

		<i>(Un-audited)</i> 31 March 2020 Rupees	<i>(Audited)</i> 30 June 2019 Rupees
13 Long term loan and advances	<i>Note</i>		
<u>Long term loan to subsidiary</u>			
Fazal Weaving Mills Limited	13.1	530,000,000	530,000,000
<u>Long term advances to associates</u>			
Pak Arab Energy Limited		25,904,160	25,904,160
Fatima Transmission Company Limited		72,427,033	38,811,585
Fatima Energy Limited		2,455,908,522	1,840,408,522
	13.2	2,554,239,715	1,905,124,267
		3,084,239,715	2,435,124,267

13.1 It represents loan disbursed to finance capital expenditure as well as the working capital needs thereof. It carries mark-up at weighted average borrowing cost of the Company.

13.2 Provisions of section 199 of the Companies Act, 2017 have been fully complied with in respect of advances to associated companies.

		<i>(Un-audited)</i> 31 March 2020 Rupees	<i>(Audited)</i> 30 June 2019 Rupees
14 Trade debts	<i>Note</i>		
<i>Export debtors - secured against letters of credit:</i>			
Considered good		1,212,763,460	2,266,901,086
<i>Local debtors - unsecured</i>			
Related Parties - considered good	14.1	593,522,668	271,224,138
Others - considered good		2,921,458,107	2,894,262,434
Others - considered doubtful		39,677,485	27,367,951
		3,554,658,260	3,192,854,523
Provision for doubtful balances		(39,677,485)	(27,367,951)
		3,514,980,775	3,165,486,572
		4,727,744,235	5,432,387,658

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

	<i>(Un-audited)</i> 31 March 2020 Rupees	<i>(Audited)</i> 30 June 2019 Rupees
Fazal Weaving Mills Limited	-	84,890,583
Reliance Weaving Mills Limited	3,514,219	814,194
Fazal Rehman Fabrics Limited	585,593,895	163,631,802
Ahmad Fine Textile Mills Limited	-	17,473,005
Fatimafert Limited	4,414,554	4,414,554
	593,522,668	271,224,138

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>31 March</i>	<i>30 June</i>
	<i>2020</i>	<i>2019</i>
	<i>Rupees</i>	<i>Rupees</i>
15 Short term investment		
<i><u>At fair value through statement of profit or loss</u></i>		
Investment in related party:		
Fatima Fertilizer Company Limited - quoted 6,120,000 (30 June 2019 : 6,120,000) fully paid ordinary shares of Rs. 10 each having market value of Rs. 26.59 per share (30 June 2019 : Rs. 29.85 per share)	182,682,000	198,288,000
Unrealized fair value loss on re-measurement of investment	<u>(51,591,600)</u>	<u>(15,606,000)</u>
	<u>131,090,400</u>	<u>182,682,000</u>
16 Cash and bank balances		
Cash in hand	36,032,477	17,947,352
<i>Cash at banks</i>		
- Current accounts	128,929,797	142,616,639
- Saving accounts	200,001,861	2,509
	<u>328,931,658</u>	<u>142,619,148</u>
	<u>364,964,135</u>	<u>160,566,500</u>

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
17 Sales - net				
<i>Gross sales</i>				
Local	18,477,358,351	19,978,452,666	6,601,740,931	7,267,916,787
Direct export	6,544,827,354	4,165,269,007	2,124,181,414	1,635,923,318
Indirect export	5,320,385,235	781,161,590	1,640,908,310	192,500,288
	30,342,570,940	24,924,883,263	10,366,830,655	9,096,340,393
<i>Sales tax</i>				
Local sales	(2,671,478,162)	(63,731,112)	(897,130,434)	(23,293,714)
Indirect export	(574,598,795)	-	(160,882,750)	-
	(3,246,076,957)	(63,731,112)	(1,058,013,184)	(23,293,714)
<i>Sales return</i>	(127,516,536)	(51,378,129)	(28,805,105)	(20,673,209)
	26,968,977,447	24,809,774,022	9,280,012,366	9,052,373,470

Note:

- 17.1 This represents sales made to direct exporters against Standard Purchase Order (SPOs) and Duty and Tax Remission for Export (DTRE) amounting to Rs. 3,380 million (31 March 2019: Nil) and Rs. 1,365.80 million (31 March 2019: 781.16 million) respectively.

18 Cost of sales

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Raw and packing materials consumed	17,602,427,351	16,182,790,547	5,677,551,364	5,544,103,249
Manufacturing costs	5,511,856,801	4,877,276,140	1,821,736,903	1,642,983,268
	23,114,284,152	21,060,066,687	7,499,288,267	7,187,086,517
Opening stock of work-in-process	358,479,339	315,152,028	398,621,852	348,378,277
Closing stock of work-in-process	(340,835,176)	(377,065,283)	(340,835,176)	(377,065,283)
Cost of goods manufactured	23,131,928,315	20,998,153,432	7,557,074,943	7,158,399,511
Opening stock of finished goods	1,714,623,220	1,757,373,131	3,556,837,889	2,792,255,908
Finished goods purchased	2,125,759,101	1,739,703,063	560,493,416	683,416,234
	26,972,310,636	24,495,229,626	11,674,406,248	10,634,071,653
Closing stock of finished goods	(3,534,117,134)	(2,634,580,456)	(3,534,117,134)	(2,634,580,456)
Cost of raw material sold	33,987,348	20,655,781	5,482,087	7,801,711
	23,472,180,850	21,881,304,951	8,145,771,201	8,007,292,908

19 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. in 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 recognized 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 or the carrying amount is a reasonable approximation of fair value.

As at 31 March 2020

Financial assets - measured at fair value

Financial assets - measured at fair value	Carrying amount		Fair value			
	Financial assets through Profit or Loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
Short term investments	182,682,000	-	182,682,000	182,682,000	-	-
Long term investments	-	1,379,713,791	1,379,713,791	1,349,332,144	-	30,381,647
Financial assets - not measured at fair value						
Trade debt	4,727,744,235	-	4,727,744,235	-	-	-
Bank balances	328,931,658	-	328,931,658	-	-	-
Long term deposits	24,128,402	-	24,128,402	-	-	-
Other receivables	45,799,517	-	45,799,517	-	-	-
Loan and advances	1,608,854,783	-	1,608,854,783	-	-	-
Mark-up accrued	600,753,740	-	600,753,740	-	-	-
Long term advances to associates	3,084,239,715	-	3,084,239,715	-	-	-
	10,420,452,141	182,682,000	11,982,847,932	1,532,014,144	-	30,381,647
						1,562,395,791

Financial liabilities - not measured at fair value

Financial liabilities - not measured at fair value	Carrying amount		Fair value			
	Financial assets through Profit or Loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
Long term financing - secured	-	-	8,933,469,213	-	-	-
Long term liabilities - secured	-	-	2,308,333,334	-	-	-
Current portion of non-current liabilities	-	-	2,638,012,278	-	-	-
Trade and other payables	-	-	4,646,322,248	-	-	-
Unclaimed dividend	-	-	14,203,064	-	-	-
Short term borrowings - secured	-	-	12,425,581,016	-	-	-
Accrued mark-up	-	-	544,682,960	-	-	-
			30,986,604,113	-	-	-

As at 30 June 2019

Financial assets - measured at fair value

Financial assets - measured at fair value	Carrying amount		Fair value			
	Financial assets through Profit or Loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
Short term investments	182,682,000	-	182,682,000	182,682,000	-	-
Long term investments	-	1,910,733,472	1,910,733,472	1,880,371,825	-	30,361,647
Financial assets - not measured at fair value						
Trade debt	5,432,387,658	-	5,432,387,658	-	-	-
Bank balances	142,619,148	-	142,619,148	-	-	-
Long term deposits	24,071,493	-	24,071,493	-	-	-
Other receivables	30,503,739	-	30,503,739	-	-	-
Loan and advances	484,090,787	-	484,090,787	-	-	-
Mark-up accrued	203,102,880	-	203,102,880	-	-	-
Long term advances to associates	2,435,124,267	-	2,435,124,267	-	-	-
	8,841,899,972	182,682,000	1,910,733,472	10,935,335,444	-	30,361,647
						2,092,415,472

Financial liabilities - not measured at fair value

Financial liabilities - not measured at fair value	Carrying amount		Fair value			
	Financial assets through Profit or Loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
Long term financing - secured	-	-	7,984,533,368	-	-	-
Long term liabilities - secured	-	-	1,685,416,667	-	-	-
Current portion of non-current liabilities	-	-	2,142,163,428	-	-	-
Trade and other payables	-	-	2,545,885,033	-	-	-
Unclaimed dividend	-	-	12,340,081	-	-	-
Short term borrowings - secured	-	-	9,910,552,807	-	-	-
Accrued mark-up	-	-	406,891,427	-	-	-
			24,687,782,811	-	-	-

20 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 2020 <i>Rupees</i>	<i>(Un-audited)</i> 31 March 2019 <i>Rupees</i>
Subsidiary Company		
Sale of goods and services	57,802,327	2,096,193,757
Purchase of goods and services	1,373,818,332	1,382,350,126
Payments against purchase of goods and services- <i>Net</i>	1,089,599,247	165,328,801
Interest income on subordinated loan	58,240,148	39,916,984
Payments against short term loan	961,492,155	-
Receipt against short term loan	-	42,564,295
Associated Companies		
Long term advances to associates	649,115,448	615,490,795
Purchase of goods and services	1,352,295,602	442,326,004
Sale of goods and services	2,711,124,940	1,817,392,860
Receipts against sale of goods and services- <i>Net</i>	1,433,673,702	1,312,866,844
Reimbursable expenses	-	1,000,000
Interest accrued on long term advances to associates	249,410,713	122,303,851

21 Date of authorization for issue

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on 30th April, 2020.

22 General

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

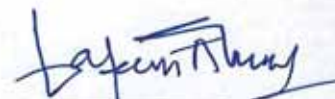
Lahore



Chief Financial Officer



Chief Executive Officer



Director

3

Fazal Cloth Mills Limited (The Group)
Condensed Interim Consolidated Financial Information (Un-audited)
For the nine months ended 31 March 2020


Fazal Cloth Mills Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 March 2020

	<i>(Un-audited)</i>		<i>(Audited)</i>	
	31 March 2020	30 June 2019	31 March 2019	30 June 2019
	Rupees		Rupees	
EQUITY AND LIABILITIES				
Share capital and reserves				
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	842,504,134	1,373,543,815		
- Revaluation surplus on property, plant and equipment	9,376,816,020	9,558,609,807		
Unappropriated profits - revenue reserve	10,752,888,568	10,516,841,450		
	21,272,208,722	21,748,995,072		
Non-current liabilities				
Long term financing - secured	9,482,365,202	8,755,286,862		
Long term musharka - secured	2,310,406,765	1,690,100,636		
Lease liability	76,568,417	-		
Deferred liabilities:				
- Staff retirement benefit	310,218,393	273,812,115		
- Deferred taxation	2,978,357,824	3,039,211,159		
	15,157,916,601	13,758,410,772		
Current liabilities				
Current portion of non-current liabilities	2,960,926,616	2,517,286,016		
Trade and other payables	4,494,512,268	3,786,286,553		
Unclaimed dividend	14,203,064	12,340,081		
Short term borrowings - secured	15,858,142,259	12,299,901,368		
Accrued mark-up	630,851,849	481,255,957		
	23,958,636,056	19,097,569,975		
Contingencies and commitments				
	10			
	<u>60,388,761,379</u>	<u>54,604,975,819</u>		
ASSETS				
Non-current assets				
Property, plant and equipment	28,208,885,195	27,229,288,197		
Long term investments	2,467,166,939	3,177,998,048		
Long term advances to associates	2,554,239,715	1,905,124,267		
Long term deposits	24,128,493	24,071,493		
	33,354,430,342	32,336,482,005		
Current assets				
Stores, spares and loose tools	685,371,909	761,761,480		
Stock-in-trade	18,793,134,293	13,033,292,318		
Trade debts	5,455,570,677	6,132,305,095		
Loans and advances	183,790,606	92,746,164		
Deposits, prepayments and other receivables	361,920,805	374,669,526		
Mark-up accrued	510,740,602	261,329,890		
Short term investment	131,090,400	182,682,000		
Tax refunds due from the Government - net	568,721,951	1,230,231,303		
Cash and bank balances	443,999,794	199,476,038		
	27,134,341,037	22,268,493,814		
	<u>60,388,761,379</u>	<u>54,604,975,819</u>		

The annexed notes from 1 to 23 form an integral part of these consolidated financial information.

Lahore


Chief Financial Officer


Director


Chief Executive Officer

Fazal Cloth Mills Limited

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

For the Nine months and quarter ended 31 March 2020

	Note	Nine months ended		Quarter ended	
		31 March	31 March	31 March	31 March
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
Sales - net	17	31,150,297,866	28,389,215,214	10,915,839,623	10,328,926,020
Cost of sales	18	(27,125,563,895)	(24,919,022,585)	(9,654,035,097)	(9,113,698,955)
Gross profit		4,024,733,971	3,470,192,629	1,261,804,526	1,215,227,065
Selling and distribution expenses		(333,223,480)	(196,815,184)	(111,903,646)	(66,544,986)
Administrative expenses		(279,767,960)	(240,439,278)	(82,277,076)	(70,348,175)
Other expenses		(571,708,655)	(140,329,473)	(382,371,105)	(55,683,276)
		(1,184,700,095)	(577,583,934)	(576,551,827)	(192,576,436)
Other income		264,090,040	299,849,358	101,991,213	21,330,658
Profit from operations		3,104,123,917	3,192,458,053	787,243,912	1,043,981,287
Share of loss from associates		(179,791,428)	(22,113,114)	(59,930,476)	(7,371,038)
Finance cost		(2,215,258,220)	(1,657,867,214)	(754,347,876)	(701,544,756)
Profit before taxation		709,074,269	1,512,477,724	(27,034,440)	335,065,492
Taxation		(385,712,089)	(409,776,999)	(130,747,697)	(171,282,232)
Profit after taxation		323,362,180	1,102,700,725	(157,782,138)	163,783,260
Earnings per share - basic and diluted		10.78	36.76	(5.26)	5.46

The annexed notes from 1 to 23 form an integral part of these consolidated financial information.

Lahore


Chief Financial Officer


Director


Chief Executive Officer

Fazal Cloth Mills Limited

Condensed Interim Consolidated Statement of Comprehensive Income (Un-Audited)

For the Nine months and quarter ended 31 March 2020

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March</u> <u>2020</u> <u>Rupees</u>	<u>31 March</u> <u>2019</u> <u>Rupees</u>	<u>31 March</u> <u>2020</u> <u>Rupees</u>	<u>31 March</u> <u>2019</u> <u>Rupees</u>
Profit after taxation	323,362,180	1,102,700,725	(157,782,138)	163,783,260
<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	(531,039,681)	61,734,151	(325,679,140)	(194,651,556)
Total comprehensive income (Loss) for the period	<u>(207,677,501)</u>	<u>1,164,434,876</u>	<u>(483,461,278)</u>	<u>(30,868,296)</u>

The annexed notes from 1 to 23 form an integral part of these consolidated financial information.

Lahore


Chief Financial Officer


Director


Chief Executive Officer

Fazal Cloth Mills Limited
Condensed Interim Consolidated Statement of Changes in Equity (Un-Audited)
For the Nine months ended 31 March 2020

	Capital reserves				Revenue reserve		
	Share capital	Share premium	Capital redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Un-appropriated profits	Total
	Rupees						
Balance as at 30 June 2018	300,000,000	77,616,000	175,000,000	1,272,824,947	10,139,599,548	8,818,046,544	20,783,087,039
<i>Total comprehensive income for the period:</i>							
Profit for nine months ended 31 March 2019	-	-	-	-	-	1,102,700,725	1,102,700,725
Other comprehensive (loss)/ income for nine months ended 31 March 2019	-	-	-	61,734,151	-	-	61,734,151
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	-	61,734,151	-	1,102,700,725	1,164,434,876
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(242,498,838)	242,498,838	-
	-	-	-	-	(16,261,586)	16,261,586	-
<i>Transactions with the owners of the Group:</i>							
Cash dividend @ Rs. 8.50 per ordinary share for the year ended 30 June 2018	-	-	-	-	-	(255,000,000)	(255,000,000)
Balance as at 31 March 2019	300,000,000	77,616,000	175,000,000	1,334,559,098	9,880,839,124	9,924,507,693	21,692,521,915
<i>Total comprehensive income for the period:</i>							
Profit for three months ended 30 June 2019	-	-	-	-	-	485,138,890	485,138,890
Other comprehensive (loss)/ income for three months ended 30 June 2019	-	-	-	(213,631,283)	-	24,240,153	(189,391,130)
Effect on deferred tax due to change in tax rate and proration rate	-	-	-	(213,631,283)	-	509,379,043	295,747,760
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	-	-	(239,274,603)	-	(239,274,603)
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(81,015,320)	81,015,320	-
	-	-	-	-	(1,939,394)	1,939,394	-
Balance as at 30 June 2019	300,000,000	77,616,000	175,000,000	1,120,927,815	9,558,609,807	10,516,841,450	21,748,995,072
<i>Total comprehensive income for the period:</i>							
Profit for nine months ended 31 March 2020	-	-	-	-	-	323,362,180	323,362,180
Other comprehensive (loss)/ income for nine months ended 31 March 2020	-	-	-	(531,039,681)	-	-	(531,039,681)
Effect on deferred tax due to change in tax rate and proration rate	-	-	-	(531,039,681)	-	323,362,180	(207,677,501)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	-	-	45,891,151	-	45,891,151
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(222,405,703)	222,405,703	-
	-	-	-	-	(5,279,235)	5,279,235	-
<i>Transactions with the owners of the Group:</i>							
Cash dividend @ Rs. 10.50 per ordinary share for the year ended 30 June 2019	-	-	-	-	-	(315,000,000)	(315,000,000)
Balance as at 31 March 2020	300,000,000	77,616,000	175,000,000	589,888,134	9,376,816,020	10,752,888,568	21,272,208,722

The annexed notes from 1 to 23 form an integral part of these consolidated financial information.

Labore
Chief Financial Officer

Director

Chief Executive Officer

Fazal Cloth Mills Limited

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

For the Nine months ended 31 March 2020

	<u>Nine months ended</u>	
	<u>31 March</u>	<u>31 March</u>
	<u>2020</u>	<u>2019</u>
	<u>Rupees</u>	<u>Rupees</u>
<u>Cash flows from operating activities</u>		
Profit before taxation	709,074,269	1,512,477,724
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	918,666,977	855,347,789
Amortization on intangible assets	-	-
Unrealized loss/(gain) on re-measurement of short term investments	51,591,600	(5,997,600)
Provision for doubtful debts	12,309,534	9,951,552
Provision for gratuity	120,763,156	96,565,285
Provision for infrastructure cess	109,718,316	45,057,983
Provision for workers' profit participation fund	47,634,184	81,609,429
Provision for workers' welfare fund	7,148,135	16,368,469
Loss / (Gain) on disposal of property, plant and equipment	11,104,124	21,493,741
Share of loss from associates	179,791,428	22,113,114
Finance cost	2,215,258,220	1,657,867,214
Cash generated from operations before working capital changes	4,383,059,943	4,312,854,701
<u>Effect on cash flows due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	76,389,571	(72,002,298)
Stock-in-trade	(5,759,841,975)	(4,985,341,914)
Trade debts	664,424,884	627,610,865
Loans and advances	(91,044,442)	(1,174,241)
Deposits, prepayments and other receivables	12,748,721	78,298,260
	(5,097,323,241)	(4,352,609,329)
<i>Increase in current liabilities:</i>		
Trade and other payables	543,725,080	(193,327,304)
Cash generated from / (used in) operations	(170,538,218)	(233,081,932)
Gratuity paid to employees	(84,356,878)	(84,061,707)
Taxes paid - net	260,835,075	(303,344,358)
Net cash generated from / (used in) operating activities	5,939,979	(620,487,997)
<u>Cash flows from investing activities</u>		
Fixed capital expenditure	(1,843,673,429)	(2,272,774,269)
Proceeds from sale of property, plant and equipment	3,228,300	9,249,680
Long term loan and advances to associates	(649,115,448)	(615,490,795)
Long term deposits	(57,000)	(41,000)
Net cash used in investing activities	(2,489,617,577)	(2,879,056,384)
<u>Cash flows from financing activities</u>		
Long term financing obtained	2,483,574,241	2,459,511,891
Long term financing repaid	(1,422,938,634)	(1,361,013,200)
Long term musharika obtained	1,000,000,000	1,100,000,000
Long term musharika repaid	(270,110,538)	(270,110,538)
Short term borrowings - net	3,558,240,891	3,463,641,441
Finance cost paid - net	(2,307,427,590)	(1,502,392,058)
Dividend paid	(313,137,017)	(251,442,040)
Net cash generated from financing activities	2,728,201,354	3,638,195,496
Net increase in cash and cash equivalents	244,523,756	138,651,115
Cash and cash equivalents at beginning of the period	199,476,038	134,297,492
Cash and cash equivalents at end of the period	443,999,794	272,948,607

The annexed notes from 1 to 23 form an integral part of these consolidated financial information.


 Lahore Chief Financial Officer


 Director


 Chief Executive Officer

Fazal Cloth Mills Limited

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

For the nine months ended 31 March 2020

1 Reporting entity

The Group comprises of

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

Associates

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

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

2 Basis of preparation

2.1 Statement of Compliance

These condensed interim consolidated 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 consolidated financial information comprises the condensed interim consolidated statement of financial position of the Group as at 31 March 2020 and the related condensed interim consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof.
- 2.2.2 This condensed interim consolidated financial information does not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2019.

- 2.2.3 Comparitive consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2019, whereas comparative condensed interim consolidated statement of profit or loss , condensed interim consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Group for the nine months period ended 31 March 2019.

3 Estimates and judgments

- 3.1 The preparation of condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- 3.2 Estimates and judgments made by the management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the consolidated annual financial statements of the Group for the year ended 30 June 2019.

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 consolidated financial information are same as those applied in the preparation of the consolidated annual financial statements for the year ended 30 June 2019 except for the adoption of new standards effective from 01 July 2019 as stated below:

4.1.1 Changes in significant accounting policies

The Group has adopted IFRS 16 'Leases' from 01 July 2019 which is effective from the annual period beginning on or after 01 January 2019.

The details of new significant accounting policies adopted and the nature and effect of the changes from previous accounting policies are set out below:

IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. As a result, the Group, as a lessee, has recognized right of use of assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right of use assets and lease liabilities for material leases i.e. these leases are on balance sheet.

The Group presents right-of-use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns.

The Group has presented non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

Significant accounting policies

The Group recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. Right of use asset is

disclosed in the property, plant and equipment as referred to in 10.2 of these condensed interim consolidated financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group has used its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement. Refer note 7 to these condensed interim consolidated financial statements for disclosure of lease liability.

The Group has elected not to recognize right of use assets and liabilities for some leases of low value assets (Hussain Gineries). The Group recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

the Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or term in ate the lease.

Impact of financial statements

The Group has applied IFRS 16 using the modified retrospective approach. On transition to IFRS 16, the Group recognized additional Rs. 68.92 million right of use asset and Rs. 68.92 million of lease liability. When measuring lease liability, the Group discounted lease payments using its incremental borrowing rate applicable at the time of initial application of the standard. However, there is a particular lease prior to 01 July 2019 that has not been considered as significant for the purpose of application of IFRS 16 and accordingly applied low value exception as available in IFRS 16.

The result of initial application of IFRS 16 has been disclosed in note 10.2 and note 7 to these condensed interim consolidated financial statements.

Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the nine months ended 31 March 2020, the Group recognised Rs. 4.31 million of depreciation charge and Rs. 7.65 million of interest cost from this lease.

- 4.1.2** Other than those disclosed above in note 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 Group's operations and are, therefore, not disclosed.

5 Long term financing - secured

Opening balance
Loan obtained during the period / year
Repayments made during the period / year
Closing balance

Less: current portion grouped under current liabilities

	(Un-audited) 31 March 2020	(Audited) 30 June 2019
	None	None
	Rupees	Rupees
	10,794,116,895	10,019,402,226
5/1	2,483,574,241	2,608,778,945
	(1,422,938,634)	(1,834,064,276)
	11,854,752,502	10,794,116,895
	(2,372,387,300)	(2,038,830,033)
	9,482,365,202	8,755,286,862

5.1 - Markup bearing finances availed during the period from conventional banks:

Lender	Amount	Rate of Mark-Up Per Annum	Number of Instalments	Security
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-- Rupees --

National Bank of Pakistan
Demand finance under SBP's LTF Scheme

783,186,920	SBP rate + 0.60%	Principal amount is payable in thirty six equal quarterly instalments beginning on July 08, 2020.	1st joint pari passu charge / mortgage of Rs. 1,626 million on all present and future fixed assets of the Holding Company and personal guarantees of the sponsoring directors of the Holding Company.
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Allied Bank Limited
Term finance / LTFF

149,899,605	6 Months KIBOR + 0.75%	Principal amount is payable in sixteen equal half yearly instalments beginning on September 27, 2021.	1st joint pari passu charge / mortgage of Rs. 3,227 million on all present and future fixed assets of the Holding Company and personal guarantees of one director of the Holding Company.
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Term loan under SBP's LTFF

315,590,846	SBP rate + 0.75%	Principal amount is payable in sixteen equal half yearly instalments beginning on September 27, 2021.	1st joint pari passu charge / mortgage of Rs. 3,227 million on all present and future fixed assets of the Holding Company and personal guarantees of one director of the Holding Company.
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Term finance / LTFF

23,580,689	SBP rate + 0.75%	Principal amount is payable in sixteen equal half yearly instalments beginning on September 27, 2021.	1st joint pari passu charge / mortgage of Rs. 3,227 million on all present and future fixed assets of the Holding Company and personal guarantees of one director of the Holding Company.
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The Bank of Punjab

Term finance / LTFF

165,630,600	6 Months KIBOR + 1.50%	Principal amount is payable in sixteen equal half yearly instalments beginning on June 27, 2022.	1st joint pari passu charge / mortgage of Rs. 2,940 million on all present and future fixed assets of the Holding Company and personal guarantees of two directors of the Holding Company.
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Term loan under SBP's LTFF

45,685,581	SBP Rate + 1.50%	Principal amount is payable in sixteen equal half yearly instalments beginning on June 27, 2022.	1st joint pari passu charge / mortgage of Rs. 667 million on all present and future fixed assets of the Holding Company.
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Bank Al Habbib Limited

Term finance

500,000,000	6 Months KIBOR + 1.00%	Principal amount is payable in ten equal half yearly instalments of principal beginning on July 17, 2020.	1st joint pari passu charge / mortgage of Rs. 667 million on all present and future fixed assets of the Holding Company.
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Pak Oman Investment Company Limited

Term finance

500,000,000	6 Months KIBOR + 2.00%	Principal amount is payable in ten equal half yearly instalments of principal beginning on June 09, 2021.	1st joint pari passu charge / mortgage of Rs. 1,183 million on all present and future fixed assets of the Company and Rs.667 million ranking charge over fixed assets which will be upgraded to pari passu within deferral time period.
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2,483,574,241

6 Long term musharika - secured

Opening balance
 Loan obtained during the period - year
 Repayments made during the period - year
 Closing balance

Less: current portion grouped under current liabilities

6.1 - profit bearing finances availed during the period from isthmie bank:

Lender	Amount	Rate of profit Per Annum	Number of Instalments	Security
-- R u p e e s --				
National Bank of Pakistan	500,000,000	6 Months KIBOR + 0.85%	Principal amount is payable in ten equal half yearly instalments beginning on Jan 02, 2021.	Ranking charge over plant & machinery of Rs. 667.00 million. This charge will be upgraded to 1st JPP charge with deferral period.
Dubai Islamic Bank Pakistan Ltd.	500,000,000	3 Months KIBOR + 1.50%	Principal amount is payable in twenty equal quarterly instalments beginning on March 06, 2021.	1st joint pari passu charge / mortgage of Rs. 1.736 million personal guarantees of few of sponsoring directors of the Holding Company.
Diminishing Musharika	1,000,000,000			

	(Un-audited)	(Audited)
	31 March	30 June
	2020	2019
Note	Rupees	Rupees

2,169,056,619	1,389,679,269
1,000,000,000	1,100,000,000
(270,110,538)	(320,622,650)
2,898,946,081	2,169,056,619
(588,539,316)	(478,955,983)
2,310,406,765	1,690,100,636

	(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 Rupees
7 Lease liability		
Opening Balance	-	-
Effect of initial application of IFRS-16	68,922,967	-
Increase / (Decrease) during the period	7,645,450	-
	76,568,417	-
Less: current portion grouped under current liabilities	-	-
Closing Balance	<u>76,568,417</u>	-
8 Current portion of non-current liabilities		
Long term financing - secured	2,372,387,300	2,038,830,033
Long term musharika - secured	588,539,316	478,955,983
	<i>8.1</i> <u>2,960,926,616</u>	<u>2,517,786,016</u>
8.1	"The Group has requested to its various financial institutions for availing deferment on its principal repayments of long term loans/SBP's LTF/Diminishing Musharika as recently announced by the State Bank of Pakistan through its various Circulars in order to provide relief to the borrowers to resolve their issue of squeezed liquidity resulting of the impact of Covid-19 pandemic". Approval from the financial institutions is expected shortly and accordingly entire current portion of these loans, as stated above, will be deferred and will not be falling due within next twelve months.	
9 Trade and other payables		
Trade creditors	453,361,407	740,705,618
Accrued liabilities	1,375,688,730	1,361,663,397
Contract liabilities	63,159,476	74,909,433
Due to associated undertakings	<i>9.1</i> 453,421,022	21,011,764
Bills payable	1,294,557,199	803,409,065
Tax deducted at source	6,263,701	2,292,813
Infrastructure cess	504,007,977	446,925,590
Workers' profit participation fund	121,115,967	133,481,782
Workers' welfare fund	43,970,185	36,822,050
Loan from Director	299,693	299,693
Sales tax payable	178,666,911	164,765,348
	<u>4,494,512,268</u>	<u>3,786,286,553</u>
9.1 Due to associated undertakings		
Almud Fine Textile Mills Limited	433,949,376	-
Hussain Gineries Limited	13,250,970	12,000,970
Fatima Energy Limited	-	757,694
Fazal Farm (Private) Limited	-	1,818,639
Fazal-ur-Rehman Foundation	-	213,785
Fatima Fertilizer Company Limited	6,180,175	6,180,175
Pakrab Fertilizer Limited	40,501	40,501
	<u>453,421,022</u>	<u>21,011,764</u>
# 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 June 30, 2019 except for the contingency disclosed in 15.1.8 in the annual consolidated financial statements, which has been disposed of by appellate order passed by CIR(A) in favour of the Holding Company dated 23 October 2019.	
10.1.2	Export documents negotiated with banks under Foreign Bill Purchase ("FBP") facility aggregating to USD 8.21 million and Euro 0.20 million (30 June 2019: USD 4.35 million).	
10.2 Commitments	(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 Rupees
10.2.1	Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Group, to various institutions and corporate bodies.	
- The Holding Company	<u>979,554,700</u>	<u>829,918,200</u>
- The Subsidiary Company	<u>78,006,000</u>	<u>78,347,615</u>
10.2.2	Commitments against irrevocable letters of credit:	
The Holding Company		
- capital expenditure	487,789,604	1,156,882,636
- raw material and stores and spares	<u>393,064,492</u>	<u>672,052,805</u>
	<u>880,854,096</u>	<u>1,828,935,441</u>
The Subsidiary Company		
- raw material and stores and spares	<u>179,673,437</u>	<u>132,683,692</u>
10.2.3	Commitments in respect of foreign exchange forward contracts:	
- The Holding Company	<u>1,139,122,593</u>	-
- The Subsidiary Company	<u>665,981,909</u>	-

		(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 Rupees
11 Property, plant and equipment			
Operating property, plant and equipment	11.1	27,456,063,538	26,743,990,836
Right of use Asset	11.2	64,615,282	-
Capital work-in-progress	11.3	688,206,375	485,297,361
		<u>28,208,885,195</u>	<u>27,229,288,197</u>
11.1 Opening net book value		26,743,990,836	25,382,180,278
<i>Additions during the period / year:</i>			
Freehold land		-	299,491
Factory building on free hold land		221,717,480	274,071,493
Non-factory building on free hold land		663,558	35,185,300
Non-factory building on lease hold land		-	3,324,073
Plant and machinery		1,363,047,929	2,113,575,467
Electric fittings and installations		28,862,945	108,973,085
Tools, laboratory equipment and arms		2,093,269	488,669
Fire extinguishing equipments and scales		227,500	2,091,884
Office equipment		8,970,635	4,338,144
Furniture and fixtures		335,974	2,843,863
Vehicles		14,845,128	27,839,095
		<u>1,640,764,418</u>	<u>2,573,030,564</u>
Carrying value of assets disposed off during the period / year		(14,332,423)	(52,502,811)
Depreciation charge for the period / year		(914,359,292)	(1,158,717,195)
Closing net book value		<u>27,456,063,538</u>	<u>26,743,990,836</u>
11.2 Right of use Asset			
Effect of initial application of IFRS-16		68,922,967	-
Depreciation charge for the period		(4,307,685)	-
Closing net book value		<u>64,615,282</u>	<u>-</u>
11.3 The detail of capital work-in-progress is as follows:			
<i>Factory building on free hold land</i>			
Material and expenses		46,280,345	106,641,634
Advance payments		16,497,243	34,211,429
		<u>62,777,588</u>	<u>140,853,063</u>
<i>Non-factory building on free hold land</i>			
Material and expenses		95,988,598	42,151,611
Advance payments		5,342,881	-
		<u>101,331,479</u>	<u>42,151,611</u>
<i>Plant and machinery</i>			
Cost and expenses		112,647,735	3,511,850
Advance payments		27,777,024	14,066,590
Letters of credit		304,803,392	257,521,850
		<u>445,228,151</u>	<u>275,100,290</u>
<i>Sui Gas Installation - Cost and expenses</i>		359,550	-
<i>Electric fittings and Installations - Cost and advance payments</i>		66,118,406	20,108,438
<i>Tools, laboratory equipment and arms -Cost and expenses</i>		701,653	385,600
<i>Fire Fighting Equipment & Weigh Scales - Cost and advance payments</i>		3,935,441	-
<i>Office equipment - Cost and expenses</i>		2,206,802	1,458,975
<i>Furniture and fixtures - Cost and expenses</i>		79,077	-
<i>Vehicles- Cost and advance payments</i>		5,468,228	5,239,384
		<u>688,206,375</u>	<u>485,297,361</u>

12 Long term investments

Investments in related parties:

At fair value through OCI

	(Un-audited)	(Audited)
	31 March	30 June
	2020	2019
Note	Rupees	Rupees

Fatima Fertilizer Company Limited - quoted
Muhlan Real Estate (Private) Limited

12.1	1,349,332,144	1,880,371,825
12.2	30,381,647	30,381,647
	1,379,713,791	1,910,753,472

Associated companies - at equity method

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

12.3	1,062,080,118	1,241,871,546
	25,349,425	25,349,425
	23,605	23,605
	1,087,453,148	1,267,244,576
	2,467,166,939	3,177,998,048

12.1 At fair value through OCI

Fatima Fertilizer Company Limited - quoted

12.1.1

62,994,031	62,994,031	1,349,332,144	1,880,371,825	21.42	29.85	3.00%	3.00%
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12.1.1 The Company does not have significant influence on Fatima Fertilizer Company Limited.

12.2 This represents ordinary shares of Muhlan Real Estate (Private) Limited (MREPL), which is a dormant entity.

Shares	Carrying value		Percentage of holding	
	31 March	30 June	31 March	30 June
	2020	2019	2020	2019
Number	Rupees			

12.3 Associated companies with significant influence - at equity method

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

137,421,349	137,421,349	1,062,080,118	1,241,871,546	24.11%	24.11%
5,520,000	5,520,000	25,349,425	25,349,425	24.00%	24.00%
7,000	7,000	23,605	23,605	20.00%	20.00%
		1,087,453,148	1,267,244,576		

		(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 Rupees
13 Long term advances to associates	Note		
Pak Arab Energy Limited		25,904,160	25,904,160
Fatima Transmission Company Limited		72,427,033	38,811,585
Fatima Energy Limited		2,455,908,522	1,840,408,522
	13.1	<u>2,554,239,715</u>	<u>1,905,124,267</u>

13.1 Provisions of section 199 of the Companies Act, 2017 have been fully complied with in respect of advances to associated companies.

		(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 Rupees
14 Trade debts	Note		
<i>Export debtors - secured against letters of credit:</i>			
Considered good		1,564,509,842	2,932,832,064
<i>Local debtors - unsecured</i>			
Related Parties - considered good	14.1	658,476,462	198,819,797
Others - considered good		3,234,160,206	3,000,653,234
Others - considered doubtful		39,677,485	28,943,784
		<u>3,932,314,153</u>	<u>3,228,416,815</u>
Provision for doubtful balances		<u>(41,253,318)</u>	<u>(28,943,784)</u>
		<u>3,891,060,835</u>	<u>3,199,473,031</u>
		<u>5,455,570,677</u>	<u>6,132,305,095</u>

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

		(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 Rupees
	Note		
Reliance Weaving Mills Limited		15,068,846	5,619,336
Fazal Rehman Fabrics Limited		638,993,062	171,312,902
Ahmad Fine Textile Mills Limited		-	17,473,005
Fatimafert Limited		4,414,554	4,414,554
		<u>658,476,462</u>	<u>198,819,797</u>

15 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 2019 : 6,120,000) fully paid ordinary shares of Rs. 10 each having market value of Rs. 26.59 per share (30 June 2019 : Rs. 29.85 per share)

182,682,000 198,288,000

Unrealized fair value loss on re-measurement of investment

(51,591,600) (15,606,000)

131,090,400 182,682,000

16 Cash and bank balances

Cash in hand

46,664,541 22,664,075

Cash at banks

- Current accounts

197,333,392 176,809,454

- Saving accounts

200,001,861 2,509

397,335,253 176,811,963

443,999,794 199,476,038

	<i>Note</i>	<i>Nine months ended</i>		<i>Quarter ended</i>	
		<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>
		<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
17 Sales - net					
<i>Gross sales</i>					
Local		20,317,903,758	19,915,172,331	7,501,072,867	7,258,914,583
Direct export		9,102,334,286	7,821,349,224	2,971,583,217	2,934,836,763
Indirect export	17.1	5,393,464,862	781,161,590	1,677,772,319	192,500,288
		34,813,702,906	28,517,683,145	12,150,428,402	10,386,251,633
<i>Sales tax</i>					
Local sales		(2,947,777,580)	(63,731,112)	(1,036,650,894)	(23,293,714)
Indirect export	17.1	(585,217,202)	-	(166,239,059)	-
		(3,532,994,782)	(63,731,112)	(1,202,889,952)	(23,293,714)
<i>Sales return</i>		(130,410,258)	(64,155,419)	(31,698,827)	(34,031,899)
		31,150,297,866	28,389,796,614	10,915,839,623	10,328,926,020

17.1 This represents sales made to direct exporters against Standard Purchase Order (SPOs) and Duty and Tax Remission for Export (DTRE) amounting to Rs. 3,42.45 million (31 March 2019: Nil) and Rs. 1,365.80 million (31 March 2019: 781.16 million) respectively.

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
18 Cost of sales				
Raw and packing materials consumed	20,873,812,008	19,084,522,499	6,828,252,881	6,450,135,071
Manufacturing costs	6,302,701,018	5,629,738,178	2,058,523,012	1,900,150,400
	27,176,513,027	24,714,260,676	8,886,775,893	8,350,285,471
Opening stock of work-in-process	410,363,326	359,035,028	451,315,852	402,846,277
Closing stock of work-in-process	(373,086,176)	(432,695,283)	(373,086,176)	(432,695,283)
Cost of goods manufactured	27,213,790,177	24,640,600,421	8,965,005,569	8,320,436,465
Opening stock of finished goods	1,844,002,220	1,945,763,131	3,962,688,555	3,367,968,805
Finished goods purchased	1,868,413,130	1,341,605,287	555,487,866	447,094,009
	30,926,205,527	27,927,968,839	13,483,181,990	12,135,499,279
Closing stock of finished goods	(3,834,628,980)	(3,029,602,035)	(3,834,628,980)	(3,029,602,035)
Cost of raw material sold	33,987,348	20,655,781	5,482,087	7,801,711
	27,125,563,895	24,919,022,585	9,654,035,097	9,113,698,955

19 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 exit or materially reduce 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 as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (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 recognized at the end of the reporting period during which the changes have occurred.

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

As at 31 March 2020

Financial assets - measured at fair value

Financial assets at amortised cost or fair value	Carrying amount		Fair value				
	Fair value through Profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3	Total
Short term investments	-	131,090,400	131,090,400	131,090,400	-	-	131,090,400
Long term investments	-	1,379,713,791	1,379,713,791	1,349,332,144	-	30,381,647	1,379,713,791
Financial assets - not measured at fair value							
Trade debts	5,455,570,677	-	5,455,570,677	-	-	-	5,455,570,677
Cash and bank balances	443,999,794	-	443,999,794	-	-	-	443,999,794
Long term deposits	24,128,493	-	24,128,493	-	-	-	24,128,493
Other receivables	46,508,938	-	46,508,938	-	-	-	46,508,938
Mark-up accrued	510,740,602	-	510,740,602	-	-	-	510,740,602
Long term advances to associates	2,554,239,715	-	2,554,239,715	-	-	-	2,554,239,715
Financial liabilities - not measured at fair value							
Long term financing - secured	9,482,365,282	-	9,482,365,282	-	-	-	9,482,365,282
Long term mortgages - secured	2,310,406,765	-	2,310,406,765	-	-	-	2,310,406,765
Current portion of non-current liabilities	2,960,926,616	-	2,960,926,616	-	-	-	2,960,926,616
Trade and other payables	3,640,487,537	-	3,640,487,537	-	-	-	3,640,487,537
Unclaimed dividend	14,203,864	-	14,203,864	-	-	-	14,203,864
Short term borrowings - secured	15,558,142,259	-	15,558,142,259	-	-	-	15,558,142,259
Accrued mark-up	630,851,849	-	630,851,849	-	-	-	630,851,849
Total	9,035,188,211	131,090,400	9,166,278,611	1,480,422,544	-	30,381,647	9,196,804,191

Financial liabilities - not measured at fair value

Financial assets through Profit or loss	Carrying amount		Fair value				
	Fair value through Profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost or fair value	182,682,000	1,910,753,472	2,093,435,472	182,682,000	-	-	2,093,435,472
Other financial liabilities	-	-	-	-	-	-	-
Total	182,682,000	1,910,753,472	2,093,435,472	182,682,000	-	-	2,093,435,472

As at 30 June 2019

Financial assets - measured at fair value

Financial assets at amortised cost or fair value	Carrying amount		Fair value				
	Fair value through Profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3	Total
Short term investments	-	182,682,000	182,682,000	182,682,000	-	-	182,682,000
Long term investments	-	1,910,753,472	1,910,753,472	1,880,371,825	-	30,381,647	1,910,753,472
Financial assets - not measured at fair value							
Trade debts	6,132,103,095	-	6,132,103,095	-	-	-	6,132,103,095
Cash and bank balances	199,476,038	-	199,476,038	-	-	-	199,476,038
Long term deposits	24,071,493	-	24,071,493	-	-	-	24,071,493
Other receivables	38,617,210	-	38,617,210	-	-	-	38,617,210
Mark-up accrued	261,129,890	-	261,129,890	-	-	-	261,129,890
Long term advances to associates	1,905,124,267	-	1,905,124,267	-	-	-	1,905,124,267
Financial liabilities - not measured at fair value							
Long term financing - secured	8,755,286,862	-	8,755,286,862	-	-	-	8,755,286,862
Long term mortgages - secured	1,690,100,636	-	1,690,100,636	-	-	-	1,690,100,636
Current portion of non-current liabilities	2,517,786,016	-	2,517,786,016	-	-	-	2,517,786,016
Trade and other payables	3,001,998,970	-	3,001,998,970	-	-	-	3,001,998,970
Unclaimed dividend	12,340,081	-	12,340,081	-	-	-	12,340,081
Short term borrowings - secured	12,299,901,368	-	12,299,901,368	-	-	-	12,299,901,368
Accrued mark-up	481,235,937	-	481,235,937	-	-	-	481,235,937
Total	8,560,924,093	182,682,000	8,743,606,093	1,880,371,825	-	30,381,647	8,773,833,537

19.1 The Group has not disclosed the fair values of these financial assets and liabilities as there are for short term or repays over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

20 Segment information

20.1 Segment revenue and results

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

	Spinning		Weaving		Total	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	----- Rupees -----					
External revenues	22,207,780,952	20,677,806,094	5,645,770,718	5,032,529,455	31,150,297,866	28,389,215,214
Intersegment revenues	3,287,591,414	2,669,833,579	9,154,780	9,046,086	(3,296,746,194)	(2,678,879,665)
Cost of sales	(21,862,591,684)	(20,253,731,579)	(1,966,226,017)	(1,986,411,340)	(27,125,563,895)	(24,919,022,585)
Intersegment cost of sales	(9,154,780)	(9,046,086)	(3,287,591,414)	(2,669,833,579)	3,296,746,194	2,678,879,665
Distribution and marketing expense	(280,290,358)	(148,853,123)	(52,933,122)	(47,962,061)	(333,223,480)	(196,815,184)
Administrative expenses	(247,837,703)	(208,546,852)	(31,930,257)	(31,892,426)	(279,767,960)	(240,439,278)
Other operating expense	(562,620,646)	(140,329,473)	(9,088,008)	-	(571,708,654)	(140,329,473)
Finance cost	(1,978,970,255)	(1,497,597,021)	(236,287,965)	(160,270,193)	(2,215,258,220)	(1,657,867,214)
Other operating income	261,197,866	264,700,569	2,892,174	35,148,788	264,090,040	299,849,358
Share of loss of associate	-	-	-	-	(179,791,428)	(22,113,114)
Profit before tax	815,104,808	1,354,236,108	73,760,889	180,354,731	709,074,269	1,512,477,724

20.1.1 The accounting policies of the reportable segments are the same as those described in the annual Consolidated financial statements for the preceding year ended 30 June 2019.

21 Related party transactions

The related parties comprise of associated companies, directors of the Group and entities under common directorship, key management personnel and post employment retirement plan. The Group 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 2020 <i>Rupees</i>	<i>(Un-audited)</i> 31 March 2019 <i>Rupees</i>
Associated Companies		
Long term advances to associates	649,115,448	600,000,000
Purchase of goods and services	1,352,295,602	239,350,470
Sale of goods and services	3,133,242,704	1,415,909,742
Receipts against sale of goods and services-net	1,811,564,060	964,547,243
Interest accrued on long term advances to associates	249,410,713	71,041,868

22 Date of authorization for issue

This condensed interim consolidated financial information was authorized for issue by the Board of Directors on 30th April 2020.

23 General

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

Lahore



Chief Financial Officer



Director



Chief Executive Officer

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