



**2022**

**For The  
Half Year Ended  
December 31**



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**Company Profile**

|   |   |  |
|---|---|--|
| Board of Directors                        | Sh. Naseem Ahmad<br>Mr. Rehman Naseem<br>Mr. Amir Naseem Sheikh<br>Mr. Muhammad Mukhtar Sheikh<br>Mr. Faisal Ahmed<br>Mr. Fahd Mukhtar<br>Mr. Babar Ali<br>Mr. Masood Karim Shaikh<br>Ms. Parveen Akhter Malik  | Chairman<br>Chief Executive Officer<br>Non – Executive Director<br>Executive Director<br>Non – Executive Director<br>Executive Director<br>Independent Director<br>Independent Director  |
| Audit Committee                           | Ms. Parveen Akhter Malik<br>Mr. Sheikh Naseem Ahmad<br>Mr. Amir Naseem Sheikh<br>Mr. Babar Ali  | Independent Director/Chairman<br>Non – Executive Director<br>Non – Executive Director<br>Independent Director  |
| Human Resource and Remuneration Committee | Mr. Babar Ali<br>Mr. Amir Naseem Sheikh<br>Mr. Faisal Ahmad   | Independent Director/Chairman<br>Non – Executive Director<br>Non - Executive Director  |
| Strategic Planning Committee              | Mr. Rehman Naseem<br>Mr. Masood Karim Sheikh<br>Ms. Parveen Akhter Malik  | Chief Executive Officer<br>Independent Director<br>Independent Director  |
| Company Secretary                         | Mr. Azher Iqbal   |  |
| Chief Financial Officer                   | Mr. Muhammad Azam   |  |
| Auditors                                  | KPMG Taseer Hadi & Co., Chartered Accountants   |  |
| Bankers                                   | National Bank of Pakistan<br>Askari Bank Limited<br>Bank Al Habib Limited<br>MCB Bank Limited<br>Meezan Bank Limited<br>The Bank of Khyber<br>The Bank of Punjab<br>JS Bank Limited<br>Habib Metropolitan Bank Limited<br>Dubai Islamic Bank Pakistan Limited<br>Bank Alfalah Limited<br>Standard Chartered Bank (Pakistan) Limited<br>Habib Bank Limited | Summit Bank Limited<br>Faysal Bank Limited<br>Saudi Pak Industrial & Agricultural Investment Company Limited<br>Allied Bank Limited<br>Pak Oman Investment Company Limited<br>Bank Islami Pakistan Limited<br>Pak Brunei Investment Company Limited<br>Soneri Bank Limited<br>Pak Libya Holding Company (Pvt.) Limited<br>Industrial And Commercial Bank of China Ltd.<br>Pakistan Kuwait Investment Company (Private) Limited<br>United Bank Limited<br>PAIR Investment Company Limited |
| Head Office & Shares Department:          | 59/3, Abdali Road, Multan.<br>Phone: (92)4781637 Fax: (92) 61-4541832<br>E-mail: corporate@fazalcloth.com Shares@fazalcloth.com<br>Website: www.fazalcloth.com  |  |
| Shares Registrar:                         | Vision Consulting Ltd.<br>3-C, LDA Flats, Lawrence Road, Lahore.shares@vcl.com.pk<br>Phone: (92) 42-36283096, 36283097 Fax: (92) 42-36374839  |  |
| Registered Office:                        | 69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore.<br>Phone: (92) 42-36684909  |  |
| Mills:                                    | i) Fazal Nagar, Jhang Road, Muzaffargarh – Pakistan<br>Ph. (92) 66-2422216,18 Fax: (92) 66-2422217<br>ii) Qadirpur Rawan Bypass, Khanewal Road, Multan – Pakistan<br>Ph. (92)61-6740041-43, Fax : (92) 61-6740052   |  |



## DIRECTORS' REVIEW

Dear Shareholders!

Your directors are pleased to present before you un-audited financial information of Fazal Cloth Mills Limited, for the six months ended 31 December 2022.

Sales were recorded at Rs. 36,491.84 million during the six months of the current financial year compared to Rs. 28,700.95 million during the corresponding period last year, registering an increase of 27.15%. Your Company earned after tax profit of Rs. 1,075.33 million (pre-tax profit of Rs. 1,880.80 million) as compared to after tax profit of Rs. 3,139.13 million (pre-tax profit of Rs. 3,356.98 million) for the corresponding period last year after charging depreciation of Rs. 865.63 million (31 December 2021: Rs. 797.57 million). EBITDA of Rs. 4,770.12 million (31 December 2021: Rs. 5,232.50 million) was generated.

Earnings per Share of the Company for the six months ended 31 December 2022 were Rs. 35.84 as compared to Rs. 104.64 for corresponding period in previous year.

Financial highlights of the half year are as under:

| Financial Highlights | Six months ended   |                | Increase /<br>(decrease) |
|----------------------|--------------------|----------------|--------------------------|
|                      | 31 December 22     | 31 December 21 |                          |
|                      | Rupees in millions |                | % age                    |
| Sales – net          | 36,491.84          | 28,700.95      | 27.15%                   |
| Cost of sales        | 31,264.10          | 23,473.91      | 33.19%                   |
| Gross profit         | 5,227.73           | 5,227.04       | 0.01%                    |
| EBITDA               | 4,770.12           | 5,232.50       | -8.84%                   |
| Depreciation         | 865.63             | 797.57         | 8.53%                    |
| Finance cost         | 2,023.69           | 1,077.95       | 87.74%                   |
| Other income         | 25.64              | 228.25         | -88.77%                  |
| Profit before tax    | 1,880.80           | 3,356.98       | -43.97%                  |
| Profit after tax     | 1,075.33           | 3,139.13       | -65.74 %                 |

### Future Outlook

Due to recession fears in EU and USA, demand for textile products remained lackluster during 1HFY22. However, retail sales remained robust during the period. As a result, inventories with retailers have reduced and they have restarted purchasing textile products. Prices for yarns and fabrics along with margins have improved resultantly. However, due to macro situation in Pakistan, interest rates have increased sharply. GOP is also indicating that it may discontinue the special electricity tariff of Rs. 19.99/KwH available to export oriented industries. Interest and electricity are a large part of the operating costs for the Company. The sharp increase will reduce the gross margins of the Company. Overall, your management expects the second half of the current financial year to remain challenging.

### 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.

Dated: February 28, 2023

For & on behalf of the Board

(Sheikh Naseem Ahmad)  
Chairman

(Rehman Naseem)  
Chief Executive Officer



## ڈائریکٹرز جائزہ رپورٹ

### معزز شیئر ہولڈرز

فضل کاتھ ملز لمیٹڈ (کمپنی) کے ڈائریکٹرز پہلی ششماہی دسمبر 2022,31 کی مالیاتی کارکردگی پر جائزہ رپورٹ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ رواں سال ششماہی دسمبر 2022 میں فروختگی 36,491.84 ملین روپے رہی جو پچھلے سال اسی ششماہی میں 28,700.95 ملین روپے تھی۔ لہذا فروختگی میں اضافہ 27.15 فیصد رہا۔ جائزہ کے عرصے کے دوران کمپنی نے منافع بعد از ٹیکس 1,075.33 ملین روپے کمایا جبکہ عرصہ ششماہی دسمبر 2021,31 قبل از ٹیکس منافع فرسودگی کا خرچہ 797.57 ملین روپے نبھانے کے بعد 3,356.98 ملین روپے تھا۔ آمدنی قبل از فرسودگی، منافع اور ٹیکس 4,770.12 ملین روپے رہی۔ فی شخص آمدنی موجودہ ششماہی میں 35.84 روپے ہے جو کہ پچھلے سال اسی ششماہی میں 104.64 روپے تھی۔

| مالی شرحیں                           | ششماہی اختتام، اے مالی سال | ششماہی اختتام، اے مالی سال | (کی) / اضافہ % |
|--------------------------------------|----------------------------|----------------------------|----------------|
|                                      | 2021 (000)                 | 2022 (000)                 |                |
| خاص فروختگی                          | 28,700.95                  | 36,491.84                  | 27.15 %        |
| فروختگی کی لاگت                      | 23,473.91                  | 31,264.10                  | 33.19 %        |
| گراس منافع                           | 5,227.04                   | 5,227.73                   | 0.01 %         |
| آمدنی قبل از فرسودگی، منافع اور ٹیکس | 5,232.50                   | 4,770.12                   | -8.84 %        |
| فرسودگی                              | 797.57                     | 865.63                     | 8.53 %         |
| مالیاتی لاگت                         | 1,077.95                   | 2,023.69                   | 87.74 %        |
| دیکھ آمدنی                           | 22.25                      | 25.64                      | -88.77 %       |
| منافع قبل از ٹیکس                    | 3,356.98                   | 1,880.80                   | -43.97 %       |
| منافع بعد از ٹیکس                    | 3,139.13                   | 1,075.33                   | -65.74 %       |

### مستقبل کا نقطہ نظر

یورپی یونین اور امریکہ میں کسادبازی کے خدشات کی وجہ سے پہلی ششماہی میں ٹیکسٹائل مصنوعات کی مانگ کم رہی۔ تاہم اس مدت کے دوران ریٹیل فرخت مطلوب رہی۔ نتیجے کے طور پر پھیلتے کے پاس انونٹری کم ہوگئی اور انہوں نے ٹیکسٹائل مصنوعات کی خریداری دوبارہ شروع کر دی ہے۔ اس سے بارن اور ٹیکسٹائل کی قیمتوں میں بہتری آئی ہے۔ پاکستان میں ٹیکسٹائل مصنوعات کی خریداری دوبارہ شروع کر دی ہے۔ حکومت نے اشارہ دیا ہے کہ وہ بجلی کے خصوصی نرخوں کو بند کر سکتی ہے۔ کمپنی کے بڑے اخراجات کا ایک حصہ مالیاتی لاگت اور بجلی ہیں۔ آجکی انتظامیہ کو توقع ہے کہ موجودہ مالی سال کی دوسری ششماہی چیلنجنگ رہے گی۔

### انتظامیہ اور لیبر طبقہ میں تعلقات

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

بورڈ کی طرف سے

رحمان نسیم

(چیف ایگزیکٹو آفیسر ڈائریکٹر)

شیخ نسیم احمد

(چیئر مین)

تاریخ: 28 فروری، 2023



KPMG Taseer Hadi & Co.  
Chartered Accountants  
351 Shadman-1, Jail Road,  
Lahore 54000 Pakistan  
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Fazal Cloth Mills Limited

### Report on review of Interim Financial Information

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Fazal Cloth Mills Limited as at 31 December 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on interim financial information based on our review.

#### 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 information 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 information is 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 figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2022, have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditor's report is M. Rehan Chughtai.

Lahore

Date: February 28, 2023

UDIN: RR202210183tJwISvRyN

KPMG Taseer Hadi & Co.  
Chartered Accountants



# **Fazal Cloth Mills Limited**

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

*For the Half Year Ended 31 December 2022*






## Condensed Interim Statement of Financial Position

|   |             | (Un-audited)<br>31 December<br>2022<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
|---|-------------|---|--|
| <b>EQUITY AND LIABILITIES</b>                                       | <i>Note</i> |   |  |
| <b><u>Share capital and reserves</u></b>                            |             |   |  |
| Authorized share capital  |             | <b>700,000,000</b>                            | 700,000,000                            |
| Issued, subscribed and paid-up capital                              |             | <b>300,000,000</b>                            | 300,000,000                            |
| <i>Capital reserves</i>   |             |   |  |
| - Other capital reserves  |             | <b>2,322,415,891</b>                          | 2,710,352,637                          |
| - Revaluation surplus on property, plant and equipment - net of tax |             | <b>16,688,933,801</b>                         | 17,150,488,830                         |
| Unappropriated profits - revenue reserve                            |             | <b>21,411,909,679</b>                         | 20,368,453,281                         |
|   |             | <b>40,723,259,371</b>                         | 40,529,294,748                         |
| <b><u>Non-current liabilities</u></b>                               |             |   |  |
| Long term financing - <i>secured</i>                                | 5           | <b>13,941,516,502</b>                         | 12,904,528,693                         |
| Long term musharika - <i>secured</i>                                | 6           | <b>3,260,318,502</b>                          | 2,633,239,782                          |
| Lease liability - <i>unsecured</i>                                  |             | <b>74,024,483</b>                             | 73,951,536                             |
| Deferred liabilities:   |             |   |  |
| - <i>Staff retirement benefit</i>                                   |             | <b>357,014,338</b>                            | 342,254,877                            |
| - <i>Deferred taxation</i>  |             | <b>4,885,581,916</b>                          | 4,444,957,285                          |
|   |             | <b>22,518,455,741</b>                         | 20,398,932,173                         |
| <b><u>Current liabilities</u></b>                                   |             |   |  |
| Trade and other payables  | 7           | <b>7,460,230,836</b>                          | 7,369,471,043                          |
| Contract liabilities  |             | <b>298,864,295</b>                            | 207,164,832                            |
| Current portion of non-current liabilities                          | 8           | <b>2,930,934,613</b>                          | 3,094,869,352                          |
| Unclaimed dividend  |             | <b>22,646,269</b>                             | 21,213,835                             |
| Short term borrowings - <i>secured</i>                              |             | <b>15,673,203,822</b>                         | 15,370,774,156                         |
| Accrued mark-up   |             | <b>714,300,905</b>                            | 551,182,285                            |
| Provision for taxation - net  |             | <b>165,274,210</b>                            | -                                      |
|   |             | <b>27,265,454,950</b>                         | 26,614,675,503                         |
| <b>Contingencies and commitments</b>                                | 9           | <b>90,507,170,062</b>                         | 87,542,902,424                         |

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

  
(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

  
(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER



As at 31 December 2022

| ASSETS                                      | Note | (Un-audited)<br>31 December<br>2022<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
|---|------|---|--|
| <b><u>Non-current assets</u></b>            |      |   |  |
| Property, plant and equipment               | 10   | 43,314,300,665                                | 41,518,303,559                         |
| Long term investments                       | 11   | 7,260,156,391                                 | 7,484,731,321                          |
| Long term loans and advances                | 12   | -   | -                                      |
| Long term deposits                          |      | <u>25,540,293</u>                             | <u>25,540,293</u>                      |
|   |      | <b>50,599,997,349</b>                         | <b>49,028,575,173</b>                  |
| <br><b><u>Current assets</u></b>            |      |   |  |
| Stores, spares and loose tools              |      | 1,286,387,446                                 | 807,324,380                            |
| Stock-in-trade                              | 13   | 26,003,748,057                                | 26,812,955,712                         |
| Trade debts                                 | 14   | 8,946,451,069                                 | 7,268,389,855                          |
| Loans and advances                          |      | 231,976,454                                   | 400,285,716                            |
| Deposits, prepayments and other receivables |      | 537,109,295                                   | 186,368,496                            |
| Short term investment                       |      | 205,632,000                                   | 231,336,000                            |
| Mark-up accrued                             | 15   | -   | -                                      |
| Sales tax refundable and adjustable         |      | 2,190,196,614                                 | 2,312,408,478                          |
| Advance taxation - net                      |      | -   | 55,473,580                             |
| Cash and bank balances                      | 16   | 505,671,778                                   | 386,199,525                            |
|   |      | <u>39,907,172,713</u>                         | <u>38,460,741,742</u>                  |
| Non-current assets held for sale            |      | -   | 53,585,509                             |
|   |      | <b>39,907,172,713</b>                         | <b>38,514,327,251</b>                  |
|   |      | <b><u>90,507,170,062</u></b>                  | <b><u>87,542,902,424</u></b>           |


  
(SHEIKH NASEEM AHMAD)  
DIRECTOR



**Condensed Interim Statement of Profit or Loss (Un-Audited)**  
*For the half year and quarter ended 31 December 2022*

|   | Note | Half year ended      |                      | Quarter ended        |                      |
|---|------|----------------------|----------------------|----------------------|----------------------|
|   |      | 31 December 2022     | 31 December 2021     | 31 December 2022     | 31 December 2021     |
|   |      | Rupees               | Rupees               | Rupees               | Rupees               |
| Sales - net                                   | 17   | 36,491,835,151       | 28,700,950,896       | 18,023,326,745       | 15,181,207,608       |
| Cost of sales                                 | 18   | (31,264,102,390)     | (23,473,914,273)     | (15,420,399,043)     | (12,599,959,288)     |
| <b>Gross profit</b>                           |      | <b>5,227,732,761</b> | <b>5,227,036,623</b> | <b>2,602,927,702</b> | <b>2,581,248,320</b> |
| Selling and distribution expenses             |      | (224,063,557)        | (220,929,268)        | (78,066,656)         | (99,160,622)         |
| Administrative expenses                       |      | (283,137,721)        | (229,109,897)        | (142,045,008)        | (114,558,575)        |
| Other expenses                                |      | (841,683,951)        | (570,321,383)        | (210,255,963)        | (286,390,124)        |
|   |      | (1,348,885,229)      | (1,020,360,548)      | (430,367,627)        | (500,109,321)        |
| Other income                                  |      | 25,643,126           | 228,252,538          | 17,075,075           | 198,677,500          |
| <b>Profit from operations</b>                 |      | <b>3,904,490,658</b> | <b>4,434,928,613</b> | <b>2,189,635,150</b> | <b>2,279,816,499</b> |
| Finance cost                                  | 19   | (2,023,688,312)      | (1,077,945,737)      | (1,045,520,131)      | (658,393,208)        |
| <b>Profit before taxation</b>                 |      | <b>1,880,802,346</b> | <b>3,356,982,876</b> | <b>1,144,115,019</b> | <b>1,621,423,291</b> |
| Taxation                                      |      | (805,474,028)        | (217,855,307)        | (594,360,127)        | (39,377,396)         |
| <b>Profit after taxation</b>                  |      | <b>1,075,328,318</b> | <b>3,139,127,569</b> | <b>549,754,892</b>   | <b>1,582,045,895</b> |
| <b>Earnings per share - basic and diluted</b> | 20   | <b>35.84</b>         | <b>104.64</b>        | <b>18.33</b>         | <b>52.73</b>         |

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

  
(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

  
(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

  
(SHEIKH NASEEM AHMAD)  
DIRECTOR



Condensed Interim Statement of Comprehensive Income (Un-Audited)  
For the half year and quarter ended 31 December 2022

|  | Half year ended               |                               | Quarter ended                 |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | 31 December<br>2022<br>Rupees | 31 December<br>2021<br>Rupees | 31 December<br>2022<br>Rupees | 31 December<br>2021<br>Rupees |
| <b>Profit after taxation</b>   | <b>1,075,328,318</b>          | 3,139,127,569                 | 549,754,892                   | 1,582,045,895                 |
| <b><u>Other comprehensive (loss) / income - net of tax</u></b>   |                               |                               |                               |                               |
| <i>Items that will never be reclassified to statement of profit or loss:</i>                                     |                               |                               |                               |                               |
| Net change in fair value of investments classified at fair value through other comprehensive income - net of tax | (387,936,746)                 | 526,652,812                   | (421,323,582)                 | 466,178,542                   |
| <b>Total comprehensive income for the year</b>   | <b>687,391,572</b>            | 3,665,780,381                 | <b>128,431,310</b>            | 2,048,224,437                 |

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)  
DIRECTOR



## Condensed Interim Statement of Changes In Equity (Un-Audited)

For the half year ended 31 December 2022

|  | Capital reserves |                            |                    |  | Revenue reserve         |                | Total |
|--|------------------|----------------------------|--------------------|--|-------------------------|----------------|-------|
|  | Share premium    | Capital redemption reserve | Fair value reserve | Revaluation surplus on property, plant and equipment | Un-appropriated profits |                |       |
| Balance as at 30 June 2021   | 300,000,000      | 77,616,000                 | 891,403,215        | 18,009,492,456                                       | 15,243,771,588          | 34,697,283,259 |       |
| <b>Total comprehensive income for the period :</b>   |                  |                            |                    |  |                         |                |       |
| Profit for six months ended 31 December 2021   | -                | -                          | -                  | -  | 3,139,127,569           | 3,139,127,569  |       |
| Other comprehensive income for six months ended 31 December 2021   | -                | -                          | 526,652,812        | -  | -                       | 526,652,812    |       |
|  | -                | -                          | 526,652,812        | -  | 3,139,127,569           | 3,665,780,381  |       |
| Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - <i>net of tax</i> | -                | -                          | -                  | (290,364,787)  | 290,364,787             | -              |       |
| Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>   | -                | -                          | -                  | (240,336,960)  | 240,336,960             | -              |       |
| Effect of change in tax rate   | -                | -                          | -                  | 124,814,891  | -                       | 124,814,891    |       |
| <b>Transactions with the owners of the Company:</b>  |                  |                            |                    |  |                         |                |       |
| Final cash dividend @ Rs. 10 per ordinary share for the year ended 30 June 2021  | -                | -                          | -                  | -  | (300,000,000)           | (300,000,000)  |       |
| Balance as at 31 December 2021   | 300,000,000      | 77,616,000                 | 1,418,056,027      | 17,605,605,600                                       | 18,613,600,994          | 38,187,878,531 |       |
| Balance as at 30 June 2022   | 300,000,000      | 77,616,000                 | 2,457,736,637      | 17,150,488,830                                       | 20,368,453,281          | 40,529,294,748 |       |
| <b>Total comprehensive (loss) / income for the period :</b>  |                  |                            |                    |  |                         |                |       |
| Profit for six months ended 31 December 2022   | -                | -                          | (387,936,746)      | -  | 1,075,328,318           | 1,075,328,318  |       |
| Other comprehensive (loss) / income for six months ended 31 December 2022 - <i>net of tax</i>                                      | -                | -                          | (387,936,746)      | -  | -                       | (387,936,746)  |       |
|  | -                | -                          | (387,936,746)      | -  | 1,075,328,318           | 687,391,572    |       |
| Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - <i>net of tax</i>   | -                | -                          | -                  | (268,128,080)  | 268,128,080             | -              |       |
| Effect of change in tax rate   | -                | -                          | -                  | (193,426,949)  | -                       | (193,426,949)  |       |
| <b>Transactions with the owners of the Company:</b>  |                  |                            |                    |  |                         |                |       |
| Final cash dividend @ Rs. 10 per ordinary share for the year ended 30 June 2022  | -                | -                          | -                  | -  | (300,000,000)           | (300,000,000)  |       |
| Balance as at 31 December 2022   | 300,000,000      | 77,616,000                 | 2,069,799,891      | 16,688,933,801                                       | 21,411,909,679          | 40,723,250,371 |       |

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

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



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

For the half year and quarter ended 31 December 2022

|  | Half year ended        |                        |
|--|------------------------|------------------------|
|  | 31 December<br>2022    | 31 December<br>2021    |
|  | Rupees                 | Rupees                 |
| <b>Cash flows from operating activities</b>                                |                        |                        |
| Profit before taxation   | 1,880,802,346          | 3,356,982,876          |
| <i>Adjustments for:</i>  |                        |                        |
| Depreciation on property, plant and equipment                              | 865,626,325            | 797,572,978            |
| Unrealized loss / (gain) on re-measurement of short term investments       | 25,704,000             | (44,308,800)           |
| Loss allowance against trade debts   | 27,834,701             | 6,229,097              |
| Net realizable value of stock in trade                                     | 991,139,233            | 345,851,423            |
| Provision for gratuity   | 107,528,790            | 76,643,526             |
| Provision for infrastructure cess  | 199,746,042            | 160,160,986            |
| Provision for workers' profit participation fund                           | 101,118,406            | 183,117,932            |
| Provision for workers' welfare fund  | 40,447,362             | 40,694,344             |
| Gain on disposal of property, plant and equipment and assets held for sale | (8,569,414)            | (2,433,400)            |
| Present value adjustment on long term loans - <i>net of unwinding</i>      | -                      | 18,440,329             |
| Finance income   | (1,954,089)            | (151,747,048)          |
| Finance cost   | 2,023,688,312          | 1,093,974,927          |
| <b>Cash generated from operations before working capital changes</b>       | <b>6,253,112,014</b>   | <b>5,881,179,170</b>   |
| <b>Effect on cash flows due to working capital changes</b>                 |                        |                        |
| <i>(Increase) / decrease in current assets:</i>                            |                        |                        |
| Stores, spares and loose tools   | (479,063,066)          | (181,813,673)          |
| Stock-in-trade   | (181,931,578)          | (12,186,447,263)       |
| Trade debts  | (1,705,895,915)        | 107,862,351            |
| Loans and advances   | 128,309,262            | (103,682,649)          |
| Deposits, prepayments and other receivables                                | (297,178,299)          | (54,618,436)           |
|  | (2,535,759,597)        | (12,418,699,670)       |
| <i>Increase / (decrease) in current liabilities:</i>                       |                        |                        |
| Trade and other payables   | (250,552,017)          | 1,562,857,088          |
| Contract liabilities   | 91,699,463             | 956,442,633            |
| <b>Cash generated / (used in) from operations</b>                          | <b>3,558,499,863</b>   | <b>(4,974,663,412)</b> |
| Gratuity paid to employees   | (92,769,329)           | (83,205,065)           |
| Taxes paid - <i>net</i>  | (338,678,507)          | (2,995,207,307)        |
|  | (431,447,836)          | (3,078,412,372)        |
| <b>Net cash generated from / (used in) operating activities</b>            | <b>3,127,052,027</b>   | <b>(8,053,075,784)</b> |
| <b>Cash flows from investing activities</b>                                |                        |                        |
| Fixed capital expenditure  | (2,653,178,208)        | (3,046,345,030)        |
| Proceeds from sale of property, plant and equipment                        | 147,200                | 456,156,369            |
| Long term investments  | -                      | (155,127,195)          |
| Long term loan and advances  | -                      | (219,274,090)          |
| Long term advances - against purchase of shares                            | -                      | (236,102,680)          |
| Finance income received  | 1,954,089              | -                      |
| <b>Net cash used in investing activities</b>                               | <b>(2,651,076,919)</b> | <b>(3,200,692,626)</b> |
| <b>Cash flows from financing activities</b>                                |                        |                        |
| Long term financing obtained   | 2,163,643,306          | 3,180,330,205          |
| Long term financing repaid   | (1,289,028,919)        | (1,651,310,940)        |
| Long term musharika obtained   | 997,912,055            | 500,000,000            |
| Long term musharika repaid   | (372,394,652)          | (391,144,657)          |
| Short term borrowings - <i>net</i>   | (225,276,942)          | 10,335,773,799         |
| Lease rentals paid   | (5,314,683)            | (4,831,530)            |
| Finance cost paid - <i>net</i>   | (1,855,182,063)        | (887,405,229)          |
| Dividend paid  | (298,567,566)          | (297,497,944)          |
| <b>Net cash (used in) / generated from financing activities</b>            | <b>(884,209,464)</b>   | <b>10,783,913,704</b>  |
| <b>Net (decrease) / increase in cash and cash equivalents</b>              | <b>(408,234,356)</b>   | <b>143,083,787</b>     |
| <b>Cash and cash equivalents at beginning of the period</b>                | <b>(672,692,951)</b>   | <b>(662,031,450)</b>   |
| <b>Cash and cash equivalents at end of the period</b>                      | <b>(1,080,927,307)</b> | <b>(518,947,663)</b>   |
| <b>Cash and cash equivalents at period end comprises of:</b>               |                        |                        |
| Cash and bank balances   | 505,671,778            | 298,943,430            |
| Running finance / running musharika  | (1,586,599,085)        | (817,891,093)          |
|  | <b>(1,080,927,307)</b> | <b>(518,947,663)</b>   |

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

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



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

*For the half year ended 31 December 2022*

### 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 registered office of the Company is situated at 69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore. The Company is principally engaged in manufacture and sale of yarn and fabric. The manufacturing facilities and ware houses are located at Fazal Nagar, Jhang Road, Muzaffargarh and Qadirpur Rawan Bypass, Khanewal Road, Multan in the province of Punjab.

### 2 Basis of preparation

#### 2.1 Statement of Compliance

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

#### 2.2 Basis of Accounting

2.2.1 This condensed interim financial information comprises the condensed interim statement of financial position of the Company as at 31 December 2022 and the related condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof.

2.2.2 This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2022.

2.2.3 Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2022, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the six months period ended 31 December 2021.



- 2.2.4 This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

### 3 Estimates and judgments

- 3.1 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- 3.2 Estimates and judgments made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the annual financial statements of the Company for the year ended 30 June 2022.

### 4 Statement of consistency in accounting policies

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financial statements for the year ended 30 June 2022.
- 4.1.1 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

#### Amendments and interpretations of approved accounting standards

|  | <b>Effective date<br/>(accounting period<br/>beginning on or after)</b> |
|--|---|
| ▪ Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020)                            | 01 January 2024   |
| ▪ Non-current Liabilities with Covenants (amendment to IAS 1)  | 01 January 2024   |
| ▪ Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)                                    | 01 January 2023   |
| ▪ Definition of Accounting Estimates (Amendments to IAS 8)   | 01 January 2023   |
| ▪ Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022)   | 01 January 2024   |
| ▪ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | Effective date Deferred   |





|      | (Un-audited)<br>31 December<br>2022 | (Audited)<br>30 June<br>2022 |
|------|-------------------------------------|------------------------------|
| Note | Rupees                              | Rupees                       |
|      | 15,256,170,060                      | 13,730,468,142               |
| 5.1  | 2,163,643,306                       | 4,574,380,960                |
|      | (1,289,028,919)                     | (3,048,679,042)              |
|      | 16,130,784,447                      | 15,256,170,060               |
|      | (5,659,415)                         |                              |
|      | 16,130,784,447                      | 15,250,510,645               |
| 8    | (2,189,267,945)                     | (2,345,981,952)              |
|      | 13,941,516,502                      | 12,904,528,693               |

#### 5 Long term financing - secured

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

5.1 - Markup bearing finances availed during the period:

| Lender                           | Amount      | Rate of Mark Up<br>Per Annum                   | Security, Tenure and basis of principal repayments   |
|----------------------------------|-------------|--|--|
| <b>-- R u p e e s --</b>         |             |  |  |
| <b>National Bank of Pakistan</b> |             |  |  |
| - Demand finance -               | 16,362,000  | 6 months KIBOR +<br>1.00%                      | 1st joint pari passu charge/ mortgage of Rs. 4,813 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Balance principal is payable in twelve equal half yearly instalments ending on 24 February 2030.  |
| - Demand finance / SBP's LTFF    | 787,772,252 | 6 months KIBOR +<br>1.00%/ SBP rate +<br>1.00% | 1st joint pari passu charge/ mortgage of Rs. 4,813 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Balance principal is payable in sixteen equal half yearly instalments ending on 02 November 2032. |
| <b>The Bank of Punjab</b>        |             |  |  |
| - Term finance / SBP's LTFF      | 165,121,410 | 6 months KIBOR +<br>1.75%/ SBP Rate +<br>2.25% | 1st joint pari passu charge/ mortgage of Rs. 4,146 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors. Balance principal is payable in sixteen equal half yearly instalments ending on 29 November 2031                 |
| <b>Bank Al Habib Limited</b>     |             |  |  |
| - SBP's REPP loan                | 59,445,000  | SBP Rate + 1.75%                               | 1st joint pari passu charge/ mortgage of Rs.3,067 million on all present and future fixed assets of the Company. Balance principal is payable in sixteen equal half yearly instalments ending on 14 June 2032.   |
| <b>Bank Alfaijah Limited</b>     |             |  |  |
| - Term finance / SBP's REPP      | 34,942,644  | 6 months KIBOR +<br>1.50%/ SBP Rate +<br>1.50% | 1st joint pari passu charge/ mortgage of Rs. 1,467 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors. Balance principal is payable in thirty six equal quarterly instalments ending on 23 February 2032.               |



| Lender   | Amount               | Rate of Mark Up Per Annum                 | Security, Tenure and basis of principal repayments   |
|--|----------------------|---|--|
| <b>Pak Brand Investment Company Ltd</b>                        |                      |   |  |
| - Term finance   | 300,000,000          | 8 months KIBOR + 2.00%                    | 1st joint pari passu charge/ mortgage of Rs. 442 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors. Balance principal is payable in twenty equal quarterly instalments ending on 18 August 2029.                       |
| <b>PAIR Investment Company Ltd</b>                             |                      |   |  |
| - Term finance   | 300,000,000          | 8 months KIBOR + 1.90%                    | 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. Balance principal is payable in twenty quarterly instalments ending on 03 October 2028.                            |
| <b>Pakistan Kuwait Investment Company (Pvt.) Ltd</b>           |                      |   |  |
| - Term finance / SBP's LTFF                                    | 500,000,000          | 8 months KIBOR + 2.00% / SBP Rate + 2.00% | 1st joint pari passu charge/ mortgage of Rs. 667 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors. Balance principal is payable in thirty two quarterly instalments ending on 29 December 2032.                       |
|  | <b>2,163,643,336</b> |   |  |
| <b>6 Long term musharika - secured</b>                         |                      |   |  |
| Opening balance  |                      |   | (Un-audited) 31 December 2022  |
| Loan obtained during the period / year                         |                      |   | (Audited) 30 June 2022   |
| Repayments made during the period / year                       |                      |   | Rupees   |
| Closing balance  |                      |   | Rupees   |
|  |                      |   | Note   |
|  |                      |   | 6.1  |
|  |                      |   | 2,627,600,637  |
|  |                      |   | 1,512,406,446  |
|  |                      |   | (763,539,316)  |
|  |                      |   | 4,001,985,170  |
|  |                      |   | 3,376,467,767  |
|  |                      |   | 8  |
|  |                      |   | (741,666,668)  |
|  |                      |   | (743,227,985)  |
|  |                      |   | 3,260,318,502  |
|  |                      |   | 2,633,239,782  |
| <b>6.1 Profit bearing finances a voided during the period:</b> |                      |   |  |
| <b>Lender</b>  | <b>Amount</b>        | <b>Rate of Profit Per Annum</b>           | <b>Security, Tenure and basis of principal repayments</b>  |
| <b>Faysal Bank Limited</b>                                     |                      |   |  |
| - Diminishing musharika / SBP's ILTFF                          | 197,912,055          | 8 months KIBOR + 0.75% / SBP Rate + 0.75% | 1st joint pari passu charge/ mortgage of Rs. 1,599 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Balance principal is payable in sixteen equal half yearly instalments ending on 30 June 2032.   |
| <b>Meezan Bank Limited</b>                                     |                      |   |  |
| - Diminishing musharika  | 800,000,000          | 6 months KIBOR + 1.25%                    | 1st joint pari passu charge/ mortgage of Rs. 3,110 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Balance principal is payable in eight equal half yearly instalments ending on 29 November 2027. |
|  | <b>997,912,055</b>   |   |  |



|  |             | (Un-audited)<br>31 December<br>2022 | (Audited)<br>30 June<br>2022 |
|--|-------------|-------------------------------------|------------------------------|
|  |             | Rupees                              | Rupees                       |
| <b>7 Trade and other payables</b>  | <i>Note</i> |                                     |                              |
| Trade creditors  |             | 816,321,922                         | 746,347,677                  |
| Accrued liabilities  |             | 2,217,151,768                       | 2,342,640,939                |
| Due to associated undertakings   | 7.1         | 21,779,586                          | 177,908,772                  |
| Bills payable  |             | 2,449,399,341                       | 2,474,988,642                |
| Tax deducted at source   |             | 21,478,710                          | 6,955,196                    |
| Infrastructure cess  |             | 1,259,498,919                       | 1,059,752,877                |
| Workers' profit participation fund   |             | 419,524,594                         | 318,406,192                  |
| Workers' welfare fund  |             | 231,040,191                         | 190,592,828                  |
| Loan from Director   |             | 299,693                             | 299,693                      |
| Foregin exchange forward contract - <i>mark to market</i>  |             | -                                   | 8,895,000                    |
| Others   |             | 23,736,112                          | 42,683,227                   |
|  |             | <u>7,460,230,836</u>                | <u>7,369,471,043</u>         |
| <b>7.1 Due to associated undertakings</b>  |             |                                     |                              |
| Hussain Gineries Limited   |             | 13,250,970                          | 13,250,970                   |
| Fatima Energy Limited  |             | 8,331,081                           | 159,839,648                  |
| Fazal-ur-Rehman Foundation   |             | 180,000                             | -                            |
| Fatima Sugar Mills Limited   |             | 11,933                              | -                            |
| Fatima Fertilizer Company Limited  |             | -                                   | 4,812,552                    |
| Pakarab Fertilizer Limited   |             | 5,602                               | 5,602                        |
|  |             | <u>21,779,586</u>                   | <u>177,908,772</u>           |
| <b>8 Current portion of non-current liabilities</b>  |             |                                     |                              |
| Long term financing - secured  |             | 2,189,267,945                       | 2,345,981,952                |
| Long term musharika - secured  |             | 741,666,668                         | 743,227,985                  |
| Deferred grant   |             | -                                   | 5,659,415                    |
|  |             | <u>2,930,934,613</u>                | <u>3,094,869,352</u>         |
| <b>9 Contingencies and commitments</b>   |             |                                     |                              |
| <b>9.1 Contingencies</b>   |             |                                     |                              |
| There has been no change in the status of contingencies since the annual audited financial statements as at 30 June 2022.  |             |                                     |                              |
|  |             | (Un-audited)<br>31 December<br>2022 | (Audited)<br>30 June<br>2022 |
|  |             | Rupees                              | Rupees                       |
| <b>9.2 Commitments</b>   |             |                                     |                              |
| <b>9.2.1</b> Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies.                        |             | <u>2,028,507,434</u>                | <u>1,774,201,934</u>         |
| <b>9.2.2 Commitments against irrevocable letters of credit:</b>  |             |                                     |                              |
| - <i>capital expenditure</i>   |             | 1,280,642,939                       | 2,898,948,577                |
| - <i>raw material and stores and spares</i>  |             | 12,171,700,997                      | 3,111,648,832                |
|  |             | <u>13,452,343,936</u>               | <u>6,010,597,409</u>         |
| <b>9.2.3 Commitments in respect of foreign exchange forward contracts</b>  |             | <u>-</u>                            | <u>349,350,000</u>           |
| <b>9.2.4</b> Export documents negotiated with banks under Foreign Bill Purchase ("FBP") facility are USD 1.12 million and Euro 0.36 million (30 June 2022: USD 10.10 million and Euro 0.19 million). |             |                                     |                              |



|  |             | (Un-audited)<br>31 December<br>2022<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
|--|-------------|---|--|
| <b>10 Property, plant and equipment</b>  | <i>Note</i> |   |  |
| Operating fixed assets   | 10.1        | 39,775,212,977                                | 40,194,533,834                         |
| Right of use asset   | 10.2        | 48,820,435                                    | 51,692,225                             |
| Capital work-in-progress   | 10.3        | 3,490,267,253                                 | 1,272,077,500                          |
|  |             | <u>43,314,300,665</u>                         | <u>41,518,303,559</u>                  |
| <b>10.1 Opening net book value</b>   |             | 40,194,533,834                                | 38,055,135,210                         |
| <i>Additions during the period / year:</i>   |             |   |  |
| Freehold land  |             | 458,140                                       | 74,557,400                             |
| Factory building on free hold land   |             | 37,181,833                                    | 209,264,229                            |
| Non-factory building on free hold land   |             | 23,699,160                                    | 128,477,745                            |
| Plant and machinery  |             | 222,251,692                                   | 3,660,526,512                          |
| Electric fittings and installations  |             | 3,614,674                                     | 197,323,885                            |
| Sui gas installations  |             | 40,000  | 839,030                                |
| Tools, laboratory equipment and arms   |             | 2,163,704                                     | 2,154,132                              |
| Fire extinguishing equipments and scales   |             | 80,000  | 10,673,456                             |
| Office equipment   |             | 23,897,157                                    | 12,370,333                             |
| Furniture and fixtures   |             | 272,014                                       | 1,220,182                              |
| Vehicles   |             | 129,893,253                                   | 24,116,067                             |
|  |             | 443,551,627                                   | 4,321,522,971                          |
| Carrying value of assets disposed off during the period / year   |             | (117,949)                                     | (523,734,819)                          |
| Depreciation charge for the period / year  |             | (862,754,535)                                 | (1,658,389,528)                        |
| Closing net book value   |             | <u>39,775,212,977</u>                         | <u>40,194,533,834</u>                  |
| <b>10.2 Right of use Asset</b>   |             |   |  |
| Opening net book value   |             | 51,692,225                                    | 57,435,806                             |
| Depreciation charge for the period / year  |             | (2,871,790)                                   | (5,743,581)                            |
| Closing net book value   |             | <u>48,820,435</u>                             | <u>51,692,225</u>                      |
| <b>10.3</b>  |             |   |  |
| Balance of capital work in progress at the period end mainly includes expenditure relating to construction, development and installation of new spinning unit. |             |   |  |
|  |             | (Un-audited)<br>31 December<br>2022<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
| <b>11 Long term investments</b>  |             |   |  |
| <i>At fair value through OCI</i>   |             |   |  |
| Fatima Fertilizer Company Limited - quoted   |             | 2,116,599,442                                 | 2,381,174,372                          |
| Fatima Energy Limited - unquoted (ordinary and preference shares)  |             | 4,703,856,968                                 | 4,703,856,968                          |
| Fatima Transmission Company Limited - unquoted (preference shares)   |             | 137,297,360                                   | 137,297,360                            |
| Multan Real Estate (Private) Limited - unquoted  |             | 262,397,082                                   | 262,397,082                            |
|  |             | 7,220,150,852                                 | 7,484,725,782                          |
| <i>Associated companies - at equity method</i>   |             |   |  |
| Fatima Transmission Company Limited - unquoted (ordinary shares)   |             | -   | -                                      |
| Fatima Electric Company Limited - unquoted   |             | 5,539   | 5,539                                  |
|  |             | 5,539   | 5,539                                  |
| <i>At fair value through P&amp;L</i>   |             |   |  |
| Term Finance Certificates  |             | 40,000,000                                    | -                                      |
|  |             | <u>7,260,156,391</u>                          | <u>7,484,731,321</u>                   |



|  |             | (Un-audited)<br>31 December<br>2022<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
|--|-------------|---|--|
| <b>12 Long term loans and advances</b>   |             |   |  |
| Fatima Energy Limited - <i>related party</i>   |             | 307,129,396                                   | 307,129,396                            |
| Fatima Transmission Company Limited - <i>associate</i>   |             | 13,748,696                                    | 13,748,696                             |
| Pak Arab Energy Limited - <i>related party</i>   |             | 25,904,160                                    | 25,904,160                             |
|  |             | 346,782,252                                   | 346,782,252                            |
| Less: Loss allowance   |             | (346,782,252)                                 | (346,782,252)                          |
|  |             | -   | -                                      |
| <b>13 Stock-in-trade</b>   |             |   |  |
| An amount of Rs. 991.14 million (30 June 2022: Rs 112.45 million) has been charged in the statement of profit or loss, on closing stock in trade on account of adjustment to net realizable value (NRV). |             |   |  |
|  |             | (Un-audited)<br>31 December<br>2022<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
| <b>14 Trade debts</b>  | <i>Note</i> |   |  |
| <i>Export debtors - secured against letters of credit:</i>   |             |   |  |
| Considered good  |             | 1,667,897,592                                 | 1,671,549,444                          |
| <i>Local debtors - unsecured</i>   |             |   |  |
| Related Parties - considered good  | 14.1        | 2,168,603,211                                 | 118,614,910                            |
| Others - considered good   |             | 5,109,950,266                                 | 5,478,225,501                          |
| Others - considered doubtful   |             | 99,748,575                                    | 71,913,874                             |
|  |             | 7,378,302,052                                 | 5,668,754,285                          |
| Allowance for impairment of trade debts  |             | (99,748,575)                                  | (71,913,874)                           |
|  |             | 8,946,451,069                                 | 7,268,389,855                          |
| <b>14.1 Trade debts due from following related parties on account of trading activities:</b>   |             |   |  |
| Ahmad Fine Textile Mills Limited   |             | 2,074,876,574                                 | 86,891,062                             |
| Reliance Weaving Mills Limited   |             | 93,726,637                                    | 31,723,848                             |
|  |             | 2,168,603,211                                 | 118,614,910                            |
| <b>15 Mark-up accrued</b>  |             |   |  |
| The Company has maintained full amount of provision against markup on advance to an associated company (Pak Arab Energy Limited).  |             |   |  |
|  |             | (Un-audited)<br>31 December<br>2022<br>Rupees | (Audited)<br>30 June<br>2022<br>Rupees |
| <b>16 Cash and bank balances</b>   |             |   |  |
| Cash in hand   |             | 34,608,270                                    | 16,899,542                             |
| Cash at banks  |             |   |  |
| - <i>Current accounts</i>  |             | 471,004,333                                   | 369,244,177                            |
| - <i>Saving accounts</i>   |             | 59,175  | 55,806                                 |
|  |             | 471,063,508                                   | 369,299,983                            |
|  |             | 505,671,778                                   | 386,199,525                            |



|   |  | Half year ended       |                 | Quarter ended         |                 |
|---|--|-----------------------|-----------------|-----------------------|-----------------|
|   |  | (Un-audited)          | (Un-audited)    | (Un-audited)          | (Un-audited)    |
|   |  | 31 December           | 31 December     | 31 December           | 31 December     |
|   |  | 2022                  | 2021            | 2022                  | 2021            |
|   |  | Rupees                | Rupees          | Rupees                | Rupees          |
| <b>17 Sales - net</b>                               | <i>Note</i>  |                       |                 |                       |                 |
| <i>Gross sales</i>                                  |  |                       |                 |                       |                 |
| Local sales   |  | 31,667,709,776        | 19,696,059,510  | 16,988,846,992        | 8,933,901,008   |
| Direct exports                                      |  | 8,287,206,811         | 8,515,502,870   | 2,584,476,398         | 4,773,515,036   |
| Indirect exports                                    | 17.1   | 1,377,340,174         | 3,891,455,318   | 1,138,233,886         | 3,290,655,376   |
|   |  | <b>41,332,256,761</b> | 32,103,017,698  | 20,711,557,276        | 16,998,071,420  |
| <i>Sales tax</i>                                    |  |                       |                 |                       |                 |
| Local sales   |  | (4,642,308,777)       | (2,898,056,581) | (2,490,117,698)       | (1,312,853,591) |
| Indirect export                                     |  | -                     | (440,402,468)   | -                     | (440,402,468)   |
| Local sales   |  | (4,642,308,777)       | (3,338,459,049) | (2,490,117,698)       | (1,753,256,059) |
| Sales return  |  | (198,112,833)         | (63,607,753)    | (198,112,833)         | (63,607,753)    |
|   |  | <b>36,491,835,151</b> | 28,700,950,896  | 18,023,326,745        | 15,181,207,608  |
| <b>17.1</b>   | It includes sales made to direct exporters against Standard Purchase Order (SPOs) amounting to Rs. Nil (31 December 2021: 2,590.60 million) and Export facilitation Scheme (EFS) to a related party under S.R.O 957(1)/ 2021 dated 30 July 2021, amounting to Rs.1,377 million (31 December 2021: Rs. 860.45 million). |                       |                 |                       |                 |
|   |  |                       |                 |                       |                 |
|   |  | Half year ended       |                 | Quarter ended         |                 |
|   |  | (Un-audited)          | (Un-audited)    | (Un-audited)          | (Un-audited)    |
|   |  | 31 December           | 31 December     | 31 December           | 31 December     |
|   |  | 2022                  | 2021            | 2022                  | 2021            |
|   |  | Rupees                | Rupees          | Rupees                | Rupees          |
| <b>18 Cost of sales</b>                             |  |                       |                 |                       |                 |
| Raw material consumed                               |  | 23,716,362,655        | 19,397,735,683  | 10,416,016,332        | 10,761,831,810  |
| Packing material consumed                           |  | 417,427,428           | 338,884,505     | 223,960,003           | 173,530,645     |
| Salaries, wages and benefits                        |  | 1,837,282,189         | 1,487,622,570   | 920,055,274           | 738,624,415     |
| Freight outward charges                             |  | 526,131,748           | 434,330,153     | 227,641,301           | 251,930,574     |
| Travelling and conveyance                           |  | 8,543,775             | 7,245,628       | 4,511,252             | 4,376,285       |
| Vehicle running and maintenance                     |  | 22,103,095            | 10,067,953      | 7,513,279             | 6,208,933       |
| Power and fuel                                      |  | 3,272,064,585         | 2,235,774,994   | 1,524,462,334         | 1,206,224,300   |
| Stores and spares consumed                          |  | 604,866,076           | 536,925,795     | 331,010,719           | 285,153,982     |
| Processing charges                                  |  | 307,618,275           | 187,803,882     | 23,408,050            | 94,553,538      |
| Repair and maintenance                              |  | 28,758,055            | 27,062,883      | 15,272,005            | 13,590,826      |
| Insurance   |  | 68,933,091            | 52,514,060      | 34,882,023            | 27,269,730      |
| Depreciation on property, plant and equipment       |  | 835,761,023           | 772,318,168     | 418,752,752           | 387,201,081     |
| Others  |  | 4,322,125             | 3,992,247       | 2,801,855             | 2,190,296       |
|   |  | <b>31,650,174,120</b> | 25,492,278,521  | 14,150,307,179        | 13,952,686,415  |
| <i>Work-in-process:</i>                             |  |                       |                 |                       |                 |
| Opening balance                                     |  | 774,506,142           | 501,212,180     | 713,038,084           | 566,043,859     |
| Closing balance                                     |  | (827,536,374)         | (659,200,223)   | (827,536,374)         | (659,200,223)   |
|   |  | <b>(53,030,232)</b>   | (157,988,043)   | <b>(114,498,290)</b>  | (93,156,364)    |
| <b>Cost of goods manufactured</b>                   |  | <b>31,597,143,888</b> | 25,334,290,478  | <b>14,035,808,889</b> | 13,859,530,051  |
| <i>Finished goods:</i>                              |  |                       |                 |                       |                 |
| Opening balance                                     |  | 8,690,090,690         | 3,416,104,612   | 11,382,194,098        | 4,914,274,962   |
| Finished goods purchased                            |  | 1,056,613,328         | 1,908,945,125   | 209,584,862           | 1,035,476,274   |
| Closing balance                                     |  | (10,227,371,590)      | (7,232,651,961) | (10,227,371,590)      | (7,232,651,961) |
|   |  | <b>(480,667,572)</b>  | (1,907,602,224) | <b>1,364,407,370</b>  | (1,282,900,725) |
| Cost of goods sold                                  |  | <b>31,116,476,316</b> | 23,426,688,254  | <b>15,400,216,259</b> | 12,576,629,326  |
| Cost of raw material sold                           |  | 147,626,074           | 47,226,019      | 20,182,784            | 23,329,962      |
|   |  | <b>31,264,102,390</b> | 23,473,914,273  | <b>15,420,399,043</b> | 12,599,959,288  |
| <b>19 Finance cost</b>                              |  |                       |                 |                       |                 |
| <i>Mark-up based loans from conventional banks:</i> |  |                       |                 |                       |                 |
| - Long term financing - secured                     |  | 697,997,485           | 440,090,883     | 364,974,709           | 222,752,182     |
| - Short term borrowings - secured                   |  | 877,232,552           | 414,500,425     | 437,840,028           | 303,055,662     |
|   |  | <b>1,575,230,037</b>  | 854,591,308     | <b>802,814,737</b>    | 525,807,844     |
| <i>Islamic mode of financing:</i>                   |  |                       |                 |                       |                 |
| - Musharika - secured                               |  | 280,112,784           | 115,387,588     | 150,258,813           | 56,934,634      |
| - Short term borrowings - secured                   |  | 111,221,178           | 53,795,901      | 63,471,605            | 45,601,565      |
|   |  | <b>391,333,962</b>    | 169,183,489     | <b>213,730,418</b>    | 102,536,199     |
| Bank charges  |  | 51,736,684            | 48,836,065      | 26,280,485            | 27,377,062      |
| Markup on lease liability                           |  | 5,387,629             | 5,334,875       | 2,694,491             | 2,672,103       |
|   |  | <b>2,023,688,312</b>  | 1,077,945,737   | <b>1,045,520,131</b>  | 658,393,208     |
|   |  |                       |                 |                       |                 |
|   |  | Half year             | Half year       | Quarter ended         | Quarter ended   |
|   |  | Un-audited            | Un-audited      | Un-audited            | Un-audited      |
|   |  | 31 December           | 31 December     | 31 December           | 31 December     |
|   |  | 2022                  | 2021            | 2022                  | 2021            |
| <b>20 Earnings per share - basic and diluted</b>    |  |                       |                 |                       |                 |
| Profit after taxation                               | <i>Rupees</i>  | 1,075,328,318         | 3,139,127,569   | 549,754,892           | 1,582,045,895   |
| Weighted Average Number of ordinary shares          | <i>No. of shares</i>   | 30,000,000            | 30,000,000      | 30,000,000            | 30,000,000      |
|   | <i>Rupees</i>  | 35.84                 | 104.64          | 18.33                 | 52.73           |

**21 Fair value measurement of financial instruments**

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

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

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

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

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

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

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

**As at 31 December 2022*****Financial assets - measured at fair value***

|                       | Carrying amount                    |                                   | Fair value    |               |         |               |               |
|-----------------------|------------------------------------|-----------------------------------|---------------|---------------|---------|---------------|---------------|
|                       | Financial assets at amortised cost | Fair value through profit or loss | Total         | Level 1       | Level 2 | Level 3       | Total         |
| Short term investment | -                                  | 205,632,000                       | 205,632,000   | 205,632,000   | -       | -             | 205,632,000   |
| Long term investments | -                                  | 40,000,000                        | 7,260,150,852 | 2,116,599,442 | -       | 5,143,551,410 | 7,260,150,852 |

***Financial assets - not measured at fair value***

|                        | Carrying amount                    |                        | Fair value    |               |         |               |               |
|------------------------|------------------------------------|------------------------|---------------|---------------|---------|---------------|---------------|
|                        | Financial assets at amortised cost | Fair value through OCI | Total         | Level 1       | Level 2 | Level 3       | Total         |
| Long term deposits     | 25,540,293                         | -                      | 25,540,293    | -             | -       | -             | -             |
| Trade debts            | 8,946,451,069                      | -                      | 8,946,451,069 | -             | -       | -             | -             |
| Other receivables      | 93,753,480                         | -                      | 93,753,480    | -             | -       | -             | -             |
| Cash and bank balances | 505,671,778                        | -                      | 505,671,778   | -             | -       | -             | -             |
|                        | 9,571,416,620                      | 245,632,000            | 7,220,150,852 | 2,322,231,442 | -       | 5,143,551,410 | 7,465,782,852 |

***Financial liabilities - not measured at fair value***

|                                 | Carrying amount                         |                             | Fair value     |         |         |         |       |
|---------------------------------|---|-----------------------------|----------------|---------|---------|---------|-------|
|                                 | Financial liabilities at amortised cost | Other financial liabilities | Total          | Level 1 | Level 2 | Level 3 | Total |
| Long term financing - secured   | -                                       | 16,130,784,447              | 16,130,784,447 | -       | -       | -       | -     |
| Long term musharaka - secured   | -                                       | 4,001,985,170               | 4,001,985,170  | -       | -       | -       | -     |
| Trade and other payables        | -                                       | 5,528,688,422               | 5,528,688,422  | -       | -       | -       | -     |
| Unclaimed dividend              | -                                       | 22,646,269                  | 22,646,269     | -       | -       | -       | -     |
| Short term borrowings - secured | -                                       | 15,673,203,822              | 15,673,203,822 | -       | -       | -       | -     |
| Accrued mark-up                 | -                                       | 714,300,905                 | 714,300,905    | -       | -       | -       | -     |
|                                 | -                                       | 42,071,609,035              | 42,071,609,035 | -       | -       | -       | -     |



|   | Carrying amount                   |                        | Fair value                  |                |               |         |               |               |
|---|-----------------------------------|------------------------|-----------------------------|----------------|---------------|---------|---------------|---------------|
|   | Fair value through profit or loss | Fair value through OCI | Other financial liabilities | Total          | Level 1       | Level 2 | Level 3       | Total         |
| Rupees  |                                   |                        |                             |                |               |         |               |               |
| <b>Financial assets at amortised cost</b>                 |                                   |                        |                             |                |               |         |               |               |
| Short term investment                                     | 231,336,000                       | -                      | -                           | 231,336,000    | 231,336,000   | -       | -             | 231,336,000   |
| Long term investments                                     | -                                 | 7,484,725,782          | -                           | 7,484,725,782  | 2,381,174,372 | -       | 5,103,551,410 | 7,484,725,782 |
| <b>Financial assets - not measured at fair value</b>      |                                   |                        |                             |                |               |         |               |               |
| Long term deposits  | 25,540,293                        | -                      | -                           | 25,540,293     | -             | -       | -             | -             |
| Trade debts   | 7,268,389,855                     | -                      | -                           | 7,268,389,855  | -             | -       | -             | -             |
| Other receivable  | 186,088,352                       | -                      | -                           | 186,368,496    | -             | -       | -             | -             |
| Advance for term finance certificates                     | 40,000,000                        | -                      | -                           | 40,000,000     | -             | -       | -             | -             |
| Cash and bank balances                                    | 386,199,525                       | -                      | -                           | 386,199,525    | -             | -       | -             | -             |
|   | 7,906,218,025                     | 231,336,000            | 7,484,725,782               | 15,622,559,951 | 2,612,510,372 | -       | 5,103,551,410 | 7,716,061,782 |
| <b>Financial liabilities - not measured at fair value</b> |                                   |                        |                             |                |               |         |               |               |
| Long term financing - secured                             | -                                 | -                      | 15,256,170,000              | 15,256,170,000 | -             | -       | -             | -             |
| Long term mushanka - secured                              | -                                 | -                      | 3,376,467,767               | 3,376,467,767  | -             | -       | -             | -             |
| Trade and other payables                                  | -                                 | -                      | 5,793,763,950               | 5,793,763,950  | -             | -       | -             | -             |
| Unclaimed dividend  | -                                 | -                      | 21,213,835                  | 21,213,835     | -             | -       | -             | -             |
| Short term borrowings - secured                           | -                                 | -                      | 15,370,774,156              | 15,370,774,156 | -             | -       | -             | -             |
| Accrued mark-up   | -                                 | -                      | 351,182,285                 | 351,182,285    | -             | -       | -             | -             |
|   | -                                 | -                      | 40,369,572,053              | 40,369,572,053 | -             | -       | -             | -             |



**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)<br>31 December<br>2022 | (Un-audited)<br>31 December<br>2021 | (Un-audited)<br>31 December<br>2022 | (Un-audited)<br>31 December<br>2021 | (Un-audited)<br>31 December<br>2022 | (Un-audited)<br>31 December<br>2021 |
|                                  | ----- Rupees -----                  |                                     |                                     |                                     |                                     |                                     |
| External revenues                | 28,540,286,846                      | 23,207,031,671                      | 7,951,548,305                       | 5,493,919,225                       | 36,491,835,151                      | 28,700,950,896                      |
| Intersegment revenues            | 4,371,549,040                       | 3,436,688,828                       | 4,948,250                           | 11,481,867                          | 4,376,497,290                       | 3,448,170,695                       |
| Cost of sales                    | (28,771,595,891)                    | (21,792,420,438)                    | (2,492,506,499)                     | (1,681,493,835)                     | (31,264,102,390)                    | (23,473,914,273)                    |
| Intersegment cost of sales       | (4,948,250)                         | (11,481,867)                        | (4,371,549,040)                     | (3,436,688,828)                     | (4,376,497,290)                     | (3,448,170,695)                     |
| Selling and distribution expense | (145,049,854)                       | (170,326,139)                       | (79,013,703)                        | (50,603,129)                        | (224,063,557)                       | (220,929,268)                       |
| Administrative expenses          | (252,608,436)                       | (203,327,671)                       | (30,529,285)                        | (25,782,226)                        | (283,137,721)                       | (229,109,896)                       |
| Other expense                    | (837,566,856)                       | (570,321,383)                       | (4,117,095)                         | -                                   | (841,683,951)                       | (570,321,383)                       |
| Other income                     | 19,572,991                          | 204,385,634                         | 6,070,135                           | 23,866,904                          | 25,643,126                          | 228,252,538                         |
| Finance cost                     | (1,780,389,841)                     | (984,056,159)                       | (243,298,471)                       | (93,889,578)                        | (2,023,688,312)                     | (1,077,945,737)                     |
| Profit before tax                | 1,139,249,749                       | 3,116,172,476                       | 741,552,597                         | 240,810,400                         | 1,880,802,346                       | 3,356,982,878                       |

22.2.1 The accounting policies of the reportable segments are the same as those described in the annual financial statements for the preceding year ended 30 June 2022.





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

|  | 31 December 2022  |                       |                   |                              |                       |                    |                       |
|--|-------------------|-----------------------|-------------------|------------------------------|-----------------------|--------------------|-----------------------|
|  | Dividend payable  | Long term financing   | Lease liability   | Long term musharika (Rupees) | Short term borrowing  | Accrued markup     | Total                 |
| <b>As at 30 June 2022</b>                      | 21,213,835        | 15,256,170,060        | 73,951,536        | 3,376,467,767                | 14,311,881,680        | 551,182,285        | 33,590,867,163        |
| <b>Changes from financing cash flows</b>       |                   |                       |                   |                              |                       |                    |                       |
| 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         | -                 | 977,912,055                  | -                     | -                  | 3,141,555,361         |
| <b>Total changes from financing cash flows</b> | (298,567,566)     | 874,614,387           | (5,314,683)       | 625,517,403                  | (225,276,942)         | (1,855,182,063)    | (884,209,464)         |
| <b>Other changes</b>                           |                   |                       |                   |                              |                       |                    |                       |
| Final cash dividend                            | 300,000,000       | -                     | -                 | -                            | -                     | -                  | 300,000,000           |
| Interest expense - net                         | -                 | -                     | 5,387,629         | -                            | -                     | 2,018,300,683      | 2,023,688,312         |
| <b>Total liability related other changes</b>   | 300,000,000       | -                     | 5,387,629         | -                            | -                     | 2,018,300,683      | 2,323,688,312         |
| <b>As at 31 December 2022</b>                  | <b>22,646,269</b> | <b>16,130,794,447</b> | <b>74,024,482</b> | <b>4,001,985,170</b>         | <b>14,086,604,738</b> | <b>714,300,905</b> | <b>35,030,346,011</b> |
|  | 31 December 2021  |                       |                   |                              |                       |                    |                       |
|  | Dividend payable  | Long term financing   | Lease liability   | Long term musharika (Rupees) | Short term borrowing  | Accrued markup     | Total                 |
| <b>As at 30 June 2021</b>                      | 18,946,571        | 13,730,468,142        | 72,906,099        | 2,627,600,636                | 5,189,219,812         | 299,113,187        | 21,938,254,447        |
| <b>Changes from financing cash flows</b>       |                   |                       |                   |                              |                       |                    |                       |
| Dividend paid                                  | (297,497,944)     | -                     | -                 | -                            | -                     | -                  | (297,497,944)         |
| Short term finances obtained - net             | -                 | -                     | -                 | -                            | 10,335,773,799        | -                  | 10,335,773,799        |
| Financial Charges paid - net                   | -                 | -                     | -                 | -                            | -                     | (887,405,229)      | (887,405,229)         |
| Lease rentals paid                             | -                 | -                     | (4,831,530)       | -                            | -                     | -                  | (4,831,530)           |
| Long term finances repaid                      | -                 | (1,651,310,940)       | -                 | (391,144,657)                | -                     | -                  | (2,042,455,597)       |
| Proceeds from long term financing              | -                 | 3,180,330,205         | -                 | 500,000,000                  | -                     | -                  | 3,680,330,205         |
| <b>Total changes from financing cash flows</b> | (297,497,944)     | (5,229,019,265)       | (4,831,530)       | 108,855,343                  | 10,335,773,799        | (887,405,229)      | 10,783,913,704        |
| <b>Other changes</b>                           |                   |                       |                   |                              |                       |                    |                       |
| Final cash dividend                            | 300,000,000       | -                     | -                 | -                            | -                     | -                  | 300,000,000           |
| Interest expense - net                         | -                 | -                     | 5,334,875         | -                            | -                     | 1,088,640,052      | 1,093,974,927         |
| <b>Total liability related other changes</b>   | 300,000,000       | -                     | 5,334,875         | -                            | -                     | 1,088,640,052      | 1,393,974,927         |
| <b>As at 31 December 2021</b>                  | <b>21,448,627</b> | <b>13,259,487,407</b> | <b>73,409,444</b> | <b>2,736,455,979</b>         | <b>15,524,993,611</b> | <b>500,348,010</b> | <b>34,116,143,078</b> |

**24 Related party transactions**

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

| Name of parties                       | Transactions  | Half year ended  |                  |
|---------------------------------------|---|------------------|------------------|
|                                       |   | (Un-audited)     | (Un-audited)     |
|                                       |   | 31 December 2022 | 31 December 2021 |
|                                       |   | Rupees           | Rupees           |
| Fatima Energy Limited                 | Purchase of electricity                               | 2,144,221,323    | 46,505,290       |
|                                       | Long term advances                                    | -                | 203,336,590      |
| Ahmed Fine Textile Mills Limited      | Purchase of goods                                     | 1,394,221,545    | 1,490,484,515    |
|                                       | Sale and receipts against property, plant & equipment | -                | 452,672,000      |
|                                       | Sale of goods   | 7,161,070,927    | 2,760,822,887    |
| Reliance Weaving Mills Limited        | Purchase of goods                                     | 450,450          | -                |
|                                       | Sale of goods   | 228,999,911      | 85,652,523       |
|                                       | Reimbursable expenses                                 | -                | 350,000          |
| Fatima Fertilizer Company Limited     | Reimbursable expenses                                 | 44,723           | -                |
| Fatima Sugar Limited                  | Reimbursable expenses                                 | 11,933           | -                |
| Fazal-ur-Rehman Foundation Multan     | Donations paid  | 1,134,500        | 1,113,000        |
| Pak Arab Fertilizer (Private) Limited | Payments against purchase of shares                   | -                | 146,663,295      |
| Fatima Transmission Limited           | Long term advances                                    | -                | 15,937,500       |
| Fazal Farms (Private) Limited         | Purchase of Goods and services                        | -                | 3,184,800        |
| Fazal Holding Limited                 | Dividend paid   | 73,520,410       | 73,520,410       |
| Key management personnel              | Remuneration and other benefits                       | 28,037,617       | 20,009,240       |
| Directors                             | Dividend paid   | 68,330,200       | 68,330,200       |

**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

| Name                        | Relationship                          | % of shareholding in the Company |
|-----------------------------|---------------------------------------|----------------------------------|
| Mr. Rehman Naseem           | CEO/Director/Key Management Personnel | 10.34%                           |
| Mr. Aamir Naseem Sheikh     | Director/Key Management Personnel     | 0.28%                            |
| Mr. Sheikh Naseem Ahmad     | Director/Key Management Personnel     | 0.03%                            |
| Mr. Muhammad Mukhtar Sheikh | Director/Key Management Personnel     | 3.38%                            |
| Mr. Faisal Ahmed            | Director/Key Management Personnel     | 6.80%                            |
| Mr. Fahd Mukhtar            | Director/Key Management Personnel     | 1.93%                            |
| 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 Date of authorization for issue**

This condensed interim financial information was authorized for issue by the Board of Directors on 28 February 2023.

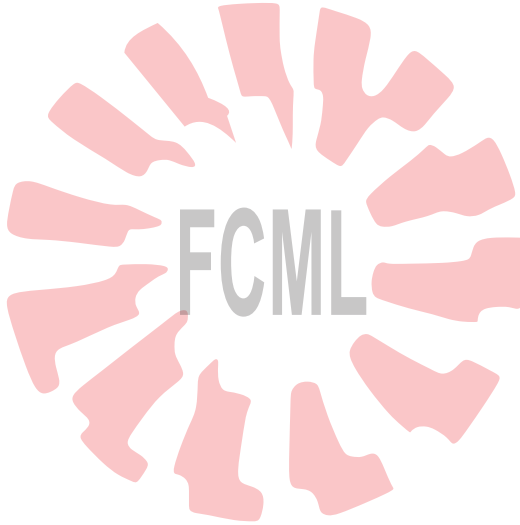
**26 General**

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

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)  
DIRECTOR



## **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