



of Companies

41st Annual Report 2025

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED



Vision

A company providing quality textile products by maintaining an excellent level of ethical & professional standards.



Mission Statement

To become the leader of textile products globally and to achieve the epitome level of success.

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Corporate Information

Governing Board

Mr. Mohammad Salim	Non-Executive Director / Chairman
Mr. Muhammad Shaheen	Non-Executive Director
Mr. Hamza Shakeel	Non-Executive Director
Mr. Khurram Salim	Non-Executive Director
Mr. Bilal Sharif	Executive Director /CEO
Mr. Muhammad Amin	Non-Executive Director
Mrs. Fatima Amin	Non-Executive Director
Mr. Tauqeer Ahmed Sheikh	Independent Director
Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director

Chief Financial Officer

Mr. Anwar Hussain	FCA
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Company Secretary

Mr. Adeel-ur-Rehman	MBA (Finance)
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Audit Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Muhammad Amin	Member
Mr. Khurram Salim	Member

Human Resource Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Muhammad Shaheen	Member
Mr. Hamza Shakeel	Member

Statutory Auditors

M/s Mushatq and Co (Chartered Accountants)
407, Commerce Centre, Hasrat Mohani Road, Karachi.

Legal Advisor

M. Zahid Farooq- Advocate Lahore High Court

Bankers

Bank Alfalah Limited	Bank Islami Pakistan Ltd
Dubai Islamic Bank	Bank Al Habib Limited
Faysal Bank Ltd	Habib Metropolitan Bank Ltd
Habib Bank Limited	Askari Bank Limited
MCB Bank Limited	The Bank of Punjab Ltd
Meezan Bank Limited	Soneri Bank Limited
Samba Bank Limited	Allied Bank Limited
United Bank Limited	Al Baraka Bank (Pak) Ltd

Share Registrar

Hameed Majeed Associated (Private) Limited
5th Floor Karachi Chamber, Karachi.

Registered Office

Umer House, 23/1, Sector 23, S. M. Farooq Road,
Korangi Industrial Area, Karachi, Pakistan
Tel : 021 35115177 - 80
Email: khioff@umergroup.com
URL : <http://www.umergroup.com>

Liaison / Correspondence Office

9th Floor, City Towers, 6-K, Main Boulevard
Gulberg - II, Lahore, Pakistan
Tel : 042 111 130 130 ; Fax: 042 -35770015
Email: lhroff@umergroup.com

Manufacturing Units

Spinning Unit - I is located at:
A-150, S.I.T.E. Nooriabad. Tel: (+92-0222) 660-002

Weaving Unit - II located at:
Ferozwattwan, Sheikhpura, Punjab. Tel: 056 3731723

Finishing Unit - III & Home Division IV located at:
1.7 KM ,Warburton Road , Ferozwatwan , Sheikhpura, Punjab.

FAISAL SPINNING MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting of the members of **Faisal Spinning Mills Limited** will be held on Monday, 27th October 2025 at 04:00 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

The following ordinary and special business is proposed to be conducted in the meeting:

Ordinary Business:

1. To confirm the minutes of the last annual general meeting held on 28th October, 2024.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2025 together with the auditors' and directors' report thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:



URL: <http://www.umergroup.com/faisal-financial-reports.html>

3. To appoint the auditors for the next term i.e. year 2025-2026 and fix their remuneration at PKR 3,100,000 (FY2024-25 PKR 2,775,000). The retiring auditor Messer's Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.

4. Special Business:

(A) To approve by way of special resolution with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2025, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2026.

Further Resolved That transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval."

5. Any Other Business:

To transact any other business with the permission of the chairman.

The statement of material facts in relation to aforesaid special business as required under section 134(3) of the Act and SRO 423 (I)/2018 is enclosed.

The notice along with statement of material fact have been dispatched to the shareholders by post and uploaded placed on company website at "www.umergroup.com".

Moreover, the notice and annual report for June 2025 have also been sent electronically to shareholder under the provisions of SRO 452(1)/2025 of 2025 issued by Securities and Exchange Commission of Pakistan on March 17, 2025.

Karachi:

(By the order of the Board)

Dated: 30th September, 2025

**Adeel ur Rehman Ansari
Company Secretary**

Notes:

1. For attending the meeting electronically

In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting electronically, the members can attend the meeting through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) can access with following ID and password:

Join Zoom Meeting

<https://us05web.zoom.us/j/3822738660?pwd=T2ppUWYxSCtjUXduQ2ErR0lNSEMzQT09>

Meeting ID: 382 273 8660

Passcode: fsmcorp

2. The Shares Transfer Books of the Company will remain closed from 20th October 2025 to 27th October, 2025 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19th October 2025 will be treated in time for the purpose of entitlement of dividend (if any) and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at fsm.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the meeting.
4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

*"I/We, _____ being a member of **Faisal Spinning Mills Limited**, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."*

Signature of Member

5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividends as on June 30, 2025 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office regarding any unclaimed dividend, shares or modarba certificates. In case of failure to lodge the claim for unclaimed dividends that were overdue for more than 3 years within 90 days of this notice, the amount of such unclaimed dividends shall be deposited to the credit of Federal Government in accordance with the requirement of the Companies Act, 2017.
6. Under the provision of S.R.O.452(I)/2025 issued by SECP the distribution of gifts, giveaways or complimentary items are strictly prohibited at the general meeting.
7. Under the provision of S.R.O.451(I)/2025 issued by SECP to be read in conjunction with section 134 of the Companies Act 2017 , for all businesses classified as “Special Business”, the voting by the members of the listed company shall only be through postal ballot and for the purpose of this there shall be no voting by show of hands by members of the listed company who attend the general meeting physically.
Further, the members who did not cast their vote through electronic voting facility and by post prior to the date of the general meeting, shall be allowed to cast his/her vote on the day of the general meeting by way of ballot paper only.
8. E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.

a) E-Voting

- i) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 19th October, 2025. Thus, those members who intends to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 19th October, 2025 with the registrar of the company or email us at: fsm.corporate@umergroup.com.
- ii) The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.
- iv) E-Voting lines will start from October 24, 2025, 9:00 a.m. and shall close on October 26, 2025 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

b) Postal Ballot

- i) Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper is annexed to this notice and the same is also be downloaded from the Company's website www.umergroup.com.
- ii) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting

through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Saturday, October 25, 2025 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.

- c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.
 - d) The board of directors under the clause 11 of SRO 254(1)/2018 have appointed Messer's Mushtaq and Company, Chartered Accountants, being eligible with satisfactory QCR rating from ICAP. They possess necessary knowledge and experience to independently scrutinize and conduct the voting services.
9. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

The following are key features of holding shares in book-entry form in CDC:

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.
- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

Statement of Material Facts Under Section 134 (3) of The Companies Act, 2017

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2025.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2025 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2025.

The transactions entered with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the

approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2025.

Related Party Transactions

The related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out sale and purchase of goods and services transactions with various related parties. Names, basis of relationship, nature and description of related party transactions along with monetary value are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding		
Bhanero Textiles Limited	Common directorship	N/A		
Blessed Textiles Limited	Common directorship	18.49%		
Bhanero Energy Limited	Common directorship	N/A		
Admiral (Private) Limited	Directorship of close family relative	14.40%		
Mohammad Salim	Director	0.29%		
Yasmeen Begum	Directorship of close family relative	2.39%		
Khurram Salim	Director	2.00%		
Farrukh Salim	Directorship of close family relative	1.37%		
Yousaf Salim	Directorship of close family relative	3.13%		
Saqib Salim	Directorship of close family relative	1.99%		
Muhammad Umer	Directorship of close family relative	0.97%		
Yahya Farrukh	Directorship of close family relative	2.74%		
Amna Khurram	Directorship of close family relative	1.10%		
Saba Yousaf	Directorship of close family relative	0.98%		
Saba Saqib	Directorship of close family relative	2.12%		
Bilal Sharif	Director / Chief executive	3.64%		
Samia Bilal	Directorship of close family relative	5.34%		
Abdullah Bilal	Directorship of close family relative	3.37%		
Ali Bilal	Directorship of close family relative	3.37%		
Azan Bilal	Directorship of close family relative	3.37%		
Mohammad Shaheen	Director	0.33%		
Mohammad Amin	Director	4.09%		
Seema Shaheen	Directorship of close family relative	1.58%		
Mohammad Qasim	Directorship of close family relative	6.24%		
Fatima Amin	Directorship of close family relative	4.51%		
Sumbul Qasim	Directorship of close family relative	2.36%		
Mohammad Shakeel	Directorship of close family relative	0.48%		
Nazli Shakeel	Directorship of close family relative	4.29%		
Adil Shakeel	Directorship of close family relative	4.77%		
Faisal Shakeel	Directorship of close family relative	4.77%		
Hamza Shakeel	Director	4.77%		
Nature of relationship	Nature of transactions	2025 Rupees	2024 Rupees	
Associated undertaking				
	Sales of fabric / Made ups	424,903,214	124,346,113	
	Sales of yarn	215,340,014	29,143,584	
	Purchase of yarn	5,766,178,491	4,165,270,350	
	Purchase of cotton	-	307,118,741	
	Sales of cotton	-	24,098,925	
	Purchase of fabric	479,509,719	863,612,838	
	Misc purchases	-	10,384	
	Services received	618,000	618,000	
	Dividend received	-	19,621,140	
	Electricity purchased	312,266,397	51,855,186	

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2025 to June 30, 2026.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2026 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2026 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Chairman Review Report

I am pleased to present Chairman's Review Report for the financial year ended June 30, 2025, in compliance with the provisions of Section 192(4) of the Companies Act, 2017. This report provides an overview of the performance and effectiveness of the Board of Directors of Faisal Spinning Mills Limited ("FSML") in steering the company toward its strategic objectives. It exhibits FSML governance framework instituted by the Board and executive management, along with the robustness of internal control mechanisms and risk management practices.

The fiscal year ending June 30, 2025, unfolded against a backdrop of economic adversity, both globally and domestically. Pakistan's industrial manufacturing sector, particularly the textile industry, faced formidable challenges that strained the textile sector an industry that has historically been a cornerstone of Pakistan's GDP, employment, and exports:

Global Factors

Geopolitical Instability such as conflicts in Russia-Ukraine, Pakistan-India and Iran-Israel have disrupted global trade routes and increased freight costs, affecting supply chains and export timelines. The rising energy costs, global inflation caused high production costs. The intense regional competition where countries like Bangladesh, Vietnam and India offer more competitive pricing, better policy support and efficient logistics, making it harder for Pakistan to retain global market share. The sustainability demand has also impacted the textile sector as international buyers increasingly require eco-friendly practices, requires stringent compliance with labor, environmental and governance standards.

Local Factors

While textile exports posted a modest growth of 7.22 percent, reaching US \$17.88 billion, imports of textile-related products jumped to US\$ 4.24 billion, reflecting a record increase of 61 percent as compared to the earlier fiscal year. During the fiscal year 2024-25, textile mills imported around 4.5 million bales of cotton and yarn equivalent to 1.5 million bales whereas domestic production standing at just 5.5 million bales which is the 2nd lowest in Pakistan's history. The imposition of 18 percent sales tax on local cotton is a major disincentive for buyers.

Enhancing the value of exports goes far beyond upgrading technology since it demands a coherent industrial strategy, well-aligned incentives and deliberate investment in human capital. Unfortunately, none of this is achievable unless the state elevates exports to a central pillar of national economic policy.

In this challenging environment, the role of the Board of Directors has become increasingly pivotal. At FSML, the Board's commitment to sound corporate governance has provided a resilient framework for strategic decision-making. This governance structure enables the company to navigate complex economic, social, regulatory, and market dynamics while remaining aligned with its long-term objectives.

Human Resource

One of the fundamental strengths of FSML lies in the dedication, professionalism and resilience of its people associated with us. The achievements of the company during the year under review are a direct reflection of the unwavering commitment of our employees and the embodiment of FSML core values in their daily work.

On behalf of the Board of Directors, I extend our sincere appreciation to all employees for their exceptional efforts and valuable contributions throughout the year. Their passion, integrity, and teamwork continue to drive the company forward, even in the face of external challenges.

Composition of Governing Body

The FSML remains committed to fostering diversity across multiple dimensions, including age, gender, experience and professional expertise, in the composition of its board of directors. As of the fiscal year ended June 30, 2025, the board comprised ten members, five non-executive directors, one executive director, three independent directors and one female non-executive director. This composition reflects a balanced and inclusive mix of perspectives, ensuring well-rounded governance and strategic oversight.

Both the Human Resource and Audit Committees are chaired by independent directors, reinforcing objectivity and accountability in their respective functions. All committee members actively participated in meetings throughout the year, contributing meaningfully to deliberations and decision-making processes.

The Human Resource Committee also plays a critical role in aligning the compensation of the Executive Director and Chief Executive Officer with their responsibilities, expertise, and performance while maintaining the independence and integrity of the governance framework.

All Board and committee meetings were held at regular intervals in accordance with the provisions of the Companies Act, 2017 and the Code of Corporate Governance Regulations, 2019, ensuring compliance and effective oversight.

Corporate Governance and Risk Management

To safeguard and enhance shareholder value, the Board of Directors remains firmly committed to transparency and the highest standards of corporate governance. At FSML, we have consistently upheld robust governance practices and continue to evolve them in line with emerging best practices and regulatory expectations.

Throughout the year, the Board played an active role in overseeing the company's strategic direction, operational performance, and talent development. Regular meetings of the Board and its sub-committees ensured effective oversight and timely decision-making. These committees provided critical input on matters related to risk identification, assessment, and mitigation, thereby strengthening the company's overall risk management framework. The Board's proactive engagement and structured governance processes have enabled FSML to navigate a challenging external environment while remaining aligned with its long-term objectives.

Board Structure and Operational Dynamics

At FSML, the roles of Chairman and Chief Executive Officer are held by separate individuals, in line with best governance practices. The Chairman, serving as a non-executive director, is entrusted with leading the Board and ensuring its effectiveness in fulfilling its oversight responsibilities. The delineation of roles between the Chairman and the Chief Executive Officer is clearly defined and formally adopted by the Board.

All members of the Board have successfully completed the Directors' Training Program (DTP) in accordance with the requirements of the Code of Corporate Governance, reflecting FSML commitment to continuous professional development and regulatory compliance.

The Board assumes full responsibility for risk governance, including the determination of the company's risk appetite and the establishment of comprehensive risk management policies. An annual review of the company's risk landscape is conducted to ensure that management maintains a robust framework for risk identification, mitigation, and internal control. This process safeguards FSML assets, reputation, and long-term interests.

Furthermore, a structured and effective mechanism is in place for the annual evaluation of the Board's performance, including individual directors and board committees. This self-assessment process reinforces accountability and supports ongoing improvement in governance practices.

Control Environment and Risk Assessment

The FSML has established a well-defined control environment that aligns with recognized corporate governance standards. This framework is designed to manage risks comprehensively and to reasonably assess potential exposures that may impact the company's operations, reputation and long-term sustainability.

The Board of Directors plays a central role in aligning the company's strategic objectives with its defined risk appetite. By actively overseeing the risk-reward balance, the Board ensures that business decisions are made within acceptable risk parameters. Furthermore, the Board is responsible for reviewing and approving any exposures that exceed the company's established risk tolerance, as well as addressing material weaknesses in internal controls.

This proactive approach to risk governance reinforces FSML commitment to safeguarding shareholder value and maintaining operational resilience in a dynamic business environment.

The FSML has established a robust internal audit function that operates independently and reports directly to the Audit Committee. This structure ensures objectivity in evaluating the effectiveness of internal controls, risk management practices, and compliance with regulatory and corporate policies. The internal audit team conducted risk-based audits across key operational and financial areas, identifying control gaps and recommending improvements. These findings were regularly reviewed by the Audit Committee, which closely monitored the timely implementation of corrective actions by management.

In parallel, FSML maintains a comprehensive compliance monitoring mechanism to ensure adherence to applicable laws, industry regulations, and internal codes of conduct. This dual approach helps reinforce a strong control culture across all levels of the organization and mitigates the risk of non-compliance or reputational damage.

Stakeholders Engagement

The FSML places strong emphasis on fostering transparent, timely and constructive engagement with its shareholders and the broader investment community. The company is committed to upholding the highest standards of investor communication, ensuring that all stakeholders are well-informed about the company's performance, strategic direction, and governance practices.

The FSML has established a reliable and responsive system for addressing shareholder concerns, including complaints, inquiries, unclaimed dividends, and other routine matters. The company remains committed to fostering transparent and timely communication with its shareholders and the broader investment community.

A comprehensive and regularly updated corporate website serves as a central platform for disseminating key information such as financial results, corporate announcements, election notices, and other regulatory disclosures. In compliance with PSX requirements, FSML ensures that all material information is promptly shared with the Securities and Exchange Commission of Pakistan (SECP), the Pakistan Stock Exchange (PSX), and shareholders through the PUCARS portal.

Additionally, the company conducts an annual Corporate Briefing Session to provide shareholders and analysts with insights into FSML financial performance, strategic direction, and operational outlook. These initiatives reflect FSML ongoing commitment to transparency, accountability, and investor confidence



Mohammad Salim

(Chairman)

30th September 2025, Karachi.

Directors Report

The Board of Directors of Faisal Spinning Mills Limited are pleased to present Annual Report along with the audited financial statements of company together with auditors' report thereon for the year ended June 30, 2025.

Financial Recitals

The financial performance for June 30, 2025:

Statement of Profit or Loss For the Year Ended June 30, 2025

	June 30, 2025 Rupees	June 30, 2024 Rupees
Sales - Net	46,203,552,790	45,029,600,571
Cost of sales	(42,529,746,167)	(42,288,491,572)
Gross profit	3,673,806,623	2,741,108,999
Other income	238,075,025	139,714,667
	3,911,881,648	2,880,823,666
Distribution cost	(1,506,676,743)	(1,463,591,179)
Administrative expenses	(545,145,319)	(527,296,363)
Other operating expenses	(16,839,522)	(46,921,853)
Finance cost	(1,513,144,375)	(1,608,042,214)
	(3,581,805,959)	(3,645,851,609)
	330,075,689	(765,027,943)
Share of loss from associated undertaking	(17,911,648)	(315,451,214)
Profit / (loss) before levies and taxation	312,164,041	(1,080,479,157)
Levies	(577,544,410)	(440,136,401)
Loss before taxation	(265,380,369)	(1,520,615,558)
Taxation	(3,886,716)	136,844,164
Loss after taxation	(269,267,085)	(1,383,771,394)
Loss per share - basic and diluted	(26.93)	(138.38)

The company posted a loss after of PKR -269.267 million (June 2024 PKR -1,382.762 million) whereas sales revenue marginally increased by 2.61 percent during the current year. During the current year gross margin increased from 6.09 percent in June 2024 to 7.95 percent in June 2025 whereas loss after tax decreased from -3.70 percent in June 2024 to -0.58 percent in June 2025. The finance cost decreased by almost 6 percent during the current year whereas both short term borrowing and stocks have been increased during the current year. The reason for the elevated inventory levels primarily due weak demand of cotton yarn globally coupled with geopolitical tensions, sustainability regulations and recent levy of tariff by US asserting more pressure on textile sector. The recent tax reforms, including increased advance turnover tax and inclusion in the normal tax regime, have added financial pressure on textile manufacturers.

Dividends and Reserves Appropriation

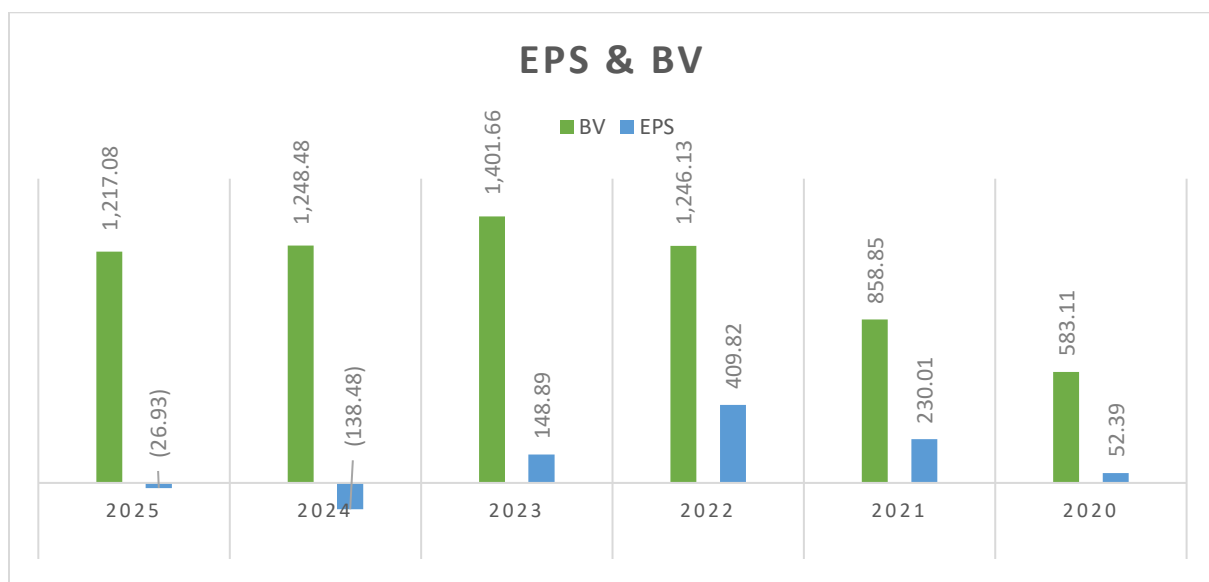
The board of directors have not declared dividends for fiscal year ending June 30,2025 following the recommendation of the audit committee. The reason being subpar performance of the company during the current year where it posted a loss after tax of PKR - 269.267 million.

Nonetheless, the consideration will be given for the declaration of interim dividends by the board of directors depending on profitability and economic viability during the year.

Earning and Break-up Value of Share - EPS & BV

Investors assess a company's profitability through its EPS which reflects company's ability to sustain profitability and gradually enhance dividends.

The company's reported loss per share of PKR -26.93 for the year ending June 30, 2025 whereas in June 2024 the loss per share was -138.28. The breakup value of share during the current fiscal year ending June 30, 2025 is PKR 1,217.08 (Year 2024: PKR 1,248.48).



Working Capital Management

The company's success is closely tied to its ability to manage working capital efficiently hence, a strong emphasis is placed on optimizing the use of working capital resources to support operational continuity, financial stability and long-term growth of the company.

The current ratio during the current year has been slightly decreased during the year from 1.35 in June 2024 to 1.19 in June 2025 but still within acceptable limits as per industry norms and quite sufficient to cover its financial obligations.

Capital Structure

An optimal mix of debt and equity in the capital structure is essential for enhancing profitability and ensuring long-term sustainability. The company has maintained a balanced capital structure that maximizes financial benefits and remains adaptable to the dynamic business environment. The board actively manages this structure to reduce capital costs, improve profitability and enhance shareholder value.

The company's long-term borrowing increased from PKR 3,518.351 million in June 30, 2024 to PKR 4,496.73 million in June 30, 2025 due to CAPEX incurred for the installation wind mill at Unit-I and enhance the production capacity of Unit-III. Consequently, the increase in gearing ratio of from 1.09 to 1.71 during the corresponding year ending June 30, 2025 is primarily associated with increase in long term obligation for Unit-I and Unit-III.

The shareholder equity stood at s PKR 12,170.796 million during the year ended June 30, 2025 whereas it was PKR 12,484.766 million in the corresponding year ending June 30, 2024.

CAPEX for Finishing Unit - III

The board of directors have approved a CAPEX for the Finishing Unit-III at an approximate cost of PKR 1,400.00 million that will exhibit significant synergy and enhance annual production capacity by 7.2 million meters approximately. The commercial production is now scheduled to commence by the end of December 2025 due to unforeseen shipment delays of machinery, which have impacted our original timeline.

Renewable Energy Initiatives

The company has successfully implemented renewable energy initiatives, including a 2.5 mega-watt solar power installation at its units in Punjab. Additionally, the 4.80 mega-watt windmill at Unit-I in Nooriabad, Sindh, commenced commercial operations in April 2025, marking a significant milestone in the company's commitment to sustainable energy.

A further 4.41 mega-watt solar energy initiative amounting to PKR 350.00 million approximately is under consideration during the upcoming fiscal year 2025-26.

Credit Rating

The entity's rating reaffirmed at A/A-1 (Single A / A-One) with 'Stable' outlook on given ratings is based on assessment by Messer's VIS Credit Rating Company Limited on February 6, 2025.

Financial Statements

As required under Companies Act 2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2025, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Mushtaq & Co, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2025 and clean review report on Statement of Code of Corporate Governance Regulations, 2019 "Code". These reports are attached with the financial statements.

Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Act, 2017 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Act as well as through directives issued by the Securities and Exchange Commission of Pakistan.

Overview of Economic Scenario

Pakistan's Economic Survey 2024-25 presents an encouraging narrative of recovery, highlighting a 2.7 percent GDP growth rate and signaling potential for medium-term expansion. The International Monetary Fund has projected gross domestic product growth rate for Pakistan at 3.6 percent for the current fiscal year 2025-26 against the government target of 4.2 percent. However, beneath this optimism, the economy continues to grapple with deep-rooted structural weaknesses, limited sectoral breadth and persistent inefficiencies that remain evident despite official projections

The gains appear concentrated in a few subsectors of industry, particularly apparel, while agriculture and large-scale manufacturing continue to flounder. The Large-scale manufacturing contracted by 1.5 percent amid high costs and supply constraints during FY25. We reiterate that without structural reforms and absence of broad-based momentum across key sectors, the overall growth trajectory appears fragile.

The State Bank of Pakistan maintained a high policy rate of 20–22 percent throughout FY 2024–25 to combat inflation and stabilize the rupee. While inflation has moderated, the cost of borrowing remains

prohibitively high for industrial sectors, especially textiles, which operate on thin margins and require continuous working capital. The State Bank of Pakistan has kept the policy interest rate unchanged in MPC held in September 2025 at 11 percent, citing short-term economic disruption due to the recent rains and floods anticipating a rise in inflationary pressure.

The fiscal year 2024-25 was marked by a complex mix of resilience and adversity for Pakistan's textile sector. While export performance showed encouraging growth, the industry faced significant challenges stemming from inflationary pressures, energy cost escalation, and a sharp decline in cotton production. These factors collectively impacted profitability, supply chain stability, and long-term competitiveness. Pakistan's textile exports reached US\$17.88 billion, reflecting a 7.22 percent increase compared to US\$16.68 billion in FY 2023–24. This growth was largely driven by value-added segments such as knitwear and readymade garments, which benefited from strong global demand and improved compliance standards. However, cotton yarn and cloth exports declined, highlighting stress in upstream production and shifting international sourcing preferences.

Another setback to textile sector is persistent decline in cotton production which fell by 30 percent year-on-year, with only 594,000 bales reaching ginning factories by July 31, as reported by the Pakistan Cotton Ginners Association. This decline was driven by reduced cultivation area, poor seed quality, ineffective pest control, and climate-related disruptions. Over the past decade, average yields have dropped from 802 kg to 475 kg per hectare, threatening the sustainability of the cotton supply chain.

Pakistan's broader economy in 2025 stands at a pivotal crossroads balancing fragile recovery, structural reforms and regional complexities. The country is gradually stabilizing after enduring years of inflationary pressure, political volatility and global economic headwinds. Despite being endowed with abundant natural resources and a dynamic labor force, Pakistan's path to sustained economic progress hinges on deep structural transformation.

Given the comparative advantage under current US tariff structure at 19 percent on textile exports, Pakistan must position itself as a competitive and sustainable sourcing destination. With international markets actively looking to diversify their supply chains, increasingly prioritizing eco-friendly manufacturing processes, geopolitical tensions and focusing more on high-value products, Pakistan's textile sector holds substantial potential to expand its global footprint.

Realizing this opportunity will require strategic investments in technology, energy efficiency and agricultural reform, supported by coherent and forward-looking government policies. These pillars are essential to unlocking long-term growth, resilience and global relevance.

Compliance with Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.

Statement on Corporate and Financial Reporting Framework

The Directors of your company are aware of their responsibilities under Companies Act 2017, Regulations under Code Corporate Governance Regulations 2019 “Code”, Rule Book of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its general meeting unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance Regulations, 2019.
- There has been a proper updated record of the significant policies duly approved by the board of directors on human resource, whistle blower, procurement, communication mechanism with stakeholders, related party, environment, health and safety, director's remuneration, anti-money laundering and risk management, environmental, social & governance, anti-harassment for employees duly updated by incorporating the mechanism prescribed under protection against harassment of women at workplace Act 2010 etc.

- The company has made the disclosure of gender pay gap in the overview of ESG performance by the company during the year ending June 30, 2025 as required under circular 10 of 2024 dated April 17, 2024.
- As required by the Code of Corporate Governance and Companies Act 2017, we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
 - Chairman review report under the provisions of section 192(4) of the Companies Act.
 - Statement of compliance duly signed by the chairman under regulation 36 of the Code.
- Key operating and financial statistics for last six years. Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

Pattern of Shareholding

The pattern of shareholding and relevant information thereon is annexed accordingly.

Related Party Transactions

The Related Party Transactions (RPT) and their status are adequately disclosed by complying the requirement under IAS 24. Moreover, there is a robust policy in place for all in pursuant to the notification issued by Securities and Exchange Commission of Pakistan vide SRO 768(1)2019 and the guidelines have been duly incorporated in the company policy regarding transactions and maintenance of records.

The RPT were duly approved by the internal audit followed by the approval of the audit committee before presentation of the same in the board meeting, to ensure that all the transactions are at arm's length during the normal conduct of business activity.

All the RPT's during the current fiscal year ending June 30, 2025 will be presented before the general meeting of the company for member's approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal year ending June 30, 2026 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

Board Evaluation

The company evaluates board, individual director and committee members to assess and report on their individual and collective performance. The analysis of results depicts strengths and highlights gaps in performance, which may ultimately help to promote deeper board engagement and encourage directors to utilize their unique perspectives to enhance board performance.

In accordance with regulation 10(3)(v) of Code of Corporate Governance, a thorough and organized internal evaluation was carried out to identify areas of strength and areas where improvements can be made to improve the overall functioning and performance of the board, including the board's own performance, members, and committees. The company conducts its annual evaluation process internally.

Board Composition

As required under regulation 34 of Code the board of ten (10) directors is comprised as follows;

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Directors	3	0	3
(ii)	Executive Director	1	0	1
(ii)	Non- Executive Directors	5	1	6

Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company in person or through video conference under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable cause.
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2024-25:

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Muhammad Shaheen	4	4	-	-	1	1
Mr. Khurrum Salim	4	4	6	6	-	-
Mr. Bilal Sharif	4	4	-	-	-	-
Mr. Muhammad Amin	4	3	6	6	-	-
Mr. Hamza Shakeel	4	4	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	4	4	6	6	-	-
Mr. Asif Elahi	4	4				
Mr. Mustafa Tanvir	4	4				
Mrs. Fatima Amin	4	4				

Audit Committee

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Non- Executive Director
ii	Muhammad Amin	Member	Non- Executive Director
iii	Khurrum Salim	Member	Independent Director

The Audit Committee (“AC”) comprised of three members, including an independent director as Chairman and two non-executive directors. The AC operates under terms of reference approved by the Board and fulfills its oversight responsibilities in accordance with Regulation 27 of the Code of Corporate Governance.

A financially literate member has been appointed in line with Regulation 27(I)(iii) for the AC. The AC met regularly during the year to review interim and annual financial statements prior to board approval along with an additional meeting once a year with an external auditor in absence of the CFO and another with

an internal auditor in absence of both the CFO and external auditor under Regulation 27(2) of Code of Corporate Governance, 2019.

The AC oversees the financial reporting and disclosure process, monitors internal controls and ensures compliance with applicable laws and regulations. It works closely with management, external and internal auditors to evaluate accounting policies and detect irregularities. The AC also plays a key role in fraud risk management by ensuring that robust policies are in place to prevent and identify financial statement fraud, asset misappropriation, and corruption. It promotes ethical conduct and effective communication across the organization, and remains informed on investigations, disciplinary actions, and compliance efforts

Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Independent Director
ii	Mohammad Shaheen	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

The Human Resource and Remuneration Committee comprises three non-executive directors, with an independent director serving as chairman. The committee advises the board on key human resource policies, including the selection, evaluation, compensation including retirement benefits and succession planning of the CEO, CFO, and Company Secretary. It also supports senior management recruitment, training, performance evaluation and strategic human capital utilization to enhance organizational productivity and governance effectiveness

Corporate Social Responsibility Policy - CSR

CSR is a core ethos that guides the company's commitment to sustainability, ethical practices and social impact. We believe businesses have a broader duty beyond profit-making to positively influence society and the environment. The company fulfills its civic responsibilities by addressing pollution, waste management, product safety, and labor standards, while maintaining long-term relationships with stakeholders.

A comprehensive CSR policy is in place to promote economic, social and environmental sustainability. This includes reducing greenhouse gas emissions, conserving natural resources, encouraging recycling and ensuring responsible waste disposal. In response to Pakistan's energy challenges, the company has implemented solar energy initiatives across its units in Sindh and Punjab to reduce carbon emissions and support renewable energy adoption.

Health, Safety and Environment Policy - HSE

The Company's HSE policy is designed to proactively manage risks that may impact people, the environment, assets, or reputation. Through high standards and stakeholder engagement, we ensure safe working conditions that minimize accidents, illnesses, property losses, and environmental harm.

A group life insurance policy is in place for employees, along with health coverage for administrative staff in Karachi and Lahore. Environmental, health, and safety priorities are embedded across all operations and treated with equal importance to business objectives.

Key focus areas include water quality, smog control, pollution mitigation, spill prevention, land conservation, and wildlife protection. The Company continuously strives to enhance its HSE performance and uphold its commitment to sustainable and responsible operations.

Environmental, Social and Governance - ESG

The initiatives are taken by the board for the adoption of ESG guidelines by SECP.

Addressing Sustainability Risks

Sustainability risks refer to uncertain societal or environmental events that may adversely impact business operations. These risks also present opportunities arising from evolving environmental and social dynamics. Inefficient resource utilization contributes to climate change, biodiversity loss, pollution, poor health, and poverty issues that are deeply interconnected and mutually reinforcing.

The textile industry is a significant consumer of natural resources such as water, land, and fossil fuels. It ranks as the second-largest industrial water user and contributes 2-8 percent of global carbon emissions. Harmful dyeing processes, microplastic pollution from garment washing, and high landfill rates with 85 percent of textiles discarded annually further compound environmental challenges.

The company is fully committed to operating sustainably by meeting current business needs without compromising the environment or the well-being of future generations. It actively encourages customers, suppliers, employees, and stakeholders to adopt ethical and ecological practices.

The organization took following measure to mitigate the sustainability risks:

- The business installed heat recovery boilers, which are an environmentally friendly method of producing steam from waste heat. These lessen the environmental impact that the production process has on the environment and assist reduce carbon footprints and energy usage.
- Vehicles transporting raw materials or finished goods must have flame arrestors installed since cotton is a highly flammable material. By capturing harmful pollutants, keeping them from being released into the sky, and reducing the likelihood of fire outbreaks, this contributes to

environmental protection. All cars that are connected to the organization on a commercial basis must have flame arrestors installed.

- The company installed Forced Drafts (FD) Fans in its boilers to preserve the ideal air-fuel ratio, enhancing the efficiency of combustion and lowering greenhouse gas emissions.
- The company uses non-hazardous chemicals in its production process, which are not intrinsically dangerous to people, the environment, or wildlife. Nevertheless, the chemicals are disposed of carefully and under control to protect public health and have the least possible impact on the environment.
- The company has built a water treatment plant for the environmental sustainability, reducing the pollution that led to problems such as disease, death of plants and animals, and destruction of habitats. The company ensures that water has low levels of the chemical disinfectant when it leaves the treatment plant. This prevents the contamination of water bodies and helps maintain the balance of aquatic ecosystems, safeguarding the health of plants, animals & marine life.
- To preserve climate change, maintain biodiversity, enhance air quality for workers and the environment, and reduce air pollution and carbon emissions from industry, the corporation organizes recurring planting campaigns. In addition, it stops soil erosion, controls the water cycle, and provides wildlife with habitats and resources.
- The company has installed renewable energy to meet the energy needs of the production process. The company makes sure to use the energy mix in a way that contributes to the decrease of greenhouse gas emissions. By installing solar panels and windmills, it lessens our reliance on fossil fuels, which contribute to issues like climate change, harsh weather, rising sea levels, and harm to our ecology.
- **Promoting the Diversity, Equity and Inclusion - DEI**
- The company is committed to fostering an inclusive environment where every individual has access to equal opportunities. As an equal opportunity employer, we cultivate a secure and productive workplace where all team members feel valued, respected and empowered to contribute their unique perspectives and abilities.
- Our DEI strategy, overseen by the board which places strong emphasis on empowering all employees, with particular focus on supporting women in the workforce. Initiatives such as the establishment of a daycare facility equipped with modern amenities, flexible hours, and live video access enhance employee satisfaction, retention and productivity, while promoting inclusivity and challenging traditional gender roles.
- We embrace diversity in all its forms, including gender, race, sexual orientation, cultural background and increasingly, diversity of thought. This includes recognizing neurodiversity and valuing varied life experiences to enrich our workplace with fresh ideas and broader perspectives.
- The Company ensures fair compensation aligned with job responsibilities and performance, irrespective of race, gender, age or other personal attributes. We provide resources and support to help every employee succeed and thrive.

- Inclusion is embedded in our culture where individuals feel confident to be themselves, work in ways that suit their strengths and contribute meaningfully to our business goals. We firmly believe that every person connected with our organization adds value to our collective success.

Directors Remuneration Policy

The director's remuneration policy is designed to provide fair and performance linked financial rewards, motivating directors to work efficiently and effectively. It safeguards the company's interests by ensuring just compensation aligned with individual contributions.

The policy also supports the attraction and retention of qualified professionals, aligns directors' interests with those of shareholders, promotes sustainable success and discourages risk-taking that conflicts with the company's strategic objectives.

The remuneration policy is prepared under the recommendations and suggestions by human resource and remuneration committee (HRRC) to the board under the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations, 2019.

The executive directors entitled for the fixed monthly remuneration and other perquisites recommended by HRRC which were duly approved by the board and followed by the approval of members in general meeting of the company.

In pursuance of section 227(l)(a) of the Act, the following remuneration as disclosed in notes to the financial statement has been paid to the directors of the company during the current fiscal year:

- a) Mr. Bilal Sharif (CEO) - PKR 800,000/- per month.

Besides, the other fringe benefits for above directors includes company maintained vehicle with fuel, business travelling and communication expenses.

No fee or remuneration has been paid to any other directors of the company.

Statutory Auditors

The present auditor's M/s Mushtaq & Company, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2025 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2026. The external auditor M/s Mushtaq & Company, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are fully complied with the International Federation of Accountants' Guidelines on the

Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

The statutory auditors neither performed any of the decision making, internal audit or management functions nor they have any sort of relationship with any directors or executives of the company. The engagement partners were rotated after completion of every five years.

The Board of Directors also recommended the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2026 and the remuneration of the auditors has been fixed at PKR 3,100,000/- (Year 2024-25: PKR 2,775,000/-) for the year 2025-26 as recommended by the audit committee to the board under regulation 32(3) of the Code. The assignments include statutory audit, half yearly review and code of corporate governance review.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of report of directors' report.

Acknowledgement

I extend my sincere gratitude to the governing board, esteemed shareholders, valued customers, lenders, suppliers, and all stakeholders for their continued encouragement, confidence, and unwavering support. I also express heartfelt appreciation to every employee for their dedication, resilience, and hard work in serving the organization and contributing meaningfully to its success.

For and on behalf of the Board



Bilal Sharif
(Chief Executive Officer)

Karachi: September 30, 2025



Mohammad Salim
(Director)

Environmental, Social and Governance (ESG) Performance

The Securities and Exchange Commission of Pakistan (SECP) introduced significant amendments to Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 on June 12, 2024, aimed at enhancing Environmental, Social, and Governance (ESG) accountability.

SECP encourage the adoption of ESG guidelines hence, board is currently reviewing the framework to ensure necessary compliance and ensure comprehensive reporting in due course.

On behalf of the Board, I present this ESG report, reaffirming our commitment to sustainable and responsible business practices as essential for long-term success.

This report presents the Environmental, Social, and Governance (ESG) performance of **Faisal Spinning Mills Limited** for the year 2025. It highlights our efforts to reduce environmental impact, promote social equity, and uphold strong corporate governance. We recognize our responsibility to operate sustainably and understand the broader influence our actions have on climate, society, and ethical business practices.

The company has proven its dedication to quality and sustainability by obtaining multiple certifications and being recognized for its operations that meet the requirements of Standard OEKO-TEX® compliance, ISO 9001, 14001:2015, BCI Cotton, USA Cotton, Inditex, GOTS and GRS. The company is fully committed to business responsibility. The Environment, Social, and Governance (ESG) framework comprises three domains wherein the company has incorporated accountability as part of its ongoing commitment to contribute towards sustainable and impactful goods.

Environmental

As part of our commitment towards sustainability, Faisal Spinning Mills Limited aims to reduce emissions by 30 to 40 percent over the next five years through a transition to renewable energy. This shift not only lowers our environmental footprint but also contributes to long-term operational efficiency.

The company has taken the renewable energy initiatives by the installation 2.50 megawatt solar energy at their manufacturing facilities located in Punjab which will result in annual reduction of carbon footprints by 1,805 tons.

The 4.80 MW wind mill project installation in the last year at Unit-I has been completed and wind mill has commenced its commercial production since April 2025. The project operates at annual efficiency of 40 percent thus total energy requirement of 4.50 megawatt of the Unit-I will be reduced to 2.58 megawatt.

Given the flammable nature of cotton, the company requires all vehicles entering its premises to be equipped with flame arresters. These devices are installed during normal operations to prevent ignition of flammable vapors and gases, reducing the risk of fire or explosion in emergency situations

Water treatment plays a vital role in protecting the ecosystem by removing harmful pollutants. It helps maintain the balance of aquatic environments, ensuring the health and sustainability of flora, fauna and marine life. The company has set up a Simens Effluent Treatment Plant at Finishing Unit-III located in the province of Punjab, with 125m³/hour of the installed capacity for the of waste water treatment. Our next goal is to go for water recycling by 2025 on ZDL approach.

The company has installed four Waste Heat Recovery Boilers (WHRBs) to capture the waste heat for steam generation utilize in yarn conditioning machines. These boilers operate without natural gas or biomass, producing approximately 3,291 kW of steam per hour. By utilizing waste heat instead of releasing it into the environment, the company significantly reduces its emissions and environmental footprint.

Social

Our ESG activities involves lowering our carbon footprint, fostering diversity and inclusion, encouraging worker health and safety, and making sure that our business operations are moral and ethical. To keep improving and having a positive influence on the areas in which we operate, we make an effort to interact with our stakeholders and listen to their concerns. In terms of having a positive social impact, the company focusses not only on its own employees, but also on local communities by delivering products with positive social values.

Our anti-harassment policy expresses our commitment to maintain a workplace that's free of harassment, so our employees can feel safe and happy. We will not tolerate anyone intimidating, humiliating or sabotaging others in our workplace. We also prohibit wilful discrimination based on age, sexual orientation, ethnicity, racial, religion or disability. The company has comprehensive harassment policy in the light Protection Against Harassment of Women at the Work Place Act, 2010. The policy is designed to protect both men and women against sexual harassment in the workplace where harassment in any form is unacceptable and violates a person's dignity.

The company strictly prohibit the employment of child labor force in the company to save children from injuries to their health or detrimental to their moral or psychological development and ensure that they are not exploited for work.

There are five distinct areas where we concentrate on as part of our ESG strategy to address societal challenges are:

i) DEI initiatives

The company has devised such policies and programs that support inclusion and diversity in the workplace, including training, mentorship programs, hiring procedures, and other areas that aid in boosting the involvement and representation of various groups of individuals. Furthermore, the purpose of equity measures is to guarantee that every employee receives the same treatment and chances. Our DEI values include appreciating that individuals have varying obstacles to overcome and not undervaluing the prevalent methods of action and thought. We stress on more varied perspectives and a staff that more accurately represents a company's clientele can be attained through our successful DEI initiatives.

ii) Engagement and well-being of employees

We prioritise our employees' health and well-being first as part by implementing programs like equitable remuneration, flexible work schedules, and mental health support. The guaranteeing safe and healthy working environments is crucial component of ESG initiatives hence company has taken an initiative for construction of an on-site day care at our liaison office in Lahore particularly benefits

working mothers by offering convenience and peace of mind, allowing them to focus on their professional responsibilities. The qualified and caring day care staff ensures a stimulating environment for children and addresses various situations throughout the day.

Since medical has become extremely expensive for those in need thus, company has arranged a comprehensive health policy to fulfill the medical needs of employees and their families for the staff of Karachi and Lahore Offices. Besides, a group life insurance policy is also in place across the board for all office employees and mill workers.

iii) Community involvement

The company engages local communities through employment, charitable and philanthropic endeavours to get involved with the areas in which they operate. This helps in building positive image and lessen the probability of possible economic hazards. The company provides free meal for Karachi and Lahore office employees whereas subsidies in transport, grocery, utilities and meals provided to workers residing in side the labour colonies of the mill. The company also operates a charitable clinic in Sindh for the community welfare having the facilities like laboratory, ultra sound and free medicines. The community can avail free consultancy from family physician, lady doctor, visiting faculty of child and skin specialist doctors.

iv) Ethical conduct and social responsibility

Transparency, accountability and codes of conduct are effective means of fostering ethical behaviour and social responsibility. The company proactively promotes organization's adherence to its internal rules of conduct.

v) Corporate purpose and culture

To us corporate purpose isn't a mere written slogan by the company rather how our employees perceive the meaning and impact of their work. Our corporate purpose incorporates ESG goals, including social ones to build our company culture around it.

vi) Gender Diversity and Pay Gaps

We encourage an inclusive workplace by assuring equitable and fair representation at all organizational levels irrespective of gender discrimination. At the head office of Karachi and Lahore, women currently make up approximately 26 percent of the company's total staff. There is 6.54 percent and 8.65 percent mean and median gender pay gap however, the variation in pay is due to individual performance over time, employment tenure and specific set of skill.

Governance

The company's governance structure is intended to guarantee ethical behaviour, accountability and openness throughout the organization which is both a tactically and morally beneficial for us. It enhances the organization's general repute, financial stability and long-term success. By fostering accountability, openness, and moral conduct puts us in a position to expand sustainably and gains the trust of

stakeholders. Our leadership is committed to maintaining the highest levels of corporate governance, following relevant laws and regulations, and industry best practices.

The board members steer company's strategic direction by contributing invaluable skills and expertise:

- The company values diversity and discourage all sorts of discriminate based on age or gender. The board comprised of 10 members with an appropriate mix of experience, age and gender. Presently, we have three independent directors and one female director on board along with other executive and non-executive directors. The roles CEO and chairman are performed by different individuals whereas the chair is an independent director.
- An evaluation of board and committees to the board is conducted annually in accordance with the provisions of the Code of Corporate Governance Regulations, 2019 (CCG 2019). The process to evaluate the board's performance carried out internally. The evaluation promotes a culture of responsibility, transparency, trust, and openness to improvement and constructive criticism, all of which are characteristics of a high-performing board.
- The Board of Directors and executive management provide steadfast guidance and support to enable responsible business management and strategic decision-making.
- All the members of the governing board are either certified under directors training program or exempted based on their credentials.
- The chairman to the audit and human resource committee is an independent director.
- The board reviews, update, amend its significant policies to follow good governance for the success of the organization:
 - Risk Management & Internal Control
 - Human Resource
 - Whistle Blower
 - Directors Remuneration
 - Environmental, Health and Safety
 - Anti-Money Laundering (AML)
 - Related Party
 - Anti-Harassment & Protection of Women at Workplace Act 2010 Act (Amended 2022).
 - Diversity, Equity and Inclusion-(DIE)
 - Environmental, Social and Governance-(ESG)
 - Business Ethics

Succession planning

Our succession planning strategy ensure a smooth transition of leadership and ownership when key employees or director leaves and avoids interruption when any employees or director retire, pass away or move on to new opportunities. Diversity and inclusion in our opinion are moral requirements for a successful and long-lasting organization.

Stakeholder Engagement

The company has demonstrated positive and collaborative interactions with both local and global stakeholders, in addition to their own initiatives. The company firmly believes that managing the social and environmental effects depends on the connections between stakeholders hence, the initiatives for stakeholder engagement are adapted rigorously across the board.

Ethical Conduct

The company has a high-level ethical policy that overlaps with social policy is completely compatible with regulatory requirements and aligned to this, we have confidentiality and antibribery policy too in compliance with legal standards. Being a public interest company at PSX, the company disseminate all material information, publish quarterly and annual financial statement, disclosed taxes deposited in government treasury with regulatory authorities and Federal Board of Revenue. The company is completely compliant with respective local labor office i.e SESSI, PESSI and EOBI, ensuring openness and transparency for any assessments or audits on social and labor conduct.

Faisal Spinning Mills Limited



Bilal Sharif
(Chief Executive Officer)
30th September, 2025

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The statement is being presented to comply with the requirement of regulation 36(1) contained in Code of Corporate Governance Regulations, 2019 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

Faisal Spinning Mills Limited Year Ending June 30, 2025

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are ten (10) as per the following,-

- a. Male : Nine (9)
- b. Female : One(1)

2. The composition of the Board is as follows:

Sr	Category	Name
i)	Independent Directors (*)	Mr. Tauqeer Ahmed Sheikh Mr. Asif Elahi Mr. Mustafa Tanvir
ii)	Non-Executive Directors - Male	Mr. Muhammad Salim Mr. Muhammad Shaheen Mr. Khurram Salim Mr. Muhammad Amin Mr. Hamza Shakeel
iii)	Non-Executive Directors - Female	Mrs. Fatima Amin
iv)	Executive Director	Mr. Bilal Sharif

(*) Explanation required under Regulation 6(1) of Code:

While calculating the minimum number of ID directors the fraction was not rounded upwards to 1. The reason being that as per general rule only number exceeding 0.5 shall be rounded to next number.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:
The entire board is accredited under directors training program.
(Name of Executive & Designation - (N/A);

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

(a) Audit Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Khurrum Salim	Member - Non- Executive Director
Mr. Muhammad Amin	Member - Non- Executive Director

(b) Human Resource & Remuneration Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Muhammad Shaheen	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

c) Nomination Committee (N/A)

The explanation stated below for not forming the nomination committee.

d) Risk Management Committee (N/A)

The explanation stated below for not forming the nomination committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

Name of Committee	Frequency of Meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Nomination Committee	Not applicable
Risk Management Committee	Not applicable

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr	Requirement	Explanation for Non-Compliance	Reg No
1	Disclosure of Significant Policies on Website	<i>The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1) however, company posts all such information adequately promotes transparency and serves the interests of all the stakeholders. The company may consider the uploading of key elements on its website if approved by the board.</i>	35
2	Significant Policies	<i>The aspects of workplace harassment for the employees are covered under the company's code of conduct. Nevertheless, the requirements introduced recently by SECP through its notification dated June 12, 2024 are being incorporated in an independent anti-harassment policy as prescribe under Protection against Harassment of Women at the Workplace Act 2010.</i>	10(4)(xvi)
3	Role of board and its members to address Sustainability Risks and Opportunities	<i>Through its notification dated June 12, 2024, the Securities and Exchange Commission of Pakistan announced several amendments to Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The amendments encourage board to adopt ESG practices hence, the initial steps were taken by the company to report of company's ESG performance. Since, these amendments were made during the year the management is now reviewing these amendments and necessary compliance will be carried in due course.</i>	10(A)
4	Formation of the Nomination Committee	<i>As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee. The board may consider the formation of NC at the reconstitution of the board.</i>	29(1)
5	Formation of the Risk Management Committee	<i>As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed by the Audit Committee. The board may consider the formation of RMC at the reconstitution of the board.</i>	30(1)
6	Annual Evaluation of the Board	<i>The company conducts formal and comprehensive boards and committees evaluation internally under the provision of Code of Corporate Governance Regulations, 2019 (CCG 2019). The independent evaluation may be considered by the board before expiry of three years as required under amendment made to CCG vide SRO 454(1)/2025.</i>	10(3)(5)

For and on behalf of the Board



MOHAMMAD SALIM

(Chairman)

September 30, 2025, Karachi

Independent Auditor's Review Report

To the members of Faisal Spinning Mills Limited on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Faisal Spinning Mills Limited** for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Place: Lahore
Dated: October 02, 2025
UDIN: CR202510724dGOu5BSfo

Mushtaq & Co.
MUSHTAQ & CO.
Chartered Accountants



Engagement Partner:
Nouman Arshad, ACA

Independent auditor's report to the members of Faisal Spinning Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Faisal Spinning Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2025 and the statement of profit or loss, the statements of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Stock in Trade</p> <p>Refer to note 3.14 & 22 to the financial statements.</p> <p>We identified this area as a key audit matter because inventories</p>	<p>Our key audit procedures in this area amongst others included the following;</p> <p>- Observed physical inventory count procedures and compared on a sample basis, physical count with inventory</p>

	<p>constitute significant portion of total assets of the Company.</p> <p>Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.</p>	<p>sheets.</p> <ul style="list-style-type: none"> - Compared on sample basis specific purchases and directly attributable cost with underlying supporting documents. - Checked overhead absorption rates at different stages of production to ascertain valuation of work in process and finished goods. - Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. - Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards. - Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Islamabad Office:

407, Second Floor,
Faisal Spinning Mills Ltd
Millennium Heights,
F-11/1, Islamabad.

Lahore Office:

19-B, Block G,
Gulberg-III, Lahore. 40
Tel: 042-35858624-6
E-mail: audit.lhr@mushtaqandco.com

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Nouman Arshad, ACA.

Mushtaq & Co.

MUSHTAQ & CO
Chartered Accountants



Lahore.

Dated: September 30, 2025

UDIN: AR202510724D32lynBzd

Faisal Spinning Mills Limited

Statement of Financial Position As at June 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees		Note	June 30, 2025 Rupees	June 30, 2024 Rupees
<u>EQUITY AND LIABILITIES</u>				<u>ASSETS</u>			
<u>SHARE CAPITAL AND RESERVES</u>				<u>NON CURRENT ASSETS</u>			
Authorized capital 12,000,000 (2024: 12,000,000) ordinary shares of PKR 10 each		120,000,000	120,000,000	Property, plant and equipment	18	11,828,411,406	10,072,944,353
Issued, subscribed and paid up capital	5	100,000,000	100,000,000	Long term investment	19	1,451,085,106	1,473,665,420
Reserves	6	10,998,078,334	11,312,047,267	Long term deposits	20	65,469,752	36,424,217
Loan from directors and sponsors	7	1,072,718,600	1,072,718,600			13,344,966,264	11,583,033,990
		12,170,796,934	12,484,765,867				
<u>NON CURRENT LIABILITIES</u>				<u>CURRENT ASSETS</u>			
Long term financing - secured	8	4,496,473,636	3,518,351,068	Stores, spare parts and loose tools	21	1,100,795,145	973,061,588
Employees retirement benefits	9	652,007,475	523,158,797	Stock in trade	22	17,084,391,848	12,339,666,757
Deferred taxation	10	215,879,026	219,266,073	Trade debts	23	3,936,725,759	4,088,867,198
Deferred Government grant	11	57,185,685	78,304,326	Loans and advances	24	637,255,041	153,968,696
		5,421,545,822	4,339,080,264	Trade deposits and prepayments	25	1,123,242,477	422,174,330
<u>CURRENT LIABILITIES</u>				Other receivables	26	62,933,035	44,437,540
Trade and other payables	12	4,899,370,824	4,609,261,606	Income tax refundable	27	848,101,283	572,896,986
Unclaimed dividend	13	19,313,393	19,460,365	Sales tax refundable	28	1,249,580,900	936,509,067
Accrued markup / interest	14	273,839,815	203,105,617	Cash and bank balances	29	349,020,982	575,411,747
Short term borrowings - secured	15	16,170,545,665	9,244,461,651			26,392,046,470	20,106,993,909
Current portion of long term financing	16	781,600,281	789,892,529				
		22,144,669,978	14,866,181,768				
<u>CONTINGENCIES AND COMMITMENTS</u>							
	17						
TOTAL EQUITY AND LIABILITIES		39,737,012,734	31,690,027,899	TOTAL ASSETS		39,737,012,734	31,690,027,899

The annexed notes from 1 to 52 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Profit or Loss For the Year Ended June 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Sales - Net	30	46,203,552,790	45,029,600,571
Cost of sales	31	(42,529,746,167)	(42,288,491,572)
Gross profit		3,673,806,623	2,741,108,999
Other income	32	238,075,025	139,714,667
		3,911,881,648	2,880,823,666
Distribution cost	33	(1,506,676,743)	(1,463,591,179)
Administrative expenses	34	(545,145,319)	(527,296,363)
Other operating expenses	35	(16,839,522)	(46,921,853)
Finance cost	36	(1,513,144,375)	(1,608,042,214)
		(3,581,805,959)	(3,645,851,609)
		330,075,689	(765,027,943)
Share of loss from associated undertaking		(17,911,648)	(315,451,214)
Profit / (loss) before levies and taxation		312,164,041	(1,080,479,157)
Levies	37.1	(577,544,410)	(440,136,401)
Loss before taxation		(265,380,369)	(1,520,615,558)
Taxation	37.3	(3,886,716)	136,844,164
Loss after taxation		(269,267,085)	(1,383,771,394)
Loss per share - basic and diluted	38	(26.93)	(138.38)

The annexed notes from 1 to 52 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Comprehensive Income For the Year Ended June 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Loss after taxation		(269,267,085)	(1,383,771,394)
Other comprehensive loss for the year			
Items that may be reclassified subsequently to profit or loss:		-	-
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on remeasurement of employees retirement benefits - gratuity	9.2	(40,033,182)	(29,525,137)
Share of OCI of associate	19	(4,668,666)	(3,546,616)
		(44,701,848)	(33,071,753)
Total comprehensive Loss for the year		(313,968,933)	(1,416,843,147)

The annexed notes from 1 to 52 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Changes in Equity For the Year Ended June 30, 2025

	Share Capital	Capital Reserves	Revenue Reserves		Loans from directors and sponsors	Total
			General Reserves	Unappropriated Profit		
.....Rupees.....						
Balance as at June 30, 2023	100,000,000	24,150,000	9,975,850,000	2,843,890,414	1,072,718,600	14,016,609,014
Total comprehensive loss for the year						
Loss for the year	-	-	-	(1,383,771,394)	-	(1,383,771,394)
Other comprehensive loss	-	-	-	(33,071,753)	-	(33,071,753)
Dividends						
Final dividend for the year ended June 30, 2023						
PKR. 11.50 per share	-	-	-	(115,000,000)	-	(115,000,000)
Balance as at June 30, 2024	100,000,000	24,150,000	9,975,850,000	1,312,047,267	1,072,718,600	12,484,765,867
Total comprehensive loss for the year						
Loss for the year	-	-	-	(269,267,085)	-	(269,267,085)
Other comprehensive loss	-	-	-	(44,701,848)	-	(44,701,848)
Balance as at June 30, 2025	100,000,000	24,150,000	9,975,850,000	998,078,334	1,072,718,600	12,170,796,934

The annexed notes from 1 to 52 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Cash Flows For the Year Ended June 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and taxation		312,164,041	(1,080,479,157)
Adjustments for:			
Depreciation of property, plant and equipment		873,563,359	886,637,072
Share of profit from associated undertaking		17,911,648	315,451,214
Provision for ECL		2,542,725	9,052,781
Reversal of allowance for ECL		(9,052,781)	(1,870,769)
Provision for staff retirement benefits		175,664,689	159,056,707
Gain on disposal of property, plant and equipment		(1,071,983)	(6,839,026)
Finance cost		1,513,144,375	1,608,042,214
		2,572,702,032	2,969,530,193
Operating cash flows before movements in working capital		2,884,866,073	1,889,051,036
Changes in working capital			
Stores, spares and loose tools		(127,733,557)	(231,566,588)
Stock in trade		(4,744,725,091)	2,987,696,350
Trade debts		158,651,495	(402,556,058)
Loans and advances		(483,286,345)	29,352,461
Trade deposits		(701,068,147)	9,070,962
Other receivables		(18,495,495)	51,963,817
Sales tax refund		(313,071,833)	387,638,061
Trade and other payables		290,109,218	88,983,584
		(5,939,619,755)	2,920,582,589
Cash (used in) / generated from operations		(3,054,753,682)	4,809,633,625
Finance cost paid		(1,442,410,177)	(1,821,218,642)
Staff retirement benefits - gratuity paid		(86,849,193)	(60,734,542)
Income taxes and levies paid - net		(860,022,470)	(518,756,203)
Long term deposits		(29,045,535)	(5,234,637)
		(2,418,327,375)	(2,405,944,024)
Net cash (used in) / generated from operating activities		(5,473,081,057)	2,403,689,601
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		10,619,672	17,800,000
Addition in property, plant and equipment		(2,638,578,101)	(852,852,144)
Dividend received		-	19,621,140
		(2,627,958,429)	(815,431,004)
Net cash (used in) investing activities		(2,627,958,429)	(815,431,004)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term finances		1,714,758,206	229,733,450
Repayment of long term financing		(766,046,527)	(692,054,193)
Increase / (decrease) in short term borrowings		6,926,084,014	(1,016,515,016)
Dividend paid		(146,972)	(113,865,486)
		7,874,648,721	(1,592,701,245)
Net cash generated from / (used in) financing activities		(226,390,765)	(4,442,648)
Net decrease in cash and cash equivalents		575,411,747	579,854,395
Cash and cash equivalent at the beginning of year		349,020,982	575,411,747
Cash and cash equivalent at the end of year	29	349,020,982	575,411,747

The annexed notes from 1 to 52 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Notes to the financial statements**For the year ended June 30, 2025****1 The Company and its Operations**

- 1.1** Faisal Spinning Mills Limited ("the Company") was incorporated on 31st January 1985 as a public limited company in Pakistan under repealed Companies Ordinance, 1984 now the Companies Act, 2017 and is quoted on Pakistan Stock Exchange Limited. The registered office of the Company is located at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area Karachi.
- 1.2** The company is principally engaged in manufacturing and sales of yarn, greige fabric, dyed fabric and home textile products. The production facilities are located at Nooriabad, District Dadu in the province of Sindh and Feroze Wattowan, District Sheikhpura in the province of Punjab.

2 Basis of Preparation**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value and obligations for TERF is stated at present value and Investment in associate is accounted for using equity method. In these financial statements, except for cash flow statements, all transactions have been accounted for on accrual basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest Rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Computation of deferred tax and estimation of income tax provisions.
- Measurement of defined benefit obligation.
- Estimation of provisions and contingent liabilities.
- Useful lives, residual values and depreciation method of property, plant and equipment.
- Impairment of non-financial assets and financial assets.
- Provision for stores and spares and stock in trade.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

Notes to the financial statements
For the year ended June 30, 2025
2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

2.5.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

		Effective date (annual reporting periods beginning on or after)
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement (Amendments)	January 1, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)		January 1, 2026

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

3 Material Accounting Policy Information
3.1 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3.2 Employee benefits
Post retirement benefits
Defined benefit plans

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

Amounts recognized in the statement of financial position represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Actuarial gains and losses are recognized in comprehensive income for the year in which these arise.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

3.3 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Notes to the financial statements**For the year ended June 30, 2025****Current**

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is accounted for using the statement of financial position liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate and the amounts used for tax purposes. The Company's policy is to measure deferred tax using the average effective tax rate rather than the enacted / notified tax rate except for temporary differences arising from investment in associate. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

3.4 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.5 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoices to the company.

3.6 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

3.7 Property, plant and equipment and depreciation**Owned assets**

Property, plant and equipment, except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work-in-progress are stated at cost.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is charged to profit or loss on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note except for equipment and other assets. Equipment and other assets are depreciated over the period of three to four years. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is material.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

**Notes to the financial statements
For the year ended June 30, 2025****Impairment**

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

Leased assets**Recognition**

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company). The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement**Lease liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement**Lease liability**

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Ijarah Contracts

Payments made under ijarah contract are charged to the statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

3.8 Capital work in progress

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

Notes to the financial statements**For the year ended June 30, 2025****3.9 Investments in associate - Equity Method**

Entities in which the Company has significant influence but not control and which are neither its subsidiaries nor joint ventures are associates and are accounted for by using the equity method of accounting. These investments are initially recognized at cost, thereafter the carrying amount is increased or decreased to recognize the company's share of profit or loss of associates. Share of post acquisition profit and loss of associates is accounted for in the company's profit and loss account. Distribution received from investee, reduces the carrying amount of investment. The changes in the associate's equity which are not recognized in the associates' statement of profit or loss, are recognized directly in the equity of the Company.

3.10 Financial assets and liabilities**Financial assets**

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of profit or loss.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the year in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the year in which it arises.

Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

Notes to the financial statements**For the year ended June 30, 2025****3.11 Impairment****Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.13 Stores and spares

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.14 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows:

Raw material	At weighted average cost
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost
Waste	Net realizable value

Valuation of raw material, work in process and finished goods as on 30th June have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

Raw material in transit is stated at invoice price plus other charges paid thereon upto the statement of financial position date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

3.15 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

Notes to the financial statements**For the year ended June 30, 2025****3.17 Revenue recognition**

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

Interest income is recognized on the basis of constant periodic rate of return.

Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

3.18 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss currently.

3.19 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date.

Exchange differences, if any, are taken to statement of profit or loss.

3.20 Transactions with related party

Transactions with related parties are priced at comparable uncontrolled market price. All transactions involving related parties arising in the normal course of business are conducted at arm's length using valuation modes, as admissible. Parties are said to be related when they meet the definition as provided in the Companies Act, 2017.

3.21 Segment reporting

Segment reporting is based on the operating (business) segments of the company. An operating segment is a component of the company that engages in a business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CEO to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprises mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

The business segments are engaged in providing products and services which are subject to risks and rewards which differ from the risk and reward of other segment. Segments reported are Spinning, Weaving and Power Generation, which also reflects the management structure of company.

3.22 Deferred Government Grant

In accordance with IFRS 9 the benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity and temporary economic refinance facility, is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in statement of financial position as deferred government grant. The amortisation of deferred government grant is netted off with finance cost within in the statement of profit or loss.

4 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further the company is not subject to externally imposed capital requirements.

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025
5 Issued, Subscribed and Paid up Capital

Number of shares			June 30, 2025	June 30, 2024
June 30, 2025	June 30, 2024		Rupees	Rupees
6,300,000	6,300,000	Ordinary shares of Rs 10 each allotted for consideration - fully paid in cash	63,000,000	63,000,000
3,700,000	3,700,000	Ordinary shares of Rs 10 each allotted as bonus shares	37,000,000	37,000,000
10,000,000	10,000,000		100,000,000	100,000,000

5.1 Admiral (Private) Limited, an associated company, holds 1,440,493 (2024: 1,282,900) ordinary shares of Rs. 10 each in the company.

5.2 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction. There is no movement in share capital during the year.

6 Reserve

Capital Reserves		24,150,000	24,150,000
General Reserves	6.1	9,975,850,000	9,975,850,000
Unappropriated Profit		998,078,334	1,312,047,267
		10,998,078,334	11,312,047,267

6.1 General reserve is primarily a revenue reserve being maintained to have adequate resources for future requirements and business operations.

7 Loan from Directors and Sponsors

Directors and sponsors had entered into a contract with the Company to finance equity portion i.e land, building and local components of plant & machinery of new Finishing and Home Textile Division. As per contract, the loans are unsecured, interest free and repayable at the discretion of the Company. The loan is presented under equity as per Technical Release-32 of The Institute of Chartered Accountants of Pakistan.

8 Long Term Financing - Secured
From Financial Institutions

Facility	Limit	Rate	Repayments	Frequency	Security	June 30, 2025 Rupees	June 30, 2024 Rupees
United Bank Limited							
LTFF	2065.9 M	SBP rate + Spread ranging from 0.5 % to 0.75% (2024: SBP rate + Spread ranging from 0.5 % to 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from 2015 and ending in 2029	Quarterly	First pari passu charge over plant and machinery of Spining Unit situated at 1Noori Abad, to the extent of Rs. 1.374 billion.	284,094,079	381,840,319
		SBP rate + Spread ranging from 0.5 % to 1% (2024: SBP rate + Spread ranging from 0.5 % to 1%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from 2015 and ending in 2032		First pari passu charge over plant and machinery of Weaving Unit situated at 18 KM, Faisalabad Road, Feroz Watwan, District Sheikhpura, to the extent of Rs. 2.205 billion.	592,269,295	797,809,847
TERF	160 M	SBP rate + Spread 0.75% (2024: SBP rate + Spread 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from Aug 2023 and ending in May 2031		First charge over plant and machinery of Weaving Unit situated at 18 KM, Faisalabad Road, Feroz Watwan, Sheikhpura, to the extent of Rs. 2.205 billion.	97,935,773	111,408,389
						974,299,147	1,291,058,555
Bank Al Falah Limited							
LTFF	2197 M	SBP rate + 0.75% (2024: SBP rate + 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from Nov 2022 and ending in June 2032	Quarterly	First charge over plant and machinery of Finishing Unit situated at 1.7KM Warburton Road Sheikhpura, Punjab to the extent of Rs. 6.97 billion (2024: 5.1 billion).	2,006,047,217	2,379,676,042
TERF	388 M	SBP rate + 0.75% (2024: SBP rate + 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from March 2023 and ending in Nov 2031			282,677,844	319,306,094
Term Finance	1500 M	3 months KIBOR + 0.85% (2024: Nil)	The loans are repayable in Twenty Four equal quarterly installments, commencing from April 2027 and ending in Jan 2033			838,427,806	-
						3,127,152,867	2,698,982,136

Dubai Islamic Bank Limited

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025

LTFF	61.5 M	SBP rate + Spread 2.0% (2024: SBP rate + Spread 2.0%)	The loans are repayable in twenty equal installments, commenced from May 2023 and ending in February 2028.	Quarterly	Exclusive charge on Jenbacher Natural Gas Genset location at Faisal Spinning Mills Ltd, A-150, SITE Area Nooriabad, Jamshoro, Sindh to the extent of Rs. 76.148 million.	33,810,150	46,104,750
						33,810,150	46,104,750

Bank Islami Limited

IFRE	18.7 M	SBP rate + Spread 1.0% (2024: SBP rate + Spread 1.0%)	The loans are repayable in thirty nine equal installments, commenced from July 2022 and ending in March 2032.	Quarterly	Specific Charge over plant and machinery comprising solar power equipment installed at finishing Unit situated at 1.7KM Warburton Road Sheikhupura, Punjab to the extent of Rs. 25 Million.	15,629,262	17,582,903
						15,629,262	17,582,903

Habib Bank Limited

Term Finance	2580 M	3 months Kibor + 1% (2024: 3 months Kibor + 1%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from July 2026 and ending in June 2034	Quarterly	Specific charge over plant and machinery of Spinning Unit situated at Noori Abad, to the extent of Rs. 1.113 billion and ranking charge over plant & machinery of the Company to the extent of Rs. 371 million..	1,106,063,850	229,733,450
						1,106,063,850	229,733,450

Less: Current portion shown in current liabilities

16

5,256,955,276	4,283,461,794
760,481,640	765,110,726
4,496,473,636	3,518,351,068

June 30, 2025	June 30, 2024
Rupees	Rupees

9 Employees Retirement Benefits
Note
9.1 Movement in liability recognized in the statement of financial position

Balance at beginning of the year
Charged to Statement of profit or loss and comprehensive income
Benefits paid during the year
Balance at the end of the year

9.2

523,158,797	395,311,495
215,697,871	188,581,844
(86,849,193)	(60,734,542)
652,007,475	523,158,797

9.2 Amount charged to Statement of profit or loss / comprehensive income

Current service cost
Interest cost
Charge to Statement of profit or loss
Remeasurement charge to Statement of comprehensive income

119,694,412	105,351,648
55,970,277	53,705,059
175,664,689	159,056,707
40,033,182	29,525,137
215,697,871	188,581,844

9.3 The company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. Actuarial valuation has been carried out by independent actuary as at June 30, 2025 using the "Projected Unit Credit Method" assuming a discount rate of 11.75% (June 30, 2024: 14.75%) per annum, expected rate of increase in salaries at 10.75% (June 30, 2024: 13.75%) per annum.

9.4 There is no unrecognized actuarial loss / gain.

9.5 Historical information

	Actuarial adjustment arising (%)	Present value of defined benefit obligation Rupees	Experience adjustment on plan liabilities Rupees
30th June 2024	5.64%	523,158,797	29,525,137
30th June 2023	7.88%	395,311,495	31,134,625
30th June 2022	-0.05%	279,196,638	(131,268)
30th June 2021	0.85%	220,775,762	1,879,925

9.6 Sensitivity analysis of actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.

	Increase in assumption	Decrease in assumption
Discount rate	(21,829,890)	22,950,235
Expected rate of increase in future salary	22,950,235	(22,217,759)

9.7 The expected post employment benefit cost comprising of service cost and net interest for the year ending 30th June 2026 works out to Rs. 197,722,770.

9.8 The weighted average duration of defined benefit obligation is 5 years.

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025
10 Deferred Taxation

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Deferred tax liability on taxable temporary differences		215,879,026	219,266,073
Deferred tax asset on deductible temporary differences		-	-
		<u>215,879,026</u>	<u>219,266,073</u>

2025
Taxable temporary differences

Accelerated tax depreciation on owned assets
Investment in associated company

As at July 01, 2024	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2025
-	-	-	-
219,266,073	(3,387,047)	-	215,879,026
219,266,073	(3,387,047)	-	215,879,026

Deductible temporary differences

Provision for employee benefit
Provision for doubtful debts
Unused tax credit

-	-	-	-
-	-	-	-
-	-	-	-
219,266,073	(3,387,047)	-	215,879,026

2024
Taxable temporary differences

Accelerated tax depreciation on owned assets
Investment in associated company

As at July 01, 2023	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2024
-	-	-	-
270,058,919	(50,792,846)	-	219,266,073
270,058,919	(50,792,846)	-	219,266,073

Deductible temporary differences

Provision for employee benefit
Provision for doubtful debts
Unused tax credit

-	-	-	-
-	-	-	-
-	-	-	-
270,058,919	(50,792,846)	-	219,266,073

- 10.1** Deferred tax is provided for only investment in associates at 15% of the timing differences based on tax rates notified by the Government of Pakistan for dividends of current and future years. Deferred tax on temporary differences other than Investment on associate is not recognized for the year as effective tax rate is zero as per guidance issued by ICAP.

11 Deferred Government grant

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Balance at beginning of the year		103,086,129	130,363,502
Amortized during the year		(24,781,803)	(27,277,373)
		<u>78,304,326</u>	<u>103,086,129</u>
Less: current portion	16	(21,118,641)	(24,781,803)
Balance at the end of the year		<u>57,185,685</u>	<u>78,304,326</u>

- 11.1** The Company obtained long-term loan agreements with Bank Al Falah Limited and United bank limited under "SBP Temporary Economic Refinance Facility" for additions of new plant & machinery. The facilities carry mark-up at State Bank of Pakistan (SBP) rate 1% plus bank's spread of 0.75% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loans have been measured at fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

12 Trade and Other Payables

Creditors		2,609,989,824	2,450,132,672
Accrued liabilities		668,946,384	671,463,224
Contract liabilities	12.1	158,137,400	89,797,123
Road Infrastructure cess payable	12.2	1,055,137,883	708,998,702
Gas Infrastructure cess payable	12.3	331,023,030	409,741,290
Workers' profit participation fund	12.4	16,839,522	-
Workers' welfare fund	12.5	-	224,064,703
Others		59,296,781	55,063,892
		<u>4,899,370,824</u>	<u>4,609,261,606</u>

- 12.1** Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs.84,296,507 (2024: Rs.275,221,982) has been recognised in current year in respect of advances from customers at the beginning of period.

12.2 Movement in liability recognized in the statement of financial position

Balance at beginning of the year	708,998,702	602,416,909
Accrued for the year	346,139,181	106,581,793
Balance at the end of the year	1,055,137,883	708,998,702

Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has filed petitions in Supreme Court of Pakistan and obtained stay on the recovery of these levies. During the pendency of final judgement on this, the Honourable Courts granting stay have directed the petitioners to arrange bank guarantees for the amount in favour of ETO. The company has provided bank guarantees amounting to Rs. 1,101.41 Million (June 30, 2024: Rs. 664.29 Million) in respect of unpaid infrastructure fee.

12.3 Movement in liability recognized in the statement of financial position

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Balance at beginning of the year		409,741,290	467,316,662
Paid / reversed during the year		(78,718,260)	(57,575,372)
Balance at the end of the year		331,023,030	409,741,290

It includes an amount of Rs. 49.90 million (2024: Rs. 186.20 million) on account of tariff difference on captive and general rates against which the Company has provided bank guarantee / post dated cheques of an aggregate amount of Rs. 50.30 million (2024: Rs. 129.03 million) on the orders of Sindh High Court and has accrued unpaid tariff difference. The Company vide petition 1234/2021 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 22 November 2020 had suspended the recovery of GIDC installments. Further, the Company vide petition 1848/2021 dated 30 August 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified projects.

12.4 Workers' profit participation fund

Balance at beginning of the year		-	79,614,251
Interest on funds utilized in the Company's business	12.4.1	-	3,983,199
		-	83,597,450
Paid during the year		-	(83,597,450)
Allocation / expense for the year		16,839,522	-
		16,839,522	-

12.4.1 Interest on workers' profit participation fund has been provided @ Nil% (June 30, 2024: 86.25%) per annum.

12.5 Workers' welfare fund

Balance at beginning of the year	224,064,703	235,087,755
Paid / adjusted during the year	(224,064,703)	(47,046,732)
	-	188,041,023
Allocation / expense for the year	-	36,023,680
	-	224,064,703

12.5.1 After the decision of the Honorable High Court of Sindh, the provisions of the Workers' Welfare Fund Ordinance, 1971 have been applied to the Company as it qualifies as a trans-provincial entity. Accordingly, the previously recognized liabilities have been settled, and any excess amounts have been reversed to ensure alignment with the Workers' Welfare Fund Ordinance, 1971 in line with the decision of the Council of Common Interests (CCI) regarding trans-provincial companies.

13 Unclaimed Dividend

Unclaimed dividend	19,313,393	19,460,365
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14 Accrued Markup / Interest

Accrued markup / interest on secured		
- long term financing	76,102,149	42,452,246
- short term borrowings	197,737,666	160,653,371
	273,839,815	203,105,617

15 Short Term Borrowings - secured
From banking companies

Running finance / Musharika		3,486,133,740	184,843,764
Money market loans		6,170,000,000	1,110,000,000
Import finances	15.3	-	2,081,419,598
State Bank of Pakistan (SBP) refinances	15.4	6,514,411,925	4,137,422,710
Export finances	15.4	-	1,730,775,579
		16,170,545,665	9,244,461,651

15.1 The aggregate approved short term borrowing facilities amounted to Rs. 25,610.25 Million (2024: Rs. 24,451.25 Million). Out of total facilities, facilities of Rs. 12,925.84 Million (2024: Rs. 14,843.52 million) are unavailed at the reporting date.

15.2 Facilities, other than those described in Note 15.3 and 15.4, are subject to mark-up ranging from 1 to 3 month KIBOR minus 2.17% to KIBOR plus 2% (2024: 1 to 3 month KIBOR + spread between 0.1% to 2%) per annum payable quarterly.

15.3 The rates of mark-up range from 4.20% to 7.49% (2024: 5.6% to 6.75%) per annum.

15.4 The rates of mark-up range from 2% to 17.5% (2024: 2% to 19%) per annum.

15.5 Short term facilities are secured against hypothecation charge on stock, stores and receivables.

16 Current Portion of Long Term Financing

Long term financing	8	760,481,640	765,110,726
Deferred Government grant	11	21,118,641	24,781,803
		781,600,281	789,892,529

17 Contingencies and Commitments
Contingencies

- 17.1** In normal course of business, the Company has issued Post dated cheques / indemnity bonds amounting to Rs. 23.028 billion (2024: Rs. 23.24 billion) in favour of collector of customs in lieu of custom and sales tax levies against various statutory notification and the indemnity bond furnished by the Company are likely to be released after fulfilment of the terms of related SRO's.
- 17.2** Bank guarantees issued to utility companies on behalf of the company amounting Rs. 757.56 million (June 30, 2024: Rs. 644.62 million), Excise and Taxation - Government of Sindh Rs. 1,101.41 million (June 30, 2024: Rs. 656.41 million), Excise and Taxation - Government of Punjab Rs. 7.90 million (June 30, 2024: Rs. 7.90 million) and Pakistan State Oil Company Limited Rs. 2.250 million (June 30, 2024: Rs. 2.250 million).
- 17.3** The Company vide petition ICA 239111 of 2018 filed before the Honourable High Court of Lahore challenged the recovery of Cotton Cess against the judgment passed in writ petition No. 311009 of 2016 and writ petition No. 214708 of 2018 respectively. The Company has started paying the due amounts to discharge it's obligation.

- 17.4** The Government has levied Super Tax on high earning persons as well on companies assessed under final tax regime, which was levied by the Government for the tax year 2022 in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 in the Sindh High Court who decided the matter in favour of the petitioners ultra vires to the Constitution of Pakistan.

The FBR challenged the said decision before the Supreme Court of Pakistan who, vide interim order dated February 2023, directed that the taxpayers shall pay super tax to Nazir on the direction of Sindh High Court. The Company, complying with the directions, provided security of 100% super tax to the Nazir of High Court. 50% of which was encashed and deposited with the FBR. The hearing and appeal before the Supreme Court of Pakistan is pending. Amendments made through finance act 2023 are also being challenged in honorable high courts.

17.5	Bills discounted		5,044,654,531	5,293,441,788
17.6	Share of contingencies of its associated company, Blessed Textiles Limited:	Note	June 30, 2025	June 30, 2024
			Rupees	Rupees
	Bank guarantees		237,977,104	183,562,089
	Bills discounted		267,106,700	211,415,346
	Post dated cheques		2,573,656,064	2,577,127,929
			3,078,739,868	2,972,105,364

Commitments

17.7	Letters of credit for: (Raw material, stores & machinery)		1,439,487,518	5,230,879,829
17.8	Share of commitments of its associated company Blessed Textiles Limited:			
	- purchase of fixed assets / capital commitments		-	40,417,922
	- purchase of stores and spares		3,301,619	38,843,094
	- purchase of raw material		472,184,695	89,747,952
			475,486,314	169,008,968
17.9	Ijarah Vehicles:			
	The Company has entered into Ijarah arrangements for vehicles with Meezan Bank Limited. These arrangements have been made for the period of five years. This arrangements carry Mark up 3 Month KIBOR+ 0.50 per annum. The rate would be fixed for the first three months on the last working day before the first disbursement date and subsequently on each last working day immediately preceding the beginning of next three months. Lease rentals shall be revised in			
	Not later than one year		29,176,716	29,176,716
	Later than one year & not later than five years		51,644,307	95,409,381
	Later than five years		-	-
			80,821,023	124,586,097

18 Property, Plant and Equipment

Operating fixed assets	18.1	10,651,558,893	9,096,167,363
Capital work in progress	18.6	1,176,852,513	976,776,990
		11,828,411,406	10,072,944,353

18.6 Capital work in progress

	2025			
	As at July 01, 2024 Rupees	Additions Rupees	Transfers Rupees	As at June 30, 2025 Rupees
Building and other civil works	214,365,509	122,902,034	(124,717,385)	212,550,158
Plant and machinery	565,980,186	2,235,532,079	(1,837,209,910)	964,302,355
Electric installation	189,932,160	-	(189,932,160)	-
Others	6,499,135	-	(6,499,135)	-
	976,776,990	2,358,434,113	(2,158,358,590)	1,176,852,513
	2024			
	As at July 01, 2023 Rupees	Additions Rupees	Transfers Rupees	As at June 30, 2024 Rupees
Building and other civil works	100,861,752	113,503,757	-	214,365,509
Plant and machinery	174,016,552	468,097,519	(76,133,885)	565,980,186
Electric installation	-	189,932,160	-	189,932,160
Others	10,773,000	39,650,321	(43,924,186)	6,499,135
	285,651,304	811,183,757	(120,058,071)	976,776,990

Notes to the financial statements
For the year ended June 30, 2025

18.1 Operating fixed assets

Description	COST				DEPRECIATION				Book value as at June 30, 2025	Depreciation %
	As at July 01, 2024	Additions	Transfers / (Disposal)	As at June 30, 2025	As at July 01, 2024	Charge for the year	Transfers / (Disposal)	As at June 30, 2025		
	Rupees.									
Freehold land	1,017,060,360	-	-	1,017,060,360	-	-	-	-	1,017,060,360	-
Leasehold land	222,877,085	-	-	222,877,085	-	-	-	-	222,877,085	-
Factory building on freehold land	2,039,989,306	-	63,693,566	2,103,682,872	650,698,060	139,742,226	-	790,440,286	1,313,242,586	10%
Factory building on leasehold land	252,617,099	-	-	252,617,099	184,261,521	6,835,558	-	191,097,079	61,520,020	10%
Factory building on Leasehold extension	5,169,785	-	-	5,169,785	4,632,003	53,778	-	4,685,781	484,004	10%
Non factory building on freehold land	494,944,251	-	61,023,819	555,968,070	97,195,210	20,935,260	-	118,130,470	437,837,600	5%
Non factory building on leasehold land	20,390,399	-	-	20,390,399	16,172,194	210,911	(2,660,604)	13,722,501	6,667,898	5%
Non factory building on Leasehold extension	168,065,547	-	-	168,065,547	85,118,856	6,169,395	-	91,288,251	76,777,296	5%
Plant and machinery	9,501,172,818	-	1,833,040,092 (23,230,876)	11,310,982,034	4,159,084,973	587,332,956	2,660,604 (19,972,835)	4,729,105,698	6,581,876,336	10%
Electric equipment and fitting	362,756,394	-	183,438,377	546,194,771	188,633,882	19,274,560	-	207,908,442	338,286,329	10%
Gas line and pipe fitting	7,943,179	-	-	7,943,179	6,901,961	104,121	-	7,006,082	937,097	10%
Factory equipment	39,921,355	1,668,750	377,650	41,967,755	9,673,361	1,932,926	-	11,606,287	30,361,468	10%
Office equipment	37,970,377	-	(5,467,879)	32,502,498	2,239,438	67,830	-	2,307,268	30,195,230	10%
Furniture and fixtures	162,471,017	-	5,673,559	168,144,576	40,848,417	12,571,982	-	53,420,399	114,724,177	10%
Equipment and other assets	361,917,386	255,029,226	5,467,879	622,414,491	316,817,719	43,099,373	-	359,917,092	262,497,399	3 to 4 years
Vehicles	307,744,159	34,557,539	(16,060,170)	326,241,528	144,565,559	35,232,483	(9,770,522)	170,027,520	156,214,008	20%
	15,003,010,517	291,255,515	2,147,247,063 (39,291,046)	17,402,222,049	5,906,843,154	873,563,359	- (29,743,357)	6,750,663,156	10,651,558,893	
2025	15,003,010,517	291,255,515	2,147,247,063 (39,291,046)	17,402,222,049	5,906,843,154	873,563,359	- (29,743,357)	6,750,663,156	10,651,558,893	

Operating fixed assets

Description	COST				DEPRECIATION				Book value as at June 30, 2024	Depreciation %
	As at July 01, 2023	Additions	Transfers / (Disposal)	As at June 30, 2024	As at July 01, 2023	Charge for the year	Transfers / (Disposal)	As at June 30, 2024		
	Rupees									
Freehold land	1,015,729,449	1,330,911	-	1,017,060,360	-	-	-	-	1,017,060,360	-
Leasehold land	222,877,085	-	-	222,877,085	-	-	-	-	222,877,085	-
Factory building on freehold land	2,039,989,306	-	-	2,039,989,306	496,332,366	154,365,694	-	650,698,060	1,389,291,246	10%
Factory building on leasehold land	252,617,099	-	-	252,617,099	176,732,850	7,595,064	(66,393)	184,261,521	68,355,578	10%
factory building on Leasehold extension	5,169,785	-	-	5,169,785	4,505,856	59,754	66,393	4,632,003	537,782	10%
Non factory building on freehold land	494,944,251	-	-	494,944,251	76,121,018	21,074,192	-	97,195,210	397,749,041	5%
Non factory building on leasehold land	20,390,399	-	-	20,390,399	15,950,183	222,011	-	16,172,194	4,218,205	5%
Non factory building on Leasehold extension	168,065,547	-	-	168,065,547	78,372,700	6,746,156	-	85,118,856	82,946,691	5%
Plant and machinery	9,439,138,724	-	76,133,885 (14,099,791)	9,501,172,818	3,576,860,342	589,176,377	4,541,293 (11,493,039)	4,159,084,973	5,342,087,845	10%
Electric equipment and fitting	362,756,394	-	-	362,756,394	169,286,937	19,346,945	-	188,633,882	174,122,512	10%
Gas line and pipe fitting	7,943,179	-	-	7,943,179	6,734,942	115,691	51,328	6,901,961	1,041,218	10%
Factory equipment	39,921,355	-	-	39,921,355	15,990,993	2,107,766	(8,425,398)	9,673,361	30,247,994	10%
Office equipment	37,970,377	-	-	37,970,377	2,164,071	75,367	-	2,239,438	35,730,939	10%
Furniture and fixtures	162,471,017	-	-	162,471,017	27,334,795	13,513,622	-	40,848,417	121,622,600	10%
Equipment and other assets	317,993,200	-	43,924,186	361,917,386	280,713,997	32,270,945	3,832,777	316,817,719	45,099,667	3 to 4 years
Vehicles	297,243,355	40,337,476	-	307,744,159	126,080,521	39,967,488	(21,482,450)	144,565,559	163,178,600	20%
			(29,836,672)	-	-	-	-	-	-	
	14,885,220,522	41,668,387	120,058,071 (43,936,463)	15,003,010,517	5,053,181,571	886,637,072	- (32,975,489)	5,906,843,154	9,096,167,363	
2024	14,885,220,522	41,668,387	120,058,071 (43,936,463)	15,003,010,517	5,053,181,571	886,637,072	- (32,975,489)	5,906,843,154	9,096,167,363	

18.2 Equipment and other assets includes assets costing PKR 269,797,534 (2024: PKR 103,868,484) which have been fully depreciated.

Notes to the financial statements

For the year ended June 30, 2025

		Note	June 30, 2025Rupees.....	June 30, 2025
18.3	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	31	825,691,064	833,080,595
	Administrative expenses	34	47,872,295	53,556,477
			873,563,359	886,637,072
18.4	Free hold lands of the Company are located at Ferozwattwan Sheikhpura with an area of 187 Kanal 7 Marla (2024: 187 Kanal 7 Marla), Gajjumata Kasur with an area of 90 Kanal 10 Marla (2024: 90 Kanal 10 Marla), Warburton Sheikhpura 714 Kanal 1 Marla (2024: 714 Kanal 1 Marla), and leasehold lands of the Company are located at SITE Nooriabad with an area of 284.5 Kanal (2024: 284.5 Kanal).			

18.5 Disposal of operating fixed assets

Description	Cost	Accumulated depreciation	Book value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Rupees.....						
Plant and machinery							
Generator	20,964,321	17,945,318	3,019,003	3,032,787	13,784	Negotiation	Mr. Mazhar Abbas, Yasin Market, Maqbool Road, Iqbal town, Faisalabad
Loom	2,266,555	2,027,517	239,038	286,885	47,847	Negotiation	Mr. Zahid Iqbal, House no 318, Mohala Fareed Nagar, Pakpattan
	23,230,876	19,972,835	3,258,041	3,319,672	61,631		
Vehicles							
Audi	7,352,450	6,589,302	763,148	1,800,000	1,036,852	Negotiation	Mr. Ahab Kamal, House no 53, B II, Gulberg, Lahore
Kia Sportage	8,707,720	3,181,220	5,526,500	5,500,000	(26,500)	Negotiation	Mr. Tanvir Ahmad, House no 45-P, Mohala Phase 1, DHA, Lahore Cant, Lahore
	16,060,170	9,770,522	6,289,648	7,300,000	1,010,352		
June 30, 2025	39,291,046	29,743,357	9,547,689	10,619,672	1,071,983		
June 30, 2024	43,936,463	32,975,489	10,960,974	17,800,000	6,839,026		

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19	Long term Investment Investment in associates	Note	June 30, 2025	June 30, 2024
			Rupees	Rupees
	Investment in shares of Blessed Textiles Limited		1,451,085,106	1,473,665,420
	Cost of investment 1,189,160 ordinary shares of Rs. 10 each (2024: 1,189,160 shares)		11,891,600	11,891,600
	Accumulated share of post acquisition profit / OCI - net of dividends received		1,461,773,820	1,800,392,790
	Share of loss for the year		(17,911,648)	(315,451,214)
	Share of Other Comprehensive Loss for the year		(4,668,666)	(3,546,616)
	Dividend received during the year		-	(19,621,140)
			1,439,193,506	1,461,773,820
			1,451,085,106	1,473,665,420
	Total assets		25,271,189,935	23,032,774,754
	Total liabilities		17,310,761,377	14,950,212,436
	Net assets		7,960,428,558	8,082,562,318
	Company's share of associate's net assets		1,471,738,685	1,494,319,000
	Sales- net		30,433,100,980	31,821,773,255
	Loss for the year		(96,881,598)	(1,706,231,465)
	OCI for the year		(25,252,162)	(19,183,149)
	Company's share of associate's loss for the year		(17,911,648)	(315,451,214)
	Company's share of Other Comprehensive loss for the year		(4,668,666)	(3,546,616)
	Company's share of Contingencies for the year		3,078,739,868	2,972,105,364
	Company's share of Commitments for the year		475,486,314	169,008,968
	Market value per share		319.99	241.99
19.1	Summarized Statement of Financial Position			
	Non Current Assets		7,890,896,656	7,965,574,161
	Current Assets		17,380,293,279	15,067,200,593
			25,271,189,935	23,032,774,754
	Non Current Liabilities		3,546,887,683	4,061,321,148
	Current Liabilities		13,763,873,694	10,888,891,288
			17,310,761,377	14,950,212,436
	Net Assets		7,960,428,558	8,082,562,318
19.2	Summarized Statement of Profit or Loss			
	Revenue		30,433,100,980	31,821,773,255
	Loss before taxation		(96,881,598)	(1,706,231,465)
19.3	Reconciliation to carrying amount			
	Opening net assets		7,979,901,818	9,811,444,432
	Loss for the year		(96,881,598)	(1,706,231,465)
	Other comprehensive loss for the year		(25,252,162)	(19,183,149)
	Dividend paid during the year		-	(106,128,000)
			(122,133,760)	(1,831,542,614)
			7,857,768,058	7,979,901,818
	Loan from directors		102,660,500	102,660,500
	Net assets		7,960,428,558	8,082,562,318
	Shareholding in associate		18.49%	18.49%
	Proportion of associate ownership		1,452,758,623	1,475,338,937
	Other adjustments		(1,673,517)	(1,673,517)
			1,451,085,106	1,473,665,420
19.4	This represents 18.49% shares in Blessed Textiles Limited, an associated company (The Company). Investment has been accounted for using 'Equity Method' of accounting as per IAS - 28 Investments in Associates and Joint Ventures. The Company is incorporated in Pakistan as a Public Limited Company and is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at 18 KM, Feroze Wattwan, Sheikhpura Road, District Sheikhpura in the Province of Punjab.			
20	Long Term Deposits			
		Note	June 30, 2025	June 30, 2024
			Rupees	Rupees
	Security deposits		54,004,650	24,959,115
	Ijarah deposits		9,860,302	9,860,302
	Others	20.1	1,604,800	1,604,800
			65,469,752	36,424,217
20.1	It includes security deposit amounting to Rs. 20,000 given to Admiral (Private) Limited, an associated company, against rent of building in normal course of business.			

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025

21	Stores, Spare Parts and Loose Tools			
	Stores, spare parts and loose tools		1,102,883,975	975,150,418
	Provision for slow moving store items	21.1	(2,088,830)	(2,088,830)
			<u>1,100,795,145</u>	<u>973,061,588</u>
21.1	Provision for slow moving store items comprises;			
	Balance at the beginning of the year		2,088,830	2,088,830
	Recognized during the year		-	-
	Balance at the end of the year		<u>2,088,830</u>	<u>2,088,830</u>
21.2	No item of stores, spares and loose tools is pledged as security as at reporting date.			
22	Stock in Trade			
	Raw material		9,750,641,134	5,718,045,160
	Raw material in transit		728,086,445	1,092,700,214
	Work in process		1,096,340,549	1,221,492,891
	Finished goods	22.1	5,509,323,720	4,307,428,492
			<u>17,084,391,848</u>	<u>12,339,666,757</u>
22.1	Stock of finished goods includes stock of waste valued at Rs. 2,345,913 (2024: Rs. 2,758,104).			
22.2	No item of stock in trade is pledged as security as at the reporting date.			
23	Trade Debts			
	Considered good			
	Foreign: secured through letters of credit		1,068,149,630	1,720,475,162
	Foreign: unsecured		474,075,215	397,395,951
	Local : unsecured		<u>2,394,500,914</u>	<u>1,970,996,085</u>
			3,936,725,759	4,088,867,198
	Considered doubtful		159,049,630	165,559,686
	Allowance for ECL	23.1	(159,049,630)	(165,559,686)
			<u>3,936,725,759</u>	<u>4,088,867,198</u>
23.1	Particulars of allowance for ECL on doubtful debts			
	Balance at beginning of the year		165,559,686	158,377,674
	Allowance no longer required / recovered		(9,052,781)	(1,870,769)
	Charge during the year	34	2,542,725	9,052,781
	Balance at the end of the year		<u>159,049,630</u>	<u>165,559,686</u>
24	Loans And Advances			
	Considered good			
	Advances to suppliers - unsecured		141,555,144	122,813,507
	Advances to employees	24.1	26,022,941	28,461,800
	Letters of credit		10,676,956	2,693,389
	Margin against letters of credit		459,000,000	-
	Advances to suppliers - unsecured; considered doubtful		64,213	64,213
			<u>637,319,254</u>	<u>154,032,909</u>
	Provision for doubtful advances		(64,213)	(64,213)
			<u>637,255,041</u>	<u>153,968,696</u>
24.1	These represent advances to employees against future salaries and post employment benefits in accordance with the company policy.			
25	Trade Deposits and Prepayments			
	Deposit against infrastructure fee payable	25.1	1,108,391,426	412,391,427
	Prepaid expenses		14,851,051	9,782,903
			<u>1,123,242,477</u>	<u>422,174,330</u>
25.1	Effective mark up rate on these deposits range from 6.05% to 19.65% per annum (June 30, 2024: 18% to 20.25% per annum).			
26	Other Receivables			
	Claims and others receivables		62,933,035	44,437,540
			<u>62,933,035</u>	<u>44,437,540</u>
27	Income Tax Refundable			
	Advance income tax refundable		1,425,645,693	1,055,462,057
			1,425,645,693	1,055,462,057
	Provision for levies and taxation		(577,544,410)	(482,565,071)
			<u>(577,544,410)</u>	<u>(482,565,071)</u>
			<u>848,101,283</u>	<u>572,896,986</u>
28	Sales Tax Refundable			
		Note	June 30, 2025 Rupees	June 30, 2024 Rupees
	Sales tax refundable		1,249,580,900	936,509,067
	Excise duty and federal excise duty refundable		2,007,435	2,007,435
	Provision for doubtful excise duty and federal excise duty refundable		(2,007,435)	(2,007,435)
			<u>1,249,580,900</u>	<u>936,509,067</u>

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025

			June 30, 2025 Rupees	June 30, 2024 Rupees
29	Cash and Bank Balances	Note		
	Cash in hand		-	-
	Balances with banks in:			
	Current accounts		260,344,454	400,074,339
	Foreign currency accounts		88,209,631	156,278,644
	Saving accounts	29.1	466,897	19,058,764
			<u>349,020,982</u>	<u>575,411,747</u>
29.1	It carries mark up at the rate of 9.75% to 18% per annum (June 30, 2024: 18% to 18.50% per annum).			
30	Sales - Net			
	Export			
	Yarn		12,066,072,226	16,061,068,710
	Fabric		5,536,121,959	11,641,203,177
	Made ups		15,445,986,897	11,417,561,944
			33,048,181,082	39,119,833,831
	Export rebate		16,182,698	-
			<u>33,064,363,780</u>	<u>39,119,833,831</u>
	Local			
	Yarn		3,781,500,035	385,822,047
	Fabric		9,508,672,627	6,883,461,415
	Cotton		-	24,098,925
	Made Up		1,923,452,311	31,438,596
	Waste and others		291,269,486	315,140,761
			15,504,894,459	7,639,961,744
	Gross sales		48,569,258,239	46,759,795,575
	Discount on sales		-	(55,058,905)
	Sales tax		(2,365,705,449)	(1,675,136,099)
			<u>46,203,552,790</u>	<u>45,029,600,571</u>
30.1	Export sales include Rs. Nil exclusive of sales tax (June 30, 2024: Rs. 3,499.99 million) in respect of indirect export sales.			
31	Cost of Sales	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
	Raw material consumed	31.1	33,608,445,406	34,148,790,079
	Packing material consumed		621,822,595	621,648,943
	Stores and spare parts consumed		1,701,590,383	1,826,608,719
	Cost of cotton sold		-	21,903,302
	Salaries, wages and benefits	31.2	2,672,244,492	2,408,860,016
	Fuel, power and water		3,545,988,882	3,417,738,522
	Insurance		110,658,757	101,032,242
	Repair and maintenance		30,748,629	20,069,801
	Rent, rates and taxes		1,192,990	716,150
	Travelling, conveyance and entertainment		25,008,508	24,926,856
	Vehicle running expenses		49,140,754	52,318,590
	Communication		2,203,480	1,267,964
	Fee and subscription		10,053,217	16,314,999
	Depreciation	18.3	825,691,064	833,080,595
	Others		18,427,014	15,012,123
			<u>43,223,216,171</u>	<u>43,510,288,901</u>
	Work in process			
	Opening stock		1,221,492,891	960,979,255
	Closing stock		(1,096,340,549)	(1,221,492,891)
			<u>125,152,342</u>	<u>(260,513,636)</u>
	Cost of goods manufactured		<u>43,348,368,513</u>	<u>43,249,775,265</u>
	Finished stocks			
	Opening stock		4,307,428,492	3,319,072,627
	Finished goods purchased - fabric		383,272,882	27,072,172
	Closing stock		(5,509,323,720)	(4,307,428,492)
			<u>(818,622,346)</u>	<u>(961,283,693)</u>
			<u>42,529,746,167</u>	<u>42,288,491,572</u>
31.1	Raw material consumed			
	Opening stock		6,810,745,374	11,047,311,225
	Purchases		37,386,123,119	29,939,296,400
	Cost of raw material sold - yarn/fabric		(109,695,508)	(27,072,172)
	Closing stock		(10,478,727,579)	(6,810,745,374)
			<u>33,608,445,406</u>	<u>34,148,790,079</u>
31.2	Salaries, wages and benefits includes employees retirement benefits amounting to Rs. 143,197,115 (June 30, 2024: Rs. 130,367,903).			

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025

		June 30, 2025	June 30, 2024
		Rupees	Rupees
32 Other Income	Note		
Income from financial assets			
Interest on bank deposits		133,158,008	129,311,285
Reversal of ECL		9,052,781	1,870,769
Exchange gain on foreign currency translation		4,096,973	-
Dividends from short term investments		-	12,726
Gain on sale of mutual fund units		-	1,680,861
Income from non financial assets			
Gain on disposal of fixed assets	18.5	1,071,983	6,839,026
Liabilities written back		90,695,280	-
		238,075,025	139,714,667
	Note	June 30, 2025	June 30, 2024
		Rupees	Rupees
33 Distribution Cost			
Export			
Steamer, air freight & forwarding		269,704,373	298,277,376
Trailer freight		159,279,520	192,236,999
Clearing and forwarding		197,951,413	146,607,293
Export development surcharge		82,873,156	87,315,821
Commission		415,246,439	420,519,879
Sales promotion expenses		114,881,343	98,718,902
Insurance expenses		3,692,662	6,336,263
Testing charges		-	-
Claim settlement		-	-
Salaries, wages and benefits	33.1	115,906,082	103,495,002
Other export expenses		11,880,670	15,569,065
		1,371,415,658	1,369,076,600
Local			
Freight on local sales		23,701,300	16,404,933
Commission		106,314,118	74,262,173
Others		5,245,667	3,847,473
		135,261,085	94,514,579
		1,506,676,743	1,463,591,179
33.1	Salaries, wages and benefits includes employees retirement benefits amounting to Rs. 8,209,646 (June 30, 2024: Rs. 7,895,884).		
34 Administrative Expenses			
Directors' remuneration		9,600,000	9,600,000
Staff salaries and benefits	34.1	301,022,801	258,322,897
Traveling, conveyance and entertainment		57,360,661	73,878,869
Printing and stationery		10,654,958	11,341,779
Communication expenses		4,181,856	4,836,424
Vehicles running and maintenance		52,579,104	45,985,158
Legal and professional		2,760,859	8,270,584
Auditors' remuneration	34.2	2,775,000	2,775,000
Fee and subscription		11,210,541	9,831,264
Repair and maintenance		1,441,901	1,363,882
Rent, rates and taxes		4,956,326	1,160,478
Depreciation	18.3	47,872,295	53,556,477
Charity and donation	34.3	1,000,000	-
Provision for ECL	23.1	2,542,725	9,052,781
Ijarah lease rental		28,261,674	24,621,705
Software license renewal and maintenance fee		1,010,448	912,214
Others		5,914,170	11,786,851
		545,145,319	527,296,363
34.1	Staff salaries and benefits includes employees retirement benefits amounting to Rs. 24,257,928 (June 30, 2024: Rs. 20,792,819).		
34.2 Auditors' remuneration			
Annual statutory audit		2,505,000	2,505,000
Half yearly review		190,000	190,000
Review of Code of Corporate Governance		80,000	80,000
		2,775,000	2,775,000
34.3	During the year, donation to single party does not exceeded Rs. 1 million (2024: Rs. Nil). No director or his spouse had any interest in the donee.		
	Sindh Institute of Urology and Transplantation		
		1,000,000	-
35 Other Operating Expenses	Note	June 30, 2025	June 30, 2024
		Rupees	Rupees
Workers' Profit Participation Fund	12.4	16,839,522	-
Workers' Welfare Fund		-	36,023,680
Exchange loss on foreign currency		-	10,898,173
		16,839,522	46,921,853

FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025
36 Finance cost

Markup on:

- long term financing	143,680,859	129,069,020
- short term borrowings	1,182,018,961	1,263,518,490
- workers' profit participation fund	-	3,983,199
Letter of credit discounting	153,847,924	191,139,442
Bank charges and commission	33,596,631	20,332,063

	1,513,144,375	1,608,042,214
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36.1 During the year, the company has capitalized the borrowing cost of Rs. 127,213,235 (2024: 14,792,569).

36.2 Capitalization rates used to determine the amount of borrowing cost eligible for capitalization range from 12.89% to 22.66% (2024: 21.01% to 23.26%).

37 Levies and Taxation
Levies

37.1	577,544,410	440,136,401
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Taxation

37.3	3,886,716	(136,844,164)
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	581,431,126	303,292,237
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37.1 Levies

Final tax

-	440,136,401
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Minimum tax

577,544,410	-
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577,544,410	440,136,401
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37.2 This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001 (2024: sections 113 and 154). The provision for minimum tax has been recognized as a levy in these financial statements in accordance with the requirements of IFRIC 21 and IAS 37, together with the guidance on IAS 12 issued by ICAP.

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
37.3 Taxation			
Current tax			
- Current year		-	42,428,670
- Prior years		7,273,763	(128,479,988)
		7,273,763	(86,051,318)
Deferred tax		(3,387,047)	(50,792,846)
		3,886,716	(136,844,164)

37.4 Provision for current tax has been made in accordance with section 113 of the Income Tax Ordinance, 2001. Accordingly, there is no direct relationship between accounting profit and tax expense, and no numerical reconciliation has been presented. The Company's income tax assessments have been finalized up to and including tax year 2024

38 Loss per Share - Basic and Diluted

The calculation of the basic loss per share is based on the following data:

Loss for the year

Loss for the purpose of basic loss per share - After tax loss for the year

(269,267,085)	(1,383,771,394)
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Number of shares

Weighted average number of ordinary shares

10,000,000	10,000,000
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Basic loss per share have been computed by dividing earnings as stated above with weighted average number of ordinary shares.

Basic loss per share

(26.93)	(138.38)
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No figure for diluted loss per share has been presented as the company has not issued any instruments carrying options which would have an impact on loss per share when exercised.

39 Shariah Compliant Disclosure

Note

June 30, 2025 Rupees	June 30, 2024 Rupees
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Statement of Financial Position
Liabilities

Long term financing-Islamic mode

49,439,412	63,687,653
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Short term financing-Islamic mode

3,469,337,458	1,966,233,879
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Accrued Markup-Islamic Financing

98,340,390	71,614,652
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Accrued Markup-Conventional

175,499,425	131,490,966
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Assets

Sharia-Compliant bank deposits, bank balances

22,647,071	175,642,613
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Sharia-Compliant TDR

129,200,000	129,200,000
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Statement of Profit or Loss

Profit earned from Sharia-Compliant bank deposits, bank balances

-	1,070,303
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Profit earned from Sharia-Compliant TDR

25,691,432	24,411,592
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Profit Accrued Sharia-Compliant TDR and subsequent received

-	-
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Exchange gain earned from actual currency

-	-
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Markup paid on Islamic mode of financing

339,368,144	431,724,719
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Markup paid on Conventional mode

445,419,760	697,950,243
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Interest earned on any conventional advance

-	-
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Breakup of income
Non-Compliant Income

Profit on saving accounts

182,016	19,004
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Profit on term deposit receipts

107,284,560	103,810,386
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FAISAL SPINNING MILLS LIMITED
Notes to the financial statements
For the year ended June 30, 2025
40 Non Adjusting Events after the Reporting Period

In respect of current period, the board of directors in their meeting held on September 30, 2025 has proposed to pay cash dividend of Nil i.e. Rs. Nil per ordinary share of Rs. 10 each. This dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

41 CHANGES FROM FINANCING CASH FLOWS

	June 30, 2025			
	Loan from directors and sponsors	Long term finances	Short term borrowings	Unclaimed dividend
As at beginning of the year	1,072,718,600	4,283,461,794	9,244,461,651	19,460,365
Long term financing obtained	-	1,714,758,206	-	-
Repayment of loan	-	(766,046,527)	-	-
Loan accretion	-	24,781,803	-	-
Net increase in short term borrowings	-	-	6,926,084,014	-
Dividend declared	-	-	-	-
Dividend paid	-	-	-	(146,972)
As at end of the year	1,072,718,600	5,256,955,276	16,170,545,665	19,313,393

	June 30, 2024			
	Loan from directors and sponsors	Long term finances	Short term borrowings	Unclaimed dividend
As at beginning of the year	1,072,718,600	4,718,505,164	10,260,976,667	18,325,851
Long term financing obtained	-	229,733,450	-	-
Repayment of loan	-	(692,054,193)	-	-
Loan accretion	-	27,277,373	-	-
Net increase in short term borrowings	-	-	(1,016,515,016)	-
Dividend declared	-	-	-	115,000,000
Dividend paid	-	-	-	(113,865,486)
As at end of the year	1,072,718,600	4,283,461,794	9,244,461,651	19,460,365

42 Remuneration of Chief Executive, Directors and Executives

	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	June 30, 2025	June 30, 2025	June 30, 2025	June 30, 2024	June 30, 2024	June 30, 2024
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Remuneration	9,600,000	-	212,271,527	9,600,000	-	196,032,101
Allowances	-	-	37,371,464	-	-	33,512,282
Post employment benefits	-	-	29,239,762	-	-	30,911,963
	9,600,000	-	278,882,753	9,600,000	-	260,456,346
Number of persons	1	-	63	1	-	60

42.1 In addition to the above, the Chief Executive Officer and all directors are provided with free use of Company maintained cars and telephone for business use.

42.2 No remuneration to non executive directors have been paid.

43 Related Party Transactions

The related parties comprise of associated undertakings, other related group companies, directors of the Company, key management personnel. The Company in the normal course of business carries out sale and purchase of goods and services with various related parties. Names, basis of relationship, nature and description of related party transactions along with monetary value are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Bhanero Textiles Mills Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	18.49%
Bhanero Energy Limited	Common directorship	N/A
Admiral (Private) Limited	Directors' close family member	N/A
Mohammad Salim	Director	0.29%
Yasmeen Begum	Directors' close family member	2.39%
Khurram Salim	Director	2.00%
Farrukh Salim	Directors' close family member	1.37%
Yousaf Salim	Directors' close family member	3.13%
Saqib Salim	Directors' close family member	1.99%
Muhammad Umer	Directors' close family member	0.97%
Yahya Farrukh	Directors' close family member	2.74%
Amna Khurram	Directors' close family member	1.10%
Saba Yousaf	Directors' close family member	0.98%
Saba Saqib	Directors' close family member	2.12%
Bilal Sharif	Director / Chief executive	3.64%
Samia Bilal	Directors' close family member	5.34%
Abdullah Bilal	Directors' close family member	3.37%
Ali Bilal	Directors' close family member	3.37%
Azan Bilal	Directors' close family member	3.37%
Mohammad Shaheen	Director	0.33%
Mohammad Amin	Director	4.09%
Seema Shaheen	Directors' close family member	1.58%
Mohammad Qasim	Directors' close family member	6.24%
Fatima Amin	Directors' close family member	4.51%
Sumbul Qasim	Directors' close family member	2.36%

FAISAL SPINNING MILLS LIMITED**Notes to the financial statements****For the year ended June 30, 2025**

Mohammad Shakeel	Directors' close family member	0.48%
Nazli Shakeel	Directors' close family member	4.29%
Adil Shakeel	Directors' close family member	4.77%
Faisal Shakeel	Directors' close family member	4.77%
Hamza Shakeel	Director	4.77%

Nature of relationship	Nature of transactions	2025 Rupees	2024 Rupees
Associated undertaking			
	Sales of fabric / Made ups	424,903,214	124,346,113
	Sales of yarn	215,340,014	29,143,584
	Purchase of yarn	5,766,178,491	4,165,270,350
	Purchase of cotton	-	307,118,741
	Sales of cotton	-	24,098,925
	Purchase of fabric	479,509,719	863,612,838
	Misc purchases	-	10,384
	Services received	618,000	618,000
	Dividend received	-	19,621,140
	Electricity purchased	312,266,397	51,855,186
Retirement benefits	Provision for gratuity	215,697,871	188,581,844

43.1 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 42.

FAISAL SPINNING MILLS LIMITED
**Notes to the financial statements
For the year ended June 30, 2025**
44 SEGMENT INFORMATION
44.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment

Spinning

Weaving

Finishing & Home Textile

Information regarding Company's reportable segments is presented below:

44.2 Information about reportable segments

	June-2025			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from external customers	15,383,883,557	13,659,681,937	17,159,987,296	46,203,552,790
Intersegment revenues	112,811,250	121,381,655	98,509,615	332,702,520
Depreciation	145,378,822	177,770,089	550,414,448	873,563,359
Segment results	194,371,267	839,697,048	809,151,749	1,843,220,064
Segment assets	13,833,860,207	6,585,267,399	14,595,256,661	35,014,384,267
Segment liabilities	9,835,335,797	2,854,115,472	13,255,411,199	25,944,862,468
Interest income	127,595,117	1,261,166	4,301,725	133,158,008
Additions to non-current assets	1,123,092,247	248,729,979	1,273,221,096	2,645,043,322
Disposals of property, plant and equipment	-	4,021,189	5,526,500	9,547,689
	June-2024			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from external customers	16,102,490,911	12,387,435,553	16,539,674,107	45,029,600,571
Intersegment revenues	41,286,250	180,520,977	32,780,774	254,588,001
Depreciation	123,237,338	177,759,856	585,639,878	886,637,072
Segment results	(798,198,322)	529,762,893	1,111,449,700	843,014,271
Segment assets	9,112,063,489	6,406,647,551	12,739,429,742	28,258,140,782
Segment liabilities	4,807,179,476	2,495,667,909	10,544,948,217	17,847,795,602
Interest income	126,010,144	1,282,031	2,019,110	129,311,285
Additions to non-current assets	31,412,260	248,301,162	239,754,389	519,467,811
Disposals of property, plant and equipment	2,982,974	2,163,397	5,814,603	10,960,974

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

44.3 Reconciliations of reportable segment information
44.3.1 Segment revenues

	June-2025			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	15,496,694,807	13,781,063,592	17,258,496,911	46,536,255,310
Inter-segment revenues	(112,811,250)	(121,381,655)	(98,509,615)	(332,702,520)
Total for the Company	15,383,883,557	13,659,681,937	17,159,987,296	46,203,552,790

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		June-2024			
		Spinning	Weaving	Finishing & Home Textile	Total
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	Total for reportable segments	16,143,777,161	12,567,956,530	16,572,454,881	45,284,188,572
	Inter-segment revenues	(41,286,250)	(180,520,977)	(32,780,774)	(254,588,001)
	Total for the Company	16,102,490,911	12,387,435,553	16,539,674,107	45,029,600,571
44.3.2	Segment Profits	June-2025			
		Spinning	Weaving	Finishing & Home Textile	Total
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	Operating Profit	160,189,535	879,082,465	820,787,586	1,860,059,586
	Unallocated expenses				
	Other operating expenses				(16,839,522)
	Finance cost				(1,513,144,375)
	Share of loss from associated undertaking				(17,911,648)
	Levies				(577,544,410)
	Total for the Company	160,189,535	879,082,465	820,787,586	(265,380,369)
		June-2024			
		Spinning	Weaving	Finishing & Home Textile	Total
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	Operating Profit	(777,803,401)	540,441,801	1,127,297,724	889,936,124
	Unallocated expenses				
	Other operating expenses				(46,921,853)
	Finance cost				(1,608,042,214)
	Share of loss from associated undertaking				(315,451,214)
	Levies				(440,136,401)
	Total for the Company	(777,803,401)	540,441,801	1,127,297,724	(1,520,615,558)
44.3.3	Segment assets	June-2025			
		Spinning	Weaving	Finishing & Home Textile	Total
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	Total for reportable segments	13,833,860,207	6,585,267,399	14,595,256,661	35,014,384,267
	Unallocated assets				
	Taxation recoverable				2,097,682,183
	Bank deposits				1,108,391,426
	Long term investment				1,451,085,106
	Long term deposit				65,469,752
	Total for the Company	13,833,860,207	6,585,267,399	14,595,256,661	39,737,012,734
		June-2024			
		Spinning	Weaving	Finishing & Home Textile	Total
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	Total for reportable segments	9,112,063,489	6,406,647,551	12,739,429,742	28,258,140,782
	Unallocated assets				
	Taxation recoverable				1,509,406,053
	Bank deposits				412,391,427
	Long term investment				1,473,665,420
	Long term deposit				36,424,217
	Total for the Company	9,112,063,489	6,406,647,551	12,739,429,742	31,690,027,899

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44.3.4 Segment liabilities

	June-2025			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	9,835,335,797	2,854,115,472	13,255,411,199	25,944,862,468
Un-allocated liabilities				19,313,393
Unclaimed dividends				1,386,160,913
Infrastructure fee				215,879,026
Deferred taxation				
Total for the Company	9,835,335,797	2,854,115,472	13,255,411,199	27,566,215,800
	June-2024			
	Spinning	Weaving	Finishing & Home Textile	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	4,807,179,476	2,495,667,909	10,544,948,217	17,847,795,602
Un-allocated liabilities				19,460,365
Unclaimed dividends				1,118,739,992
Infrastructure fee				219,266,073
Deferred taxation				
Total for the Company	4,807,179,476	2,495,667,909	10,544,948,217	19,205,262,032

44.4 Geographical information

The geographic information analyses the entity's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	June 30, 2025 Rupees	June 30, 2024 Rupees
China	9,813,247,161	12,325,926,270
United States	4,902,204,818	3,750,433,514
United Kingdom	3,007,955,564	3,490,665,973
Portugal	1,244,374,351	2,852,863,393
Japan	698,875,947	1,609,589,058
Germany	2,072,746,973	1,407,432,886
France	1,331,281,169	1,340,066,459
Italy	674,424,440	1,277,202,196
Other Countries	9,303,070,659	7,056,278,320
Pakistan	15,504,894,459	11,649,337,506
	48,553,075,541	46,759,795,575
Export Rebate	16,182,698	-
Discount	-	(55,058,905)
Sales tax	(2,365,705,449)	(1,675,136,099)
	46,203,552,790	45,029,600,571

44.5 Information about significant customers

Sales amounting to PKR 4,786,517,879 (2024: 4,884,782,220) were made to one single significant external customer which accounts for more than 10% of the Company's total sales made during the year.

44.6 Company do not have any non current assets outside Pakistan.

Notes to the financial statements
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45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arms length transaction. As at June 30, 2025 the net fair value of all financial instruments has been based on the valuation methodology outlined below:-

Long-term deposits

Long term deposits does not carry any rate of return. The fair value of it has been taken at book value as it is not considered materially different and readily exchangeable.

Non-current liabilities

For all non-current liabilities except for loan from sponsors, the fair values have been taken at book values as these are not considered materially different based on the current market rates of return and reprising profiles of similar non-current liabilities.

Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

The analysis of yield / mark-up rate risk is as under:

	2025							Effective Interest Rate %
	Interest / Markup bearing			Non Interest / Markup bearing				
	Maturity Upto	Maturity After	Subtotal	Maturity Upto	Maturity After	Subtotal	Total	
	One year	One year		One year	One year			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Financial assets								
Trade debts	-	-	-	3,936,725,759	-	3,936,725,759	3,936,725,759	
Advances to employees	-	-	-	26,022,941	-	26,022,941	26,022,941	
Trade deposits	1,108,391,426	-	1,108,391,426	-	-	-	1,108,391,426	6.05 to 19.65
Other receivables	-	-	-	62,933,035	-	62,933,035	62,933,035	
Bank balance	466,897	-	466,897	348,554,085	-	348,554,085	349,020,982	9.75 to 18
Long-term deposits	-	-	-	-	65,469,752	65,469,752	65,469,752	
Long term investments	-	-	-	-	1,451,085,106	1,451,085,106	1,451,085,106	
	1,108,858,323	-	1,108,858,323	4,374,235,820	1,516,554,858	5,890,790,678	6,999,649,001	
Financial liabilities								
Long-term financing	760,481,640	4,496,473,636	5,256,955,276	-	-	-	5,256,955,276	1.75 to 5.15 and 3 Months Kibor + 0.85% to 1%
Trade creditors	16,839,522	-	16,839,522	2,768,127,224	-	2,768,127,224	2,784,966,746	
Accrued liabilities	-	-	-	668,946,384	-	668,946,384	668,946,384	
Unclaimed dividend	-	-	-	19,313,393	-	19,313,393	19,313,393	
Other payables	-	-	-	59,296,781	-	59,296,781	59,296,781	
Mark-up accrued on loans	-	-	-	273,839,815	-	273,839,815	273,839,815	
Short-term borrowings	16,170,545,665	-	16,170,545,665	-	-	-	16,170,545,665	2 to 17.5 and KIBOR - 2.17% to KIBOR + 2%
	16,947,866,827	4,496,473,636	21,444,340,463	3,789,523,597	-	3,789,523,597	25,233,864,060	
On balance sheet gap	(15,839,008,504)	(4,496,473,636)	(20,335,482,140)	584,712,223	1,516,554,858	2,101,267,081	(18,234,215,059)	
	2024							
	Interest / Markup bearing			Non Interest / Markup bearing				
	Maturity Upto	Maturity After	Subtotal	Maturity Upto	Maturity After	Subtotal	Total	Effective Interest Rate %
	One year	One year		One year	One year			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Financial assets								
Trade debts	-	-	-	4,088,867,198	-	4,088,867,198	4,088,867,198	
Advances to employees	-	-	-	28,461,800	-	28,461,800	28,461,800	
Trade deposits	412,391,427	-	412,391,427	-	-	-	412,391,427	18 to 20.25
Other receivables	-	-	-	44,437,540	-	44,437,540	44,437,540	
Bank balances	19,058,764	-	19,058,764	556,352,983	-	556,352,983	575,411,747	18 to 18.50
Long-term deposits	-	-	-	-	36,424,217	36,424,217	36,424,217	
Long term investments	-	-	-	-	1,473,665,420	1,473,665,420	1,473,665,420	
	431,450,191	-	431,450,191	4,718,119,521	1,510,089,637	6,228,209,158	6,659,659,349	
Financial liabilities								
Long-term financing	765,110,726	3,518,351,068	4,283,461,794	-	-	-	4,283,461,794	1.75 to 5.15 and 3 Months Kibor + 1%
Trade creditors	-	-	-	2,539,929,795	-	2,539,929,795	2,539,929,795	
Accrued liabilities	-	-	-	671,463,224	-	671,463,224	671,463,224	
Unclaimed dividend	-	-	-	19,460,365	-	19,460,365	19,460,365	
Other payables	-	-	-	55,063,892	-	55,063,892	55,063,892	
Mark-up accrued on loans	-	-	-	203,105,617	-	203,105,617	203,105,617	
Short-term borrowings	9,244,461,651	-	9,244,461,651	-	-	-	9,244,461,651	KIBOR + 0.1 to 2 and 2 to 19
	10,009,572,377	3,518,351,068	13,527,923,445	3,489,022,893	-	3,489,022,893	17,016,946,338	
On balance sheet gap	(9,578,122,186)	(3,518,351,068)	(13,096,473,254)	1,229,096,628	1,510,089,637	2,739,186,265	(10,357,286,989)	

45.1 Interest rate risk management

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. Changes in interest rates can affect the rates charged on interest bearing liabilities. This can result in an increase in interest expense relative to financial borrowings or vice versa. The Company manages its risk by interest rate swapping, maintaining a fair balance between interest rates and financial assets and financial liabilities. The effective interest rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

45.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of PKR 6,999.65 million (June 30, 2024: PKR 6,659.66 million) unsecured trade debts, advances to employees, and other receivables amounting in aggregate to PKR 2,957.53 million (June 30, 2024: PKR 2,441.29 million) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

45.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

45.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at reporting date, the total foreign currency risk exposure was PKR 1,630.43 million (June 30, 2024: PKR 192.73 million) in respect of foreign trade debts, foreign currency banks and foreign currency borrowings.

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45.5 Credit risk
45.5.1 Maximum credit exposure

The carrying amount of financial assets, excluding bank balances, represents maximum credit exposure. The maximum exposure to credit risk as at the reporting date is:

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Loans and receivables:			
Trade debts		3,936,725,759	4,088,867,198
Advances to employees		26,022,941	28,461,800
Trade deposits		1,108,391,426	412,391,427
Other receivables		62,933,035	44,437,540
Bank Balances		349,020,982	575,411,747
Long term deposits		65,469,752	36,424,217
		<u>5,548,563,895</u>	<u>5,185,993,929</u>

45.5.2 Concentration of credit risk

Maximum exposure to credit risk by geographical region as at the reporting date is:

Domestic	2,394,500,914	1,970,996,085
Europe & others	735,553,213	921,114,574
Asia and Middle East	220,454,167	715,491,880
USA	586,217,465	481,264,659
	<u>3,936,725,759</u>	<u>4,088,867,198</u>

45.5.3 Impairment losses

The ageing of trade debts as at the reporting date is as follows:

Not past due	2,861,187,788	2,985,517,104
Past due less than one year	1,043,802,943	1,063,446,070
Past due more than one year but less than three years	34,277,754	24,589,862
Past due more than three years	156,506,904	180,873,848
	<u>4,095,775,389</u>	<u>4,254,426,884</u>
Impairment	(159,049,630)	(165,559,686)
	<u>3,936,725,759</u>	<u>4,088,867,198</u>

The movement in allowance for impairment in respect of trade debts during the year is as follows:

As at beginning of the year	165,559,686	158,377,674
Impairment loss recognized	2,542,725	9,052,781
Impairment loss reversed	(9,052,781)	(1,870,769)
As at end of the year	<u>159,049,630</u>	<u>165,559,686</u>

Credit quality of counter parties is assessed based on historical default rates. All trade debts not past due are considered good. The management believes that allowance for impairment of trade debts past dues is not necessary, as these comprise amounts due from old customers, which have been re-negotiated from time to time and are also considered good.

45.5.4 Collateral held

The Company does not hold collateral to secure its loans and receivables. However, foreign trade receivables of the Company are secured through letters of credits and exposure to credit risk in respect of these is minimal.

45.6 Liquidity risk

Following are the contractual maturities of financial liabilities, including estimated interest payments

	As at June 30, 2025				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	5,256,955,276	6,854,280,279	1,090,217,643	4,848,120,547	915,942,089
Short term borrowings	16,170,545,665	16,170,545,665	16,170,545,665	-	-
Accrued markup / interest	273,839,815	273,839,815	273,839,815	-	-
Trade creditors	2,609,989,824	2,609,989,824	2,609,989,824	-	-
Accrued liabilities	668,946,384	668,946,384	668,946,384	-	-
Unclaimed dividend	19,313,393	19,313,393	19,313,393	-	-
Other payables	234,273,703	234,273,703	234,273,703	-	-
	<u>25,233,864,060</u>	<u>26,831,189,063</u>	<u>21,067,126,427</u>	<u>4,848,120,547</u>	<u>915,942,089</u>

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	As at June 30, 2024				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	4,283,461,794	5,256,768,725	725,805,440	3,117,647,801	1,413,315,484
Short term borrowings	9,244,461,651	9,244,461,651	9,244,461,651	-	-
Accrued markup / interest	203,105,617	203,105,617	203,105,617	-	-
Trade creditors	2,450,132,672	2,450,132,672	2,450,132,672	-	-
Accrued liabilities	671,463,224	671,463,224	671,463,224	-	-
Unclaimed dividend	19,460,365	19,460,365	19,460,365	-	-
Other payables	144,861,015	144,861,015	144,861,015	-	-
	<u>17,016,946,338</u>	<u>17,990,253,269</u>	<u>13,459,289,984</u>	<u>3,117,647,801</u>	<u>1,413,315,484</u>

45.7 Market risk
45.7.1 Currency risk

a) The Company's exposure to currency risk as at the reporting date is as follows:

Trade receivables	1,542,224,845	2,117,871,113
Cash and cash equivalents	88,209,631	156,278,644
Short term borrowings	-	(2,081,419,598)
Total exposure	<u>1,630,434,476</u>	<u>192,730,159</u>

b) Exchange rates applied as at the reporting date.

The following spot exchange rates were applied as at the reporting date wherever applicable.

	2025		2024	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	354.87	355.50	309.16	309.71
JPY	1.97	1.97	1.73	1.73
Euro	332.25	332.83	297.88	298.41
CNY	39.59	39.66	38.47	38.53
USD	283.60	284.10	278.30	278.80

A ten percent appreciation in Rupee would have increased profit or decreased loss by PKR 163.04 million (2024: PKR 19.27 million). A ten percent depreciation would have had the equal but opposite effect on profit or loss. This sensitivity analysis based on assumption that all variables, with the exception of foreign exchange rates, remain unchanged.

	June 30, 2025 Rupees	June 30, 2024 Rupees
45.7.2 Interest rate risk		
The interest rate profile the Company's interest bearing financial instruments as at the reporting date is as follows:		
Fixed rate instruments		
Financial assets	1,108,858,323	431,450,191
Financial liabilities	9,826,875,545	12,003,346,231
Variable rate instruments		
Financial assets	-	-
Financial liabilities	11,600,625,396	1,524,577,214

The Company is not exposed to interest rate risk in respect of its fixed rate instruments. A 100 basis points increase in variable interest rates would have increased loss or decreased profit by PKR 116.01 million (2024: PKR 15.25 million). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

45.7.3 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

45.8 Fair values

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

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45.9 Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Carrying Amount			Carrying Amount		
2025			2024		
At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
-----Rupees-----					
Financial assets					
Long term deposits	65,469,752	-	36,424,217	-	-
Advances to employees	26,022,941	-	28,461,800	-	-
Trade debts	3,936,725,759	-	4,088,867,198	-	-
Trade deposits	1,108,391,426	-	412,391,427	-	-
Other receivables	62,933,035	-	44,437,540	-	-
Cash at banks	349,020,982	-	575,411,747	-	-
	5,548,563,895	-	5,185,993,929	-	-
Financial Liabilities					
Long term financing	5,256,955,276	-	4,283,461,794	-	-
Short term borrowings	16,170,545,665	-	9,244,461,651	-	-
Accrued markup / interest	273,839,815	-	203,105,617	-	-
Trade creditors	2,609,989,824	-	2,450,132,672	-	-
Accrued liabilities	668,946,384	-	671,463,224	-	-
Unclaimed dividend	19,313,393	-	19,460,365	-	-
Other payables	59,296,781	-	55,063,892	-	-
	25,058,887,138	-	16,927,149,215	-	-

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

46 Accounting Estimates and Judgments
46.1 Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

46.2 Investment stated at fair value

Management has determined fair value of certain investments by using quotations from active market conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgment (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

46.3 Property, plant and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

46.4 Stock-in-trade and stores and spares

The Company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with a corresponding effect on the amortization charge and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

46.5 Interest rate and cross currency swap

The Company has entered into various interest rates and cross currency swap over the last year. The calculation involves use of estimates with regard to interest and foreign currency rates which fluctuate with the market forces.

47 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	2025 Rupees	2024 Rupees
Total debt	5,360,041,405	4,413,825,296
Total equity	12,170,796,934	12,484,765,867
	<u>17,530,838,339</u>	<u>16,898,591,163</u>
Gearing	30.57%	26.12%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance. The decrease in the gearing ratio resulted primarily from increase in equity of the Company.

48 Fair Value Measurements
48.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments approximate to their fair values.

48.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than certain financial instruments are measured at fair value.

49 Plant Capacity and Actual Production

	2025	2024
49.1 Spinning unit		
Number of spindles installed	38,208	38,208
Installed capacity in kilograms converted into 20/1	14,500,000	23,161,653
Actual production of yarn in kilograms	22,242,014	22,321,532
49.2 Weaving unit		
Number of looms installed	264	265
Installed capacity in meters, after conversion into 50 picks	68,379,830	68,379,830
Actual production of fabric in meters	43,275,734	39,682,149
49.3 Finishing / Processing unit		
Production capacity in meters	33,000,000	33,000,000
Actual production in meters	39,497,926	35,151,288

49.4 Home Textile / Stitching

The plant capacity of this division is indeterminable due to multi product plans involving varying processes of manufacturing and run length of order lots.

49.5 It is difficult to precisely describe production capacity and the resultant production in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed, twist etc, in case of spinning. In case of weaving fluctuation depends on factors such as loom width, width of fabric produced, type of yarn used etc. It would vary accordingly to the pattern of production adopted in a particular year.

50 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on September 30, 2025.

51 NUMBER OF EMPLOYEES

	2025	2024
As at the reporting date	2,289	2,202
Average for the year	2,252	2,169

52 GENERAL

The figures have been rounded off to the nearest Rupee.

**Chief Executive****Director****Chief Financial Officer**

Faisal Spinning Mills Limited

Historical Data for the Year Ended June 30, 2025

Spinning Unit

Spindle installed

Spindles worked - Average

Installed capacity after conversion into 20/s count - Kg

Actual production - Kg

Year-Wise Operating Data

2025	2024	2023	2022	2021	2020
38,208	38,208	38,208	38,208	38,208	38,208
38,208	38,208	38,208	38,208	38,208	38,208
14,500,000	23,161,653	23,161,653	23,161,653	23,161,653	23,485,861
22,242,014	22,321,532	20,101,182	22,834,826	19,921,801	20,628,185

Weaving Unit

Air jet looms installed

Air jet looms worked

Installed capacity after conversion into 50 picks - Meter

Actual production - Meter

264	265	265	265	265	265
264	265	265	265	265	265
68,379,830	68,379,830	68,379,830	67,578,655	64,308,255	64,308,255
43,275,734	39,682,149	38,211,707	41,155,105	40,242,805	43,789,732

Finishing Unit

Production Capacity in meters

Actual Production - Meter

(Year 2021 Inclusive of Trial & Commercial)

33,000,000	33,000,000	33,000,000	28,000,000	26,766,667	-
39,497,926	35,151,288	34,338,963	28,674,769	7,133,010	-

Year-Wise Financial Data

2025	2024	2023	2022	2021	2020
------	------	------	------	------	------

Rupees in Thousands
Profit and loss account

Turnover (Net)

Gross profit

Operating profit

Financial expenses

Share profit/(loss) of associate

Profit/(Loss) before tax

Profit/(Loss) after tax

Cash dividend

46,203,553	45,029,601	37,672,808	32,074,370	17,065,186	14,895,550
3,673,807	2,741,109	4,562,231	6,372,386	2,488,776	1,410,283
1,563,215	402,878	2,519,050	4,540,496	2,440,270	858,601
1,513,144	1,608,042	1,267,154	408,214	296,590	246,852
(315,451)	(315,451)	138,814	592,861	396,627	78,626
(265,380)	(1,520,616)	1,390,710	4,725,143	2,540,307	690,375
(269,267)	(1,383,771)	1,488,896	4,098,223	2,300,119	523,879
-	-	115,000	214,500	214,500	150,000

Balance Sheet

Share capital

Reserves

Shareholder equity

Long term loans

Short term loan

Current liabilities

Current portion of long term loans

Fixed assets

Current assets

100,000	100,000	100,000	100,000	100,000	100,000
10,998,078	11,312,047	12,843,890	11,603,522	7,300,000	5,300,000
12,170,797	12,484,766	14,016,609	12,641,303	8,588,498	5,831,060
4,496,474	3,518,351	4,019,676	4,632,023	4,404,730	5,831,060
9,244,462	9,244,462	10,260,977	4,872,154	1,878,178	3,876,009
22,144,670	14,866,182	15,941,965	9,319,146	3,699,052	5,006,663
781,600	789,893	726,103	615,010	359,135	55,003
10,651,559	9,096,167	9,832,039	9,891,076	8,619,791	3,860,627
26,392,046	20,106,994	22,785,546	15,284,828	7,919,505	8,499,266

Ratios**Performance**

Sales growth percentage - Year to Year basis

Gross profit (%)

Profit/(Loss) before tax -%

Profit/(Loss) after tax - %

Breakup value per share - Rupees per share

Market value of share - at the year end - Rupees per share

Earnings/(Loss) per share - Rupees per share

Price earning ratio

Leverage

Gearing ratio

Debt to equity (%)

Interest covering ratio

Liquidity ratio

Current ratio

	2025	2024	2023	2022	2021	2020
Sales growth percentage - Year to Year basis	2.61%	19.53%	17.45%	87.95%	14.57%	6.18%
Gross profit (%)	7.95%	6.09%	12.11%	19.87%	14.58%	9.47%
Profit/(Loss) before tax -%	-0.57%	-3.38%	3.69%	14.73%	14.89%	4.63%
Profit/(Loss) after tax - %	-0.58%	-3.07%	3.95%	12.78%	13.48%	3.52%
Breakup value per share - Rupees per share	1,217.08	1,248.48	1,401.66	1,264.13	858.85	583.11
Market value of share - at the year end - Rupees per share	369.24	280.12	323.75	450.00	420.00	251.00
Earnings/(Loss) per share - Rupees per share	(26.93)	(138.38)	146.19	409.82	230.01	52.39
Price earning ratio	(13.71)	(2.02)	2.21	1.10	1.83	4.79
Gearing ratio	1.77	1.09	1.07	0.81	0.77	1.35
Debt to equity (%)	36.94%	28.18%	28.68%	36.64%	51.29%	100.00%
Interest covering ratio	0.82	0.05	2.10	12.58	9.57	3.80
Current ratio	1.19	1.35	1.43	1.64	2.14	1.70

FAISAL SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2025

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors, Chief Executive Officer, and their spouse and minor children.	17	3,679,385	36.79
2	Associated Companies, Undertaking and Related Parties	16	3,958,415	39.58
3	NIT and ICP	1	500	0.01
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	1	3,600	0.04
5	Insurance Company	1	217,686	2.18
6	Share holders holding 10% - Associated Undertaking	1	1,440,493	14.40
7	General Public			
	Local	787	699,014	6.99
	Foreign	-	-	-
8	Other Companies	2	207	0.00
9	Joint Stock Companies	2	700	0.01
		828	10,000,000	100.00

**DETAIL OF PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2025
INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE**

SR #	CATEGORIES OF SHAREHOLDERS	PERCENTAGE	NUMBER OF SHARES HELD
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	ADMIRAL (PVT) LTD	14.40	1,440,493
	MR. MOHAMMAD SHAKEEL	0.48	48,077
	MR. ADIL SHAKEEL	4.77	477,321
	MR. FARRUKH SALEEM	1.37	136,919
	MR. YOUSUF SALEEM	3.13	312,688
	MR. SAQIB SALEEM	1.99	199,055
	MR. MUHAMMAD QASIM	6.24	624,110
	MR. FAISAL SHAKEEL	4.77	477,321
	MR. ABDULLAH BILAL	3.37	337,257
	MR. MUHAMMAD UMER	0.97	97,000
	MR. YAHYAA FURRUKH	2.74	274,000
	MRS. MARIUM ADIL	0.01	500
	MRS. NAZLI BEGUM	4.29	429,244
	MRS. SABA YOUSUF	0.98	97,923
	MRS. SABA SAQIB	2.12	211,500
	MRS. SUMBUL QASIM	2.36	235,500
2	NIT AND ICP		
	INVESTMENT CORPORATION OF PAKISTAN	0.01	500
3	DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		
	MR. MUHAMMAD SALEEM	0.29	28,846
	MR. MUHAMMAD SHAHEEN	0.33	32,692
	MR. KHURRAM SALEEM	2.00	200,380
	MR. BILAL SHARIF	3.64	363,841
	MR. MUHAMMAD AMIN	4.09	408,611
	MR. HAMZA SHAKEEL	4.77	477,322
	MR. ASIF ELAHI	0.01	500
	MR. MUSTAFA TANVIR	0.01	500
	MR. TAUQEER AHMED SHEIKH	0.01	600
	MRS. YASMIN BEGUM	2.39	238,577
	MRS. SEEMA BEGUM	1.58	158,333
	MRS. AMNA KHURRAM	1.10	109,500
	MRS. SAMIA BILAL	5.34	533,960
	MRS. FATIMA AMIN	4.51	451,000
	MASTER ALI BILAL	3.37	337,361
	MASTER AZAAN BILAL	3.37	337,362

4	BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES		
	NATIONAL DEVELOPMENT FINANCE CORPORATION (INVESTAR)	0.04	3,600
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	2.18	217,686
5	JOINT STOCK COMPANIES	0.01	700
6	OTHER COMPANIES	0.00	207
7	GENERAL PUBLIC		
	A. Local	6.99	699,014
	B. Foreign	0.00	-
	TOTAL	100.00	10,000,000
8	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN		
9	SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST		
	ADMIRAL (PVT) LTD	14.40	1,440,493

FAISAL SPINNING MILLS LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2025

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	PERCENTAGE
	FROM	TO		
411	1	100	10,884	0.11
305	101	500	140,606	1.41
27	501	1000	24,369	0.24
35	1001	5000	90,289	0.90
9	5001	10000	61,450	0.61
5	10001	15000	56,299	0.56
2	15001	20000	32,400	0.32
1	25001	30000	28,846	0.29
2	30001	35000	63,102	0.63
2	45001	50000	98,077	0.98
1	50001	55000	52,700	0.53
1	60001	65000	60,210	0.60
3	95001	100000	292,927	2.93
1	105001	110000	109,500	1.10
1	135001	140000	136,919	1.37
1	155001	160000	158,333	1.58
1	195001	200000	199,055	1.99
1	200001	205000	200,380	2.00
1	210001	215000	211,500	2.12
1	215001	220000	217,686	2.18
1	230001	235000	235,000	2.35
1	235001	240000	237,577	2.38
1	270001	275000	274,000	2.74
1	310001	315000	312,688	3.13
3	335001	340000	1,011,980	10.12
1	360001	365000	363,841	3.64
1	405001	410000	408,611	4.09
1	425001	430000	429,244	4.29
1	450001	455000	451,000	4.51
3	475001	480000	1,431,964	14.32
1	530001	535000	533,960	5.34
1	620001	625000	624,110	6.24
1	1440001	1445000	1,440,493	14.40
828			10,000,000	100.00








* Note: The slabs representing nil holding have been omitted.








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This disclosure is being added as per requirements of Securities and Exchange
Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.

ڈائریکٹرز کی رپورٹ

فیصل سپننگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 30 جون 2025 کو ختم ہونے والے سال کی سالانہ رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آڈیٹرز کی رپورٹ پیش کرنے پر خوشی ہے۔

مالی نتائج

Statement of Profit or Loss For the Year Ended June 30, 2025

	June 30, 2025 Rupees	June 30, 2024 Rupees
Sales - Net	46,203,552,790	45,029,600,571
Cost of sales	(42,529,746,167)	(42,288,491,572)
Gross profit	3,673,806,623	2,741,108,999
Other income	238,075,025	139,714,667
	3,911,881,648	2,880,823,666
Distribution cost	(1,506,676,743)	(1,463,591,179)
Administrative expenses	(545,145,319)	(527,296,363)
Other operating expenses	(16,839,522)	(46,921,853)
Finance cost	(1,513,144,375)	(1,608,042,214)
	(3,581,805,959)	(3,645,851,609)
	330,075,689	(765,027,943)
Share of loss from associated undertaking	(17,911,648)	(315,451,214)
Profit / (loss) before levies and taxation	312,164,041	(1,080,479,157)
Levies	(577,544,410)	(440,136,401)
Loss before taxation	(265,380,369)	(1,520,615,558)
Taxation	(3,886,716)	136,844,164
Loss after taxation	(269,267,085)	(1,383,771,394)
Loss per share - basic and diluted	(26.93)	(138.38)

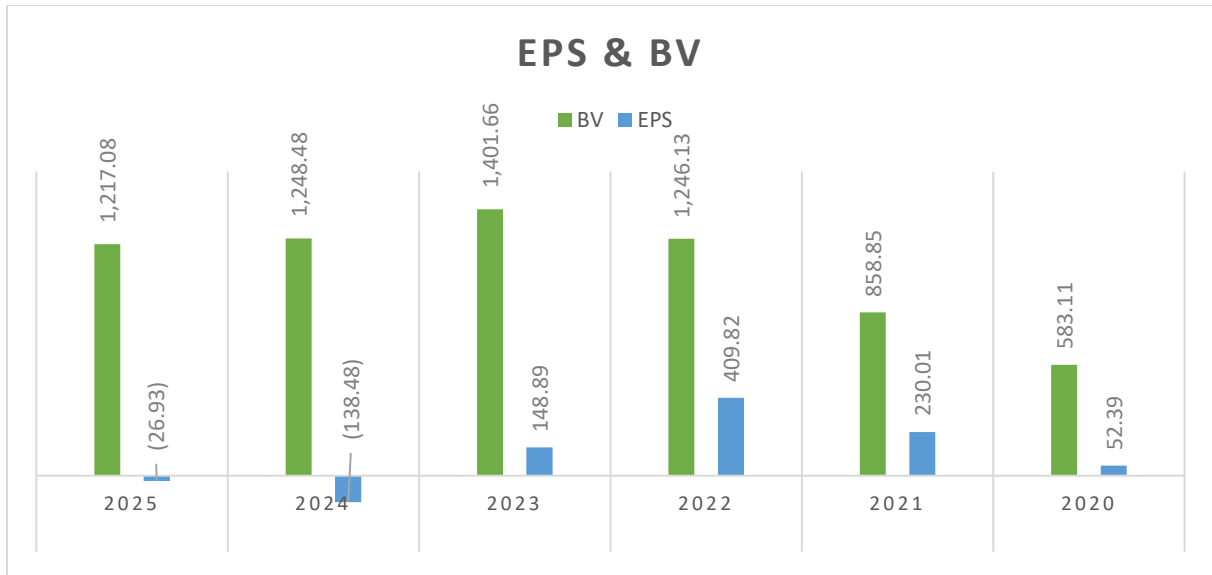
کے بعد خسارہ ظاہر کیا جبکہ موجودہ سال کے دوران سیلز (ملین PKR -1,382.762 جون 2024) ملین PKR -269.267 کمپنی نے ریونیو میں معمولی اضافہ ہوا 2.61 فیصد۔ رواں سال کے دوران مجموعی مارجن جون 2024 میں 6.09 فیصد سے بڑھ کر جون 2025 میں 7.95 فیصد ہو گیا جبکہ ٹیکس کے بعد نقصان جون 2024 میں -3.70 فیصد سے کم ہو کر جون 2025 میں -0.58 فیصد ہو گیا۔ مالیاتی لاگت میں رواں سال کے دوران تقریباً 6 فیصد کمی واقع ہوئی ہے جبکہ موجودہ سال کے دوران اسٹاک اور قلیل مدتی قرض دونوں میں اضافہ ہوا ہے۔ انونٹری کی سطح بلند ہونے کی وجہ بنیادی طور پر عالمی سطح پر سوتی دھاگے کی کمزور مانگ کے ساتھ جغرافیائی سیاسی تناؤ، پائیداری کے ضوابط اور ٹیکسٹائل سیکٹر پر امریکہ کی جانب سے حالیہ محصولات کی وصولی ہے۔ حالیہ ٹیکس اصلاحات، بشمول ایڈوانس ٹرن اوور ٹیکس میں اضافہ اور عام ٹیکس نظام میں شامل، نے ٹیکسٹائل مینوفیکچررز پر مالی دباؤ بڑھایا ہے۔

منافع اور ریزرو مختص۔

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش کے بعد 30 جون 2025 کو ختم ہونے والے مالی سال کے منافع کا اعلان نہیں کیا ہے۔ اس، ملین کا ٹیکس کے بعد نقصان ہوا۔ بہر حال PKR - 269.267 کی وجہ موجودہ سال کے دوران کمپنی کی ذیلی کارکردگی ہے جہاں اسے بورڈ آف ڈائریکٹرز کی جانب سے سال کے دوران منافع اور معاشی استحکام کی بنیاد پر عبوری منافع کے اعلان پر غور کیا جائے گا۔

شیئر کی کمائی اور بریک اپ ویلیو۔

کے ذریعے کمپنی کے منافع کا اندازہ لگاتے ہیں جو منافع کو برقرار رکھنے اور بتدریج منافع میں اضافہ کرنے کی کمپنی EPS سرمایہ کار اس کے فی حصص کے نقصان کی اطلاع PKR -26.93 کی صلاحیت کو ظاہر کرتا ہے کمپنی نے 30 جون 2025 کو ختم ہونے والے سال کے لیے دی جبکہ جون 2024 میں فی حصص نقصان -138.28 تھا۔ 30 جون 2025 کو ختم ہونے والے موجودہ مالی سال کے دوران شیئر کی ہے۔ (PKR 1,248.48 سال 2024) PKR 1,217.08 بریک اپ ویلیو



ورکنگ کیپٹل مینجمنٹ

کمپنی کی کامیابی کام کرنے والے سرمائے کو مؤثر طریقے سے منظم کرنے کی اس کی صلاحیت سے بہت گہرا تعلق رکھتی ہے، اس لیے آپریشنل تسلسل، مالی استحکام اور کمپنی کی طویل مدتی ترقی میں معاونت کے لیے ورکنگ کیپٹل کے وسائل کے استعمال کو بہتر بنانے پر زور دیا جاتا ہے۔

رواں سال کے دوران موجودہ تناسب سال کے دوران قدرے کم ہو کر جون 2024 میں 1.35 سے جون 2025 میں 1.19 ہو گیا ہے لیکن پھر بھی صنعت کے اصولوں کے مطابق قابل قبول حد کے اندر ہے اور اس کی مالی ذمہ داریوں کو پورا کرنے کے لیے کافی ہے۔

مالی بیعانہ

منافع کو بڑھانے اور طویل مدتی پائیداری کو یقینی بنانے کے لیے سرمائے کے ڈھانچے میں قرض اور ایکویٹی کا بہترین امتزاج ضروری ہے۔ کمپنی نے سرمایہ کا ایک متوازن ڈھانچہ برقرار رکھا ہے جو مالی فوائد کو زیادہ سے زیادہ کرتا ہے اور متحرک کاروباری ماحول کے مطابق رہتا ہے۔ بورڈ سرمائے کی لاگت کو کم کرنے، منافع کو بہتر بنانے اور شیئر ہولڈر کی قدر کو بڑھانے کے لیے اس ڈھانچے کا فعال طور پر انتظام کرتا ہے۔

ملین 4,496.73 PKR ملین سے بڑھ کر 30 جون 2025 میں 3,518.351 PKR ہے۔ کمپنی کا طویل مدتی قرضہ 30 جون 2024 میں کی پیداواری صلاحیت میں اضافہ ہوا۔ III-اور یونٹ CAPEX میں ونڈ مل کی تنصیب کے لیے خرچ ہوئے ا-ہو گیا جس کی وجہ سے یونٹ اور ا-نتیجتاً، 30 جون 2025 کو ختم ہونے والے اسی سال کے دوران 1.09 سے 1.71 تک گیئرنگ ریشو میں اضافہ بنیادی طور پر یونٹ کے لیے طویل مدتی ذمہ داری میں اضافے سے وابستہ ہے۔ III-یونٹ

ملین تھی جبکہ 30 جون 2024 کو ختم PKR 12,170.796 جون 2025 کو ختم ہونے والے سال کے دوران شیئر ہولڈر کی ایکویٹی 30 ملین تھی۔ PKR 12,484.766 ہونے والے اسی سال میں۔

CAPEX برائے فنشنگ یونٹ – III

بورڈ آف ڈائریکٹرز نے فنشنگ یونٹ-III کے لیے PKR 1,400.00 ملین کی تخمینی لاگت سے CAPEX کی منظوری دی ہے جو اہم ہم آہنگی کا مظاہرہ کرے گا اور سالانہ پیداواری صلاحیت کو تقریباً 7.2 ملین میٹر تک بڑھا دے گا۔ تجارتی پیداوار اب دسمبر 2025 کے آخر تک شروع ہونے والی ہے کیونکہ مشینری کی ترسیل میں غیر متوقع تاخیر، جس نے ہماری اصل ٹائم لائن کو متاثر کیا ہے۔

قابل تجدید توانائی کے اقدامات

ا کمپنی نے قابل تجدید توانائی کے اقدامات کو کامیابی کے ساتھ نافذ کیا ہے، جس میں پنجاب میں اپنے یونٹس میں 2.5 میگا واٹ شمسی میں 4.80 میگا واٹ کی ونڈ مل نے اپریل 2025 میں کمرشل ا-توانائی کی تنصیب بھی شامل ہے۔ مزید برآں، نوری آباد، سندھ میں یونٹ آپریشنز کا آغاز کیا، جو کمپنی کے پائیدار توانائی کے عزم میں ایک اہم سنگ میل ہے۔

کریڈٹ ریٹنگ

پر ہستی کی ریٹنگ کی تصدیق 6 فروری 2025 کو (A/A-One سنگل) A/A-1 دی گئی ریٹنگز پر 'مستحکم' آؤٹ لک کے ساتھ کریڈٹ ریٹنگ کمپنی لمیٹڈ کے جائزے پر مبنی ہے۔ Messer's VIS

مالیاتی گوشوارے

جیسا کہ کمپنیز ایکٹ 2017 کے تحت ضرورت ہے ، پی ایس ایکس کے ریگولیشن ریگولیشنز اور ایس ای سی پی کی طرف سے جاری کردہ ہدایات چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات پیش کیے ، ان کے متعلقہ دستخطوں کے تحت غور کے لیے توثیق کی گئی ، جاری کرنے اور گردش کے لیے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔

کمپنی کے مالیاتی بیانات کو کمپنی کے آڈیٹرز ، مشتاق اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس نے باقاعدہ طور پر آڈٹ کیا ہے اور آڈیٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے مالی بیانات پر صاف آڈٹ رپورٹ جاری کی ہے اور کوڈ کے بیان پر صاف جائزہ رپورٹ کارپوریٹ گورننس ریگولیشنز ، 2019 "کوڈ"۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ ، 2017 اور اس طرح کے منظور شدہ بین الاقوامی اکاؤنٹنگ سٹینڈرڈز اور انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مکمل طور پر عکاسی کرتی ہیں جیسا کہ اس ایکٹ کے تحت مطلع کیا گیا ہے اور ساتھ ہی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کے ذریعے۔

اقتصادی آؤٹ لک

پاکستان کا اقتصادی سروے 2024-25 بحالی کا ایک حوصلہ افزا بیانیہ پیش کرتا ہے، جو کہ 2.7 فیصد جی ڈی پی کی شرح نمو کو اجاگر کرتا ہے اور درمیانی مدت میں توسیع کی صلاحیت کا اشارہ دیتا ہے۔ بین الاقوامی مالیاتی فنڈ نے رواں مالی سال 2025-26 کے لیے پاکستان کی مجموعی ملکی پیداوار کی شرح نمو 4.2 فیصد کے حکومتی ہدف کے مقابلے میں 3.6 فیصد رہنے کا اندازہ لگایا ہے۔ تاہم اس امید کے نیچے، معیشت گہری جڑوں والی ساختی کمزوریوں، محدود شعبہ جاتی وسعت اور مسلسل ناکاربیوں سے دوچار ہے جو سرکاری تخمینوں کے باوجود واضح رہتی ہے۔

فوائد صنعت کے چند ذیلی شعبوں میں مرکوز دکھائی دیتے ہیں، خاص طور پر ملبوسات، جب کہ زراعت اور بڑے پیمانے پر مینوفیکچرنگ بدستور خراب ہوتی جارہی ہے۔ مالی سال 25 کے دوران زیادہ لاگت اور رسد کی رکاوٹوں کے درمیان بڑے پیمانے پر مینوفیکچرنگ میں 1.5 فیصد کمی واقع ہوئی۔ ہم اس بات کا اعادہ کرتے ہیں کہ ساختی اصلاحات اور کلیدی شعبوں میں وسیع بنیاد رفتار کی عدم

اسٹیٹ بینک موجودگی کے بغیر، مجموعی ترقی کا راستہ کمزور دکھائی دیتا ہے۔ آف پاکستان نے افراط زر کا مقابلہ کرنے اور روپے کو مستحکم کرنے کے لیے مالی سال 2024-25 کے دوران 20-22 فیصد کی اعلیٰ پالیسی شرح برقرار رکھی۔ جبکہ افراط زر میں کمی آئی ہے، صنعتی شعبوں، خاص طور پر ٹیکسٹائل کے لیے قرض لینے کی لاگت ممنوعہ حد تک زیادہ ہے، جو کم مارجن پر کام کرتے ہیں اور انہیں مسلسل ورکنگ سرمائے کی ضرورت ہوتی ہے۔ اسٹیٹ بینک آف پاکستان نے میں پالیسی سود کی شرح کو بغیر کسی تبدیلی MPC ستمبر 2025 میں ہونے والی کے 11 فیصد پر رکھا ہے، حالیہ بارشوں اور سیلاب کی وجہ سے مہنگائی کے دباؤ میں اضافے کی پیش گوئی کی وجہ سے قلیل مدتی معاشی رکاوٹ کا حوالہ دیتے ہوئے مالی سال 2024-25 پاکستان کے ٹیکسٹائل سیکٹر کے لیے لچک اور مشکلات کے پیچیدہ امتزاج سے نشان زد تھا۔ جبکہ برآمدی کارکردگی نے حوصلہ افزا نمو ظاہر کی، صنعت کو مہنگائی کے دباؤ، توانائی کی لاگت میں اضافے، اور کپاس کی پیداوار میں تیزی سے کمی سے پیدا ہونے والے اہم چیلنجوں کا سامنا کرنا پڑا۔ ان عوامل نے اجتماعی طور پر منافع، سپلائی چین کے استحکام، اور طویل مدتی مسابقت کو متاثر کیا۔ پاکستان کی ٹیکسٹائل کی برآمدات 17.88 بلین امریکی ڈالر تک پہنچ گئیں، جو کہ مالی سال 2023-24 کے 16.68 بلین امریکی ڈالر کے مقابلے میں 7.22 فیصد اضافے کی عکاسی کرتی ہے۔ یہ نمو بڑی حد تک ویلیو ایڈڈ سیگمنٹس جیسے کہ نٹ ویئر اور ریڈی میڈ گارمنٹس کی وجہ سے کارفرما تھی، جو مضبوط عالمی مانگ اور بہتر تعمیل معیارات سے مستفید ہوئے۔ تاہم، سوتی دھاگے اور کپڑے کی برآمدات میں کمی آئی، جس سے اپ اسٹریم پیداوار میں تناؤ نمایاں ہوا اور بین الاقوامی سورشنگ کی ترجیحات میں تبدیلی ٹیکسٹائل سیکٹر کو ایک اور دھچکا کپاس کی پیداوار میں مسلسل کمی سے آئی۔ جس میں سال بہ سال 30 فیصد کمی واقع ہوئی، 31 جولائی تک جننگ فیکٹریوں تک صرف 594,000 گانٹھیں پہنچیں، جیسا کہ پاکستان کاٹن جنرز ایسوسی ایشن کی رپورٹ کے مطابق۔ اس کمی کی وجہ کاشت کے رقبے میں کمی، بیج کی خراب کوالٹی غیر موثر کیڑوں پر قابو پانے، اور آب و ہوا سے متعلق رکاوٹیں ہیں۔ پچھلی دہائی کے دوران، اوسط پیداوار 802 کلوگرام سے کم ہو کر 475 کلوگرام فی ہیکٹر رہ گئی ہے، جس سے کپاس کی سپلائی چین کی پائیداری کو خطرہ ہے۔

میں پاکستان کی وسیع تر معیشت نازک بحالی، ساختی اصلاحات اور علاقائی 2025 پیچیدگیوں کو متوازن کرنے والے ایک اہم سنگم پر کھڑی ہے۔ برسوں کے افراط زر کے دباؤ، سیاسی اتار چڑھاؤ اور عالمی اقتصادی سرگرمیوں کے بعد ملک بتدریج مستحکم ہو رہا ہے۔ وافر قدرتی وسائل اور متحرک افرادی قوت سے مالا

مال ہونے کے باوجود، پاکستان کی پائیدار اقتصادی ترقی کا راستہ گہری ساختی تبدیلی پر منحصر ہے۔

ٹیکسٹائل کی برآمدات پر موجودہ امریکی ٹیرف ڈھانچے کے 19 فیصد کے تقابلی فائدہ کے پیش نظر، پاکستان کو خود کو ایک مسابقتی اور پائیدار سورسنگ منزل کے طور پر کھڑا کرنا چاہیے۔ بین الاقوامی منڈیاں اپنی سپلائی چین کو متنوع بنانے کے لیے سرگرم عمل ہیں، ماحول دوست مینوفیکچرنگ کے عمل کو تیزی سے ترجیح دیتے ہوئے، جغرافیائی سیاسی تناؤ اور اعلیٰ قیمت والی مصنوعات پر زیادہ توجہ مرکوز کرنے کے ساتھ، پاکستان کا ٹیکسٹائل سیکٹر عالمی سطح پر اس موقع کو حاصل کرنے کے اپنے نقش کو بڑھانے کی خاطر خواہ صلاحیت رکھتا ہے۔ لیے ٹیکنالوجی، توانائی کی کارکردگی اور زرعی اصلاحات میں تزویراتی سرمایہ کاری کی ضرورت ہوگی، جس کی حمایت مربوط اور مستقبل کے حوالے سے حکومتی پالیسیوں سے ہو گی۔ یہ ستون طویل مدتی ترقی، لچک اور عالمی مطابقت کو کھولنے کے لیے ضروری ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان۔

آپ کی کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 "کوڈ"، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ہدایات کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ ریگولیشنز کی تعمیل کے ایک حصے کے طور پر ہم مندرجہ ذیل کی تصدیق کرتے ہیں:

financial یہ مالیاتی بیانات، جو کمپنی کے انتظام کے ذریعہ تیار کیے گئے ہیں، اس کے معاملات کی منصفانہ حالت، اس کے کام کا نتیجہ، نقد بہاؤ اور ایکوٹی میں تبدیلیوں کو پیش کرتے ہیں۔

the کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔

account مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

• بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔

internal اندرونی کنٹرول کا نظام ڈیزائن میں درست تھا اور اسے مؤثر طریقے سے نافذ اور مانیتئر کیا گیا ہے۔

the کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں تھے۔

corporate کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی، جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیلی ہے۔

• ہم نے ڈائریکٹروں اور ملازمین کے درمیان ایک ضابطہ اخلاق اور کاروباری حکمت عملی تیار اور گردش کی ہے۔

Direct بورڈ آف ڈائریکٹرز نے ویژن اور مشن کا بیان اور مجموعی کارپوریٹ حکمت عملی کا بیان اپنایا ہے۔

- تمام ڈائریکٹرز نے اس کی عام میٹنگ میں شرکت کی ہے جب تک کہ معقول وجہ کی بنا پر روک نہ لگائی جائے۔
- تمام ڈائریکٹرز کو ان کی ذمہ داریوں ، کرداروں ، معاوضوں ، اختیارات اور ذمہ داری کے ساتھ ان کی شرائط کے آغاز پر کوڈ آف کارپوریٹ گورننس ، کمپنیز ایکٹ اور آرٹیکل آف ایسوسی ایشن کے مطابق تفویض کیا جاتا ہے۔
- the کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹر ٹریننگ پروگرام (ڈی ٹی پی) کے تحت منظور شدہ / چھوٹ دی گئی ہے جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشنز ، 2019 کی ضرورت ہے۔
- human انسانی وسائل ، سیٹی بجائے ، خریداری ، اسٹیک ہولڈرز کے ساتھ مواصلاتی طریقہ کار ، ماحولیات ، صحت اور حفاظت ، ڈائریکٹر کا معاوضہ ، اینٹی منی لانڈرنگ اور رسک مینجمنٹ وغیرہ پر بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ اہم پالیسیوں کا مناسب تازہ ترین ریکارڈ موجود ہے۔
- کمپنی نے 2024 ، 30 کو ختم ہونے والے سال کے دوران کمپنی کی طرف سے کی کارکردگی کے جائزہ میں صنفی تنخواہ کے فرق کا انکشاف کیا ہے جیسا کہ 2024 کے سرکر 10 کے تحت 17 اپریل 2024 کو درکار ہے۔
- جیسا کہ کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کی ضرورت ، ہم نے درج ذیل معلومات کو اس رپورٹ میں شامل کیا ہے۔
- o شیئر ہولڈنگ کے پیٹرن کا بیان الگ سے دیا گیا ہے۔
- o متعلقہ کاروباری اداروں اور متعلقہ افراد کے حصص کا بیان۔
- o سال کے دوران ہونے والی بورڈ میٹنگز اور سالانہ جنرل میٹنگ کا بیان اور ہر ڈائریکٹر کی حاضری الگ سے دی گئی ہے۔
- o کمپنیز ایکٹ کے سیکشن 192 (4) کی دفعات کے تحت چیئرمین جائزہ رپورٹ۔
- ضابطے کے ضابطہ 36 کے تحت چیئرمین کی طرف سے دستخط شدہ تعمیل کا بیان۔
- six پچھلے چھ سالوں کے کلیدی آپرینگز اور مالیاتی اعداد و شمار۔ ٹیکس اور لیویز کے بارے میں معلومات منسلک آڈٹ شدہ مالی بیانات میں مناسب طریقے سے ظاہر کی گئی تھیں۔
- listed کمپنی ایس ای سی پی کی طرف سے جاری کردہ ہدایات کی سختی سے پیروی کرتی ہے جو کہ لسٹڈ کمپنیوں کے اندرونی تجارت کی ممانعت پر ہے اور کمپنی کے حصص میں کوئی تجارت اس کے ڈائریکٹر ، سی ای او ، سی ایف او ، کمپنی سیکرٹری ، ہیڈ آف انٹرنل آڈٹ اور ان کے میاں بیوی اور نابالغ بچوں کے علاوہ نہیں شیئر ہولڈنگ کے انداز میں انکشاف

شیئر ہولڈنگ کا نمونہ۔

شیئر ہولڈنگ کا پیٹرن اور اس سے متعلقہ معلومات اس کے مطابق منسلک ہیں۔

متعلقہ پارٹی لین دین

پارٹی ٹرانزیکشنز (RPT) اور ان کی حیثیت کا IAS 24 کے تحت ضرورت کی تعمیل کرتے ہوئے مناسب طور پر انکشاف کیا جاتا ہے۔ مزید برآں، SRO 768 (1) کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفکیشن کے مطابق سب کے لیے ایک مضبوط پالیسی موجود ہے۔ 2019 اور گائیڈ لائنز کو کمپنی کی پالیسی میں لین دین اور ریکارڈ کی دیکھ بھال کے حوالے سے مناسب طریقے سے شامل کیا گیا ہے۔ آر پی ٹی کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا تھا جس کے بعد بورڈ میٹنگ میں اسے پیش کرنے سے پہلے آڈٹ کمیٹی کی منظوری لی گئی تھی، تاکہ اس بات کو یقینی بنایا جا سکے کہ کاروباری سرگرمی کے معمول کے دوران تمام لین دین مکمل طور پر مکمل ہوں۔ 30 جون 2025 کو ختم ہونے والے موجودہ مالی سال کے دوران تمام RPT کو ممبر کی منظوری کے لیے کمپنی

کی جنرل میٹنگ کے سامنے پیش کیا جائے گا۔ اسی طرح، بورڈ نے 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لین دین کے لیے کمپنی کی جنرل میٹنگ میں ممبران کی منظوری حاصل کرنے کا بھی فیصلہ کیا ہے اور اسے اگلے سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔ ان کی رسمی توثیق / منظوری۔

بورڈ کی تشخیص

بورڈ کی تشخیص بورڈ کی تاثیر اور کارکردگی کا اندازہ لگانے کے لیے ایک اہم ذریعہ ہے اور بورڈ کی باقاعدہ تشخیص انفرادی ڈائریکٹرز کے درمیان گروپ فیصلہ سازی اور فضیلت کو فروغ دیتی ہے۔ مزید برآں، یہ بورڈ کے ارکان کو بورڈ روم میں تنازعات کو کم کرنے اور اخلاقی قیادت اور دوستی کے کلچر کو فروغ دینے کے لیے اچھی طرح سے تعاون کرنے کی ترغیب دیتا ہے۔ قانونی دستاویزات، اجلاسوں کے ایجنڈے، بورڈ اور کمیٹی کے اجلاسوں کے منٹس، اہم پالیسیوں اور دیگر ذیلی دستاویزات، سوالنامے، بورڈ اور کمیٹی کے ارکان کے ساتھ بات چیت کے ساتھ ایک جامع جائزہ لیا گیا ہے۔

بورڈ کی تشکیل

ضابطہ 34 کے تحت ضرورت کے مطابق دس (10) ڈائریکٹرز کا بورڈ مندرجہ ذیل پر مشتمل ہے۔

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Directors	3	0	3
(ii)	Executive Director	1	0	1
(ii)	Non- Executive Directors	5	1	6

بورڈ اور آڈٹ کمیٹی کے اجلاس

• تمام ڈائریکٹرز، میٹنگ میں شرکت کے اہل، کمپنی کی جنرل میٹنگز میں شرکت کی ہے۔ کوڈ کے ریگولیشن 10 (6) کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کسی معقول کی وجہ سے ایسا کرنے سے روک دیا جائے۔ 2024-25 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی میٹنگ کی تعداد درج ذیل ہے۔

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Muhammad Shaheen	4	4	-	-	1	1
Mr. Khurrum Salim	4	4	6	6	-	-
Mr. Bilal Sharif	4	4	-	-	-	-
Mr. Muhammad Amin	4	3	6	6	-	-
Mr. Hamza Shakeel	4	4	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	4	4	6	6	-	-
Mr. Asif Elahi	4	4				
Mr. Mustafa Tanvir	4	4				
Mrs. Fatima Amin	4	4				

آڈٹ کمیٹی

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Non- Executive Director
ii	Muhammad Amin	Member	Non- Executive Director
iii	Khurrum Salim	Member	Independent Director

آڈٹ کمیٹی تین ممبران پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے جبکہ باقی تمام نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ شرائط کے تحت اپنی ذمہ داریاں نبھاتے ہیں۔

مالیاتی خواندہ ممبر کی تقرری ضابطہ کے باب 10 میں ضابطہ 27(1)(iii) کے مطابق کی گئی ہے۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل عبوری اور سالانہ مالیاتی گوشواروں کا جائزہ لینے کے لیے کوڈ کے ضابطہ 27(2) کی تعمیل میں آڈٹ کمیٹی باقاعدگی سے میٹنگ کرتی تھی اور CFO کی غیر موجودگی میں بیرونی آڈیٹر کے ساتھ سال میں ایک بار اضافی میٹنگ کرتی تھی۔ اور دوسرا CFO اور بیرونی آڈیٹر دونوں کی غیر موجودگی میں اندرونی آڈیٹر کے ساتھ۔

کمپنی کے بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی (AC)، جسے کمپنی کے طریقہ کار اور اندرونی کنٹرول کا مکمل علم ہے، مالیاتی رپورٹنگ اور افشاء کرنے کے عمل کی نگرانی کا انچارج ہے۔ اکاؤنٹنگ پالیسیوں اور اصولوں کے انتخاب کی نگرانی کرنے اور قوانین اور ضوابط کی تعمیل کی ضمانت دینے کے لیے، AC عام طور پر انتظامی ٹیم، آزاد آڈیٹر، اور اندرونی آڈیٹرز کے ساتھ ہم آہنگی کرتا ہے۔

AC اس بات کو یقینی بنانے کے لیے انتظامیہ کے ساتھ مل کر کام کرتا ہے کہ دھوکہ دہی کا پتہ لگانے کے لیے ضروری اقدامات کیے گئے ہیں اور اس بات کو یقینی بناتا ہے کہ دھوکہ دہی کی روک تھام اور شناخت کے لیے مناسب پالیسیاں اور طریقہ کار موجود ہیں، جیسے کہ اثاثوں کا غلط استعمال، بدعنوانی، اور مالیاتی بیان میں دھوکہ دہی۔

اس بات کو یقینی بنا کر کہ ایک ضابطہ اخلاق لاگو کیا گیا ہے اور مواصلات کے موثر راستے قائم کیے گئے ہیں، AC کسی تنظیم کے لہجے کو قائم کرنے میں اہم کردار ادا کرتا ہے۔ AC کو ان معاملات کے بارے میں آگاہ کیا جانا چاہیے جن میں جاری تحقیقات اور تادیبی کارروائیوں کے ساتھ ساتھ انتظامیہ قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے کیا کر رہی ہے۔ AC ممبران اکاؤنٹنگ کی غلطیوں اور اسامانیتاؤں کی نشاندہی کرنے میں ماہر ہیں اور دھوکہ دہی کی سرگرمیوں کو روکنے کے لیے مل کر کام کرتے ہیں۔

انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Tauqeer A Sheikh	Chairman	Independent Director
ii	Mohammad Shaheen	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) تین ممبران پر مشتمل ہے جن میں سے سبھی نان ایگزیکٹو ڈائریکٹر ہیں جبکہ چیئرمین ایک آزاد ڈائریکٹر ہیں۔ HRRC سی ای او کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانشینی کی منصوبہ بندی کے لیے بورڈ کو انسانی وسائل کے انتظام کی اہم پالیسیوں کی سفارش کرتا ہے۔

HRRC کا مقصد کسی تنظیم کے بورڈ، انتظامی ٹیم اور عملے کی تاثیر کو بہتر بنا کر اس کی پیداواری صلاحیت کو بڑھانا ہے۔ HRRC انسانی وسائل کے انتظام کی پالیسیوں پر بورڈ کو مشورہ دینے کا انچارج ہے۔ کمیٹی CEO، CFO، اور کمپنی سیکرٹری کے انتخاب، تشخیص، تنخواہ اور جانشینی کی منصوبہ بندی کی تجویز پیش کرنے کی ذمہ دار ہوگی۔

HRRC سینئر مینجمنٹ کی بھرتی اور تربیت، تنخواہ، کارکردگی کی جانچ، جانشینی کی منصوبہ بندی، اور انسانی سرمائے کے مؤثر استعمال کے اقدامات کے ساتھ بورڈ اور انتظامیہ کی مدد کرتا ہے۔

کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی اس بات کو یقینی بناتی ہے کہ اس کا مقامی کمیونٹیز اور ماحول پر فائدہ مند اثر پڑے، کارپوریشن کمپنی کی اخلاقی، پائیدار، اور ماحولیاتی ذمہ داریوں سے متعلق پالیسیاں قائم کرتی ہے۔

کمپنی کی اپنی کارروائیوں کے تمام پہلوؤں بشمول آلودگی، فضلہ، مصنوعات کی حفاظت، اور مزدوری میں کمیونٹی اور ماحول کے تئیں سماجی ذمہ داری ہے۔ اس میں نہ صرف کمیونٹی اور سماجی ماحول کو فنڈز فراہم کرنا، بلکہ کمپنی سے متعلقہ فریقوں کے ساتھ

اچھے طویل مدتی تعلقات کو برقرار رکھنا بھی شامل ہے۔ کمپنی آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنے، قدرتی وسائل کو پائیدار طریقے سے استعمال کرنے، کچرے کو کم سے کم اور مناسب طریقے سے ٹھکانے لگانے، اور دوبارہ سائیکلنگ کو فروغ دے کر اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے ایک جامع کارپوریٹ سماجی ذمہ داری (CRS) پالیسی کا انتظام کرتی ہے۔

صحت ، حفاظت اور ماحولیاتی پالیسی

کمپنی ایک محفوظ اور صحت مند کام کی جگہ فراہم کرنے کے ساتھ ساتھ ماحولیاتی تحفظ کے لیے وقف ہے، اور اسے مکمل یقین ہے کہ حفاظت اور ماحولیاتی تحفظ ایک اچھا کاروبار ہے، اور یہ کہ کام سے متعلق تمام حادثات، بیماریاں، املاک کے نقصانات، اور منفی ماحولیاتی نتائج سے بچا جا سکتا ہے۔ اس مقصد کو پورا کرنے کے لیے، تنظیم اس بات کو یقینی بناتی ہے کہ انتظامیہ کارکنان اور ماحولیاتی تحفظ کی پوری ذمہ داری لے۔ کسی غیر متوقع آفت کی صورت میں ملازمین کے لیے ایک جامع گروپ لائف انشورنس پالیسی پہلے سے موجود ہے۔ کارپوریشن نے کراچی اور لاہور دونوں دفاتر میں اپنے انتظامی اہلکاروں کے لیے ہیلتھ کوریج کے منصوبے بھی بنائے ہیں۔ صحت، حفاظت، اور ماحولیاتی مسائل کو کمپنی کے دیگر تجارتی مقاصد کے برابر وزن دیا جاتا ہے، اور وہ کام کے تمام پہلوؤں میں مربوط ہوتے ہیں۔ تنظیم صحت، حفاظت اور ماحولیاتی کارکردگی کو مسلسل بڑھانے کے لیے سرگرم عمل ہے۔ پانی اور فضائی آلودگی، کیمیائی اور تیل کے اخراج، سموگ، پینے کے پانی کا معیار، زمین کا تحفظ اور انتظام، اور جنگلی حیات کا تحفظ کمپنی کی ترجیحات ہیں۔

ماحولیاتی، سماجی اور گورننس

ایس ای سی پی کی جانب سے ای ایس جی گائیڈ لائنز کو اپنانے کے لیے بورڈ کی جانب سے اقدامات کیے جاتے ہیں۔

پائیداری کے خطرات سے نمٹنا

پائیداری کے خطرات معاشرے یا ماحول سے متعلق غیر متوقع واقعات یا حالات ہیں جو، اگر واقع ہوتے ہیں، تو کمپنی پر سنگین منفی اثر ڈال سکتے ہیں۔ ان میں وہ موقع بھی شامل ہے جو کسی تنظیم کو بدلنے ہوئے سماجی یا ماحولیاتی حالات کے نتیجے میں حاصل ہو سکتا ہے۔ وسائل کے زیادہ استعمال کے چند منفی نتائج آلودگی، غربت، خراب صحت، حیاتیاتی تنوع میں کمی اور موسمیاتی تبدیلی ہیں۔ یہ مسائل ایک دوسرے سے متعلق ہیں اور اکثر ایک دوسرے کو خراب کرتے ہیں۔ ٹیکسٹائل کا کاروبار مختلف قسم کے قدرتی وسائل کا استعمال کرتا ہے، بشمول زمین، پانی اور فوسل فیول۔ یہ صنعت عالمی کاربن کے اخراج میں 2 سے 8 فیصد کا حصہ ہے اور یہ دوسری سب سے زیادہ پانی پر مشتمل ہے۔ رنگنے کا طریقہ خاص طور پر خطرناک ہے کیونکہ رنگ آسانی سے بائیوڈیگریڈیبل نہیں ہوتے ہیں اور گندے پانی کو آلودہ کر سکتے ہیں۔

کمپنی اس بات کو یقینی بنانے کے لیے پوری طرح پرعزم ہے کہ ماحول کو خطرے میں ڈالے بغیر یا آنے والی نسلوں کے لیے اسے محفوظ کیے بغیر اس کی موجودہ ضروریات کو باقاعدہ کاروباری کارروائیوں کے دوران پورا کیا جائے۔ یہ اپنے اسٹیک ہولڈرز، بشمول سپلائرز، ملازمین، اور صارفین کی حوصلہ افزائی کرتا ہے کہ وہ تنظیمی کاموں اور ضروریات کو انجام دیتے ہوئے زیادہ اخلاقی اور ماحول دوست پالیسیاں اپنائیں۔

تنظیم نے پائیداری کے خطرات کو کم کرنے کے لیے درج ذیل اقدامات کیے:

- کاروبار نے ہیٹ ریکوری بوائلر نصب کیے، جو کہ فضلہ کی گرمی سے بھاپ پیدا کرنے کا ایک ماحول دوست طریقہ ہے۔ یہ پیداواری عمل کے ماحول پر پڑنے والے ماحولیاتی اثرات کو کم کرتے ہیں اور کاربن کے اثرات اور توانائی کے استعمال کو کم کرنے میں مدد کرتے ہیں۔
- خام مال یا تیار سامان کی نقل و حمل کرنے والی گاڑیوں میں شعلے گرفتار کرنے والے نصب ہونے چاہئیں کیونکہ کپاس ایک انتہائی آتش گیر مواد ہے۔ نقصان دہ آلودگیوں کو پکڑ کر، انہیں آسمان میں چھوڑنے سے روک کر، اور آگ کے پھیلنے کے امکانات کو کم کر کے، یہ ماحولیاتی تحفظ میں معاون ہے۔ تمام کاریں جو تجارتی بنیادوں پر تنظیم سے منسلک ہیں ان میں شعلے گرفتار کرنے والے نصب ہونے چاہئیں۔

- کمپنی نے اپنے بوائلرز میں جبری ڈرافٹس (پنکھے لگائے ہیں تاکہ ہوا کے ایندھن کے مثالی تناسب کو محفوظ رکھا جا سکے، جس سے دہن کی کارکردگی میں اضافہ ہو اور گرین ہاؤس گیسوں کے اخراج کو کم کیا جا سکے۔
- کمپنی اپنے پیداواری عمل میں غیر مضر کیمیکل استعمال کرتی ہے، جو لوگوں، ماحولیات یا جنگلی حیات کے لیے اندرونی طور پر خطرناک نہیں ہیں۔ اس کے باوجود، کیمیکلز کو احتیاط سے اور کنٹرول کے تحت ٹھکانے لگایا جاتا ہے تاکہ صحت عامہ کی حفاظت کی جا سکے اور ان کا ماحول پر کم سے کم اثر پڑے۔
- کمپنی نے ماحولیاتی پائیداری کے لیے ایک واٹر ٹریٹمنٹ پلانٹ بنایا ہے، جس سے آلودگی کو کم کیا گیا ہے جس کی وجہ سے بیماریاں، پودوں اور جانوروں کی موت، اور رہائش گاہوں کی تباہی جیسے مسائل پیدا ہوتے ہیں۔ کمپنی اس بات کو یقینی بناتی ہے کہ جب پانی ٹریٹمنٹ پلانٹ سے نکلتا ہے تو اس میں کیمیائی جراثیم کش کی سطح کم ہوتی ہے۔ یہ آبی ذخائر کی آلودگی کو روکتا ہے اور آبی ماحولیاتی نظام کے توازن کو برقرار رکھنے میں مدد کرتا ہے، پودوں، جانوروں اور سمندری زندگی کی صحت کی حفاظت کرتا ہے۔
- موسمیاتی تبدیلی کو برقرار رکھنے، حیاتیاتی تنوع کو برقرار رکھنے، کارکنوں اور ماحولیات کے لیے ہوا کے معیار کو بہتر بنانے اور صنعت سے فضائی آلودگی اور کاربن کے اخراج کو کم کرنے کے لیے، کارپوریشن بار بار شجرکاری کی مہمات کا اہتمام کرتی ہے۔ اس کے علاوہ، یہ مٹی کے کٹاؤ کو روکتا ہے، پانی کے چکر کو کنٹرول کرتا ہے، اور جنگلی حیات کو رہائش اور وسائل فراہم کرتا ہے۔
- کمپنی نے پیداواری عمل کی توانائی کی ضروریات کو پورا کرنے کے لیے قابل تجدید توانائی نصب کی ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ توانائی کے مکس کو اس طرح استعمال کیا جائے جو گرین ہاؤس گیسوں کے اخراج میں کمی میں معاون ہو۔ سولر پینلز اور ونڈ ملز نصب کرنے سے، یہ فوسل ایندھن پر ہمارا انحصار کم کرتا ہے، جو موسمیاتی تبدیلی، سخت موسم، سطح سمندر میں اضافہ، اور ہماری ماحولیات کو پہنچنے والے نقصان جیسے مسائل میں حصہ ڈالتے ہیں۔

تنوع، مساوات اور شمولیت کو فروغ دینا

ہم ایک ایسی فضا قائم کرنے کے لیے وقف ہیں جہاں ہر کوئی مساوی امکانات تک رسائی حاصل کر سکے۔ اس بات کو یقینی بنانے کے لیے کہ ٹیم کے ہر رکن کی تعریف کی جائے اور اس میں شامل ہو، ہم ایک مساوی مواقع کے آجر کے طور پر، ایک محفوظ اور موثر کام کا ماحول فراہم کرتے ہیں۔ تنظیم ایک ایسی ثقافت کو فروغ دیتی ہے جو تنوع کا احترام کرتی ہے، اسے پسند کرتی ہے، اور ہر فرد کے منفرد خیالات، نقطہ نظر، تجربات اور مہارتوں کو نمایاں کرتی ہے۔ کمپنی کا مقصد ایک متنوع اور جامع کام کا ماحول بنانا ہے جو ہر قسم کے تعصب سے پاک ہو اور تنوع کو ایک اسٹریٹجک فائدہ کے طور پر تسلیم کرتا ہو جو کاروبار پر نمایاں اثر ڈال سکتا ہے۔ حکمت عملی کا انچارج ہے، جو ہماری متنوع ٹیم کے ہر رکن کو باختیار بنانے کی اہمیت پر زور دیتا ہے، ان DE&I بورڈ ہماری خواتین پر توجہ مرکوز کرتے ہوئے جو ہمارے ساتھ کام کرتی ہیں۔ خواتین ملازمین کے لیے کمپنی کے اندر بچوں کی دیکھ بھال کی

سہولت کی تنصیب بہتر تنظیمی پیداوار اور معاون کام کرنے والے والدین کے درمیان قریبی تعلق کو فروغ دینے میں معاون ہے۔ جن والدین کو لائیو ویڈیو ریکارڈنگ تک رسائی حاصل ہے ان کی حفاظت اور سلامتی کی پریشانیوں کا جواب ہے۔ سہولت کی عصری سہولیات، لچکدار گھنٹے، اور تنظیم کے نظام الاوقات کے ساتھ مطابقت سبھی ملازمین کی کارکردگی، برقراری، پیداواری صلاحیت اور خوشی کی حمایت کرتے ہیں۔ یہ روایتی صنفی دقیانوسی تصورات پر سوال اٹھا کر اور متنوع کام کی جگہ کو فروغ دے کر شمولیت کی حوصلہ افزائی کرتا ہے۔

تنوع کو اکثر جنس، رنگ، جنسی رجحان یا ثقافت کے پرزم کے ذریعے جانچا جاتا ہے، لیکن سوچ کا تنوع بھی زیادہ سے زیادہ مقبول ہوتا جا رہا ہے۔ اعصابی تنوع ایک ایسا شعبہ ہے جہاں فکر کا تنوع اہم ہے۔ ممکنہ ملازمین کے تالاب کو وسیع کرنے اور کام کی جگہ پر نئے نقطہ نظر لانے کے لیے، کمپنی ملازمت اور کارکردگی کے جائزوں میں اس قسم کے تنوع کا خیرمقدم کرتی ہے۔ یہ تنظیم پس منظر اور زندگی کے تجربات کے لحاظ سے زیادہ متنوع افرادی قوت کو بھی دیکھتی ہے، کیونکہ اس سے خیالات کا ایک زیادہ متنوع تالاب اور آبادی کے لحاظ سے متنوع افرادی قوت پیدا ہوتی ہے۔

کمپنی یقین دلاتی ہے کہ تمام کارکنان، رنگ، جنس، عمر، یا دیگر ذاتی خصوصیات سے قطع نظر، ان کی کارکردگی اور ملازمت کی ذمہ داریوں کے مطابق معاوضہ وصول کرتے ہیں، اور یہ کہ ہر کسی کو اپنے کام میں کامیاب ہونے اور لطف اندوز ہونے کے لیے ضروری آلات تک رسائی حاصل ہونی چاہیے۔

تنظیم کام کے ماحول کو فروغ دے کر شمولیت کو فروغ دیتی ہے جہاں مختلف قسم کے افراد بلا جھجھک محسوس کرتے ہیں کہ وہ کون ہیں اور اس طریقے سے کام کرتے ہیں جو بطور کاروبار ہماری ضروریات کو بہترین طریقے سے پورا کرتا ہے۔ ہماری کمپنی میں ہر ایک کا احترام کیا جاتا ہے، اور ہم صحیح معنوں میں سمجھتے ہیں کہ ہم میں سے ہر ایک اپنے مشترکہ مقاصد کے حصول کے لیے کچھ نہ کچھ قابل قدر حصہ ڈالتا ہے۔

ڈائریکٹر معاوضہ پالیسی

بورڈ آف ڈائریکٹرز کی معاوضے کی پالیسی کمپنی کے طویل مدتی مقاصد کو آگے بڑھانے کے لیے بورڈ پر مناسب عملے کو برقرار رکھنے اور سینئر مینجمنٹ میں کمپنی کی کارکردگی اور استحکام کی بنیاد ہے۔

چونکہ کمپنی کا بورڈ اور سینئر مینجمنٹ اسٹریٹجک سمت، اہم کاروباری انتخاب اور عمل درآمد فراہم کرنے کے ذمہ دار ہیں، اس لیے یہ ضروری ہے کہ انہیں ان کی کارکردگی کے لیے زیادہ ذمہ دار اور جوابدہ بنایا جائے۔ سینئر مینجمنٹ اور بورڈ کے ممبران کے معاوضے کے طریقے کارپوریٹ گورننس کے مجموعی فریم ورک کے سب سے اہم اجزاء میں سے ایک ہیں، کیونکہ یہ کمپنی کی کارکردگی کو متاثر کرتے ہیں، جس کے نتیجے میں عام شیئر ہولڈرز کو واپسی اور کمپنی کے استحکام پر اثر پڑتا ہے۔

معاوضے کی پالیسی کمپنیز ایکٹ 2017، کمپنیز آرٹیکل آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی دفعات کے تحت بورڈ کو انسانی وسائل اور معاوضے کی کمیٹی (HRRC) کی سفارشات اور تجاویز کے تحت تیار کی گئی ہے۔

ایگزیکٹو ڈائریکٹرز مقررہ ماہانہ معاوضے اور HRRC کی طرف سے تجویز کردہ دیگر مراعات کے حقدار ہیں جن کی بورڈ نے باضابطہ طور پر منظوری دی اور اس کے بعد کمپنی کے جنرل اجلاس میں ممبران کی منظوری لی گئی۔

ایکٹ کے سیکشن 227(a)(i) کی تعمیل میں، مالیاتی بیان کے نوٹ 35 میں ظاہر کردہ مندرجہ ذیل معاوضہ کمپنی کے ڈائریکٹرز کو رواں مالی سال کے دوران ادا کیا گیا ہے:

(a) جناب بلال شریف (CEO) - PKR 800,000.00 ماہانہ۔

اس کے علاوہ، اوپر والے ڈائریکٹرز کے لیے دیگر فوائد میں ایندھن کے ساتھ کمپنی کی دیکھ بھال کرنے والی گاڑی، کاروباری سفر اور مواصلات کے اخراجات شامل ہیں۔

کمپنی کے کسی دوسرے ڈائریکٹر کو کوئی فیس یا معاوضہ ادا نہیں کیا گیا ہے۔

قانونی آڈیٹرز۔

موجودہ آڈیٹر کے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 27 اکتوبر 2025 کو طے شدہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے، تاہم، اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2026 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹر تقرری کی تجویز دی ہے۔ کوالٹی کنٹرول کے تحت بیرونی آڈیٹر میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو تسلی بخش درجہ بندی دی گئی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کا جائزہ پروگرام۔ فرم اور اس کے تمام پارٹنر انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی طرف سے اپنائے گئے کوڈ آف ایٹھکس پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے رہنما اصولوں کی تعمیل کرتے ہیں اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 136 کے تحت آڈٹ اور سائٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔

قانونی آڈیٹرز نے نہ تو کوئی فیصلہ سازی، اندرونی آڈٹ یا انتظامی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹوز کے ساتھ کسی قسم کا تعلق ہے۔ منگنی کے شراکت داروں کو ہر پانچ سال کی تکمیل کے بعد گھمایا جاتا تھا۔

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل مقرر کیا گیا ہے 2025-26 جیسا کہ کوڈ کے ضابطے 32(3) -/ PKR 3,100,000 آڈیٹر تقرری کی بھی سفارش کی اور آڈیٹرز کا معاوضہ کے تحت آڈٹ کمیٹی نے بورڈ کو تجویز کیا ہے۔ اسائنمنٹس میں قانونی آڈٹ، ششماہی جائزہ اور کارپوریٹ گورننس ریویو کا کوڈ شامل ہے۔۔۔

مادی تبدیلیاں اور وعدے۔

کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے کمپنی کے مالی سال کے اختتام کے درمیان نہیں ہوئے جس سے بیلنس شیٹ کا تعلق ہے اور ڈائریکٹرز کی رپورٹ کی رپورٹ کی تاریخ۔

اعتراف

میں بورڈ آف ڈائریکٹرز، قابل قدر شیئر ہولڈرز، صارفین، قرض دہندگان، سپلائرز، اور دیگر اسٹیک ہولڈرز کا ان کی حوصلہ افزائی، اعتماد اور تعاون کے لیے انتہائی پابند ہوں اور میں ہر ملازم کے عزم، استقامت اور محنت کے لیے ان کا شکریہ ادا کرنا چاہوں گا۔ کاروبار کی کامیابی میں مدد کرنے میں۔

بورڈ کے لئے اور اس کی طرف سے

بلال شریف



چیف ایگزیکٹو



محمد سلیم

ڈائریکٹر

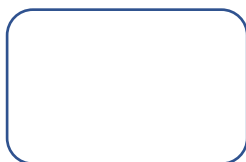
کراچی: 30 ستمبر 2025

Faisal Spinning Mills Ltd

Shareholder Proxy Form

I/We _____ of _____ being a member of **FAISAL SPINNING MILLS LIMITED** and holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Sub Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her _____ of _____ as my / our proxy to act on my/our behalf at the 41st Annual General Meeting of the Company to be held on Monday, 27th October 2025 at 04:00 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

To be signed by the above-named shareholder and affix Rs.5 revenue stamp.



As witness my / our hand / on this _____ day of _____ 2025.

Signature of witness: _____

Name of the witness: _____

CNIC/ PP of the witness: _____

Address of the witness: _____

Notes:

If a member is unable to attend the meeting, they may complete and sign this proxy form and submit to the Company Secretary, **Faisal Spinning Mills Limited**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. This proxy form shall reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner along with the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.



FAISAL SPINNING MILLS LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

Ballot Paper for the Special Businesses at the Annual General Meeting to be held on Monday, 27th October, 2025 at **04:00 pm** at the Registered Office of the Company located at Umer House, 23/1, Sector 23, SM Farooq Road , Korangi Industrial Area, 74900, Karachi.

Contact details of Chairman, where ballot paper may be sent:

Business Address: The Chairman, **Faisal Spinning Mills Limited** at Umer House, 23/1, Sector 23, SM Farooq Road , Korangi Industrial Area, 74900, Karachi.

Email Address: **fsm.corporate@umergroup.com**

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures {In case of representative of body corporate, corporation and Federal Government)	
Name of Authorized Signatory:	
NIC / Passport No. (in case of foreigner) of Authorized Signatory - (copy to be attached)	

I/We hereby exercise my/our vote in respect of the following Resolutions through postal ballot by giving my/our assent or dissent by placing tick 'mark in the appropriate box below:

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
Agenda A(i) <i>“Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2025, be and are hereby ratified, approved and confirmed.”</i>		

<p>Agenda A(ii)</p> <p><i>“Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2026.</i></p> <p><i>Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval.”</i></p>		
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Notes:

1. Duly filled postal ballot should be sent to the Chairman of **Faisal Spinning Mills Ltd** at above-mentioned postal or email address.
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours on or before 25th October, 2025. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website at <https://www.umergroup.com> Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

Signature of Shareholder(s) / Proxy Holder(s) / Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place: _____

Dated: _____