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**COMPANY PROFILE**

| | | |
|--|---|--|
| BOARD OF DIRECTORS | 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 |
| AUDIT COMMITTEE | 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 |
| HUMAN RESOURCE AND REMUNERATION COMMITTEE | Mr. Babar Ali Mr. Amir Naseem Sheikh Mr. Faisal Ahmad | Independent Director/Chairman Non – Executive Director Non – Executive Director |
| STRATEGIC PLANNING COMMITTEE | Mr. Rehman Naseem Mr. Masood Karim Shaikh Ms. Parveen Akhter Malik | CEO/Chairman Independent Director Independent Director |
| COMPANY SECRETARY | Mr. Azher Iqbal, ACA | |
| CHIEF FINANCIAL OFFICER | Mr. Muhammad Azam, FCA & FCMA | |
| AUDITORS | ShineWing Hameed Chaudhri & Co., Chartered Accountants | |
| BANKERS | Bank AL Habib Limited 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 |
| HEAD OFFICE & SHARES DEPARTMENT: | 59/3, Abdali Road, Multan. Phone: (92) 4781637 Fax: (92) 61-4541832 E-mail: corporate@fazalcloth.com Shares@fazalcloth.com Website: www.fazalcloth.com | |
| SHARES REGISTRAR: | Vision Consulting Ltd. 5-C, LDA Flats, Lawrence Road, Lahore. shares@vcl.com.pk Phone: (92) 42-36283096, 36283097 Fax: (92) 42-36374839 | |
| 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 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 six months period ended December 31, 2023 duly reviewed by the statutory auditors of the Company who have issued a review report, which is annexed to the financial statements.

FINANCIAL PERFORMANCE

A comparison of the key financial results of the Company for the six months period ended December 31, 2023 with same period last year (SPLY), is as follows:

| Financial Highlights | 31-Dec-23 | 31-Dec-22 | Increase / (Decrease) % |
|---|--------------------|------------|-------------------------|
| | Rupees in thousand | | |
| Revenue from contracts with customers - net | 47,112,352 | 36,491,835 | 29.10% |
| Cost of sales | 40,697,362 | 31,264,102 | 30.17% |
| Gross Profit | 6,414,990 | 5,227,733 | 22.71% |
| EBIDTA | 7,194,044 | 4,770,117 | 50.81% |
| Depreciation | 1,066,622 | 865,626 | 23.22% |
| Finance Cost | 4,536,276 | 2,023,688 | 124.16% |
| Profit before taxation | 1,591,145 | 1,880,802 | (15.40%) |
| Profit after taxation | 614,419 | 1,075,328 | (42.86%) |
| Earnings per share – Rs. | 20.48 | 35.84 | (42.86%) |

The sales revenue has increased by 29.10% during the period under review, the sales volume of yarn has improved while fabric has slightly declined in this period as compared to SPLY.

The finance cost during the period experienced a significant increase of 124.16%, totaling Rs. 4,536 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 alternatives for investments in new machinery and expansion in the value-added sector.

FUTURE OUTLOOK

The global growth outlook remains uncertain as the world faces a multitude of interconnected crises including slowing growth in China, inflationary pressures in the west and geopolitical conflicts around the globe. Though headline inflation has started to decline but the risk of volatility in commodity prices will persist.

Exchange rate parity witnessed some improvement as a result of the regulator's administrative actions, but ongoing efforts are necessary to improve the confidence of investors and businesses. The strategy of curtailing imports through demand control to maintain a steady current account surplus is expected to continue, as the country is unlikely to pursue external debt relief. It is anticipated that the new government will provide more predictable environment which is necessary to attract much-needed Foreign Direct Investment (FDI).

In first half of FY2024, macroeconomic conditions have gradually improved, leading to a revival in overall economic activity compared to the challenging FY2023. This persistent up tick in economic indicators has resulted in improved GDP growth of 2.13% in the first quarter of FY2024, with expectations for continued growth in the second quarter. Business confidence and the investment climate are gradually improving, as reflected in the exceptional performance of the Pakistan Stock Exchange (PSX) and a steep surge in FDI. The continual rise in these indicators is a testament to the strengthening health of the economy and suggests a positive economic outlook for the latter half of FY2024.

A significant development for the Country's Textile Industries cotton production in Pakistan which has seen an impressive increase in the 2023-24 season, with a total of 8.378 million bales by February 15, 2024 offering relief to the nation's foreign exchange reserves which have been under significant pressure due to the need for cotton imports.



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: February 28, 2024

(Rehman Naseem)
Chief Executive Officer



ڈائریکٹرز جائزہ رپورٹ

فضل کا تھ ملز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2023 کو ختم ہونے والی چھ ماہ کی مدت کے لیے کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات پیش کرنا چاہتے ہیں جس کا قانونی آڈیٹرز کے ذریعے جائزہ لیا گیا تھا جس نے ایک جائزہ رپورٹ جاری کی ہے، جو مالیاتی بیانات سے منسلک ہے۔

مالیاتی کارکردگی

31 دسمبر 2023 کو ختم ہونے والی چھ ماہ کی مدت کے لیے کمپنی کے اہم مالیاتی نتائج کا گزشتہ سال کی اسی مدت (SPLY) کے ساتھ موازنہ حسب ذیل ہے:

| مالی شرح خیاں | ششماہی اہتمام، اے مالی سال | ششماہی اہتمام، اے مالی سال | (کمی) / اضافہ % |
|---------------------------------------|----------------------------|----------------------------|-----------------|
| | 2022 (000) | 2023 (000) | |
| گاہکوں کے ساتھ معاہدوں سے آمدنی - منہ | 36,491,835 | 47,112,352 | 29.10% |
| فروخت کی قیمت | 31,264,102 | 40,697,362 | 30.17% |
| کل منافع | 5,227,733 | 6,414,990 | 22.71% |
| EBIDTA | 4,770,117 | 7,194,044 | 50.81% |
| فروڈنگ | 865,626 | 1,066,622 | 23.22% |
| مالیاتی لاگت | 2,023,688 | 4,536,276 | 124.16% |
| لنکس سے سپلا منافع | 1,880,802 | 1,591,145 | (15.40%) |
| لنکس کے بعد منافع | 1,075,328 | 614,419 | (42.86%) |
| نیٹ شیئر آمدنی - روپے | 35.84 | 20.48 | (42.86%) |

زیر جائزہ مدت کے دوران سیکڑز یونیٹس میں 29.10 فیصد کا اضافہ ہوا ہے، یارن کی فروخت کے حجم میں بہتری آئی ہے جبکہ SPLY کے مقابلے اس عرصے میں فیہرک میں قدرے کمی آئی ہے۔

اس مدت کے دوران مالیاتی لاگت میں 124.16 فیصد کا نمایاں اضافہ ہوا، جو کہ کل 4,536 ملین روپے ہے۔ اس اضافے کو مختلف عوامل سے منسوب کیا جاسکتا ہے، بشمول 22 فیصد کی اعلیٰ پالیسی کی شرح، افراط زر کے اثرات/روپے کی قدر میں کمی کی وجہ سے زیادہ کام کرنے والے سرمائے کی ضروریات اور نیٹ مشینری میں سرمایہ کاری کے لیے مالیاتی متبادل کے سستے ذرائع کی عدم دستیابی اور قدر میں توسیع شامل ہے۔

مستقبل کا جائزہ

عالمی ترقی کا نقطہ نظر غیر یقینی رہتا ہے کیونکہ دنیا کو بہت سے ایک دوسرے سے جڑے ہوئے بحرانوں کا سامنا ہے جن میں چین میں ترقی کی رفتار میں کمی، مغرب میں افراط زر کا دباؤ اور دنیا بھر میں جغرافیائی سیاسی تنازعات شامل ہیں۔ اگرچہ ہیڈ لائن افراط زر میں کمی آنا شروع ہوگئی ہے لیکن اشیاء کی قیمتوں میں اتار چڑھاؤ کا خطرہ برقرار رہے گا۔

ریگولیشن کے انتظامی اقدامات کے نتیجے میں شرح مبادلہ کی برابری میں کچھ بہتری دیکھنے میں آئی، لیکن سرمایہ کاروں اور کاروباری اداروں کے اعتماد کو بہتر بنانے کے لیے جاری کوششیں ضروری ہیں۔ ایک مستحکم کرنٹ اکاؤنٹ پلس کو برقرار رکھنے کے لیے ڈیماڈ کنٹرول کے ذریعے درآمدات کو کم کرنے کی حکمت عملی جاری رہنے کی توقع ہے، کیونکہ ملک کے بیرونی قرضوں میں ریلیف حاصل کرنے کا امکان نہیں ہے۔ یہ توقع ہے کہ نئی حکومت زیادہ متوقع ماحول فراہم کرے گی جو انتہائی ضروری غیر ملکی براہ راست سرمایہ کاری کو راغب کرنے کے لیے ضروری ہے۔



مالی سال 2024 کی پہلی ششماہی میں، معاشی حالات میں بتدریج بہتری آئی ہے، جس کی وجہ سے مالی سال 2023 کے چیلنجنگ کے مقابلے میں مجموعی اقتصادی سرگرمیوں میں بحالی ہوئی ہے۔ معاشی اشاریوں میں اس مسلسل اضافے کے نتیجے میں مالی سال 2024 کی پہلی سہ ماہی میں جی ڈی پی کی شرح نمو 2.13 فیصد بہتر ہوئی ہے، دوسری سہ ماہی میں مسلسل ترقی کی توقعات کے ساتھ۔ کاروباری اعتماد اور سرمایہ کاری کا ماحول بتدریج بہتر ہو رہا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج (PSX) کی غیر معمولی کارکردگی اور FDI میں زبردست اضافے سے ظاہر ہوتا ہے۔ ان اشاریوں میں مسلسل اضافہ معیشت کی مضبوطی کا ثبوت ہے اور مالی سال 2024 کے آخری نصف کے لیے ایک مثبت اقتصادی نقطہ نظر کی تجویز کرتا ہے۔

ملک کی ٹیکسٹائل انڈسٹری کے لیے ایک اہم پیشرفت پاکستان میں کپاس کی پیداوار ہے جس میں 2023-24 کے سیزن میں متاثر کن اضافہ دیکھنے میں آیا ہے، جس میں 15 فروری 2024 تک مجموعی طور پر 8.3780 ملین کپاس کی گانٹھیں تھیں جس سے ملک کے زرمبادلہ کے ذخائر کو ریلیف دیا گیا ہے۔ انتظامیہ کو توقع ہے کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران بیلز روٹیوں میں اضافہ ہوگا اور کپاس کی 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 نوآور، موثر اور منافع بخش بنیادوں پر کام کریں، اور ہمارے شیئرز ہولڈرز کو مستقل منافع فراہم کر سکیں۔

شکریہ اور تعریف

ہم بہترین ممکنہ نتائج حاصل کرنے میں کپاسی 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 کپاسی 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: 28 فروری، 2024



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Fazal Cloth Mills Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Fazal Cloth Mills Limited (the Company) as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The interim financial statements for the six months period ended December 31, 2022 and the annual financial statements for the Company for the year ended June 30, 2023 were reviewed and audited, by another firm of chartered accountants who expressed unmodified conclusion and opinion on those interim and annual financial statements on February 28, 2023 and October 05 2023, respectively.

The engagement partner on the review resulting in this independent auditors' review report is Osman Hameed Chaudhri.

Lahore

Date: February 28, 2024

UDIN: RR202310104MYaOBQApH

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS



Fazal Cloth Mills Limited

Condensed Interim Financial Statements (Un-audited)


For the Half Year Ended 31 December 2023



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|-------------|------------------------------------|-----------------------------|
| EQUITY AND LIABILITIES | Note | ----- Rupees ----- | |
| Share capital and reserves | | | |
| Authorized share capital | | <u>1,700,000,000</u> | 1,700,000,000 |
| Issued, subscribed and paid-up capital | | <u>300,000,000</u> | 300,000,000 |
| Capital reserves | | | |
| - Other capital reserves | | 1,433,551,253 | 1,075,745,157 |
| - Revaluation surplus on property, plant and equipment | | 21,604,862,353 | 22,130,639,044 |
| Unappropriated profits - revenue reserve | | <u>22,124,076,129</u> | 21,140,136,577 |
| | | <u>45,462,489,735</u> | 44,646,520,778 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Long term financing - secured | 4 | 13,168,312,087 | 13,425,948,722 |
| Long term musharika - secured | 5 | 2,889,497,181 | 3,329,112,748 |
| Lease liability - unsecured | | 71,939,758 | 73,111,588 |
| Deferred liabilities: | | | |
| - Staff retirement benefit | | 507,903,032 | 445,220,674 |
| - Deferred taxation | | 7,140,064,934 | 6,682,468,862 |
| | | <u>23,777,716,992</u> | 23,955,862,594 |
| Current liabilities | | | |
| Trade and other payables | 6 | 5,999,244,282 | 8,279,059,663 |
| Contract liabilities | | 441,578,158 | 760,038,983 |
| Current portion of non-current liabilities | 7 | 3,719,826,948 | 3,239,132,851 |
| Unclaimed dividend | | 22,016,990 | 22,551,264 |
| Short term borrowings - secured | | 31,551,793,948 | 25,569,248,195 |
| Accrued mark-up | | 1,781,843,182 | 1,274,680,630 |
| Provision for taxation - net | | 370,524,659 | 26,837,826 |
| | | <u>43,886,828,167</u> | 39,171,549,412 |
| Total liabilities | | <u>67,664,545,159</u> | 63,127,412,006 |
| Contingencies and commitments | 8 | | |
| Total equity and liabilities | | <u>113,127,034,894</u> | 107,773,932,784 |

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


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|-------------|------------------------------------|-----------------------------|
| ASSETS | Note | ----- Rupees ----- | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 52,728,998,394 | 52,832,730,189 |
| Long term investments | 10 | 6,356,957,382 | 5,999,151,286 |
| Long term advances and markup accrued | 11 | - | - |
| Long term deposits | | 110,640,293 | 25,540,293 |
| | | 59,196,596,069 | 58,857,421,768 |
| Current assets | | | |
| Stores, spares and loose tools | | 1,746,956,523 | 1,429,900,637 |
| Stock-in-trade | 12 | 37,444,167,224 | 31,318,157,974 |
| Trade debts | 13 | 10,388,646,848 | 11,368,620,770 |
| Advances and other receivables | | 251,117,003 | 218,351,459 |
| Deposits, prepayments and other receivables | | 406,125,768 | 601,492,755 |
| Mark-up accrued | 14 | 2,681,815 | 1,198,384 |
| Short term investment | | 217,198,800 | 182,437,200 |
| Sales tax refundable and adjustable | | 2,708,719,010 | 3,267,710,019 |
| Cash and bank balances | 15 | 764,825,834 | 528,641,818 |
| | | 53,930,438,825 | 48,916,511,016 |
| | | 113,127,034,894 | 107,773,932,784 |

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(AMIR NASEEM SHEIKH)
DIRECTOR



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS AND QUARTER PERIOD ENDED DECEMBER 31, 2023**

| | Note | Six months period ended | | Quarter ended | |
|---|------|-------------------------|----------------------|----------------------|----------------------|
| | | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | | -----Rupees----- | | | |
| Revenue from contracts with customers - net | 16 | 47,112,351,806 | 36,491,835,151 | 23,822,565,214 | 18,023,326,745 |
| Cost of sales | 17 | (40,697,362,358) | (31,264,102,390) | (20,768,470,277) | (15,420,399,043) |
| Gross profit | | 6,414,989,448 | 5,227,732,761 | 3,054,094,937 | 2,602,927,702 |
| Selling and distribution expenses | | (292,857,997) | (224,063,557) | (141,392,877) | (78,066,656) |
| Administrative expenses | | (375,820,541) | (283,137,721) | (197,319,668) | (142,045,008) |
| Other expenses | | (155,311,791) | (841,683,951) | (58,549,008) | (210,255,963) |
| | | (823,990,329) | (1,348,885,229) | (397,261,553) | (430,367,627) |
| Other income | | 536,422,442 | 25,643,126 | 184,429,639 | 17,075,075 |
| Profit from operations | | 6,127,421,561 | 3,904,490,658 | 2,841,263,023 | 2,189,635,150 |
| Finance cost | 18 | (4,536,276,226) | (2,023,688,312) | (2,291,328,152) | (1,045,520,131) |
| Profit before taxation | | 1,591,145,335 | 1,880,802,346 | 549,934,871 | 1,144,115,019 |
| Taxation | | (976,726,236) | (805,474,028) | (495,159,756) | (594,360,127) |
| Profit after taxation | | 614,419,099 | 1,075,328,318 | 54,775,115 | 549,754,892 |
| Earnings per share - basic and diluted | 19 | 20.48 | 35.84 | 1.83 | 18.33 |

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(AMIR NASEEM SHEIKH)
DIRECTOR



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND QUARTER PERIOD ENDED DECEMBER 31, 2023**

| | Six months period ended | | Quarter ended | |
|---|-------------------------|----------------------|----------------------|----------------------|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | ----- Rupees ----- | | | |
| Profit after taxation | 614,419,099 | 1,075,328,318 | 54,775,115 | 549,754,892 |
| Other comprehensive income / (loss) - net of tax | | | | |
| Items that will never be reclassified to statement of profit or loss: | | | | |
| Net change in fair value of investments classified at fair value through other comprehensive income | 357,806,096 | (387,936,746) | 415,130,664 | (421,323,582) |
| Total comprehensive income period | 972,225,195 | 687,391,572 | 469,905,779 | 128,431,310 |

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(AMIR NASEEM SHEIKH)
DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

| | Capital reserves | | | | | Revenue reserve | | Total |
|---|--------------------|-------------------|----------------------------|----------------------|--|-------------------------|--|-----------------------|
| | Share capital | Share premium | Capital redemption reserve | Fair value reserve | Revaluation surplus on property plant and equipment - net of tax | Un-appropriated profits | | |
| | | | | Rupees | | | | |
| Balance as at June 30, 2022 (Audited) | 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 |
| Total comprehensive income for the six months period ended December 31, 2022 | | | | | | | | |
| Profit for the period | - | - | - | (387,936,746) | - | 1,075,328,318 | | 1,075,328,318 |
| Other comprehensive loss - net of tax | - | - | - | (387,936,746) | - | 1,075,328,318 | | (387,936,746) |
| Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax | - | - | - | - | (268,128,080) | 268,128,080 | | - |
| Effect of change in tax rate | - | - | - | - | (193,426,949) | - | | (193,426,949) |
| Transactions with the owners of the Company: | | | | | | | | |
| Final dividend related to the year ended June 30, 2022 at the rate of Rs.10 per share | - | - | - | - | - | (300,000,000) | | (300,000,000) |
| Balance as at December 31, 2022 (Un-audited) | 300,000,000 | 77,616,000 | 175,000,000 | 2,069,799,891 | 16,688,933,801 | 21,411,909,679 | | 40,723,259,371 |
| Balance as at June 30, 2023 (Audited) | 300,000,000 | 77,616,000 | 175,000,000 | 823,129,157 | 22,130,639,044 | 21,140,136,577 | | 44,646,520,778 |
| Total comprehensive income for the six months period ended December 31, 2023 | | | | | | | | |
| Profit for the period | - | - | - | 357,806,096 | - | 614,419,099 | | 614,419,099 |
| Other comprehensive income - net of tax | - | - | - | 357,806,096 | - | 614,419,099 | | 357,806,096 |
| Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax | - | - | - | - | (365,808,340) | 365,808,340 | | - |
| Transfer from surplus on revaluation of fixed assets on disposal - net of tax | - | - | - | - | (3,712,113) | 3,712,113 | | - |
| Effect of change in tax rate | - | - | - | - | (156,256,238) | - | | (156,256,238) |
| Balance as at December 31, 2023 (Un-audited) | 300,000,000 | 77,616,000 | 175,000,000 | 1,180,935,253 | 21,604,862,353 | 22,124,076,129 | | 45,462,489,735 |

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


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHAM NASEEM)
CHIEF EXECUTIVE OFFICER



(AMIR NASEEM SHEIKH)
DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

| | Six months period ended | |
|---|-------------------------|------------------------|
| | December 31, 2023 | December 31, 2022 |
| Cash flows from operating activities | ----- Rupees ----- | |
| Profit before taxation | 1,591,145,335 | 1,880,802,346 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 1,063,750,580 | 865,626,325 |
| Depreciation on right of use assets | 2,871,790 | - |
| Unrealized (gain) / loss on re-measurement of short term investments | (34,761,600) | 25,704,000 |
| Loss allowance against trade debts | 33,813,856 | 27,834,701 |
| Net realizable value of stock in trade | - | 991,139,233 |
| Provision for gratuity | 152,662,578 | 107,528,790 |
| Provision for infrastructure cess | 193,040,394 | 199,746,042 |
| Provision for workers' profit participation fund | 84,504,848 | 101,118,406 |
| Provision for workers' welfare fund | 13,366,781 | 40,447,362 |
| (Loss) / gain on disposal of property, plant and equipment and assets held for sale | 6,740,460 | (8,569,414) |
| Finance income | (6,276,485) | (1,954,089) |
| Dividend income received from associates | (120,949,554) | - |
| Finance cost | 4,536,276,226 | 2,023,688,312 |
| Cash generated from operations before working capital changes | 7,516,185,209 | 6,253,112,014 |
| Effect on cash flows due to working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stores, spares and loose tools | (317,055,886) | (479,063,066) |
| Stock-in-trade | (6,126,009,250) | (181,931,578) |
| Trade debts | 946,160,066 | (1,705,895,915) |
| Advances and other receivables | (32,765,544) | 128,309,261 |
| Deposits, prepayments and other receivables | 195,366,987 | (297,178,299) |
| | (5,334,303,627) | (2,535,759,597) |
| Increase / (decrease) in current liabilities: | | |
| Trade and other payables | (2,570,727,402) | (250,552,017) |
| Contract liabilities | (318,460,825) | 91,699,463 |
| Cash (used in) / generated from operations | (707,306,645) | 3,558,499,863 |
| Gratuity paid to employees | (89,980,220) | (92,769,329) |
| Taxes paid - net | 227,291,438 | (338,678,507) |
| | 137,311,218 | (431,447,836) |
| Net cash (used in) / generated from operating activities | (569,995,427) | 3,127,052,027 |
| Cash flows from investing activities | | |
| Fixed capital expenditure | (973,191,035) | (2,653,178,208) |
| Proceeds from sale of property, plant and equipment | 3,560,000 | 147,200 |
| Long term deposits | (85,100,000) | - |
| Dividend income received from associated company | 120,949,554 | - |
| Finance income received | 4,793,054 | 1,954,089 |
| Net cash used in investing activities | (928,988,427) | (2,651,076,919) |
| Cash flows from financing activities | | |
| Long term financing obtained | 1,208,085,551 | 2,163,643,306 |
| Long term financing repaid | (1,132,244,597) | (1,289,028,919) |
| Long term musharika obtained | 77,739,800 | 997,912,055 |
| Long term musharika repaid | (370,833,335) | (372,394,652) |
| Short term borrowings - net | 7,506,898,967 | (225,276,942) |
| Lease rentals paid | (5,846,152) | (5,314,683) |
| Finance cost paid - net | (4,023,744,876) | (1,855,182,063) |
| Dividend paid | (534,274) | (298,567,566) |
| Net cash generated from / (used in) financing activities | 3,259,521,084 | (884,209,464) |
| Net increase / (decrease) in cash and cash equivalents | 1,760,537,230 | (408,234,356) |
| Cash and cash equivalents at beginning of the period | (3,222,085,274) | (672,692,951) |
| Cash and cash equivalents at end of the period | (1,461,548,044) | (1,080,927,307) |
| Cash and cash equivalents at period end comprises of: | | |
| Cash and bank balances | 764,825,834 | 505,671,778 |
| Running finance / running musharika | (2,226,373,878) | (1,586,599,085) |
| | (1,461,548,044) | (1,080,927,307) |

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


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

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:

| Lahore | Purpose |
|---|-------------------|
| 69/7, Abid Majeed Road, Survey No. 248/7 Cantt. | Registered office |
| Multan | |
| 59/3, Abdali Road. | Head office |
| Qadirpur Rawan Bypass, Khanewal Road. | Production plant |
| Muzaffargarh | |
| 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 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are effective for accounting periods beginning on July 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.4 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.

4 LONG TERM FINANCING - SECURED

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------|------------------------------------|-----------------------------|
| | Note | ----- Rupees ----- | |
| Long term finances | 4.1 | 16,031,597,738 | 15,955,756,784 |
| Less: current portion grouped under current liabilities | | (2,863,285,651) | (2,529,808,062) |
| | | <u>13,168,312,087</u> | <u>13,425,948,722</u> |

4.1 Long term finances - secured

| | | | |
|---|-------|-----------------------|-----------------------|
| Balance at beginning of the period / year | | 15,955,756,784 | 15,256,170,060 |
| Add: disbursements during the period / year | 4.1.1 | 1,208,085,551 | 2,988,820,348 |
| Repayments made during the period / year | | (1,132,244,597) | (2,289,233,624) |
| Balance at end of the period / year | | <u>16,031,597,738</u> | <u>15,955,756,784</u> |



4.1.1 Markup bearing finances availed during the period:

| Lender | Amount -- Rupees -- | Rate of mark-up per annum | Security, tenure and basis of principal repayments |
|--|------------------------|------------------------------|---|
| Allied Bank Limited | | | |
| - Term Loan - | 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 installments ending on July 10, 2028. |
| Habib Bank Limited | | | |
| - Demand Finance - | 500,000,000 | 3 months KIBOR + 0.75% | 1st joint pari passu charge/ mortgage of Rs. 1,583 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Principal amount is payable in twelve equal half yearly installments ending on September 13, 2030. |
| National Bank of Pakistan | | | |
| - Demand Finance - | 8,085,551 | 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 installments ending on February 24, 2030. |
| Pak Brunei Investment Company Limited | | | |
| - 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 installments ending on November 27, 2030. |
| | <u>1,208,085,551</u> | | |

5 LONG TERM MUSHARIKA - SECURED

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|-------|------------------------------------|-----------------------------|
| ----- Rupees ----- | | | |
| Long term finances | 5.1 | 3,744,352,548 | 4,037,446,083 |
| Less: current portion grouped under current liabilities | | (854,855,367) | (708,333,335) |
| | | <u>2,889,497,181</u> | <u>3,329,112,748</u> |
| 5.1 Long term musharika - secured | | | |
| Balance at beginning of the period / year | | 4,037,446,083 | 3,376,467,767 |
| Add: disbursements during the period / year | 5.1.1 | 77,739,800 | 1,454,206,302 |
| Less: - repayments made during the period / year | | (370,833,335) | (793,227,986) |
| Balance at end of the period / year | | <u>3,744,352,548</u> | <u>4,037,446,083</u> |

5.1.1 Profit bearing finances availed during the period:

| Lender | Amount -- Rupees -- | Rate of Profit Per Annum | Security, Tenure and basis of principal repayments |
|--------------------------------------|------------------------|---|---|
| Faysal Bank Limited | | | |
| - Diminishing Musharika / SBP's ILTF | <u>77,739,800</u> | 3 months KIBOR + 0.75% / SBP Rate + 0.75% | 1st joint pari passu charge/ mortgage of Rs. 1,488 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 sixteen equal half yearly installments ending on June 30, 2032. |

**6 TRADE AND OTHER PAYABLES**

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|------------------------------------|------|------------------------------------|-----------------------------|
| | Note | ----- Rupees ----- | |
| Trade creditors | | 1,364,793,883 | 929,765,542 |
| Accrued liabilities | 6.1 | 1,520,969,625 | 1,664,430,988 |
| Due to associated undertakings | 6.2 | 182,360,296 | 45,845,843 |
| Bills payable | | 850,663,608 | 3,583,591,783 |
| Tax deducted at source | | 34,024,740 | 11,496,578 |
| Infrastructure cess | | 1,814,597,905 | 1,621,557,511 |
| Workers' profit participation fund | | 166,400,182 | 81,895,334 |
| Workers' welfare fund | | 44,567,496 | 155,865,153 |
| Loan from Director | | 299,693 | 299,693 |
| Others | | 20,566,854 | 184,311,238 |
| | | <u>5,999,244,282</u> | <u>8,279,059,663</u> |

- 6.1** The Honourable Supreme Court of Pakistan (SCP) vide its judgement dated August 13, 2020 decided the appeal against the Company and declared the GIDC Act, 2015 to be constitutional and recoverable from the gas consumer. A review petition was filed against the judgment which was also dismissed. SCP in its detailed judgment stated that the cess under GIDC Act, 2015 is applicable only to those consumers of natural gas who have passed on GIDC burden to their end customers for their business activities.

The Company has filed a civil suit before the Honourable Lahore High Court (LHC) on the grounds that the Company has not passed on the impact of GIDC to end consumers. SHC has granted stay order and has restrained SNGPL from taking any coercive action against the Company. The case is pending for adjudication. The Company has recognized the liability of GIDC under the GIDC Act, 2015 in these financial statements.

6.2 Due to associated undertakings

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|-----------------------------------|--|------------------------------------|-----------------------------|
| | | ----- Rupees ----- | |
| Hussain Gineries Limited | | - | 13,250,970 |
| Fatima Energy Limited | | 182,139,795 | 32,409,271 |
| Fatima Fertilizer Company Limited | | 40,501 | 5,602 |
| Fazal-ur-Rehman Foundation | | 180,000 | 180,000 |
| | | <u>182,360,296</u> | <u>45,845,843</u> |

7 CURRENT PORTION OF NON-CURRENT LIABILITIES

| | | | |
|------------------------------------|--|----------------------|----------------------|
| Long term financing - secured | | 2,863,285,651 | 2,529,808,062 |
| Long term musharika - secured | | 854,855,367 | 708,333,335 |
| Current portion of lease liability | | 1,685,930 | 991,454 |
| | | <u>3,719,826,948</u> | <u>3,239,132,851</u> |

8 CONTINGENCIES AND COMMITMENTS

- 8.1** Guarantees aggregating Rs. 2,848.369 million (June 30, 2023: Rs. 2,583.002 million) have been issued by banks of the Company to various institutions and corporate bodies.

- 8.2** There has been no material change in the status of other contingencies as disclosed in the audited annual financial statements of the Company for the year ended June 30, 2023.



| | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|------------------------------------|-----------------------------|
| | ----- Rupees ----- | |
| 8.3 Commitments in respect of : | | |
| • letters of credit for purchase of raw materials and stores & spare parts | <u>4,435,636,848</u> | <u>4,928,257,464</u> |
| • foreign bills discounted | <u>2,964,056,463</u> | <u>-</u> |

8.4 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 (June 30, 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 November 26, 2020.

8.5 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 (June 30, 2023: Rs. 250 million). This commitment was already approved by the shareholders under section 199 of the Companies

9 PROPERTY, PLANT AND EQUIPMENT

| | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--------------------------|------------------------------------|-----------------------------|
| | ----- Rupees ----- | |
| Note | | |
| Operating fixed assets | 9.1 51,748,050,559 | 47,865,805,154 |
| Right of use asset | 9.2 43,076,855 | 45,948,645 |
| Capital work-in-progress | 9.3 937,870,980 | 4,920,976,390 |
| | <u>52,728,998,394</u> | <u>52,832,730,189</u> |

9.1 Operating fixed assets

| | | |
|---|----------------------------|-----------------------|
| Net book value at beginning of the period / year | 47,865,805,154 | 40,194,533,834 |
| Additions during the period / year | 9.1.1 4,956,296,445 | 1,718,340,072 |
| Revaluation surplus period / year | - | 7,700,479,505 |
| Disposals costing Rs.18,029,766 (June 30, 2023: Rs.543,810) - at net book value | (10,300,460) | (289,619) |
| Depreciation charge for the period / year | (1,063,750,580) | (1,747,258,638) |
| Net book value at end of the period / year | <u>51,748,050,559</u> | <u>47,865,805,154</u> |



| 9.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year: | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|-------------|---|--------------------------------------|
| ----- Rupees ----- | | | |
| Freehold land | | 518,680 | 354,324,398 |
| Factory building on freehold land | | 683,992,453 | 60,612,108 |
| Non-factory building on freehold land | | 42,432,805 | 97,505,124 |
| Non-factory building on lease hold land | | 8,759,469 | 55,392,289 |
| Plant and machinery | | 3,810,667,647 | 952,489,264 |
| Electric fittings and installations | | 290,174,557 | 18,468,949 |
| Sui gas installations | | - | 40,000 |
| Tools, laboratory equipment and arms | | 8,830,177 | 2,601,357 |
| Fire extinguishing equipment and scales | | 9,297,423 | 80,000 |
| Office equipments | | 15,575,192 | 33,140,803 |
| Furniture and fixtures | | 5,455,193 | 670,013 |
| Vehicles | | 80,592,849 | 143,015,767 |
| | | 4,956,296,445 | 1,718,340,072 |
| 9.2 Right of use Asset | | | |
| Opening net book value | | 45,948,645 | 51,692,225 |
| Depreciation charge for the period / year | | (2,871,790) | (5,743,580) |
| Closing net book value | | 43,076,855 | 45,948,645 |
| 9.3 Capital work-in-progress | | | |
| Building on free hold land | | 61,187,977 | 585,547,931 |
| Non-factory building on free hold land | | 121,102,690 | 124,081,106 |
| Plant and machinery | | 640,867,696 | 3,863,667,131 |
| Electric fittings and installations | | 222,610 | 236,278,701 |
| Fire fighting equipment & weigh scales | | 2,071,661 | 2,864,083 |
| Tools, lab equipment and arms | | 10,677,551 | - |
| Furniture and fixtures | | 1,200,000 | 5,162,393 |
| Office equipment | | 5,940,603 | 2,189,855 |
| Advances to suppliers - unsecured, considered good | 9.3.1 | 94,600,192 | 101,185,190 |
| | 9.3.2 | 937,870,980 | 4,920,976,390 |
| 9.3.1 These mainly includes advances against civil works, plant and machinery and vehicles and are in the normal course of business. | | | |
| 9.3.2 This mainly includes expenditure relating to construction, development and installation of new spinning unit. This also includes borrowing cost capitalized amounting to Rs.533 million (June 30, 2023: 243 million) incurred on bank borrowings at an effective rate of 22.21% to 25.01% (June 30, 2023: 16.49% to 24.91%). | | | |
| 10 LONG TERM INVESTMENTS | | | |
| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
| ----- Rupees ----- | | | |
| Equity instruments | 10.1 | 6,316,957,382 | 5,959,151,286 |
| Debt instruments | 10.2 | 40,000,000 | 40,000,000 |
| | | 6,356,957,382 | 5,999,151,286 |



| | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|------------------------------------|-----------------------------|
| | ----- Rupees ----- | |
| 10.1 Equity Instruments - at FVTOCI | | |
| Quoted | | |
| Fatima Fertilizer Company Limited (a related party) | | |
| 62,994,031 ordinary shares of Rs.10 each - at market value | 1,877,852,064 | 2,381,174,372 |
| Adjustment arising from re-measurement to fair value | 357,806,096 | (503,322,308) |
| | 2,235,658,160 | 1,877,852,064 |
| Un-quoted | | |
| Fatima Energy Limited (a related party) | | |
| 442,507,711 ordinary shares and preference shares | 3,663,963,847 | 3,663,963,847 |
| Fatima Transmission Company Limited | | |
| 12,795,653 preference shares | 101,213,615 | 101,213,615 |
| Multan Real Estate (Private) Limited | 316,121,760 | 316,121,760 |
| | 4,081,299,222 | 4,081,299,222 |
| | 6,316,957,382 | 5,959,151,286 |
| 10.2 Debt Instruments - at FVTOPL | | |
| Bank Al Habib Limited term finance certificates (TFCs) | | |
| 5,000 term finance certificates of Rs.5,000 each - cost | 25,000,000 | 25,000,000 |
| Bank of Punjab term finance certificates (TFCs) | | |
| 150 term finance certificates of Rs.100,000 each - cost | 15,000,000 | 15,000,000 |
| | 40,000,000 | 40,000,000 |
| 11 LONG TERM ADVANCES AND MARKUP ACCRUED | | |
| A related companies: | | |
| Fatima Energy Limited | 307,129,396 | 307,129,396 |
| An associated company | | |
| Fatima Transmission Company Limited | 13,748,696 | 13,748,696 |
| Pak Arab Energy Limited | 25,904,160 | 25,904,160 |
| | 39,652,856 | 39,652,856 |
| | 346,782,252 | 346,782,252 |
| Less: Loss allowance | (346,782,252) | (346,782,252) |
| | - | - |
| 12 STOCK-IN-TRADE | | |
| Raw material | | |
| [Including in-transit: Rs. 1,893.82 million (Jun 30, 2023: Rs. 6,504.06 million)] | 22,919,070,089 | 19,782,907,185 |
| Work-in-process | 1,227,317,792 | 855,950,907 |
| Finished goods | | |
| [Including in-transit: Rs. 38.20 million (Jun 30, 2023: Rs. 60.38 million)]: | | |
| - Yarn | 11,325,725,793 | 8,751,475,267 |
| - Fabric | 1,302,042,674 | 1,343,506,985 |
| - Waste | 670,010,876 | 584,317,630 |
| | 13,297,779,343 | 10,679,299,882 |
| | 37,444,167,224 | 31,318,157,974 |



| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|------|------------------------------------|-----------------------------|
| 13 TRADE DEBTS | | | |
| Export debtors - secured against letters of credit: | | ----- Rupees ----- | |
| Considered good | | 2,781,934,576 | 4,562,862,554 |
| Local debtors - unsecured considered good | | | |
| - related parties | 13.1 | 1,506,992,345 | 1,406,000,009 |
| - others | | 6,099,719,927 | 5,399,758,207 |
| - others - considered doubtful | | 86,118,773 | 52,304,917 |
| | | 7,692,831,045 | 6,858,063,133 |
| Allowance for impairment of trade debts | | (86,118,773) | (52,304,917) |
| | | 10,388,646,848 | 11,368,620,770 |
| 13.1 Trade debts due from following related parties on account of trading activities: | | | |
| Ahmad Fine Textile Mills Limited | | 1,391,168,362 | 1,290,652,180 |
| Reliance Weaving Mills Limited | | 115,823,983 | 115,347,829 |
| | | 1,506,992,345 | 1,406,000,009 |
| 14 MARK-UP ACCRUED | | | |
| Mark-up accrued on: | | | |
| Advance to associated company (Pak Arab Energy Limited) | | 22,276,237 | 19,152,918 |
| Less: loss allowance on markup accrued | | (22,276,237) | (19,152,918) |
| | | - | - |
| Term finance certificates | | 1,215,034 | 1,198,384 |
| Term deposit receipts | | 1,466,781 | - |
| | | 2,681,815 | 1,198,384 |
| 15 CASH AND BANK BALANCES | | | |
| Cash in hand | | 33,114,980 | 46,610,665 |
| Cash at banks | | | |
| Current accounts | | 638,942,054 | 419,191,326 |
| Saving accounts | 15.1 | 66,518,800 | 62,839,827 |
| Term deposit receipts | 15.2 | 26,250,000 | - |
| | | 764,825,834 | 528,641,818 |

15.1 These carry mark-up at the rate of 20.50% (June 30, 2023: 0.15% to 19.81%) per annum.

15.2 These carry mark-up at the rate ranging from 16.25% to 20% (June 30, 2023: nil) per annum.



16 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

| Note | ----- Un-audited ----- | | | |
|-------------------------|-------------------------|----------------------|----------------------|----------------------|
| | Six months period ended | | Quarter ended | |
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | ----- Rupees ----- | | | |
| Gross sales: | | | | |
| Local sales | 35,368,864,629 | 31,667,709,776 | 16,865,624,957 | 16,988,846,992 |
| Direct exports | 10,760,942,042 | 8,287,206,811 | 5,928,783,012 | 2,584,476,398 |
| Indirect exports 16.1 | 6,634,712,216 | 1,377,340,174 | 3,720,351,250 | 1,138,233,886 |
| | 52,764,518,887 | 41,332,256,761 | 26,514,759,219 | 20,711,557,276 |
| Sales tax - local sales | (5,423,580,767) | (4,642,308,777) | (2,545,979,004) | (2,490,117,698) |
| Sales return | (228,586,314) | (198,112,833) | (146,215,001) | (198,112,833) |
| | 47,112,351,806 | 36,491,835,151 | 23,822,565,214 | 18,023,326,745 |

16.1 This includes sales made to direct exporters against Export facilitation Scheme (EFS) to related parties under S.R.O 957(1)/ 2021 dated July 30, 2021, amounting to Rs. 2,652.52 million (December 31, 2022: Rs. 1,377 million).

17 COST OF SALES

| | ----- Un-audited ----- | | | |
|--|-------------------------|----------------------|----------------------|----------------------|
| | Six months period ended | | Quarter ended | |
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | ----- Rupees ----- | | | |
| Raw material consumed | 32,610,049,786 | 23,716,362,655 | 16,402,235,351 | 10,416,016,332 |
| Packing material consumed | 554,046,256 | 417,427,428 | 289,074,309 | 223,960,003 |
| Salaries, wages and benefits | 1,911,430,233 | 1,837,282,189 | 928,643,991 | 920,055,274 |
| Freight outward charges | 255,524,081 | 526,131,748 | 129,417,529 | 227,641,301 |
| Travelling and conveyance | 11,939,021 | 8,543,775 | 7,373,750 | 4,531,252 |
| Vehicle running and maintenance | 42,428,041 | 22,103,095 | 20,570,084 | 7,513,279 |
| Power and fuel | 4,487,903,865 | 3,272,064,585 | 2,638,212,007 | 1,524,462,334 |
| Stores and spares consumed | 1,045,069,653 | 604,866,076 | 490,990,662 | 331,010,719 |
| Processing charges | 388,752,423 | 307,618,275 | 309,817,466 | 23,408,050 |
| Repair and maintenance | 49,436,002 | 28,758,055 | 26,380,775 | 15,272,005 |
| Insurance | 82,136,370 | 68,933,091 | 43,092,334 | 34,882,023 |
| Depreciation on property, plant and equipment | 1,014,444,542 | 835,761,023 | 523,284,894 | 418,752,752 |
| Others | 14,426,871 | 4,322,125 | 8,109,583 | 2,801,855 |
| | 42,467,587,144 | 31,650,174,120 | 21,817,202,735 | 14,150,307,179 |
| Work-in-process: | | | | |
| Opening balance | 855,950,907 | 774,506,142 | 1,038,461,697 | 713,038,084 |
| Closing balance | (1,227,317,792) | (827,536,374) | (1,227,317,792) | (827,536,374) |
| | (371,366,885) | (53,030,232) | (188,856,095) | (114,498,290) |
| Cost of goods manufactured | 42,096,220,259 | 31,597,143,888 | 21,628,346,640 | 14,035,808,889 |
| Finished goods: | | | | |
| Opening balance | 10,679,299,882 | 8,690,090,690 | 12,080,356,548 | 11,382,194,098 |
| Finished goods purchased | 1,170,212,257 | 1,056,613,328 | 330,557,779 | 209,584,862 |
| Closing balance | (13,297,779,343) | (10,227,371,590) | (13,297,779,343) | (10,227,371,590) |
| | (1,448,267,204) | (480,667,572) | (886,865,016) | 1,364,407,370 |
| Cost of goods sold | 40,647,953,055 | 31,116,476,316 | 20,741,481,624 | 15,400,216,259 |
| Cost of raw material sold | 49,409,303 | 147,626,074 | 26,988,653 | 20,182,784 |
| | 40,697,362,358 | 31,264,102,390 | 20,768,470,277 | 15,420,399,043 |

**18 FINANCE COST**

| | ----- Un-audited ----- | | | |
|--|-------------------------|----------------------|----------------------|----------------------|
| | Six months period ended | | Quarter ended | |
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| ----- Rupees ----- | | | | |
| Mark-up based loans from conventional banks: | | | | |
| - Long term financing - secured | 926,694,980 | 697,997,485 | 470,013,125 | 364,974,709 |
| - Short term borrowings - secured | 2,604,244,272 | 877,232,552 | 1,255,747,285 | 437,840,028 |
| | 3,530,939,252 | 1,575,230,037 | 1,725,760,410 | 802,814,737 |
| Islamic mode of financing: | | | | |
| - Musharika - secured | 419,974,831 | 280,112,784 | 205,199,374 | 150,258,813 |
| - Short term borrowings - secured | 480,387,551 | 111,221,178 | 290,726,142 | 63,471,605 |
| | 900,362,382 | 391,333,962 | 495,925,516 | 213,730,418 |
| Bank charges | 99,605,794 | 51,736,684 | 66,962,251 | 26,280,485 |
| Markup on lease liability | 5,368,798 | 5,387,629 | 2,679,975 | 2,694,491 |
| | 4,536,276,226 | 2,023,688,312 | 2,291,328,152 | 1,045,520,131 |

19 EARNINGS PER SHARE - BASIC AND DILUTED

| | Six months period ended | | Quarter ended | |
|--|-------------------------|----------------------|----------------------|----------------------|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | ----- Rupees ----- | | | |
| Profit after taxation | 614,419,099 | 1,075,328,318 | 54,775,115 | 549,754,892 |
| Weighted Average Number of ordinary shares | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Earnings per share - basic and diluted | 20.48 | 35.84 | 1.83 | 18.33 |

20 FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since June 30, 2023, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statement does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2023.

21 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of 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 operation or to undertake a transaction on adverse terms.

Given below is the analysis of financial instruments, carried at fair value, by valuation method. The different levels have been defined as follows:

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

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 | Fair value through OCI | Level 1 | Level 2 | Level 3 | Total |
| As at December 31, 2023 | | | | | | | |
| Financial assets - measured at fair value | | | | | | | |
| Short term investment | - | 217,198,800 | - | 217,198,800 | - | - | 217,198,800 |
| Long term investments | - | 40,000,000 | 6,316,957,382 | 2,275,658,160 | - | 4,081,299,222 | 6,356,957,382 |
| Financial assets - not measured at fair value | | | | | | | |
| Long term deposits | 110,640,293 | - | - | - | - | - | 110,640,293 |
| Trade debts | 10,388,646,848 | - | - | - | - | - | 10,388,646,848 |
| Deposits, prepayments and other receivables | 287,004,816 | - | - | - | - | - | 287,004,816 |
| Mark-up accrued | 2,681,815 | - | - | - | - | - | 2,681,815 |
| Cash and bank balances | 764,825,834 | - | - | - | - | - | 764,825,834 |
| | 11,553,799,606 | 257,198,800 | 6,316,957,382 | 2,492,856,960 | - | 4,081,299,222 | 6,574,156,182 |
| Financial liabilities - not measured at fair value | | | | | | | |
| Long term financing - secured | - | - | - | - | - | - | - |
| Long term musharika - secured | - | - | 16,031,597,738 | 16,031,597,738 | - | - | 32,063,195,476 |
| Trade and other payables | - | 3,744,352,548 | - | 3,744,352,548 | - | - | 7,488,705,096 |
| Unclaimed dividend | - | - | 3,939,653,959 | 3,939,653,959 | - | - | 7,879,307,918 |
| Short term borrowings - secured | - | - | 22,016,990 | 22,016,990 | - | - | 44,033,980 |
| Accrued mark-up | - | - | 31,551,793,948 | 31,551,793,948 | - | - | 63,103,587,896 |
| | - | - | 1,781,843,182 | 1,781,843,182 | - | - | 3,563,686,364 |
| | - | - | 57,071,258,365 | 57,071,258,365 | - | - | 114,142,516,730 |



| | 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 |
| As at June 30, 2023 | | | | | | | | |
| -----Rupees----- | | | | | | | | |
| Financial assets - measured at fair value | | | | | | | | |
| Short term investment | - | 182,437,200 | - | 182,437,200 | 182,437,200 | - | - | 182,437,200 |
| Long term investments | - | 40,000,000 | 5,959,151,286 | 5,999,151,286 | 1,917,852,064 | - | 4,081,299,222 | 5,999,151,286 |
| Financial assets - not measured at fair value | | | | | | | | |
| Long term deposits | 25,540,293 | - | - | 25,540,293 | - | - | - | - |
| Trade debts | 11,368,620,770 | - | - | 11,368,620,770 | - | - | - | - |
| Deposits, prepayments and other receivables | 601,444,601 | - | - | 601,444,601 | - | - | - | - |
| Mark-up accrued | 1,198,384 | - | - | 1,198,384 | - | - | - | - |
| Cash and bank balances | 528,641,818 | - | - | 528,641,818 | - | - | - | - |
| | 12,525,445,866 | 222,437,200 | 5,959,151,286 | 18,707,034,352 | 2,100,289,264 | - | 4,081,299,222 | 6,181,588,486 |
| Financial liabilities - not measured at fair value | | | | | | | | |
| Long term financing - secured | - | - | 15,955,756,784 | 15,955,756,784 | - | - | - | - |
| Long term mustarika - 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 | - | - | - | - |

**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 | | Un-audited | | Un-audited | |
| | Six months period ended | | Six months period ended | | Six months period ended | |
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | -----Rupees----- | | -----Rupees----- | | -----Rupees----- | |
| External revenues | 40,068,815,155 | 28,540,286,846 | 7,043,536,651 | 7,951,548,305 | 47,112,351,806 | 36,491,835,151 |
| Intersegment revenues | 4,384,352,192 | 4,371,549,040 | 44,476,310 | 4,948,250 | 4,428,828,502 | 4,376,497,290 |
| Cost of sales | (38,389,837,427) | (28,771,595,881) | (2,307,524,931) | (2,492,506,499) | (40,697,362,358) | (31,264,102,390) |
| Intersegment cost of sales | (44,476,310) | (4,948,250) | (4,384,352,192) | (4,371,549,040) | (4,428,828,502) | (4,376,497,290) |
| Distribution and marketing expense | (230,211,971) | (145,049,854) | (62,646,026) | (79,013,703) | (292,857,997) | (224,063,557) |
| Administrative expenses | (337,500,982) | (252,608,436) | (38,319,559) | (30,529,285) | (375,820,541) | (283,137,721) |
| Other operating expense | (155,311,791) | (837,566,856) | - | (4,117,095) | (155,311,791) | (841,683,951) |
| Other operating income | 522,624,891 | 19,572,981 | 13,797,551 | 6,070,135 | 536,422,442 | 25,643,126 |
| Finance cost | (4,155,580,677) | (1,780,389,841) | (380,695,549) | (243,298,471) | (4,536,276,226) | (2,023,688,312) |
| Profit before tax | 1,662,873,080 | 1,139,249,749 | (71,727,745) | 741,552,597 | 1,591,145,335 | 1,880,802,346 |

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

22.4 Segment assets and liabilities

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

| | Spinning | | Weaving | | Total | |
|---|-------------------|----------------|-------------------|---------------|-------------------|-----------------|
| | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited |
| | December 31, 2023 | June 30, 2023 | December 31, 2023 | June 30, 2023 | December 31, 2023 | June 30, 2023 |
| | -----Rupees----- | | -----Rupees----- | | -----Rupees----- | |
| Segment assets | | | | | | |
| Segment assets for reportable segments | 86,489,233,694 | 80,087,343,656 | 5,430,888,447 | 5,493,445,144 | 91,920,122,141 | 85,580,788,800 |
| Un-allocated corporate assets | - | - | - | - | 21,206,912,753 | 22,193,143,984 |
| Total assets as per balance sheet | 86,489,233,694 | 80,087,343,656 | 5,430,888,447 | 5,493,445,144 | 113,127,034,894 | 107,773,932,784 |
| Segment liabilities | | | | | | |
| Segment liabilities for reportable segments | 11,656,907,823 | 11,562,081,706 | - | - | 11,656,907,823 | 11,562,081,706 |
| Un-allocated corporate liabilities | - | - | - | - | 56,607,637,336 | 51,565,330,300 |
| Total liabilities as per balance sheet | 11,656,907,823 | 11,562,081,706 | - | - | 67,664,545,159 | 63,127,412,006 |



23 Reconciliation of movement of liabilities to cash flows arising from financing activities

| | Un-audited | | | | | Total | |
|--|---------------------|--------------------|----------------------|--------------------|----------------------|------------------------|----------------------|
| | Long term financing | Lease liability | Long term musharika | Unclaimed dividend | Short term borrowing | | Accrued markup |
| | - Rupees - | | | | | | |
| As at June 30, 2023 | 15,955,756,784 | 74,103,043 | 4,037,446,083 | 22,551,264 | 21,818,521,103 | 1,274,680,630 | 43,183,056,907 |
| <u>Changes from financing cash flows</u> | | | | | | | |
| Dividend paid | - | - | - | (534,274) | - | - | (534,274) |
| Short term finances obtained - net | - | - | - | - | 7,506,898,967 | - | 7,506,898,967 |
| Financial charges paid - net | - | - | - | - | - | (4,023,744,876) | (4,023,744,876) |
| Lease rentals paid | - | (5,846,152) | - | - | - | - | (5,846,152) |
| Long term finances repaid | (1,132,244,597) | - | (370,833,335) | - | - | - | (1,503,077,932) |
| Proceeds from long term financing | 1,208,085,551 | - | 77,739,800 | - | - | - | 1,285,825,351 |
| Total changes from financing cash flows | 75,840,954 | (5,846,152) | (293,093,535) | (534,274) | 7,506,898,967 | (4,023,744,876) | 3,259,521,084 |
| <u>Other changes</u> | | | | | | | |
| Final cash dividend | - | - | - | - | - | - | - |
| Finance cost | - | 5,388,798 | - | - | - | 4,530,907,428 | 4,536,276,226 |
| Total liability related other changes | - | 5,388,798 | - | - | - | 4,530,907,428 | 4,536,276,226 |
| As at December 31, 2023 | 16,031,597,738 | 73,625,689 | 3,744,352,548 | 22,016,990 | 29,325,420,070 | 1,781,843,192 | 50,978,856,217 |



| | Un-audited | | | | | | |
|--|------------------------|--------------------|------------------------|-----------------------|-------------------------|------------------------|-----------------------|
| | Long term financing | Lease liability | Long term mushanika | Unclaimed dividend | Short term borrowing | Accrued markup | Total |
| | Rupees | | | | | | |
| As at June 30, 2022 | 15,256,170,060 | 73,951,536 | 3,376,467,767 | 21,213,835 | 14,311,881,680 | 551,182,285 | 33,590,867,163 |
| Changes from financing cash flows | | | | | | | |
| Dividend paid | - | - | - | (298,567,566) | - | - | (298,567,566) |
| Short term finances obtained - net | - | - | - | - | (225,276,942) | - | (225,276,942) |
| Financial charges paid - net | - | - | - | - | - | (1,855,182,063) | (1,855,182,063) |
| Lease rentals paid | - | (5,314,683) | - | - | - | - | (5,314,683) |
| Long term finances repaid | (1,289,028,919) | - | (372,394,652) | - | - | - | (1,661,423,571) |
| Proceeds from long term financing | 2,163,643,306 | - | 987,912,055 | - | - | - | 3,151,555,361 |
| | <u>874,614,387</u> | <u>(5,314,683)</u> | <u>625,517,403</u> | <u>(298,567,566)</u> | <u>(225,276,942)</u> | <u>(1,855,182,063)</u> | <u>(884,209,464)</u> |
| Other changes | | | | | | | |
| Final cash dividend | - | - | - | 300,000,000 | - | - | 300,000,000 |
| Interest expense - net | - | 5,387,629 | - | - | - | 2,018,300,683 | 2,023,688,312 |
| Total liability related other changes | - | 5,387,629 | - | 300,000,000 | - | 2,018,300,683 | 2,323,688,312 |
| As at December 31, 2022 | <u>16,130,784,447</u> | <u>74,024,482</u> | <u>4,001,985,170</u> | <u>22,646,289</u> | <u>14,086,604,738</u> | <u>714,300,905</u> | <u>35,030,346,011</u> |

**24 TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties are as follows:

| Name of parties | Relationship | Transactions | Un-audited | |
|---------------------------------------|----------------------------------|---|-------------------------|----------------------|
| | | | Six months period ended | |
| | | | December 31, 2023 | December 31, 2022 |
| | | | ----- Rupees ----- | |
| Fatima Energy Limited | Sponsor / associated Undertaking | Purchase of goods and services | 2,456,926,776 | 2,144,221,323 |
| | | Payment against purchase of goods and services | 2,307,196,253 | 2,295,729,890 |
| Ahmed Fine Textile Mills Limited | Common Directorship | Purchase of goods and services | 1,282,450,337 | 1,394,221,545 |
| | | Sale and receipts against property, plant and equipment | 3,500,000 | - |
| | | Sale of goods and services | 5,443,024,093 | 7,161,070,927 |
| | | Receipts against goods and services - net | 4,063,557,575 | 3,778,863,869 |
| Reliance Weaving Mills Limited | Common Directorship | Purchase of goods | - | 450,450 |
| | | Sale of goods and services | 311,156,662 | 228,999,911 |
| | | Receipts against goods and services - net | 310,680,507 | 167,447,573 |
| Fatima Fertilizer Company Limited | Common Directorship | Reimbursable expenses | - | 44,723 |
| | | Dividend income | 120,949,554 | - |
| Fatima Sugar Limited | Common Directorship | Reimbursable expenses | - | 11,933 |
| Hussain Gineries | Common Directorship | Payment against payables | 13,250,970 | - |
| Fazal-ur-Rehman Foundation Multan | Common Directorship | Donations paid | 1,414,000 | 1,134,500 |
| Fazal Holding Limited | Common Directorship | Dividend paid | - | 73,520,410 |
| Fazal Farms (Private) Limited | Common Directorship | Purchase of goods and services | 7,566,925 | - |
| | | Payment against purchase of goods and services | 7,566,925 | - |
| Pak Arab Energy Limited | Common Directorship | Markup accrued | 3,123,319 | - |
| Pak Arab Fertilizer (Private) Limited | Common Directorship | Receipt of last year receivable | 34,899 | - |
| Key management personnel | - | Remuneration and other benefits | 27,548,169 | 28,037,617 |
| Directors | - | Dividend paid | - | 68,330,200 |
| Relative of director | - | Lease rental paid | 5,846,152 | - |

24.1 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 Ahmed | 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 |



25 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2023, whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the six months period ended December 31, 2022.

Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation.

26 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorised for issue on 28 Feb 2024.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(AMIR NASEEM SHEIKH)
DIRECTOR