



2025

**For The
Six Months Ended
December 31**



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COMPANY PROFILE

BOARD OF DIRECTORS	Sh. Naseem Ahmad Mr. Rehman Naseem Mr. Amir Naseem Sheikh Mr. Faisal Ahmed Mr. Muhammad Mukhtar Sheikh Mr. Abbas Mukhtar Mr. Babar Ali Mr. Masood Karim Shaikh Ms. Parveen Akhter Malik	Chairman/ Non - Executive Director Chief Executive Officer Non - Executive Director Non - Executive Director Executive Director Executive Director Independent Director Independent Director Independent Director
AUDIT COMMITTEE	Ms. Parveen Akhter Malik Mr. Sheikh Naseem Ahmad Mr. Amir Naseem Sheikh Mr. Babar Ali	Independent Director/Chairperson Non - Executive Director Non - Executive Director Independent Director
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Babar Ali Mr. Amir Naseem Sheikh Mr. Faisal Ahmad	Independent Director/Chairman Non - Executive Director Non - Executive Director
STRATEGIC PLANNING COMMITTEE	Mr. Rehman Naseem Mr. Masood Karim Shaikh Ms. Parveen Akhter Malik	CEO/Chairman Independent Director Independent Director
COMPANY SECRETARY	Mr. Basharat Hashmi	
CHIEF FINANCIAL OFFICER	Mr. Muhammad Azam , FCA & FCMA	
AUDITORS	ShineWing Hameed Chaudhri & Co., Chartered Accountants	
BANKERS	Bank Al Habib Limited National Bank of Pakistan Meezan Bank Limited The Bank of Punjab Habib Metropolitan Bank Limited Bank Alfalah Limited Habib Bank Limited Faysal Bank Limited Allied Bank Limited Bank Islami Pakistan Limited Soneri Bank Limited Industrial and Commercial Bank of China Ltd. United Bank Limited	Askari Bank Limited MCB Bank Limited The Bank of Khyber JS Bank Limited Dubai Islamic Bank Pakistan Limited Standard Chartered Bank (Pakistan) Limited Bank Makramah Limited Saudi Pak Industrial & Agricultural Inv. Company Limited Pak Oman Investment Company Limited Pak Brunei Investment Company Limited Pak Libya Holding Company (Pvt.) Limited Pakistan Kuwait Investment Company (Private) 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. 5-C, LDA Flats, Lawrence Road, Lahore. shares@vcl.com.pk Phone: (92) 42-36283096, 36283097 Fax: (92) 42-36374839	
REGISTERED OFFICE:	69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore. Phone: (92) 42-36684909	
MILLS:	i) Fazal Nagar, Jhang Road, Muzaffargarh - Pakistan Ph. (92) 66-2422216, 18 Fax: (92) 66-2422217 ii) Qadirpur Rawan Bypass, Khanewal Road, Multan - Pakistan Ph. (92) 61-6740041-43, Fax : (92) 61-6740052 iii) 13 K.M. Mian Wali Road, Khanpur bagga Sher. Ph. (92) 662-490183	

DIRECTORS' REVIEW

Directors' Review

The Directors are pleased to present the unaudited interim financial statements of Fazal Cloth Mills Limited for the half year ended December 31, 2025 duly reviewed by the Statutory Auditors of the Company who has issued review report which is annexed with financial statements.

Pakistan Economy

During the first half of FY 2025–26, Pakistan's economy showed continued stabilization, underpinned by consistent external inflows and improved fiscal management. Acknowledging these positive developments, the International Monetary Fund (IMF) raised its GDP growth projection for Pakistan to 3.2% for FY 2025–26 in its December 2025 review.

Textile Industry overview

The textile industry remains a cornerstone of Pakistan's economy, contributing significantly to exports, employment, and overall industrial activity. It represents a major share of the country's export earnings and plays a key role across the value chain from spinning to finished garments.

During the year, the industry faced challenges including high energy costs, inflationary pressures, and an overvalued exchange rate, which impacted margins and export volumes. However, improving macroeconomic stability, easing inflation, and continued government focus on export support and value-added segments are expected to strengthen the sector.

Going forward, recovery in global demand and enhanced operational efficiencies are likely to improve competitiveness and support sustainable growth of the textile industry.

Financial Performance of the Company

Comparison of the key financial results of the company for the six months period ended December 31, 2025 with the same period of the last year is as follow:

Particulars	Amount in million (except EPS)		
	December 31, 2025	December 31, 2024	Increase/ (decrease) %
Revenue	47,554	46,990	1.20
Cost of sales	(44,060)	(42,908)	2.69
Gross profit	3,493	4,082	(14.41)
Admin/Selling & other expenses	(891)	(715)	24.62
Profit from operations	3,237	3,803	(14.86)
Finance cost	(2,591)	(2,739)	(5.40)
Profit before levies and Tax	646	1,064	(39.23)
Profit after taxation	214	344	(37.80)
Earnings per share - Basic and diluted	7.13	11.48	(37.80)

During the year ended December 31, 2025, the Company recorded revenue of Rs. 47,554 million as compared to Rs. 46,990 million last year, reflecting a growth of 1.20%. Cost of sales increased by 2.69% to Rs. 44,060 million, resulting in a decline in gross profit to Rs. 3,493 million (2024: Rs. 4,082 million), representing a decrease of 14.41%.

Administrative, selling and other expenses increased by 24.62% to Rs. 891 million from Rs. 715 million, primarily due to inflationary pressures and higher operating costs. Consequently, profit from operations decreased by 14.86% to Rs. 3,237 million compared to Rs. 3,803 million in the preceding year.

Finance cost declined by 5.40% to Rs. 2,591 million, reflecting improved financial management and partial easing of borrowing rates. Profit before levies and tax stood at Rs. 646 million, showing a decrease of 39.23% from Rs. 1,064 million last year. Profit after taxation amounted to Rs. 214 million as compared to Rs. 344 million in 2024, a decline of 37.80%.

Earnings per share (basic and diluted) decreased to Rs. 7.13 from Rs. 11.48 in the previous year, in line with the reduction in profitability. Despite margin pressures, the Company remained focused on operational efficiency, cost control, and financial discipline to sustain long-term growth.

Future Outlook

The Company's outlook remains linked with the overall recovery of demand in the textile sector and rationalization of operating costs. The Government has removed the cross subsidy in electricity tariffs that industry was providing to other consumers resulting in a decrease in power costs to approximately Rs. 30/kwh. From March onwards Solar Capacity of 51.2MW will come online, reducing power costs substantially. Demand for yarn and fabric has improved recently resulting in better margins. The Company will continue to emphasize cost optimization, operational efficiency, and prudent financial management to improve margins further and strengthen profitability. Management remains cautiously optimistic that improving economic conditions will support sustainable growth and enhanced shareholder value in the year ahead.

Acknowledgment

The Board of Directors wishes to express its sincere appreciation to all stakeholders for their continued support and confidence in the Company. We acknowledge the dedicated efforts of our employees, whose commitment and professionalism have been instrumental in achieving operational efficiency and sustaining performance. We also extend our gratitude to our customers, suppliers, and financial institutions for their trust and collaboration, which remain vital to the Company's ongoing growth and success.

On behalf of the Board of Directors

On behalf of the Board of Directors



Sheikh Naseem Ahmad
(Chairman)

Dated: February 27, 2026



Rehman Naseem
(Chief Executive Officer)

ڈائریکٹرز جائزہ رپورٹ

ڈائریکٹرز کا جائزہ

ڈائریکٹرز کو فاضل کاتھ ملز لمیٹڈ کے 31 دسمبر 2025 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مالی گوشواروں کو پیش کرتے ہوئے خوشی ہو رہی ہے۔ ان گوشواروں کا کمپنی کے سٹیٹوری آڈیٹرز نے جائزہ لیا ہے اور جائزہ رپورٹ جاری کی ہے جو مالی بیانات کے ساتھ منسلک ہے۔

پاکستان کی معیشت

مالی سال 2025-26 کے پہلے نصف کے دوران پاکستان کی معیشت میں استحکام کا تسلسل دیکھنے میں آیا، جس کی بنیاد بیرونی ترسیلات زراور بہتر مالی نظم و نسق پر رہی۔ ان مثبت پیش رفتوں کو تسلیم کرتے ہوئے آئی ایم ایف نے دسمبر 2025 کے جائزے میں پاکستان کے لیے مالی سال کی جی ڈی پی شرح نمو کا تخمینہ بڑھا کر 3.2 فیصد کر دیا۔

ٹیکسٹائل صنعت کا جائزہ

ٹیکسٹائل صنعت پاکستان کی معیشت کا ایک اہم ستون ہے، جو برآمدات، روزگار اور مجموعی صنعتی سرگرمیوں میں نمایاں کردار ادا کرتی ہے۔ یہ زر مبادلہ کا بڑا حصہ فراہم کرتی ہے اور اسپننگ سے لے کر تیار ملبوسات تک ویلیو چین میں کلیدی حیثیت رکھتی ہے۔ سال کے دوران صنعت کو کئی چیلنجز کا سامنا رہا، جن میں توانائی کی بلند لاگت، مہنگائی اور بیرونی تجارت کا خسارہ شامل ہیں، جس سے منافع اور برآمدات متاثر ہوئے۔ تاہم بہتر ہوتی ہوئی معاشی صورتحال، مہنگائی میں کمی اور حکومت کی جانب سے برآمدات اور ویلیو ایڈڈ شعبوں کی مسلسل توجہ سے توقع ہے کہ یہ شعبہ مضبوط ہوگا۔ مزید یہ کہ بین الاقوامی تجارت کی بحالی اور عملی کارکردگی میں بہتری صنعت کی مسابقت اور پائیدار ترقی کو فروغ دے سکتی ہے۔

کمپنی کی مالی کارکردگی

31 دسمبر 2025 کو ختم ہونے والی چھ ماہ کی مدت کے لیے کمپنی کے اہم مالیاتی نتائج کا گزشتہ سال کی اسی مدت کے ساتھ موازنہ حسب ذیل ہے

(رقوم ملین روپے میں، سوائے فی حصص آمدنی کے)			
تفصیل	31 دسمبر، 2025	31 دسمبر، 2024	اضافہ / کمی (کمی)
آمدنی	47,554	46,990	1.20
فروخت کی لاگت	(44,060)	(42,908)	2.69
مجموعی منافع	3,493	4,082	(14.41)
انتظامی / فروخت اور دیگر اخراجات	(891)	(715)	24.62
آپریشن سے منافع	3,237	3,803	(14.86)
مالیاتی لاگت	(2,591)	(2,739)	(5.40)
لیویز اور ٹیکس سے قبل منافع	646	1,064	(39.23)
بعد از ٹیکس منافع	214	344	(37.80)
فی حصص آمدنی - بنیادی اور کم شدہ	7.13	11.48	(37.80)

31 دسمبر 2025 کو ختم ہونے والے سال کے دوران، کمپنی نے گزشتہ سال 46,990 ملین کے مقابلے میں 47,554 ملین کی آمدنی ریکارڈ کی، جو کہ 1.20 فیصد کی نمو کو ظاہر کرتا ہے۔ فروخت کی لاگت 2.69 فیصد بڑھ کر 44,060 ملین ہو گئی، جس کے نتیجے میں مجموعی منافع میں 3,493 ملین (2024: 4,082 ملین روپے) کی کمی واقع ہوئی، جو کہ 14.41 فیصد کی کمی کو ظاہر کرتا ہے۔ انتظامی، فروخت اور دیگر اخراجات میں 24.62 فیصد اضافہ ہوا اور یہ 715 ملین روپے سے بڑھ کر 891 ملین روپے ہو گئے، جس کی بنیادی وجہ میکانیکی اور آپریٹنگ اخراجات میں اضافہ تھا۔ نتیجتاً آپریٹنگ منافع 14.86 فیصد کم ہو کر 3,237 ملین روپے رہ گیا جبکہ گزشتہ سال یہ 3,803 ملین روپے تھا۔

مالیاتی لاگت 5.40 فیصد کم ہو کر 2,591 ملین رہ گئی، جو بہتر مالیاتی انتظام اور قرضہ جات کی شرح میں جزوی نرمی کی عکاسی کرتا ہے۔ لیویز اور ٹیکس سے پہلے کا منافع 646 ملین رہا جو گزشتہ سال کے 1,064 ملین سے 39.23 فیصد کی کمی کو ظاہر کرتا ہے۔ ٹیکس کے بعد منافع 214 ملین رہا جو کے سال 2024 کے 344 ملین کے مقابلے میں 37.80% کم ہے۔ منافع میں کمی کی وجہ سے فی حصص آمدنی پچھلے سال 11.48 روپے سے کم ہو کر 7.13 روپے ہو گئی۔ مارجن کے دباؤ کے باوجود، کمپنی طویل مدتی ترقی، آپریٹنگ کارکردگی، لاگت کے کنٹرول، اور مالی نظم و ضبط پر توجہ مرکوز کیے ہوئے ہے۔

مستقبل کا لائحہ عمل

کمپنی کا مستقبل کا لائحہ عمل ٹیکسٹائل کے شعبے میں مجموعی طلب کی بحالی اور آپریٹنگ اخراجات کو موثر اور متوازن سطح پر لانے سے مشروط ہے۔ حکومت نے بجلی کے نرخوں میں کراس سبسڈی کو ہٹا دیا ہے جو صنعت دوسرے صارفین کو فراہم کر رہی تھی جس کے نتیجے میں بجلی کی قیمت میں تقریباً 30 روپے فی کلو واٹ تک کمی واقع ہوئی ہے۔ مارچ سے 51.2 میگا واٹ کی شمسی توانائی کی تنصیب سے بجلی کی پیداوار کا قاعدہ طور پر شروع ہو جائے گی، جس سے بجلی کے اخراجات میں خاطر خواہ کمی آئے گی۔ یارن اور فیبرک کی مانگ میں حالی میں بہتری آئی ہے جس کے نتیجے میں بہتر مارجن حاصل ہوا ہے۔ کمپنی مارجن کو مزید بہتر بنانے اور منافع کو مضبوط بنانے کے لیے لاگت کی اصلاح، آپریٹنگ کارکردگی، اور حفاظت مالیاتی انتظام پر عمل پیرا رہے گی۔ نظامیہ پر امید ہے کہ بہتر معاشی حالات باقی ماندہ سال میں پائیدار ترقی اور حصص یافتگان کی قدر میں اضافہ کا ذریعہ ہوں گے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز تمام سٹیک ہولڈرز کے مسلسل تعاون اور کمپنی پر مکمل اعتماد پر ان کے مشکور ہیں۔ ہم اپنے ملازمین کی سرشار کوششوں کو تسلیم کرتے ہیں، جن کا عزم اور پیشہ ورانہ مہارت اس آپریٹنگ کارکردگی کو حاصل کرنے اور کارکردگی کو برقرار رکھنے میں اہم کردار ادا کرتا ہے۔ ہم اپنے صارفین، سپلائرز، اور مالیاتی اداروں کا ان کے اعتماد اور تعاون کے لیے شکریہ ادا کرتے ہیں، جو کمپنی کی جاری ترقی اور کامیابی کے لیے اہم ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

بورڈ آف ڈائریکٹرز کی جانب سے

محمد نسیم احمد

شیخ نسیم احمد

(چیئرمین)

محمد نسیم احمد

رحمان نسیم

(چیف ایگزیکٹو آفیسر / ڈائریکٹر)

ملتان: 27 فروری 2026

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Fazal Cloth Mills Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Fazal Cloth Mills Limited** (the Company) as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2025 and 2024 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2025.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Osman Hameed Chaudhri.

Lahore
Date: February 27, 2026
UDIN:

Shinewing Hameed Chaudhri & co.

SHINewing HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS



Fazal Cloth Mills Limited

Condensed Interim Financial Information (Un-audited)

December 31, 2025

Condensed Interim Statement Of Financial Position
As at December 31, 2025

		Un-audited December 31, 2025	Audited June 30, 2025
EQUITY AND LIABILITIES	Note	----- Rupees -----	
Share capital and reserves			
Authorized share capital		<u>1,700,000,000</u>	<u>1,700,000,000</u>
Issued, subscribed and paid-up capital		<u>300,000,000</u>	300,000,000
Capital reserves			
- Other capital reserves		22,904,851,583	19,616,563,165
- Revaluation surplus on property, plant and equipment		17,664,241,171	17,970,136,770
Unappropriated profits - revenue reserve		<u>9,568,601,677</u>	<u>9,048,716,202</u>
		<u>50,437,694,431</u>	<u>46,935,416,137</u>
Liabilities			
Non-current liabilities			
Long term financing - secured	4	<u>13,050,063,512</u>	11,168,050,617
Long term musharika - secured	5	<u>10,435,747,906</u>	7,956,146,606
Lease liability - unsecured		63,329,298	66,442,445
Deferred liabilities:			
- Staff retirement benefit		654,355,397	604,292,806
- Deferred taxation		<u>9,291,150,382</u>	<u>9,501,841,903</u>
		<u>33,494,646,495</u>	<u>29,296,774,377</u>
Current liabilities			
Trade and other payables	6	<u>9,994,888,306</u>	8,996,266,832
Contract liabilities		1,209,106,746	1,294,316,323
Current portion of non-current liabilities	7	<u>5,048,873,443</u>	4,311,481,264
Unclaimed dividend		21,977,192	21,977,192
Short term borrowings - secured		24,234,275,598	23,537,764,673
Accrued mark-up		865,467,141	882,273,218
Provision for income tax and levies - net		<u>99,239,363</u>	<u>177,484,595</u>
		<u>41,473,827,789</u>	<u>39,221,564,097</u>
Total liabilities		<u>74,968,474,284</u>	<u>68,518,338,474</u>
Contingencies and commitments	8		
Total equity and liabilities		<u>125,406,168,715</u>	<u>115,453,754,611</u>

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



(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER



(SHEIKH NASEEM AHMAD)
DIRECTOR

Condensed Interim Statement Of Financial Position
As at December 31, 2025

		Un-audited December 31, 2025	Audited June 30, 2025
ASSETS	Note	----- Rupees -----	
Non-current assets			
Property, plant and equipment	9	53,410,283,824	52,167,363,593
Long term investments	10	13,536,417,856	10,248,129,438
Long term advances and markup accrued	11	-	-
Long term deposits		25,733,193	25,733,193
		66,972,434,873	62,441,226,224
Current assets			
Stores, spares and loose tools		2,212,087,894	2,310,844,034
Stock-in-trade	12	37,472,067,217	33,661,545,599
Trade debts	13	13,911,242,297	12,266,998,305
Advances and other receivables		329,550,010	324,107,024
Deposits, prepayments and other receivables		289,220,141	642,810,677
Mark-up accrued	14	62,014,499	19,085,522
Short term investment		927,853,200	608,389,200
Sales tax refundable and adjustable		1,521,709,110	2,056,456,838
Cash and bank balances	15	1,707,989,474	1,122,291,188
		58,433,733,842	53,012,528,387
		125,406,168,715	115,453,754,611

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



(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER



(SHEIKH NASEEM AHMAD)
DIRECTOR

Condensed Interim Statement of Profit or Loss (Un-Audited)
For the quarter and six months period ended December 31, 2025

	Note	Six months period ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
----- Rupees -----					
Revenue from contracts with customers - net	16	47,553,697,501	46,989,839,722	23,220,149,527	22,804,023,050
Cost of sales	17	(44,060,223,360)	(42,908,041,775)	(21,511,755,885)	(20,998,740,553)
Gross profit		3,493,474,141	4,081,797,947	1,708,393,642	1,805,282,497
Selling and distribution expenses		(217,533,478)	(204,792,973)	(136,032,887)	(81,234,833)
Administrative expenses		(478,421,184)	(439,102,957)	(232,190,302)	(213,887,784)
Other expenses		(195,259,495)	(70,994,629)	(107,066,402)	(44,232,044)
		(891,214,157)	(714,890,559)	(475,289,591)	(339,354,661)
Other income		635,727,064	435,773,000	181,625,411	171,198,776
Profit from operations		3,237,987,048	3,802,680,388	1,414,729,462	1,637,126,612
Finance cost	18	(2,591,343,591)	(2,738,747,974)	(1,376,746,296)	(1,334,860,481)
Profit before levies and income tax		646,643,457	1,063,932,414	37,983,166	302,266,131
Levies		(598,804,086)	(589,848,012)	(233,993,329)	(249,679,107)
Profit / (loss) before income tax		47,839,371	474,084,402	(196,010,163)	52,587,024
Income tax		166,150,505	(129,637,291)	230,426,321	(40,165,018)
Profit after taxation		213,989,876	344,447,111	34,416,158	12,422,006
Earnings per share - basic and diluted	19	7.13	11.48	1.15	0.41

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



(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER



(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER



(SHEIKH NASEEM AHMAD)
DIRECTOR

Condensed Interim Statement of Other Comprehensive Income (Un-Audited)
For the quarter and six months period ended December 31, 2025

	Six months period ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- Rupees -----			
Profit after taxation	213,989,876	344,447,111	34,416,158	12,422,006
Other comprehensive income - net of tax				
Items that will never be reclassified to statement of profit or loss:				
Net change in fair value of investments classified at fair value through other comprehensive income	3,288,288,418	1,679,420,867	1,473,430,385	1,179,878,201
Total comprehensive income period	3,502,278,294	2,023,867,978	1,507,846,543	1,192,300,207

The annexed notes form an integral part of these condensed interim 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 six months period ended December 2026

	Capital reserves				Revaluation surplus on property, plant and equipment - net of tax	Capital reserve against capacity expansion	Revenue reserve	
	Share premium	Capital redemption reserve	Fair value reserve - net of tax	Un-appropriated profits			Total	
300,000,000	77,616,000	175,000,000	1,756,765,395	18,554,848,169	-	23,457,160,434	44,321,389,998	
Total comprehensive income for the six months period ended December 31, 2024	-	-	1,679,420,867	-	-	344,447,111	344,447,111	
Profit for the period	-	-	1,679,420,867	-	-	-	1,679,420,867	
Other comprehensive income - net of tax	-	-	1,679,420,867	-	-	344,447,111	2,023,867,978	
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	-	(278,958,076)	-	278,958,076	-	
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	(24,536,702)	-	24,536,702	-	
Transfer of reserves	-	-	-	-	15,000,000,000	(15,000,000,000)	-	
Balance as at December 31, 2024 - (un-audited)	300,000,000	77,616,000	3,436,186,262	18,251,353,391	15,000,000,000	9,105,102,323	46,345,257,976	
Balance as at June 30, 2025 - (Audited)	300,000,000	77,616,000	4,363,947,165	17,970,136,770	15,000,000,000	9,048,716,202	46,935,416,137	
Total comprehensive income for the six months period ended December 31, 2025	-	-	-	-	-	213,989,876	213,989,876	
Profit for the period	-	-	-	-	-	-	213,989,876	
Other comprehensive income - net of tax	-	-	3,288,288,418	-	-	-	3,288,288,418	
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	-	(263,706,993)	-	263,706,993	-	
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	(42,188,606)	-	42,188,606	-	
Balance as at December 31, 2025 - (un-audited)	300,000,000	77,616,000	7,652,235,583	17,664,241,171	15,000,000,000	9,568,601,677	50,437,694,431	

The annexed notes form an integral part of these condensed interim 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 six months period ended December 31, 2025

		Six months period ended	
		December 31, 2025	December 31, 2024
		----- Rupees -----	
Cash flows from operating activities	Note		
Profit before taxation		646,643,457	1,063,932,414
Adjustments for:			
Depreciation on property, plant and equipment	9.1	1,108,422,000	1,136,123,210
Depreciation on right of use assets	9.2	2,871,790	2,871,790
Unrealized gain on re-measurement of short term investment		(319,464,000)	(163,159,200)
Reversal allowance against trade debts	13	(152,178)	(48,625,189)
Provision for gratuity		155,576,496	157,663,668
Provision for infrastructure cess		358,556,844	327,402,839
Provision for workers' profit participation fund		5,188,581	2,432,390
Provision for workers' welfare fund		13,302,683	21,762,523
Gain on disposal of property, plant and equipment and assets held for sale		92,577,979	32,149,543
Loss allowance against receivable	14	1,677,177	2,575,910
Finance income		(49,083,479)	(15,171,054)
Dividend income received from an associate		(241,899,109)	(190,063,585)
Finance cost		2,591,343,591	2,738,747,974
Cash generated from operations before working capital changes		4,365,561,832	5,068,643,233
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		98,756,140	(409,857,491)
Stock-in-trade		(3,810,521,618)	(9,464,648,351)
Trade debts		(1,644,091,814)	534,418,412
Advances and other receivables		(5,442,986)	(119,131,573)
Deposits, prepayments and other receivables		353,590,536	(301,543,354)
		(5,007,709,742)	(9,760,762,357)
Increase / (decrease) in current liabilities:			
Trade and other payables		621,573,369	2,702,724,747
Contract liabilities		(85,209,577)	(97,491,445)
Cash used in operations		(105,784,118)	(2,086,885,822)
Gratuity paid to employees		(105,513,905)	(117,363,272)
Taxes paid - net		(186,842,605)	(2,162,572,509)
		(292,356,510)	(2,279,935,781)
Net cash used in operating activities		(398,140,628)	(4,366,821,603)
Cash flows from investing activities			
Fixed capital expenditure		(2,469,138,268)	(719,839,964)
Proceeds from sale of property, plant and equipment		22,346,267	32,840,358
Long term deposits		-	84,907,100
Dividend income received from an associate		241,899,109	190,063,585
Finance income received		4,477,325	6,999,655
Net cash used in investing activities		(2,200,415,567)	(405,029,266)
Cash flows from financing activities			
Long term financing obtained		3,765,427,982	4,858,016,026
Long term financing repaid		(1,496,055,231)	(1,592,949,676)
Long term musharika obtained		3,258,415,000	2,750,000,000
Long term musharika repaid		(429,855,367)	(517,355,368)
Short term borrowings -net		570,215,151	1,220,056,638
Lease rentals paid		(7,073,844)	(6,430,766)
Finance cost paid -net		(2,603,114,981)	(3,085,416,511)
Dividend paid		-	(25,788)
Net cash generated from financing activities		3,057,958,710	3,625,894,555
Net increase / (decrease) in cash and cash equivalents		459,402,515	(1,145,956,314)
Cash and cash equivalents at beginning of the period		(2,095,383,155)	(542,880,740)
Cash and cash equivalents at end of the period		(1,635,980,640)	(1,688,837,054)
Cash and cash equivalents at period end comprises of:			
Cash and bank balances		1,707,989,474	795,231,834
Running finance / running musharika		(3,343,970,114)	(2,484,068,888)
		(1,635,980,640)	(1,688,837,054)

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



(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER


(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER


(SHEIKH NASEEM AHMAD)
DIRECTOR

Notes to the Condensed Interim Financial Statements (Un-audited)
For the six months period ended December 31, 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 SIGNIFICANT 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 the provisions of, directives and notifications issued under the Act differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 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, 2024. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2 Standards, amendments to approved accounting standards effective in current period and are relevant

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are effective for accounting periods beginning on July 01, 2026 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.4 Material 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.

4 LONG TERM FINANCING - SECURED	Un-audited	Audited
	December 31,	June 30,
	2025	2025
	----- Rupees -----	
Long term finances	4.1	14,432,252,534
Less: current portion grouped under current liabilities		(3,264,201,917)
		<u>11,168,050,617</u>
		<u>13,050,063,512</u>
4.1 Long term finances - secured		
Balance at beginning of the period / year		15,650,855,677
Add: disbursements during the period / year	4.1.1	2,774,638,954
Repayments made during the period / year		(3,993,242,097)
Balance at end of the period / year		<u>14,432,252,534</u>
		<u>16,701,625,285</u>

4.1.1 Markup bearing finances availed during the period:

Lender	Amount	Rate of Mark Up Per Annum	Security, Tenure and basis of principal repayments
-- Rupees --			
Askari Bank Limited			
- Term finance	274,338,991	6 Months KIBOR + 1.25%	1st joint pari passu charge/ mortgage of Rs.2,417 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.
MCB Bank Limited			
- Syndicated term finance	621,958,279	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.
- EXIM's LTFF loan	239,378,205	8.00% p.a	
The Bank of Punjab			
- Term finance	905,000,000	6 Months KIBOR + 1.00%	1st joint pari passu charge/ mortgage of Rs.3,418 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
Allied Bank Limited			
- Syndicated term finance	861,336,484	6 Months KIBOR + 0.75%	1st joint pari passu charge/ mortgage of Rs.6,034 million on all present and future fixed assets of the Company and personal guarantees of 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.867 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.920 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
PAIR Investment Company Limited			
- Term finance	69,015,878	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.
<u>3,765,427,982</u>			

5	LONG TERM MUSHARIKA - SECURED	Un-audited December 31, 2025	Audited June 30, 2025
	Note	----- Rupees -----	
	Long term finances	11,827,750,306	8,999,190,673
	Less: current portion grouped under current liabilities	(1,392,002,400)	(1,043,044,067)
		<u>10,435,747,906</u>	<u>7,956,146,606</u>
5.1	Long term musharika - secured		
	Balance at beginning of the period / year	8,999,190,673	3,406,852,548
	Add: disbursements during the period / year	5.1.1 3,258,415,000	6,489,548,859
	Less: repayments made during the period / year	(429,855,367)	(897,210,734)
	Balance at end of the period / year	<u>11,827,750,306</u>	<u>8,999,190,673</u>

5.1.1 Profit bearing finances availed during the period:

Lender	Amount	Rate of Profit Per Annum	Security, Tenure and basis of principal repayments
	-- Rupees --		
Askari Bank Limited			
- Diminishing musharika	750,000,000	6 Months KIBOR + 1.25%	1st jointpari passu charge/ mortgage of Rs.2,417 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Bank Islami Pakistan Limited			
- Diminishing musharika	1,000,000,000	6 Months KIBOR + 1.00%	1st jointpari passu charge/ mortgage of Rs.2,667 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 jointpari 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.
	<u>3,258,415,000</u>		

6 TRADE AND OTHER PAYABLES		Un-audited December 31, 2025	Audited June 30, 2025
	Note	----- Rupees -----	
Trade creditors		1,470,724,791	883,302,869
Accrued liabilities	6.1	965,390,591	1,716,247,361
Due to associated undertakings	6.2	99,223,548	378,465,070
Bills payable		4,223,380,536	3,117,084,261
Tax deducted at source		32,525,191	29,571,730
Infrastructure cess		3,137,458,245	2,778,901,401
Workers' profit participation fund		6,026,434	45,837,853
Workers' welfare fund		52,559,277	39,256,594
Loan from Director		299,693	299,693
Others		7,300,000	7,300,000
		9,994,888,306	8,996,266,832

- 6.1** The Honourable Supreme Court of Pakistan (SCP) vide its judgement dated August 13, 2020 decided the appeal against the Company and declared the GIDC Act, 2015 to be constitutional and recoverable from the gas consumer. A review petition was filed against the judgment which was also dismissed. SCP in its detailed judgment stated that the cess under GIDC Act, 2015 is applicable only to those consumers of natural gas who have passed on GIDC burden to their end customers for their business activities.

The Company has filed a civil suit before the Honourable Sindh High Court (SHC) on the grounds that the Company has not passed on the impact of GIDC to end consumers. SHC has granted stay order and has restrained SNGPL from taking any coercive action against the Company. The case is pending for adjudication. The Company has recognized the liability of GIDC under the GIDC Act, 2015 in these financial statements.

6.2 Due to associated undertakings		Un-audited December 31, 2025	Audited June 30, 2025
		----- Rupees -----	
Fatima Energy Limited		99,043,548	373,622,167
Fazal Farm (Private) Limited		-	4,842,903
Fazal-ur-Rehman Foundation		180,000	-
		99,223,548	378,465,070

**7 CURRENT PORTION OF
NON-CURRENT LIABILITIES**

Long term financing - secured		3,651,561,773	3,264,201,917
Long term musharika - secured		1,392,002,400	1,043,044,067
Current portion of lease liability		5,309,270	4,235,280
		5,048,873,443	4,311,481,264

8 CONTINGENCIES AND COMMITMENTS

8.1 Guarantees aggregating Rs. 4,270.621 million (June 30, 2025: Rs. 3,915.716 million) have been issued by banks of the Company to various institutions and corporate bodies.

8.2 There has been no material change in the status of other contingencies as disclosed in the audited annual financial statements of the Company for the year ended June 30, 2025.

	Un-audited December 31, 2025	Audited June 30, 2025
8.3 Commitments in respect of :	----- Rupees -----	
• letters of credit for capital expenditure	<u>66,488,429</u>	<u>346,393,440</u>
• letters of credit for purchase of raw materials and stores & spare part	<u>4,312,971,355</u>	<u>5,141,588,662</u>
• foreign bills discounted	<u>-</u>	<u>410,563,243</u>
• post dated cheques	<u>1,600,000,000</u>	<u>-</u>

8.4 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 (June 30, 2025: 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 November 26, 2020.

8.5 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 (June 30, 2025: 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 March 25, 2017.

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited December 31, 2025	Audited June 30, 2025
		----- Rupees -----	
Operating fixed assets	9.1	50,900,654,388	50,716,603,453
Right of use asset	9.2	31,589,694	34,461,484
Capital work-in-progress	9.3	<u>2,478,039,742</u>	1,416,298,656
		<u>53,410,283,824</u>	<u>52,167,363,593</u>
9.1 Operating fixed assets			
Net book value at beginning of the period / year		50,716,603,453	51,701,058,121
Additions during the period / year	9.1.1	1,407,397,182	1,376,711,962
Disposals costing Rs.286.856 million (June 30, 2025: Rs.198.033 million) - at net book value		(114,924,247)	(73,613,470)
Depreciation charge for the period / year		(1,108,422,000)	(2,287,553,160)
Net book value at end of the period / year		<u>50,900,654,388</u>	<u>50,716,603,453</u>

	Note	Un-audited December 31, 2025	Audited June 30, 2025
----- Rupees -----			
9.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Freehold land		-	371,043,270
Factory building on freehold land		102,494,845	43,676,616
Non-factory building on freehold land		3,411,809	257,502,959
Plant and machinery		1,274,425,272	617,430,005
Electric fittings and installations		6,004,950	9,375,644
Tools, laboratory equipment and arms		49,415	32,300
Fire extinguishing equipment and scales		894,400	3,700,000
Office equipments		9,896,732	26,388,970
Vehicles		10,219,759	47,562,198
		1,407,397,182	1,376,711,962
9.2 Right of use Asset			
Opening net book value		34,461,484	40,205,064
Depreciation charge for the period / year		(2,871,790)	(5,743,580)
Closing net book value		31,589,694	34,461,484
9.3 Capital work-in-progress			
Building on free hold land		152,695,413	92,393,493
Non-factory building on free hold land		58,075,773	37,145,587
Plant and machinery {(Including in transit aggregating Rs.831.406 million (June 30, 2025; Rs.659.848 million)}		1,737,570,152	1,071,186,694
Electric fittings and installations		-	773,548
Tools, lab, equipment and arms		-	49,415
Furniture and fixtures		-	25,424
Office equipment		1,724,661	1,635,990
Vehicles		37,527	-
Advances to suppliers - unsecured, considered good	9.3.1	527,936,216	213,088,505
		2,478,039,742	1,416,298,656
9.3.1 These mainly includes advances against civil works, plant and machinery and vehicles and are in the normal course of business.			
10 LONG TERM INVESTMENTS		Un-audited December 31, 2025	Audited June 30, 2025
	Note	----- Rupees -----	
Equity instruments	10.1	13,496,417,856	10,208,129,438
Debt instruments	10.2	40,000,000	40,000,000
		13,536,417,856	10,248,129,438

	Note	Un-audited December 31, 2025	Audited June 30, 2025
10.1 Equity Instruments			
<u>At fair value through OCI</u>			
Quoted			
Fatima Fertilizer Company Limited (a related party)			
62,994,031 ordinary shares of Rs.10 each - at market value		6,262,236,622	3,251,751,880
Adjustment arising from re-measurement to fair value		3,288,288,418	3,010,484,742
		9,550,525,040	6,262,236,622
Unquoted - (related parties)	10.1.1		
Fatima Energy Limited (FEL)		3,520,811,224	3,520,811,224
Fatima Transmission Company Limited (FTCL)		97,758,789	97,758,789
Multan Real Estate (Private) Limited (MREL)		327,322,803	327,322,803
		3,945,892,816	3,945,892,816
Using equity method	10.1.2		
Associated companies - Unquoted			
Fatima Transmission Company Limited		-	-
Fatima Electric Company Limited		-	-
		13,496,417,856	10,208,129,438
10.1.1 Fair value of these investments shall be reassessed by the management at June 30, 2026. Last fair valuation exercise was carried by independent valuer as at June 30, 2025.			
10.1.2 These investments have been accounted for under equity method and has been reduced to zero value because of losses incurred by the investee companies. The share of loss has been restricted to cost the of investment.			
10.2 Debt Instruments - at FVTOPL		Un-audited December 31, 2025	Audited June 30, 2025
Bank Al Habib Limited term finance certificates (TFCs)			
5,000 term finance certificates of Rs.5,000 each - cost		25,000,000	25,000,000
Bank of Punjab term finance certificates (TFCs)			
150 term finance certificates of Rs.100,000 each - cost		15,000,000	15,000,000
		40,000,000	40,000,000
11 LONG TERM ADVANCES AND MARKUP ACCRUED			
An associated company			
Fatima Transmission Company Limited		13,748,696	13,748,696
Pak Arab Energy Limited		25,904,160	25,904,160
		39,652,856	39,652,856
Less: Loss allowance		(39,652,856)	(39,652,856)
		-	-

	Note	Un-audited December 31, 2025	Audited June 30, 2025
----- Rupees -----			
12 STOCK-IN-TRADE			
Raw material			
[In-transit: Rs.7,935.026 million (Jun 30, 2025: Rs.4,954.033 million)]		25,728,327,457	19,128,039,516
Work-in-process		1,162,203,231	1,090,597,209
Finished goods			
[In-transit: Rs.13.975 million (Jun 30, 2025: Rs.91.606 million)]:			
- Yarn		8,475,345,113	11,464,519,087
- Fabric		1,288,481,451	1,021,542,292
- Waste		817,709,965	956,847,495
		10,581,536,529	13,442,908,874
		37,472,067,217	33,661,545,599
13 TRADE DEBTS			
Export debtors - secured against letters of credit:			
Considered good		2,876,343,775	2,248,569,443
Local debtors - unsecured considered good			
- related parties	13.1	1,072,952,979	1,478,389,088
- others		9,961,945,543	8,540,039,774
- others - considered doubtful		44,512,942	44,665,120
		11,079,411,464	10,063,093,982
Allowance for impairment of trade debts		(44,512,942)	(44,665,120)
		13,911,242,297	12,266,998,305
13.1 Trade debts due from following related parties on account of trading activities:			
Ahmad Fine Textile Mills Limited		896,517,184	1,413,863,233
Reliance Weaving Mills Limited		176,102,483	64,276,346
Fatima Fertilizer Company Limited		333,312	249,509
		1,072,952,979	1,478,389,088
14 MARK-UP ACCRUED			
Mark-up accrued on:			
Advance to associated company (Pak Arab Energy Limited)		31,369,170	29,691,993
Less: Loss allowance on markup accrued		(31,369,170)	(29,691,993)
		-	-
Term finance certificates		664,796	694,907
Term deposit receipts		61,349,703	18,390,615
		62,014,499	19,085,522

	Note	Un-audited December 31, 2025	Audited June 30, 2025
----- Rupees -----			
15 CASH AND BANK BALANCES			
Cash in hand		61,911,621	50,256,125
Cash at banks			
Current accounts		494,516,582	265,104,287
Saving accounts	15.1	88,311,271	93,680,776
Term deposit receipts	15.2	1,063,250,000	713,250,000
		<u>1,707,989,474</u>	<u>1,122,291,188</u>

15.1 These carry mark up at the rate ranging from 0.15% to 9.25% (June 30, 2025: 0.15% to 19%) per annum.

15.2 These carry mark up at the rate ranging from 7.00% to 16.50% (June 30, 2025: 7% to 20%) per annum.

16 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

		----- Un-audited -----			
		Six months period ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Note		----- Rupees -----			
Gross sales:					
Local sales		46,236,559,941	46,978,274,889	23,600,067,593	22,929,244,394
Direct exports		6,925,393,362	4,777,871,659	2,917,410,303	2,399,401,353
Indirect exports	16.1	2,061,842,817	2,976,448,551	501,703,992	1,187,488,629
		55,223,796,120	54,732,595,099	27,019,181,888	26,516,134,376
Sales tax					
Local sales		(7,024,164,565)	(7,133,028,477)	(3,591,684,720)	(3,418,627,747)
Indirect exports		(314,518,396)	(454,033,457)	(76,531,118)	(181,142,333)
		(7,338,682,961)	(7,587,061,934)	(3,668,215,838)	(3,599,770,080)
Sales return		(331,415,658)	(155,693,443)	(130,816,523)	(112,341,246)
		<u>47,553,697,501</u>	<u>46,989,839,722</u>	<u>23,220,149,527</u>	<u>22,804,023,050</u>

16.1 This includes sales made to direct exporters against Export facilitation Scheme (EFS) to related parties under S.R.O 957(1)/ 2021 dated July 30, 2021, amounting to Rs. 2,061.84 million (December 31, 2024: Rs. 2,976.45 million).

17 COST OF SALES

	----- Un-audited -----			
	Six months period ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- Rupees -----			
Raw material consumed	27,945,046,458	29,741,790,927	13,965,201,018	14,633,574,110
Packing material consumed	508,123,020	514,631,031	264,129,205	260,899,556
Salaries, wages and benefits	2,322,693,321	2,168,007,324	1,208,716,450	1,131,482,766
Freight outward charges	295,161,562	287,683,638	111,797,434	115,008,325
Travelling and conveyance	14,563,010	12,463,092	8,067,373	7,627,961
Vehicle running and maintenance	42,483,154	40,652,848	23,341,765	21,942,563
Power and fuel	5,779,592,175	6,092,459,991	2,910,632,968	3,034,953,701
Stores and spares consumed	1,285,159,023	1,128,797,888	658,289,942	633,846,894
Processing charges	105,408,183	64,191,788	68,265,509	54,849,443
Repair and maintenance	40,609,565	27,241,990	25,634,458	12,090,919
Insurance	67,196,215	73,018,064	35,140,697	37,141,885
Depreciation on property, plant and equipment	1,051,276,002	1,072,711,507	530,032,870	536,820,632
Others	18,937,443	13,796,300	7,043,142	7,343,934
	39,476,249,131	41,237,446,388	19,816,292,831	20,487,582,689
Work-in-process:				
Opening balance	1,090,597,209	1,170,146,399	1,103,971,123	1,149,476,570
Closing balance	(1,162,203,231)	(1,199,453,000)	(1,162,203,231)	(1,199,453,000)
	(71,606,022)	(29,306,601)	(58,232,108)	(49,976,430)
Cost of goods manufactured	39,404,643,109	41,208,139,787	19,758,060,723	20,437,606,259
Finished goods:				
Opening balance	13,442,908,874	10,969,115,013	11,528,048,426	10,642,501,550
Finished goods purchased	876,143,319	1,755,841,252	469,121,220	947,317,789
Closing balance	(10,581,536,529)	(11,037,475,577)	(10,581,536,529)	(11,037,475,577)
	3,737,515,664	1,687,480,688	1,415,633,117	552,343,762
Cost of goods sold	43,142,158,773	42,895,620,475	21,173,693,840	20,989,950,021
Cost of raw material sold	918,064,587	12,421,300	338,062,045	8,790,532
	44,060,223,360	42,908,041,775	21,511,755,885	20,998,740,553

18 FINANCE COST

	----- Un-audited -----			
	Six months period ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- Rupees -----			
Mark-up based loans from conventional banks:				
- Long term financing - secured	709,702,637	1,195,763,093	373,479,108	625,176,425
- Short term borrowings - secured	949,937,363	932,333,446	492,790,696	407,018,952
	1,659,640,000	2,128,096,539	866,269,804	1,032,195,377
Islamic mode of financing:				
- Musharika - secured	652,247,900	396,428,191	370,359,207	193,294,534
- Short term borrowings - secured	202,347,646	167,805,244	92,444,710	90,705,347
	854,595,546	564,233,435	462,803,917	283,999,881
Bank charges	72,073,358	41,159,064	45,174,132	16,046,616
Markup on lease liability	5,034,687	5,258,936	2,498,443	2,618,607
	2,591,343,591	2,738,747,974	1,376,746,296	1,334,860,481

19 EARNINGS PER SHARE - BASIC AND DILUTED

	----- Un-audited -----			
	Six months period ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- Rupees -----			
Profit after taxation	213,989,876	344,447,111	34,416,158	12,422,006
Weighted Average Number of ordinary shares	30,000,000	30,000,000	30,000,000	30,000,000
Earnings per share - basic and diluted	7.13	11.48	1.15	0.41

20 FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since June 30, 2025, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statement does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2025.

21 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of 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 operation or to undertake a transaction on adverse terms.

Given below is the analysis of financial instruments, carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities .
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, 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				
	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at December 31, 2025								
----- Rupees -----								
Financial assets – measured at fair value								
Short term investment	-	927,853,200	-	927,853,200	927,853,200	-	-	927,853,200
Long term investments	-	40,000,000	13,496,417,856	13,536,417,856	9,590,525,040	-	3,945,892,816	13,536,417,856
Financial assets – not measured at fair value								
Long term deposits	25,733,193	-	-	25,733,193	-	-	-	-
Trade debts	13,911,242,297	-	-	13,911,242,297	-	-	-	-
Deposits, prepayments and other receivables	177,078,224	-	-	177,078,224	-	-	-	-
Mark-up accrued	62,014,499	-	-	62,014,499	-	-	-	-
Cash and bank balances	1,707,989,474	-	-	1,707,989,474	-	-	-	-
	15,884,057,687	967,853,200	13,496,417,856	30,348,328,743	10,518,378,240	-	3,945,892,816	14,464,271,056
Financial liabilities - not measured at fair value								
Long term financing -secured	-	-	16,701,625,285	16,701,625,285	-	-	-	-
Long term musharaka -secured	-	-	11,827,750,306	11,827,750,306	-	-	-	-
Trade and other payables	-	-	6,766,319,159	6,766,319,159	-	-	-	-
Unclaimed dividend	-	-	21,977,192	21,977,192	-	-	-	-
Short term borrowings -secured	-	-	24,234,275,598	24,234,275,598	-	-	-	-
Accrued mark-up	-	-	865,467,141	865,467,141	-	-	-	-
	-	-	60,417,414,681	60,417,414,681	-	-	-	-

	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
----- Rupees -----									
As at June 30, 2025									
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 - not measured at fair value									
Long term deposits	25,733,193	-	-	-	25,733,193	-	-	-	-
Trade debts	12,266,998,305	-	-	-	12,266,998,305	-	-	-	-
Deposits, prepayments 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 - not measured at fair value									
Long term financing - <i>secured</i>	-	-	-	14,432,252,534	14,432,252,534	-	-	-	-
Long term musharika - <i>secured</i>	-	-	-	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 - <i>secured</i>	-	-	-	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 information is the most relevant in evaluating the results of certain segments relative to other companies that operate within these industries.

22.2 Segment revenue and results

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

	<i>Spinning</i>		<i>Weaving</i>		<i>Total</i>	
	Un-audited		Un-audited		Un-audited	
	Six months period ended		Six months period ended		Six months period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- Rupees -----		----- Rupees -----		----- Rupees -----	
External revenues	41,810,809,780	39,246,249,327	5,742,887,721	7,743,590,395	47,553,697,501	46,989,839,722
Intersegment revenues	3,302,693,500	4,900,614,969	13,156,355	17,528,925	3,315,849,855	4,918,143,894
Cost of sales	(42,252,122,164)	(40,619,583,668)	(1,808,101,196)	(2,288,458,107)	(44,060,223,360)	(42,908,041,775)
Intersegment cost of sales	(13,156,355)	(17,528,925)	(3,302,693,500)	(4,900,614,969)	(3,315,849,855)	(4,918,143,894)
Distribution and marketing expense	(160,305,346)	(147,003,905)	(57,228,132)	(57,789,068)	(217,533,478)	(204,792,973)
Administrative expenses	(430,334,206)	(392,901,210)	(48,086,978)	(46,201,747)	(478,421,184)	(439,102,957)
Other operating expense	(195,259,495)	(70,994,629)	-	-	(195,259,495)	(70,994,629)
Other operating income	628,115,463	428,373,962	7,611,601	7,399,038	635,727,064	435,773,000
Finance cost	(2,419,922,497)	(2,447,830,945)	(171,421,094)	(290,917,029)	(2,591,343,591)	(2,738,747,974)
Profit before levies and income tax	270,518,680	879,394,976	376,124,777	184,537,439	646,643,457	1,063,932,414

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

22.4 Segment assets and liabilities

Reporting segments' assets and liabilities are reconciled to total assets and total liabilities as follows:

	<i>Spinning</i>		<i>Weaving</i>		<i>Total</i>	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	December 31, 2025	June 30, 2025	December 31, 2025	June 30, 2025	December 31, 2025	June 30, 2025
	----- Rupees -----		----- Rupees -----		----- Rupees -----	
Segment assets						
Segment assets for reportable segments	88,123,782,703	83,388,249,985	4,970,656,232	4,751,503,241	93,094,438,935	88,139,753,226
Un-allocated corporate assets	-	-	-	-	32,311,729,780	27,314,001,385
Total assets as per balance sheet	88,123,782,703	83,388,249,985	4,970,656,232	4,751,503,241	125,406,168,715	115,453,754,611
Segment liabilities						
Segment liabilities for reportable segments	9,009,026,993	9,584,624,373	-	-	9,009,026,993	9,584,624,373
Un-allocated corporate liabilities	-	-	-	-	65,959,447,291	58,933,714,101
Total liabilities as per balance sheet	9,009,026,993	9,584,624,373	-	-	74,968,474,284	68,518,338,474



23 Reconciliation of movement of liabilities to cash flows arising from financing activities

	----- Un-audited -----						
	Long term financing	Lease liability	Long term musharika	Unclaimed dividend	Short term borrowing	Accrued markup	Total
	----- Rupees -----						
As at June 30, 2025	14,432,252,534	70,677,725	8,999,190,673	21,977,192	23,537,764,673	882,273,218	47,944,136,015
<u>Changes from financing cash flows</u>							
Short term finances obtained <i>-net</i>	-	-	-	-	696,510,925	-	696,510,925
Financial charges paid <i>-net</i>	-	-	-	-	-	(2,603,114,981)	(2,603,114,981)
Lease rentals paid	-	(7,073,844)	-	-	-	-	(7,073,844)
Long term finances repaid	(1,496,055,231)	-	(429,855,367)	-	-	-	(1,925,910,598)
Proceeds from long term financing	3,765,427,982	-	3,258,415,000	-	-	-	7,023,842,982
Total changes from financing cash flows	2,269,372,751	(7,073,844)	2,828,559,633	-	696,510,925	(2,603,114,981)	3,184,254,484
<u>Other changes</u>							
Final cash dividend	-	-	-	-	-	-	-
Finance cost	-	5,034,687	-	-	-	2,586,308,904	2,591,343,591
Total liability related other changes	-	5,034,687	-	-	-	2,586,308,904	2,591,343,591
As at December 31, 2025	16,701,625,285	68,638,568	11,827,750,306	21,977,192	24,234,275,598	865,467,141	53,719,734,090

	-----Un-audited-----						
	Long term financing	Lease liability	Long term musharika	Unclaimed dividend	Short term borrowing	Accrued markup	Total
	----- Rupees -----						
As at June 30, 2024	15,650,855,677	73,111,590	3,406,852,548	22,002,980	17,717,675,277	1,320,363,612	38,190,861,684
Changes from financing cash flows							
Dividend paid	-	-	-	(25,788)	-	-	(25,788)
Short term finances obtained - net	-	-	-	-	2,447,826,684	-	2,447,826,684
Financial charges paid - net	-	-	-	-	-	(3,085,416,511)	(3,085,416,511)
Lease rentals paid	-	(6,430,766)	-	-	-	-	(6,430,766)
Long term finances repaid	(1,592,949,676)	-	(517,355,368)	-	-	-	(2,110,305,044)
Proceeds from long term financing	4,858,016,026	-	2,750,000,000	-	-	-	7,608,016,026
	3,265,066,350	(6,430,766)	2,232,644,632	(25,788)	2,447,826,684	(3,085,416,511)	4,853,664,601
Other changes							
Final cash dividend	-	-	-	-	-	-	-
Interest expense - net	-	5,258,936	-	-	-	2,733,489,038	2,738,747,974
Total liability related other changes	-	5,258,936	-	-	-	2,733,489,038	2,738,747,974
As at December 31, 2024	18,915,922,027	71,939,760	5,639,497,180	21,977,192	20,165,501,961	968,436,139	45,783,274,259

24 TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties are as follows:

Name of parties	Relationship	Transactions	Un-audited	
			Six months period ended December 31, 2025	December 31, 2024
			----- Rupees -----	
Fatima Energy Limited	Sponsor / associated Undertaking	Purchase of electricity	2,822,167,461	2,446,858,196
		Payments against purchase of electricity	3,096,746,080	2,501,264,160
Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services	1,093,048,002	1,459,257,529
		Sale of goods and services	6,567,927,697	8,380,694,172
		Receipts against goods and services - net	5,992,225,735	6,898,213,853
		Reimbursable expenses	-	185,416
Reliance Weaving Mills Limited	Common Directorship	Purchase of goods and services	38,615,500	41,862,990
		Sale of goods and services	223,019,148	218,086,656
		Receipts against goods and services - net	72,577,510	131,530,062
Fatima Fertilizer Company Limited	Common Directorship & 3.29% (June 30, 2025; 3.29%) shareholding	Dividend income	241,899,109	190,063,585
		Reimbursable expenses	367,527	20,837
		Payment against payables	451,336	-
Fazal-ur-Rehman Foundation Multan	Common Directorship	Donations paid	1,525,000	1,428,500
Fazal Farms (Private) Limited	Common Directorship	Purchase of goods and services	4,255,445	8,227,556
		Payment against purchase of goods and services	9,098,348	8,507,231
Pak Arab Energy Limited	Common Directorship	Mark up accrued	1,677,176	2,575,910
Key management personnel	-	Remuneration and other benefits	32,804,982	31,313,952
Relative of director	-	Lease rental paid	7,073,844	6,430,766



24.1 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. Faisal Ahmed	Director/Key Management Personnel	6.80%
Mr. Abbas Mukhtar	Director/Key Management Personnel	1.79%
Mr. Babar Ali	Director/Key Management Personnel	0.01%
Ms. Parveen Akhtar Malik	Director/Key Management Personnel	0.01%
Mr. Masood Karim Shaikh	Director/Key Management Personnel	0.01%
Mr. Muhammad Azam	Key Management Personnel	-
Mr. Basharat Hashmi	Key Management Personnel	N/A

25 SHARIAH SCREENING DISCLOSURE

	----- December 31, 2025 -----		----- June 30, 2025 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees -----			
Long Term Finances	16,701,625,285	11,827,750,306	14,432,252,534	8,999,190,673
Lease liability	68,638,568	-	70,677,725	-
Short term borrowings	20,128,327,382	761,978,102	18,428,349,864	5,109,414,809
Running finances under mark-up arrangements	679,016,556	2,664,953,558	80,960,087	26,751,960
Accrued mark-up	610,185,320	255,281,821	231,505,270	25,852,495
Bank balances	420,255,002	162,572,851	256,032,494	102,752,574

	----- December 31, 2025 -----		----- December 31, 2024 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
Revenue from contracts with customers - net	-	47,553,697,501	-	46,989,839,722
Other income				
a) Profit on bank deposits	3,485,467	-	8,540,489	-
b) Dividend Income	-	241,899,109	-	190,063,585
c) Exchange (loss) / gain on actual currency	(37,408,682)	(40,890,051)	60,559,377	2,515,818
Mark-up on running finances under mark-up arrangements	129,963,386	100,605,501	148,065,791	91,160,397
Mark-up on short term finances	819,973,977	101,742,145	784,267,655	76,644,847
Mark-up on long term finances	709,702,637	652,247,900	1,195,763,093	396,428,191

The Company have banking relation with the following shariah-compliant financial institutions:

- a) Meezan Bank Limited
- b) Bank Islami Pakistan Limited
- c) Dubai Islamic Bank Pakistan Limited
- d) Faysal Bank Limited
- e) Bank Makramah Limited
- f) MCB Islamic Bank Limited

Conventional Banks which provided conventional and Islamic financing:

- g) National Bank of Pakistan
- h) United Bank Limited
- i) The Bank of Khyber
- j) Askari Bank Limited

25 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2025, whereas, the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the six months period ended December 31, 2025.

Comparative information has been re-classified, re-arranged or additionally incorporated in these interim financial statements, where necessary, to facilities better comparison and to conform with the changes in presentation.



26 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorised for issue on February 27, 2026.

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR



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