



**Reliance Weaving
Mills Limited**
A Fatima Group Company

3rd Quarterly Accounts

March 31, 2019
(Un-Audited)



Condensed Interim Financial Information

For the Period of Nine Month Ended
March 31, 2019

Company Information

Board of Directors

Non-Executive Directors

Mr. Fawad Ahmed Mukhtar (Chairman)
Mr. Fahd Mukhtar
Mrs. Fatima Fazal

Independent Directors

Dr. M. Shoukat Malik
Mr. Shahid Aziz

Executive Directors

Mr. Fazal Ahmed Sheikh
Mr. Faisal Ahmed Mukhtar

Board Committees

Audit Committee

Mr. Shahid Aziz (Chairman)
Mr. Fahd Mukhtar (Member)
Dr. M. Shoukat Malik (Member)

HR & Remuneration Committee

Dr. M. Shoukat Malik (Chairman)
Mr. Faisal Ahmed Mukhtar (Member)
Mr. Fahd Mukhtar (Member)

Risk Management Committee

Mr. Faisal Ahmed Mukhtar (Chairman)
Mr. Shahid Aziz (Member)
Dr. M. Shoukat Malik (Member)

Executive Management Team

Chief Executive Officer

Mr. Fazal Ahmed Sheikh

Chief Financial Officer

Mr. Waheed Ahmed

Company Secretary

Mr. Aftab Ahmed Qaiser

GM Weaving

Mr. Ikram Azeem

GM Spinning (Multan)

Mr. Muhammad Shoab Alam

GM Marketing

Mr. Khawaja Sajid
Mr. Aqeel Saifi

Auditors & Shares Registrar

External Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants,
HM House, 7-Bank Square, Lahore.

Shares Registrar

M/s CDC Pakistan Ltd. Mezzanine Floor,
19 - Khyaban-e-Aiwan-e-Iqbal, LSE Plaza Lahore.
info@cdc.pak.com & kamran.ahmad@fatima-group.com

Bankers /Financial Institutions

Bank Islami Pakistan Ltd
Al-Baraka Bank Pakistan Ltd
Habib Metropolitan Bank Ltd
Dubai Islamic Bank Pakistan Ltd
Pak China Investment Company Ltd
Pak Libya Holding Company (Pvt) Ltd
Pak Brunei Investment Company Ltd
Standard Chartered Bank (Pakistan) Ltd
Askari Bank Ltd (Islamic banking Services)

MCB Bank Ltd
Sindh Bank Ltd
Habib Bank Ltd
Faysal Bank Ltd
Soneri Bank Ltd
Samba Bank Ltd
United Bank Ltd
Summit Bank Ltd
Meezan Bank Ltd

Allied Bank Ltd
Bank Al Falah Ltd
The Bank of Punjab
The Bank of Khyber
First Habib Modaraba
National Bank of Pakistan
Saudi Pak Industrial and
Agricultural Investment Company Ltd

Sites Address

Unit # 1,2,4 & 5

Fazalpur Khanewal Road, Multan.
Phone & Fax 061-6740020-3 & 061-6740039

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.
Phone & Fax 051-4611579-81 & 051-4611097

Business Offices

Registered Office

2nd Floor Trust Plaza, LMQ Road, Multan.
Tel # 061-4512031-2, 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

ENTITY RATING OF RELIANCE WEAVING MILLS LIMITED

Long Term A-

Short Term A2

CREDIT RATING AGENCY



The Pakistan Credit Rating Agency Limited

Director's Reveiw To The Members

Dear Members,

On the behalf of the Board of Directors, I am pleased to present 3rd quarterly Financial Statements of the Company for the period ended March 31, 2019.

Financial Highlights

The Company earned net profit of Rs 268 million during the period as compared to Rs. 134 million. Turnover of the Company has improved from Rs 10,109 million to Rs 11,900 million, which is 17% increase. Profitability improved due to improvement of weaving business and substantial gain of RS 117 million due to PKR devaluation against USD. Finance cost of the Company increased significantly by 44% mainly due to continuous rise in KIBOR coupled with increase in Bank borrowings to finance procurement of raw material.

Due to shortage of cotton crop during the year, local cotton rates increase, however, cotton prices in international market remained depressed as the abundant cotton stocks were available due to which yarn rates remained under pressure. Low yarn rates in international market decreased the profitability of Spinning. The profitability of weaving improved because of improvement in fabric prices due to increase in demand of fabric. Cotton prices decreased at the end of the season whereas yarn prices improved at the start of last quarter so it is expected that profitability of the company shall improve. However, rising trend of KIBOR shall have its toll on bottom line of the Company.

Date: April 26, 2019
Place: Lahore

On Behalf of Board of Directors



Fazal Ahmed Sheikh
(Chief Executive Officer)

ڈائریکٹرز کی رپورٹ

محترم اراکین!

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 مارچ، 2019 کو ختم ہونے والی مدت کے لئے کمپنی کے تیسرے سہ ماہی مالی بیانات پیش کرنے میں خوشی محسوس کر رہا ہوں۔

مالی جھلکیاں

کمپنی کو اس مدت کے دوران 134 ملین روپے کے مقابلے میں 268 ملین روپے کا خالص منافع ہوا۔ کمپنی کے کل کاروبار میں 10,109 ملین روپے سے 11,900 ملین روپے بہتری آئی ہے، جو کہ 17 فیصد اضافہ ہے۔ منافع بخشی میں بہتری ویونگ کے کاروبار میں اضافے کی وجہ سے اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی سے حاصل ہونے والے 117 ملین روپے سے ممکن ہوئی۔ کمپنی کے مالیاتی اخراجات میں نمایاں طور پر 44 فیصد اضافہ ہوا جس میں بنیادی طور پر KIBOR میں اضافہ سے خام مال کی خریداری کیلئے بینک سے لیے گئے قرضوں کے ساتھ مل کر اضافہ ہوا۔

رواں سال کے دوران کپاس کی فصل کی قلت کی وجہ سے، مقامی کپاس کی قیمتوں میں اضافہ ہوا جبکہ بین الاقوامی مارکیٹ میں کپاس کے سٹاک کے زیادہ ہونے کی وجہ سے کپاس کی قیمتیں اسی طرح دباؤ کا شکار رہیں۔ دھاگے کی قیمتوں میں کمی کی وجہ سے سپلنگ کے منافع میں کمی ہوئی۔ جبکہ ویونگ کے منافع میں بہتری کپڑے کی طلب اور قیمتوں میں اضافے سے ممکن ہوئی۔ سیزن کے آخر میں کپاس کی قیمتوں میں کمی ہوئی۔ جبکہ آخری سہ ماہی کے شروع میں دھاگے کی قیمتوں میں بہتری آئی لہذا توقع کی جاتی ہے کہ کمپنی کے منافع میں بہتری آئے گی۔ تاہم KIBOR میں اضافہ کے رجحان سے کمپنی کو نجی سطح پر ٹول پڑے گا۔

26 اپریل، 2019

لاہور

فضل احمد شیخ

چیف ایگزیکٹو آفیسر

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2019

		(Un-audited) March 31 2019	(Audited) June 30 2018
Note		-----Rupees in "000"-----	
ASSETS			
Non-current assets			
	Property, plant and equipment	4 5,943,569	5,633,486
	Intangible assets	2,964	3,674
	Long term investments	5 802,025	837,700
	Long term deposits	20,278	21,019
	Deferred tax asset	71,402	66,140
		<u>6,840,238</u>	<u>6,562,019</u>
Current assets			
	Stores, spares and loose tools	238,530	220,724
	Stock-in-trade	5,605,322	3,222,131
	Trade debts	1,921,638	2,005,913
	Loans and advances	6 410,433	263,590
	Prepayments and other receivables	39,335	27,214
	Short term investments	7 109,108	106,535
	Tax refunds & export rebate due from the government	705,530	779,696
	Cash and bank balances	115,343	79,087
		<u>9,145,239</u>	<u>6,704,890</u>
	TOTAL ASSETS	<u><u>15,985,477</u></u>	<u><u>13,266,909</u></u>
SHARE CAPITAL AND RESERVES			
	Authorized share capital	<u>700,000</u>	<u>700,000</u>
	Issued, subscribed and paid-up share capital	308,109	308,109
	Reserves	178,508	175,935
	Revaluation surplus on freehold land	949,486	949,486
	Unappropriated profit	<u>2,163,831</u>	<u>1,968,262</u>
		3,599,934	3,401,792
Liabilities			
Non-current liabilities			
	Long term finances	8 1,768,273	1,199,425
	Liabilities against assets subject to finance lease	11,818	14,404
	Staff retirement benefits - gratuity	306,637	267,705
		<u>2,086,728</u>	<u>1,481,534</u>
Current liabilities			
	Trade and other payables	1,824,464	1,322,614
	Unclaimed dividend	7,185	16,216
	Markup accrued	250,812	159,678
	Short term borrowings	7,600,697	6,080,170
	Current portion of non-current liabilities	513,159	669,476
	Taxation	102,498	135,429
		<u>10,298,815</u>	<u>8,383,583</u>
	Total liabilities	<u>12,385,543</u>	<u>9,865,117</u>
	Contingencies and commitments	9	
	TOTAL EQUITY AND LIABILITIES	<u><u>15,985,477</u></u>	<u><u>13,266,909</u></u>

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

Chief Executive Officer

Director

Chief Financial Officer

Condensed Interim Statement of Profit Or Loss (Un-audited)

For The Nine Month Period Ended March 31, 2019

		Nine months period ended		Quarter ended	
		March 31	March 31	March 31	March 31
		2019	2018	2019	2018
		-----Rs in "000"-----			
Sales - net	10	11,900,576	10,109,457	4,772,811	3,655,114
Cost of sales		(10,675,923)	(9,198,788)	(4,281,241)	(3,306,966)
Gross profit		1,224,653	910,669	491,570	348,148
Distribution and marketing expenses		(110,851)	(100,867)	(52,083)	(36,619)
Administrative expenses		(136,340)	(122,455)	(45,901)	(46,192)
Other expenses		(41,213)	(26,659)	(12,810)	(8,327)
Other income		121,119	53,884	17,912	30,713
		(167,285)	(196,097)	(92,882)	(60,425)
Profit from operations		1,057,368	714,572	398,688	287,723
Finance cost		(670,486)	(464,595)	(273,351)	(173,166)
		386,882	249,977	125,337	114,557
Share of loss of associates		(32,357)	(17,860)	(2,250)	(5,662)
Profit before taxation		354,525	232,117	123,087	108,895
Provision for taxation		(86,313)	(98,032)	(54,990)	(41,173)
Profit after Taxation		268,212	134,085	68,097	67,722
Earnings per share		8.71	4.35	2.21	2.20

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


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

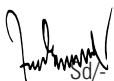
For the nine months period ended March 31, 2019

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>March 31</u>	<u>March 31</u>	<u>March 31</u>	<u>March 31</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>-----Rs in '000'-----</u>			
Profit after taxation	268,212	134,085	68,097	67,722
Other comprehensive income:				
Items that may be reclassified subsequently to statement of profit or loss:				
- Gain on remeasurement of available -for sale investment	2,573	(1,931)	(8,112)	(2,876)
Items that may not be reclassified subsequently to statement of profit or loss:				
- Share of other comprehensive loss of Associated Companies	(3,318)	-	-	-
-Surplus arisen upon revaluation of freehold land	-	315,161	-	-
Total comprehensive income for the period	<u>267,467</u>	<u>447,315</u>	<u>59,985</u>	<u>64,846</u>

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



Chief Executive Officer



Director



Chief Financial Officer

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

For the nine months period ended March 31, 2019

	Capital reserve			Revenue reserve		Total
	Share premium	Revaluation surplus on freehold land	Fair value reserve	General reserve	Unappropriated profit	
Rupees in "000"						
Balance as at July 01, 2018 (audited)	308,109	41,081	949,486	60,682	74,172	3,401,792
Transaction with owners:						
Cash dividend at the rate of Rs.2.25 per ordinary share for the year ended June 30, 2018	-	-	-	-	-	(69,325)
Profit for the nine months period ended March 31, 2019	-	-	-	-	-	268,212
Other comprehensive income	-	-	-	2,573	-	(3,318)
Total comprehensive income for the period	-	-	-	2,573	-	264,894
Balance as at March 31, 2019 (Un-audited)	308,109	41,081	949,486	63,255	74,172	3,599,934
Balance as at June 30, 2017 (audited)	308,109	41,081	634,325	64,068	74,172	2,859,404
Transaction with owners:						
Cash dividend at the rate of Rs.1.50 per ordinary share for the year ended June 30, 2017	-	-	-	-	-	(46,216)
Profit for the nine months period ended March 31, 2018	-	-	-	-	-	134,085
Other comprehensive income	-	-	315,161	(1,931)	-	313,230
Total comprehensive income for the period	-	-	315,161	(1,931)	-	447,315
Balance as at March 31, 2018 (Un-audited)	308,109	41,081	949,486	62,137	74,172	3,260,503

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


Sd/-

Chief Executive Officer


Sd/-

Director


Sd/-

Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine month period ended March 31, 2019

	Nine months period ended	
	March 31	
	2019	2018
Note	-----Rs in "000"-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	11 (620,928)	(144,157)
Finance cost paid	(579,353)	(389,359)
Taxes paid - net	(73,112)	(8,272)
Staff retirement benefits paid	(22,461)	(20,260)
Workers Profit Participation Fund paid	(23,608)	(9,796)
Net cash used in operating activities	(1,319,462)	(571,844)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(505,883)	(193,036)
Sale proceeds of operating fixed assets	8,741	30,213
Long term deposits	742	(472)
Net cash used in investing activities	(496,400)	(163,295)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term finances	877,460	124,233
Repayment of long term finances	(468,694)	(702,370)
(Decrease) / increase in lease liability	1,179	18,525
Short term borrowings - net	1,520,528	1,321,623
Dividend paid	(78,355)	(35,111)
Net cash generated from financing activities	1,852,118	726,900
Net increase in cash and cash equivalents (A+B+C)	36,256	(8,239)
Cash and cash equivalents at beginning of the period	79,087	96,630
Cash and cash equivalents at end of the period	115,343	88,391

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

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Chief Financial Officer

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

For the nine months period ended March 31, 2019

1. Legal Status and Operations

Reliance Weaving Mills Ltd. (the Company) was incorporated in Pakistan as a public limited company on April 07, 1990 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company commenced its operations on May 14, 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 and its mills are located at Fazalpur Khanewal Road, Multan and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.

2. Basis of Preparation

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim financial reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended June 30, 2018.

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 2018. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2018, which do not have any impact on this condensed interim financial information.

4. Property, Plant & Equipment

		<i>Un-audited March 31, 2019</i>	<i>Audited June 30, 2018</i>
	<i>Note</i>	<i>-----Rupees in '000'-----</i>	
Operating fixed assets	4.1	5,923,199	5,624,813
Capital work in progress		20,370	8,673
		<u>5,943,569</u>	<u>5,633,486</u>

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

For the nine months period ended March 31, 2019

		March 31, 2019	June 30, 2018
	Note	-----Rupees in "000"-----	
4.1 Operating fixed assets			
Opening written down value		5,624,813	5,344,973
Additions during the period / year		494,186	245,516
Revaluation surplus		-	315,161
Net book value of operating assets disposed off			
- during the period / year		(8,516)	(32,049)
Depreciation charged during the period / year		(187,284)	(248,788)
Closing written down value		5,923,199	5,624,813
		Additions at cost	Disposal at book value
		-----Rupees in "000"-----	
4.1.1 Additions / disposals during the period			
Land		677	-
Building		15,264	-
Plant and machinery		450,177	6,449
Electric installations		6,728	-
Factory equipments		4,220	-
Office equipment		1,448	47
Electric appliances		898	-
Furniture and fixtures		432	-
Vehicles		14,342	2,019
		494,186	8,515
5. Long term investments			
Investment in associates - Un-quoted			
Fatima Energy Limited	5.1	746,023	766,778
Fatima Transmission Company Limited	5.2	56,002	70,922
		802,025	837,700
5.1 Fatima Energy Limited ("FEL") at equity method			
Cost		800,054	800,054
Share of post acquisition loss		(64,783)	(47,346)
Share of other comprehensive income		2,348	5,666
Gain on dilution of investment in associate		8,404	8,404
Carrying amount at end of the period		746,023	766,778
No. of shares held		80,016,370	80,016,370
Ownership interest in percentage		14.04%	14.04%
5.2 Fatima Transmission Company Limited ("FTCL") at equity method			
Cost		71,875	71,875
Share of post acquisition loss		(15,873)	(953)
Carrying amount at end of the period		56,002	70,922
No. of shares held		7,187,500	7,187,500
Ownership interest in percentage		31.25%	31.25%

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

For the nine months period ended March 31, 2019

		<i>Un-audited March 31, 2019</i>	<i>Audited June 30, 2018</i>
	<i>Note</i>	<i>-----Rupees in "000"-----</i>	
6. Loans and advances			
Advances - considered good			
- To employees		188,607	173,825
- To suppliers		58,144	32,704
Due from related parties		126,952	28,709
Letters of credit - margins, deposits etc.		36,730	28,352
		<u>410,433</u>	<u>263,590</u>
7. Short term investment			
Short term investment - available for sale			
Fatima Fertilizer Company Limited	7.1	87,628	85,055
Short term investment - Others			
Multan Real Estate Company (PVT) Limited		21,480	21,480
		<u>109,108</u>	<u>106,535</u>
7.1 Fatima Fertilizer Company Limited			
Carrying amount at beginning of 2,625,167 fully paid ordinary shares of Rs. 10 each		85,055	88,441
Fair value adjustment		2,573	(3,386)
Closing market value of 2,625,167 shares		<u>87,628</u>	<u>85,055</u>
8. Long term finances			
From financial institutions - secured	8.1	2,268,906	1,860,140
Less: current portion		(500,633)	(660,715)
		<u>1,768,273</u>	<u>1,199,425</u>
8.1 The movement of long term finance during the period / year ended is as follows:			
Opening balance		1,860,140	2,592,443
Add: obtained during the period / year		877,460	124,233
		<u>2,737,600</u>	<u>2,716,676</u>
Less: repaid during the period / year		(468,694)	(856,536)
Closing balance		<u>2,268,906</u>	<u>1,860,140</u>
9. Contingencies and commitments			
9.1 Contingencies			
There is no significant change in the status of contingent liabilities since the annual published audited financial statements as at June 30, 2018, except the following;			
Bank guarantee outstanding as at March 31, 2019 are Rs. 226.362 million (June 30, 2018: Rs. 201.176 million).			
Foreign bills discounted outstanding as at March 31, 2019 are Rs. 384.710 million (June 30, 2018: Rs. 469.078 million).			

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

For the nine months period ended March 31, 2019

	<i>Un-audited March 31, 2019</i>	<i>Audited June 30, 2018</i>
<i>Note</i>	<i>-----Rupees in "000"-----</i>	
9.2 Commitments		
9.2.1 Letters of credit for:		
-Capital expenditures	216,706	281,092
-Other than capital expenditures	456,083	154,447
	<u>672,789</u>	<u>435,539</u>
9.2.2 Stand by letters of credit for:		
-Commitment to inject equity in Fatima Energy Limited	-	67,956
	<u>-----Un-audited-----</u>	<u>-----Audited-----</u>
	<i>Nine months period ended March 31,</i>	
	<i>2019</i>	<i>2018</i>
	<i>-----Rupees in "000"-----</i>	
10. Sales - net		
Export	4,247,310	4,575,059
Local	7,634,397	5,292,696
Waste	138,529	173,774
	<u>12,020,236</u>	<u>10,041,529</u>
Less: Commission	(119,660)	(102,798)
	<u>11,900,576</u>	<u>9,938,731</u>
Add: Weaving/doubling/sizing income	-	473
Export rebate	-	170,253
	<u>-</u>	<u>170,726</u>
	<u>11,900,576</u>	<u>10,109,457</u>
11. Cash generated from operations		
Profit before tax	354,525	232,117
Adjustments for non cash charges and other items:		
Depreciation on property, plant and equipment	187,284	185,910
Amortization of intangible assets	710	710
Staff retirement benefits accrued	61,394	49,090
Loss on disposal of property, plant and equipment	(225)	1,764
Share of loss from associate	32,357	17,860
Provision of WPPF	17,289	10,610
Interest on workers' profit participation fund	1,659	-
Finance cost excluding exchange gain / (loss)	670,486	413,173
Profit before working capital changes	<u>1,325,479</u>	<u>911,234</u>
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets		
- Stores, spares and loose tools	(17,806)	(17,993)
- Stock in trade	(2,383,191)	(1,434,246)
- Trade debts	84,274	(221,075)
- Loans and advances	(146,843)	9,512
- Prepayments and other receivables	(12,122)	(5,733)
- Tax refunds due from government (excluding income tax)	22,772	(150,050)
Increase in current liabilities		
- Trade and other payables (excluding workers' profit participation fund)	506,509	764,194
	<u>(1,946,407)</u>	<u>(1,055,391)</u>
Cash used in operations	<u>(620,928)</u>	<u>(144,157)</u>

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

For the nine months period ended March 31, 2019

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:

	-----Un-audited----- Nine months period ended March 31, 20192018 -----Rupees in "000"-----	
Nature of transaction		
<u>Associated undertakings</u>		
Purchase of goods	27,938	14,792
Sale of goods	1,576	1,490
Mark up charged	1,461	2,190
Mark up expense	2,031	3,320
Advances issued	655,519	571,764
Advances repaid	729,297	467,500
Others	11,502	1,544
<u>Key management personnel</u>		
Remuneration to:		
- Director	-	3,006
- Executives	15,541	13,125
Others		
- Donations	20,200	11,200

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, 2018.

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, 2018.

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

For the nine months period ended March 31, 2019

1.5. Segment reporting

1.5.1 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:

1.5.2 Segment revenue and results

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

	Spinning			Weaving			(Elimination of inter-segment)			Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2018
Nine months ended March 31, Un-audited											
Rupees in "000"											
Sales - net	6,611,426	5,429,892	7,574,588	6,688,292	(2,285,438)	(2,008,726)	11,900,576	10,109,458			
Cost of sales	(5,987,535)	(5,016,529)	(6,973,826)	(6,190,985)	2,285,438	2,008,726	(10,675,923)	(9,198,788)			
Gross profit	623,891	413,363	600,762	497,307	-	-	1,224,653	910,669			
Distribution and marketing expenses	(23,174)	(21,201)	(87,677)	(79,667)	-	-	(110,851)	(100,867)			
Administrative expenses	(61,430)	(55,103)	(74,910)	(67,351)	-	-	(136,340)	(122,455)			
Other expenses	(19,390)	(22,074)	(21,823)	(4,585)	-	-	(41,213)	(26,659)			
Other income	16,248	26,758	104,871	27,125	-	-	121,119	53,882			
Profit from operations	(87,746)	(71,620)	(79,539)	(124,478)	-	-	(167,285)	(196,099)			
	536,144	341,742	521,223	372,829	-	-	1,057,368	714,571			
Finance cost	(341,812)	(256,597)	(328,675)	(207,997)	-	-	(670,486)	(464,594)			
Share of loss from associate	194,332	85,145	192,548	164,832	-	-	386,882	249,977			
Profit / (Loss) before taxation	(16,225)	(7,955)	(16,130)	(9,906)	-	-	(32,357)	(17,860)			
Provision for taxation	178,107	77,190	176,418	154,926	-	-	354,525	232,117			
Profit / (Loss) for the period	(52,743)	(40,780)	(33,570)	(57,251)	-	-	(86,313)	(98,032)			
	125,364	36,410	142,848	97,675	-	-	268,212	134,085			

1.5.2.1 The accounting policies of the reportable segments are the same as the Company's accounting policies described in the annual financial statements for the year ended June 30, 2018.

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

For the nine months period ended March 31, 2019

15.3 Segment assets

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

	Spinning		Weaving		Total	
	Un-audited March 31 2019	Audited June 30 2018	Un-audited March 31 2019	Audited June 30 2018	Un-audited March 31 2019	Audited June 30 2018
<i>—Rupees in '000'</i>						
Segment assets for reportable segment						
Operating fixed assets	3,239,343	3,307,252	2,704,226	2,317,561	5,943,569	5,624,813
Stores, spares and loose tools	148,366	136,559	90,164	84,166	238,530	220,725
Stock in trade	3,865,899	1,949,432	1,739,423	1,272,699	5,605,322	3,222,131
	<u>7,253,608</u>	<u>5,393,243</u>	<u>4,533,813</u>	<u>3,674,426</u>	<u>11,787,421</u>	<u>9,067,669</u>
Unallocated corporate assets					4,198,056	4,199,240
Total assets as per balance sheet					<u>15,985,477</u>	<u>13,266,909</u>

15.4

Segment liabilities

Segment liabilities for reportable segments'	4,888,903	4,098,095	5,007,913	3,865,380	9,896,816	7,963,475
Unallocated corporate liabilities					2,488,727	1,901,642
Total liabilities as per balance sheet					<u>12,385,543</u>	<u>9,865,117</u>

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

For the nine months period ended March 31, 2019

16. Corresponding Figures

16.1 In order to comply with the requirements of IAS 34 "Interim financial reporting", the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

16.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

17. Date of authorization

These condensed interim financial information are authorized for issue on April 26, 2019 by the Board of Directors of the Company.

18. General

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



Sd/-

Chief Executive Officer



Sd/-

Director



Sd/-

Chief Financial Officer