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**Company Profile**

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



DIRECTORS' REVIEW

Dear Shareholders!

Your directors are pleased to present before you un-audited financial information of Fazal Cloth Mills Limited, for the nine months ended 31 March 2023.

Sales were recorded at Rs. 56,608.46 million during the nine months of the current financial year compared to Rs. 47,608.57 million during the corresponding period last year, registering an increase of 18.90%. Profit after tax of your company decreased to Rs. 533.50 million for the period of nine months as compare to Rs 4,846.81 million for the corresponding period last year. The main reasons for decrease in profits were low margins on sales, higher finance cost and exchange loss on the import of raw materials. EBITDA of Rs. 5,837.62 million (31 March 2022: Rs. 8,521.13 million) was generated.

Earnings per Share of the Company for the nine months ended 31 March 2023 were Rs. 17.78 as compared to Rs. 161.56 for corresponding period in previous year.

Financial highlights of the nine months are as under:

Financial Highlights	Nine months ended		Increase / (decrease)
	31 March 23	31 March 22	
	Rupees in millions		% age
Sales – net	56,608.46	47,608.57	18.90%
Cost of sales	48,750.54	39,653.95	22.94%
Gross profit	7,857.92	7,954.62	(1.23) %
EBITDA	5,837.62	8,521.13	(31.49)%
Depreciation	1,305.20	1,223.81	6.65%
Finance cost	3,170.41	1,863.81	70.10%
Other income	34.40	602.05	(94.29)%
Profit before tax	1,362.01	5,433.51	(74.93)%
Profit after tax	533.50	4,846.81	(88.99)%

Future Outlook

Demand for textile products, while better than 1HFY23, remains weak. Textile sector in Pakistan continues to operate below capacity. Operating costs remain high and continue to increase. Very high interest rates and energy costs continue to impair textile sector margins and make it uncompetitive with respect to regional countries. As a result, textile exports from Pakistan are declining (Mar 23 exports are 22% less than Mar 22 exports). Unfortunately, the government continues to add taxes and cross subsidies in energy tariffs applicable to textile sector without acknowledging the fact that these costs cannot be exported. Trade deficit in the country remains stubbornly high in spite of controls placed on imports by SBP. The only sustainable solution remains an increase in exports. However, the government instead of encouraging exports is making them uncompetitive by increasing operating costs.

Your company continues to operate its factories at full production in spite of the difficulties highlighted above. Your management believes that slowly but surely the textile sector will regain full capacity over the next few months which will result in better margins.

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: April 29, 2023

For & on behalf of the Board

(Aamir Naseem Sheikh)
Director

(Rehman Naseem)
Chief Executive Officer



ڈائریکٹرز جائزہ رپورٹ

معزز شیئر ہولڈرز

آپ کے ڈاؤن کیئر آپ کے سامنے نفضل کلا تھ ملز لمیٹڈ کی 31 مارچ 2023 کو ختم ہونے والے نو مہینوں کی غیر آڈٹ شدہ مالی معلومات پیش کرتے ہوئے خوش ہیں۔ رواں مالی سال کے نو ماہ کے دوران 18.90% اضافہ کے ساتھ 56,608.46 ملین روپے فروز - ر رڈ کی گئی۔ جو کہ پچھلے سال 47,608.57 ملین روپے تھی۔ آپ کی کٹینی کا نو ماہ کی مدت کے لیے بعد از ٹیکس منافع کم ہو کر 533.50 ملین روپے رہے۔ جیسا کہ ششہ سال کی اسی مدت کے لیے 4,846.81 ملین روپے تھا۔ منافع میں کمی کی۔ دی وجوہات فروز - ر کم مارجن، زبردہ مالیاتی لا۔ اور خام مال کی درآمد زر مبادلہ کا نقصان تھا۔

EBITDA 5,837.62 ملین روپے کا پیدا ہوا۔

مارچ 31, 2023 کو ختم ہونے والے نو مہینوں کے لیے کٹینی کی فی شیئر آمدنی 17.78 روپے تھی۔ کہ پچھلے سال کی اسی مدت کے لیے 161.56 روپے تھی۔

نو ماہ کی مالی۔ یں ذیل ہیں:

Financial Highlights	Nine months ended		Increase / (decrease)
	31 March 23	31 March 22	
	Rupees in millions		% age
Sales – net	56,608.46	47,608.57	18.90%
Cost of sales	48,750.54	39,653.95	22.94%
Gross profit	7,857.92	7,954.62	(1.23) %
EBITDA	5,837.62	8,521.13	(31.49)%
Depreciation	1,305.20	1,223.81	6.65%
Finance cost	3,170.41	1,863.81	70.10%
Other income	34.40	602.05	(94.29)%
Profit before tax	1,362.01	5,433.51	(74.93)%
Profit after tax	533.50	4,846.81	(88.99)%

مستقبل کا نقطہ نظر

ٹیکسٹائل مصنوعات کی ما۔ کمزور ہے۔ کستان میں ٹیکسٹائل کا شعبہ صلا۔ سے کم کام کر رہا ہے۔ آپ ٹینگ لاگتیں زبردہ رہیں اور۔ جتنی رہیں۔ بہت زبردہ شرح سود اور تو۔ ٹی کی لا۔ ٹیکسٹائل سیکٹر کے مارجن کو نقصان پہنچاتی ہے اور اسے علاقائی ممالک کے حوالے سے غیر مسابقتی بناتی ہے۔ اس کے نتیجے میں کستان سے ٹیکسٹائل کی آمدات میں کمی آ رہی ہے۔ قسمتی سے حکومت ٹیکسٹائل سیکٹر پہ لاگو تو۔ ٹی کے خوں میں ٹنگس اور کراس سسڈ۔ کا اضافہ جاری رکھے ہوئے ہے، اس حقیقت کو تسلیم کیے بغیر کرا۔ اجات کو۔ آمد نہیں کیا جا سکتا۔ اسٹیٹ بینک کی جا۔ سے درآمدات پکنٹرول کے وجود ملک میں تجارتی خسارہ۔ ستور بلند ہے۔ واحد پ۔ اصل۔ آمدات میں اضافہ ہے۔ ہم حکومت۔ آمدات کی حوصلہ افزائی کرنے کے بجائے آپ ٹینگ لا۔ میں اضافہ کر کے انہیں غیر مسابقتی بنا رہی ہے۔

آپ کی کٹینی اوپ۔ بتائی گئی مشکلات کے وجود پائی ٹیکسٹائل سیکٹر کو مکمل پیداوار کے ساتھ رہی ہے۔ آپ کی انتظامیہ کا خیال ہے کہ آہستہ آہستہ لیکن یقینی طور پ ٹیکسٹائل کا شعبہ اگلے چند مہینوں میں پوری صلا۔ حاصل کر لے گا جس کے نتیجے میں بہتر مارجن ملے گا۔

مینجمنٹ اور لیبر ریلیئیشنز

کارکنوں اور انتظامیہ کے درمیان تمام حصے کے دوران تعلقات خوشگوار رہے۔ آپ کے ڈاؤن کیئر تمام کارکنوں اور عملے کے ارکان کا ان کی محنت کے لیے شکر یہ ادا کر۔ چاہتے ہیں۔

بورڈ کی طرف سے

✓

رحمان نسیم

(چیف ایگزیکٹو آفیسر ڈائریکٹر)

✓

شیخ نسیم احمد

(چیئر مین)

تاریخ: 28 فروری، 2023




Fazal Cloth Mills Limited
Condensed Interim Financial Statements (Un-audited)
For the Nine Months Ended 31 March 2023



Condensed Interim Statement of Financial Position

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>31 March</i>	<i>30 June</i>
	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized share capital	700,000,000	700,000,000
Issued, subscribed and paid-up capital	300,000,000	300,000,000
<i>Capital reserves</i>		
- Others capital reserves	2,049,364,385	2,710,352,637
- Revaluation surplus on property, plant and equipment	16,548,303,235	17,150,488,830
Unappropriated profits - revenue reserve	20,977,561,133	20,368,453,281
	39,875,228,753	40,529,294,748
<u>Non-current liabilities</u>		
Long term financing - <i>secured</i>	13,742,109,170	12,904,528,693
Long term musharika - <i>secured</i>	3,419,908,621	2,633,239,782
Lease liability - <i>unsecured</i>	74,063,034	73,951,536
Deferred liabilities:		
- <i>Staff retirement benefit</i>	373,500,425	342,254,877
- <i>Deferred taxation</i>	4,928,118,592	4,444,957,285
	22,537,699,842	20,398,932,173
<u>Current liabilities</u>		
Trade and other payables	9,493,234,376	7,369,471,043
Contract liabilities	234,909,466	207,164,832
Current portion of non-current liabilities	3,013,346,478	3,094,869,352
Unclaimed dividend	22,551,265	21,213,835
Short term borrowings - <i>secured</i>	21,266,364,310	15,370,774,156
Accrued mark-up	950,202,268	551,182,285
Provision for taxation - net	29,825,409	-
	35,010,433,572	26,614,675,503
Contingencies and commitments	97,423,362,167	87,542,902,424

The annexed notes from 1 to 26 form an integral part of these financial statements.


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER



As at 31 March 2023

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2023</i>	<i>2022</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	44,348,025,746	41,518,303,559
Long term investments	12	7,033,377,879	7,484,731,321
Long term loans and advances	13	-	-
Long term deposits		25,540,293	25,540,293
		51,406,943,918	49,028,575,173
<u>Current assets</u>			
Stores, spares and loose tools		1,323,312,274	807,324,380
Stock-in-trade	14	30,525,292,680	26,812,955,712
Trade debts	15	9,090,664,130	7,268,389,855
Loans and advances		420,686,530	400,285,716
Deposits, prepayments and other receivables		931,953,148	186,368,496
Short term investment	16	183,600,000	231,336,000
Sales tax refundable and adjustable		2,718,572,039	2,312,408,478
Advance taxation - net		-	55,473,580
Cash and bank balances	17	822,337,448	386,199,525
		46,016,418,249	38,460,741,742
Non-current assets held for sale		-	53,585,509
		46,016,418,249	38,514,327,251
		97,423,362,167	87,542,902,424


(SHEIKH NASEEM AHMAD)
DIRECTOR



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

For the nine months and quarter ended 31 March 2023

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>31 March 2023</i>	<i>31 March 2022</i>	<i>31 March 2023</i>	<i>31 March 2022</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales - net	56,608,457,729	47,608,569,793	20,116,622,578	18,907,618,897
Cost of sales	(48,750,536,427)	(39,653,953,709)	(17,486,434,037)	(16,180,039,436)
Gross profit	7,857,921,302	7,954,616,084	2,630,188,541	2,727,579,461
Selling and distribution expenses	(327,872,926)	(342,273,189)	(103,809,369)	(121,343,921)
Administrative expenses	(425,976,058)	(351,594,872)	(142,838,337)	(122,484,975)
Other expenses	(2,606,056,785)	(565,486,346)	(1,764,372,834)	4,835,037
	(3,359,905,769)	(1,259,354,407)	(2,011,020,540)	(238,993,859)
Other income	34,404,142	602,052,649	8,761,016	373,800,111
Profit from operations	4,532,419,675	7,297,314,326	627,929,017	2,862,385,713
Finance cost	(3,170,405,598)	(1,863,806,619)	(1,146,717,286)	(785,860,882)
Profit before taxation	1,362,014,077	5,433,507,707	(518,788,269)	2,076,524,831
Taxation	(828,539,369)	(586,701,023)	(23,065,341)	(368,845,716)
Profit / (loss) after taxation	533,474,708	4,846,806,684	(541,853,610)	1,707,679,115
Earnings / (loss) per share - basic and diluted	17.78	161.56	(18.06)	56.92

The annexed notes from 1 to 26 form an integral part of these financial statements.

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



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months and quarter ended 31 March 2023

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March</u> <u>2023</u> <u>Rupees</u>	<u>31 March</u> <u>2022</u> <u>Rupees</u>	<u>31 March</u> <u>2023</u> <u>Rupees</u>	<u>31 March</u> <u>2022</u> <u>Rupees</u>
Profit after taxation	533,474,708	4,846,806,684	(541,853,610)	1,707,679,115
<u>Other comprehensive income / (loss) - net of tax</u>				
<i>Items that will never be reclassified to statement of profit or loss:</i>				
- Net change in fair value of financial assets at FVOCI	(660,988,252)	1,194,777,428	(273,051,506)	668,124,616
Total comprehensive income / (loss) for the period	<u>(127,513,544)</u>	<u>6,041,584,112</u>	<u>(814,905,116)</u>	<u>2,375,803,731</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.



(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER



(SHEIKH NASEEM AHMAD)
DIRECTOR



Condensed Interim Statement of Changes in Equity (Un-Audited)

For the nine months ended 31 March 2023

	Capital reserves				Revenue reserve		Total
	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	
Balance as at 30 June 2021	300,000,000	77,616,000	175,000,000	891,403,215	18,009,492,456	15,243,771,588	34,697,283,259
Total comprehensive income / (loss) for the period:				Rupees			
Profit for nine months ended 31 March 2022	-	-	-	-	-	4,846,806,684	4,846,806,684
Other comprehensive income for nine months ended 31 March 2022	-	-	-	1,194,777,428	-	-	1,194,777,428
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - <i>net of tax</i>	-	-	-	1,194,777,428	-	4,846,806,684	6,041,584,112
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>	-	-	-	-	(436,663,923)	-	-
Effect on deferred tax due to change in provision rate	-	-	-	-	(259,896,618)	259,896,618	-
<i>Transactions with the owners of the Company:</i>					159,230,883	-	159,230,883
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 March 2022	300,000,000	77,616,000	175,000,000	2,086,180,643	17,472,162,798	20,487,138,813	40,598,098,254
Total comprehensive (loss) / income for the year:							
Profit for three months ended 30 June 2022	-	-	-	-	-	(236,551,942)	(236,551,942)
Other comprehensive (loss) / income for three months ended 30 June 2022	-	-	-	371,555,994	-	(30,164,809)	341,391,185
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - <i>net of tax</i>	-	-	-	371,555,994	-	(266,716,751)	104,839,243
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>	-	-	-	-	(136,525,060)	136,525,060	-
Effect on deferred tax due to change in provision rate	-	-	-	-	(11,506,159)	11,506,159	-
Balance as at 30 June 2022	300,000,000	77,616,000	175,000,000	2,457,736,637	17,150,488,830	20,368,453,281	40,529,294,748



	Capital reserves				Revenue reserve		Total
	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	
Balance as at 30 June 2022	300,000,000	77,616,000	175,000,000	2,457,736,637	17,150,488,830	20,368,453,281	40,529,294,748
Total comprehensive income for the year :							
Profit for nine months ended 31 March 2023							
Other comprehensive (loss) income for nine months ended 31 March 2023							
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - <i>net of tax</i>				(660,988,252)			(660,988,252)
Transfer from surplus on revaluation of fixed assets on disposal - <i>net of tax</i>				(660,988,252)			(127,513,544)
Effect on deferred tax due to change in pronation rate					(375,633,144)		
<i>Transactions with the owners of the Company:</i>							
Final cash dividend @ Rs. 10 per ordinary share for the year ended 30 June 2022						(300,000,000)	
Balance as at 31 March 2023	300,000,000	77,616,000	175,000,000	1,796,748,385	16,548,303,235	20,977,561,133	39,875,228,753

The annexed notes from 1 to 26 form an integral part of these financial statements.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR



Condensed Interim Statement of Cash Flows (Un-Audited)

For the nine months ended 31 March 2023

	<i>Nine months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>
	<i>Rupees</i>	<i>Rupees</i>
<u>Cash flows from operating activities</u>		
Profit before taxation	1,362,014,077	5,433,507,707
Adjustments for:		
Depreciation on property, plant and equipment	1,305,197,197	1,223,814,123
Unrealized loss on re-measurement of short term investments	47,736,000	(79,560,000)
(Reversal) / allowance for impairment of trade debts	27,834,701	6,301,112
Provision for gratuity	160,555,716	114,965,289
Provision for infrastructure cess	389,129,926	242,527,051
Provision for workers' profit participation fund	71,750,691	288,226,136
Provision for workers' welfare fund	24,097,046	49,190,944
Gain on disposal of property, plant and equipment	(8,670,026)	24,272,728
Loss on GIDC discounting	-	16,029,190
Dividend income	-	(241,899,109)
Present value adjustment on long term loans - net of unwinding	-	18,440,329
Finance income	(1,954,089)	(242,110,948)
Finance cost	3,170,405,598	1,863,806,619
Cash generated (used in) / from operations before working capital changes	1,370,207,837	8,717,511,171
<u>Effect on cash flows due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(515,987,894)	(115,134,796)
Stock-in-trade	(3,712,336,968)	(10,816,273,831)
Trade debts	(1,850,108,976)	(6,055,262,234)
Loans and advances	(20,400,815)	(166,638,645)
Deposits, prepayments and other receivables	(745,584,652)	(70,846,455)
	(6,844,419,305)	(17,224,155,961)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	1,666,530,304	2,975,278,496
Cash generated (used in) / from operations	1,370,207,837	(5,531,366,294)
Gratuity paid to employees	(129,310,168)	(113,446,913)
Taxes paid - net	(1,063,133,146)	(2,211,889,295)
Net cash (used in) / generated from operating activities	177,764,523	(7,856,702,502)
<u>Cash flows from investing activities</u>		
Fixed capital expenditure	(4,126,574,149)	(4,031,980,987)
Proceeds from sale of property, plant and equipment	53,910,300	466,622,380
Long term investments	(40,000,000)	(155,127,195)
Long term loan and advances	-	(259,274,090)
Long term advances - against purchase of shares	-	(244,984,680)
Net cash used in investing activities	(4,112,663,849)	(4,224,744,572)
<u>Cash flows from financing activities</u>		
Long term financing obtained	2,686,541,704	3,859,515,654
Long term financing repaid	(1,853,922,784)	(2,324,669,562)
Long term musharika obtained	1,257,502,174	500,000,000
Long term musharika repaid	(547,394,652)	(467,193,871)
Short term borrowings - net	5,895,590,154	12,447,187,270
Lease rentals paid	(7,972,026)	(7,247,295)
Finance cost paid - net	(2,760,644,751)	(1,566,293,195)
Dividend paid	(298,662,570)	(297,497,945)
Net cash generated from financing activities	4,371,037,249	12,143,801,056
Net increase / (decrease) in cash and cash equivalents	436,137,923	62,353,982
Cash and cash equivalents at beginning of the period	386,199,525	155,859,643
Cash and cash equivalents at end of the period	822,337,448	218,213,625

The annexed notes from 1 to 26 form an integral part of these financial statements.


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(SHEIKH NASEEM AHMAD)
DIRECTOR



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

For the nine months ended 31 March 2023

1 Legal status and nature of business

Fazal Cloth Mills Limited ("the Company") was incorporated in Pakistan in 1966 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange ('PSX'). The 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 March 2023 and the related condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof.
- 2.2.2** This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 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 nine months period ended 31 March 2022.



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

	Effective date (accounting period beginning on or after)
▪ 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
▪ 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

**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

	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
	15,256,170,060	13,730,468,142
5.1	(1,853,972,784)	(3,043,729,032)
	<u>16,088,788,980</u>	<u>15,256,170,060</u>
	16,088,788,980	(5,659,415)
9	<u>(2,346,679,810)</u>	<u>(2,345,981,952)</u>
	<u>13,742,109,170</u>	<u>12,904,528,693</u>

5.1 - Markup bearing finances availed during the period:

Lender	Amount		Rate of Mark Up Per Annum	Security
	Rs	PKR		
National Bank of Pakistan				
- Demand finance -	24,362,000		6 months KIBOR + 1.00%	1st joint part 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 + 1.00%/ SBP rate + 1.00%	1st joint part 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.
The Bank of Punjab				
- Term finance / SBP's LTFF	165,614,810		6 months KIBOR + 1.75% / SBP Rate + 2.25%	1st joint part 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 of the Company. Balance principal is payable in sixteen equal half yearly instalments ending on 29 November 2031
Bank Al Habib Limited				
- SBP's REPPP loan	59,445,000		SBP Rate + 1.75%	1st joint part 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.
- Term finance / SBP's LTFF	14,405,000		6 months KIBOR + 2.00%/ SBP Rate + 2.00%	1st joint part passu charge / mortgage of Rs.3,067 million on all present and future fixed assets of the Company. Principal is payable in sixteen equal half yearly instalment ending on 16 June 2031.
Bank Alfalah Limited				
- Term finance / SBP's REPP	34,942,642		6 months KIBOR + 1.50% SBP Rate + 1.50%	1st joint part 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.
Pak Brunel Investment Company Ltd				
- Term finance	300,000,000		3 months KIBOR + 2.00%	1st joint part 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.



	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
7 Lease liability		
Opening Balance	73,951,536	72,906,099
Increase / (Decrease) during the period	111,498	1,045,437
Closing Balance	<u>74,063,034</u>	<u>73,951,536</u>
8 Trade and other payables		
Trade creditors	1,000,240,529	746,347,677
Accrued liabilities	2,231,751,907	2,342,640,939
Due to associated undertakings	13,436,572	177,908,772
Bills payable	4,341,294,305	2,474,988,642
Tax deducted at source	16,914,959	6,955,196
Infrastructure cess	1,448,882,803	1,059,752,877
Workers' profit participation fund	205,156,879	318,406,192
Workers' welfare fund	214,689,875	190,592,828
Loan from Director	299,693	299,693
Foreign exchange forward contract - mark to market	-	8,895,000
Others	20,566,854	42,683,227
	<u>9,493,234,376</u>	<u>7,369,471,043</u>
8.1 Due to associated undertakings		
Hussain Gineries Limited	13,250,970	13,250,970
Fatima Energy Limited	-	159,839,648
Fazal-ur-Rehman Foundation	180,000	-
Fatima Fertilizer Company Limited	-	4,812,552
Pakarab Fertilizer Limited	5,602	5,602
	<u>13,436,572</u>	<u>177,908,772</u>
9 Current portion of non-current liabilities		
Long term financing - secured	2,346,679,810	2,345,981,952
Long term musharika - secured	666,666,668	743,227,985
Deferred grant	-	5,659,415
	<u>3,013,346,478</u>	<u>3,094,869,352</u>
10 Contingencies and commitments		
10.1 Contingencies		
10.1.1 There has been no change in the status of contingencies since the annual audited financial statements as at 30 June 2022.		
10.1.2 Export documents negotiated with banks under Foreign Bill Purchase ("FBP") facility are USD 2.07 million (30 June 2022: USD 10.10 million and Euro 0.19 million).		
10.2 Commitments	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
10.2.1 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies.	<u>2,295,507,934</u>	<u>1,774,201,934</u>



	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
10.2.2 Commitments against irrevocable letters of credit:		
- capital expenditure	710,512,766	2,898,948,577
- raw material and stores and spares	6,821,881,709	3,111,648,832
	<u>7,532,394,475</u>	<u>6,010,597,409</u>
10.2.3 Commitments in respect of foreign exchange forward contracts:	<u>96,424,000</u>	<u>349,350,000</u>
11 Property, plant and equipment		
Operating property, plant and equipment	11.1 39,603,767,123	40,194,533,834
Right of use of Asset	11.2 47,384,540	51,692,225
Capital work-in-progress	11.3 4,696,874,083	1,272,077,500
	<u>44,348,025,746</u>	<u>41,518,303,559</u>
11.1 Opening net book value	40,194,533,834	38,055,135,210
<i>Additions during the period / year:</i>		
Freehold land	104,978,140	74,557,400
Factory building on free hold land	44,533,048	209,264,229
Non-factory building on free hold land	33,915,714	128,477,745
Plant and machinery	361,061,718	3,660,526,512
Electric fittings and installations	-	197,323,885
Sui gas installations	40,000	839,030
Tools, laboratory equipment and arms	2,418,880	2,154,132
Fire extinguishing equipments and scales	80,000	10,673,456
Office equipment	25,788,531	12,370,333
Furniture and fixtures	272,014	1,220,182
Vehicles	137,252,693	24,116,067
	710,340,738	4,321,522,971
Carrying value of assets disposed off during the period / year	(217,937)	(523,734,819)
Depreciation charge for the period / year	(1,300,889,512)	(1,658,389,528)
Closing net book value	<u>39,603,767,123</u>	<u>40,194,533,834</u>
11.2 Right of use Asset		
Opening net book value	51,692,225	57,435,806
Depreciation charge for the period	(4,307,685)	(5,743,581)
Closing net book value	<u>47,384,540</u>	<u>51,692,225</u>
	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
11.3 The detail of capital work-in-progress is as follows:		
Free hold land and building*	760,675,921	467,047,194
Non-factory building on free hold land	199,249,978	46,421,300
Plant and machinery		
Cost and expenses*	825,254,649	91,867,936
Transfer to non-current assets held for sale	-	(53,585,509)
Advance payments	12,263,391	69,242,174
Letters of credit	2,604,027,257	503,887,256
	<u>3,441,545,297</u>	<u>611,411,857</u>
Tools, laboratory equipment and arms		
Cost and expenses	78,844	-



	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
<i>Electric fittings and Installations - Advance payments</i>		
Cost and expenses	162,483,450	17,500
Advance payments	75,642,863	-
Letters of credit	4,200,000	45,024,549
	242,326,313	45,042,049
<i>Fire fighting equipment & weigh scales</i>		
<i>Cost and expenses</i>	2,148,294	-
<i>Office equipment - Advance payments</i>		
	6,810,261	5,632,069
Furniture - Advance payments	5,185,162	13,431
Vehicles - Advance payments	38,854,013	96,509,600
	4,696,874,083	1,272,077,500

* this includes assets of ITML acquired as result of merger through asset acquisition accounting treatment.

	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
12 Long term investments		
<u><i>At fair value through OCI</i></u>		
Fatima Fertilizer Company Limited - quoted	1,889,820,930	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
	6,993,372,340	7,484,725,782
<u><i>Associated companies - at equity method</i></u>		
Fatima Transmission Company Limited - unquoted (ordinary shares)	-	-
Fatima Electric Company Limited - unquoted	5,539	5,539
	5,539	5,539
<u><i>At fair value through PL</i></u>		
Term Finance Certificates	40,000,000	-
	7,033,377,879	7,484,731,321
13 Long term advances		
Fatima Energy Limited - <i>related party</i>	307,129,396	307,129,396
Fatima Transmission Company Limited - <i>associate</i>	13,748,696	13,748,696
Pak Arab Energy Limited - <i>associate</i>	25,904,160	25,904,160
	346,782,252	346,782,252
Less: Loss allowance	(346,782,252)	(346,782,252)
	-	-
14 Stock-in-trade		
Raw material [In-transit: Rs. 7,755.27 million (30 Jun 2022: Rs. 4,740.17 million)]	20,152,789,422	17,348,358,879
Work-in-process	844,078,534	774,506,142
Finished goods		
Yarn	8,389,120,021	7,008,869,975
Fabric	1,139,304,703	1,681,220,716
	9,528,424,724	8,690,090,691
	30,525,292,680	26,812,955,712



		<i>(Un-audited)</i> 31 March 2023 Rupees	<i>(Audited)</i> 30 June 2022 Rupees
15 Trade debts			
<i>Export debtors - secured against letters of credit:</i>			
Considered good		2,420,746,959	1,671,549,444
<i>Local debtors - unsecured</i>			
Related Parties - considered good	15.1	1,803,674,150	118,614,910
Others - considered good		4,866,243,021	5,478,225,501
Others - considered doubtful		99,748,575	71,913,874
		6,769,665,746	5,668,754,285
Allowance for impairment of trade debts		(99,748,575)	(71,913,874)
		9,090,664,130	7,268,389,855
15.1 Trade debts due from following related parties on account of trading activities.			
Ahmad Fine Textile Mills Limited		1,709,947,513	86,891,062
Reliance Weaving Mills Limited		93,726,637	31,723,848
		1,803,674,150	118,614,910
16 Short term investment			
<u>Investment at fair value through profit or loss</u>			
<i>Fatima Fertilizer Company Limited - quoted</i>			
<i>6,120,000 (2022: 6,120,000) fully paid ordinary shares of Rs. 10 each</i>			
<i>Equity held 0.29% (2022: 0.29%) Market value per share</i>			
<i>Rs.30 (2022: Rs.37.80)</i>		183,600,000	231,336,000
17 Cash and bank balances			
Cash in hand		15,268,070	16,899,542
Cash at banks			
- Current accounts		754,389,461	369,244,177
- Saving accounts		52,679,917	55,806
		807,069,378	369,299,983
		822,337,448	386,199,525

**18 Sales - net**

Gross sales
Local sales
Direct exports
Indirect exports

Sales tax
Local sales
Indirect export

Sales return

18.1

	Nine months ended		Quarter ended	
	(Un-audited) 31 March 2023 Rupees	(Un-audited) 31 March 2022 Rupees	(Un-audited) 31 March 2023 Rupees	(Un-audited) 31 March 2022 Rupees
	50,609,617,128	31,793,006,849	18,941,907,352	12,096,947,339
	11,176,851,396	12,526,583,252	2,889,644,585	4,011,080,382
	2,534,795,776	9,372,838,004	1,157,455,602	5,481,382,686
	64,321,264,300	53,692,428,105	22,989,007,539	21,589,410,407
	(7,500,009,923)	(4,751,091,676)	(2,857,701,146)	(1,853,035,095)
	-	(1,236,842,688)	-	(796,440,220)
	(7,500,009,923)	(5,987,934,364)	(2,857,701,146)	(2,649,475,315)
	(212,796,648)	(95,923,948)	(14,683,815)	(32,316,195)
	56,608,457,729	47,608,569,793	20,116,622,578	18,907,618,897

18.1 It includes sales made to direct exporters against Export facilitation Scheme (EFS) to a related party under S.R.O 957(1) 2021 dated 30 July 2021, amounting to Rs. 2,534.80 million (31 March 2022: Rs. 1,683.94 million) and against Standard Purchase Order (SPOs) amounting to Rs. Nil (31 March 2022: Rs. 7,688.90 million)

19 Cost of sales

Raw material consumed
Packing material consumed
Salaries, wages and benefits
Freight outward charges
Travelling and conveyance
Vehicle running and maintenance
Power and fuel
Stores and spares consumed
Processing charges
Repair and maintenance
Insurance
Depreciation on property, plant and equipment
Others

Work-in-process :

Opening balance
Closing balance

Cost of goods manufactured

Finished goods :

Opening balance
Finished goods purchased
Closing balance

Cost of goods sold

Cost of raw material sold

	Nine months ended		Quarter ended	
	(Un-audited) 31 March 2023 Rupees	(Un-audited) 31 March 2022 Rupees	(Un-audited) 31 March 2023 Rupees	(Un-audited) 31 March 2022 Rupees
	36,567,132,911	30,658,905,462	12,850,205,025	11,261,169,779
	631,282,924	535,839,533	213,855,496	196,955,028
	2,724,573,773	2,376,623,144	887,291,584	889,000,574
	576,768,745	779,487,539	51,202,226	345,157,386
	11,731,469	11,962,548	3,187,694	4,716,920
	33,419,576	17,018,696	11,316,481	6,950,743
	5,054,520,070	3,561,126,151	1,782,455,485	1,325,351,157
	923,486,720	833,925,610	318,620,644	296,999,815
	311,846,093	324,248,581	4,227,818	136,444,699
	42,350,004	39,155,694	13,591,949	12,092,811
	105,404,504	83,458,768	36,471,413	30,944,708
	1,255,349,620	1,185,151,799	419,588,597	412,833,631
	6,167,952	5,009,705	1,845,828	1,017,458
	48,244,034,361	40,411,913,230	16,593,860,240	14,919,634,709
	774,506,142	501,212,180	827,536,374	659,200,223
	(844,078,535)	(741,926,925)	(844,078,535)	(741,926,925)
	(69,572,393)	(240,714,745)	(16,542,161)	(82,726,702)
	48,174,461,968	40,171,198,485	16,577,318,079	14,836,908,007
	8,690,090,690	3,416,104,612	10,227,371,591	7,232,651,961
	1,144,624,574	2,754,322,091	88,011,246	845,376,966
	(9,528,424,724)	(6,747,936,472)	(9,528,424,724)	(6,747,936,472)
	306,290,540	(577,509,769)	786,958,113	1,330,092,455
	48,480,752,508	39,593,688,716	17,364,276,192	16,167,000,462
	269,783,919	60,264,993	122,157,845	13,038,974
	48,750,536,427	39,653,953,709	17,486,434,037	16,180,039,436

20 Finance cost

Mark-up based loans from conventional banks:

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

Islamic mode of financing:

- Musharika - secured
- Short term borrowings - secured

Bank charges

Interest on workers' profit participation fund
Markup on lease liability

21 Earnings / per share - basic and diluted

Profit after taxation

Weighted Average Number of ordinary shares

	1,015,677,921	702,644,403	317,680,436	262,553,520
	1,438,163,777	789,887,369	560,931,225	375,386,944
	2,453,841,698	1,492,531,772	878,611,661	637,940,464
	432,984,055	191,537,543	152,871,271	76,149,955
	207,742,308	104,257,971	96,521,130	50,462,070
	640,726,363	295,795,514	249,392,401	126,612,025
	65,096,673	67,462,671	13,359,989	18,626,606
	10,740,864	8,016,662	5,353,235	2,681,787
	3,170,405,598	1,863,806,619	1,146,717,286	785,860,882
	533,474,708	4,846,806,684	(541,853,610)	1,707,679,115
	30,000,000	30,000,000	30,000,000	30,000,000
	17.78	161.56	(18.06)	56.92

**22 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.

	Carrying amount			Fair value		
	Financial assets at amortised cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Total
----- Rupees -----						
As at 31 March 2023						
Financial assets - measured at fair value						
Short term investment	-	183,600,000	-	-	183,600,000	-
Long term investments	-	-	6,993,372,340	-	6,993,372,340	-
Financial assets - not measured at fair value						
Long term deposits	25,540,293	-	-	-	25,540,293	-
Trade debts	9,090,664,130	-	-	-	9,090,664,130	-
Other receivables	931,953,148	-	-	-	931,953,148	-
Cash and bank balances	822,337,448	-	-	-	822,337,448	-
	10,870,495,019	183,600,000	6,993,372,340	-	18,047,467,359	2,073,420,930
						5,103,551,410
						7,176,972,340
Financial liabilities - not measured at fair value						
Long term financing - secured	-	-	-	16,088,788,980	16,088,788,980	-
Long term musharika - secured	-	-	-	4,086,575,289	4,086,575,289	-
Trade and other payables	-	-	-	7,607,589,860	7,607,589,860	-
Lease liability - unsecured	-	-	-	74,063,034	74,063,034	-
Unclaimed dividend	-	-	-	22,551,265	22,551,265	-
Short term borrowings - secured	-	-	-	21,266,364,310	21,266,364,310	-
Accrued mark-up	-	-	-	950,202,268	950,202,268	-
	-	-	-	50,096,135,006	50,096,135,006	-



	Carrying amount		Fair value					
	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2022	Rupees							
<i>Financial assets - measured at fair value</i>								
Short term investments	-	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
<i>Financial assets - not measured at fair value</i>								
Long term deposits	25,540,293	-	-	25,540,293	-	-	-	-
Trade debts	7,268,389,855	-	-	7,268,389,855	-	-	-	-
Other receivable	186,368,496	-	-	186,368,496	-	-	-	-
Advance for term finance certificates	40,000,000	-	-	40,000,000	-	-	-	-
Cash and bank balances	386,199,525	-	-	386,199,525	-	-	-	-
	7,906,498,169	231,336,000	7,484,725,782	15,622,589,951	2,612,510,372	-	5,103,551,410	7,716,061,782
<i>Financial liabilities - not measured at fair value</i>								
Long term financing - secured	-	-	15,256,170,060	15,256,170,060	-	-	-	-
Long term musharika - secured	-	-	3,376,467,767	3,376,467,767	-	-	-	-
Trade and other payables	-	-	5,793,763,950	5,793,763,950	-	-	-	-
Lease liability - unsecured	-	-	73,951,536	73,951,536	-	-	-	-
Unclaimed dividend	-	-	21,213,835	21,213,835	-	-	-	-
Short term borrowings - secured	-	-	15,370,774,156	15,370,774,156	-	-	-	-
Accrued mark-up	-	-	551,182,285	551,182,285	-	-	-	-
	-	-	40,443,523,589	40,443,523,589	-	-	-	-

**23 Segment reporting****23.1 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.

23.2 Segment revenue and results

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

	Spinning		Weaving		Total	
	(Un-audited) 31 March 2023	(Un-audited) 31 March 2022	(Un-audited) 31 March 2023	(Un-audited) 31 March 2022	(Un-audited) 31 March 2023	(Un-audited) 31 March 2022
External revenues	45,875,344,753	39,116,367,921	10,733,112,976	8,492,201,872	56,608,457,729	47,608,569,793
Intersegment revenues	5,998,543,138	5,381,973,887	6,790,750	27,810,367	6,005,333,888	5,409,784,254
Cost of sales	(45,357,911,333)	(37,197,995,910)	(3,392,625,094)	(2,455,957,799)	(48,750,536,427)	(39,653,953,709)
Intersegment cost of sales	(6,790,750)	(27,810,367)	(5,998,543,138)	(5,381,973,887)	(6,005,333,888)	(5,409,784,254)
Distribution and marketing expense	(217,876,792)	(256,599,814)	(109,996,134)	(85,873,375)	(327,872,926)	(342,273,189)
Administrative expenses	(379,286,835)	(310,628,911)	(46,689,223)	(40,965,961)	(425,976,058)	(351,594,872)
Other operating expense	(2,618,191,626)	(565,486,346)	12,134,841	-	(2,606,056,785)	(565,486,346)
Other operating income	26,532,223	571,973,725	7,871,919	30,078,924	34,404,142	602,052,649
Finance cost	(2,793,140,003)	(1,700,848,606)	(377,265,595)	(162,958,013)	(3,170,405,598)	(1,863,806,619)
Profit before tax	527,222,776	5,011,145,579	834,791,301	422,362,128	1,362,014,077	5,433,507,707

23.2.1 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.

**24 Related party transactions**

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

	<i>Nine months ended</i>	
	<i>(Un-audited)</i> 31 March 2023 <i>Rupees</i>	<i>(Un-audited)</i> 31 March 2022 <i>Rupees</i>
Associated Companies		
Purchase of goods and services	5,133,482,772	3,277,156,823
Sale of goods and services	10,777,856,938	5,849,532,515
Receipts against sale of goods and services - <i>net</i>	3,701,173,578	2,662,091,426
Reimbursable expenses	44,723	350,000
Long term advances	-	259,274,090
Interest accrued on long term advances to associates	-	242,110,948
Donations paid	2,792,979	1,821,500
Fixed assets sold to Ahmed Fine Textile Mills	-	452,672,000
Payments against purchase of shares of Imperial Textile Mills	-	244,984,680

25 Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors on 29 April 2023.

26 General

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

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

