



Fazal Cloth Mills Limited



2018
For The
Three Months Ended
September 30, 2018

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Company Information

Board of Directors	Sh. Naseem Ahmad Mr. Rehman Naseem Mr. Aamir Naseem Sheikh Mr. Fazal Ahmed Sheikh Mr. Faisal Ahmed Mr. Fahd Mukhtar Mr. Babar Ali	Chief Executive Officer Chairman Independent Director
Audit Committee	Mr. Babar Ali Mr. Rehman Naseem Mr. Fahd Mukhtar	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Babar Ali Mr. Aamir Naseem Sheikh Mr. Faisal Ahmed	Chairman Member Member
Company Secretary	Mr. Asad Mustafa	
Chief Financial Officer	Mr. Muhammad Azam	
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants	
Bankers	Allied Bank Limited National Bank of Pakistan MCB Bank Limited Meezan Bank Limited United Bank Limited Standard Chartered Bank Pakistan Limited Habib Bank Limited Soneri Bank Limited Bank Islami Pakistan Limited Bank Al-Falah Limited Bank Al-Habib Limited	Faysal Bank Limited Askari Bank Limited The Bank of Punjab The Bank of Khyber Pak Brunei Investment Company Limited Pak Oman Investment Company Limited Summit Bank Limited Habib Metropolitan Bank Limited Dubai Islamic Bank (Pakistan) Limited JS Bank Limited
Head Office & Shares Department:	59/3, Abdali Road, Multan. Phone: (92) 61-4579001-7, 4781637 Fax: (92) 61-4541832 E-mail: corporate@fazalcloth.com; arfan.zahid@fazalcloth.com Website: www.fazalcloth.com	
Shares Registrar:	Vision Consulting Ltd. 3-C, LDA Flats, Lawrence Road, Lahore. shares@vcl.com.pk Phone: (92) 42-36283096, 36283097 Fax: (92) 42-36312550	
Registered Office:	69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore. Phone: (92) 42-36684909	
Mills:	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	

DIRECTORS' REVIEW

Dear Shareholders!
Assalam-o-Alaikum

Your Directors are pleased to present before you un-audited financial information of Fazal Cloth Mills Limited for the three months ended 30 September 2018.

Your Company earned after tax profit of Rs. 377.20 million as compared to Rs. 149.81 million for the corresponding period last year after charging depreciation of Rs.232.07 million (30 September 2017: Rs 197.89 million). EBITDA of Rs. 1,052.96 million (30 September 2017: Rs. 685.45 million) was generated.

Sales were recorded at Rs. 7,444.47 million during the three months of the current financial year compared to Rs. 7,564.01 million during the corresponding period of last year.

Earnings per share of the Company for the three months ended 30 September 2018 is Rs. 12.57 as compared to Rs. 4.99 for corresponding period in previous year.

Subsidiary Companies and Consolidated Financial Statements

The consolidated condensed interim un-audited financial information comprising Fazal Cloth Mills Limited and Fazal Weaving Mills Limited is annexed with separate interim condensed un-audited financial information of your Company in accordance with the requirements of International Accounting Standard 27 (Consolidated and Separate Financial Statements), 34 (Interim Financial Reporting) and applicable provisions of Companies Act, 2017.

During the three months, the Group earned after tax profit of Rs. 474.10 million as compared to Rs. 199.44 million earned in the same period of last year after charging depreciation of Rs. 275.50 million as compare to Rs. 235.50 million in the same period last year. EBITDA of Rs. 1,302.24 million (September 30, 2017: Rs. 845.59 million) was generated.

Earnings per share of the Group for the three months ended 30 September 2018 is Rs. 42.55 as compared to Rs. 6.65 for corresponding period in previous year.

Financial Highlights – Consolidated Financial Statements	Three Months Ended 30 September		Increase/ (Decrease) %
	2018	2017	
Net Sales (Rs. '000')	8,392,641	8,171,820	2.70
Gross Profit (Rs. '000')	1,099,701	802,043	37.11
Profit before tax (Rs. '000')	633,749	309,637	104.67
Profit after tax (Rs. '000')	474,100	199,435	136.72
Gross Profit (%)	13.10	9.81	
Profit after tax (%)	5.63	2.44	
Earnings per share-Rs.	42.55	6.65	

Future Outlook


Due to the trade restrictions placed on imports from China by USA, uncertainty in textile business has increased. This has resulted in lack of demand from Chinese customers for yarn and fabric. China is the largest buyer of yarn and fabric from Pakistan. As a result September exports of yarn from Pakistan fell 35% and prices have declined by 10%. Unfortunately, this comes at a time when cotton prices are holding firm due to another short crop expected in the country. No progress has been made in improving yields and good quality seed is not available to the farmers. It is imperative that major effort and investment is made in research to improve cotton yields in Pakistan which remain amongst the lowest in the world.

In view of the above developments, your management, expects difficult conditions to prevail for the remaining part of this year. Your management remains focused on decreasing operating costs by investing in latest technology and optimising production facilities to counter the negative trading environment.

Management and Labor Relations

The relations between the workers and management remained cordial throughout the period. Your Directors wish to thank all workers and staff members for their hard work.8

For & on behalf of the Board


(Rehman Naseem)
Chairman/Director

Dated: October 30, 2018

ڈائریکٹرز جائزہ رپورٹ

معزز شیئر ہولڈرز!

فضل کاٹھیر ملز لمیٹڈ (کمپنی) کے ڈائریکٹرز سہ ماہی ستمبر 30، 2018 کی مالیاتی کارکردگی پر جائزہ رپورٹ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

رواں سہ ماہی ستمبر 2018 میں فروختگی 7,444 ملین روپے رہی جو پچھلے سال سہ ماہی میں 7,564 ملین روپے تھی۔ لہذا کی 1.6% فیصد رہا۔ جائزہ کے عرصے کے دوران کمپنی نے منافع بعد از ٹیکس 377 ملین روپے کمایا جبکہ عرصہ سہ ماہی ستمبر 2017,30 قبل از ٹیکس منافع 149 ملین روپے تھا۔ آمدنی قبل از فروسودگی، منافع اور ٹیکس 1052 ملین روپے رہی جو کہ پچھلی سہ ماہی 2017 میں 685 ملین روپے تھی۔ فی حصص آمدنی موجودہ سہ ماہی میں 12.57 روپے ہے جو کہ پچھلے سال اسی سہ ماہی میں 4.99 روپے تھی۔

ذیلی کمپنی اور یکجا مالیاتی سٹیٹمنٹس

یکجا عبوری مالیاتی حسابات کمپنی اور فضل ویگن ملز لمیٹڈ پر مشتمل ہیں جو کہ کمپنی کی علیحدہ عبوری مالیاتی حسابات کے علاوہ ہیں اور عالمی اکاؤنٹنگ معیار 27 اور 34 ویکٹیزا کیٹ 2017 کی متعلقہ قوانین کی روشنی میں تیار کیے گئے ہیں۔

رواں سال سہ ماہی ستمبر 2018 میں گروپ نے فروسودگی کا خرچہ 275 ملین روپے منہا کرنے کے بعد بعد از ٹیکس منافع 474 ملین روپے کمایا جبکہ پچھلے سال اسی سہ ماہی میں فروسودگی کا خرچہ 235 ملین روپے منہا کرنے کے بعد بعد از ٹیکس منافع 199 ملین تھا۔

رواں سہ ماہی ستمبر 2018 میں گروپ کی فی حصص آمدنی 42.55 روپے ہے جو پچھلی سہ ماہی ستمبر 2017,30 میں 6.65 روپے تھی۔

مالی جھلکیاں	شش ماہی اختتام برائے مالی سال		(کم) / اضافہ
	2017	2018	
خالص فروختگی	8,171,820	8,392,641	2.70
گراس منافع	802,043	1,099,701	37.11
منافع قبل از ٹیکس	309,637	633,749	104.67
منافع بعد از ٹیکس	199,435	474,100	136.72
گراس منافع - فیصد	9.81	13.10	
منافع بعد از ٹیکس - فیصد	2.44	5.63	
آمدنی فی حصص - روپے	6.65	42.55	

مستقبل کا نقطہ نظر

امریکہ کی جانب سے چین سے درآمدات پر پابندی کی وجہ سے کپڑے کی صنعت میں غیر یقینی صورت حال ہے۔ اسکی وجہ سے چائنہ کے گاہکوں کی طرف سے دھاگر اور کپڑے کی مانگ میں کمی ہوئی ہے۔ چین دھاگر اور کپڑے کا پاکستان کا سب سے بڑا گاہک ہے۔ رواں دورانیہ میں پاکستان کی چین دھاگر کی برآمد میں 35% فیصد کمی آئی ہے اور قیمت میں 10 فیصد کمی ہوئی ہے۔ بد قسمتی سے کپاس کی قیمتیں کم پیداوار کی وجہ سے بڑھ رہی ہیں۔ کسان کو معیاری بیج کی فراہمی پر بھی کوئی پیش رفت نہیں ہو سکی ہے۔ پاکستان میں کپاس کی پیداوار کو بڑھانے کے لئے خاطر خواہ کوشش اور سرمایہ کی ضرورت ہے۔

مندرجہ بالا حالات کی روشنی میں انتظامیہ رواں سال میں مشکل حالات کی توقع رکھتی ہے۔ انتظامیہ کی توجہ پیداواری لاگت کو کم کرنے میں اور معیاری ٹیکنالوجی میں سرمایہ کاری کرنے پر مرکوز ہے۔

انتظامیہ اور لیبر طبقہ میں تعلقات

انتظامیہ اور لیبر طبقہ میں تعلقات پر جوش اور ہموار ہے۔ ڈائریکٹرز انتظامیہ اور تمام درجہ کی محنت اور کوشش کو سراہتے ہیں۔

یورڈ کی طرف سے

رحمان نسیم

(جنرل مین ایڈمنسٹریٹر)

تاریخ: 1 اکتوبر 2018,30

Fazal Cloth Mills Limited
Condensed Interim Un-Consolidated Financial Information (Un-Audited)
For the three months ended 30 September 2018

Condensed Interim Unconsolidated Statement of Financial Position

		<i>(Un-audited)</i> 30 September 2018 <i>Rupees</i>	<i>(Audited)</i> 30 June 2018 <i>Rupees</i>
Note			
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		300,000,000	300,000,000
<i>Capital reserves</i>			
- Others capital reserves		1,841,041,043	1,525,440,947
- Revaluation surplus on property, plant and equipment		9,487,137,663	9,574,659,705
Unappropriated profits - revenue reserve		<u>9,080,093,726</u>	<u>8,615,376,351</u>
		20,708,272,432	20,015,477,003
<u>Non-current liabilities</u>			
Long term financing - <i>secured</i>	4	7,882,594,575	7,042,048,037
Long term musharika - <i>secured</i>	5	952,500,000	1,061,250,000
Deferred liabilities:			
- <i>Staff retirement benefit</i>		259,506,105	252,712,792
- <i>Deferred taxation</i>		2,306,775,922	2,267,972,077
		11,401,376,602	10,623,982,906
<u>Current liabilities</u>			
Current portion of non-current liabilities		1,936,491,537	1,828,059,070
Trade and other payables		3,131,189,449	2,419,520,544
Unclaimed dividend		8,971,395	8,971,945
Short term borrowings - <i>secured</i>		7,224,760,560	7,953,052,718
Accrued mark-up		303,858,652	275,093,224
		12,605,271,594	12,484,697,501
Contingencies and commitments			
		<u>44,714,920,628</u>	<u>43,124,157,410</u>

The annexed notes form an integral part of these unconsolidated financial statements.


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR

As at 30 September 2018

		(Un-audited)	(Audited)
		30 September	30 June
		2018	2018
<i>Note</i>		<i>Rupees</i>	<i>Rupees</i>
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	6	23,517,688,236	22,331,867,219
Long term investments	7	4,057,734,190	3,742,134,094
Long term loan and advances	8	2,236,826,351	1,636,826,351
Long term deposits		23,068,502	24,071,493
		29,835,317,279	27,734,899,157

Current assets

Stores, spares and loose tools	542,141,502	499,684,798
Stock-in-trade	8,360,545,978	8,124,450,558
Trade debts	3,541,147,147	4,842,378,886
Loans and advances	312,954,621	142,136,368
Deposits, prepayments and other receivables	576,848,908	538,407,396
Mark-up accrued	177,484,855	139,636,009
Short term investment	228,949,200	198,288,000
Tax refunds due from the Government - net	815,462,419	836,318,659
Cash and bank balances	324,068,720	67,957,579
	14,879,603,350	15,389,258,253

44,714,920,628	43,124,157,410
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(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

Condensed Interim Unconsolidated Statement of Profit or Loss (Un-Audited)
For the three month ended 30 September 2018

		<i>Three Months Ended 30 September 2018 Rupees</i>	<i>Three Months Ended 30 September 2017 Rupees</i>
	<i>Note</i>		
Sales - net	9	7,444,470,350	7,564,005,693
Cost of sales	10	(6,582,516,024)	(6,912,747,803)
Gross profit		861,954,326	651,257,890
Selling and distribution expenses		(100,138,677)	(110,143,101)
Administrative expenses		(72,250,148)	(71,609,984)
Other expenses		(41,344,392)	(14,503,445)
		(213,733,217)	(196,256,530)
Other income		172,661,489	32,556,035
Profit from operations		820,882,598	487,557,395
Finance cost		(307,913,770)	(252,635,792)
Profit before taxation		512,968,828	234,921,603
Taxation		(135,773,495)	(85,110,541)
Profit after taxation		377,195,333	149,811,062
 Earnings per share - basic and diluted		 12.57	 4.99

The annexed notes form an integral part of these unconsolidated financial statements.


 (SHEIKH NASEEM AHMAD)
 CHIEF EXECUTIVE OFFICER


 (REHMAN NASEEM)
 DIRECTOR


 (MUHAMMAD AZAM)
 CHIEF FINANCIAL OFFICER

Condensed Interim Un-Consolidated Statement of Comprehensive Income (Un-Audited)
For the three month ended 30 September 2018

	Three Months Ended 30 September 2018 Rupees	Three Months Ended 30 September 2017 Rupees
Profit after taxation	377,195,333	149,811,062
<u>Other comprehensive income - net of tax</u>		
<i>Items that are or may be reclassified subsequently to statement of profit or loss:</i>		
Net change in fair value of available-for-sale financial assets	315,600,096	22,677,852
Total comprehensive income for the period	692,795,429	172,488,914

The annexed notes form an integral part of these unconsolidated financial statements.


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

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

For the three month ended 30 September 2018

	Three Months Ended September 30, 2018 Rupees	Three Months Ended September 30, 2017 Rupees
<u>Cash flows from operating activities</u>		
Profit before taxation	512,968,828	234,921,603
Adjustments for:		
Depreciation on property, plant and equipment	232,078,918	197,888,700
Unrealized gain on re-measurement of short term investment	(30,661,200)	(2,347,200)
Provision for gratuity	27,941,572	24,528,106
Provision for infrastructure cess	-	9,449,407
Gain on disposal of property, plant and equipment	-	(660,585)
Finance cost	307,913,770	252,635,792
Cash generated from operations before working capital changes	1,050,241,888	716,415,823
<u>Effect on cash flows due to working capital changes</u>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(42,456,704)	(127,228,645)
Stock-in-trade	(236,095,420)	314,061,584
Trade debts	1,301,231,739	202,319,706
Loans and advances	(170,818,253)	368,956,986
Deposits, prepayments and other receivables	(38,441,512)	56,896,114
	813,419,850	815,005,745
Increase in current liabilities:		
Trade and other payables	711,668,355	43,006,466
Cash generated from operations	2,575,330,093	1,574,428,034
Gratuity paid	(21,148,259)	(13,186,761)
Taxes paid - net	(76,114,788)	(64,042,021)
Finance cost paid - net	(316,997,187)	(243,662,933)
	(414,260,234)	(320,891,715)
Net cash generated from operating activities	2,161,069,859	1,253,536,319
<u>Cash flows from investing activities</u>		
Fixed capital expenditure	(1,417,898,556)	(402,740,282)
Proceeds from sale of property, plant and equipment	-	1,865,251
Long term investments	-	(150,044,910)
Long term loan and advances	(600,000,000)	-
Long term deposits	1,002,991	375,000
Net cash used in investing activities	(2,016,895,565)	(550,544,941)
<u>Cash flows from financing activities</u>		
Long term financing obtained	1,270,533,882	335,937,675
Long term financing repaid	(321,554,877)	(269,441,046)
Long term musharika repaid	(108,750,000)	(108,750,000)
Short term borrowings - net	(728,292,158)	(667,681,274)
Net cash generated from / (used in) financing activities	111,936,847	(709,935,145)
Net (decrease) / increase in cash and cash equivalents	256,111,141	(6,943,767)
Cash and cash equivalents at beginning of the period	67,957,579	116,327,278
Cash and cash equivalents at end of the period	324,068,720	109,383,511

The annexed notes form an integral part of these unconsolidated financial statements.


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

Condensed Interim Unconsolidated Statement of Changes in Equity

For the three month ended 30 September 2018

	Capital reserves				Revenue reserve		
	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	Total
	----- Rupees -----						
Balance as at 30 June 2017	300,000,000	77,616,000	175,000,000	1,354,087,247	6,306,367,002	7,296,152,237	15,509,222,486
Total comprehensive income for the period :							
Profit for three months ended 30 September 2017	-	-	-	-	-	149,811,062	149,811,062
Other comprehensive (loss)/ income for three months ended 30 September 2017	-	-	-	22,677,852	-	-	22,677,852
	-	-	-	22,677,852	-	149,811,062	172,488,914
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax					(69,664,720)	69,664,720	-
Balance as at 30 September 2017	300,000,000	77,616,000	175,000,000	1,376,765,099	6,236,702,282	7,515,628,019	15,681,711,400
Total comprehensive income for the nine months:							
Profit for the nine months ended 30 June 2018	-	-	-	-	-	1,063,694,008	1,063,694,008
Other comprehensive (loss)/ income for the nine months ended 30 June 2018	-	-	-	(103,940,152)	3,424,191,808	(10,733,823)	3,309,517,833
	-	-	-	(103,940,152)	3,424,191,808	1,052,960,185	4,373,211,841
Effect on deferred tax due to change in tax rate and proportion rate	-	-	-	-	118,053,762	-	118,053,762
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	-	-	(186,955,809)	186,955,809	-
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(17,332,338)	17,332,338	-
Transactions with the owners of the Company :							
Cash dividend @ Rs. 5.25 per ordinary share for the year ended 30 June 2018	-	-	-	-	-	(157,500,000)	(157,500,000)
Balance as at 30 June 2018	300,000,000	77,616,000	175,000,000	1,272,824,947	9,574,659,705	8,615,376,351	20,015,477,003
Total comprehensive income for the period :							
Profit for three months ended 30 September 2018	-	-	-	-	-	377,195,333	377,195,333
Other comprehensive (loss)/ income for three months ended 30 September 2018	-	-	-	315,600,096	-	-	315,600,096
	-	-	-	315,600,096	-	377,195,333	692,795,429
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax					(87,522,042)	87,522,042	-
Balance as at 30 September 2018	300,000,000	77,616,000	175,000,000	1,588,425,043	9,487,137,663	9,080,093,726	20,708,272,432

The annexed notes form an integral part of these unconsolidated financial statements.


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

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

*For the three month ended 30 September 2018***1 Reporting entity**

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, 2018). Previously, the shares of the Company were quoted on Karachi and Lahore Stock Exchanges of Pakistan. However, due to integration of Karachi, Lahore and Islamabad Stock Exchanges into Pakistan Stock Exchange ("PSX") with effect from 11 January 2016 the shares of the Company are now quoted on 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 are located at Fazal Nagar, Jhang Road, Muzaffargarh and Qadirpur Rawan Bypass, Khanewal Road, Multan in the province of Punjab.

2 Basis of preparation**2.1 Basis of Accounting**

- 2.1.1** This condensed interim financial information comprises the condensed interim unconsolidated statement of financial position of the Company as at 30 September 2018 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.
- 2.1.2** This condensed interim financial information of the Company for the three months period ended 30 September 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting, Islamic Financial Reporting Standards (IFAS) and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.1.3** 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 2018.
- 2.1.4** Corresponding statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2018, whereas corresponding statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the three months period ended 30 September 2017.
- 2.1.5** This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and Code of Corporate Governance.
- 2.1.6** These condensed interim financial information are the separate financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investee. Condensed interim consolidated financial information of the Group is prepared and presented separately.

The Company has following major investments:

Name of the company	Shareholding	Nature
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Subsidiary

- Fazal Weaving Mills Limited ("The Subsidiary")	100%	Spinning
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Associates

- Fatima Energy Limited ("FEL")	24.11%	Energy Generation
- Fatima Transmission Company Limited ("FTCL")	24.00%	Transmission of Energy
- Fatima Electric Company Limited	20.00%	Energy Generation

3 Estimates and judgments

3.1 The preparation of condensed interim unconsolidated 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 unconsolidated financial information are the same as those that were applied to the unconsolidated annual financial statements of the Company as at and for the year ended 30 June 2018.

Note	(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
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4 Long term financing - secured

Opening balance		8,552,607,107	7,475,659,120
Loan obtained during the period / year	4.1	1,270,533,882	2,483,887,998
Repayments made during the period / year		(321,554,877)	(1,406,940,011)
Closing balance		9,501,586,112	8,552,607,107
Less: current portion grouped under current liabilities		(1,618,991,537)	(1,510,559,070)
		7,882,594,575	7,042,048,037

4.1 Markup bearing finances from conventional banks:

Soneri Bank Limited - Term finance ("TF")	246,810,933	32,473,454
Allied Bank Limited - Term loan ("TL-VI") under LTFF Scheme	-	355,040,698
Allied Bank Limited - Term loan ("TL-VIII")	628,745,868	16,269,082
	628,745,868	371,309,780
Habib Bank Limited - Demand finance ("DF") under LTFF Scheme	-	224,569,573
United Bank Limited- Demand Finance ("DF-II") under LTFF Scheme	-	126,576,000
The Bank of Punjab -Term finance	-	600,000,000
The Bank of Punjab -Term finance under LTFF Scheme	-	5,004,134
The Bank of Punjab -Term finance under LTFF Scheme	-	85,323,448
The Bank of Punjab - Term finance	114,408,607	238,631,609
	114,408,607	928,959,191

		(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
	Note		
Pak Oman Investment Company Limited - Term finance ("TF")		-	500,000,000
JS Bank - Term Finance ("TF")		-	300,000,000
The Bank of Khyber - Demand finance ("DF") under LTFF Scheme		280,568,474	-
		<u>1,270,533,882</u>	<u>2,483,887,998</u>
5 Long term musharika - secured			
Opening balance		1,378,750,000	1,221,250,000
Loan obtained during the period / year	5.1	-	500,000,000
Repayments made during the period / year		<u>(108,750,000)</u>	<u>(342,500,000)</u>
Closing balance		1,270,000,000	1,378,750,000
Less: current portion grouped under current liabilities		<u>(317,500,000)</u>	<u>(317,500,000)</u>
		<u>952,500,000</u>	<u>1,061,250,000</u>
5.1 Faysal Bank Limited - Diminshing Musharika		-	500,000,000
		-	500,000,000
6 Property, plant and equipment			
Operating property, plant and equipment	6.1	21,790,130,068	22,022,207,606
Capital work-in-progress	6.2	<u>1,727,558,168</u>	<u>309,659,613</u>
		<u>23,517,688,236</u>	<u>22,331,867,219</u>
6.1 Opening net book value		22,022,207,606	17,553,135,722
<i>Additions during the period / year:</i>			
Freehold land		-	2,467,750
Factory building		-	278,777,991
Non-factory building		-	96,111,027
Plant and machinery		-	1,130,441,136
Electric fittings and installations		-	6,475,544
Tools, laboratory equipment and arms		-	45,522,491
Non-factory building -Admin		-	81,960,081
Office equipment		-	6,416,627
Furniture and fixtures		-	1,385,165
Vehicles		-	14,509,460
		=	1,664,067,272
Addition on revaluation surplus		-	3,713,139,051
Carrying value of assets disposed off during the period / year		-	(44,950,992)
Depreciation charge for the period / year		<u>(232,077,538)</u>	<u>(863,183,447)</u>
Closing net book value		<u>21,790,130,068</u>	<u>22,022,207,606</u>

<i>(Un-audited)</i>	<i>(Audited)</i>
<i>30 September</i>	<i>30 June</i>
<i>2018</i>	<i>2018</i>
<i>Rupees</i>	<i>Rupees</i>

6.2 The detail of capital work-in-progress is as follows:

Factory building

Material and expenses
Advance payments

29,102,717	77,655,965
18,012,414	40,045,175
47,115,131	117,701,140

Non-factory building - Material and expenses

7,998,703 9,461,290

Plant and machinery

Cost and expenses
Advance payments
Letters of credit

177,699,979	15,162,668
11,681,151	12,137,783
1,434,988,939	142,155,361
1,624,370,069	169,455,812

Non-factory building Admin - Material and expenses

2,271,229

Electric fittings and Installations - Advance payments

37,207,664 7,287,730

Office equipment - Advance payments

497,000

Vehicles- Advance payments

5,990,420 4,017,285

Intangible - Cost and expenses

2,107,951 1,736,356

1,727,558,168	309,659,613
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7 Long Term Investments

Long term investments				Note	Rupees	Rupees
Investment in related parties:						
Available for sale - at fair value	7.1	2,356,606,700	2,041,006,604			
Associated companies - at cost	7.2	1,429,483,490	1,429,483,490			
Subsidiary company - at cost	7.3	250,000,000	250,000,000			
		4,036,090,190	3,720,490,094			
Others						
Others - at cost	7.4	21,644,000	21,644,000			
		4,057,734,190	3,742,134,094			
7.1 Associated Company - at fair value						
Fatima Fertilizer Company Limited - quoted						
		Shares	Market value		Market value per share	
		30 September 2018	30 June 2018	30 September 2018	30 June 2018	30 September 2018
		Number	Rupees		Rupees	
		62,994,031	62,994,031	2,356,606,700	2,041,006,604	37.41
						32.40
						3.00%
						3.00%
7.2 Associated companies - at cost						
Fatima Energy Limited - unquoted						
		Shares	Carrying value		Percentage of holding	
		30 September 2018	30 June 2018	30 September 2018	30 June 2018	30 September 2018
		Number	Rupees		Rupees	
		137,421,349	137,421,349	1,374,213,490	1,374,213,490	24.11%
		5,520,000	5,520,000	55,200,000	55,200,000	24.00%
		7,000	7,000	70,000	70,000	20.00%
				1,429,483,490	1,429,483,490	
7.3 This represent investment in Fazal Weaving Mills Limited ("FWML") set up to carry business of textile spinning. The Company being sponsor of FWML holds 100% of equity share of FWML. FWML commenced its commercial operations from 01 April 2014.						
7.4 This represents 0.21 million (30 June 2018: 0.21 million) ordinary shares of Multan Real Estate (Private) Limited which are valued at cost owing to non-availability of market value of its shares.						

8 Long term loan and advances**Long term loan to subsidiary**

Fazal Weaving Mills Limited	530,000,000	530,000,000
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Long term advance to associate

Pakarab Energy Limited	25,904,160	25,904,160
Fatima Transmission Company Limited	23,320,790	23,320,790
Fatima Energy Limited	1,657,601,401	1,057,601,401
	1,706,826,351	1,106,826,351
	2,236,826,351	1,636,826,351

Quarter ended

(Un-audited)	(Un-audited)
30 September	30 September
2018	2017
Rupees	Rupees

9 Sales - net

Export	1,349,652,333	4,323,354,258
Local	5,950,737,433	3,144,171,040
Waste	144,080,584	96,480,395
	7,444,470,350	7,564,005,693
	7,444,470,350	7,564,005,693

10 Cost of sales

Raw and packing materials consumed	5,172,183,655	4,240,891,633
Manufacturing costs	1,556,468,307	1,382,691,184
	6,728,651,962	5,623,582,817
Opening stock of work-in-process	315,152,028	276,835,823
Closing stock of work-in-process	(307,125,346)	(281,941,506)
Cost of goods manufactured	6,736,678,644	5,618,477,134

	<i>Quarter ended</i>	
	<i>(Un-audited)</i> 30 September 2018 <i>Rupees</i>	<i>(Un-audited)</i> 30 September 2017 <i>Rupees</i>
Opening stock of finished goods	1,757,373,131	1,809,881,306
Finished goods purchased	470,841,677	1,157,339,224
	8,964,893,452	8,585,697,664
Closing stock of finished goods	(2,390,346,770)	(1,687,498,965)
Cost of raw material sold	7,969,342	14,549,106
	6,582,516,024	6,912,747,803

11 Date of authorization for issue

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on 30 October 2018.

12 General

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


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

Fazal Cloth Mills Limited (The Group)
Condensed Interim Consolidated Financial Information (Un-Audited)
For the three months ended 30 September 2018

Condensed Interim Consolidated Statement of Financial Position (Un-Audited)

		(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
	<i>Note</i>		
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		300,000,000	300,000,000
<i>Capital reserves</i>			
- Others capital reserves		1,841,041,043	1,525,440,947
- Revaluation surplus on property, plant and equipment		10,043,984,558	10,139,599,548
Unappropriated profits - revenue reserve		<u>9,387,761,665</u>	<u>8,818,046,544</u>
		21,572,787,266	20,783,087,039
<u>Non-current liabilities</u>			
Long term financing - secured	4	8,924,053,099	8,139,468,219
Long term musharika - secured	5	959,257,406	1,069,056,619
<i>Deferred liabilities:</i>			
- Staff retirement benefit		278,685,701	268,709,476
- Deferred taxation		<u>2,241,142,084</u>	<u>2,201,316,664</u>
		12,403,138,290	11,678,550,978
<u>Current liabilities</u>			
Current portion of non-current liabilities		2,263,155,875	2,200,556,658
Trade and other payables		3,792,136,407	2,859,337,711
Unclaimed dividend		8,971,395	8,971,945
Short term borrowings - secured		9,978,923,581	10,728,556,612
Accrued mark-up		<u>354,832,192</u>	<u>322,880,239</u>
		16,398,019,450	16,120,303,165
Contingencies and commitments			
		<u>50,373,945,006</u>	<u>48,581,941,182</u>

The annexed notes form an integral part of these consolidated financial statements.


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR

As at 30 September 2018

		(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
	<i>Note</i>		
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	6	26,849,376,080	25,705,532,152
Long term investments	7	3,696,179,210	3,394,186,400
Long term advances to associates	8	1,706,826,351	1,106,826,351
Long term deposits		23,068,502	24,071,493
		32,275,450,143	30,230,616,396

Current assets

Stores, spares and loose tools	583,454,017	542,244,220
Stock-in-trade	10,787,957,655	10,357,337,703
Trade debts	4,235,721,386	5,237,758,287
Loans and advances	148,906,004	164,567,405
Deposits, prepayments and other receivables	630,321,294	589,503,123
Mark-up accrued, associated companies	107,610,671	81,339,057
Short term investment	228,949,200	198,288,000
Tax refunds due from the Government - net	1,017,783,152	1,045,989,499
Cash and bank balances	357,791,484	134,297,492
	18,098,494,863	18,351,324,786

50,373,945,006

48,581,941,182


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

Condensed Interim Consolidated Statement of Profit or Loss (Un-Audited)
For the three month ended 30 September 2018

	<i>Note</i>	<i>Three Months Ended 30 September 2018 Rupees</i>	<i>Three Months Ended 30 September 2017 Rupees</i>
Sales - net	9	8,392,641,878	8,171,820,252
Cost of sales	10	<u>(7,292,940,670)</u>	<u>(7,369,776,704)</u>
Gross profit		1,099,701,208	802,043,548
Selling and distribution expenses		<u>(114,649,699)</u>	<u>(123,850,510)</u>
Administrative expenses		<u>(79,741,762)</u>	<u>(74,185,280)</u>
Other expenses		<u>(50,733,525)</u>	<u>(18,753,264)</u>
		(245,124,986)	(216,789,054)
Other income		<u>172,169,307</u>	<u>24,807,792</u>
Profit from operations		1,026,745,529	610,062,286
Share of loss from associates - net		<u>(13,607,287)</u>	<u>(6,030,252)</u>
Finance cost		<u>(379,388,442)</u>	<u>(294,394,116)</u>
Profit before taxation		633,749,800	309,637,918
Taxation		<u>(159,649,664)</u>	<u>(110,202,524)</u>
Profit after taxation		<u>474,100,136</u>	<u>199,435,394</u>
Attributable to:			
Equity holders of the Holding Company		<u>474,100,136</u>	<u>199,435,394</u>
Earnings per share - basic and diluted		<u>42.55</u>	<u>6.65</u>

The annexed notes form an integral part of these consolidated financial statements.


 (SHEIKH NASEEM AHMAD)
 CHIEF EXECUTIVE OFFICER


 (REHMAN NASEEM)
 DIRECTOR


 (MUHAMMAD AZAM)
 CHIEF FINANCIAL OFFICER

Condensed Interim Consolidated Statement of Comprehensive Income (Un-Audited)
For the three month ended 30 September 2018

	<i>Three Months Ended 30 September 2018 Rupees</i>	<i>Three Months Ended 30 September 2017 Rupees</i>
Profit after taxation	474,100,136	199,435,394
<u>Other comprehensive income - net of tax</u>		
<i>Items that are or may be reclassified subsequently to statement of profit or loss:</i>		
Net change in fair value of available-for-sale financial assets	315,600,096	22,677,852
Total comprehensive income for the period	<u>789,700,232</u>	<u>222,113,246</u>

The annexed notes form an integral part of these consolidated financial statements.


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

Condensed Interim Consolidated Statement of Cash Flows

For the three month ended 30 September 2018

	Three Months Ended 30 September 2018 Rupees	Three Months Ended 30 September 2017 Rupees
<u>Cash flows from operating activities</u>		
Profit before taxation	633,749,800	309,637,918
Adjustments for:		
Depreciation on property, plant and equipment	275,503,532	235,504,227
Amortization of intangibles assets	-	45,487
Unrealized loss on re-measurement of short term investment	(30,661,200)	(2,347,200)
Provision for gratuity	37,006,204	26,378,062
Provision for infrastructure cess	-	9,056,117
Gain on disposal of property, plant and equipment	-	(660,585)
Share of loss from associates	13,607,287	6,030,252
Finance cost	379,388,442	294,419,562
Cash generated from operations before working capital changes	1,308,594,065	878,063,840
<u>Effect on cash flows due to working capital changes</u>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(41,209,797)	(128,640,475)
Stock-in-trade	(430,619,952)	846,732,442
Trade debts	1,002,036,901	223,969,503
Loans and advances	15,661,401	21,427,418
Deposits, prepayments and other receivables	(40,818,171)	43,287,149
	505,050,382	1,006,776,037
Increase in current liabilities:		
Trade and other payables	932,757,596	176,372,719
Cash generated from operations	2,746,442,043	2,061,212,596
Gratuity paid	(27,029,979)	(14,985,402)
Taxes paid - net	(91,618,726)	(86,479,137)
Finance cost paid - net	(373,708,104)	(278,845,441)
	(492,356,809)	(380,309,980)
Net cash generated from operating activities	2,254,085,234	1,680,902,616
<u>Cash flows from investing activities</u>		
Fixed capital expenditure	(1,419,346,084)	(409,631,838)
Proceeds from sale of property, plant and equipment	-	1,865,251
Long term advances to associates	(600,000,000)	(150,044,910)
Long term deposits	1,002,991	375,000
Net cash used in investing activities	(2,018,343,093)	(557,436,497)
<u>Cash flows from financing activities</u>		
Long term financing obtained	1,270,533,882	335,937,675
Long term financing repaid	(423,349,787)	(284,924,342)
Long term musharika obtained	-	(109,799,213)
Long term musharika repaid	(109,799,213)	-
Short term borrowings - net	(749,633,031)	(1,061,381,308)
Net cash used in financing activities	(12,248,149)	(1,120,167,188)
Net increase in cash and cash equivalents	223,493,992	3,298,931
Cash and cash equivalents at 01 July	134,297,492	143,354,044
Cash and cash equivalents at 30 Sep	357,791,484	146,652,975

The annexed notes form an integral part of these consolidated financial statements.


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

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

For the period ended 30 September 2018

1 Reporting entity

The Group comprises of

- Fazal Cloth Mills Limited ("the Holding Company"); and
- Fazal Weaving Mills Limited ("the Subsidiary Company").

Associates

- Fatima Energy Limited
- 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). Previously, the shares of the Holding Company were quoted on Karachi and Lahore Stock Exchanges of Pakistan. However, due to integration of Karachi, Lahore and Islamabad Stock Exchanges into Pakistan Stock Exchange ("PSX") with effect from 11 January 2016 the shares of the Company are now quoted on PSX. The registered office of the Holding 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 are located at Fazal Nagar, Jhang Road, Muzaffargarh and Qadirpur Rawan Bypass, Khanewal Road, Multan in the province of Punjab.

1.2 The Subsidiary Company was incorporated in Pakistan in 1989 as a public limited company under the Companies Ordinance, 1984. The registered office of the Subsidiary Company is situated at 69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore. The Subsidiary Company is engaged in the manufacture and sale of yarn. The manufacturing facility of the Subsidiary Company is located at Mauza Khairabad Qadir Pur Rawan By Pass, Khanewal Road, Multan in the province of Punjab. The Subsidiary Company commenced its commercial production on April 01, 2014.

2 Basis of preparation

2.1 Basis of Accounting

2.1.1 This condensed interim financial information comprises the condensed interim consolidated statement of financial position of the Group as at 30 September 2018 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

2.1.2 This condensed interim financial information of the Group for the three months period ended 30 September 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting, Islamic Financial Reporting Standards (IFASs) and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

2.1.3 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 position for the year ended 30 June 2018.

2.1.4 Corresponding statement of financial position numbers are extracted from the annual audited financial statements of the Group for the year ended 30 June 2018, whereas corresponding statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial information of the Group for the three months period ended 30 September 2017.

- 2.1.5** This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Company Act, 2017 and Code of Corporate Governance.
- 2.1.6** These condensed interim financial information are the consolidated financial position of the Group in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investee.

Name of the company	Shareholding	Nature
<u>Associates</u>		
- Fatima Energy Limited	24.11%	Energy Generation
- Fatima Transmission Company Limited	24.00%	Transmission of Energy
- Fatima Electric Company Limited	20.00%	Energy Generation

3 Estimates and judgments

- 3.1** The preparation of condensed interim unconsolidated 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 consolidated financial information are the same as those that were applied to the consolidated annual financial position of the Group as at and for the year ended 30 June 2018.

	Note	(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
4 Long term financing - secured			
Opening balance		10,019,402,227	9,088,017,648
Loan obtained during the period / year	4.1	1,270,533,882	2,533,887,998
Repayments made during the period / year		(423,349,787)	(1,602,503,419)
Closing balance		10,866,586,322	10,019,402,227
Less: current portion grouped under current liabilities		(1,942,533,225)	(1,879,934,008)
		8,924,053,099	8,139,468,219

4.1 Markup bearing finances from conventional banks:

Soneri Bank Limited - Term finance ("TF")	246,810,933	32,473,454
Allied Bank Limited - Term loan ("TL-VI") under LTFF Scheme	-	355,040,698
Allied Bank Limited - Term loan ("TL-III") under LTFF Scheme	-	28,648,620
Allied Bank Limited - Term loan ("TL-III")	-	21,351,380
Allied Bank Limited - Term loan ("TL-VIII")	628,745,868	16,269,082
	628,745,868	421,309,780
Habib Bank Limited - Demand finance ("DF") under LTFF Scheme	-	224,569,573
United Bank Limited- Demand Finance ("DF-II") under LTFF Scheme	-	126,576,000
The Bank of Punjab -Term finance	-	600,000,000
The Bank of Punjab -Term finance under LTFF Scheme	-	5,004,134
The Bank of Punjab -Term finance under LTFF Scheme	-	85,323,448
The Bank of Punjab - Term finance	114,408,607	238,631,609
	114,408,607	928,959,191

		(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
	Note		
Pak Oman Investment Company Limited - Term finance ("TF")		-	500,000,000
JS Bank - Term Finance ("TF")		-	300,000,000
The Bank of Khyber - Demand finance ("DF") under LTFF Scheme		280,568,474	-
		<u>1,270,533,882</u>	<u>2,533,887,999</u>
5 Long term musharika - secured			
Opening balance		1,389,679,269	1,232,179,269
Loan obtained during the period / year	5.1	-	500,000,000
Repayments made during the period / year		<u>(109,799,213)</u>	<u>(342,500,000)</u>
Closing balance		1,279,880,056	1,389,679,269
Less: current portion grouped under current liabilities		<u>(320,622,650)</u>	<u>(320,622,650)</u>
		<u>959,257,407</u>	<u>1,069,056,619</u>
5.1 Faysal Bank Limited - Diminshing Musharika		<u>-</u>	<u>500,000,000</u>
		<u>-</u>	<u>500,000,000</u>
6 Property, plant and equipment			
Operating property, plant and equipment	6.1	25,106,678,124	25,382,180,278
Capital work-in-progress	6.2	<u>1,742,697,956</u>	<u>323,351,874</u>
		<u>26,849,376,080</u>	<u>25,705,532,152</u>
6.1 Opening net book value		25,382,180,278	20,567,185,772
<i>Additions during the period / year:</i>			
Freehold land		-	2,467,750
Factory building		-	282,988,821
Non-factory building		-	96,166,967
Plant and machinery		-	1,188,734,361
Electric fittings and installations		-	9,465,141
Tools, laboratory equipment and arms		-	45,936,272
Non-factory building -Admin		-	81,960,081
Office equipment		-	6,572,629
Furniture and fixtures		-	1,385,165
Vehicles		-	14,509,460
		=	1,730,186,647
Addition on revaluation surplus		-	4,151,158,550
Carrying value of assets disposed off during the period / year		-	(44,950,992)
Depreciation charge for the period / year		(275,502,154)	(1,021,399,699)
Closing net book value		<u>25,106,678,124</u>	<u>25,382,180,278</u>

	(Un-audited) 30 September 2018 Rupees	(Audited) 30 June 2018 Rupees
6.2 The detail of capital work-in-progress is as follows:		
<i>Factory building</i>		
Material and expenses	29,103,717	77,655,965
Advance payments	18,012,414	41,702,783
	47,116,131	119,358,748
<i>Non-factory building - Material and expenses</i>	21,826,951	21,495,943
<i>Plant and machinery</i>		
Cost and expenses	178,224,979	15,162,668
Advance payments	11,681,151	12,137,783
Letters of credit	1,434,988,939	142,155,361
	1,624,895,069	169,455,812
<i>Non-factory building Admin - Material and expenses</i>	2,271,229	
<i>Electric fittings and Installations - Advance payments</i>	37,991,155	7,287,730
<i>Office equipment - Advance payments</i>	499,050	
<i>Vehicles- Advance payments</i>	5,990,420	4,017,285
<i>Intangible - Cost and expenses</i>	2,107,951	1,736,356
	<u>1,742,697,956</u>	<u>323,351,874</u>

7 Long term investments

Note

(Un-audited) (Audited)
30 September 2018 30 June 2018
Rupees Rupees

Investment in related parties:

Available for sale - at fair value
Associated companies - at cost

7.1	2,356,606,700	2,041,006,604
7.2	1,317,928,510	1,331,535,796
	3,674,535,210	3,372,542,400

Others

Others - at cost

7.3	21,644,000	21,644,000
	3,696,179,210	3,394,186,400

7.1 Associated Company - at fair value

Fatima Fertilizer Company Limited - quoted

Shares	Market value		Market value per share		Percentage of holding
	30 September 2018	30 June 2018	30 September 2018	30 June 2018	
Number					
62,994,031	2,356,606,700	2,041,006,604	37.41	32.40	3.00%

7.2 Associated companies - at cost

Fatima Energy Limited - unquoted
Fatima Transmission Company Limited - unquoted
Fatima Electric Company Limited - unquoted

Shares	Carrying value		Percentage of holding	
	30 September 2018	30 June 2018	30 September 2018	30 June 2018
Number				
137,421,349	1,279,078,756	1,289,813,317	24.11%	24.11%
5,520,000	38,827,424	41,692,867	24.00%	24.00%
7,000	1,317,295,510	1,331,506,184	20.00%	20.00%
	1,374,213,490	1,374,213,490		
	(95,134,734)	(84,400,173)		
	1,279,078,756	1,289,813,317		

7.2.1 Cost
Share of post acquisition loss

7.2.2 Cost
Share of post acquisition loss

9.2.3 Cost
Share of post acquisition loss

55,200,000	55,200,000
(16,372,576)	(13,507,133)
38,827,424	41,692,867
70,000	70,000
(47,671)	(40,388)
22,329	29,612

7.3 This represents 0.21 million (30 June 2018: 0.21 million) ordinary shares of Multan Real Estate (Private) Limited which are valued at cost owing to non-availability of market value of its shares.

8 Long term advances to associates

	<i>(Un-audited)</i> 30 September 2018 Rupees	<i>(Audited)</i> 30 June 2018 Rupees
Pakarab Energy Limited	25,904,160	25,904,160
Fatima Transmission Company Limited	23,320,790	23,320,790
Fatima Energy Limited	1,657,601,401	1,057,601,401
	1,706,826,351	1,106,826,351

9 Sales - net

	<i>(Un-audited)</i> 30 September 2018 Rupees	<i>(Un-audited)</i> 30 September 2017 Rupees
Export	2,163,533,201	3,569,559,277
Local	6,049,977,650	4,459,056,057
Waste	179,131,027	143,204,917
	8,392,641,878	8,171,820,252

10 Cost of sales

Raw and packing materials consumed	6,080,112,469	5,048,871,876
Manufacturing costs	1,790,213,468	1,604,563,781
	7,870,325,938	6,653,435,656
Opening stock of work-in-process	359,035,028	310,982,823
Closing stock of work-in-process	(357,291,346)	(313,894,506)
Cost of goods manufactured	7,872,069,620	6,650,523,973
Opening stock of finished goods	1,945,763,131	2,105,211,306
Finished goods purchased	473,649,511	400,326,285
	10,291,482,262	9,156,061,565
Closing stock of finished goods	(3,006,510,934)	(1,800,833,965)
Cost of raw material sold	7,969,342	14,549,105
	7,292,940,670	7,369,776,704

11 Date of authorization for issue

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on 30 October 2018.

12 General

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


(SHEIKH NASEEM AHMAD)
CHIEF EXECUTIVE OFFICER


(REHMAN NASEEM)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



Fazal Cloth Mills Limited

Head Office / Shares Department:

59/3, Abdali Road, Multan
Ph: +92 61 4579001-7, 4781637
Fax: +92 61 4541832

Registered Office:

69/7, Abid Majeed Road, Survey # 248/7
Lahore Cantt, Lahore. +92 (42) 36684909