



Half Yearly Accounts
December 31, 2015
(Un-Audited)



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(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
Mr. Shahid Aziz	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 Weaving

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
Samba Bank 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

Deloitte Yousuf Adil
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

Fazalpur Khanewal Road, Multan.
Tel. No. 061-6740020-3
Fax. No. 061-6740039

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 2015.

State of affairs and financial results

During the period, the company earned after tax net loss of Rs. 124 M as compared to profit of Rs. 8.74 M in the comparative period. The loss came due to depressed demand from China due to which sales prices of yarn and fabric remained under tremendous pressure.

However, declining in petroleum prices transfer into reduction of electricity cost. Due to reduction in KIBOR financial cost reduced by 18% while distribution and administrative expenses reduced by 21%. Reduction of all above cost contributing to reduce the loss for the period.

Future Outlook

Going forward, the higher regional currencies depreciation against USD rendered local export uncompetitive in the international arena so depreciation of PKR against USD remain critical for export. The economic slowdown in EU and turbulent times in China affect the export and keep the textile exports depressed.

On Behalf of Board of Directors

Sd/-

Fazal Ahmed Sheikh
(Chief Executive Officer)

Date: February 26, 2016
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, 2015, 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 months 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, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2015.

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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Talat Javed

Date: February 26, 2016
Place: Multan

Condensed Interim Balance Sheet (Un-audited)

As At December 31, 2015

		Un-audited December 31 2015	Audited June 30 2015
EQUITY AND LIABILITIES	Note	----- (Rs in "000") -----	
Share capital and reserves			
Authorised capital			
40,000,000 (June 30, 2015 : 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
30,000,000 (June 30, 2015 : 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		308,109	308,109
Reserves		206,392	191,534
Retained earnings		1,485,438	1,609,792
		<u>1,999,939</u>	<u>2,109,435</u>
Surplus on revaluation of fixed assets		634,325	634,325
Non-current Liabilities			
Long term finance	4	1,760,726	2,077,764
Liabilities against asset subject to finance lease		9,692	24,159
Deferred liabilities		179,598	170,383
		<u>1,950,016</u>	<u>2,272,306</u>
Current Liabilities			
Current portion of non-current liabilities		759,414	730,302
Finances under mark up arrangements and other credit facilities		3,964,856	3,592,817
Trade and other payables		866,089	689,189
Mark-up accrued		115,010	108,570
		<u>5,705,369</u>	<u>5,120,878</u>
Contingencies and commitments	5	-	-
Total equity and liabilities		<u>10,289,649</u>	<u>10,136,944</u>
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,267,274	5,377,184
Intangible assets		6,039	6,513
Long term investments	7	763,264	812,369
Long term deposits		16,164	21,485
Deferred tax asset		57,217	57,217
		<u>6,109,958</u>	<u>6,274,768</u>
Current assets			
Stores, spares and loose tools		186,421	183,564
Stock in trade		2,254,803	1,576,371
Trade debts		559,100	953,668
Loans and advances	8	426,310	385,796
Trade deposits and prepayments		37,933	2,710
Other receivables		33,125	24,272
Other financial assets	9	138,903	124,045
Tax refunds due from the government		461,894	540,943
Cash and bank balances		81,202	70,807
		<u>4,179,691</u>	<u>3,862,176</u>
Total assets		<u>10,280,649</u>	<u>10,136,944</u>

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

Sd/-

Chief Executive Officer

Condensed Interim Profit and Loss Account (Un-audited)

For the six months period ended December 31, 2015

		Six months ended		Three months ended		
		December 31		December 31		
		2015	2014	2015	2014	
Note	-----	(Rs in "000")-----				-----
Sales - net	10	4,742,410	5,425,310	2,375,509	2,618,955	
Cost of sales		(4,411,391)	(5,057,642)	(2,252,686)	(2,272,627)	
Gross profit		331,019	367,668	122,823	346,328	
Distribution and marketing expenses		(53,154)	(81,645)	(25,051)	(47,484)	
Administrative expenses		(73,557)	(79,189)	(37,989)	(38,113)	
Other operating expenses		(5,821)	(8,065)	(2,847)	(3,648)	
Finance cost		(278,765)	(339,558)	(143,541)	(176,564)	
Other income		6,911	17,175	6,743	(780)	
Share of (loss)/profit from associate		(3,129)	(3,824)	(1,486)	1,609	
		(407,515)	(495,106)	(204,171)	(264,980)	
(Loss) /profit before taxation		(76,496)	(127,438)	(81,348)	81,348	
Taxation		(47,907)	136,178	(44,102)	(26,971)	
(Loss)/ profit for the period		(124,403)	8,740	(125,450)	54,377	
(Loss)/ Earnings per share						
- basic and diluted (Rupees)		(4.04)	0.28	(4.07)	1.76	

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

Sd/-
Chief Executive Officer

Sd/-
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended December 31, 2015

	Six months ended		Three months ended	
	December 31		December 31	
	2015	2014	2015	2014
	------(Rs in "000")-----			
(Loss)/profit for the period	(124,403)	8,740	(125,450)	54,377
Other comprehensive income:				
Items that may be reclassified subsequently to profit and loss:				
-Gain/ (loss) on re-measurement of available for sale investment	14,858	17,772	(4,069)	19,320
Items that may not be reclassified subsequently to profit or loss:				
-Share of other comprehensive income of associate	49	-	49	-
	14,907	17,772	(4,020)	19,320
Total comprehensive (loss)/ income for the period	(109,496)	26,512	(129,470)	73,697

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

Sd/-
Chief Executive Officer

Sd/-
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the six months period ended December 31, 2015

	Note	Six months ended	
		December 31 2015	December 31 2014
Rupees in '000'			
A. Cash flows from operating activities			
Cash generated from operations	11	223,289	514,855
Finance cost paid		(258,818)	(333,497)
Taxes paid - net		(48,951)	(56,685)
Staff retirement benefits paid		(14,272)	(7,554)
Net cash (used in)/ generated from operating activities		(98,752)	117,119
B. Cash flows from investing activities			
Fixed capital expenditure		(12,257)	(941,016)
Proceeds from disposal of fixed assets		413	166
Long term deposits		5,321	48
Long term investment		46,024	(486,690)
Net cash generated/(used in) from investing activities		39,501	(1,427,492)
C. Cash flows from financing activities			
Proceeds from long term finances		-	791,922
Repayment of long term finances		(286,085)	(144,861)
Finances under mark up arrangements-net		372,039	672,339
Dividend paid		-	(13,179)
Decrease in lease liability		(16,308)	(7,477)
Net cash from financing activities		69,646	1,298,744
Net increase/(decrease) in cash and cash equivalents (A+B+C)		10,395	(11,629)
Cash and cash equivalents at beginning of the period		70,807	115,085
Cash and cash equivalents at end of the period		81,202	103,456

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

Sd/-
Chief Executive Officer

Sd/-
Director

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

For the six months period ended December 31, 2015

	Capital reserve		Revenue reserve		Total	
	Share capital	Share premium	Fair value reserve	General reserve		Retained earnings
	----- Rupees '000' -----					
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 for the period	-	-	17,772	-	8,740	26,512
Transactions with owners of the company recognized directly in equity						
Cash dividend for the year ended June 30, 2014 @ Rs. 1.5 for every share	-	-	-	-	(46,216)	(46,216)
Balance as at December 31, 2014	308,109	41,081	67,613	74,172	1,750,204	2,241,179
Balance as at July 01, 2015 - (audited)	308,109	41,081	76,281	74,172	1,609,792	2,109,435
Loss for the period ended December 31, 2015	-	-	-	-	(124,403)	(124,403)
Other comprehensive income	-	-	14,858	-	49	14,907
Total comprehensive income for the period	-	-	14,858	-	(124,354)	(109,496)
Balance as at December 31, 2015	308,109	41,081	91,139	74,172	1,485,438	1,999,939

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

Sd/-
Chief Executive Officer

Sd/-
Director

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

For the six months period ended December 31, 2015

1. THE COMPANY AND ITS OPERATIONS

Reliance Weaving Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on April 07, 1990 under the Companies Ordinance, 1984 and its shares are quoted on Pakistan Stock Exchange Limited ("PSX"). The Company commenced its operations on May 14, 1990 and principally engaged in the manufacture and sale of yarn and fabric. The registered office of the Company is situated at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the six-months ended December 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2015. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2015 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, 2014.

2.3 This condensed interim financial information is un-audited. However, a limited scope review has been performed by statutory auditors of the Company in accordance with clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

2.4 Presentation and functional currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2015. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2015, which do not have any impact on this condensed interim financial information except for IFRS 13 "Fair Value Measurement".

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

For the six months period ended December 31, 2015

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 15.

The different levels by valuation methods have been defined below:

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

		Un-audited December 31 2015	Audited June 30 2015
	Note	----- (Rs in "000") -----	
4. LONG TERM FINANCE			
From financial institutions - secured	4.1	2,496,011	2,782,096
Less: current portion		(735,285)	(704,332)
		1,760,726	2,077,764
4.1	The movement of long term finance during the period / year ended is as follows:		
Opening balance		2,782,096	2,035,019
Add: obtained during the period / year		-	1,091,921
		2,782,096	3,126,940
Less: repaid during the period / year		(286,085)	(344,844)
Closing balance		2,496,011	2,782,096

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.

Foreign bills discounted outstanding as at December 31, 2015 are Rs.463.591 million (June 30, 2015: Rs.1,541.744 million).

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

For the six months period ended December 31, 2015

		Un-audited December 31 2015	Audited June 30 2015
	Note	----- (Rs in "000") -----	
5.2	Commitments		
5.2.1	Commitments in respect of forward foreign exchange contracts:		
	- Sales	124,433	3,753
	- Purchase	155,994	-
5.2.2	Letters of credit for:		
	-Capital expenditures	7,900	18,228
	-Other than capital expenditures	191,309	462,353
		199,209	480,581
5.2.3	Stand by letters of credit for:		
	- Commitment to inject equity in Fatima Energy Limited:	1,750,000	2,250,000
6.	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	6.1 5,239,261	5,349,600
	Capital work in progress	28,013	27,584
		5,267,274	5,377,184
6.1	Operating assets		
	Opening written down value	5,349,600	4,355,912
	Additions during the period / year	6.1.1 11,828	1,238,644
	Net book value of operating assets		
	disposed off - during the period / year	6.1.1 (413)	(3,953)
	Depreciation charged during the period / year	(121,754)	(241,003)
	Closing written down value	5,239,261	5,349,600

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

For the six months period ended December 31, 2015

	(Un-audited)		(Audited)	
	Six months period ended December 31, 2015		Year ended June 30, 2015	
	----- (Rs in "000") -----		----- (Rs in "000") -----	
	Additions at cost	Disposal at book value	Additions at cost	Disposal at book value
6.1.1 Additions / disposals during the period				
Freehold land	-	-	2,673	-
Building	1,018	-	130,318	-
Plant and machinery	3,184	-	917,631	2,463
Electric installations	2,484	-	87,203	-
Factory equipment	60	-	4,097	-
Office equipment	330	-	5,260	99
Electric appliances	708	-	2,715	-
Furniture and fixtures	103	-	752	-
Vehicles	-	413	3,550	1,391
Leased plant and machinery	-	-	73,061	-
Leased vehicles	3,941	-	11,384	-
	<u>11,828</u>	<u>413</u>	<u>1,238,644</u>	<u>3,953</u>

	(Un-audited)	Audited
	December 31 2015	June 30 2015
	----- (Rs in "000") -----	
7. LONG TERM INVESTMENT		
Investment in associate	<u>763,264</u>	<u>812,369</u>
7.1 Investment in associate - Fatima Energy Limited (FEL) At equity method		
Cost	769,934	769,934
Share of post acquisition loss	(6,724)	(3,595)
Share of other comprehensive income	54	5
	<u>763,264</u>	<u>766,344</u>
Advance paid for issue of shares	-	46,025
Carrying amount at end of the period	<u>763,264</u>	<u>812,369</u>
No. of shares held	77,004,376	77,004,376
Ownership interest in percentage	14.73%	39.15%

Due to non availability of audited financial statements of FEL at the date of authorization for the issue of these condensed financial information, equity method has been applied on un-audited financial statements for the period ended December 31, 2015.

7.2 During the period FEL has issued further paid up capital of 325,920,236 shares, Rs. 10 each, and the Company has not subscribed any portion of these shares. FEL is still an associate of the Company because of significant influence over FEL through common directorship of 4 directors. Therefore, the Company is continuing to account for FEL by using the equity method.

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

For the six months period ended December 31, 2015

	(Un-audited) December 31 2015		Audited June 30 2015	
	----- (Rs in "000") -----			
8. LOANS AND ADVANCES				
Advances - considered good				
- To employees	112,583		103,729	
- To suppliers	167,541		116,355	
Due from related parties	6,071		4,714	
Letters of credit - margins, deposits, opening charges, etc.	140,115		160,998	
	<u>426,310</u>		<u>385,796</u>	
9. OTHER FINANCIAL ASSETS				
Short term investment - available for sale				
Fatima Fertilizer Company Limited	9.1	117,423		102,565
Short term investment - Others				
Multan Real Estate Company (PVT) Limited		21,480		21,480
		<u>138,903</u>		<u>124,045</u>
9.1 Fatima Fertilizer Company Limited				
Carrying amount at beginning of 2,625,167 (June 30, 2014: 2,625,167) fully paid ordinary shares of Rs. 10 each		102,565		76,130
Fair value adjustment		14,858		26,435
Closing market value of 2,625,167 (June 30, 2015: 2,625,167) shares		<u>117,423</u>		<u>102,565</u>
		----- Un-audited -----		
	Six months period ended December 31	Three months period ended December 31		
	2015	2014	2015	2014
	----- (Rs in "000") -----			
10. SALES - net				
Export	2,508,197	3,467,661	1,065,137	1,587,926
Local	2,271,956	2,027,861	1,320,747	1,066,800
Waste	61,447	49,523	38,634	21,922
	<u>4,841,600</u>	<u>5,545,045</u>	<u>2,424,518</u>	<u>2,676,648</u>
Less: Commission	<u>(49,342)</u>	<u>(73,840)</u>	<u>(25,979)</u>	<u>(32,920)</u>
	4,792,258	5,471,205	2,398,539	2,643,728
Add: Doubling/ Other Export rebate	18,047	1,673	16,803	-
	1,012	1,704	740	935
	19,059	3,377	17,543	935
Less: Sales Tax	<u>(68,907)</u>	<u>(49,272)</u>	<u>(40,573)</u>	<u>(25,708)</u>
	<u>4,742,410</u>	<u>5,425,310</u>	<u>2,375,509</u>	<u>2,618,955</u>

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

For the six months period ended December 31, 2015

Un-audited
Six months period ended
December 31

2015	2014
------	------

----(Rs in "000")----

11. CASH GENERATED FROM OPERATIONS

Loss before tax	(76,496)	(127,438)
Adjustments for non cash charges and other items:		
Depreciation on property, plant and equipment	121,754	114,126
Amortization of intangible assets	473	473
Staff retirement benefits accrued	23,487	19,895
Gain on disposal of property, plant and equipment	-	(62)
Share of loss from associate	3,129	3,824
Finance cost (excluding exchange gain/loss)	265,259	342,639
Profit before working capital changes	337,606	353,457

Effect on cash flow due to working capital changes:

(Increase)/ decrease in current assets

- Stores, spares and loose tools	(2,857)	(3,383)
- Stock in trade	(678,432)	65,725
- Trade debts	394,568	51,366
- Loans and advances	(40,514)	33,565
- Trade deposits and prepayments	(35,223)	23,621
- Other receivables	(8,853)	1,474
- Tax refunds due from government (excluding income tax)	80,094	(58,610)

Increase in current liabilities

- Trade and other payables (excluding workers' welfare fund and workers' profit participation fund)	176,900	47,640
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	(114,317)	161,398
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Cash generated from operations

	223,289	514,855
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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:

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

For the six months period ended December 31, 2015

	Un-audited			
	Six months period ended December 31		Three months period ended December 31	
	2015	2014	2015	2014
	-----(Rs in "000")-----		-----(Rs in "000")-----	
Nature of transaction				
<u>Associated undertakings</u>				
Purchase of goods	42,670	13,220	26,776	200
Mark up charged	6,590	12,030	6,590	2,018
Mark up expense	1,914	-	1,011	-
Sale of operating fixed assets	-	73	-	-
Advances	46,025	38,735	46,025	15,954
Allotment of shares	-	769,935	-	423,000
<u>Key management personnel</u>				
Remuneration to:				
Director	1,355	1,355	677	677
Executives	10,436	9,676	4,373	5,748
Others				
Donations	5,821	6,580	3,121	3,280

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, 2015.

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, 2015.

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

For the six months period ended December 31, 2015

15. FAIR VALUES	------(Un-audited)-----			------(Audited)-----		
	December 31, 2015	Level 2	Level 3	June 30, 2015	Level 2	Level 3
	Level 1	-----Rupees in "000"-----				
Property, plant and equipment						
- Freehold lands	15.1	-	752,939	-	-	752,939
Other financial assets						
- Short term investment - available for sale	15.2	117,423	-	-	102,565	-
		<u>117,423</u>	<u>752,939</u>	-	<u>102,565</u>	<u>752,939</u>
<p>There were no transfers between levels and no changes in valuation techniques during the period/year. The Company has not disclosed the fair values of all other assets and liabilities as their carrying amounts are reasonable approximation of their fair values.</p>						
<p>15.1 The Company follows the revaluation model for its freehold land. The fair value measurement as at May 31, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of the State Bank of Pakistan and the possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. Fair market value of the land was assessed through inquires from various estate agents and brokers keeping in view the location of the property, size, status, utilization and current trends in prices of real estate in the vicinity of the property.</p>						
<p>Since the date of last revaluation, there has been no material change in the market factors that derive the fair value of these properties, therefore, management believes that the carrying value of such 'freehold lands' approximate its fair market value.</p>						
<p>15.2 Available for sale short term investment includes quoted equity shares. The investment is remeasured at each reporting date at its fair value by using the prevailing market rate of shares on Pakistan Stock Exchange Limited ("PSX").</p>						
<p>15.3 Had there been no revaluation, the book values would have been as follows:</p>						
		------(Un-audited)-----		------(Audited)-----		
		December 31, 2015	Level 2	June 30, 2015	Level 2	Level 3
		-----Rupees in "000"-----				
Property, plant and equipment						
- Freehold lands				118,614		118,614
Other financial assets						
- Short term investment - available for sale				26,284		26,284
				<u>144,898</u>		<u>144,898</u>

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

For the six months period ended December 31, 2015

16. Segment Reporting

16.1 Reportable segments

The Company's reportable segments are as follows:

- Spinning segment - production of different quality of yarn using natural and artificial fibers
- Weaving segment - production of different quality of greige fabric using yarn

Information regarding the Company's reportable segments is presented below:

16.2 Segment revenue and results

Following is an analysis of the Company's revenue and results by reportable segments

	Spinning		Weaving		(Elimination of inter-segment transactions)		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Six months ended December 31	Rupees '000							
Sales - net	3,057,417	2,969,921	3,131,152	4,021,754	(1,446,159)	(1,566,365)	4,742,410	5,425,310
Cost of sales	(2,907,055)	(2,811,650)	(2,950,495)	(3,812,357)	1,446,159	1,566,365	(4,411,391)	(5,057,642)
Gross profit	150,362	158,271	180,657	209,397	-	-	331,019	367,668
Distribution and marketing expenses	(10,656)	(15,507)	(42,488)	(66,138)	-	-	(53,154)	(81,645)
Administrative expenses	(36,595)	(33,753)	(36,962)	(45,436)	-	-	(73,557)	(79,189)
Finance cost	(155,730)	(166,306)	(123,035)	(173,252)	-	-	(278,765)	(339,558)
Other operating expenses	(1,581)	(3,250)	(4,240)	(4,815)	-	-	(5,821)	(8,065)
Other income	3,265	6,277	3,646	10,898	-	-	6,911	17,175
Share of loss from associate	(1,564)	-	(1,565)	(3,824)	-	-	(3,129)	(3,824)
	(202,861)	(212,539)	(204,654)	(282,567)	-	-	(407,515)	(495,106)
(Loss) Before Taxation	(52,499)	(64,268)	(23,997)	(73,170)	-	-	(76,496)	(127,438)
Taxation	(16,214)	123,882	(31,693)	12,296	-	-	(47,907)	136,178
(Loss) / Profit After Taxation	(68,713)	69,614	(55,690)	(60,874)	-	-	(124,403)	8,740

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

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

For the six months period ended December 31, 2015

16.3 Segment assets	-----Rupees '000-----					
	Spinning		Weaving		Total	
	31-Dec-15	30-Jun-15	31-Dec-15	30-Jun-15	31-Dec-15	30-Jun-15
Reportable segments' assets and liabilities are reconciled to total assets and total liabilities as follows:						
Segment assets for reportable segment						
Operating fixed assets	3,205,180	3,184,452	2,006,549	2,023,695	5,213,729	5,208,147
Stores, spares and loose tools	110,181	100,661	76,240	82,903	186,421	183,564
Stock in trade	1,566,982	803,974	687,821	772,396	2,254,803	1,576,370
	<u>4,882,343</u>	<u>4,089,087</u>	<u>2,772,610</u>	<u>2,878,994</u>	<u>7,654,953</u>	<u>6,968,081</u>
Unallocated corporate assets					2,634,696	3,168,863
Total assets as per balance sheet					<u>10,289,649</u>	<u>10,136,944</u>
Segment liabilities						
Segment liabilities for reportable segment	<u>3,585,507</u>	<u>3,724,521</u>	<u>2,909,181</u>	<u>2,700,521</u>	<u>6,494,688</u>	<u>6,425,042</u>
Unallocated corporate liabilities					1,160,697	968,142
Total liabilities as per balance sheet					<u>7,655,385</u>	<u>7,393,184</u>

Sd/-
Chief Executive Officer

Sd/-
Director

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

For the six months period ended December 31, 2015

17. DATE OF AUTHORIZATION

These condensed interim financial information are authorized for issue by the Board of Directors of the Company on February 26, 2016.

18. GENERAL

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

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