



For The
Nine Months Ended
March 31,

2022



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**Company Information**

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	Non-Executive Director/Chairman Executive Director Non-Executive Director Executive Director Non-Executive Director Executive Director Independent Director Independent Director Independent Director
Chief Executive	Mr. Rehman Naseem	
Audit Committee	Ms. Parveen Akhter Malik (Independent Director) Mr. Babar Ali (Independent Director) Mr. Sheikh Naseem Ahmed Mr. Amir Naseem Sheikh	Chairperson Member Member Member
Human Resource and Remuneration Committee	Mr. Babar Ali (Independent Director) Mr. Faisal Ahmed Mr. Amir Naseem Sheikh	Chairman Member Member
Company Secretary	Mr. Asad Mustafa	
Chief Financial Officer	Mr. Muhammad Azam	
Auditors	KPMG Taseer Hadi & Co., Chartered Accountants	
Bankers		
Bank Al Habib Limited	Askari Bank Limited	
National Bank of Pakistan	United Bank Limited	
Meezan Bank Limited	MCB Bank Limited	
The Bank of Punjab	The Bank of Khyber	
Habib Metropolitan Bank Limited	JS Bank Limited	
Bank Alfalah Limited	Dubai Islamic Bank Pakistan Limited	
Habib Bank Limited	Standard Chartered Bank (Pakistan) Limited	
Faysal Bank Limited	Summit Bank Limited	
Allied Bank Limited	Saudi Pak Industrial & Agricultural Investment Company Limited	
Bank Islami Pakistan Limited	Pak Oman Investment Company Limited	
Soneri Bank Limited	Pak Brunei Investment Company Limited	
Industrial And Commercial Bank of China Ltd.	Pak Libya Holding Company (Pvt) Limited Pakistan Kuwait Investment Company (Private) Limited	
Legal Advisor	Mian Muhammad Haneef	
Head Office & Shares Department:	59/3, Abdali Road, Multan. Phone: (92) 61-4579001-7, 4781637 Fax: (92) 61-4541832 E-mail: corporate@fazalcloth.com ; shares@fazalcloth.com	
Web Reference	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	



b) Human Resource and Remuneration Committee:

Sr. No.	Name of Directors	Designation
1	Mr. Baber Ali (Independent Director)	Chairman
2	Mr. Amir Naseem Sheikh	Member
3	Mr. Faisal Ahmed	Member

Director's Remuneration

The Board of Directors has approved Director's Remuneration policy. The main features of the policy are as follows:

- The Company shall not pay remuneration to its non-executive directors including independent directors except for meeting fee for attending Board and its Committees meetings.
- The company will reimburse or incur expenses of travelling and accommodation of directors in relation to attending of Board and its Committees meetings.
- The Director's Remuneration policy will be reviewed and approved by the Board of Directors from time to time.

Future Outlook

The future outlook of textiles business in Pakistan has become uncertain. Large increase in interest costs (KIBOR has increased from 7% in July 2021 to 12.25% at present), energy costs (gas prices increased from \$6.50/MMBtu to \$9/MMBtu), freight charges etc. has increased cost of manufacturing sharply. This is happening at a time when demand for textile goods is slowing down due to loss of disposable income of consumers in western countries (as a result of high inflation in fuel, rent and food costs). As a result it is difficult for textile companies to pass on the increased cost of manufacturing.

Your Company faces similar headwinds. As a result, your management expects margins and profits to reduce going forward.

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.

For and on the behalf of the Board of Directors.

Dated: April 29, 2022


(AMIR NASEEM SHEIKH)
DIRETOR

For & on behalf of the Board
Sd/-


(REHMAN NASEEM)
CHIEF EXECUTIVE / DIRECTOR

**ڈائریکٹرز جائزہ رپورٹ****معزز شیئر ہولڈرز**

فضل کا تھریڈ ملیمینٹ (کمپنی) کے ڈائریکٹرز نو ماہی برائے اختتام 31 مارچ 2022 کی غیر آڈٹ شدہ مالیاتی کارکردگی پر جائزہ رپورٹ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ رواں سال نو ماہی برائے اختتام 31 مارچ 2022 میں فروختگی 47,608.57 ملین روپے رہی جو پچھلے سال اسی نو ماہی میں 38,179.07 ملین روپے تھی۔ لہذا اضافہ 24.70 فیصد رہا۔ جائزہ کے عرصے کے دوران کمپنی نے منافع بعد از ٹیکس 4,846.81 ملین روپے کمایا (قبل از ٹیکس منافع 5,433.51 ملین روپے) جبکہ پچھلے سال اسی نو ماہی 31 مارچ 2021 میں منافع بعد از ٹیکس 3,082.75 ملین روپے (قبل از ٹیکس 3,686.08 ملین روپے) تھا۔ EBITDA 8,521.13 ملین روپے رہا (31 مارچ 2021 6,020.78 ملین روپے)۔

فی حصص آمدنی موجودہ نو ماہی برائے اختتام 161.56 روپے ہے جو کہ پچھلے سال اسی نو ماہی میں 102.76 روپے تھی۔

رواں سال نو ماہی برائے اختتام 31 مارچ 2022 کی مالیاتی جھلکیاں:

مالی شرح درخیاں	نو ماہی برائے اختتام 31 مارچ 2022 (000 روپے)	نو ماہی برائے اختتام 31 مارچ 2021 (000 روپے)	(کمی) / اضافہ %
خالص فروختگی	47,608,570	38,179,071	24.70%
لاگت فروختگی	39,653,954	32,968,505	20.28%
گراس منافع	7,954,616	5,210,565	52.66%
آئینی قبل از فرسودگی، منافع اور ٹیکس	8,521,128	6,020,778	41.53%
فرسودگی	1,223,814	1,023,484	19.57%
مالیاتی لاگت	1,863,807	1,311,212	42.14%
دوسری آمدن	602,053	664,838	- 9.44%
منافع قبل از ٹیکس	5,433,508	3,686,082	47.41%
منافع بعد از ٹیکس -	4,846,807	3,082,752	57.22%

بورڈ کی تشکیل

الف۔ کل تعداد

1- مرد 8
2- خواتین 1

تشکیل

1- آزاد ڈائریکٹر 3
2- نان ایگزیکٹو ڈائریکٹر 3
3- ایگزیکٹو ڈائریکٹر 3

کارپوریٹ گورننس

بورڈ کی کل دو کمپنیاں ہیں

بورڈ کی آڈٹ کمیٹی

سیریل نمبر	ڈائریکٹر کا نام	مہدہ
1	مس پروین اختر ملک (آڈٹ ڈائریکٹر)	چیئر پرسن
2	جناب شیخ نسیم احمد	ممبر
3	جناب ماسریم شیخ	ممبر
4	جناب بابر علی (آڈٹ ڈائریکٹر)	ممبر



بورڈ کی بیومن ریسورس کمیٹی

سیریل نمبر	ڈائریکٹر کا نام	مہرہ
1	جناب بابر علی (ڈائریکٹر)	چیئر مین
2	جناب فیصل احمد	ممبر
3	جناب عامر نسیم شیخ	ممبر

ڈائریکٹرز کا معاوضہ

- کمیٹی نے ڈائریکٹرز کے معاوضہ کی پالیسی منظوری ہوئی ہے جو کہ درج ذیل ہے:
- سوائے مینٹنگ فیس کے، کمیٹی آزاد اور نان ایگزیکٹو ڈائریکٹرز کو کوئی معاوضہ ادا نہ کرے گی۔
 - مینٹنگ کی مدد میں سفری اور رہائشی اخراجات کمیٹی ادا کرے گی۔
 - کمیٹی اس پالیسی میں وقت کے ساتھ ساتھ ترمیم اور منظوری کرتی رہے گی۔

مستقبل کا نقطہ نظر


پاکستان میں ٹیکسٹائل کے کاروبار کا مستقبل غیر یقینی ہو گیا ہے۔ سود کی لاگت میں بڑا اضافہ (جولائی 2021 سے KIBOR 7% سے بڑھ کر اس وقت 12.25% ہو گیا ہے) اور توانائی کے اخراجات (گیس کی قیمتیں 6.5 ڈالر فی MMBTU سے بڑھ کر 9 ڈالر فی MMBTU ہو گئی ہیں)۔ فرہٹ چارج وغیرہ نے مینوفیکچرنگ کی لاگت میں تیزی سے اضافہ کیا ہے۔ یہ ایک ایسے وقت میں ہو رہا ہے جب مغربی ممالک میں صارفین کی ڈسپوزیبل آمدنی کے نقصان کی وجہ سے ٹیکسٹائل ایشیا کی مانگ میں کمی آ رہی ہے (ایئر سی، کرایے، اور کھانے کی قیمتوں میں زیادہ افراط زر کے نتیجے میں)۔ ٹیکسٹائل کمپنیوں کے لیے مینوفیکچرنگ کی بڑھتی ہوئی لاگت سے نمٹنا مشکل ہو گیا ہے۔

آپ کی کمیٹی کو ای طرح کی سرمدہری کا سامنا ہے۔ نتیجے کے طور پر انتظامیہ کو توقع ہے کہ آگے بڑھتے ہوئے منافع اور مارجن کم ہو جائے گے۔

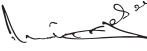
انتظامیہ اور لیبر طبقہ میں تعلقات

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)

تاریخ: 29 اپریل 2022


عامر نسیم شیخ
(ڈائریکٹر)



Fazal Cloth Mills Limited

Nine Months Ended March 31, 2022



Fazal Cloth Mills Limited
Condensed Interim Financial Information (Un-audited)
For the nine months ended 31 March 2022



Condensed Interim Statement of Financial Position

	<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Audited)</i> 30 June 2021 Rupees
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
Capital reserves		
- Others capital reserves	2,338,796,643	1,144,019,215
- Revaluation surplus on property, plant and equipment	17,472,162,798	18,009,492,456
Unappropriated profits - revenue reserve	20,487,138,813	15,243,771,588
	40,598,098,254	34,697,283,259
<u>Non-current liabilities</u>		
Long term financing - <i>secured</i>	12,686,124,951	10,824,513,728
Long term musharika - <i>secured</i>	1,891,666,669	1,864,061,320
Lease liability - <i>unsecured</i>	73,675,466	72,906,099
Long term payable - <i>GIDC</i>	238,796,022	304,498,376
Deferred liabilities:		
- <i>Employee retirement benefits</i>	290,218,999	288,700,623
- <i>Deferred taxation</i>	4,200,861,981	4,356,792,163
- <i>Deferred grant</i>	-	5,659,415
	19,381,344,088	17,717,131,724
<u>Current liabilities</u>		
Trade and other payables	8,181,414,536	4,569,974,235
Contract liabilities	176,225,289	150,711,419
Current portion of non-current liabilities	3,347,929,381	3,663,834,315
Short term borrowings - <i>secured</i>	18,454,298,175	6,007,110,905
Accrued mark-up	588,609,949	299,113,187
Unclaimed dividend	21,448,626	18,946,571
	30,769,925,956	14,709,690,632
Contingencies and commitments	10	
	90,749,368,298	67,124,105,615

The annexed notes from 1 to 24 form an integral part of these financial information.


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR



As at 31 March 2022

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>31 March</i>	<i>30 June</i>
		<i>2022</i>	<i>2021</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<u>Non-current assets</u>			
Property, plant and equipment	11	40,733,480,117	38,416,208,361
Long term investments	12	7,259,960,589	2,567,978,856
Long term loans and advances	13	497,743,767	3,361,379,821
Long term advances - against purchase of shares	14	244,984,680	-
Long term deposits		24,128,493	24,128,493
		48,760,297,646	44,369,695,531
<u>Current assets</u>			
Stores, spares and loose tools		965,507,479	850,372,683
Stock-in-trade		26,286,676,107	15,470,402,276
Trade debts	15	10,786,510,734	4,737,549,612
Loans and advances		392,611,306	225,972,661
Deposits, prepayments and other receivables		433,170,462	120,424,898
Mark-up accrued		4,503,650	-
Short term investment	16	255,510,000	175,950,000
Tax refunds due from the Government - net		2,646,367,289	1,017,878,311
Cash and bank balances	17	218,213,625	155,859,643
		41,989,070,652	22,754,410,084
		90,749,368,298	67,124,105,615


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



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

For the nine months and quarter ended 31 March 2022

	Note	Nine months ended		Quarter ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		Rupees	Rupees	Rupees	Rupees
Sales - net	18	47,608,569,793	38,179,070,579	18,907,618,897	12,622,878,892
Cost of sales	19	(39,653,953,709)	(32,968,505,114)	(16,180,039,436)	(10,453,951,789)
Gross profit		7,954,616,084	5,210,565,465	2,727,579,461	2,168,927,103
Selling and distribution expenses		(342,273,189)	(264,761,152)	(121,343,921)	(65,876,943)
Administrative expenses		(351,594,872)	(293,162,712)	(122,484,975)	(100,818,532)
Other expenses		(565,486,346)	(276,890,401)	4,835,037	(143,946,736)
		(1,259,354,407)	(834,814,265)	(238,993,859)	(310,642,211)
Other income		602,052,649	664,837,528	373,800,111	(13,141,300)
Profit from operations		7,297,314,326	5,040,588,728	2,862,385,713	1,845,143,592
Share of loss from associates		-	(43,293,867)	-	-
Finance cost		(1,863,806,619)	(1,311,212,495)	(785,860,882)	(455,297,337)
Profit before taxation		5,433,507,707	3,686,082,366	2,076,524,831	1,389,846,255
Taxation		(586,701,023)	(603,330,278)	(368,845,716)	(130,585,654)
Profit after taxation		4,846,806,684	3,082,752,088	1,707,679,115	1,259,260,601
Earnings per share - basic and diluted		161.56	102.76	56.92	41.98

The annexed notes from 1 to 24 form an integral part of these financial information.


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months and quarter ended 31 March 2022

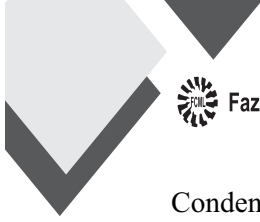
	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March</u> <u>2022</u> <u>Rupees</u>	<u>31 March</u> <u>2021</u> <u>Rupees</u>	<u>31 March</u> <u>2022</u> <u>Rupees</u>	<u>31 March</u> <u>2021</u> <u>Rupees</u>
Profit after taxation	4,846,806,684	3,082,752,088	1,707,679,115	1,259,260,601
<u>Other comprehensive income - net of tax</u>				
<i>Items that will never be reclassified to statement of profit or loss:</i>				
Revaluation surplus on property, plant and equipment	-	10,558,450,056	-	10,558,450,056
Related deferred tax liability on revaluation surplus on property, plant and equipment	-	(1,472,571,231)	-	(1,472,571,231)
	-	9,085,878,825	-	9,085,878,825
Net change in fair value of financial assets at FVOCI	1,194,777,428	166,934,182	668,124,616	17,638,329
Total comprehensive income for the period	6,041,584,112	12,335,565,095	2,375,803,731	10,362,777,755

The annexed notes from 1 to 24 form an integral part of these financial information.


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Changes in Equity (Un-Audited)
For the nine months ended 31 March 2022

	Capital reserves				Revenue reserve		Total
	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	
	Rupees						
Balance as at 30 June 2020	300,000,000	77,616,000	175,000,000	927,362,846	9,243,287,786	9,956,439,891	20,679,706,523
Total comprehensive income for the period:							
Profit for nine months ended 31 March 2021	-	-	-	-	-	3,082,752,088	3,082,752,088
Other comprehensive income for nine months ended 31 March 2021	-	-	-	166,934,182	9,085,878,825	-	9,252,813,007
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	-	-	(289,644,070)	289,644,070	-
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(5,100,368)	5,100,368	-
Effect on deferred tax due to change in proration rate	-	-	-	-	(90,063,032)	-	(90,063,032)
Balance as at 31 March 2021	300,000,000	77,616,000	175,000,000	1,094,297,028	17,944,359,141	13,333,936,417	32,925,208,586
Total comprehensive income for the period:							
Profit for three months ended 30 June 2021	-	-	-	-	-	2,349,004,621	2,349,004,621
Other comprehensive (loss) income for three months ended 30 June 2021	-	-	-	(202,893,813)	112,417,581	4,978,807	(85,497,425)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	-	-	(154,733,581)	154,733,581	-
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(1,118,162)	1,118,162	-
Effect on deferred tax due to change in proration rate	-	-	-	-	108,567,477	-	108,567,477
Transactions with the owners of the Company:							
Interim cash dividend @ Rs. 20 per ordinary share for the nine months period ended 31 March 2021	-	-	-	-	-	(600,000,000)	(600,000,000)
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 for the period:							
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 - net of tax	-	-	-	-	(436,663,923)	436,663,923	-
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(259,896,618)	259,896,618	-
Effect on deferred tax due to change in proration rate	-	-	-	-	159,230,883	-	159,230,883
Transactions with the owners of the Company:							
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

The annexed notes from 1 to 24 form an integral part of these financial information.


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER




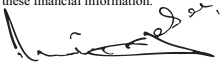
Condensed Interim Statement of Cash Flows (Un-Audited)

For the nine months ended 31 March 2021

	<i>Nine months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>
	<i>Rupees</i>	<i>Rupees</i>
<u>Cash flows from operating activities</u>		
Profit before taxation	5,433,507,707	3,686,082,366
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	1,223,814,123	1,023,483,618
Unrealized gain on re-measurement of short term investment	(79,560,000)	(16,218,000)
Provision for doubtful debts	6,301,112	(9,119,536)
Fair value gain on long term investment	-	(345,866,354)
Loss (gain) on discounting of GIDC	16,029,190	(78,342,942)
Provision for gratuity	114,965,289	105,238,398
Provision for infrastructure cess	242,527,051	88,353,782
Provision for workers' profit participation fund	288,226,136	198,853,121
Provision for workers' welfare fund	49,190,944	48,833,072
Loss on disposal of property, plant and equipment	24,272,728	10,130,659
Share of loss from associates	-	43,293,867
Present value adjustment on long term loans - net of unwinding	18,440,329	-
Dividend income	(241,899,109)	-
Finance income	(242,110,948)	(138,535,120)
Finance cost	1,863,806,619	1,311,212,495
Cash generated from operations before working capital changes	8,717,511,171	5,927,399,426
<u>Effect on cash flows due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(115,134,796)	(189,083,868)
Stock-in-trade	(10,816,273,831)	(2,719,978,317)
Trade debts	(6,055,262,234)	(1,085,018,048)
Loans and advances	(166,638,645)	10,824,264
Deposits, prepayments and other receivables	(70,846,455)	353,118,895
	(17,224,155,961)	(3,630,137,074)
<i>Increase in current liabilities:</i>		
Trade and other payables	2,975,278,496	638,874,520
Cash (used in) / generated from operations	(5,531,366,294)	2,936,136,872
Gratuity paid to employees	(113,446,913)	(101,866,055)
Taxes paid - net	(2,211,889,295)	(501,259,691)
Net cash (used in) / generated from operating activities	(7,856,702,502)	2,333,011,126
<u>Cash flows from investing activities</u>		
Fixed capital expenditure	(4,031,980,987)	(760,987,812)
Proceeds from sale of property, plant and equipment	466,622,380	10,642,255
Long term investments	(155,127,195)	-
Long term loan and advances	(259,274,090)	(578,799,000)
Long term advances - against purchase of shares	(244,984,680)	-
Net cash used in investing activities	(4,224,744,572)	(1,329,144,557)
<u>Cash flows from financing activities</u>		
Long term financing obtained	3,859,515,654	2,179,550,343
Long term financing repaid	(2,324,669,562)	(262,765,442)
Long term musharika obtained	500,000,000	-
Long term musharika repaid	(467,193,871)	-
Short term borrowings - net	12,447,187,270	(1,387,162,290)
Lease rentals paid	(7,247,295)	(6,588,450)
Finance cost paid - net	(1,566,293,195)	(1,472,188,401)
Dividend paid	(297,497,945)	-
Net cash generated from / (used in) financing activities	12,143,801,056	(949,154,240)
Net increase in cash and cash equivalents	62,353,982	54,712,329
Cash and cash equivalents at beginning of the period	155,859,643	298,849,020
Cash and cash equivalents at end of the period	218,213,625	353,561,349

The annexed notes from 1 to 24 form an integral part of these financial information.


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



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

For the nine months ended 31 March 2022

1 Legal status and nature of business

1.1 Fazal Cloth Mills Limited ("the Company") was incorporated in Pakistan in 1966 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). 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 warehouses 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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by 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 statements comprises the condensed interim statement of financial position of the Company as at 31 March 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 These condensed interim financial statements do 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 2021.
- 2.2.3 Comparative statement of financial position's numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2021, whereas comparative profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the nine months and three months period ended 31 March 2021.



2.2.4 These condensed interim financial statements are 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 statements 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 statements are the same as those that were applied to the annual financial statements of the Company for the year ended 30 June 2021.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statement are same as those applied in the preparation of the annual financial statements for the year ended 30 June 2021.

4.1.1 There were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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

- | | |
|--|-------------------------|
| - 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 |
| - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) | 01 January 2023 |
| - 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) 31 March 2022	(Audited) 30 June 2021
	Rupees	Rupees
Note		
3.1	13,730,468,143	12,392,810,608
	3,859,515,654	2,386,340,693
	(2,324,669,562)	(1,048,683,158)
	15,265,314,235	13,730,468,143
	(11,257,020)	(38,761,145)
	15,254,057,215	13,691,706,998
9	(2,567,932,264)	(2,867,193,270)
	12,686,124,951	10,824,513,728

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 from conventional banks:

Lender	Amount -- Rupees --	Rate of mark up per Annum	Security
Askari Bank Limited			
- Term finance under SBP's LITF Scheme	376,685,580	SBP rate + 1.00% (fixed rate)	1st joint pari passu charge/ mortgage of Rs. 1,972 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Allied Bank Limited			
- Term finance under SBP's Renewable Energy Scheme	17,006,984	SBP rate + 0.75% (fixed rate)	1st joint pari passu charge/ mortgage of Rs. 4,720 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Bank Al Habib Limited			
- Term finance under SBP's LITF scheme	204,184,000	SBP rate + 2.00% (fixed rate)	1st joint pari passu charge/ mortgage of Rs. 1,134 million on all present and future fixed assets of the Company, Rs. 467 million ranking charge on fixed assets which will be upgraded to 1st joint pari passu charge within deferral time period.
The Bank of Khyber			
- Demand Finance under SBP's LITF scheme	500,000,000	SBP rate + 1.50% (fixed rate)	1st joint pari passu charge/ mortgage of Rs. 1,231 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
The Bank of Punjab			
- Term finance under SBP's LITF Scheme	124,908,360	SBP rate + 1.75% (fixed rate)	1st joint pari passu charge/ mortgage of Rs. 4,154 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Term finance	459,069,938	6 months KIBOR + 1.75%	
National Bank of Pakistan			
- Demand finance - X under SBP's LITF Scheme	779,626,000	SBP rate + 0.80% (fixed rate)	1st joint pari passu charge/ mortgage of Rs. 3,577 million on all present and future fixed assets of the Company, Rs. 1,717 million ranking charge on fixed assets which will be upgraded to 1st joint pari passu charge within deferral time period and personal guarantees of the sponsoring directors of the Company.
- Demand finance - XI	160,000,000	6 months KIBOR + 1.00%	



Lender	Amount -- Rupees --	Rate of mark up per Annum	Security
Saudi Pak Industrial & Agricultural Investment Co. Ltd			
- Term finance /LTFF	500,000,000	6 months KIBOR + 2.25%	1st joint pari passu charge/ mortgage of Rs. 1,067.00 million on all present and future fixed assets of the Company.
Habib Metropolitan Bank Ltd			
- Term finance	700,000,000	6 months KIBOR + 1.00%	1st joint pari passu charge/ mortgage of Rs. 934.00 million on all present and future fixed assets of the Company.
Bank Alfalah Limited			
- Term finance under SBP's Renewable Energy Scheme	38,034,792	SBP rate + 1.50% (fixed rate)	1st joint pari passu charge/ mortgage of Rs. 466.670 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Ranking charge will be upgraded to JPP charge within deferral time period.
	3,859,515,654		

6 Long term musharika - secured

	(Un-audited) 31 March 2022 Rupees	(Audited) 30 June 2021 Rupees
Opening balance	2,627,600,637	2,897,859,415
Loan obtained during the period / year	500,000,000	
Repayments made during the period / year	(467,193,871)	(270,258,778)
Closing balance	2,660,406,766	2,627,600,637
Less: current portion grouped under current liabilities	9	(763,539,317)
	1,891,606,069	1,864,061,320

6.1 - Profit bearing finances availed during the period from Islamic bank:

Lender	Amount -- Rupees --	Rate of profit per annum	Security
Dubai Islamic Bank Pakistan Ltd			
- Diminishing Musharika	500,000,000	3 months KIBOR + 1.50%	1st joint pari passu charge/ mortgage of Rs.1,567 million and ranking charge of Rs. 667 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company. Ranking charge will be upgraded to JPP charge within deferral time period.
	500,000,000		



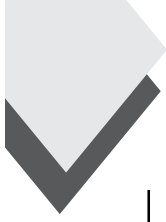
	<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Audited)</i> 30 June 2021 Rupees
7 Lease liability		
Opening Balance	72,906,099	71,173,118
Increase / (Decrease) during the period	769,367	1,732,981
Closing Balance	<u>73,675,466</u>	<u>72,906,099</u>
8 Trade and other payables		
Trade creditors	1,328,668,403	605,847,100
Accrued liabilities	1,789,441,842	1,219,964,812
Due to associated undertakings	1,484,165,903	523,589,177
Bills payable	2,317,549,611	1,081,640,184
Tax deducted at source	15,369,225	5,664,473
Infrastructure cess	927,835,413	685,308,362
Workers' profit participation fund	168,861,244	296,382,205
Workers' welfare fund	111,723,046	62,532,103
Loan from Director	299,693	299,693
Others	37,500,156	88,746,126
	<u>8,181,414,536</u>	<u>4,569,974,235</u>
8.1 Due to associated undertakings		
Ahmed Fine Textile Mills Limited	1,457,550,799	498,919,627
Hussain Gineries Limited	13,250,970	13,250,970
Fatima Energy Limited	8,331,081	7,550,000
Fazal-ur-Rehman Foundation	180,000	28,500
Fatima Fertilizer Company Limited	4,812,552	3,799,579
Pakarab Fertilizer Limited	40,501	40,501
	<u>1,484,165,903</u>	<u>523,589,177</u>
9 Current portion of non-current liabilities		
Long term financing - secured	2,567,932,264	2,867,193,270
Long term musharika - secured	768,740,097	763,539,317
Deferred grant	11,257,020	33,101,730
	<u>3,347,929,381</u>	<u>3,663,834,316</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 2021.		
10.1.2 Export documents negotiated with banks under Foreign Bill Purchase ("FBP") facility are USD 5.68 million (30 June 2021: USD 12.81 million and Euro 0.32 million).		
	<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Audited)</i> 30 June 2021 Rupees
10.2 Commitments		
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>1,660,195,934</u>	<u>1,235,938,854</u>
10.2.2 Commitments against irrevocable letters of credit:		
- capital expenditure	2,696,149,190	2,634,184,982
- raw material and stores and spares	7,780,376,083	5,132,411,591
	<u>10,476,525,273</u>	<u>7,766,596,573</u>



	<i>(Un-audited)</i> 31 March 2022 <i>Rupees</i>	<i>(Audited)</i> 30 June 2021 <i>Rupees</i>
10.2.3 Commitments in respect of foreign exchange forward contracts:	168,439,210	1,178,466,000
11 Property, plant and equipment		
Operating property, plant and equipment	11.1 39,136,701,348	38,055,135,210
Right of use of Asset	11.2 53,128,121	57,435,806
Capital work-in-progress	11.3 1,543,650,648	303,637,345
	40,733,480,117	38,416,208,361
11.1 Opening net book value	38,055,135,210	27,828,545,057
<i>Additions during the period / year:</i>		
Freehold land	74,557,400	4,726,400
Factory building on free hold land	114,258,113	196,519,907
Non-factory building on free hold land	10,551,122	65,197,945
Plant and machinery	2,502,157,874	760,200,491
Electric fittings and installations	58,480,545	21,883,509
Sui gas installations	839,030	3,683,276
Tools, laboratory equipment and arms	850,000	-
Fire extinguishing equipments and scales	84,500	1,952,212
Office equipment	6,460,753	13,585,536
Furniture and fixtures	1,121,072	1,238,928
Vehicles	22,607,275	54,321,987
	2,791,967,684	1,123,310,191
Addition on revaluation surplus	-	10,558,450,056
Carrying value of assets disposed off during the period / year	(490,895,108)	(24,911,143)
Depreciation charge for the period / year	(1,219,506,438)	(1,430,258,951)
Closing net book value	39,136,701,348	38,055,135,210
11.2 Right of use Asset		
Balance as at 01 July	57,435,806	63,179,387
Depreciation charge for the period / year	(4,307,685)	(5,743,581)
Closing Balance	53,128,121	57,435,806
11.3 The detail of capital work-in-progress is as follows:		
Factory building on free hold land		
<i>Material and expenses</i>	109,474,399	392,110
<i>Advance payments</i>	30,131,173	16,022,971
	139,605,572	16,415,081
Non-factory building on free hold land		
<i>Material and expenses</i>	65,283,058	14,366,804
<i>Advance payments</i>	20,794,988	9,892,865
	86,078,046	24,259,669
Plant and machinery		
<i>Cost and expenses</i>	143,217,173	9,502,252
<i>Advance payments</i>	47,844,586	17,591,000
<i>Letters of credit</i>	911,018,933	150,605,607
	1,102,080,692	177,698,859



	<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Audited)</i> 30 June 2021 Rupees
Tools, laboratory equipment and arms <i>Cost and expenses</i>	385,600	385,600
Electric fittings and Installations - Advance payments <i>Cost and expenses</i>	97,944,364	16,100
<i>Advance payments</i>	23,407,819	36,718,627
Fire fighting equipment & weigh scales <i>Cost and expenses</i>	10,299,106	105,500
<i>Advance payments</i>	-	2,222,420
Office equipment - Advance payments	5,173,618	820,057
Furniture - Advance payments	195,703	1,746,133
Vehicles - Advance payments	78,480,128	43,249,299
	1,543,650,648	303,637,345
12 Long term investments		
<u>At fair value through OCI</u>		
Fatima Fertilizer Company Limited - <i>quoted</i>	12.1 2,630,000,794	1,811,078,391
Fatima Energy Limited - <i>unquoted</i>	12.2 4,367,551,108	720,195,000
Multan Real Estate (Private) Limited - <i>unquoted</i>	12.3 262,397,082	36,693,860
	7,259,948,984	2,567,967,251
<u>Associated companies - at equity method</u>		
Fatima Transmission Company Limited - <i>unquoted</i>	-	-
Fatima Electric Company Limited - <i>unquoted</i>	11,605	11,605
	12.4 11,605	11,605
	7,259,960,589	2,567,978,856



12.1 At fair value through OCI

	Shares		Market value		Market value per share		Percentage of holding	
	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021
Fatima Fertilizer Company Limited - quoted	62,994,031	62,994,031	2,630,000,794	1,811,078,391	41.75	28.75	3.00%	3.00%
Note	-----Rupees-----							

12.1.1 The investment in Fatima Fertilizer Company Limited (FFCL) has been designated as fair value through OCI under IFRS 9. FFCL is an associated undertaking of the Company as per the Companies Act 2017, however, for the purpose of measurement it has been classified as investment at fair value through OCI. The Company does not have significant influence on FFCL.

12.2

	Shares		Fair value		Carrying value		Percentage of holding	
	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021
Fatima Energy Limited - related party	108,300,000	108,300,000	1,068,921,000	720,195,000	720,195,000	720,195,000	19.00%	19.00%
Fatima Energy Limited - ordinary shares unquoted	334,207,711	-	3,298,630,108	-	3,342,077,112	-	-	-
Fatima Energy Limited - preference shares unquoted	442,507,711	108,300,000	4,367,551,108	720,195,000	4,062,272,112	720,195,000	4,062,272,112	720,195,000
Note	-----Rupees-----							

12.2.1 During the period an advance of Rs. 3,342,07 million has been converted into 334,21 million preference shares. These preference shares are unlisted, non-voting, non-cumulative, participatory convertible and redeemable at the option of Fatima Energy Limited (FEL).

12.2.2 The investments in Fatima Energy Limited (FEL) has been designated at fair value through OCI under IFRS 9.

12.3 This represents 17.04% (30 June 2021; 9.96%) ordinary shares of Multan Real Estate (Private) Limited (MREPL), which is a dormant entity. The latest valuation was based on present market value of property of MREPL.

12.4 Associated companies with significant influence - at equity method

	Shares		Carrying value		Percentage of holding	
	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021
Fatima Transmission Company Limited - unquoted	5,520,000	5,520,000	-	-	24.00%	24.00%
Fatima Electric Company Limited - unquoted	7,000	7,000	11,605	11,605	20.00%	20.00%
Note	-----Rupees-----					
	5,527,000	5,527,000	11,605	11,605		

12.4.1 Fatima Transmission Company Limited (FTCL) was incorporated in Pakistan on December 26, 2014 as a public limited company under the Companies Act, 2017. The principal activity of FTCL includes operation and maintenance of transmission lines, electrical transmission facilities, electrical circuits, transformers and sub-stations and the movement & delivery of electric power.

12.4.2 Fatima Electric Company Limited (FECL) was incorporated in Pakistan on February 29, 2016 as a public limited company under the Companies Act, 2017. The principal activity of FECL is to carry on supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source.



		<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Audited)</i> 30 June 2021 Rupees
13 Long term loan and advances	<i>Note</i>		
Fatima Energy Limited - <i>related party</i>	13.1	329,787,234	3,249,360,788
Fatima Transmission Company Limited - <i>associate</i>		127,956,533	112,019,033
Pak Arab Energy Limited - <i>associate</i>		25,904,160	25,904,160
		483,647,927	3,387,283,981
Less: Loss allowance		<u>(25,904,160)</u>	<u>(25,904,160)</u>
		457,743,767	3,361,379,821
Long term advances - term finance certificates		40,000,000	-
		<u>497,743,767</u>	<u>3,361,379,821</u>
13.1 Fatima Energy Limited			
Gross amount			
Balance as at 01 July		3,138,740,522	2,497,908,522
Disbursement during the year		203,336,590	640,832,000
Total disbursements		3,342,077,112	3,138,740,522
Long term advance converted to preference shares	12.2.1	(3,342,077,112)	-
Markup accrued thereon - <i>interest free</i>		1,051,489,371	813,882,074
Closing balance		<u>1,051,489,371</u>	<u>3,952,622,596</u>
Impact of discounting			
Balance as at 01 July		(703,261,808)	(415,201,774)
Present value adjustment - <i>cost of investment</i>		-	(17,089,379)
Present value adjustment - <i>profit or loss</i>		(60,727,852)	(352,911,824)
Unwinding of discount		42,287,523	81,941,169
Closing balance		<u>(721,702,137)</u>	<u>(703,261,808)</u>
Closing Balance		<u>329,787,234</u>	<u>3,249,360,788</u>
14 Long term advances - against purchase of shares			
Imperial Textile Mills Ltd	14.1	<u>244,984,680</u>	<u>-</u>
14.1			
The Board of Directors in the meeting held on 30 September 2021 passed a resolution to purchase Imperial Textile Mills Limited (ITML) by acquiring 100% of the Company's equity. Purchase agreement between the shareholders of ITML and the Company was made on 30 September 2021. As per agreement, the Company is acquiring 100% shares against consideration amounting to Rs. 375 million. During the period, the Company has made advance payments of Rs. 244.98 million to ITML and its shareholders. The execution of purchase agreement and shares transfer is in progress at reporting date.			
		<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Audited)</i> 30 June 2021 Rupees
15 Trade debts	<i>Note</i>		
<i>Export debtors - secured against letters of credit:</i>			
Considered good		2,705,889,152	1,033,603,141
<i>Local debtors - unsecured</i>			
Related Parties - considered good	15.1	1,734,196,153	410,464,121
Others - considered good		6,346,425,429	3,293,482,350
Others - considered doubtful		30,788,446	24,559,349
		8,111,410,028	3,728,505,820
Provision for doubtful balances		<u>(30,788,446)</u>	<u>(24,559,349)</u>
		8,080,621,582	3,703,946,471
		<u>10,786,510,734</u>	<u>4,737,549,612</u>



(Un-audited) (Audited)
31 March 30 June
2022 2021
Rupees Rupees

15.1 These include due from following associated undertakings on account of trading activities.

Reliance Weaving Mills Limited	53,493,629	19,263,397
Fazal Rehman Fabrics Limited	1,680,702,524	391,200,724
	<u>1,734,196,153</u>	<u>410,464,121</u>

16 Short term investment

At fair value through statement of profit or loss

Investment in related party:

Fatima Fertilizer Company Limited - quoted

6,120,000 (30 June 2021 : 6,120,000) fully paid ordinary shares of Rs. 10 each having market value of Rs. 41.75 per share (30 June 2021 : Rs. 28.75 per share)

175,950,000 163,587,600

Unrealized fair value gain on re-measurement of investment

79,560,000 12,362,400

255,510,000 175,950,000

17 Cash and bank balances

Cash in hand

16,157,236 12,531,945

Cash at banks

- Current accounts

202,001,758 143,277,062

- Saving accounts

54,631 50,636

202,056,389 143,327,698

218,213,625 155,859,643

Note	Nine months ended		Quarter ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees

18 Sales - net

Gross sales

Local

31,793,006,849 32,982,994,533 12,096,947,339 10,624,172,223

Direct export

12,526,583,252 9,036,368,134 4,011,080,382 3,561,785,489

Indirect export

9,372,838,004 1,178,450,795 5,481,382,686 -

18.1

53,692,428,105 43,197,813,462 21,589,410,407 14,185,957,712

Sales tax

Local sales

(4,751,091,676) (4,894,602,661) (1,853,035,095) (1,536,681,498)

Indirect export

(1,236,842,688) - (796,440,220) -

(5,987,934,364) (4,894,602,661) (2,649,475,315) (1,536,681,498)

Sales return

(95,923,948) (124,140,222) (32,316,195) (26,397,322)

47,608,569,793 38,179,070,579 18,907,618,897 12,622,878,892

18.1 It includes sales made to direct exporters against Standard Purchase Order (SPOs) amounting to Rs. 7,688.90 million (31 March 2021: Rs. Nil) and Duty and Tax Remission for Exports ("DTRE") to a related party under S.R.O 185(I)/ 2001 dated 21 March 2001, amounting to Rs. 1,683.94 million (31 March 2021: Rs. 1,178.45 million).



19 Cost of sales

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Un-audited)</i> 31 March 2021 Rupees	<i>(Un-audited)</i> 31 March 2022 Rupees	<i>(Un-audited)</i> 31 March 2021 Rupees
Raw material consumed	30,658,905,462	22,538,655,181	11,261,169,779	7,976,362,014
Packing material consumed	535,839,533	407,665,655	196,955,028	144,714,717
Salaries, wages and benefits	2,376,623,144	1,914,184,241	889,000,574	648,164,225
Travelling and conveyance	11,962,548	14,407,649	4,716,920	3,562,946
Vehicle running and maintenance	17,018,696	13,759,135	6,950,743	3,378,190
Power and fuel	3,561,126,151	2,625,757,574	1,325,351,157	842,396,605
Stores and spares consumed	833,925,610	614,300,300	296,999,815	163,751,200
Processing charges	324,248,581	273,307,207	136,444,699	90,215,622
Freight charges-outward	779,487,539	308,093,905	345,157,386	125,138,121
Repair and maintenance	39,155,694	27,268,952	12,092,811	8,261,090
Insurance	83,458,768	69,004,471	30,944,708	23,456,679
Depreciation	1,185,151,799	987,558,648	412,833,631	391,761,930
Others	5,009,705	2,481,866	1,017,458	710,312
	40,411,913,230	29,796,444,784	14,919,634,709	10,421,873,651
<i>Work-in-process :</i>				
Opening balance	501,212,180	439,889,015	659,200,223	448,757,889
Closing balance	(741,926,925)	(439,878,038)	(741,926,925)	(439,878,038)
	(240,714,745)	10,977	(82,726,702)	8,879,851
Cost of goods manufactured	40,171,198,485	29,796,455,761	14,836,908,007	10,430,753,502
<i>Finished goods :</i>				
Opening balance	3,416,104,612	4,620,290,075	7,232,651,961	2,529,991,032
Finished goods purchased	2,754,322,091	1,504,266,005	845,376,966	625,196,902
Closing balance	(6,747,936,472)	(3,134,269,373)	(6,747,936,472)	(3,134,269,373)
	(577,509,769)	2,990,286,707	1,330,092,455	20,918,561
Cost of goods sold	39,593,688,716	32,786,742,468	16,167,000,462	10,451,672,063
Cost of raw material sold	60,264,993	181,762,646	13,038,974	2,279,726
	39,653,953,709	32,968,505,114	16,180,039,436	10,453,951,789



20 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 Company, 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	Total	Level 1	Level 2	Level 3	Total
As at 31 March 2022								
<i>Financial assets - measured at fair value</i>								
Short term investment	-	255,510,000	-	255,510,000	255,510,000	-	-	255,510,000
Long term investments	-	-	7,259,948,984	7,259,948,984	2,630,000,794	-	4,629,948,190	7,259,948,984
----- Rupees -----								
<i>Financial assets - not measured at fair value</i>								
Trade debts	10,786,510,734	-	-	10,786,510,734	-	-	-	-
Cash and bank balances	218,215,625	-	-	218,215,625	-	-	-	-
Long term deposits	24,128,493	-	-	24,128,493	-	-	-	-
Other receivables	433,170,462	-	-	433,170,462	-	-	-	-
Mark-up accrued	4,503,650	-	-	4,503,650	-	-	-	-
Long term loans and advances	742,728,447	-	-	742,728,447	-	-	-	-
	12,209,285,411	255,510,000	7,259,948,984	19,724,714,395	2,885,510,794	-	4,629,948,190	7,515,458,984
<i>Financial liabilities - not measured at fair value</i>								
Long term financing - secured	-	-	-	15,265,314,235	-	-	-	-
Long term musharka - secured	-	-	-	2,660,406,766	-	-	-	-
Long term payable - <i>GTDC</i>	-	-	-	238,796,022	-	-	-	-
Trade and other payables	-	-	-	6,920,125,452	-	-	-	-
Lease liability - <i>unsecured</i>	-	-	-	73,675,466	-	-	-	-
Unclaimed dividend	-	-	-	21,448,626	-	-	-	-
Short term borrowings - secured	-	-	-	18,454,298,175	-	-	-	-
Accrued mark-up	-	-	-	588,609,949	-	-	-	-
	-	-	-	44,222,674,691	-	-	-	-



	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 -							
Financial assets at amortised cost								
Short term investment	-	175,950,000	-	175,950,000	175,950,000	-	-	175,950,000
Long term investments	-	-	2,567,967,251	2,567,967,251	1,811,078,391	-	756,888,860	2,567,967,251
Financial assets - measured at amortized cost								
Trade debts	4,737,549,612	-	-	4,737,549,612	-	-	-	-
Cash and bank balances	155,859,643	-	-	155,859,643	-	-	-	-
Long term deposits	24,128,493	-	-	24,128,493	-	-	-	-
Other receivables	120,424,898	-	-	120,424,898	-	-	-	-
Mark-up accrued	-	-	-	-	-	-	-	-
Long term loans and advances	3,361,379,821	-	-	3,361,379,821	-	-	-	-
	8,399,342,467	175,950,000	2,567,967,251	11,143,259,718	1,987,028,391	-	756,888,860	2,743,917,251
Financial liabilities - not measured at fair value								
Long term financing - secured	-	-	13,730,468,142	13,730,468,142	-	-	-	-
Long term musharaka - secured	-	-	2,627,600,636	2,627,600,636	-	-	-	-
Long term payable - G/D/C	-	-	304,498,376	304,498,376	-	-	-	-
Trade and other payables	-	-	3,520,087,092	3,520,087,092	-	-	-	-
Lease liability - unsecured	-	-	72,906,099	72,906,099	-	-	-	-
Unclaimed dividend	-	-	18,946,571	18,946,571	-	-	-	-
Short term borrowings - secured	-	-	6,007,110,905	6,007,110,905	-	-	-	-
Accrued mark-up	-	-	299,113,187	299,113,187	-	-	-	-
	-	-	26,580,731,008	26,580,731,008	-	-	-	-



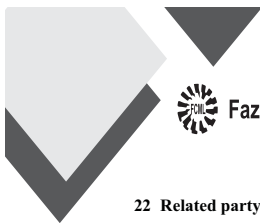
21 Segment information

21.1 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 2022	(Un-audited) 31 March 2021	(Un-audited) 31 March 2022	(Un-audited) 31 March 2021	(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
	----- Rupees -----					
External revenues	39,116,367,921	32,551,561,068	8,492,201,872	5,614,909,748	47,608,569,793	38,166,470,816
Intersegment revenues	5,381,973,887	3,031,294,458	27,810,367	12,599,763	5,409,784,254	3,043,894,221
Cost of sales	(37,197,995,910)	(30,826,859,335)	(2,455,957,799)	(2,129,046,016)	(39,653,953,709)	(32,955,905,351)
Intersegment cost of sales	(27,810,367)	(12,599,763)	(5,381,973,887)	(3,031,294,458)	(5,409,784,254)	(3,043,894,221)
Selling and distribution expenses	(256,399,814)	(207,631,071)	(85,873,375)	(57,130,081)	(342,273,189)	(264,761,152)
Administrative expenses	(310,628,911)	(258,189,392)	(40,965,961)	(34,973,320)	(351,594,872)	(293,162,712)
Other operating expense	(565,486,346)	(267,517,524)	-	(9,372,877)	(565,486,346)	(276,890,401)
Finance cost	(1,700,848,606)	(1,171,760,070)	(162,958,013)	(139,452,425)	(1,863,806,619)	(1,311,212,495)
Other operating income	571,973,725	660,001,452	30,078,924	4,836,076	602,052,649	664,837,528
Share of loss of associate	-	-	-	-	-	(43,293,867)
Profit before tax	5,011,145,579	3,498,299,823	422,362,128	2,31,076,410	5,433,507,707	3,686,082,366

21.1.1 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 2021.

**22 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>	<i>(Un-audited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>
	<i>Rupees</i>	<i>Rupees</i>
Associated Companies		
Purchase of goods and services	3,277,156,823	1,800,506,756
Sale of goods and services	5,849,532,515	3,683,425,098
Receipts against sale of goods and services - <i>net</i>	2,662,091,426	1,784,318,730
Reimbursable expenses	350,000	2,522,897
Long term advances	259,274,090	578,799,000
Interest accrued on long term advances to associates	242,110,948	128,920,163
Donations paid	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	-

23 Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors on 29 April 2022.

24 General

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


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(AMIR NASEEM SHEIKH)
DIRECTOR


(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



Investors' Education

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- بانڈ ٹریڈنگ
- رسک پروڈائل
- ٹیکنالوجی
- نیوز لیٹر سبسکرپشن

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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