



2023

For The
Three Months Ended
September 30

Fazal Cloth Mills Limited



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**COMPANY PROFILE****BOARD OF DIRECTORS**

Sh. Naseem Ahmad	Chairman/ Non – Executive Director
Mr. Rehman Naseem	Chief Executive Officer
Mr. Amir Naseem Sheikh	Non – Executive Director
Mr. Faisal Ahmed	Non – Executive Director
Mr. Muhammad Mukhtar Sheikh	Executive Director
Mr. Fahd Mukhtar	Executive Director
Mr. Babar Ali	Independent Director
Mr. Masood Karim Shaikh	Independent Director
Ms. Parveen Akhter Malik	Independent Director

AUDIT COMMITTEE

Ms. Parveen Akhter Malik	Independent Director/Chairman
Mr. Sheikh Naseem Ahmad	Non – Executive Director
Mr. Amir Naseem Sheikh	Non – Executive Director
Mr. Babar Ali	Independent Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Babar Ali	Independent Director/Chairman
Mr. Amir Naseem Sheikh	Non – Executive Director
Mr. Faisal Ahmed	Non – Executive Director

STRATEGIC PLANNING COMMITTEE

Mr. Rehman Naseem	CEO/Chairman
Mr. Masood Karim Shaikh	Independent Director
Ms. Parveen Akhter Malik	Independent Director

COMPANY SECRETARY

Mr. Azher Iqbal, ACA

CHIEF FINANCIAL OFFICER

Mr. Muhammad Azam, FCA & FCMA

AUDITORS

ShineWing Hameed Chaudhri & Co., Chartered Accountants

BANKERS

Bank Al Habib Limited	Askari Bank Limited
National Bank of Pakistan	MCB Bank Limited
Meezan Bank Limited	The Bank of Khyber
The Bank of Punjab	JS Bank Limited
Habib Metropolitan Bank Limited	Dubai Islamic Bank Pakistan Limited
Bank Alfalah Limited	Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited	Summit Bank Limited
Faysal Bank Limited	Saudi Pak Industrial & Agricultural Inv. Company Limited
Allied Bank Limited	Pak Oman Investment Company Limited
Bank Islami Pakistan Limited	Pak Brunei Investment Company Limited
Soneri Bank Limited	Pak Libya Holding Company (Pvt.) Limited
Industrial and Commercial Bank of China Ltd.	Pakistan Kuwait Investment Company (R&D) Limi
United Bank Limited	PAIR Investment Company Limited

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REGISTERED OFFICE:

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DIRECTORS' REVIEW

Dear Shareholders!

Assalam-o-Alaikum

On behalf of the Board of Directors of Fazal Cloth Mills Ltd. (the Company), we would like to present the un-audited financial information of the Company for the three months ended September 30, 2023.

FINANCIAL PERFORMANCE

A comparison of the key financial results of the Company for the three months ended September 30, 2023 with same period last year (SPLY), is as follows:

Financial Highlights	September 30, 2023	September 30, 2022	Favorable / (Unfavorable) %
	Rupees in thousand		
Sales –net	23,289,787	18,468,508	26.11%
Cost of sales	19,928,892	15,843,703	25.78%
Gross Profit	3,360,895	2,624,805	28.04%
EBIDTA	3,802,062	2,144,977	77.25%
Depreciation	515,904	430,122	19.94%
Finance Cost	2,244,948	978,168	129.51%
Profit before taxation	1,041,210	736,687	41.34%
Profit after taxation	559,644	525,573	6.48%
Earnings per share –Rs.	18.65	17.52	6.48%

The sales revenue has increased by 26.11% during the period under review, the overall sales volume of yarn has improved in this period as compared to SPLY.

The finance cost during the period experienced a significant increase of 129.51%, totaling Rs. 2,245 million. This surge can be attributed to various factors, including higher policy rates of 22%, higher working capital requirements owing to inflationary impact / rupee devaluation and the non-availability of cheaper source of financing alternatives for investments in new machinery and expansion in the value-added sector.

FUTURE OUTLOOK

The global economy is showing signs of an upturn, poised to grow faster than it was projected in the first half of 2023. Nonetheless, these improvements remain fragile with a slower economic rebound in China, persistent core inflation, elevated interest rates, and lingering geopolitical uncertainties continuing to exert pressure on economic activities.

Since the beginning of FY2024, Pakistan's economy stepped up on the recovery path. In August FY2024, month-on-month exports increased significantly while imports grew marginally for the same period. The upturn in the global economy coupled with relaxed import restrictions, is mitigating disruptions in the supply of raw materials and supporting export-oriented industries. Foreign Direct Investment also increased by 16.1 percent during Jul-Aug FY2024 on account of rise in Chinese investments and exchange rate stability.



A significant development for the Country's Textile Industry is the early cotton arrivals this year with better quality. According to Pakistan Cotton Ginners Association (PCGA), by October 15, 2023, seed cotton equal to 5.996 million bales had reached ginning factories across the Country against the ambitious production target for the current season at 12.7 million bales. If the weather conditions in the Country remain favorable and target production is achieved, it will not only help stabilize the cotton prices and support local textile industry to flourish but will help the Country to earn significant foreign exchange.

The management expects the sales revenue to grow during the year ending June 30, 2024 and the liquidity position will further strengthen to run the operations of the Company in a sustainable manner. Going forward, we remain committed to improve our operations, to be more innovative, efficient and profitable to deliver sustainable returns to our shareholders.

THANKS AND APPRECIATION

We would like to place on record deep appreciation for the efforts of the executives, officers and other staff members and workers for their hard work, co-operation and sincerity to the Company in achieving the best possible results. The Board also wishes to place on record the appreciations to all banks, customers and suppliers for continued support to the Company with zeal and dedication. The Management is quite confident that these relations and co-operation will continue in the years to come.

Dated: October 30, 2023

(Sheikh Naseem Ahmad)
Chairman

For & on behalf of the Board

(Rehman Naseem)
Chief Executive Officer



ڈائریکٹرز جائزہ رپورٹ

معزز شیئر ہولڈرز

فضل کا تھک ملز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 ستمبر 2023 کو ختم ہونے والے تین ماہ کے لیے کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات پیش کرنا چاہتے ہیں۔

مالیاتی کارکردگی

گزشتہ سال کی اسی مدت (SPLY) کے ساتھ 30 ستمبر 2023 کو ختم ہونے والے تین ماہ کے لیے کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:

مالی شرح خیریاں	سرمایہ اختتام ہر ماہ کے عرصہ ستمبر 2023، 30	سرمایہ اختتام ہر ماہ کے عرصہ ستمبر 2022، 30	(کی) / اضافہ %
	روپے (000)	روپے (000)	
نیٹ سیلز	23,289,787	18,468,508	26.11%
فروخت کی قیمت	19,928,892	15,843,703	25.78%
کل منافع	3,360,895	2,624,805	28.04%
EBIDTA	3,802,062	2,144,977	77.25%
فرسودگی	515,904	430,122	19.94%
مالیاتی لاگت	2,244,948	978,168	129.51%
ٹیکس سے پہلے منافع	1,041,210	736,687	41.34%
ٹیکس کے بعد منافع	559,644	525,573	6.48%
فی شیئر آمدنی - روپے	18.65	17.52	6.48%

زیر جائزہ مدت کے دوران کیلرز ریونیو میں 26.11 فیصد اضافہ ہوا ہے، (SPLY) کے مقابلے میں اس عرصے میں یارن کی مجموعی فروخت کا حجم بہتر ہوا ہے۔

اس مدت کے دوران مالیاتی لاگت میں 129.51 فیصد کا نمایاں اضافہ ہوا، جو کہ کل 2,245 ملین روپے ہے۔ اس اضافے کو مختلف عوامل سے منسوب کیا جاسکتا ہے، بشمول 22 فیصد زیادہ پالیسی ریٹ، افراط زر کے اثرات/روپے کی قدر میں کمی اور نئی مشینری میں سرمایہ کاری کے لیے مالیاتی متبادل کے سستے ذرائع کی عدم دستیابی اور ویلیو ایڈڈ میں توسیع سمیت زیادہ کام کرنے والے سرمائے کی ضروریات۔

مستقبل کا جائزہ

عالمی معیشت میں بہتری کے آثار دکھائی دے رہے ہیں، جو کہ 2023 کی پہلی ششماہی میں اس سے کہیں زیادہ تیزی سے ترقی کرنے کے لیے تیار ہے۔ اس کے باوجود، چین میں سست اقتصادی بحالی، مسلسل بنیادی افراط زر، بلند شرح سود، اور پرچا جغرافیائی سیاسی صورتحال کے ساتھ یہ بہتری کمزور ہے۔ غیر یقینی صورتحال معاشی سرگرمیوں پر مسلسل دباؤ ڈال رہی ہے۔

مالی سال 2024 کے آغاز سے پاکستان کی معیشت بحالی کی راہ پر گامزن ہے۔ اگست FY2024 میں، برآمدات میں ماہ بہ ماہ نمایاں اضافہ ہوا جبکہ اسی مدت کے لیے درآمدات میں معمولی اضافہ ہوا۔ درآمدی پابندیوں میں نرمی کے ساتھ عالمی معیشت میں بہتری خام مال



کی سپلائی کی رکاوٹوں کو کم کر رہی ہے اور برآمد پر مبنی صنعتوں کو سپورٹ کر رہی ہے۔ چینی سرمایہ کاری میں اضافے اور شرح مبادلہ میں استحکام کی وجہ سے جولائی تا اگست مالی سال 2024 کے دوران براہ راست غیر ملکی سرمایہ کاری میں بھی 16.1 فیصد اضافہ ہوا۔

ملک کی ٹیکسٹائل انڈسٹری کے لیے ایک اہم پیش رفت اس سال بہتر کواٹری کے ساتھ کپاس کی ابتدائی آمد ہے۔ پاکستان کاٹن جزز ایسوسی ایشن (PCGA) کے مطابق، 15 اکتوبر 2023 تک، سیڈ کپاس 5.996 ملین گانٹھوں کے برابر ملک بھر میں جنگ فیلڈوں تک پہنچ چکی تھی، جبکہ موجودہ سیزن کے لیے پیداواری ہدف 12.7 ملین گانٹھوں پر تھا۔ اگر ملک میں موسمی حالات سازگار رہتے ہیں اور پیداوار کا ہدف حاصل کر لیا جاتا ہے، تو اس سے نہ صرف کپاس کی قیمتوں میں استحکام آئے گا اور مقامی ٹیکسٹائل انڈسٹری کو بھلنے پھولنے میں مدد ملے گی بلکہ ملک کو نمایاں زرمبادلہ کمانے میں مدد ملے گی۔

انتظامیہ کو توقع ہے کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران سٹیز ریونیو میں اضافہ ہوگا اور کمپنی کے آپریشنز کو پائیدار طریقے سے چلانے کے لیے لیکویڈیٹی کی پوزیشن مزید مضبوط ہوگی۔ آگے بڑھتے ہوئے، ہم اپنے حصص یافتگان کو پائیدار منافع فراہم کرنے کے لیے مزید اختراعی، موثر اور منافع بخش بننے کے لیے اپنے آپریشنز کو بہتر بنانے کے لیے برعزم ہیں۔

شکریہ اور تعریف

ہم بہترین ممکنہ نتائج حاصل کرنے میں کمپنی کے ساتھ محنت، تعاون اور خلوص کے لیے ایگزیکٹوز، افسران اور دیگر عملے کے اراکین اور کارکنوں کی کاوشوں کو ریکارڈ پر خراج تحسین پیش کرنا چاہتے ہیں۔ بورڈ تمام بینکوں، صارفین اور سپلائرز کے لیے جوش اور لگن کے ساتھ کمپنی کی مسلسل حمایت کے لیے تعریفیں ریکارڈ پر رکھنا چاہتا ہے۔ انتظامیہ کو پورا یقین ہے کہ یہ تعلقات اور تعاون آنے والے سالوں میں بھی جاری رہے گا۔

بورڈ کی طرف سے

رحمان نسیم

رحمان نسیم

(چیف ایگزیکٹو آفیسر 19 اکتوبر 2023)

شیخ نسیم احمد

شیخ نسیم احمد

(چیرمین)

ملتان: 30 اکتوبر 2023




Condensed Interim Statement of Financial Position

As at 30 September 2023

	<i>(Un-audited)</i> 30 September 2023	<i>(Audited)</i> 30 June 2023
<i>Note</i>	Rupees	Rupees
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized share capital	1,700,000,000	1,700,000,000
Issued, subscribed and paid-up capital	300,000,000	300,000,000
<i>Capital reserves</i>		
- Others capital reserves	1,018,420,589	1,075,745,157
- Revaluation surplus on property, plant and equipment	21,757,154,817	22,130,639,044
Unappropriated profits - revenue reserve	21,886,013,091	21,140,136,577
	44,961,588,497	44,646,520,778
<u>Non-current liabilities</u>		
Long term financing - <i>secured</i>	13,794,115,305	13,425,948,722
Long term musharika - <i>secured</i>	3,248,870,248	3,329,112,748
Lease liability - <i>unsecured</i>	72,536,536	73,111,588
Deferred liabilities:		
- <i>Staff retirement benefit</i>	497,275,510	445,220,674
- <i>Deferred taxation</i>	6,954,259,204	6,682,468,862
	24,567,056,803	23,955,862,594
<u>Current liabilities</u>		
Trade and other payables	6,719,107,937	8,279,059,663
Contract liabilities	720,030,069	760,038,983
Current portion of non-current liabilities	3,244,646,245	3,239,132,851
Unclaimed dividend	22,551,264	22,551,264
Short term borrowings - <i>secured</i>	28,835,145,892	25,569,248,195
Accrued mark-up	1,892,278,509	1,274,680,630
Provision for taxation - net	251,282,086	26,837,826
	41,685,042,002	39,171,549,412
Contingencies and commitments	111,213,687,302	107,773,932,784

The annexed notes from 1 to 27 form an integral part of these financial statements.


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER



As at 30 September 2023

		<i>(Un-audited)</i> 30 September 2023 <i>Rupees</i>	<i>(Audited)</i> 30 June 2023 <i>Rupees</i>
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	52,827,288,803	52,832,730,189
Long term investments	12	5,941,826,718	5,999,151,286
Long term loans and advances	13	-	-
Long term deposits		<u>25,540,293</u>	<u>25,540,293</u>
		58,794,655,814	58,857,421,768
<u>Current assets</u>			
Stores, spares and loose tools		1,710,631,232	1,429,900,637
Stock-in-trade	14	37,083,829,582	31,318,157,974
Trade debts	15	8,648,543,904	11,368,620,770
Loans and advances		308,159,490	218,351,459
Deposits, prepayments and other receivables		616,956,008	601,492,755
Short term investment	16	201,868,000	182,437,200
Mark-up accrued		3,605,507	1,198,384
Sales tax refundable and adjustable		3,204,274,555	3,267,710,019
Cash and bank balances	17	641,163,210	528,641,818
		52,419,031,488	48,916,511,016
		<u>111,213,687,302</u>	<u>107,773,932,784</u>


(SHEIKH NASEEM AHMAD)
DIRECTOR



Condensed Interim Statement of Profit or Loss (Un-Audited)

For the three months ended 30 September 2023

		<i>Three months ended</i>	
		<i>30 September</i>	<i>30 September</i>
		<i>2023</i>	<i>2022</i>
		<i>Rupees</i>	<i>Rupees</i>
Sales - net	18	23,289,786,592	18,468,508,406
Cost of sales	19	<u>(19,928,892,082)</u>	<u>(15,843,703,347)</u>
Gross profit		3,360,894,510	2,624,805,059
Selling and distribution expenses		<u>(151,465,120)</u>	<u>(145,996,901)</u>
Administrative expenses		<u>(178,500,873)</u>	<u>(141,092,713)</u>
Other expenses		<u>(96,762,783)</u>	<u>(631,427,988)</u>
		<u>(426,728,776)</u>	<u>(918,517,602)</u>
Other income		<u>351,992,803</u>	<u>8,568,051</u>
Profit from operations		3,286,158,537	1,714,855,508
Finance cost	20	<u>(2,244,948,074)</u>	<u>(978,168,181)</u>
Profit before taxation		1,041,210,463	736,687,327
Taxation		<u>(481,566,480)</u>	<u>(211,113,901)</u>
Profit / (loss) after taxation		<u>559,643,983</u>	<u>525,573,426</u>
Earnings / (loss) per share - basic and diluted	21	<u>18.65</u>	<u>17.52</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER(SHEIKH NASEEM AHMAD)
DIRECTOR



Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the three months ended 30 September 2023

	<u>Three months ended</u>	
	<u>30 September</u> <u>2023</u> <u>Rupees</u>	<u>30 September</u> <u>2022</u> <u>Rupees</u>
Profit after taxation	559,643,983	525,573,426
<u>Other comprehensive income - net of tax</u>		
<i>Items that will never be reclassified to statement of profit or loss:</i>		
- Net change in fair value of financial assets at FVOCI	(57,324,568)	33,386,836
Total comprehensive income for the period	<u>502,319,415</u>	<u>558,960,262</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(SHEIKH NASEEM AHMAD)
DIRECTOR



Condensed Interim Statement of Changes in Equity (Un-Audited)
For the three months ended 30 September 2023

	Capital reserves				Revenue reserve		Total
	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits		
Balance as at 30 June 2022	77,616,000	175,000,000	2,457,736,637	17,150,488,830	20,368,453,281		40,529,294,748
Total comprehensive income for the period :							
Profit for three months ended 30 September 2022	-	-	-	-	525,573,426		525,573,426
Other comprehensive income for three months ended 30 September 2022	-	-	33,386,836	-	-		33,386,836
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - <i>net of tax</i>	-	-	33,386,836	-	525,573,426		558,960,262
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>	-	-	-	(136,101,299)	136,101,299		-
Effect on deferred tax due to change in proration rate	-	-	-	-	-		-
Balance as at 30 September 2022	77,616,000	175,000,000	2,491,123,473	17,044,786,876	21,030,128,006		41,118,654,355
Total comprehensive (loss)/ income for the period :							
Profit for nine months ended 30 June 2023	-	-	-	-	60,521,293		60,521,293
Other comprehensive (loss)/ income for Nine months ended 30 June 2023	-	-	(1,667,994,316)	6,157,671,977	(23,709,988)		4,465,967,673
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - <i>net of tax</i>	-	-	(1,667,994,316)	6,157,671,977	36,811,305		4,526,488,966
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>	-	-	-	(373,197,266)	373,197,266		-
Effect on deferred tax due to change in proration rate	-	-	-	-	-		-
Transactions with the owners of the Company:							
Final cash dividend @ Rs. 10 per ordinary share for the year ended 30 June 2022	-	-	-	(698,622,543)	-		(698,622,543)
Balance as at 30 June 2023	77,616,000	175,000,000	823,129,157	22,130,639,044	21,140,136,577		44,646,520,778



	Capital reserves				Revenue reserve		Total
	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits		
300,000,000	77,616,000	175,000,000	823,129,157	22,130,639,044	21,140,136,577	44,646,520,778	
-	-	-	-	-	559,643,983	559,643,983	
-	-	-	(57,324,568)	-	-	(57,324,568)	
-	-	-	(57,324,568)	-	559,643,983	502,319,415	
-	-	-	-	(182,528,361)	182,528,361	-	
-	-	-	-	(3,704,170)	3,704,170	-	
-	-	-	-	(187,251,696)	-	(187,251,696)	
300,000,000	77,616,000	175,000,000	765,804,589	21,757,154,817	21,886,013,091	44,961,588,497	

Balance as at 30 June 2023

Total comprehensive income for the Period:

Profit for three months ended 30 September 2023

Other comprehensive (loss)/ income for three months ended 30 September 2023

Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - *net of tax*

Transfer from surplus on revaluation of fixed assets on disposal - *net of tax*

Effect on deferred tax due to change in proration rate

Balance as at 30 September 2023

The annexed notes from 1 to 27 form an integral part of these financial statements.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR



Condensed Interim Statement of Cash Flows (Un-Audited)

For the three months ended 30 September 2023

	<i>Three months ended</i>	
	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>
	<i>Rupees</i>	<i>Rupees</i>
<u>Cash flows from operating activities</u>		
Profit before taxation	1,041,210,463	736,687,327
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	515,903,934	430,121,836
Unrealized loss / (gain) on re-measurement of short term investments	5,569,200	(3,243,600)
Provision for gratuity	75,911,010	53,764,395
Provision for infrastructure cess	132,245,094	79,628,576
Provision for workers' profit participation fund	55,918,957	39,296,707
Provision for workers' welfare fund	21,249,223	10,825,695
Loss / (gain) on disposal of property, plant and equipment	6,740,460	(29,251)
Dividend income	(120,949,554)	-
Finance income	(2,407,124)	-
Finance cost	2,244,948,074	978,168,181
Cash generated from operations before working capital changes	3,976,339,737	2,325,219,866
<u>Effect on cash flows due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(280,730,595)	(234,887,894)
Stock-in-trade	(5,765,671,608)	1,075,081,828
Trade debts	2,720,076,866	(1,369,829,328)
Loans and advances	(89,808,031)	73,702,938
Short term investment	(25,000,000)	-
Deposits, prepayments and other receivables	(15,463,253)	(91,761,889)
	(3,456,596,621)	(547,694,345)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	(1,809,373,914)	(656,439,858)
Cash generated from operations	(1,289,630,798)	1,400,694,564
Gratuity paid to employees	(23,856,174)	(35,585,436)
Taxes paid - net	(109,148,108)	(192,603,160)
	(133,004,282)	(228,188,596)
Net cash (used in) / generated from operating activities	(1,422,635,080)	1,172,505,968
<u>Cash flows from investing activities</u>		
Fixed capital expenditure	(520,763,008)	(407,888,851)
Proceeds from sale of property, plant and equipment	3,560,000	147,200
Long term investments	-	(25,000,000)
Dividend received from associated company	120,949,554	-
Net cash used in investing activities	(396,253,454)	(432,741,651)
<u>Cash flows from financing activities</u>		
Long term financing obtained	1,008,085,551	480,514,679
Long term financing repaid	(634,746,374)	(764,505,875)
Long term musharika obtained	32,257,500	110,980,300
Long term musharika repaid	(112,500,000)	(76,049,211)
Short term borrowings - net	3,265,897,697	547,892,953
Lease rentals paid	(2,923,076)	(2,657,342)
Finance cost paid - net	(1,624,661,372)	(822,805,141)
Net cash (used in) / generated from financing activities	1,931,409,926	(526,629,637)
Net increase / (decrease) in cash and cash equivalents	112,521,392	213,134,679
Cash and cash equivalents at beginning of the period	528,641,818	386,199,525
Cash and cash equivalents at end of the period	641,163,210	599,334,204

The annexed notes from 1 to 27 form an integral part of these financial statements.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER(SHEIKH NASEEM AHMAD)
DIRECTOR



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

For the three months ended 30 September 2023

1 Reporting entity**The Company comprises of :**

- Fazal Cloth Mills Limited

Associates having significant influence:

- Fatima Transmission Company Limited
- Fatima Electric Company Limited

- 1.1** Fazal Cloth Mills Limited ("the Company") was incorporated in Pakistan in 1966 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange (PSX). The registered office of the Company is situated at 69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore. The Company is principally engaged in manufacture and sale of yarn and fabric. The manufacturing facilities and ware houses are located at Fazal Nagar, Jhang Road, Muzaffargarh, Moza Khanpur Shumali, Muzaffargarh and Qadirpur Rawan Bypass, Khanewal Road, Multan in the province of Punjab.

2 Basis of preparation**2.1 Statement of Compliance**

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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Accounting

- 2.2.1** This condensed interim financial information comprises the condensed interim statement of financial position of the Company as at 30 September 2023 and the related condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof.
- 2.2.2** 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 for the year ended 30 June 2023.
- 2.2.3** Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2023, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the three months period ended 30 September 2022.

3 Estimates and judgments

- 3.1** The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- 3.2** Estimates and judgments made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the annual financial statements of the Company for the year ended 30 June 2023.



4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financial statements for the year ended 30 June 2023.

5 Standards, amendments or interpretations to published approved accounting standards, that are not yet effective

5.1 Amendments or interpretations to published approved accounting standards, that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 October 2023:

- Classification of liabilities as current or non-current and non-current liabilities with covenants - (Amendments to IAS 1) presentation of financial statements apply retrospectively for the annual periods beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date.

However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.



- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:
 - Once tax law is enacted but before top-up tax is effective:

disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
 - After top-up tax is effective: disclose current tax expense related to top-up tax.



	(Un-audited) 30 September 2023	(Audited) 30 June 2023
Note	Rupees	Rupees
	15,955,756,784	15,256,170,060
6.1	1,008,085,551	2,988,820,348
	<u>(634,746,374)</u>	<u>(2,289,233,624)</u>
	16,329,095,961	15,955,756,784
9	<u>(2,534,980,656)</u>	<u>(2,529,808,062)</u>
	<u>13,794,115,305</u>	<u>13,425,948,722</u>

6 Long term financing - secured

Opening balance			
Loan obtained during the period / year			
Repayments made during the period / year			
Closing balance			
Less: current portion grouped under current liabilities			

6.1 - Markup bearing finances availed during the period:

Lender	Amount	Rate of Mark Up Per Annum	Security
-- R u p e e s --			
Allied Bank Limited			
- Term finance	500,000,000	6 months KIBOR + 1.50%	1st joint pari passu charge/ mortgage of Rs. 2,489 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Habib Bank Limited			
- Term finance	500,000,000	6 months KIBOR + 0.75%	1st joint pari passu charge/ mortgage of Rs. 1,583 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
National Bank of Pakistan			
- Term finance	8,085,551	6 months KIBOR + 1.00%	1st joint pari passu charge/ mortgage of Rs.4,813 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
	<u>1,008,085,551</u>		



	(Un-audited) 30 September 2023	(Audited) 30 June 2023
Note	Rupees	Rupees
	4,037,446,083	3,376,467,767
	32,257,500	1,454,206,302
	<u>(112,500,000)</u>	<u>(793,227,986)</u>
	<u>3,957,203,583</u>	<u>4,037,446,083</u>
	<u>(708,333,335)</u>	<u>(708,333,335)</u>
	<u>3,248,870,248</u>	<u>3,329,112,748</u>

7 Long term musharika - secured

Opening balance		
Loan obtained during the period / year		
Repayments made during the period / year		
Closing balance	7.1	
Less: current portion grouped under current liabilities	9	

7.1 - Profit bearing finances availed during the period:

Lender	Amount	Rate of Profit Per Annum	Security
Faysal Bank Limited			
- Diminishing musharika / SBP's ILTF	32,257,500	3 months KIBOR + 0.75%	1st joint pari passu charge/ mortgage of Rs. 1,599 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
	<u>32,257,500</u>		



		<i>(Un-audited)</i> 30 September 2023 Rupees	<i>(Audited)</i> 30 June 2023 Rupees
8 Trade and other payables			
Trade creditors		1,584,214,020	929,765,542
Accrued liabilities		1,838,066,207	1,664,430,988
Due to associated undertakings	8.1	114,855,642	45,845,843
Bills payable		1,172,738,238	3,583,591,783
Tax deducted at source		44,300,448	11,496,578
Infrastructure cess		1,753,802,605	1,621,557,511
Workers' profit participation fund		137,814,291	81,895,334
Workers' welfare fund		52,449,939	155,865,153
Loan from Director		299,693	299,693
Others		20,566,854	184,311,238
		<u>6,719,107,937</u>	<u>8,279,059,663</u>
8.1 Due to associated undertakings			
Hussain Gineries Limited		-	13,250,970
Fatima Energy Limited		114,387,640	32,409,271
Fazal Farm (Private) Limited		247,500	-
Fazal-ur-Rehman Foundation		180,000	180,000
Fatima Fertilizer Company Limited		40,502	5,602
		<u>114,855,642</u>	<u>45,845,843</u>
9 Current portion of non-current liabilities			
Long term financing - secured		2,534,980,656	2,529,808,062
Long term musharika - secured		708,333,335	708,333,335
Current portion of lease liability		1,332,254	991,454
		<u>3,244,646,245</u>	<u>3,239,132,851</u>
10 Contingencies and commitments			
10.1 Contingencies			
10.1.1 There has been no change in the status of contingencies since the annual audited financial statements as at 30 June 2023.			
10.1.2 Export documents negotiated with banks under Foreign Bill Purchase ("FBP") facility are USD 11.15 million (30 June 2023: Nil).			
		<i>(Un-audited)</i> 30 September 2023 Rupees	<i>(Audited)</i> 30 June 2023 Rupees
10.2 Commitments			
10.2.1 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies.		<u>2,698,369,634</u>	<u>2,583,001,754</u>
10.2.2 Commitments against irrevocable letters of credit:			
- capital expenditure		46,256,000	-
- raw material and stores and spares		2,903,533,695	4,928,257,464
		<u>2,949,789,695</u>	<u>4,928,257,464</u>
10.2.3 Commitments in respect of foreign exchange forward contracts:		<u>2,611,792,179</u>	-

**10.2.4 Commitments in respect of Fatima Energy limited (FEL):**

The Company through sponsors support agreement commits to lenders of FEL, in case of default by FEL, to pay amount outstanding up to Rs 6,000 million (2023: Rs 6,000 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in annual general meeting dated 26 November 2020.

10.2.4 Commitments in respect of Fatima Transmission Company Limited (FTCL):

The Company through sponsors support agreement commits to MCB Bank Limited, in case of default by FTCL, to pay amount outstanding up to Rs 250 million (2023: Rs. 250 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in extra ordinary general meeting held on 25 March 2017.

	<i>(Un-audited)</i> 30 September 2023	<i>(Audited)</i> 30 June 2023
<i>Note</i>	Rupees	Rupees
11 Property, plant and equipment		
Operating Property, plant and equipment	11.1 47,739,092,694	47,865,805,154
Right of use of Asset	11.2 44,512,750	45,948,645
Capital work-in-progress	11.3 5,043,683,359	4,920,976,390
	<u>52,827,288,803</u>	<u>52,832,730,189</u>
11.1 Opening net book value	47,865,805,154	40,194,533,834
<i>Additions during the period / year:</i>		
Freehold land	518,680	354,324,398
Factory building on free hold land	3,382,724	60,612,108
Non-factory building on free hold land	1,575,110	97,505,124
Non-factory building on lease hold land	3,857,052	55,392,289
Plant and machinery	375,060,064	952,489,264
Electric fittings and installations	4,045,981	18,468,949
Sui gas installations	-	40,000
Tools, laboratory equipment and arms	-	2,601,357
Fire extinguishing equipments and scales	-	80,000
Office equipment	1,464,228	33,140,803
Furniture and fixtures	-	670,013
Vehicles	8,152,200	143,015,767
	<u>398,056,039</u>	<u>1,718,340,072</u>
Addition on revaluation surplus	-	7,700,479,505
Carrying value of assets disposed off during the period / year	(10,300,460)	(289,619)
Depreciation charge for the period / year	(514,468,039)	(1,747,258,638)
Closing net book value	<u>47,739,092,694</u>	<u>47,865,805,154</u>
11.2 Right of use Asset		
Opening net book value	45,948,645	51,692,225
Depreciation charge for the period	(1,435,895)	(5,743,580)
Closing net book value	<u>44,512,750</u>	<u>45,948,645</u>



	<i>(Un-audited)</i> 30 September 2023 Rupees	<i>(Audited)</i> 30 June 2023 Rupees
11.3 Breakup of capital work-in-progress:		
Building on free hold land	652,856,050	585,547,931
Non-factory building on free hold land	135,748,818	124,081,106
Plant and machinery	3,842,977,633	3,863,667,131
Electric fittings and Installations	258,700,174	236,278,701
Fire fighting equipment & weigh scales	4,828,823	2,864,083
Tools, Lab. Equipment & Arms	425,000	
Office equipment	7,459,872	2,189,855
Furniture and fixtures	6,462,912	5,162,393
Advances to suppliers - unsecured, considered good	11.3.1 134,224,077	101,185,190
	<u>5,043,683,359</u>	<u>4,920,976,390</u>

11.3.1 These mainly includes advances against civil works, plant and machinery and vehicles and are in the normal course of business.

	<i>(Un-audited)</i> 30 September 2023 Rupees	<i>(Audited)</i> 30 June 2023 Rupees
12 Long term investments		
<u><i>At fair value through OCI</i></u>		
Fatima Fertilizer Company Limited - <i>quoted</i>	12.1 1,820,527,496	1,877,852,064
Fatima Energy Limited - <i>unquoted</i>	12.2 3,663,963,847	3,663,963,847
Fatima Transmission Company Limited - <i>unquoted</i>	12.3 101,213,615	101,213,615
Multan Real Estate (Private) Limited - <i>unquoted</i>	12.4 316,121,760	316,121,760
	5,901,826,718	5,959,151,286
<u><i>Associated companies - at equity method</i></u>		
Fatima Transmission Company Limited - unquoted (Ordinary shares)	12.5 -	-
Fatima Electric Company Limited - unquoted	12.5 -	-
	-	-
<u><i>At fair value through P&L</i></u>		
Term finance certificates	40,000,000	40,000,000
	<u>5,941,826,718</u>	<u>5,999,151,286</u>



12.1 At fair value through OCI

Note	Shares		Market value		Market value per share		Percentage of holding	
	30 September 2023	30 June 2023	30 September 2023	30 June 2023	30 September 2023	30 June 2023	30 September 2023	30 June 2023
12.1.1	62,994,031	62,994,031	1,820,527,496	1,877,852,064	28.90	29.81	3.00%	3.00%

Fatima Fertilizer Company Limited - quoted

12.1.1 The investments in Fatima Fertilizer Company Limited (FFCL) has been designated as fair value through OCI under IFRS 9. FFCL is an associated undertaking of the Company as per the Companies Act 2017, however, for the purpose of measurement it has been classified as investment at fair value through OCI. The Company does not have significant influence on FFCL.

12.2 Fatima Energy Limited - related party, unquoted

	Shares		Fair value		Percentage of holding	
	30 September 2023	30 June 2023	30 September 2023	30 June 2023	30 September 2023	30 June 2023
Ordinary Shares - unquoted	108,300,000	108,300,000	896,724,000	896,724,000	19.00%	19.00%
Non voting, non cumulative, redeemable, convertible Preference Shares - unquoted	334,207,711	334,207,711	2,767,239,847	2,767,239,847	31.41%	31.41%
	442,507,711	442,507,711	3,663,963,847	3,663,963,847		

12.3 Fatima Transmission Company Limited - unquoted

	Shares		Fair value		Percentage of holding	
	30 September 2023	30 June 2023	30 September 2023	30 June 2023	30 September 2023	30 June 2023
Non voting, non cumulative, redeemable, convertible Preference Shares - unquoted	12,795,653	12,795,653	101,213,615	101,213,615	30.71%	30.71%

12.4 This represents 17.04% (2022: 17.04%) ordinary shares of Multan Real Estate (Private) Limited (MREPL), which is a dormant entity. The latest valuation is based on present market value of Property of MREPL and has been designated at level 3 as mentioned in note 23.

12.5 Associated companies with significant influence - under equity method

	Shares		Carrying value		Percentage of holding	
	30 September 2023	30 June 2023	30 September 2023	30 June 2023	30 September 2023	30 June 2023
Fatima Transmission Company Limited - unquoted (ordinary shares)	5,520,000	5,520,000	-	-	24.00%	24.00%
Fatima Electric Company Limited - unquoted	7,000	7,000	-	-	20.00%	20.00%
	5,527,000	5,527,000				



	(Un-audited) 30 September 2023 Rupees	(Audited) 30 June 2023 Rupees
13 Long term advance and mark up accrued		
Fatima Energy Limited - related party	307,129,396	307,129,396
Fatima Transmission Company Limited - associate	13,748,696	13,748,696
Pak Arab Energy Limited - associate	25,904,160	25,904,160
	346,782,252	346,782,252
Less: Loss allowance	(346,782,252)	(346,782,252)
	<u>-</u>	<u>-</u>
14 Stock-in-trade		
Raw material [In-transit: Rs. 2,244.08 million (30 Jun 2023: Rs. 6,504.06 million)]	23,965,011,337	19,782,907,185
Work-in-process	1,038,461,697	855,950,907
Finished goods [In-transit: Rs. 0.84 million (30 Jun 2023: Rs. 60.38 million)]		
Yarn	9,834,724,575	8,751,475,267
Fabric	1,366,432,558	1,343,506,985
Waste	879,199,415	584,317,630
	12,080,356,548	10,679,299,882
	<u>37,083,829,582</u>	<u>31,318,157,974</u>
15 Trade debts		
<i>Export debtors - secured against letters of credit:</i>		
Considered good	1,199,357,680	4,562,862,554
<i>Local debtors - unsecured</i>		
Related Parties - considered good	1,267,242,478	1,406,000,009
Others - considered good	6,181,943,746	5,399,758,207
Others - considered doubtful	52,304,917	52,304,917
	7,501,491,141	6,858,063,133
Allowance for impairment of trade debts	(52,304,917)	(52,304,917)
	<u>8,648,543,904</u>	<u>11,368,620,770</u>
15.1 Trade debts due from following related parties on account of trading activities.		
Ahmad Fine Textile Mills Limited	1,212,624,788	1,290,652,180
Reliance Weaving Mills Limited	54,617,690	115,347,829
	<u>1,267,242,478</u>	<u>1,406,000,009</u>
16 Short term investment		
<u>Investment at fair value through profit or loss</u>		
Fatima Fertilizer Company Limited - quoted 6,120,000 (2023: 6,120,000) fully paid ordinary shares of Rs. 10 each Equity held 0.29% (2023: 0.29%) Market value per share Rs.28.90 (30 Jun 2023: Rs.29.81)	176,868,000	182,437,200
Term deposit	25,000,000	-
	<u>201,868,000</u>	<u>182,437,200</u>
17 Cash and bank balances		
Cash in hand	83,576,847	46,610,665
Cash at banks		
- Current accounts	473,637,372	419,191,326
- Saving accounts	83,948,991	62,839,827
	557,586,363	482,031,153
	<u>641,163,210</u>	<u>528,641,818</u>



	<i>Three months ended</i>	
	<i>(Un-audited)</i> <i>30 September</i> <i>2023</i> <i>Rupees</i>	<i>(Un-audited)</i> <i>30 September</i> <i>2022</i> <i>Rupees</i>
20 Finance cost		
<i>Mark-up based loans from conventional banks:</i>		
- Long term financing - secured	456,681,855	333,022,776
- Short term borrowings - secured	1,348,496,987	439,392,524
	1,805,178,842	772,415,300
<i>Islamic mode of financing:</i>		
- Musharika - secured	214,775,457	129,853,971
- Short term borrowings - secured	189,661,409	47,749,573
	404,436,866	177,603,544
Bank charges	32,643,543	25,456,199
Markup on lease liability	2,688,823	2,693,138
	2,244,948,074	978,168,181
21 Earnings / per share - basic and diluted		
Profit after taxation	559,643,983	525,573,426
Weighted Average Number of ordinary shares	30,000,000	30,000,000
Earnings per share - <i>basic and diluted</i>	18.65	17.52



22 Financial risk management

The Company's activities exposes it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There has been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in annual financial statements.

23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 30 September 2023

Financial assets - measured at fair value

Short term investment	-	201,868,000	-	-	201,868,000	-	-	-	201,868,000
Long term investments	-	40,000,000	5,901,826,718	-	5,941,826,718	1,860,527,496	-	4,081,299,222	5,941,826,718

Financial assets - not measured at fair value

Long term deposits	25,540,293	-	-	-	25,540,293	-	-	-	-
Trade debts	8,648,543,904	-	-	-	8,648,543,904	-	-	-	-
Other receivables	616,956,008	-	-	-	616,956,008	-	-	-	-
Cash and bank balances	641,163,210	-	-	-	641,163,210	-	-	-	-
	9,932,203,415	241,868,000	5,901,826,718	-	16,075,898,133	-	-	4,081,299,222	6,143,694,718

Financial liabilities - not measured at fair value

Long term financing - secured	-	-	-	16,329,095,961	16,329,095,961	-	-	-	-
Long term musharika - secured	-	-	-	3,957,203,583	3,957,203,583	-	-	-	-
Trade and other payables	-	-	-	4,730,740,654	4,730,740,654	-	-	-	-
Unclaimed dividend	-	-	-	22,551,264	22,551,264	-	-	-	-
Short term borrowings - secured	-	-	-	28,835,145,892	28,835,145,892	-	-	-	-
Accrued mark-up	-	-	-	1,892,278,509	1,892,278,509	-	-	-	-
	-	-	-	55,707,015,863	55,707,015,863	-	-	-	-



	Carrying amount		Fair value				
	Fair value through Profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----							
Financial assets - measured at fair value							
Short term investment	182,437,200	-	182,437,200	182,437,200	-	-	182,437,200
Long term investments	40,000,000	5,959,151,286	5,999,151,286	1,917,852,064	-	4,081,299,222	5,999,151,286
Financial assets - not measured at fair value							
Long term deposits	25,540,293	-	25,540,293	-	-	-	-
Trade debts	11,368,620,770	-	11,368,620,770	-	-	-	-
Deposits and other receivables	601,444,601	-	601,444,601	-	-	-	-
Mark-up accrued	1,198,384	-	1,198,384	-	-	-	-
Cash and bank balances	528,641,818	-	528,641,818	-	-	-	-
	12,525,445,866	222,437,200	5,959,151,286	2,100,289,264	-	4,081,299,222	6,181,588,486
Financial liabilities - not measured at fair value							
Long term financing - secured	-	-	15,955,756,784	-	-	-	-
Long term musharika - secured	-	-	3,900,558,770	-	-	-	-
Trade and other payables	-	-	6,408,245,087	-	-	-	-
Unclaimed dividend	-	-	22,551,264	-	-	-	-
Short term borrowings - secured	-	-	25,569,248,195	-	-	-	-
Accrued mark-up	-	-	1,274,680,630	-	-	-	-
	-	-	53,131,040,730	-	-	-	-

As at 30 June 2023

Financial assets - measured at fair value

Short term investment

Long term investments

Financial assets - not measured at fair value

Long term deposits

Trade debts

Deposits and other receivables

Mark-up accrued

Cash and bank balances

Financial liabilities - not measured at fair value

Long term financing - secured

Long term musharika - secured

Trade and other payables

Unclaimed dividend

Short term borrowings - secured

Accrued mark-up

**24 Segment reporting****24.1 Reportable segments**

The management has determined the operating segments of the Company on the basis of products produced.

The Company's reportable segments are as follows:

- Spinning segment - production of different qualities of yarn using natural and artificial fibers
- Weaving segment - production of different qualities of Fabric using yarn

Information regarding the Company's reportable segments is presented below. Performance is measured based on segment profit before tax, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other companies that operate within these industries.

24.2 Segment revenue and results

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

	Spinning		Weaving		Total	
	(Un-audited) 30 September 2023	(Un-audited) 30 September 2022	(Un-audited) 30 September 2023	(Un-audited) 30 September 2022	(Un-audited) 30 September 2023	(Un-audited) 30 September 2022
External revenues	19,858,902,285	13,791,428,790	3,430,884,307	4,677,079,616	23,289,786,592	18,468,508,406
Intersegment revenues	2,305,051,705	2,478,214,322	3,350,800	-	2,308,402,505	2,478,214,322
Cost of sales	(18,969,171,042)	(14,202,246,088)	(959,721,040)	(1,641,457,259)	(19,928,892,082)	(15,843,703,347)
Intersegment cost of sales	(3,350,800)	-	(2,305,051,705)	(2,478,214,322)	(2,308,402,505)	(2,478,214,322)
Distribution and marketing expense	(116,871,254)	(102,791,683)	(34,593,866)	(43,205,218)	(151,465,120)	(145,996,901)
Administrative expenses	(159,952,355)	(127,956,566)	(18,548,518)	(13,136,147)	(178,500,873)	(141,092,713)
Other operating expense	(109,144,499)	(654,082,621)	12,381,716	22,654,633	(96,762,783)	(631,427,988)
Other operating income	351,992,803	6,501,981	-	2,066,070	351,992,803	8,568,051
Finance cost	(2,032,092,824)	(855,476,614)	(212,855,250)	(122,691,567)	(2,244,948,074)	(978,168,181)
Profit before tax	1,125,364,019	333,591,521	(84,153,555)	403,095,806	1,041,210,463	736,687,327

24.2.1 The accounting policies of the reportable segments are the same as those described in the annual financial statements for the preceding year ended 30 June 2023.

**25 Related party transactions**

The related parties comprise of associated companies, directors of the Company and entities under common directorship, key management personnel and post employment retirement plan. The Company in the normal course of business carries out various transactions with various related parties. Detail of such transactions are as follows:

	<i>Three months ended</i>	
	<i>(Un-audited)</i> 30 September 2023 <i>Rupees</i>	<i>(Un-audited)</i> 30 September 2022 <i>Rupees</i>
Associated Companies		
Purchase of goods and services	2,265,794,557	2,025,777,949
Sale of goods and services	2,955,231,528	3,328,557,109
Receipts against sale of goods and services - <i>net</i>	897,204,300	838,822,398
Dividend Income	120,949,554	-
Donations paid	677,500	-
Reimbursable expenses	-	44,723

26 Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors on 30 October 2023.

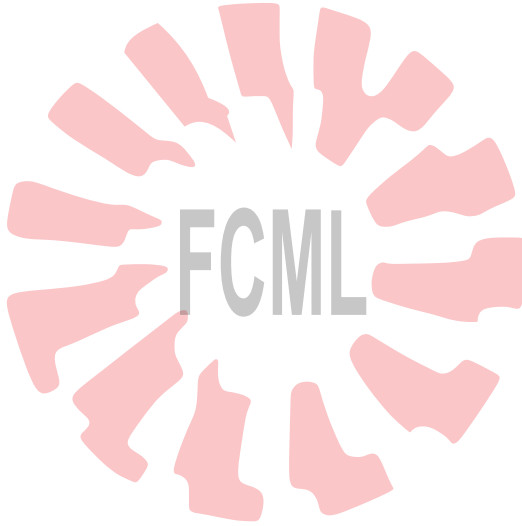
27 General

Figures in the financial statements have been rounded-off to the nearest rupee.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER(SHEIKH NASEEM AHMAD)
DIRECTOR







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