	<b>(101,921)</b>	<b>(209,490)</b>
	<b>Net decrease in cash and cash equivalents</b>	<b>(510,826)</b>	<b>(373,322)</b>
	<b>Cash and cash equivalents at beginning of the period</b>	<b>(1,930,972)</b>	<b>(2,186,314)</b>
	<b>Cash and cash equivalents at end of the period</b>	<b>(2,441,798)</b>	<b>(2,559,636)</b>

The annexed notes from 1 to 16 form an integral part of these condensed financial statements.

Chief Executive Officer

Director



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

### For nine months ended 31 March 2010

	Capital reserve		Revenue reserve		Unappropriated profit/(loss)	Total
	Share capital	Share premium	General reserve	Rupees '000'		
Balance as at 30 June 2008	308,109	41,081	354,000	65,233	768,423	
Transfer to unappropriated profit	-	-	(100,000)	100,000	-	
Loss for the period	-	-	-	(193,570)	(193,570)	
Balance as at 31 March 2009	308,109	41,081	254,000	(28,337)	574,853	
<b>Balance as at 30 June 2009</b>	<b>308,109</b>	<b>41,081</b>	<b>254,000</b>	<b>(11,807)</b>	<b>591,383</b>	
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,984</b>	<b>187,984</b>	
<b>Balance as at 31 March 2010</b>	<b>308,109</b>	<b>41,081</b>	<b>254,000</b>	<b>176,177</b>	<b>779,367</b>	

The annexed notes from 1 to 16 form an integral part of these condensed financial statements.

Chief Executive Officer

Director

# Condensed Notes to the Interim Financial Statement (Un-audited)

## For nine months ended 31 March 2010

### 1 Nature and status of the company

Reliance Weaving Mills Limited ("the Company") was incorporated in Pakistan on 7 April 1990 as public limited company under the Companies Ordinance, 1984 and its shares are quoted on Karachi and Lahore Stock Exchanges. The Company 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.

### 2 Basis of preparation

The condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2009.

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

### 3 Accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the preceding year ended 30 June 2009, except amendments in International Accounting Standard 1 (Revised) "Presentation of financial statements", which became effective for financial periods beginning on or after 1 January 2009. The adoption of standards has not materially effected the computation of the results except increased disclosures in the form of "Statement of other comprehensive income" which has been included in the Company's financial information.

### 4 Estimates

The preparation of condensed interim financial information requires management to make judgments, estimates assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended 30 June 2009.

### 5 Contingencies and commitments

#### *Contingencies*

There is no significant change in contingencies since the last audited published financial statements except the following.

# Condensed Notes to the Interim Financial Statement (Un-audited)

## For nine months ended 31 March 2010

Standard Chartered Bank (the Bank) claimed US Dollar 489,000 against FE loan obtained by the Company during 2007, despite the fact that the Bank had confirmed nil balance in its confirmation pertaining to year ended 30 June 2008 which was in agreement with accounts of the Company. To resolve the dispute it was agreed between the Company and the Bank that the Company pay the disagreed amount to the Bank under protest, and if after the completion of reconciliation process it is established that the Company had already paid the disagreed amount, the Bank shall refund the said amount to the Company. Refer note 8

	<i>Note</i>	<b>31 March 2010</b>	30 June 2009
<b>----- (Rs in '000) -----</b>			
<b><i>Commitments</i></b>			
<i>Letters of credit for:</i>			
- capital expenditures		<b>182,029</b>	17,250
- other than capital expenditures		<b>83,838</b>	4,130
		<b><u>265,867</u></b>	<u>21,380</u>

### 6 Property, plant and equipment

Operating assets	6.1	<b>2,257,504</b>	2,272,586
Capital work in progress		<b>57,104</b>	11,915
		<b><u>2,314,608</u></b>	<u>2,284,501</u>

#### 6.1 Operating assets

Opening balance of written down value		<b>2,272,586</b>	1,714,060
Additions during the period / year	6.1.1	<b>54,399</b>	194,105
Revaluation surplus		-	452,271
Book value of operating assets disposed off during the period / year	6.1.1	<b>(596)</b>	(789)
Depreciation charged during the period / year		<b><u>(68,885)</u></b>	<u>(87,061)</u>
Net book value of operating assets		<b><u>2,257,504</u></b>	<u>2,272,586</u>

# Condensed Notes to the Interim Financial Statement (Un-audited)

## For nine months ended 31 March 2010

		Nine months ended 31 March 2010	
		Additions cost	Disposal book value
		------(Rs in '000)-----	
<b>6.1.1</b>	Buildings	130	-
	Plant and machinery	43,563	-
	Electric installations	994	-
	Factory equipment	7,220	-
	Office equipment	1,011	-
	Electric appliances	615	-
	Furniture and fixtures	305	-
	Vehicles	561	(596)
		<u>54,399</u>	<u>(596)</u>
		<b>31 March</b>	30 June
		<b>2010</b>	2009
		------(Rs in '000)-----	
<b>7</b>	<b>Deferred tax asset</b>		
	At the beginning of the period	28,518	-
	(Reversed)/recognized during the period	<u>(10,115)</u>	28,518
	At the end of the period	<u>18,403</u>	<u>28,518</u>
<b>8</b>	<b>Loans and advances</b>		
	Advances - considered good		
	- To employees	35,786	30,224
	- To suppliers	49,583	46,749
	Advances for issue of shares - related party	8,352	8,352
	Unsettled claim with SCB	41,567	-
	Due from related parties	10,359	8,012
	Letters of credit - margins, deposits, opening charges, etc.	2,387	996
		<u>148,034</u>	<u>94,333</u>

# Condensed Notes to the Interim Financial Statement (Un-audited)

## For nine months ended 31 March 2010

31 March      30 June  
2010            2009  
-----*(Rs in '000)*-----

### 9 Short term investments

#### Available for sale

Investment in shares (FFCL)	<b>180,563</b>	179,681
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9.1 This represents 18,030,636 ordinary shares in Fatima Fertilizer Company Ltd (associated undertaking) and out of total shares 62,500 shares were purchased during the period for Rs 14.10 each.

### 10 Sales - net

	Nine months ended 31 March		Three months ended 31 March	
	2010	2009	2010	2009
	----- <i>(Rs in '000)</i> -----			
Export	3,493,353	2,514,156	1,077,292	786,393
Local	1,274,032	773,728	497,913	206,228
Waste	105,786	75,822	29,179	28,745
	<b>4,873,171</b>	<b>3,363,706</b>	1,604,384	1,021,366
Less: Commission	(59,182)	(50,575)	(21,998)	(18,411)
	<b>4,813,989</b>	<b>3,313,131</b>	1,582,386	1,002,955
Add: Doubling income	367	1,708	264	350
Export rebate	1,681	1,337	932	555
	<b>2,048</b>	<b>3,045</b>	1,196	905
	<b>4,816,037</b>	<b>3,316,176</b>	1,583,582	1,003,860

# Condensed Notes to the Interim Financial Statement (Un-audited)

## For nine months ended 31 March 2010

	Nine months ended 31 March	
	2010	2009
<b>11 Cash generated from operations</b>	------(Rs in '000)-----	
Profit (Loss) before tax	233,064	(198,403)
Adjustments for:		
Depreciation on property, plant and equipment	68,885	64,877
Amortization of intangible assets	86	86
Staff retirement benefits accrued	9,233	10,919
Profit on disposal of property, plant and equipment	(182)	(650)
Accrued Loss on derivative financial instruments - net	-	(6,131)
Finance cost	298,711	378,503
Profit before working capital changes	609,797	249,201
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets		
- Stores, spares and loose tools	(11,374)	3,205
- Stock in trade	(422,138)	204,883
- Trade debts	(149,259)	(305,408)
- Loans and advances	(12,134)	3,160
- Unsettled claim	(41,567)	-
- Trade deposits and prepayments	(8,021)	(2,021)
- Tax refunds due from government ( excluding income tax)	(14,569)	(3,375)
- Short term investment	(882)	-
- Other receivables	2,482	11,985
Increase in current liabilities		
- Trade and other payables	117,140	33,593
Cash generated from operations	69,475	195,223
	As at 31 March	
	2010	2009
<b>12 Cash and cash equivalents</b>	------(Rs in '000)-----	
Cash and bank balances	9,895	15,827
Finances under mark up arrangements and other credit facilities	(2,451,693)	(2,575,463)
Cash and cash equivalents	(2,441,798)	(2,559,636)

# Condensed Notes to the Interim Financial Statement (Un-audited)

## For nine months ended 31 March 2010

### 13 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:

	Nine months ended 31 March	
	2010	2009
	----- (Rs in '000) -----	
<b>Transactions with associated undertakings</b>		
Purchase of goods	31,907	58,126
Sale of goods and services	36,071	9,692
Mark up paid	9,784	-
Shares purchased	881	-
Repayment of Long term loan	85,000	-
<b>Transactions with key management personnel</b>		
<i>Remuneration under the terms of employment to:</i>		
Chief Executive Officer	999	900
Executives	8,315	7,040
<b>Others</b>		
Donations	5,242	1,820

### 14 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 30 June 2009.

### 15 Date of authorization

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on 29 April 2010.

### 16 General

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

\_\_\_\_\_  
Chief Executive Officer

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Director