



**2024**

**For The  
Nine Months Ended  
March 31**

**Fazal Cloth Mills Limited**



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**COMPANY PROFILE**

<b>BOARD OF DIRECTORS</b>	Sh. Naseem Ahmad Mr. Rehman Naseem Mr. Amir Naseem Sheikh Mr. Faisal Ahmed Mr. Muhammad Mukhtar Sheikh Mr. Abbas Mukhtar Mr. Babar Ali Mr. Masood Karim Shaikh Ms. Parveen Akhter Malik	Chairman/ Non – Executive Director Chief Executive Officer Non – Executive Director Non – Executive Director Executive Director Executive Director Independent Director Independent Director
<b>AUDIT COMMITTEE</b>	Ms. Parveen Akhter Malik Mr. Sheikh Naseem Ahmad Mr. Amir Naseem Sheikh Mr. Babar Ali	Independent Director/Chairperson Non – Executive Director Non – Executive Director Independent Director
<b>HUMAN RESOURCE AND REMUNERATION COMMITTEE</b>	Mr. Babar Ali Mr. Amir Naseem Sheikh Mr. Faisal Ahmad	Independent Director/Chairman Non – Executive Director Non – Executive Director
<b>STRATEGIC PLANNING COMMITTEE</b>	Mr. Rehman Naseem Mr. Masood Karim Shaikh Ms. Parveen Akhter Malik	CEO/Chairman Independent Director Independent Director
<b>COMPANY SECRETARY</b>	Mr. Azher Iqbal, ACA	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Muhammad Azam, FCA & FCMA	
<b>AUDITORS</b>	ShineWing Hameed Chaudhri & Co., Chartered Accountants	
<b>BANKERS</b>	Bank AL Habib Limited National Bank of Pakistan Meezan Bank Limited The Bank of Punjab Habib Metropolitan Bank Limited Bank Alfalah Limited Habib Bank Limited Faysal Bank Limited Allied Bank Limited Bank Islami Pakistan Limited Soneri Bank Limited Industrial and Commercial Bank of China Limited United Bank Limited	Askari Bank Limited MCB Bank Limited The Bank of Khyber JS Bank Limited Dubai Islamic Bank Pakistan Limited Standard Chartered Bank (Pakistan) Limited Bank Makramah Limited (Formerly Summit Bank Limited) Saudi Pak Industrial & Agricultural Inv. Company Limited Pak Oman Investment Company Limited Pak Brunei Investment Company Limited Pak Libya Holding Company (Pvt.) Limited Pakistan Kuwait Investment Company (Private) Limited PAIR Investment Company Limited
<b>HEAD OFFICE &amp; SHARES DEPARTMENT:</b>	59/3, Abdali Road, Multan. Phone: (92) 4781637 Fax: (92) 61-4541832 E-mail: corporate@fazalcloth.com <a href="mailto:Shares@fazalcloth.com">Shares@fazalcloth.com</a> Website: www.fazalcloth.com	
<b>SHARES REGISTRAR:</b>	Vision Consulting Ltd. 5-C, LDA Flats, Lawrence Road, Lahore. shares@vcl.com.pk Phone: (92) 42-36283096, 36283097 Fax: (92) 42-36374839	
<b>REGISTERED OFFICE:</b>	69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore. Phone: (92) 42-36684909	
<b>MILLS:</b>	i)Fazal Nagar, Jhang Road, Muzaffargarh – Pakistan Ph. (92) 66-2422216.18 Fax: (92) 66-2422217 ii)Qadirpur Rawan Bypass, Khanewal Road, Multan – Pakistan Ph. (92)61-6740041-43, Fax: (92) 61-6740052 iii) 13-Km, Mian Wali Road, Khanpur Bagga Sher. PH.+92 (662) 490183	



## DIRECTORS' REVIEW

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 nine months period ended March 31, 2024.

### FINANCIAL PERFORMANCE

A comparison of the key financial results of the Company for the nine months period ended March 31, 2024 with same period last year (SPLY), is as follows:

Financial Highlights	31-Mar-24	31-Mar-23	Increase / (Decrease) %
	Rupees in thousand		
Revenue from contracts with customers - net	72,089,483	56,608,458	27.35%
Cost of sales	64,011,380	48,750,536	31.30%
Gross Profit	8,078,103	7,857,921	2.80%
EBIDTA	9,264,017	5,837,617	58.70%
Depreciation	1,636,222	1,305,197	25.36%
Finance Cost	6,650,437	3,170,406	109.77%
Profit before taxation	977,359	1,362,014	-28.24%
Profit after taxation	60,749	533,475	-88.61%
Earnings per share – Rs.	2.02	17.78	-88.61%

The sales revenue surged by an impressive 27.35% primarily due to a twofold effect, higher prices for finished products and an upswing in yarn sales volume.

The Cost of Sales has experienced a significant increase of 31.30%, mainly due to increased raw-material costs, higher energy tariffs and an increase in minimum wages. The finance cost during the period also experienced a significant increase of 109.77%, totaling Rs. 6,650 million. This surge can be attributed to various factors, including higher policy rate of 22%, higher working capital requirements owing to inflationary impact / rupee devaluation and the non-availability of cheaper source of financing.

### FUTURE OUTLOOK

Pakistan's economic and financial position continues to improve with each passing month of the current fiscal year, attributed to prudent policy management and the resumption of inflows from multilateral and bilateral partners. Pakistan has reached a Staff-Level Agreement in its final review successfully concluding the IMF's Stand-By Arrangement (SBA) program and securing a disbursement of \$1.1 billion. The ongoing efforts in policy and reform are easing out pressures on the gross financing needs, which has been intensified by increased external and domestic financing demands and an uncertain external environment. These positive developments have led to a sustained economic recovery and an uplift in the country's overall economic confidence.

Headline inflation is on a downward trajectory; it dropped to 20.7 percent in March 2024 from 35.4 percent in March 2023. To reduce the inflationary impact, the Federal government has provided the Ramadan Relief Package of Rs 12.5 billion, targeting low-income groups with food subsidies through various measures. However, the SBP has maintained the policy rate at 22 percent on 18th March, 2024 – due to susceptible inflation outlook to risks amidst elevated inflation expectations.

Current Account posted a deficit of \$1.0 billion for Jul-Feb FY2024 as against a deficit of \$ 3.9 billion last year, with largely reflecting an improvement in trade balance. Owing to ease in imports restriction and exchange rate stability which resulted in smooth supply of raw material for export-oriented industries. However, one major issue affecting the sector is the burden of cross subsidies on energy costs imposed by the regulator. While regional competitors have seen their exports flourish, Pakistan has struggled to increase its exports during fiscal year 2024.



The Company's new value-added open-end unit is fully operational and it is expected that this will positively contribute to the Company's bottom line. However, the overall margins of the Company will remain under pressure in the short term due to high finance costs and energy tariffs. The cotton production in Pakistan which has seen an impressive increase in the 2023-24 season also offered relief to the foreign exchange reserves.

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.

**For & on behalf of the Board**

(Amir Naseem Sheikh)  
Director

Dated: April 29, 2024

(Rehman Naseem)  
Chief Executive Officer



## ڈائریکٹرز جائزہ رپورٹ

فصل کا تاہم بلز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 مارچ 2024 کو ختم ہونے والی نو ماہ کی مدت کے لیے کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات پیش کرنا چاہتے ہیں۔

### مالیاتی کارکردگی

31 مارچ 2024 کو ختم ہونے والی نو ماہ کی مدت کے لیے کمپنی کے اہم مالیاتی نتائج کا گزشتہ سال کی اسی مدت (SPLY) کے ساتھ موازنہ حسب ذیل ہے:

مالی شرحیں	31 مارچ 2024	31 مارچ 2023	(کی) / اضافہ %
	2024 (000)	2023 (000)	
گاہکوں کے ساتھ معاہدوں سے آمدنی - نیت	72,089,483	56,608,458	27.35%
فروخت کی قیمت	64,011,380	48,750,536	31.30%
کل منافع	8,078,103	7,857,921	2.80%
EBIDTA	9,264,017	5,837,617	58.70%
فرونگی	1,636,222	1,305,197	25.36%
مالیاتی لاگت	6,650,437	3,170,406	109.77%
ٹیکس سے پہلے منافع	977,359	1,362,014	-28.24%
ٹیکس کے بعد منافع	60,749	533,475	-88.61%
نیٹ شیئر آمدنی - روپے	2.02	17.78	-88.61%

بیلر ریونیو میں 27.35 فیصد کا متاثر کن اضافہ ہوا جس کی وجہ بنیادی طور پر دو ہر اثر، جس میں تیار مصنوعات کی زیادہ قیمتیں اور ایران کی فروخت کے حجم میں اضافہ ہے۔

فروخت کی لاگت میں 31.30 فیصد کا نمایاں اضافہ ہوا ہے، جس کی بنیادی وجہ خام مال کی قیمتوں میں اضافہ، توانائی کے زیادہ ٹیرف اور کم از کم اجرت میں اضافہ ہے۔ اس مدت کے دوران مالیاتی لاگت میں بھی 109.77 فیصد کا نمایاں اضافہ ہوا، جو کہ کل 6,650 ملین روپے ہے۔ اس اضافے کو مختلف عوامل سے منسوب کیا جاسکتا ہے، بشمول 22 فیصد پالیسی کی شرح، افراط زر کے اثرات روپے کی قدر میں کمی کی وجہ سے زیادہ ورکنگ کپینٹل کی ضروریات اور سستے مالیاتی ذرائع کی عدم دستیابی ہے۔

### مستقبل کا جائزہ

پاکستان کی معاشی اور مالی حالت میں رواں مالی سال کے ہر گزرتے مہینے کے ساتھ بہتری آتی جا رہی ہے، جس کی وجہ محتاط پالیسی بینجمنٹ اور کثیرالجہتی اور دو طرفہ شراکت داروں کی جانب سے قوم کی آمدنی بحالی ہے۔ پاکستان اپنے حتمی جائزے میں اسٹاف کی سطح کے معاہدے پر پہنچ گیا ہے جس میں آئی ایم ایف کے اسٹینڈ بائی آرٹیکل (SBA) پروگرام کو کامیابی کے ساتھ مکمل کیا گیا ہے اور 1.1 بلین ڈالر کی تسلیل کو محفوظ بنایا گیا ہے۔ پالیسی اور اصلاحات میں جاری کوششیں مجموعی مالیاتی ضروریات پر دباؤ کو کم کر رہی ہیں، جو بیرونی اور گھریلو مالیاتی مطالبات اور غیر تقابلی بیرونی ماحول کی وجہ سے تیز ہو گئی ہیں۔ ان مثبت پیش رفتوں نے ایک پائیدار اقتصادی بحالی اور ملک کے مجموعی اقتصادی اعتماد میں اضافہ کیا ہے۔



مہنگائی کی شرح نیچے کی طرف ہے۔ جب کہ مارچ 2023 میں یہ شرح 35.4 فیصد تھی جو کم ہو کر مارچ 2024 میں 20.7 فیصد رہ گئی۔ مہنگائی کے اثرات کو کم کرنے کے لیے، وفاقی حکومت نے 12.5 بلین روپے کا رمضان ریلیف پیکیج فراہم کیا تھا، جس میں مختلف اقدامات کے ذریعے کم آمدنی والے طبقوں کو خوراک کی سبسڈی کا ہدف بنایا گیا تھا۔ تاہم اسٹیٹ بینک نے 18 مارچ 2024 کو پالیسی ریٹ کو 22 فیصد پر افراط زر کی بلندی کی توقعات کے درمیان خطرات کے لیے حساس افراط زر کے نقطہ نظر کی وجہ سے برقرار رکھا ہے۔

کرنٹ اکاؤنٹ نے جولائی تا فروری FY2024 کے لیے \$1.0 بلین کا خسارہ ظاہر کیا جو کہ پچھلے سال \$3.9 بلین کے خسارے کے مقابلے میں تھا، جو بڑی حد تک تجارتی توازن میں بہتری کی عکاسی کرتا ہے۔ درآمدات کی پابندی میں آسانی اور شرح مبادلہ میں استحکام کی وجہ سے جس کے نتیجے میں برآمدی صنعتوں کے لیے خام مال کی ہموار فراہمی ہوئی۔ تاہم، اس شعبے کو متاثر کرنے والا ایک بڑا مسئلہ ریگولیشن کی طرف سے عائد توانائی کے اخراجات پر کراس سبسڈیز کا بوجھ ہے۔ جہاں علاقائی حریفوں نے اپنی برآمدات میں اضافہ کیا ہے، پاکستان نے مالی سال 2024 کے دوران اپنی برآمدات بڑھانے کے لیے جدوجہد کی ہے۔

کمپنی کا نیا ویلیو ایڈڈ اوپن اینڈ یونٹ مکمل طور پر کام کر رہا ہے اور امید کی جاتی ہے کہ یہ کمپنی کی ٹچلیمالیائی لائن میں مثبت کردار ادا کرے گا۔ تاہم، مالیاتی لاگت اور توانائی کے نرخوں میں اضافہ کی وجہ سے کمپنی کا مجموعی مارجن مختصر مدت میں دباؤ میں رہے گا۔ پاکستان میں کپاس کی پیداوار جس میں 2023-24 کے میزان میں متاثر کن اضافہ دیکھنے میں آیا ہے اس نے بھی زرمبادلہ کے ذخائر کو ریگولیشن فراہم کیا۔

انتظامیہ کو توقع ہے کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران بیلنر یونیٹ میں اضافہ ہوگا اور کمپنی کے آپریشنز کو پائیدار طریقے سے چلانے کے لیے لیکویڈیٹی کی پوزیشن مزید مضبوط ہوگی۔ آگے بڑھتے ہوئے، ہم اپنی آپریشنز کو بہتر بنانے کے لئے ملوث رہیں گے، تاکہ ہم زیادہ نوآورہ موثر اور منافع بخش بنیادوں پر کام کریں، اور ہمارے شیئر ہولڈرز کو مستقل منافع فراہم کر سکیں۔

## شکریہ اور تعریف

ہم بہترین مہنت و تاحج 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

عامر نسیم شیخ

(ڈائریکٹر)

رحمان نسیم

(چیف ایگزیکٹو آفیسر)

تاریخ: 29 اپریل، 2024







# **Fazal Cloth Mills Limited**

## **Condensed Interim Financial Statements (Un-audited)**


*For the Nine Months Ended 31 March 2024*



## Condensed Interim Statement of Financial Position

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>31 March</i>	<i>30 June</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Share capital and reserves</u></b>		
Authorized share capital	<b>1,700,000,000</b>	1,700,000,000
Issued, subscribed and paid-up capital	<b>300,000,000</b>	300,000,000
<i>Capital reserves</i>		
- Others capital reserves	<b>1,697,496,243</b>	1,075,745,157
- Revaluation surplus on property, plant and equipment	<b>21,423,751,021</b>	22,130,639,044
Unappropriated profits - revenue reserve	<b>21,753,365,151</b>	21,140,136,577
	<b>45,174,612,415</b>	44,646,520,778
<b><u>Non-current liabilities</u></b>		
Long term financing - <i>secured</i>	<b>13,392,362,029</b>	13,425,948,722
Long term musharika - <i>secured</i>	<b>2,789,497,180</b>	3,329,112,748
Lease liability - <i>unsecured</i>	<b>71,320,439</b>	73,111,588
Deferred liabilities:		
- <i>Staff retirement benefit</i>	<b>514,143,218</b>	445,220,674
- <i>Deferred taxation</i>	<b>6,812,418,580</b>	6,682,468,862
	<b>23,579,741,446</b>	23,955,862,594
<b><u>Current liabilities</u></b>		
Trade and other payables	<b>6,779,742,157</b>	8,279,059,663
Contract liabilities	<b>510,859,572</b>	760,038,983
Current portion of non-current liabilities	<b>3,726,125,116</b>	3,239,132,851
Unclaimed dividend	<b>22,016,990</b>	22,551,264
Short term borrowings - <i>secured</i>	<b>23,554,828,758</b>	25,569,248,195
Accrued mark-up	<b>1,724,731,475</b>	1,274,680,630
Provision for taxation - net	<b>488,359,621</b>	26,837,826
	<b>36,806,663,689</b>	39,171,549,412
<b>Contingencies and commitments</b>	<b>105,561,017,550</b>	107,773,932,784

The annexed notes from 1 to 25 form an integral part of these financial statements.

  
(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

  
(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER



As at 31 March 2024

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2024</i>	<i>2023</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	9	<b>52,538,543,057</b>	52,832,730,189
Long term investments	10	<b>6,620,902,372</b>	5,999,151,286
Long term loans and advances	11	-	-
Long term deposits		<b>110,640,293</b>	25,540,293
		<b>59,270,085,722</b>	58,857,421,768

**Current assets**

Stores, spares and loose tools		<b>1,776,013,353</b>	1,429,900,637
Stock-in-trade	12	<b>30,652,202,663</b>	31,318,157,974
Trade debts	13	<b>11,006,808,344</b>	11,368,620,770
Loans and advances		<b>344,891,926</b>	218,351,459
Deposits, prepayments and other receivables		<b>235,012,763</b>	601,492,755
Short term investment	14	<b>242,841,600</b>	182,437,200
Mark-up accrued		<b>3,999,520</b>	1,198,384
Sales tax refundable and adjustable		<b>1,441,391,249</b>	3,267,710,019
Cash and bank balances	15	<b>587,770,410</b>	528,641,818
		<b>46,290,931,828</b>	48,916,511,016

<b>105,561,017,550</b>	<b>107,773,932,784</b>
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(AMIR NASEEM SHEIKH)  
DIRECTOR



**Condensed Interim Statement of Profit or Loss (Un-Audited)**  
For the nine months and quarter ended 31 March 2024

	Note	Nine months ended		Quarter ended	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net	16	72,089,483,278	56,608,457,729	24,977,131,472	20,116,622,578
Cost of sales	17	<b>(64,011,380,341)</b>	(48,750,536,427)	<b>(23,314,017,983)</b>	<b>(17,486,434,037)</b>
<b>Gross profit</b>		<b>8,078,102,937</b>	7,857,921,302	<b>1,663,113,489</b>	2,630,188,541
Selling and distribution expenses		<b>(414,778,786)</b>	(327,872,926)	<b>(121,920,789)</b>	(103,809,369)
Administrative expenses		<b>(572,328,772)</b>	(425,976,058)	<b>(196,508,231)</b>	(142,838,337)
Other expenses		<b>(116,122,399)</b>	(2,606,056,785)	<b>39,189,392</b>	(1,764,372,834)
		<b>(1,103,229,957)</b>	(3,359,905,769)	<b>(279,239,628)</b>	(2,011,020,540)
Other income		<b>652,922,557</b>	34,404,142	<b>116,500,115</b>	8,761,016
<b>Profit from operations</b>		<b>7,627,795,537</b>	4,532,419,675	<b>1,500,373,976</b>	627,929,017
Finance cost	18	<b>(6,650,436,780)</b>	(3,170,405,598)	<b>(2,114,160,554)</b>	(1,146,717,286)
<b>Profit before taxation</b>		<b>977,358,757</b>	1,362,014,077	<b>(613,786,578)</b>	(518,788,269)
Taxation		<b>(916,609,703)</b>	(828,539,369)	<b>60,116,533</b>	(23,065,341)
<b>Profit / (loss) after taxation</b>		<b>60,749,054</b>	533,474,708	<b>(553,670,045)</b>	(541,853,610)
<b>Earnings / (loss) per share - basic and diluted</b>	19	<b>2.02</b>	17.78	<b>(18.46)</b>	(18.06)

The annexed notes from 1 to 25 form an integral part of these financial statements.

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(AMIR NASEEM SHEIKH)  
DIRECTOR



**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
*For the nine months and quarter ended 31 March 2024*

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>Profit after taxation</b>	<b>60,749,054</b>	533,474,708	(553,670,045)	(541,853,610)
<b><u>Other comprehensive income - net of tax</u></b>				
<i>Items that will never be reclassified to statement of profit or loss:</i>				
- Net change in fair value of financial assets at FVOCI	<b>621,751,086</b>	(660,988,252)	263,944,990	(273,051,506)
<b>Total comprehensive income for the period</b>	<b><u>682,500,140</u></b>	<u>(127,513,544)</u>	<b><u>(289,725,055)</u></b>	<b><u>(814,905,116)</u></b>

The annexed notes from 1 to 25 form an integral part of these financial statements.

(MUHAMMAD AZAM)  
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(AMIR NASEEM SHEIKH)  
DIRECTOR




## Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months ended 31 March 2024

	Capital reserves				Revenue reserve		Total
	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	
Rupees							
Balance as at 30 June 2022	300,000,000	77,616,000	175,000,000	2,457,736,637	17,150,488,830	20,368,453,281	40,529,294,748
<b>Total comprehensive income for the period :</b>							
Profit for nine months ended 31 March 2023	-	-	-	-	-	533,474,708	533,474,708
Other comprehensive income / (loss) for nine months ended 31 March 2023	-	-	-	(660,988,252)	-	-	(660,988,252)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - <i>net of tax</i>	-	-	-	-	(375,633,144)	375,633,144	-
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>	-	-	-	-	-	-	-
Effect on deferred tax due to change in proration rate	-	-	-	-	(226,552,451)	-	(226,552,451)
<b>Transactions with the owners of the Company:</b>							
Final cash dividend @ Rs. 10 per ordinary share for the year ended 30 June 2022	-	-	-	-	-	(300,000,000)	(300,000,000)
Balance as at 31 March 2023	300,000,000	77,616,000	175,000,000	1,796,748,385	16,548,303,235	20,977,561,133	39,875,228,753
<b>Total comprehensive (loss) / income for the period:</b>							
Profit for three months ended 30 June 2023	-	-	-	-	-	52,620,011	52,620,011
Other comprehensive (loss) / income for three months ended 30 June 2023	-	-	-	(973,619,228)	6,157,671,977	(23,709,988)	5,160,342,761
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - <i>net of tax</i>	-	-	-	(973,619,228)	6,157,671,977	28,910,023	5,212,962,772
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>	-	-	-	-	(133,665,421)	133,665,421	-
Effect on deferred tax due to change in proration rate	-	-	-	-	(441,670,747)	-	(441,670,747)
Balance as at 30 June 2023	300,000,000	77,616,000	175,000,000	823,129,157	22,130,639,044	21,140,136,577	44,646,520,778
<b>Balance as at 30 June 2023</b>	<b>300,000,000</b>	<b>77,616,000</b>	<b>175,000,000</b>	<b>823,129,157</b>	<b>22,130,639,044</b>	<b>21,140,136,577</b>	<b>44,646,520,778</b>
<b>Total comprehensive income for the period :</b>							
Profit for nine months ended 31 March 2024	-	-	-	-	-	60,749,054	60,749,054
Other comprehensive (loss) / income for nine months ended 31 March 2024	-	-	-	621,751,086	-	-	621,751,086
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - <i>net of tax</i>	-	-	-	621,751,086	-	60,749,054	682,500,140
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>	-	-	-	-	(548,766,932)	548,766,932	-
Effect on deferred tax due to change in proration rate	-	-	-	-	(3,712,587)	3,712,587	-
Balance as at 31 March 2024	300,000,000	77,616,000	175,000,000	1,444,880,243	21,423,751,021	21,753,365,151	45,174,612,415

The annexed notes from 1 to 25 form an integral part of these financial statements.

  
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CHIEF FINANCIAL OFFICER

  
(REHMAN NASEEM)  
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(AMIR NASEEM SHEIKH)  
DIRECTOR




## Condensed Interim Statement of Cash Flows (Un-Audited)

For the nine months ended 31 March 2024

	Nine months ended	
	31 March 2024 Rupees	31 March 2023 Rupees
<b><u>Cash flows from operating activities</u></b>		
Profit before taxation	977,358,757	1,362,014,077
Adjustments for:		
Depreciation on property, plant and equipment	1,636,221,810	1,305,197,197
Unrealized loss / (gain) on re-measurement of short term investments	(60,404,400)	47,736,000
Loss allowance against trade debts	33,813,856	27,834,701
Provision for gratuity	228,993,867	160,555,716
Provision for infrastructure cess	248,471,040	389,129,926
Provision for workers' profit participation fund	51,392,811	71,750,691
Provision for workers' welfare fund	4,229,947	24,097,046
Loss / (gain) on disposal of property, plant and equipment	2,669,151	(8,670,026)
Dividend income	(120,949,554)	-
Finance income	(9,799,693)	(1,954,089)
Finance cost	6,650,436,780	3,170,405,598
<b>Cash generated from operations before working capital changes</b>	<b>9,642,434,372</b>	<b>6,548,096,838</b>
<b><u>Effect on cash flows due to working capital changes</u></b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(346,112,716)	(515,987,894)
Stock-in-trade	665,955,311	(3,712,336,968)
Trade debts	327,998,570	(1,850,108,976)
Loans and advances	(126,540,467)	(20,400,815)
Deposits, prepayments and other receivables	366,479,992	(745,584,652)
	887,780,690	(6,844,419,305)
Increase / (decrease) in current liabilities:		
Trade and others payables	(1,803,411,304)	1,638,785,670
Contract liability	(249,179,411)	27,744,634
<b>Cash generated from operations</b>	<b>8,477,624,347</b>	<b>1,370,207,836</b>
Gratuity paid to employees	(160,071,323)	(129,310,168)
Taxes paid - net	1,346,772,077	(1,063,133,146)
<b>Net cash generated from operating activities</b>	<b>1,186,700,754</b>	<b>(1,192,443,314)</b>
	<b>9,664,325,101</b>	<b>177,764,522</b>
<b><u>Cash flows from investing activities</u></b>		
Fixed capital expenditure	(1,353,513,828)	(4,126,574,149)
Proceeds from sale of property, plant and equipment	8,810,000	53,910,300
Long term investments	-	(40,000,000)
Long term deposits	(85,100,000)	-
Finance income received	6,998,557	-
Dividend received from associated company	120,949,554	-
<b>Net cash used in investing activities</b>	<b>(1,301,855,717)</b>	<b>(4,112,663,849)</b>
<b><u>Cash flows from financing activities</u></b>		
Long term financing obtained	2,217,188,000	2,686,541,704
Long term financing repaid	(1,961,365,972)	(1,853,922,784)
Long term musharika obtained	77,739,800	1,257,502,174
Long term musharika repaid	(420,833,335)	(547,394,652)
Short term borrowings - net	(2,014,419,437)	5,895,590,154
Lease rentals paid	(8,769,228)	(7,972,026)
Finance cost paid - net	(6,192,346,346)	(2,760,644,751)
Dividend paid	(534,274)	(298,662,570)
<b>Net cash (used in) / generated from financing activities</b>	<b>(8,303,340,792)</b>	<b>4,371,037,249</b>
<b>Net increase in cash and cash equivalents</b>	<b>59,128,592</b>	<b>436,137,923</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>528,641,818</b>	<b>386,199,525</b>
<b>Cash and cash equivalents at end of the period</b>	<b>587,770,410</b>	<b>822,337,448</b>

The annexed notes from 1 to 25 form an integral part of these financial statements.

  
(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

  
(REHMAN NASEEM)  
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(AMIR NASEEM SHEIKH)  
DIRECTOR





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

For the nine months and quarter ended 31 March 2024

### 1 Legal status and nature of business

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 Company is principally engaged in manufacture and sale of yarn and fabric.

Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Lahore</b>	<b>Purpose</b>
69/7, Abid Majeed Road, Survey No. 248/7 Cantt.	Registered office
<b>Multan</b>	
59/3, Abdali Road.	Head office
Qadirpur Rawan Bypass, Khanewal Road.	Production plant
<b>Muzaffargarh</b>	
Fazal Nagar, Jhang Road.	Production plant
13-KM, Mianwali Road, Khanpur Bagga Sher.	Production plant

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

2.1.1 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 International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 (the Act),
- Provisions of and directives issued under the Act, and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act.

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

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

**2.2 Standards, amendments to approved accounting standards effective in current period and are relevant**

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

**2.3 Accounting policies**

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

**3 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2023.



	<i>(Un-audited)</i>		<i>(Audited)</i>	
	31 March 2024	Rupees	30 June 2023	Rupees
<b>4 Long term financing - secured</b>				
Opening balance	15,955,756,784		15,256,170,060	
Loan obtained during the period / year	2,217,188,000		2,988,820,348	
Repayments made during the period / year	(1,961,365,972)		(2,289,233,624)	
Closing balance	16,211,578,812		15,955,756,784	
Less: current portion grouped under current liabilities	(2,819,216,783)		(2,529,808,062)	
	<b>13,392,362,029</b>		<b>13,425,948,722</b>	

**4.1 - Markup bearing finances availed during the period:**

Lender	Amount	Rate of Markup		Security
		Per Annum	Up	
<b>-- R u p e e s --</b>				
<b>Allied Bank Limited</b>				
- 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. Principal amount is payable in ten equal half yearly instalments ending on 10 July 2028.
<b>Habib Bank Limited</b>				
- Demand 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. Principal amount is payable in twelve equal half yearly instalments ending on 13 September 2030.
<b>National Bank of Pakistan</b>				
- Demand finance	17,188,000	6 months KIBOR + 1.00%		1st joint pari passu charge/ mortgage of Rs.4,784 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Principal amount is payable in twelve equal half yearly instalments ending on 24 February 2030.
<b>Pak Brunei Investment Company Ltd</b>				
- Term finance	200,000,000	3 months KIBOR + 2.00%		1st joint pari passu charge/ mortgage of Rs.400 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Principal amount is payable in twenty equal quarterly instalments ending on 27 November 2030.
<b>United Bank Ltd.</b>				
- Demand finance	1,000,000,000	3 months KIBOR + 1.50%		1st joint pari passu charge/ mortgage of Rs.977 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Principal amount is payable in twenty equal quarterly instalments ending on 15 January 2031.
	<b>2,217,188,000</b>			



5	Long term musharika - secured	Note	(Un-audited)		(Audited)	
			31 March 2024	Rupees	30 June 2023	Rupees
	Opening balance		4,037,446,083		3,376,467,767	
	Loan obtained during the period / year		77,739,800		1,454,206,302	
	Repayments made during the period / year	5.1	(420,833,335)		(793,227,986)	
	Closing balance		3,694,352,548		4,037,446,083	
	Less: current portion grouped under current liabilities		(904,855,368)		(708,333,335)	
			2,789,497,180		3,329,112,748	

## 5.1 - Profit bearing finances availed during the period:

Lender	Amount	Rate of Profit Per Annum	Security
Faysal Bank Limited			
- Diminishing musharika / SBP's ILTF	77,739,800	3 months KIBOR + 0.75% / SBP Rate + 0.75%	1st joint part passu charge/ mortgage of Rs.1,488 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Principal amount is payable in sixteen equal half yearly instalments ending on 30 June 2032.
	77,739,800		



	(Un-audited) 31 March 2024 Rupees	(Audited) 30 June 2023 Rupees
<b>6 Trade and other payables</b>		
Trade creditors	1,148,667,240	929,765,542
Accrued liabilities	2,245,486,326	1,664,430,988
Due to associated undertakings	329,826,312	45,845,843
Bills payable	1,071,634,127	3,583,591,783
Tax deducted at source	19,676,439	11,496,578
Infrastructure cess	1,870,028,551	1,621,557,511
Workers' profit participation fund	51,392,807	81,895,334
Workers' welfare fund	35,430,662	155,865,153
Loan from Director	299,693	299,693
Others	7,300,000	184,311,238
	<u>6,779,742,157</u>	<u>8,279,059,663</u>
<b>6.1 Due to associated undertakings</b>		
Hussain Gineries Limited	-	13,250,970
Fatima Energy Limited	329,640,710	32,409,271
Fazal-ur-Rehman Foundation	180,000	180,000
Fatima Fertilizer Company Limited	5,602	5,602
	<u>329,826,312</u>	<u>45,845,843</u>
<b>7 Current portion of non-current liabilities</b>		
Long term financing - secured	2,819,216,783	2,529,808,062
Long term musharika - secured	904,855,368	708,333,335
Current portion of lease liability	2,052,965	991,454
	<u>3,726,125,116</u>	<u>3,239,132,851</u>
<b>8 Contingencies and commitments</b>		
<b>8.1 Contingencies</b>		
<b>8.1.1</b> There has been no change in the status of contingencies since the annual audited financial statements as at 30 June 2023.		
<b>8.1.2</b> Export documents negotiated with banks under Foreign Bill Purchase ("FBP") facility are USD 2.37 million (30 June 2023: Nil).		
<b>8.2 Commitments</b>	(Un-audited) 31 March 2024 Rupees	(Audited) 30 June 2023 Rupees
<b>8.2.1</b> Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies.	<u>2,918,861,034</u>	<u>2,583,001,754</u>
<b>8.2.2 Commitments against irrevocable letters of credit:</b>		
- capital expenditure	-	-
- raw material and stores and spares	6,191,481,317	4,928,257,464
	<u>6,191,481,317</u>	<u>4,928,257,464</u>
<b>8.2.3 Commitments in respect of foreign exchange forward contracts:</b>	<u>-</u>	<u>-</u>

**8.2.4 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.

**8.2.5 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 (2022: 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>	<i>(Audited)</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2024</i>	<i>2023</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>9 Property, plant and equipment</b>			
Operating Property, plant and equipment	9.1	51,339,566,493	47,865,805,154
Right of use of Asset	9.2	41,640,960	45,948,645
Capital work-in-progress	9.3	1,157,335,604	4,920,976,390
		<u>52,538,543,057</u>	<u>52,832,730,189</u>
<b>9.1 Opening net book value</b>		<b>47,865,805,154</b>	<b>40,194,533,834</b>
<i>Additions during the period / year:</i>			
Freehold land		518,680	354,324,398
Factory building on free hold land		709,976,731	60,612,108
Non-factory building on free hold land		45,904,395	97,505,124
Non-factory building on lease hold land		9,258,669	55,392,289
Plant and machinery		3,870,357,612	952,489,264
Electric fittings and installations		270,254,190	18,468,949
Sui gas installations		-	40,000
Tools, laboratory equipment and arms		20,357,592	2,601,357
Fire extinguishing equipments and scales		11,022,573	80,000
Office equipment		18,033,687	33,140,803
Furniture and fixtures		5,811,762	670,013
Vehicles		155,658,724	143,015,767
		5,117,154,614	1,718,340,072
Addition on revaluation surplus		-	7,700,479,505
Carrying value of assets disposed off during the period / year		(11,479,151)	(289,619)
Depreciation charge for the period / year		(1,631,914,125)	(1,747,258,638)
Closing net book value		<u>51,339,566,493</u>	<u>47,865,805,154</u>
<b>9.2 Right of use Asset</b>			
Opening net book value		45,948,645	51,692,225
Depreciation charge for the period		(4,307,685)	(5,743,580)
Closing net book value		<u>41,640,960</u>	<u>45,948,645</u>



		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2024</i>	<i>2023</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>9.3 Breakup of capital work-in-progress:</b>			
Building on free hold land		80,918,370	585,547,931
Non-factory building on free hold land		144,857,536	124,081,106
Plant and machinery		797,983,746	3,863,667,131
Electric fittings and Installations		17,500	236,278,701
Fire fighting equipment & weigh scales		615,000	2,864,083
Tools, Lab. Equipment & Arms		616,018	-
Office equipment		12,556,364	2,189,855
Furniture and fixtures		2,060,881	5,162,393
Advances to suppliers - unsecured, considered good	9.3.1	117,710,189	101,185,190
		<b>1,157,335,604</b>	<b>4,920,976,390</b>

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

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2024</i>	<i>2023</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>10 Long term investments</b>			
<b><u>At fair value through OCI</u></b>			
Fatima Fertilizer Company Limited - <i>quoted</i>	10.1	2,499,603,150	1,877,852,064
Fatima Energy Limited - <i>unquoted</i>	10.2	3,663,963,847	3,663,963,847
Fatima Transmission Company Limited - <i>unquoted</i>	10.3	101,213,615	101,213,615
Multan Real Estate (Private) Limited - <i>unquoted</i>	10.4	316,121,760	316,121,760
		<b>6,580,902,372</b>	<b>5,959,151,286</b>
<b><u>Associated companies - at equity method</u></b>			
Fatima Transmission Company Limited - unquoted (Ordinary shares)	10.5	-	-
Fatima Electric Company Limited - unquoted	10.5	-	-
		-	-
<b><u>At fair value through P&amp;L</u></b>			
Term finance certificates		40,000,000	40,000,000
		<b>6,620,902,372</b>	<b>5,999,151,286</b>



10.1	At fair value through OCI	Shares		Market value		Market value per share		Percentage of holding	
		31 March 2024	30 June 2023	31 March 2024	30 June 2023	31 March 2024	30 June 2023	31 March 2024	30 June 2023
		62,994,031	62,994,031	2,499,603,150	1,877,852,064	39.68	29.81	3.00%	3.00%
		Rupees							

10.1.1

10.1.1 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.

10.2	Fatima Energy Limited - related party - unquoted	Shares		Fair value		Percentage of holding	
		31 March 2024	30 June 2023	31 March 2024	30 June 2023	31 March 2024	30 June 2023
		108,300,000	108,300,000	896,724,000	896,724,000	19.00%	19.00%
	Ordinary Shares - unquoted						
	Non voting, non cumulative, redeemable, convertible	334,207,711	334,207,711	2,767,239,847	2,767,239,847	31.41%	31.41%
	Preference Shares - unquoted	442,507,711	442,507,711	3,663,963,847	3,663,963,847		
		Rupees					

10.3	Fatima Transmission Company Limited - unquoted	Shares		Fair value		Percentage of holding	
		31 March 2024	30 June 2023	31 March 2024	30 June 2023	31 March 2024	30 June 2023
		12,795,653	12,795,653	101,213,615	101,213,615	30.71%	30.71%
	Non voting, non cumulative, redeemable, convertible						
	Preference Shares - unquoted						
		Rupees					

10.4 This represents 17.04% (2023: 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.

10.5	Associated companies with significant influence - under equity method	Shares		Carrying value		Percentage of holding	
		31 March 2024	30 June 2023	31 March 2024	30 June 2023	31 March 2024	30 June 2023
		5,520,000	5,520,000	-	-	24.00%	24.00%
	Fatima Transmission Company Limited - unquoted (ordinary shares)						
	Fatima Electric Company Limited - unquoted	7,000	7,000	-	-	20.00%	20.00%
		5,527,000	5,527,000				
		Rupees					





	(Un-audited) 31 March 2024 Rupees	(Audited) 30 June 2023 Rupees
<b>11 Long term advance and mark up accrued</b>		
Fatima Energy Limited - <i>related party</i>	307,129,396	307,129,396
Fatima Transmission Company Limited - <i>associate</i>	13,748,696	13,748,696
Pak Arab Energy Limited - <i>associate</i>	25,904,160	25,904,160
Less: Loss allowance	346,782,252 (346,782,252)	346,782,252 (346,782,252)
	<u>-</u>	<u>-</u>
<b>12 Stock-in-trade</b>		
Raw material [In-transit: Rs. 3,402.96 million (30 Jun 2023: Rs. 6,504.06 million)]	17,809,205,523	19,782,907,185
Work-in-process	1,188,706,190	855,950,907
Finished goods [In-transit: Rs. 35.15 million (30 Jun 2023: Rs. 60.38 million)]		
Yarn	10,311,375,932	8,751,475,267
Fabric	840,646,735	1,343,506,985
Waste	502,268,283	584,317,630
	11,654,290,950	10,679,299,882
	<u>30,652,202,663</u>	<u>31,318,157,974</u>
<b>13 Trade debts</b>		
<i>Export debtors - secured against letters of credit:</i>		
Considered good	1,764,195,904	4,562,862,554
<i>Local debtors - unsecured</i>		
Related Parties - considered good	2,023,023,369	1,406,000,009
Others - considered good	7,219,589,071	5,399,758,207
Others - considered doubtful	86,118,773	52,304,917
	9,328,731,213	6,858,063,133
Allowance for impairment of trade debts	(86,118,773)	(52,304,917)
	<u>11,006,808,344</u>	<u>11,368,620,770</u>
<b>13.1 Trade debts due from following related parties on account of trading activities.</b>		
Ahmad Fine Textile Mills Limited	1,911,774,250	1,290,652,180
Reliance Weaving Mills Limited	111,249,119	115,347,829
	<u>2,023,023,369</u>	<u>1,406,000,009</u>
<b>14 Short term investment</b>		
<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.39.68 (30 Jun 2023: Rs.29.81)	242,841,600	182,437,200
	<u>242,841,600</u>	<u>182,437,200</u>
<b>15 Cash and bank balances</b>		
Cash in hand	10,187,788	46,610,665
Cash at banks		
- Current accounts	435,393,093	419,191,326
- Saving accounts	103,669,529	62,839,827
- Term deposit receipts	38,520,000	-
	577,582,622	482,031,153
	<u>587,770,410</u>	<u>528,641,818</u>



	Nine months ended		Quarter ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
<b>16 Revenue from contracts with customers - net</b>				
<i>Gross sales</i>				
Local sales	53,817,475,089	50,609,617,128	18,448,610,460	18,941,907,352
Direct exports	13,860,908,589	11,176,851,396	3,099,966,547	2,889,644,585
Indirect exports	12,982,297,571	2,534,795,776	6,347,585,355	1,157,455,602
	80,660,681,249	64,321,264,300	27,896,162,362	22,989,007,539
<i>Sales tax</i>				
Local sales	(8,336,695,160)	(7,500,009,923)	(2,913,114,393)	(2,857,701,146)
Indirect export	-	-	-	-
	(8,336,695,160)	(7,500,009,923)	(2,913,114,393)	(2,857,701,146)
<i>Sales return</i>	(234,502,811)	(212,796,648)	(5,916,497)	(14,683,815)
	<b>72,089,483,278</b>	<b>56,608,457,729</b>	<b>24,977,131,472</b>	<b>20,116,622,578</b>

16.1 It includes sales made to direct exporters against Export facilitation Scheme (EFS) to related parties under S.R.O 957/1(2) 2021 dated 30 July 2021, amounting to Rs. 4,650.64 million (31 March 2023: Rs. 2,534.80 million).

	Nine months ended		Quarter ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
<b>17 Cost of sales</b>				
Raw material consumed	48,299,303,656	36,567,132,911	15,689,253,870	12,850,205,025
Packing material consumed	840,051,464	631,282,924	286,005,208	213,855,496
Salaries, wages and benefits	2,990,198,936	2,724,573,773	1,078,768,703	887,291,584
Freight outward charges	402,170,490	576,768,745	146,646,409	51,202,226
Travelling and conveyance	16,706,898	11,731,469	4,767,877	3,187,694
Vehicle running and maintenance	62,860,313	33,419,576	20,432,272	11,316,481
Power and fuel	7,189,956,361	5,054,520,070	2,702,052,496	1,782,455,485
Stores and spares consumed	1,482,073,950	923,486,720	437,004,297	318,620,644
Processing charges	510,863,433	311,846,093	122,111,010	4,227,818
Repair and maintenance	68,113,137	42,350,004	18,677,135	13,591,949
Insurance	127,092,384	105,404,504	44,956,014	36,471,413
Depreciation on property, plant and equipment	1,551,775,827	1,255,349,620	537,331,286	419,588,597
Others	20,483,860	6,167,952	6,056,989	1,845,828
	63,561,650,709	48,244,034,361	21,094,603,566	16,593,860,240
<i>Work-in-process :</i>				
Opening balance	855,950,908	774,506,142	1,227,317,792	827,536,374
Closing balance	(1,188,706,190)	(844,078,535)	(1,188,706,190)	(844,078,535)
	(332,755,282)	(69,572,393)	38,611,602	(16,542,161)
<b>Cost of goods manufactured</b>	<b>63,228,895,427</b>	<b>48,174,461,968</b>	<b>21,132,675,168</b>	<b>16,577,318,079</b>
<i>Finished goods :</i>				
Opening balance	10,679,299,882	8,690,090,690	13,297,779,343	10,227,371,591
Finished goods purchased	1,615,839,893	1,144,624,574	445,627,636	88,011,246
Closing balance	(11,654,290,950)	(9,528,424,724)	(11,654,290,950)	(9,528,424,724)
	640,848,825	306,290,540	2,089,116,029	786,958,113
Cost of goods sold	63,869,744,252	48,480,752,508	23,221,791,197	17,364,276,192
Cost of raw material sold	141,636,089	269,783,919	92,226,786	122,157,845
	<b>64,011,380,341</b>	<b>48,750,536,427</b>	<b>23,314,017,983</b>	<b>17,486,434,037</b>

**18 Finance cost***Mark-up based loans from conventional banks:*

- Long term financing - secured
- Short term borrowings - secured

*Islamic mode of financing:*

- Musharika - secured
- Short term borrowings - secured

Bank charges

Interest on workers' profit participation fund

Markup on lease liability

**19 Earnings per share - basic and diluted**

Profit after taxation

Weighted Average Number of ordinary shares

Earnings per share - basic and diluted

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	<b>1,507,007,070</b>	1,015,677,921	<b>580,312,090</b>	317,680,436
	<b>3,615,829,883</b>	1,438,163,777	<b>1,011,585,611</b>	560,931,225
	<b>5,122,836,953</b>	2,453,841,698	<b>1,591,897,701</b>	878,611,661
	<b>632,555,402</b>	432,984,055	<b>212,580,571</b>	152,871,271
	<b>727,380,926</b>	207,742,308	<b>246,993,375</b>	96,521,130
	<b>1,359,936,328</b>	640,726,363	<b>459,573,946</b>	249,392,401
	<b>142,627,823</b>	65,096,673	<b>43,022,029</b>	13,359,989
	<b>16,996,087</b>	-	<b>16,996,087</b>	-
	<b>8,039,589</b>	10,740,864	<b>2,670,791</b>	5,353,235
	<b>6,650,436,780</b>	3,170,405,598	<b>2,114,160,554</b>	1,146,717,286
	<b>60,749,054</b>	533,474,708	<b>(553,670,045)</b>	(541,853,610)
	<b>30,000,000</b>	30,000,000	<b>30,000,000</b>	30,000,000
	<b>2.02</b>	17.78	<b>(18.46)</b>	(18.06)



**20 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.

**21 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 arms' 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.

	Carrying amount			Fair value				
	Financial assets at amortised cost	Fair value through Profit or loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----								
<b>As at 31 March 2024</b>								
<b>Financial assets - measured at fair value</b>								
Short term investment	-	242,841,600	-	242,841,600	242,841,600	-	-	242,841,600
Long term investments	-	40,000,000	-	6,620,902,372	2,539,603,150	-	4,081,299,222	6,620,902,372
<b>Financial assets - not measured at fair value</b>								
Long term deposits	110,640,293	-	-	110,640,293	-	-	-	-
Trade debts	11,006,808,344	-	-	11,006,808,344	-	-	-	-
Deposits and other receivables	166,783,602	-	-	166,783,602	-	-	-	-
Mark-up accrued	3,999,520	-	-	3,999,520	-	-	-	-
Cash and bank balances	587,770,410	-	-	587,770,410	-	-	-	-
	11,876,002,169	282,841,600	6,580,902,372	18,739,746,141	2,782,444,750	-	4,081,299,222	6,863,743,972
<b>Financial liabilities - not measured at fair value</b>								
Long term financing - secured	-	-	16,211,578,812	16,211,578,812	-	-	-	-
Long term musharaka - secured	-	-	3,694,352,548	3,694,352,548	-	-	-	-
Trade and other payables	-	-	4,803,213,698	4,803,213,698	-	-	-	-
Unclaimed dividend	-	-	22,016,990	22,016,990	-	-	-	-
Short term borrowings - secured	-	-	23,554,828,758	23,554,828,758	-	-	-	-
Accrued mark-up	-	-	1,724,731,475	1,724,731,475	-	-	-	-
	-	-	50,010,722,281	50,010,722,281	-	-	-	-



	Carrying amount		Fair value					
	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees							
<b>Financial assets - measured at fair value</b>								
Short term investments	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
<b>Financial assets - not measured at fair value</b>								
Long term deposits	-	-	-	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	-	18,707,034,352	2,100,289,264	-	4,081,299,222	6,181,588,486
<b>Financial liabilities - not measured at fair value</b>								
Long term financing - secured	-	-	15,955,756,784	15,955,756,784	-	-	-	-
Long term musharika - secured	-	-	4,037,446,083	4,037,446,083	-	-	-	-
Trade and other payables	-	-	6,408,245,087	6,408,245,087	-	-	-	-
Unclaimed dividend	-	-	22,551,264	22,551,264	-	-	-	-
Short term borrowings - secured	-	-	25,569,248,195	25,569,248,195	-	-	-	-
Accrued mark-up	-	-	1,274,680,630	1,274,680,630	-	-	-	-
	-	-	53,267,928,043	53,267,928,043	-	-	-	-

As at 30 June 2023

*Financial assets - measured at fair value*

Short term investments

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

**22 Segment reporting****22.1 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.

**22.2 Segment revenue and results**

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

	Spinning		Weaving		Total	
	(Un-audited) 31 March 2024	(Un-audited) 31 March 2023	(Un-audited) 31 March 2024	(Un-audited) 31 March 2023	(Un-audited) 31 March 2024	(Un-audited) 31 March 2023
External revenues	61,160,515,729	45,875,344,753	10,928,967,549	10,733,112,976	72,089,483,278	56,608,457,729
Intersegment revenues	6,652,852,016	5,998,543,138	49,573,310	6,790,750	6,702,425,326	6,005,333,888
Cost of sales	(60,223,252,814)	(45,357,911,333)	(3,788,127,527)	(3,392,625,094)	(64,011,380,341)	(48,750,536,427)
Intersegment cost of sales	(49,573,310)	(6,790,750)	(6,652,852,016)	(5,998,543,138)	(6,702,425,326)	(6,005,333,888)
Distribution and marketing expense	(321,920,012)	(217,876,792)	(92,858,774)	(109,996,134)	(414,778,786)	(327,872,926)
Administrative expenses	(514,497,374)	(379,286,835)	(57,831,398)	(46,689,223)	(572,328,772)	(425,976,058)
Other operating expense	(116,122,399)	(2,618,191,626)	-	12,134,841	(116,122,399)	(2,606,056,785)
Other operating income	601,116,195	26,532,223	51,806,362	7,871,919	652,922,557	34,404,142
Finance cost	(6,122,169,747)	(2,793,140,003)	(528,267,033)	(377,265,595)	(6,650,436,780)	(3,170,405,598)
Profit before tax	1,066,948,284	527,222,776	(89,589,527)	834,791,301	977,358,757	1,362,014,077

22.2.1 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.

**23 Related party transactions**

The related parties comprise of entities of the same group, directors of the Company and key management personnel. Detail of such transactions are as follows and the balances are disclosed elsewhere in the condensed interim financial information:

	<u>Name of parties</u>	<u>Relationship</u>	<u>Transactions</u>	<u>Nine months ended</u>	
				<u>(Un-audited)</u> 31 March 2024	<u>(Un-audited)</u> 31 March 2023
			Rupees	Rupees	
	Fatima Energy Limited	Sponsor / associated Undertaking	Purchase of electricity	3,949,862,878	3,310,647,221
			Payments against purchase of electricity	3,652,631,439	3,563,919,361
	Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services	1,823,860,692	1,822,835,551
			Sale and receipts against property, plant & equipment	3,500,000	-
			Sale of goods and services	9,140,210,335	10,469,705,368
			Receipts against goods and services - net	6,695,227,575	7,023,813,365
	Reliance Weaving Mills Limited	Common Directorship	Purchase of goods and services	19,249,458	-
			Sale of goods and services	413,206,839	308,151,571
			Receipts against goods and services	398,056,089	246,148,782
	Fatima Fertilizer Company Limited	Common Directorship	Reimbursable expenses	6,628	44,723
			Dividend income	120,949,554	-
	Hussain Gineries	Common Directorship	Payments against payable	13,250,970	-
	Fazal-ur-Rehman Foundation Multan	Common Directorship	Donations paid	2,130,000	2,792,979
	Pak Arab Energy Limited	Common Directorship	Markup accrued	4,651,409	2,215,217
	Fazal Farms (Private) Limited	Common Directorship	Purchase of Goods and services	8,399,350	-
			Payments against purchase of goods and services	8,399,350	-
	Fazal Holding Limited		Dividend paid	-	73,520,410
	Key management personnel		Remuneration and other benefits	41,942,534	36,596,159
	Directors		Dividend paid	-	68,330,200
	Relative of director		Lease rental paid	8,769,228	7,972,026



- 23.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below:

<u>Name</u>	<u>Relationship</u>	<u>% of shareholding in the Company</u>
Mr. Rehman Naseem	CEO/Director/Key Management Personnel	10.34%
Mr. Aamir Naseem Sheikh	Director/Key Management Personnel	0.28%
Mr. Sheikh Naseem Ahmad	Director/Key Management Personnel	0.03%
Mr. Muhammad Mukhtar Sheikh	Director/Key Management Personnel	3.38%
Mr. Faisal Ahmed	Director/Key Management Personnel	6.80%
Mr. Abbas Mukhtar	Director/Key Management Personnel	1.79%
Mr. Babar Ali	Director/Key Management Personnel	0.01%
Ms. Parveen Akhtar Malik	Director/Key Management Personnel	0.01%
Mr. Masood Karim Shaikh	Director/Key Management Personnel	0.01%
Mr. Muhammad Azam	Key Management Personnel	N/A
Mr. Azher Iqbal	Key Management Personnel	N/A

24 **Date of authorization for issue**

This condensed interim financial information was authorized for issue by the Board of Directors on 29 April 2024.

25 **General**

Figures in the condensed interim financial information have been rounded-off to the nearest rupee.

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(AMIR NASEEM SHEIKH)  
DIRECTOR







## **Fazal Cloth Mills Limited**

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