



Half Yearly Accounts

December 31, 2013  
(Un-Audited)



Reliance Weaving Mills Limited



# Half Yearly Accounts

December 31, 2013

(Un-Audited)

## Board of Directors

### Executive Directors

Mr. Fawad Ahmed Mukhtar  
Mr. Fazal Ahmed Sheikh  
Mr. Faisal Ahmed Mukhtar  
Mr. Fahd Mukhtar

Chairman

### Non-Executive Directors

Mrs. Fatima Fazal  
Mrs. Farah Faisal  
Mr. Shahid Aziz

## Sub Committees of the Board

### Audit Committee

Mrs. Fatima Fazal  
Mr. Faisal Ahmed Mukhtar  
Mr. Fawad Ahmed Mukhtar  
Mr. Amanullah

Chairman

Secretary

### HR & Remuneration Committee

Mrs. Farah Faisal  
Mrs. Fahd Mukhtar  
Mr. Faisal Mukhtar  
Mr. Basharat Hashmi

Chairman

Secretary

## Executive Management Team

### Chief Executive Officer

Mr. Fazal Ahmed Sheikh

### Chief Financial Officer

Mr. Waheed Ahmed

### GM Marketing

Mr. Khawaja Sajid

### Company Secretary

Mr. Amanullah

### GM Unit # 1 & 2

Mr. Ikram Azeem

### Head of Internal Audit

Afzaal Ahmad Khan

### GM Unit # 4

Mr. Muhammad Shoib Alam

## Bankers

Allied Bank Ltd  
Bank of Khyber  
Bank Al-Falah Ltd  
First Habib Mudarba  
First National Bank Mudarba  
First Punjab Mudarba  
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  
Saudi Pak Industrial & Agricultural Investment Company Ltd  
Standard Chartered Bank (Pakistan) Ltd  
Standard Chartered Mudarba  
Soneri 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-Jinah 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

## Directors' Review To The Shareholders

Directors of Your Company are pleased to present 2nd Quarterly financial statements of the Company for the period ended 31 December 2013.

### State of affairs and financial results

During the period, Company earned after tax net profit of Rs. 263 M as compared to Rs. 209 M in the comparative period, registering a notable increase in profitability of Rs. 54 M. Turnover of the period closed at Rs. 5,699 M, which is Rs. 1,073 M higher than comparative period's turnover of Rs. 4,625 M. Both segments of the Company performed relatively well yet weaving segment clinched the benefits of devaluation from its fabric export during earlier months of the quarter. Cotton prices remained stable throughout the period and progressive purchasing of this raw material helped to generate price benefit to the bottom line of the Company. High profitability is also attributable to increased production by addition of new 13,200 spindles and new 40 looms during the period.

Extraordinary increase in fuel and power cost and disruption in energy supply remained an ongoing threat for the efficiency, productivity and profitability. During last couple of months Company faced adverse effect of sluggish international Market demand particularly from China which hampered its way to further improvement. Nonetheless these effects were managed and minimized by diverse range of products to niche market of yarn and fabric.

### Future Outlook

Prospects of textile industry look improving after grant of GSP plus status by European Union. Benefits of this facility are expected to flow to every sector of industry and help accelerate the growth and provide new employment opportunities. Management of the Company is expecting indirect benefit of increased demand to certain extent and keeping a close eye on rapidly changing international scenarios.

L/Cs of new 13200 spindles have been established which will start commercial production in first quarter of next financial year. Management is also arranging contract with Fatima Energy Limited to invest in coal fired power project which will in return ensure uninterrupted power supply to the Company over foreseeable future.

### Word of Thanks

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

On Behalf of Board of Directors

Sd/-

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

**Date:** February 28, 2013

**Place:** Multan.

## Condensed Interim Balance Sheet (Un-audited)

	Un-audited December 31 2013	Audited June 30 2013
Note	----- (Rs in "000") -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital		
40,000,000 (June 30, 2013 : 40,000,000) ordinary shares of Rs. 10 each	400,000	400,000
30,000,000 (June 30, 2013 : 30,000,000) preference shares of Rs. 10 each	300,000	300,000
	<u>700,000</u>	<u>700,000</u>
Issued, subscribed and paid up capital 30,810,937 (June 30, 2013: 30,810,937) ordinary shares of Rs. 10 each	308,109	308,109
Reserves	102,317	154,147
Retained earnings	1,909,196	1,646,187
	<u>2,319,622</u>	<u>2,108,443</u>
<b>Surplus on revaluation of property, plant and equipment</b>	452,271	452,271
<b>Non-current Liabilities</b>		
Long term finance	4	1,216,939
Liabilities against asset subject to finance lease	25,277	27,061
Deferred liabilities	65,699	55,130
	<u>1,307,915</u>	<u>1,115,782</u>
<b>Current Liabilities</b>		
Current portion of non-current liabilities - secured	243,337	212,684
Finances under mark up arrangements and other credit facilities - secured	4,813,131	3,525,957
Trade and other payables	673,651	570,516
Provision for taxation	58,716	76,938
Mark-up accrued	96,639	69,059
	<u>5,885,474</u>	<u>4,455,154</u>
<b>Contingencies and commitments</b>	5	-
<b>Total equity and liabilities</b>	<u>9,965,282</u>	<u>8,131,650</u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim financial information.

Sd/-

Chief Executive Officer

# As At 31 December 2013

		Un-audited December 31 2013	Audited June 30 2013
	Note	----- (Rs in "000") -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	4,226,463	3,814,066
Long term deposits		19,103	18,733
		<u>4,245,566</u>	<u>3,832,799</u>
<b>Current assets</b>			
Stores, spares and loose tools		200,204	179,348
Stock in trade		3,585,414	2,467,182
Trade debts		980,688	856,469
Loans and advances	7	469,032	334,472
Trade deposits and prepayments		12,554	475
Other receivables		871	25,467
Other financial assets	8	74,975	65,183
Tax refunds due from government		300,333	297,165
Cash and bank balances		95,645	73,089
		<u>5,719,716</u>	<u>4,298,850</u>
<b>Total assets</b>		<u><u>9,965,282</u></u>	<u><u>8,131,650</u></u>

Sd/-  
Director

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

For the six months period ended December 31, 2013

	Note	Six months ended		Three months ended	
		December 31		December 31	
		2013	2012	2013	2012
		------(Rs in "000")-----			
Sales - net	9	5,699,393	4,625,932	2,884,684	2,246,243
Cost of sales		(4,922,481)	(4,083,301)	(2,490,391)	(1,959,570)
<b>Gross profit</b>		<b>776,912</b>	<b>542,631</b>	<b>394,293</b>	<b>286,673</b>
Distribution and marketing expenses		(81,684)	(62,268)	(44,732)	(30,093)
Administration expenses		(87,506)	(67,511)	(43,059)	(31,435)
Other operating expenses		(21,747)	(14,877)	(9,927)	(7,793)
Finance cost		(272,421)	(213,952)	(162,341)	(122,851)
Other operating income		7,957	64,491	817	54,124
		(455,401)	(294,117)	(259,242)	(138,048)
Profit before taxation		321,511	248,514	135,051	148,625
Provision for taxation		(58,501)	(38,952)	(29,857)	(19,633)
<b>Profit after taxation</b>		<b>263,010</b>	<b>209,562</b>	<b>105,194</b>	<b>128,992</b>
Earnings per share - basic and diluted		<b>8.54</b>	<b>6.80</b>	<b>3.41</b>	<b>4.19</b>

The annexed selected notes from 1 to 16 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, 2013

	Six months ended		Three months ended	
	December 31		December 31	
	2013	2012	2013	2012
	------(Rs in "000")-----			
<b>Profit after tax</b>	<b>263,010</b>	<b>209,562</b>	<b>105,194</b>	<b>128,992</b>
<b>Other comprehensive income</b>				
Gain on remeasurement of other financial assets at fair value	9,792	4,542	6,721	9,506
Fair value reserve transferred to profit and loss account on derecognition of other financial assets	-	(45,156)	-	(45,156)
	9,792	(40,614)	6,721	(35,650)
<b>Total comprehensive income for the period</b>	<b>272,802</b>	<b>168,948</b>	<b>111,915</b>	<b>93,342</b>

The annexed selected notes from 1 to 16 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, 2013

		Six months ended	
		December 31	December 31
		2013	2012
	Note	Rupees in '000'	
<b>A. Cash flows from operating activities</b>			
Cash used in operations	10	(624,381)	(490,059)
Finance cost paid		(230,114)	(173,722)
Worker's Profit Participation Fund paid		-	(37,516)
Taxes (paid) / refunded - net		(53,616)	13,647
Staff retirement benefits paid		(5,999)	(2,777)
<b>Net cash used in operating activities</b>		(914,110)	(690,427)
<b>B. Cash flows from investing activities</b>			
Fixed capital expenditure		(501,200)	(45,995)
Proceed from disposal of property, plant and equipment		432	1,881
Long term deposits		(370)	(1,274)
<b>Net cash used in investing activities</b>		(501,138)	(45,388)
<b>C. Cash flow from financing activities</b>			
Proceeds from long term finances		332,697	28,214
Repayment of long term finances		(118,979)	(79,730)
Finances under mark up arrangements-net		1,287,174	785,937
Repayment of lease liabilities		(1,466)	(5,723)
Dividend paid		(61,622)	-
<b>Net cash generated from financing activities</b>		1,437,804	728,698
<b>Net increase / (decrease) in cash and cash equivalents</b>		22,556	(7,117)
<b>Cash and cash equivalents at beginning of the period</b>		73,089	29,246
<b>Cash and cash equivalents at end of the period</b>		95,645	22,129

The annexed selected notes from 1 to 16 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, 2013

	Capital reserve		Revenue reserve		Total	
	Share capital	Share premium	Fair value reserve	General reserve		Retained earnings
	----- Rupees '000' -----					
Balance as at July 01, 2012	308,109	41,081	83,630	74,172	1,155,254	1,662,246
Profit for the period ended December 31, 2012	-	-	-	-	209,562	209,562
Other comprehensive income	-	-	(40,614)	-	-	(40,614)
<b>Total comprehensive income</b>	-	-	(40,614)	-	209,562	168,948
Transactions with the owners:						
Specie Dividend	-	-	-	-	(78,167)	(78,167)
<b>Balance as at December 31, 2012</b>	<b>308,109</b>	<b>41,081</b>	<b>43,016</b>	<b>74,172</b>	<b>1,286,649</b>	<b>1,753,027</b>
Balance as at July 01, 2013	308,109	41,081	38,894	74,172	1,646,186	2,108,443
Profit for the period ended December 31, 2013	-	-	-	-	263,010	263,010
Other comprehensive income	-	-	9,792	-	-	9,792
<b>Total comprehensive income</b>	-	-	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)
<b>Balance as at December 31, 2013</b>	<b>308,109</b>	<b>41,081</b>	<b>48,686</b>	<b>12,550</b>	<b>1,909,196</b>	<b>2,319,622</b>

The annexed selected notes from 1 to 16 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, 2013

## 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. The shares of the Company 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, in the province of Punjab.

## 2. STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the six-months period ended December 31, 2013 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 This condensed interim financial information has been prepared under the historical cost convention as modified by the revaluation of operating fixed assets and certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

3.2 This condensed interim financial information is unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under listing regulations of Karachi and Lahore Stock Exchange and section 245 of the Companies Ordinance, 1984. They do not include all of the information required for the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended as at June 30, 2013 .

### 3.3 Presentation and functional currency

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

### 3.4 Accounting estimates and judgments

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to

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

For the six months period ended December 31, 2013

accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2013.

### 3.5 Significant accounting policies

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, 2013.

		Un-audited December 31 2013	Audited June 30 2013
	Note	------(Rs in "000")-----	
<b>4. LONG TERM FINANCES</b>			
From financial institutions - secured	4.1	1,437,574	1,223,856
Less: current portion		(220,635)	(190,265)
		<u>1,216,939</u>	<u>1,033,591</u>

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

Opening balance	1,223,856	634,114
Add: obtained during the period / year	332,697	784,448
	<u>1,556,553</u>	1,418,562
Less: repaid during the period / year	(118,979)	(194,706)
Closing balance	<u>1,437,574</u>	<u>1,223,856</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, 2013, except the following:
- Foreign bills discounted outstanding as at December 31, 2013 are Rs. 793.58 million ( June 30, 2013 : Rs. 702.769 million).
  - The Company has arranged bank guarantees from MCB Bank Limited of Rs. 14.155 million in favour of Multan Electric Power Company Limited for payment of dues against electricity sales and from Meezan Bank Limited of Rs. 3.742 million in favour of the Director Excise and Taxation.

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

For the six months period ended December 31, 2013

		Un-audited December 31 2013	Audited June 30 2013
		----- (Rs in "000") -----	
<b>Commitments</b>	<b>Note</b>		
5.2	Commitments in respect of irrevocable letters of credit for:		
	- Capital expenditures	537,736	275,773
	- Other than capital expenditures	115,111	118,426
		<u>652,847</u>	<u>394,199</u>
5.3	Commitments in respect of forward foreign exchange contracts:		
	- Sales	225,202	-
	- Purchase	795,119	154,620
5.4	Commitments in respect of irrevocable standby letter of credit: Fatima Energy Limited	1,000,000	-
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
	Operating assets	6.1 4,071,956	3,754,411
	Capital work in progress	146,575	51,250
	Intangible assets	7,932	8,405
		<u>4,226,463</u>	<u>3,814,066</u>
<b>6.1 Operating assets</b>			
	Opening written down value	3,754,411	2,857,561
	Additions during the period/year	6.1.1 405,875	1,031,336
	Net book value of operating assets disposed off - during the period/year	6.1.1 (251)	(2,637)
	Depreciation charged during the period/year	(88,079)	(131,849)
		<u>4,071,956</u>	<u>3,754,411</u>
	Closing written down value		

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

For the six months period ended December 31, 2013

		(Un-audited)	
		Six months period ended	
		----- (Rs in "000") -----	
6.1.1	Additions/ disposals during the period	Additions at cost	Disposal at book value
	Building	54,149	-
	Plant and machinery	308,328	-
	Electric installations	37,071	-
	Factory equipment	58	-
	Office equipment	462	147
	Electric appliances	467	-
	Furniture and fixtures	1,151	-
	Vehicles	4,189	104
		<u>405,875</u>	<u>251</u>
		(Un-audited)	Audited
		December 31	June 30
		2013	2013
		----- (Rs in "000") -----	
<b>7.</b>	<b>LOANS AND ADVANCES</b>		
	Advances - considered good		
	- To employees	77,568	73,414
	- To suppliers	155,608	92,612
	Due from related parties	214,726	159,102
	Letters of credit - margins, deposits, opening charges, etc.	21,130	9,344
	Considered doubtful	2,713	2,713
		<u>471,745</u>	<u>337,185</u>
	Less: Provision for doubtful advances	(2,713)	(2,713)
		<u>469,032</u>	<u>334,472</u>
<b>8.</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Short term investment - available for sale		
	<b>Fatima Fertilizer Company Limited</b>		
	Carrying amount at beginning of the period		
	2,625,167 (June 2013: 2,625,167) fully paid		
	ordinary shares of Rs.10	65,183	140,773
	Carrying amount of shares transferred as		
	specie dividend Nil (June 2013: 3,081,094) shares	-	(79,215)
		<u>65,183</u>	<u>61,558</u>
	Fair value adjustment	9,792	3,625
	Closing market value of 2,625,167 (2013: 5,706,261) shares	<u>74,975</u>	<u>65,183</u>

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

For the six months period ended December 31, 2013

- 8.1 Fatima Fertilizer Company Limited (FFCL) is an associate of the Company through common directorship of 3 directors however, for the purpose of measurement this has been classified as available for sale as the Company being investor in FFCL does not have a significant influence over the operating and financial decisions of this associate.
- 8.2 During the period the Company declared Nil shares (June 2013 : 3,081,094) of Fatima Fertilizer Company Limited (FFCL), having face value of Rs. 10 each, to the shareholders as specie dividend in the ratio of 1 share of FFCL for every 10 shares of the Company on October 31, 2012.

	Six months period ended		Three months period ended	
	December 31		December 31	
	2013	2012	2013	2012
	----- (Rs in "000") -----		----- (Rs in "000") -----	
<b>9. SALES - net</b>				
Export	3,631,091	2,681,591	1,759,710	1,221,635
Local	2,112,463	1,948,893	1,145,993	1,026,220
Waste	53,356	46,594	26,774	25,377
	<u>5,796,910</u>	<u>4,677,078</u>	<u>2,932,477</u>	<u>2,273,232</u>
Less: Commission	(100,456)	(60,092)	(49,410)	(29,809)
	<u>5,696,454</u>	<u>4,616,986</u>	<u>2,883,067</u>	<u>2,243,423</u>
Add: Doubling/ sizing income	717	7,042	717	1,955
Export rebate	2,222	1,904	900	865
	<u>2,939</u>	<u>8,946</u>	<u>1,617</u>	<u>2,820</u>
	<u><u>5,699,393</u></u>	<u><u>4,625,932</u></u>	<u><u>2,884,684</u></u>	<u><u>2,246,243</u></u>

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

For the six months period ended December 31, 2013

	Un-audited	
	Six months period ended	
	2013	2012
	----- (Rs in "000") -----	
<b>10. CASH GENERATED FROM OPERATIONS</b>		
Profit before tax	321,511	248,514
<b>Adjustments for non cash charges and other items:</b>		
Depreciation on property, plant and equipment	88,079	63,030
Amortization of intangible assets	473	102
Staff retirement benefits accrued	16,568	11,559
Gain on disposal of property, plant and equipment	(217)	-
Provision for workers' profit participation fund	16,123	9,913
Fair value transferred to profit and loss account on derecognition of other financial assets	-	(45,156)
Gain on recognition of other financial assets	-	(2,156)
Interest on workers' profit participation fund	1,766	2,178
Finance cost (excluding exchange rate effect)	257,694	176,774
Profit before working capital changes	701,997	464,758
<b>Effect on cash flow due to working capital changes:</b>		
(Increase)/ decrease in current assets		
- Stores, spares and loose tools	(20,856)	(59,779)
- Stock in trade	(1,118,231)	(978,459)
- Trade debts	(124,219)	30,440
- Loans and advances	(134,560)	(61,011)
- Trade deposits and prepayments	(12,079)	(7,891)
- Other receivables	24,596	(2,804)
- Tax refunds due from government (excluding income tax)	(26,275)	(21,304)
Increase in current liabilities		
- Trade and other payables (excluding workers' welfare fund and workers' profit participation fund)	85,246	145,991
	(1,326,378)	(954,817)
Cash (used in) from operations	(624,381)	(490,059)

### 11. 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, 2013

Nature of transaction	Un-audited			
	Six months period ended		Three months period ended	
	December 31		December 31	
	2013	2012	2013	2012
	----- (Rs in "000") -----		----- (Rs in "000") -----	
<b>Associated undertakings</b>				
Sale of goods and service	-	5,464	-	5,410
Purchase of goods	15,159	44,871	14,043	14,824
Mark up charged	9,267	10,715	4,894	3,725
Sale of operating fixed assets	-	1,881	-	1,881
Purchase of operating fixed assets	219	-	-	-
Advances	62,769	-	-	-
<b>Key management personnel</b>				
Remuneration under the terms of employment to:				
Director	1,363	1,421	682	716
Executive	7,592	6,362	3,742	3,825
<b>Others</b>				
Donations	5,624	5,572	3,224	3,672

All transactions with related parties have been carried out on commercial terms and conditions.

### 12. 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, 2013.

### 13. 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, 2013.

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

For the six months period ended December 31, 2013

## 14 Segment Reporting

### 14.1 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:

### 14.2 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	
	2013	2012	2013	2012	2013	2012	2013	2012
Six months ended 31 December	Rupees '000'							
Sales - net	3,299,481	2,109,341	4,427,446	3,660,975	(2,027,534)	(1,144,384)	5,699,393	4,625,932
Cost of sales	(2,997,251)	(1,881,822)	(3,952,764)	(3,345,863)	2,027,534	1,144,384	(4,922,481)	(4,083,301)
Gross profit	302,230	227,519	474,682	315,112	-	-	776,912	542,631
Distribution and marketing expenses	(10,258)	(9,654)	(71,426)	(52,614)	-	-	(81,684)	(62,288)
Administrative expenses	(30,179)	(23,755)	(57,327)	(43,756)	-	-	(87,506)	(67,511)
Finance cost	(133,680)	(89,865)	(138,741)	(124,087)	-	-	(272,421)	(213,952)
Other operating expenses	(8,108)	(5,569)	(13,639)	(9,308)	-	-	(21,747)	(14,877)
Other operating income	4,277	15,226	3,680	49,265	-	-	7,957	64,491
	(177,948)	(113,617)	(277,453)	(180,500)	-	-	(455,401)	(294,117)
Profit Before Taxation	124,282	113,902	197,229	134,612	-	-	321,511	248,514
Taxation	(12,911)	(6,827)	(45,590)	(32,125)	-	-	(58,501)	(38,952)
Profit after taxation	111,371	107,075	151,639	102,487	-	-	263,010	209,562

14.2.1 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, 2013

## 14.3 Segment assets

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

	Spinning		Weaving		Total	
	31-Dec-13	30-Jun-13	31-Dec-13	30-Jun-13	31-Dec-13	30-Jun-13
	-----Rupees '000'-----					
Segment assets for reportable segment						
Operating fixed assets	2,231,940	2,240,889	1,796,574	1,469,712	4,028,514	3,710,601
Stores, spares and loose tools	88,304	94,368	111,900	84,980	200,204	179,348
Stock in trade	2,481,190	1,675,727	1,104,224	791,456	3,585,414	2,467,183
Debtors	102,002	94,728	878,686	761,741	980,688	856,469
	<u>4,903,436</u>	<u>4,105,712</u>	<u>3,891,384</u>	<u>3,107,889</u>	<u>8,794,820</u>	<u>7,213,601</u>
Unallocated corporate assets					<u>1,170,462</u>	<u>918,049</u>
<b>Total assets as per balance sheet</b>					<u>9,965,282</u>	<u>8,131,650</u>
<b>Segment liabilities</b>						
Segment liabilities for reportable segment	<u>3,393,442</u>	<u>2,690,127</u>	<u>2,905,236</u>	<u>2,109,166</u>	<u>6,298,678</u>	<u>4,799,293</u>
Unallocated corporate liabilities					<u>894,711</u>	<u>771,643</u>
<b>Total liabilities as per balance sheet</b>					<u>7,193,389</u>	<u>5,570,936</u>

## 14.4

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

For the six months period ended December 31, 2013

### 17. DATE OF AUTHORIZATION

These condensed interim financial information are authorized for issue by the Board of Directors of the Company on February 28, 2014.

### 18. GENERAL

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

Sd/-  
Chief Executive Officer

Sd/-  
Director

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

For the six months period ended December 31, 2013

## **Reliance Weaving Mills Limited**

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