2025

For The
Three Months Ended
September 30

Fazal Cloth Mills Limited

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Corporate

Condensed Interim Financial Information

COMPANY PROFILE

BOARD OF DIRECTORS

Sh. Naseem Ahmad	Chairman/ Non – Executive Director
Mr. Rehman Naseem	Chief Executive Officer
Mr. Amir Naseem Sheikh	Non - Executive Director
Mr. Faisal Ahmed	Non - Executive Director
Mr. Muhammad Mukhtar Sheikh	Executive Director
Mr. Abbas Mukhtar	Executive Director
Mr. Babar Ali	Independent Director
Mr. Masood Karim Shaikh	Independent Director
Ms. Parveen Akhter Malik	Independent Director

AUDIT COMMITTEE

Ms. Parveen Akhter Malik	Independent Director/Chairperson
Mr. Sheikh Naseem Ahmad	Non - Executive Director
Mr. Amir Naseem Sheikh	Non - Executive Director
Mr. Babar Ali	Independent Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Babar Ali	Independent Director/Chairman
Mr. Amir Naseem Sheikh	Non - Executive Director
Mr. Faisal Ahmad	Non - Executive Director

STRATEGIC PLANNING COMMITTEE

Mr. Rehman Naseem	CEO/Chairman
Mr. Masood Karim Shaikh	Independent Director
Ms. Parveen Akhter Malik	Independent Director

COMPANY SECRETARY Mr. Azher Iqbal, ACA

CHIEF FINANCIAL OFFICER Mr. Muhammad Azam, FCA & FCMA

AUDITORS ShineWing Hameed Chaudhri & Co., Chartered Accountants

BANKERS

Bank Al Habib Limited	Askari Bank Limited
National Bank of Pakistan	MCB Bank Limited
Meezan Bank Limited	The Bank of Khyber
The Bank of Punjab	JS Bank Limited
Habib Metropolitan Bank Limited	Dubai Islamic Bank Pakistan Limited
Bank Alfalah Limited	Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited	Bank Makramah Limited
Faysal Bank Limited	Saudi Pak Industrial & Agricultural Inv. Company Limited
Allied Bank Limited	Pak Oman Investment Company Limited
Bank Islami Pakistan Limited	Pak Brunei Investment Company Limited
Soneri Bank Limited	Pak Libya Holding Company (Pvt.) Limited
Industrial and Commercial Bank of China Ltd.	Pakistan Kuwait Investment Company (Private) Limited
United Bank Limited	PAIR Investment Company Limited

HEAD OFFICE & SHARES DEPARTMENT:

59/3, Abdali Road, Multan.
Phone: (92), 4781637 Fax: (92) 61-4541832
E-mail: corporate@fazalcloth.com Shares@fazalcloth.com
Website: www.fazalcloth.com

SHARES REGISTRAR:

Vision Consulting Ltd.
5C, LDA Flats, Lawrence Road, Lahore. shares@vcl.com.pk
Phone: (92) 42-36283096, 36283097 Fax: (92) 42-36374839

REGISTERED OFFICE:

69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore.
Phone: (92) 42-36684909

MILLS:

i. Fazal Nagar, Jhang Road, Muzaffargarh - Pakistan
Ph. (92) 66-2422216, 18 Fax: (92) 66-2422217

ii. Qadirpur Rawan Bypass, Khanewal Road, Multan - Pakistan
Ph. (92) 61-6740041-43, Fax : (92) 61-6740052

iii. 13 k.M., Mian Wali Road, Khanpur Bagga Sher.
Ph. (92) 662-490183

DIRECTORS' REVIEW

On behalf of the Board of Directors of Fazal Cloth Mills Ltd. (the Company), we would like to present the un-audited financial information of the Company for the three months period ended September 30, 2025.

OVERVIEW

During the period under review, the textile sector, especially the spinning segment, encountered multiple challenges. The Company's revenue recorded a modest increase of 0.61% reaching Rs. 24.334 billion compared to Rs. 24.186 billion in the Same Period Last Year (SPLY). The gross margins have declined from 9.41% to 7.34% mainly on account of decreased yarn prices and fluctuating demand.

FINANCIAL PERFORMANCE

A comparison of the key financial results of the Company for the three months period ended September 30, 2025 with SPLY, is as follows:

Financial Highlights	**September 30, 2025**	September 30, 2024	**Favorable / (Unfavorable) %**
	Rupees in thousand		
Revenue - net	**24,333,548**	24,185,817	0.61%
Cost of sales	**22,548,467**	21,909,301	2.92%
Gross profit	**1,785,081**	2,276,516	-21.59%
EBITDA	**2,374,330**	2,734,176	-13.16%
Depreciation	**551,072**	568,622	-3.09%
Finance cost	**1,214,597**	1,403,887	-13.48%
Profit before levies and income tax	**608,661**	761,667	-20.09%
Profit after taxation	**179,574**	332,026	-45.92%
Earnings per share - basic and diluted - Rs.	**5.99**	11.07	-45.92%
Gross profit margin	**7.34%**	9.41%	-22.00%
Net profit margin	**0.74%**	1.37%	-45.99%

During the period under review, finance costs recorded a decline of 13.48%, amounting to Rs. 1,215 million. This decrease was mainly attributable to the reduction in the policy rate to 11%, coupled with improved financial management and optimized utilization of available funding facilities.

FUTURE OUTLOOK

Pakistan's economy maintained its trajectory of stabilization and growth during the first two months of FY2026, with moderating inflation, strengthening large scale manufacturing, and contained fiscal imbalances despite the severe floods since July 2025. Fiscal consolidation continued, supported by stronger revenue mobilization and prudent expenditure management, resulting in a primary surplus, while exports, remittances, and an adequate level of foreign exchange reserves provided cushion to external sector.

The overall national export performance in Q1 of FY2026 was negative and the textile sector's share of national exports was around 63%. The widening trade deficit and concerns about rising energy costs and labor wages put pressure on competitiveness of textile sector compared to regional rivals. Despite the overall quarterly increase, monthly textile exports in September 2025 saw a slight year-on-year decrease. Sustained growth depends on structural reforms, such as aligning energy and labor costs with regional benchmarks, and a unified export strategy.

CPI inflation during Jul-Aug FY2026 stood at 3.5 percent as compared to 10.4 percent last year. The Monetary Policy Committee (MPC), in its meeting on 27 October 2025, kept the policy rate unchanged at 11 percent. While inflation remains moderate and high frequency indicators show improvement, the decision was reflected caution over the evolving outlook amid ongoing floods.

Despite the disruption caused by recent floods, economic activity has remained broadly stable. The rebound in large-scale manufacturing indicates strengthening industrial momentum in the months ahead. The external sector is expected to remain stable, with the current account deficit projected to stay manageable despite higher import demand. Pakistan's cotton production as of September 30, 2025 has increased by 49.26% year-on-year, with higher inflows from both Punjab and Sindh.

The management, being mindful of the challenges facing the textile sector, continues to refine its strategies and implement effective measures to address market dynamics, enhance operational efficiency, and sustain business growth. Going forward, we remain committed to improve our operations, to be more innovative, efficient and profitable to deliver sustainable returns to our shareholders.

THANKS AND APPRECIATION

We would like to place on record deep appreciation for the efforts of the executives, officers and other staff members and workers for their hard work, co-operation and sincerity to the Company in achieving the best possible results. The Board also wishes to place on record the appreciations to all banks, customers and suppliers for continued support to the Company with zeal and dedication. The Management is quite confident that these relations and co-operation will continue in the years to come.

On behalf of the Board of Directors

Sheikh Naseem Ahmad
(Chairman)

Dated: October 29, 2025

On behalf of the Board of Directors

Rehman Naseem
(Chief Executive Officer)

ڈائریکٹرز جائزہ رپورٹ

فضل کلاتھ ملزلمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 ستمبر 2025 کو ختم ہونے والی تین ماہ کی مدت کے لیے کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات پیش کرنا چاہتے ہیں۔

جائزہ

جائزہ شدہ مدت کے دوران، ٹیکسٹائل سیکٹر خصوصاً اسپننگ شعبے کو کئی چیلنجز کا سامنا رہا۔ کمپنی کی آمدن میں **0.61** فیصد کا معمولی اضافہ ہوا آمدن **24.334** ارب روپے تک پہنچ گئی جبکہ گزشتہ سال اسی عرصے میں یہ **24.186** ارب روپے تھی۔ تاہم مجموعی منافع کی شرح **9.41** فیصد سے کم ہو کر **7.34** فیصد رہ گئی، جس کی بنیادی وجہ دھاگے کی قیمتوں میں کمی اور طلب میں اتار چڑھاؤ رہا۔

مالی کارکردگی

30 ستمبر **2025** کو ختم ہونے والی تین ماہ کی مدت کے لیے کمپنی کے اہم مالیاتی نتائج کا گزشتہ سال کی اسی مدت (**SPLY**) کے ساتھ موازنہ حسب ذیل ہے:

مالی شہ سرخیاں	30 ستمبر، 2025	30 ستمبر، 2024	(کمی) / اضافہ %
	(000) روپے	(000) روپے	
گاہکوں کے ساتھ معاہدوں سے آمدنی – نیٹ	**24,333,548**	24,185,817	0.61%
فروخت کی قیمت	**22,548,467**	21,909,301	2.92%
کل منافع	**1,785,081**	2,276,516	-21.59%
EBIDTA	**2,374,330**	2,734,176	-13.16%
فرسودگی	**551,072**	568,622	-3.09%
مالیاتی لاگت	**1,214,597**	1,403,887	-13.48%
ٹیکس سے پہلے منافع	**608,661**	761,667	-20.09%
ٹیکس کے بعد منافع	**179,574**	332,026	-45.92%
فی شیئر آمدنی – روپے	**5.99**	11.07	-45.92%
مجموعی مارجن	**7.34%**	9.41%	-22.00%
خالص منافع مارجن	**0.74%**	1.37%	-45.99%

زیر جائزہ مدت کے دوران مالیاتی اخراجات میں **13.48** فیصد کی کمی ریکارڈ کی گئی جو کہ **1,215** ملین روپے ہے۔ یہ کمی بنیادی طور پر پالیسی کی شرح میں **11** فیصد تک کمی کے ساتھ ساتھ بہتر مالیاتی انتظام اور دستیاب فنڈنگ سہولیات کے بہتر استعمال سے منسوب تھی۔

مستقبل کا جائزہ

پاکستان کی معیشت مالی سال **2026** کی پہلی دو ماہ کے دوران استحکام اور بتدریج ترقی کے راستے پر رہی، اگرچہ جولائی **2025** سے آنے والے شدید سیلاب نے چیلنجز پیدا کیے۔ مہنگائی میں کمی، بڑی صنعتوں کی مضبوطی اور مالی نظم وضبط کے باعث پرائمری سرپلس حاصل ہوا۔ برآمدات، ترسیلاتِ زر اور زرمبادلہ کے ذخائر نے بیرونی کھاتوں کو سہارا دیا۔

مالی سال **2026** کی پہلی سہ ماہی میں قومی برآمدات میں کمی رہی اور ٹیکسٹائل سیکٹر کا حصہ تقریباً **63** فیصد رہا۔ توانائی کی بڑھتی قیمتوں اور مزدور کی بڑھتی اجرتوں کے باعث علاقائی حریفوں کے مقابلے میں مسابقتی دباؤ برقرار ہے۔ ستمبر **2025** میں ٹیکسٹائل برآمدات میں ماہانہ بنیاد پر معمولی کمی دیکھی گئی۔ مستقبل میں پائیدار ترقی کا انحصار ساختی اصلاحات پر ہے، جیسے کہ توانائی اور لیبر لاگت کو علاقائی معیار کے مطابق لانا اور متحد برآمدی حکمتِ عملی اپنانا۔

مالی سال **,2026** جولائی سے اگست کے دوران سی پی آئی افراطِ زر کی شرح **3.5** فیصد رہی جو گزشتہ سال **10.4** فیصد تھی۔ مانیٹری پالیسی کمیٹی نے **27** اکتوبر **2025** کو اپنے اجلاس میں پالیسی ریٹ کو **11** فیصد پر برقرار رکھا, اگرچہ مہنگائی میں کمی آئی ہے، تاہم سیلابی صورتحال کے پیشِ نظر محتاط رویہ اختیار کیا گیا۔

سیلاب کے باوجود معاشی سرگرمیاں مجموعی طور پر مستحکم رہیں۔ بڑی صنعتوں میں بحالی کے آثار نمایاں ہیں اور آئندہ مہینوں میں مزید بہتری متوقع ہے۔ زرعی شعبہ بھی بہتر ہوا، خاص طور پر کپاس کی پیداوار میں ستمبر **30 , 2025** تک **49.26** فیصد اضافہ دیکھا گیا، جو پنجاب اور سندھ دونوں سے زیادہ فصل آنے کا نتیجہ ہے۔

انتظامیہ ٹیکسٹائل سیکٹر کے موجودہ چیلنجز کو مدِ نظر رکھتے ہوئے مسلسل اپنی حکمتِ عملی بہتر کر رہی ہے تا کہ کارکردگی، جدت اور منافع میں بہتری لا کر شیئر ہولڈرز کو پائیدار منافع فراہم کیا جا سکے ۔

شکریہ اور تعریف

ہم بہترین ممکنہ نتائج حاصل کرنے میں کمپنی کے ساتھ محنت، تعاون اور خلوص کے لیے ایگزیکٹوز، افسران اور دیگر عملے کے اراکین اور کارکنوں کی کاوشوں کو ریکارڈ پر خراجِ تحسین پیش کرنا چاہتے ہیں۔ بورڈ تمام بینکوں، صارفین اور سپلائرز کے لیے جوش اور لگن کے ساتھ کمپنی کی مسلسل حمایت کے لیے تعریفیں ریکارڈ پر رکھنا چاہتا ہے۔ انتظامیہ کو پورا یقین ہے کہ یہ تعلقات اور تعاون آنے والے سالوں میں بھی جاری رہے گا۔

بورڈ آف ڈائریکٹرز کی جانب سے

رحمان نسیم

(چیف ایگزیکٹو آفیسر/ڈائریکٹر)

ملتان: **29** اکتوبر **2025**

بورڈ آف ڈائریکٹرز کی جانب سے

شیخ نسیم احمد

(چیئرمین)

Fazal Cloth Mills Limited

Condensed Interim Financial Information (Un-audited)

30 September 2025

Condensed Interim Statement of Financial Position

As at 30 September 2025

	Note	(Un-audited) 30 September 2025 Rupees	(Audited) 30 June 2025 Rupees
Assets			
Non-current assets			
Property, plant and equipment	4	**53,076,472,043**	52,167,363,593
Long term investments	5	**12,062,987,471**	10,248,129,438
Long term loans and advances	6	**-**	-
Long term deposits		**25,733,193**	25,733,193
		65,165,192,707	62,441,226,224
Current assets			
Stores, spares and loose tools		**2,432,760,555**	2,310,844,034
Stock-in-trade	7	**33,277,095,640**	33,661,545,599
Trade debts	8	**13,864,604,097**	12,266,998,305
Loans and advances		**374,857,689**	324,107,024
Deposits, prepayments and other receivable		**571,719,269**	642,810,677
Mark-up accrued		**39,402,192**	19,085,522
Short term investment	9	**784,706,400**	608,389,200
Sales tax refundable and adjustable		**393,877,840**	2,056,456,838
Cash and bank balances	10	**1,176,041,696**	1,122,291,188
		52,915,065,378	53,012,528,387
Total assets		**118,080,258,085**	115,453,754,611
Equity and liabilities			
Share capital and reserves			
Authorized share capital		**1,700,000,000**	1,700,000,000
Issued, subscribed and paid-up capital		**300,000,000**	300,000,000
Others capital reserves		**21,431,421,198**	19,616,563,165
Revaluation surplus on property, plant and equipment		**17,838,032,790**	17,970,136,770
Unappropriated profits - revenue reserve		**9,360,393,900**	9,048,716,202
		48,929,847,888	46,935,416,137
Non-current liabilities			
Long term financing *-secured*	11	**12,129,213,910**	11,168,050,617
Long term musharika *-secured*	12	**9,952,061,606**	7,956,146,606
Lease liability *-unsecured*		**64,914,726**	66,442,445
Deferred liabilities:			
- Staff retirement benefit		**628,664,279**	604,292,806
- Deferred taxation		**9,566,117,719**	9,501,841,903
		32,340,972,240	29,296,774,377
Current liabilities			
Current portion of non-current liabilities	13	**4,429,899,202**	4,311,481,264
Short term borrowings - secured		**21,729,995,875**	23,537,764,673
Contract liabilities		**381,903,652**	1,294,316,323
Trade and other payables	14	**9,224,500,004**	8,996,266,832
Unclaimed dividend		**21,977,192**	21,977,192
Accrued mark-up		**813,081,814**	882,273,218
Provision for taxation - net		**208,080,218**	177,484,595
		36,809,437,957	39,221,564,097
Contingencies and commitments	15		
		118,080,258,085	115,453,754,611

The annexed notes form an integral part of these financial statements.

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

Fazal Cloth Mills Limited

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

For the three months ended 30 September 2025

	Note	Three months ended 30 September 2025 Rupees	30 September 2024 Rupees
Revenue from contracts with customers -*net*	16	**24,333,547,974**	24,185,816,672
Cost of sales	17	**(22,548,467,475)**	(21,909,301,222)
Gross profit		**1,785,080,499**	2,276,515,450
Selling and distribution expenses		**(81,500,591)**	(123,558,140)
Administrative expenses		**(246,230,882)**	(225,215,173)
Other expenses		**(88,193,093)**	(26,762,585)
		(415,924,566)	(375,535,898)
Other income		**454,101,653**	264,574,224
Profit from operations		**1,823,257,586**	2,165,553,776
Finance cost	18	**(1,214,597,295)**	(1,403,887,493)
Profit before levies and income tax		**608,660,291**	761,666,283
Levies		**(364,810,757)**	(340,168,905)
Profit before income tax		**243,849,534**	421,497,378
Income tax		**(64,275,816)**	(89,472,273)
Profit after taxation		**179,573,718**	332,025,105
Earnings per share - *basic and diluted*	19	**5.99**	11.07

The annexed notes form an integral part of these financial statements.

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

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three months ended 30 September 2025

	Three months ended	
	30 September 2025 Rupees	30 September 2024 Rupees
Profit after taxation	**179,573,718**	332,025,105
Other comprehensive income - net of tax		
Items that will never be reclassified to statement of profit or loss:		
- Net change in fair value of financial assets at FVOCI	**1,814,858,033**	499,542,666
Total comprehensive income for the period	**1,994,431,751**	831,567,771

The annexed notes form an integral part of these financial statements.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

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

For the three months ended 30 September 2025

	Share capital	Capital reserves					Revenue reserve	
		Share premium	Capital redemption reserve	Fair value reserve - net of tax	Capital reserve against capacity expansion	Revaluation surplus on property, plant and equipment	Sub - total	Un-appropriated profits	Total
	Rupees								
Balance as at 30 June 2024	300,000,000	77,616,000	175,000,000	1,756,765,395	-	18,554,848,169	20,864,229,564	**23,457,160,434**	**44,321,389,998**
Total comprehensive income for the period :									
Profit for three months ended 30 September 2024	-	-	-	-	-	-	-	332,025,105	332,025,105
Other comprehensive income for three months ended 30 September 2024	-	-	-	499,542,666	-	-	499,542,666	-	499,542,666
	-	-	-	499,542,666	-	-	499,542,666	332,025,105	831,567,771
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period *-net of tax*	-	-	-	-	-	(139,604,632)	(139,604,632)	139,604,632	-
Transfer from surplus on revaluation of fixed assets on disposal *-net of tax*	-	-	-	-	-	-	-	-	-
Capital reserve against capacity expansion not availble for distribution	-	-	-	-	15,000,000,000		15,000,000,000	(15,000,000,000)	-
Balance as at 30 September 2024	300,000,000	77,616,000	175,000,000	2,256,308,061	15,000,000,000	18,415,243,537	36,224,167,598	8,928,790,171	45,152,957,769
Total comprehensive income for the period :									
Loss for nine months ended 30 June 2025	-	-	-	-	-	-	-	(214,887,646)	(214,887,646)
Other comprehensive (loss)/ income for nine months ended 30 June 2025	-	-	-	2,107,639,104	-	-	2,107,639,104	(110,293,090)	1,997,346,014
	-	-	-	2,107,639,104	-	-	2,107,639,104	(325,180,736)	1,782,458,368
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period *-net of tax*	-	-	-	-	-	(417,892,475)	(417,892,475)	417,892,475	-
Transfer from surplus on revaluation of fixed assets on disposal *-net of tax*	-	-	-	-	-	(27,214,292)	(27,214,292)	27,214,292	-
Capital reserve against capacity expansion not availble for distribution	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2025	300,000,000	77,616,000	175,000,000	4,363,947,165	15,000,000,000	17,970,136,770	37,886,699,935	9,048,716,202	46,935,416,137

	Share capital	Capital reserves: Share premium	Capital reserves: Capital redemption reserve	Capital reserves: Fair value reserve - net of tax	Capital reserves: Capital reserve against capacity expansion	Capital reserves: Revaluation surplus on property, plant and equipment	Sub - total	Revenue reserve: Un-appropriated profits	Total
	------	------	------	------	Rupees	------	------	------	------
Balance as at 30 June 2025	**300,000,000**	**77,616,000**	**175,000,000**	**4,363,947,165**	**15,000,000,000**	**17,970,136,770**	**37,886,699,935**	**9,048,716,202**	**46,935,416,137**
Total comprehensive income for the period :									
Profit for three months ended 30 September 2025	-	-	-	-	-	-	-	**179,573,718**	**179,573,718**
Other comprehensive income for three months ended 30 September 2025	-	-	-	**1,814,858,033**		-	**1,814,858,033**	-	**1,814,858,033**
	-	-	-	**1,814,858,033**	-	-	**1,814,858,033**	**179,573,718**	**1,994,431,751**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period *-net of tax*	-	-	-	-	-	**(132,103,980)**	**(132,103,980)**	**132,103,980**	-
Transfer from surplus on revaluation of fixed assets on disposal *-net of tax*	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2025	**300,000,000**	**77,616,000**	**175,000,000**	**6,178,805,198**	**15,000,000,000**	**17,838,032,790**	**39,569,453,988**	**9,360,393,900**	**48,929,847,888**

The annexed notes form an integral part of these financial statements.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Condensed Interim Statement of Cash Flows (Un-Audited)

For the three months ended 30 September 2025

	Three months ended 30 September 2025 Rupees	Three months ended 30 September 2024 Rupees
Cash flows from operating activities		
Profit before taxation	**608,660,291**	761,666,283
Adjustments for:		
Depreciation on property, plant and equipment	**551,071,909**	568,622,140
Unrealized loss / (gain) on re-measurement of short term investments	**(176,317,200)**	(48,531,600)
Provision for gratuity	**77,440,386**	78,831,834
Provision for infrastructure cess	**144,432,807**	128,729,636
Provision for workers' profit participation fund	**11,087,393**	12,086,275
Provision for workers' welfare fund	**12,647,912**	12,366,095
Loss / (gain) on disposal of property, plant and equipment	**(535,636)**	(269,721)
Dividend income	**(241,899,109)**	(190,063,585)
Loss allowance on interest income for the period	**836,605**	-
Finance income	**(22,554,966)**	(6,171,766)
Finance cost	**1,214,597,295**	1,403,887,493
Cash generated from operations before working capital changes	**2,179,467,687**	2,721,153,084
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**(121,916,521)**	(129,440,619)
Stock-in-trade	**384,449,959**	(199,000,291)
Trade debts	**(1,597,605,792)**	(260,393,795)
Loans and advances	**(50,750,665)**	(205,330,123)
Deposits, prepayments and other receivables	**71,091,408**	(56,446,705)
	(1,314,731,611)	(850,611,533)
Increase / (decrease) in current liabilities:		
Trade and other payables	**60,065,060**	2,457,449,320
Contract liability	**(912,412,672)**	(235,699,705)
Cash generated from operations	**12,388,464**	4,092,291,166
Gratuity paid to employees	**(53,068,913)**	(32,009,691)
Taxes paid - *net*	**1,328,363,865**	(132,642,403)
	1,275,294,952	(164,652,094)
Net cash generated from operating activities	**1,287,683,416**	3,927,639,072
Cash flows from investing activities		
Fixed capital expenditure	**(1,460,316,241)**	(338,342,612)
Proceeds from sale of property, plant and equipment	**671,518**	469,500
Long term deposits	**-**	(192,900)
Finance income received	**1,401,691**	1,670,476
Dividend received from associated company	**241,899,109**	190,063,585
Net cash used in investing activities	**(1,216,343,923)**	(146,331,951)
Cash flows from financing activities		
Long term financing obtained	**1,671,544,997**	2,530,935,422
Long term financing repaid	**(754,990,807)**	(810,896,463)
Long term musharika obtained	**2,258,415,000**	1,000,000,000
Long term musharika repaid	**(100,000,000)**	(100,000,000)
Short term borrowings -*net*	**(5,540,368,228)**	(6,125,197,695)
Lease rentals paid	**(3,536,922)**	(3,215,383)
Finance cost paid -*net*	**(1,281,252,455)**	(1,722,062,561)
Net cash (used in) / generated from financing activities	**(3,750,188,415)**	(5,230,436,680)
Net increase / (decrease) in cash and cash equivalents	**(3,678,848,922)**	**(1,449,129,559)**
Cash and cash equivalents at beginning of the period	**1,122,291,188**	713,418,102
Cash and cash equivalents at end of the period	**(2,556,557,734)**	(735,711,457)
Cash and cash equivalents at period end comprises of:		
Cash and bank balances	**1,176,041,696**	**674,483,285**
Running finance / running musharika	**(3,732,599,430)**	**(1,410,194,742)**
	(2,556,557,734)	**(735,711,457)**

The annexed notes form an integral part of these financial statements.

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

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

For the three months ended 30 September 2025

1 Legal status and nature of business

Fazal Cloth Mills Limited ("the Company") was incorporated in Pakistan in 1966 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange ('PSX'). The Company is principally engaged in manufacture and sale of yarn and fabric.

Geographical location and addresses of major business units including mills / plant of the Company are as under:

Lahore	**Purpose**
69/7, Abid Majeed Road, Survey No. 248/7 Cantt.	Registered office
Multan	
59/3, Abdali Road.	Head office
Qadirpur Rawan Bypass, Khanewal Road.	Production plant
Muzaffargarh	
Fazal Nagar, Jhang Road.	Production plant
13-KM, Mianwali Road, Khanpur Bagga Sher.	Production plant

2 BASIS OF PREPARATION AND SIGNIFCANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2025. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2025.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2025.

	Note	***(Un-audited)* 30 September 2025 Rupees**	*(Audited) 30 June 2025 Rupees*
4 Property, plant and equipment			
Operating Property, plant and equipment	*4.1*	**50,610,429,714**	50,716,603,453
Right of use of Asset	*4.2*	**33,025,588**	34,461,483
Capital work-in-progress	*4.3*	**2,433,016,741**	1,416,298,657
		53,076,472,043	52,167,363,593
4.1 Opening net book value		**50,716,603,453**	51,701,058,121
Additions during the period / year:			
Freehold land		**-**	372,783,270
Factory building on free hold land		**42,247,959**	43,676,616
Non-factory building on free hold land		**1,650,217**	257,502,959
Plant and machinery		**396,914,428**	615,690,005
Electric fittings and installations		**-**	9,375,644
Tools, laboratory equipment and arms		**49,415**	32,300
Fire extinguishing equipments and scales		**894,400**	3,700,000
Office equipment		**1,841,738**	26,388,970
Vehicles		**-**	47,562,198
		443,598,157	1,376,711,962
Carrying value of assets disposed off during the period / year		**(135,881)**	(73,613,470)
Depreciation charge for the period / year		**(549,636,014)**	(2,287,553,160)
Closing net book value		**50,610,429,714**	50,716,603,453
4.2 Right of use Asset			
Opening net book value		**34,461,483**	40,205,064
Depreciation charge for the period		**(1,435,895)**	(5,743,581)
Closing net book value		**33,025,588**	34,461,483

4.3 Breakup of capital work-in-progress:

	Note	*(Un-audited)* *30 September 2025* *Rupees*	*(Audited)* *30 June 2025* *Rupees*
Building on free hold land		**85,641,561**	92,393,493
Non-factory building on free hold land		**51,623,386**	37,145,587
Plant and machinery		**2,028,469,497**	1,071,186,307
Electric fittings and Installations		**597,092**	843,398
Tools, Lab. Equipment & Arms		**-**	49,415
Office equipment		**3,348,089**	1,566,527
Furniture and fixtures		**3,403**	25,425
Vehicles - Cost & Expenses		**974,867**	
Advances to suppliers - unsecured, considered good	*4.3.1*	**262,358,846**	213,088,505
		2,433,016,741	1,416,298,657

4.3.1 These mainly includes advances against civil works, plant and machinery and vehicles and are in the normal course of business.

5 Long term investments

	Note	*(Un-audited)* *30 September 2025* *Rupees*	*(Audited)* *30 June 2025* *Rupees*
At fair value through OCI			
Fatima Fertilizer Company Limited - *quoted*	*5.1*	**8,077,094,655**	6,262,236,622
Fatima Energy Limited - *unquoted*	*5.2*	**3,520,811,224**	3,520,811,224
Fatima Transmission Company Limited - *unquoted*	*5.3*	**97,758,789**	97,758,789
Multan Real Estate (Private) Limited - *unquoted*	*5.4*	**327,322,803**	327,322,803
		12,022,987,471	10,208,129,438
Associated companies - at equity method			
Fatima Transmission Company Limited - unquoted (Ordinary shares)	*5.5*	**-**	-
Fatima Electric Company Limited - unquoted	*5.5*	**-**	-
		-	-
At fair value through P&L			
Term finance certificates		**40,000,000**	40,000,000
		12,062,987,471	10,248,129,438

5.1 At fair value through OCI

	Note	Shares 30 September 2025	Shares 30 June 2025	Market value 30 September 2025	Market value 30 June 2025	Market value per share 30 September 2025	Market value per share 30 June 2025	Percentage of holding 30 September 2025	Percentage of holding 30 June 2025
		---Number---		---Rupees---		---Rupees---			
Fatima Fertilizer Company Limited - *quoted*	5.1.1	**62,994,031**	62,994,031	**8,077,094,655**	6,262,236,622	**128.22**	99.41	**3.00%**	3.00%

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

5.2 Fatima Energy Limited - *related party , unqouted*

	Shares 30 September 2025	Shares 30 June 2025	Fair value 30 September 2025	Fair value 30 June 2025	Percentage of holding 30 September 2025	Percentage of holding 30 June 2025
	---Number---		---Rupees---			
Ordinary Shares - *unquoted*	**108,300,000**	108,300,000	**696,369,000**	696,369,000	**19.00%**	19.00%
Non voting, non cumulative, redeemable, convertible Preference Shares - *unquoted*	**439,260,066**	439,260,066	**2,824,442,224**	2,824,442,224	**36.86%**	36.86%
	547,560,066	547,560,066	**3,520,811,224**	3,520,811,224		

5.3 Fatima Transmission Company Limited - *unquoted*

	Shares 30 September 2025	Shares 30 June 2025	Fair value 30 September 2025	Fair value 30 June 2025	Percentage of holding 30 September 2025	Percentage of holding 30 June 2025
	---Number---		---Rupees---		--- % ---	
Non voting, non cumulative, redeemable, convertible Preference Shares - unquoted	**12,795,653**	12,795,653	**97,758,789**	97,758,789	**30.71%**	30.71%

5.4 This represents 17.04% (30 June 2024: 17.04%) ordinary shares of Multan Real Estate (Private) Limited (MREPL), which is a dormant entity. The latest valuation is based on present market value of Property of MREPL and has been designated at level 3 as mentioned in note 21.

5.5 Associated companies with significant influence - *under equity method*

	Shares 30 September 2025	Shares 30 June 2025	Carrying value 30 September 2025	Carrying value 30 June 2025	Percentage of holding 30 September 2025	Percentage of holding 30 June 2025
	---Number---		---Rupees---			
Fatima Transmission Company Limited - *unquoted (ordinary shares)*	**5,520,000**	5,520,000	**-**	-	**24.00%**	24.00%
Fatima Electric Company Limited - *unquoted*	**7,000**	7,000	**-**	-	**20.00%**	20.00%
	5,527,000	5,527,000	**-**	-		

		Note	(Un-audited) 30 September 2025 Rupees	(Audited) 30 June 2025 Rupees
6	**Long term advance and mark up accrued**			
	Fatima Transmission Company Limited *associate*		**13,748,696**	13,748,696
	Pak Arab Energy Limited - *associate*		**25,904,160**	25,904,160
			39,652,856	39,652,856
	Less: Loss allowance		**(39,652,856)**	(39,652,856)
			-	-
7	**Stock-in-trade**			
	Raw material [In-transit: Rs. 4,106.39 million (30 June 2025: Rs. 4,954.03 million)]		**20,645,076,091**	19,128,039,516
	Work-in-process		**1,103,971,123**	1,090,597,209
	Finished goods [In-transit: Rs. 76.57 million (30 Jun 2025: Rs. 91.61 million)]			
	Yarn		**9,666,575,640**	11,464,519,087
	Fabric		**857,408,440**	1,021,542,292
	Waste		**1,004,064,346**	956,847,495
			11,528,048,426	13,442,908,874
			33,277,095,640	33,661,545,599
8	**Trade debts**			
	Export debtors - secured against letters of credit:			
	Considered good		**1,990,169,998**	2,248,569,443
	Local debtors - unsecured			
	Related Parties - considered good	8.1	**1,563,232,513**	1,478,389,088
	Others - considered good		**10,311,201,586**	8,540,039,774
	Others - considered doubtful		**44,665,120**	44,665,120
			11,919,099,219	10,063,093,982
	Allowance for impairment of trade debts		**(44,665,120)**	(44,665,120)
			13,864,604,097	12,266,998,305

8.1 Trade debts due from following related parties on account of trading activities.

Ahmad Fine Textile Mills Limited	**1,538,010,589**	1,413,863,233
Reliance Weaving Mills Limited	**24,883,010**	64,276,346
Fatima Fertilizer Company Limited	**338,914**	249,509
\	**1,563,232,513**	1,478,389,088

9	**Short term investment**		
	Investment at fair value through profit or loss		
	Fatima Fertilizer Company Limited - quoted *6,120,000 (2023: 6,120,000) fully paid ordinary shares of Rs. 10 each* *Equity held 0.29% (30 June 2025: 0.29%) Market value per share Rs.128.22 (30 June 2025: Rs.99.41)*	**784,706,400**	608,389,200
		784,706,400	**608,389,200**
10	**Cash and bank balances**		
	Cash in hand	**119,968,326**	50,256,125
	Cash at banks		
	- Current accounts	**130,239,520**	265,104,287
	- Saving accounts	**62,583,850**	93,680,776
		192,823,370	358,785,063
	Term deposit receipt	**863,250,000**	713,250,000
		1,176,041,696	1,122,291,188

11 Long term financing - *secured*

	Note	(Un-audited) 30 September 2025 Rupees	(Audited) 30 June 2025 Rupees
Opening balance		**14,432,252,534**	14,650,855,677
Loan obtained during the period / year	11.1	**1,671,544,997**	2,774,638,954
Repayments made during the period / year		**(754,990,807)**	(2,993,242,097)
Closing balance		**15,348,806,724**	14,432,252,534
Less: current portion grouped under current liabilities	13	**(3,219,592,814)**	(3,264,201,917)
		12,129,213,910	11,168,050,617

11.1 - Markup bearing finances availed during the period:

Lender	Amount	Rate of Mark Up Per Annum	Security
	-- Rupees --		
Askari Bank Limited			
- Term finance	**78,698,261**	6 Months KIBOR + 1.25%	1st joint pari passu charge/ mortgage of Rs.1,294 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Habib Bank Limited			
- Term finance	**44,400,145**	6 Months KIBOR + 1.00%	1st joint pari passu charge/ mortgage of Rs.1,651 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Pak Oman Investment Company Limited			
- Term finance	**500,000,000**	6 Months KIBOR + 0.80%	1st joint pari passu charge/ mortgage of Rs.323 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
Pak Brunei Investment Company Limited			
- Term finance	**250,000,000**	3 Months KIBOR + 1.25%	1st joint pari passu charge/ mortgage of Rs.627 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
PAIR Investment Company Limited			
- Term finance	**38,662,938**	3 Months KIBOR + 1.90%	1st joint pari passu charge/ mortgage of Rs.677 million on all present and future fixed assets of the Company.
MCB Bank Limited			
- Term finance	**379,891,827**	6 Months KIBOR + 0.75%	1st joint pari passu charge/ mortgage of Rs.1,920 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
Allied Bank Limited			
- Term finance	**379,891,827**	6 Months KIBOR + 0.75%	1st joint pari passu charge/ mortgage of Rs.6,285 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
	1,671,544,997		

	Note	*(Un-audited)* **30 September 2025** **Rupees**	*(Audited)* *30 June 2025* *Rupees*
12 Long term musharika -*secured*			
Opening balance		**8,999,190,673**	4,406,852,549
Loan obtained during the period / year	*12.1*	**2,258,415,000**	5,489,548,859
Repayments made during the period / year		**(100,000,000)**	(897,210,735)
Closing balance		**11,157,605,673**	8,999,190,673
Less: current portion grouped under current liabilities	*13*	**(1,205,544,067)**	(1,043,044,067)
		9,952,061,606	7,956,146,606

12.1 - Profit bearing finances availed during the period:

Lender	Amount	Rate of Profit Per Annum	Security
	--Rupees--		
Askari Bank Limited			
- Diminishing musharika	**750,000,000**	6 Months KIBOR + 1.25%	1st joint pari passu charge/ mortgage of Rs.1,294 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Faysal Bank Limited			
- Diminishing musharika	**1,500,000,000**	6 Months KIBOR + 0.70%	1st joint pari passu charge/ mortgage of Rs.3,130 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
United Bank Limited			
- Diminishing musharika	**8,415,000**	3 Months KIBOR + 1.50%	1st joint pari passu charge/ mortgage of Rs.5,548 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
	2,258,415,000		

	Note	(Un-audited) 30 September 2025 Rupees	(Audited) 30 June 2025 Rupees
13 Current portion of non-current liabilities			
Long term financing - secured		**3,219,592,814**	3,264,201,917
Long term musharika - secured		**1,205,544,067**	1,043,044,067
Current portion of lease liability		**4,762,321**	4,235,280
		4,429,899,202	4,311,481,264
14 Trade and other payables			
Trade creditors		**1,762,901,926**	883,302,869
Accrued liabilities		**1,458,472,488**	1,716,247,361
Due to associated undertakings	*14.1*	**5,602**	378,465,070
Bills payable		**2,894,993,024**	3,117,084,261
Tax deducted at source		**68,363,309**	29,571,730
Infrastructure cess		**2,923,334,210**	2,778,901,401
Workers' profit participation fund		**56,925,246**	45,837,853
Workers' welfare fund		**51,904,506**	39,256,594
Loan from Director		**299,693**	299,693
Others		**7,300,000**	7,300,000
		9,224,500,004	8,996,266,832
14.1 Due to associated undertakings			
Fatima Energy Limtied		**-**	373,622,167
Fazal Farm (Private) Limited		**-**	4,842,903
Fatima Fertilizer Company Limited		**5,602**	
		5,602	378,465,070

15 Contingencies and commitments

15.1 ***Contingencies***

15.1.1 There has been no change in the status of contingenciessince the annual audited financial statements as at 30 June 2025.

	(Un-audited) 30 September 2025 Rupees	(Audited) 30 June 2025 Rupees
15.2 Commitments		
15.2.1 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies.	**4,065,715,954**	3,915,715,954

	(Un-audited) 30 September 2025 Rupees	(Audited) 30 June 2025 Rupees
15.2.2 Commitments against irrevocable letters of credit:		
- capital expenditure	**266,492,075**	346,393,400
- raw material and stores and spares	**4,974,161,756**	5,141,588,662
	5,240,653,831	5,487,982,062
15.2.3 Commitments against foreign bills discounting	**2,142,934,335**	410,563,243

15.2.4 Commitments in respect of Fatima Energy limited (FEL):

The Company through sponsors support agreement commits to lenders of FEL, in case of default by FEL, to pay amount outstanding up to Rs. 6,000 million (30 June 2024 : Rs. 6,000 million), This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in annual general meeting dated 26 November 2020.

15.2.5 Commitments in respect of Fatima Transmission Company Limited (FTCL):

The Company through sponsors support agreement commits to MCB Bank Limited, in case of default by FTCL, to pay amount outstanding up to Rs 250 million (30 June 2024: Rs. 250 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in extra ordinary general meeting held on 25 March 2017.

	Note	***Three months ended***	
		(Un-audited)	*(Un-audited)*
		30 September 2025	*30 September 2024*
		Rupees	*Rupees*
16 Revenue from contracts with customers - net			
Gross sales			
Local sales		**22,636,492,348**	24,049,030,495
Direct exports		**4,007,983,059**	2,378,470,306
Indirect exports	*16.1*	**1,560,138,825**	1,788,959,922
		28,204,614,232	28,216,460,723
Sales tax			
Local sales		**(3,432,479,845)**	(3,714,400,730)
Indirect export		**(237,987,278)**	(272,891,124)
		(3,670,467,123)	(3,987,291,854)
Sales return		**(200,599,135)**	(43,352,197)
		24,333,547,974	24,185,816,672

16.1 It includes sales made to direct exporters against Export facilitation Scheme (EFS) to a related party under S.R.O 957(1)/ 2021 dated 30 July 2021, amounting Rs. 1,560.14 million (30 September 2024: Rs. 1,788.96 million).

	Three months ended	
	(Un-audited) 30 September 2025	(Un-audited) 30 September 2024
17 Cost of sales	Rupees	Rupees
Raw material consumed	**13,979,845,440**	15,108,216,817
Packing material consumed	**243,993,815**	253,731,475
Salaries, wages and benefits	**1,113,976,871**	1,036,524,558
Freight outward charges	**183,364,128**	172,675,313
Travelling and conveyance	**6,495,637**	4,835,131
Vehicle running and maintenance	**19,141,389**	18,710,285
Power and fuel	**2,868,959,207**	3,057,506,290
Stores and spares consumed	**626,869,081**	494,950,994
Processing charges	**37,142,674**	9,342,345
Repair and maintenance	**14,975,107**	15,151,071
Insurance	**32,055,518**	35,876,179
Depreciation on property, plant and equipment	**521,243,132**	535,890,875
Others	**11,894,301**	6,452,366
	19,659,956,300	20,749,863,699
Work-in-process :		
Opening balance	**1,090,597,209**	1,170,146,399
Closing balance	**(1,103,971,123)**	(1,149,476,570)
	(13,373,914)	20,669,829
Cost of goods manufactured	**19,646,582,386**	20,770,533,528
Finished goods :		
Opening balance	**13,442,908,874**	10,969,115,013
Finished goods purchased	**407,022,099**	808,523,463
Closing balance	**(11,528,048,426)**	(10,642,501,550)
	2,321,882,547	1,135,136,926
Cost of goods sold	**21,968,464,933**	21,905,670,454
Cost of raw material sold	**580,002,542**	3,630,768
	22,548,467,475	21,909,301,222

		Three months ended	
		(Un-audited)	*(Un-audited)*
		30 September	*30 September*
		2025	*2024*
18	**Finance cost**	***Rupees***	*Rupees*
	Mark-up based loans from conventional banks:		
	- Long term financing - secured	**336,223,529**	**570,586,668**
	- Short term borrowings - secured	**457,146,667**	**525,314,494**
		793,370,196	**1,095,901,162**
	Islamic mode of financing:		
	- Musharika - secured	**281,888,693**	**203,133,657**
	- Short term borrowings - secured	**109,902,936**	**77,099,897**
		391,791,629	**280,233,554**
	Bank charges	**26,899,226**	**25,112,448**
	Interest on workers' profit participation fund	**-**	**-**
	Markup on lease liability	**2,536,244**	**2,640,329**
		1,214,597,295	**1,403,887,493**

19	**Earnings per share - basic and diluted**		
	Profit after taxation	**179,573,718**	**332,025,105**
	Weighted Average Number of ordinary shares	**30,000,000**	30,000,000
	Earnings per share - basic and diluted	**5.99**	11.07

20 Financial risk management

The Company's activities exposes it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There has been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in annual financial statements.

21 Fair value measurement

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

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

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

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

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

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

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

	Carrying amount					Fair value			
	Financial assets at amortised cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 September 2025	Rupees								
Financial assets - measured at fair value									
Short term investment	-	784,706,400	-	-	784,706,400	784,706,400	-	-	784,706,400
Long term investments	-	40,000,000	12,022,987,471	-	12,062,987,471	8,117,094,655	-	3,945,892,816	12,062,987,471
Financial assets - measured at amortized cost									
Long term deposits	25,733,193	-	-	-	25,733,193	-	-	-	-
Trade debts	13,864,604,097	-	-	-	13,864,604,097	-	-	-	-
Deposits and other receivables	443,413,999	-	-	-	443,413,999	-	-	-	-
Mark-up accrued	39,402,192	-	-	-	39,402,192	-	-	-	-
Cash and bank balances	1,176,041,696	-	-	-	1,176,041,696	-	-	-	-
	15,549,195,177	824,706,400	12,022,987,471	-	28,396,889,048	8,901,801,055	-	3,945,892,816	12,847,693,871
Financial liabilities - measured at amortized cost									
Long term financing -*secured*	-	-	-	15,348,806,724	15,348,806,724	-	-	-	-
Long term musharika -*secured*	-	-	-	11,157,605,673	11,157,605,673	-	-	-	-
Trade and other payables	-	-	-	6,123,972,733	6,123,972,733	-	-	-	-
Unclaimed dividend	-	-	-	21,977,192	21,977,192	-	-	-	-
Short term borrowings -*secured*	-	-	-	21,729,995,875	21,729,995,875	-	-	-	-
Accrued mark-up	-	-	-	813,081,814	813,081,814	-	-	-	-
	-	-	-	55,195,440,011	55,195,440,011	-	-	-	-

	Carrying amount					Fair value			
	Financial assets at amortised cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2025	Rupees								
Financial assets - measured at fair value									
Short term investment	-	608,389,200	-	-	608,389,200	608,389,200	-	-	608,389,200
Long term investments	-	40,000,000	10,208,129,438	-	10,248,129,438	6,302,236,622	-	3,945,892,816	10,248,129,438
Financial assets - measured at amortized cost									
Long term deposits	25,733,193	-	-	-	25,733,193	-	-	-	-
Trade debts	12,266,998,305	-	-	-	12,266,998,305	-	-	-	-
Deposits and other receivables	642,810,677	-	-	-	642,810,677	-	-	-	-
Mark-up accrued	19,085,522	-	-	-	19,085,522	-	-	-	-
Cash and bank balances	1,122,291,188	-	-	-	1,122,291,188	-	-	-	-
	14,076,918,885	648,389,200	10,208,129,438	-	24,933,437,523	6,910,625,822	-	3,945,892,816	10,856,518,638
Financial liabilities - measured at amortized cost									
Long term financing -*secured*	-	-	-	14,432,252,534	14,432,252,534	-	-	-	-
Long term musharika -*secured*	-	-	-	8,999,190,673	8,999,190,673	-	-	-	-
Trade and other payables	-	-	-	6,102,699,254	6,102,699,254	-	-	-	-
Unclaimed dividend	-	-	-	21,977,192	21,977,192	-	-	-	-
Short term borrowings -*secured*	-	-	-	23,537,764,673	23,537,764,673	-	-	-	-
Accrued mark-up	-	-	-	882,273,218	882,273,218	-	-	-	-
	-	-	-	53,976,157,544	53,976,157,544	-	-	-	-

22 Segment reporting

22.1 Reportable segments

The management has determined the operating segments of the Company on the basis of products produced.

The Company's reportable segments are as follows:

- Spinning segment - production of different qualities of yarn using natural and artificial fibers
- Weaving segment - production of different qualities of fabric using yarn

Information regarding the Company's reportable segments is presented below. Performance is measured based on segment profit before tax, as management believes that such informationis the most relevant in evaluatingthe results of certain segments relative to other companies that operate within

22.2 Information about reportable segments

	Spinning		Weaving		Total	
	***(Un-audited)* 30 September 2025**	*(Un-audited) 30 September 2024*	***(Un-audited)* 30 September 2025**	*(Un-audited) 30 September 2024*	***(Un-audited)* 30 September 2025**	*(Un-audited) 30 September 2024*
			Rupees			
External revenues	**21,285,878,854**	20,639,724,419	**3,047,669,120**	3,546,092,253	**24,333,547,974**	24,185,816,672
Intersegment revenues	**1,566,076,386**	2,653,127,505	**5,141,150**	7,907,650	**1,571,217,536**	2,661,035,155
Cost of sales	**(21,372,172,059)**	(21,245,709,264)	**(1,176,295,416)**	(663,591,958)	**(22,548,467,475)**	(21,909,301,222)
Intersegment cost of sales	**(5,141,150)**	(7,907,650)	**(1,566,076,386)**	(2,653,127,505)	**(1,571,217,536)**	(2,661,035,155)
Selling and distribution expense	**(57,967,268)**	(95,308,591)	**(23,533,323)**	(28,249,549)	**(81,500,591)**	(123,558,140)
Administrative expenses	**(223,295,509)**	(201,484,121)	**(22,935,373)**	(23,731,052)	**(246,230,882)**	(225,215,173)
Other expense	**(88,193,093)**	(26,762,585)	**-**	-	**(88,193,093)**	(26,762,585)
Other income	**450,746,849**	260,325,494	**3,354,804**	4,248,730	**454,101,653**	264,574,224
Finance cost	**(1,130,833,065)**	(1,245,571,487)	**(83,764,230)**	(158,316,006)	**(1,214,597,295)**	(1,403,887,493)
Profit before taxation	**425,099,945**	730,433,720	**183,560,346**	31,232,563	**608,660,291**	761,666,283

22.2.1 The accounting policies of the reportable segments are the same as those described in the annual financial statements for the preceding year ended 30 June 2025.

23 Related party transactions

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

			Three months ended	
			(Un-audited)	(Un-audited)
			30 September 2025	30 September 2024
Name of parties	**Relationship**	**Transactions**	**Rupees**	Rupees
Fatima Energy Limited	Sponsor / associated Undertaking	Purchase of electricity	**1,498,497,091**	2,014,294,095
		Payments against purchase of electricity	**1,872,119,258**	1,946,264,160
Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services	**446,011,556**	528,664,336
		Sale of goods and services	**3,365,039,601**	4,754,776,395
		Receipts against goods and services - net	**2,794,880,680**	3,505,759,915
		Reimbursable expenses	**-**	185,416
Reliance Weaving Mills Limited	Common Directorship	Purchase of goods and services	**11,050,700**	18,909,559
		Sale of goods and services	**40,996,722**	181,594,212
		Receipts against goods and services	**69,339,357**	100,936,515
Fatima Fertilizer Company Limited	Common Directorship	Reimbersable expenses	**320,507**	20,837
		Payments against reimbersable expenses	**404,316**	-
		Dividend income	**241,899,109**	190,063,585
Fazal-ur-Rehman Foundation Multan	Common Directorship	Donations paid	**750,000**	739,000
Pak Arab Energy Limited	Common Directorship	Markup accrued	**836,605**	1,412,657
Fazal Farms (Private) Limited	Common Directorship	Purchase of goods and services	**3,026,811**	6,980,875
		Payments against purchase of goods and services	**7,869,714**	7,260,550
Key management personnel		Remuneration and other benefits	**14,897,673**	17,182,621
Relative of director		Lease rental paid	**3,536,922**	3,215,383

23.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below:

Name	**Relationship**	**% of shareholding in the Company**
Mr. Rehman Naseem	CEO/Director/Key Management Personnel	10.34%
Mr. Aamir Naseem Sheikh	Director/Key Management Personnel	0.28%
Mr. Sheikh Naseem Ahmad	Director/Key Management Personnel	0.03%
Mr. Muhammad Mukhtar Sheikh	Director/Key Management Personnel	3.38%
Mr. Abbas Mukhtar	Director/Key Management Personnel	1.79%
Mr. Faisal Ahmed Mukhtar	Director/Key Management Personnel	6.80%
Mr. Babar Ali	Director/Key Management Personnel	0.01%
Ms. Parveen Akhtar Malik	Director/Key Management Personnel	0.03%
Mr. Masood Karim Shaikh	Director/Key Management Personnel	0.01%
Mr. Muhammad Azam	Key Management Personnel	N/A
Mr. Azher Iqbal	Key Management Personnel	N/A

24 Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors on 29 October 2025.

25 General

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
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