



42nd Annual Report 2026

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED



Vision

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



Mission Statement

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

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Corporate Information

Governing Board

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

Chief Financial Officer

Mr. Anwar Hussain	FCA
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Company Secretary

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

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

Human Resource Committee

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

Sustainability Committee

Mr. Asif Elahi	Chairman
Mr. Muhammad Amin	Member
Mr. Hamza Shakeel	Member

Statutory Auditors

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

Legal Advisor

M. Zahid Farooq- Advocate Lahore High Court

Bankers

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

Share Registrar

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

Registered Office

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

Liaison / Correspondence Office

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

Manufacturing Units

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

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

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

FAISAL SPINNING MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting of the members of **Faisal Spinning Mills Limited** will be held on Tuesday, 27th October 2026 at 04:00 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

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

Ordinary Business:

1. To confirm the minutes of the last annual general meeting held on 27th October, 2025.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2026 together with the chairman review, independent auditor's report, director's report and all other disclosures, statements and reports forming the part of the annual report for 2026.

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



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

3. To appoint the auditors for the next term i.e. year 2026-2027 and fix their remuneration at PKR 3,100,000 (FY2025-26 PKR 3,100,000). The retiring auditor Messer's Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.

4. Special Business:

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

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2026, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2027.

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

5. Any Other Business:

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

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

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

In compliance with section 223(6) of the Act read with SRO 452(1)/2025 of 2025 issued by Securities and Exchange Commission of Pakistan on March 17, 2025, the Company has electronically transmitted the notice of annual general meeting and annual report for June 2026 through email to its Shareholders whose email addresses are available with the Company's Share Registrar.

Karachi:

Dated: 29th September, 2026

Notes:

(By the order of the Board)

**Adeel ur Rehman Ansari
Company Secretary**

1. For attending the meeting electronically

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

Join Zoom Meeting

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

Meeting ID: 382 273 8660

Passcode: fsmcorp

2. The Shares Transfer Books of the Company will remain closed from 20th October 2026 to 27th October, 2026 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19th October 2026 will be treated in time for the purpose of entitlement of dividend (if any) and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at fsm.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the meeting.
4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

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

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

Signature of Member

5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividends as on June 30, 2026 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office regarding any unclaimed dividend, shares or modarba certificates. In case of failure to lodge the claim for unclaimed dividends that were overdue for more than 3 years within 90 days of this notice, the amount of such unclaimed dividends shall be deposited to the credit of Federal Government in accordance with the requirement of the Companies Act, 2017.
6. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.
7. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

Further, Securities and Exchange Commission of Pakistan (SECP) vide notification No. SRO 1145(1)/2017 dated November 6, 2017 in terms of provision of section 242 of the Companies Act, 2017 issued regulations for distribution of dividends by the listed companies requiring entitled shareholders to provide valid information pertaining to designated bank account including name of bank, title of account, address of bank branch and international bank account number. In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

8. Under the provision of S.R.O.452(I)/2025 issued by SECP the distribution of gifts, giveaways or complimentary items are strictly prohibited at the general meeting.
9. Under the provision of S.R.O.451(I)/2025 issued by SECP to be read in conjunction with section 134 of the Companies Act 2017, for all businesses classified as "Special Business", the voting by the members of the listed company shall only be through postal ballot and for the purpose of this there shall be no voting by show of hands by members of the listed company who attend the general meeting physically.
Further, the members who did not cast their vote through electronic voting facility and by post prior to the date of the general meeting, shall be allowed to cast his/her vote on the day of the general meeting by way of ballot paper only.

10. E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. Members can exercise their right

to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.

a) E-Voting

- i) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 19th October, 2026. Thus, those members who intends to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 19th October, 2026 with the registrar of the company or email us at: ["fsm.corporate@umergroup.com"](mailto:fsm.corporate@umergroup.com).
- ii) The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.
- iv) E-Voting lines will start from October 24, 2026, 9:00 a.m. and shall close on October 26, 2026 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

b) Postal Ballot

- i) Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper is annexed to this notice and the same is also be downloaded from the Company's website www.umergroup.com.
- ii) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Monday, October 26, 2026 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.
- c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.

11. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

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

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.

- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

12. Notice under regulation 19A of the Companies (General Provisions and Forms) Regulations, 2018

Under the aforesaid provisions, the Form-16 is sent to every shareholder to whom notice of the annual general meeting has been sent by the company. The above provision requires information from every member of the company who is not the ultimate beneficial owner and who directly holds at least 5% shares or voting rights in the company to submit a declaration to the company providing information and particulars of the ultimate beneficial owner(s), as defined in Regulations. The sub-regulation (7) of regulation 19A defines an ultimate beneficial owner as a natural person who ultimately owns or controls a company, whether directly or indirectly, through at five percent of shares or voting rights or by exercising effective control in that company through other means. Exercise of control through other means may be exercised through a chain of ownership or through close relatives or associates having significant influence or control over the finances or decisions of the company. Kindly send your reply at the registered office of the company.

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

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2026.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2026 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2026.

The transactions entered with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2026.

Related Party Transactions

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

Name of the related party	Basis of relationship	Percentage of shareholding
Bhanero Textiles Mills Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	18.49%
Bhanero Energy Limited	Common directorship	N/A
Admiral (Private) Limited	Directors' close family member	N/A
Mohammad Salim	Director	0.29%
Yasmeen Begum	Directors' close family member	2.39%
Khurram Salim	Director	2.00%
Farrukh Salim	Directors' close family member	1.37%
Yousaf Salim	Directors' close family member	3.13%
Saqib Salim	Directors' close family member	1.99%
Muhammad Umer	Directors' close family member	0.97%
Yahya Farrukh	Directors' close family member	2.74%
Amna Khurram	Directors' close family member	1.10%
Saba Yousaf	Directors' close family member	0.98%
Saba Saqib	Directors' close family member	2.12%
Bilal Sharif	Director / Chief executive	3.64%
Samia Bilal	Directors' close family member	5.34%
Abdullah Bilal	Directors' close family member	3.37%
Ali Bilal	Directors' close family member	3.37%
Azan Bilal	Directors' close family member	3.37%
Mohammad Shaheen	Director	0.33%
Mohammad Amin	Director	4.09%
Seema Shaheen	Directors' close family member	1.58%
Mohammad Qasim	Directors' close family member	6.24%
Fatima Amin	Directors' close family member	4.51%
Sumbul Qasim	Directors' close family member	2.36%
Mohammad Shakeel	Directors' close family member	0.48%
Nazli Shakeel	Directors' close family member	4.29%
Adil Shakeel	Directors' close family member	4.77%
Faisal Shakeel	Directors' close family member	4.77%
Hamza Shakeel	Director	4.77%

Nature of relationship	Nature of transactions	2026 Rupees	2025 Rupees
Associated undertaking			
	Sales of fabric / Made ups	584,080,018	424,903,214
	Sales of yarn	8,812,860	215,340,014
	Purchase of yarn	4,714,269,495	5,766,178,491
	Purchase of fabric	827,947,848	479,509,719
	Services received	618,000	618,000
	Electricity purchased	5,466,690	312,266,397

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2026 to June 30, 2027.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2027 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2027 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Chairman Review Report

Pursuant to Section 192(4) of the Companies Act, 2017, the Chairman's Review Report for the financial year ended June 30, 2026, is enclosed. The report presents the Chairman's assessment of the overall performance and effectiveness of the Board of Directors of **Faisal Spinning Mills Limited** ("FSML") in achieving its strategic objectives and fulfilling its governance responsibilities.

The Board has carried out its duties in compliance with the applicable regulatory framework, including the Companies Act, 2017, directives of the Securities and Exchange Commission of Pakistan (SECP), listing requirements of the Pakistan Stock Exchange (PSX), and the Code of Corporate Governance Regulations, 2019. Throughout the year, the Board demonstrated a strong commitment to sound governance practices, ensuring accountability, transparency, and the long-term sustainability of the Company.

The fiscal year 2025-26 was characterized by macroeconomic stabilization, gradually transitioning into a recovery phase despite persistent global challenges such as geopolitical tensions, commodity price volatility, and climate-related disruptions. This recovery was supported by prudent macroeconomic management, fiscal consolidation, exchange rate stability, and the continuation of IMF-supported reforms. Collectively, these measures reinforced policy credibility and strengthened economic resilience.

Pakistan's economy in FY2025-26 exhibited early signs of recovery, with GDP growth improving to 3.7 percent and inflation moderating to 7.05 percent, underpinned by fiscal discipline, exchange rate stability, and IMF-backed reforms. Looking ahead, the outlook for FY2026-27 is cautiously optimistic, with growth projected at around 4 percent and inflation expected to remain within the 5-7 percent target range.

Foreign exchange reserves rose to \$23.23 billion by end-June 2026, reflecting a 20.57 percent increase compared to June 2025. The manufacturing sector registered a strong rebound, as Large-Scale Manufacturing (LSM) expanded by 6.5 percent.

The company incurred a loss of PKR 413.536 million (June 2025: PKR 269.267 million) during the current year ending June 2026 however, operational improvements and strategic initiatives undertaken by management have begun to yield encouraging results. The company successfully reduced both inventory levels and short-term borrowings by more than 35 percent during the year, reflecting disciplined working capital management and a strong focus on operational efficiency. This achievement is expected to reduce financing costs, strengthen liquidity and provide greater financial flexibility, thereby supporting sustainable profitability and long-term value creation for shareholders.

We remain confident that these measures will strengthen the company's performance and are optimistic about achieving a turnaround in the next fiscal year.

Risk Management Framework

FSML has established a comprehensive risk management framework aimed at systematically identifying, evaluating, and prioritizing risks while effectively minimizing, monitoring, and controlling their potential impact. This framework also seeks to harness opportunity potential through the deployment of cost-effective and well-coordinated resources.

To ensure its continued relevance and responsiveness, FSML risk management policies are subject to regular review and refinement by the Board of Directors. The Board emphasizes the integration of risk assessment into strategic decision-making processes, reinforcing organizational resilience and sustainable value creation.

Independent directors play a critical role in this process by constructively challenging management's assumptions and contributing diverse perspectives to Board deliberations. This oversight helps safeguard the integrity of governance decisions and ensures alignment with the Company's strategic direction. Furthermore, the Board conducts continuous evaluation of defined goals and objectives, closely monitoring performance metrics to assess progress and identify areas requiring corrective action.

Board Evaluation

The Chairman of FSML plays a central role in determining the strategic direction of the Company, fostering a culture of high performance, and ensuring that executive management executes operations in alignment with the Board-approved strategies, while upholding the principles of sound corporate governance.

In accordance with the requirements of the Code of Corporate Governance, the Board undergoes an annual evaluation to assess its overall effectiveness and adherence to established governance benchmarks. This assessment encompasses a comprehensive review of the Board's structure, composition, strategic oversight, and execution capabilities.

During the year under review, the Board effectively managed the affairs of the Company, demonstrating operational agility and strong financial stewardship. The evaluation results affirm that the Board continues to perform its duties with diligence, transparency, and a commitment to long-term value creation.

Stakeholder Management and Communication

FSML recognizes the importance of transparent and timely communication with its stakeholders, particularly shareholders and the investor community. To this end, the Company maintains a comprehensive and regularly updated corporate website, which serves as a central platform for disseminating information related to business performance, financial results, regulatory disclosures, notices, and corporate announcements.

In line with best practices in stakeholder engagement, FSML also conducts an annual Corporate Briefing Session, wherein key members of the executive team including the Chairman, Chief Executive Officer, Chief Financial Officer and Company Secretary provide detailed insights on the Company's historical performance, financial outlook, and strategic direction. This forum fosters dialogue, reinforces investor confidence, and underscores FSML ongoing commitment to accountability and long-term value creation.

Corporate Governance

The Board of Directors of FSML remains committed to the principles of sound corporate governance and strives for continuous improvement rather than absolute perfection. In line with applicable regulatory frameworks, the Board rigorously adheres to governance standards in all matters, particularly in the appointment of key management personnel, including the Chief Financial Officer, Company Secretary, and Head of Internal Audit, ensuring full compliance with the prescribed codes and criteria.

To safeguard the independence and effectiveness of the audit function, the Board, in collaboration with the Audit Committee, has established a well-resourced and competent internal audit department. The internal audit function reports functionally to the Audit Committee, reinforcing its objectivity and operational autonomy. The team comprises qualified professionals equipped with the necessary skills and expertise to execute their responsibilities effectively.

Furthermore, FSML Audit and Human Resource Committees are composed exclusively of non-executive directors and are chaired by independent directors, in accordance with governance best practices. This structure fosters accountability, transparency, and ethical oversight across the Company's strategic and operational dimensions.

Governing Board and Committees Structure

FSML recognizes that in today's increasingly complex and dynamic economic environment, board diversity is essential to sound governance and effective strategic oversight. At FSML, diversity is viewed as a strategic asset fostering synergy by bringing together a range of perspectives, experiences, and competencies to address both current and future challenges.

The Board of Directors is composed of ten members, comprising:

- Five non-executive directors.
- One executive director.
- Three independent directors.
- One female non-executive director.

This composition reflects an intentional and thoughtful balance of age, gender, professional background, and governance expertise. The structure aligns with evolving global expectations on board diversity, and

FSML is proud to contribute to this positive trend. All members of the Board have successfully completed certification under the Directors' Training Program (DTP) in accordance with the requirements of the Code of Corporate Governance, thereby reinforcing their capacity to discharge fiduciary and strategic responsibilities effectively.

The Board has constituted Audit and Human Resource Committees, both chaired by independent directors and comprised exclusively of non-executive directors. These committees function actively and contribute meaningfully to oversight and policy formulation. In particular, the Human Resource Committee ensures that the remuneration framework for executive directors and the Chief Executive Officer is aligned with their respective skills, responsibilities, and contributions while safeguarding the independence and objectivity of governance practices.



Mohammad Salim

(Chairman)

29th September 2026, Karachi.

Directors Report

The Board of Directors of Faisal Spinning Mills Limited are pleased to present Annual Report along with the audited financial statements of company together with auditors' report thereon for the year ended June 30, 2026.

Financial Recitals

The financial performance for June 30, 2026:

Statement of Profit or Loss

For the Year Ended June 30, 2026

	June 30, 2026 Rupees	June 30, 2025 Rupees
Sales - Net	45,841,296,908	46,203,552,790
Cost of sales	(42,354,461,446)	(42,529,746,167)
Gross profit	3,486,835,462	3,673,806,623
Other income	547,679,171	238,075,025
	4,034,514,633	3,911,881,648
Distribution cost	(1,435,366,965)	(1,506,676,743)
Administrative expenses	(563,553,524)	(545,145,319)
Other operating expenses	(47,062,567)	(16,839,522)
Finance cost	(1,505,150,435)	(1,513,144,375)
	(3,551,133,491)	(3,581,805,959)
	483,381,142	330,075,689
Share of Profit/(loss) from associated undertaking	75,386,260	(17,911,648)
Profit before levies and taxation	558,767,402	312,164,041
Levies	(579,024,794)	(577,544,410)
Loss before taxation	(20,257,392)	(265,380,369)
Taxation	(393,278,454)	(3,886,716)
Loss after taxation	(413,535,846)	(269,267,085)
Loss per share - basic and diluted	(41.35)	(26.93)

The company posted a loss after of PKR -413.536 million (June 2025 PKR -269.267 million) during the current year whereas, sales revenue decreased slightly by 0.78 percent during the current year. During the current year gross margin decreased from 7.95 percent in June 2025 to 7.61 percent in June 2026.

The Company successfully managed to reduce both inventory levels and short-term borrowings by over 35 percent during the year, reflecting prudent working capital management. This is expected to lower financing costs, enhance liquidity and support improved profitability in the years ahead.

The composition of export and local sales remained largely unchanged during the year, with exports accounting for 72 percent and local sales 28 percent of total sales volume, respectively. While export markets continued to face challenges arising from subdued global demand, economic uncertainty and intense international competition, the Company maintained its market presence and customer base across. Although international textile markets continued to experience challenging conditions, the board remains confident that the company's strong market position and operational improvements will support further growth and profitability in the coming years..

Dividends and Reserves Appropriation

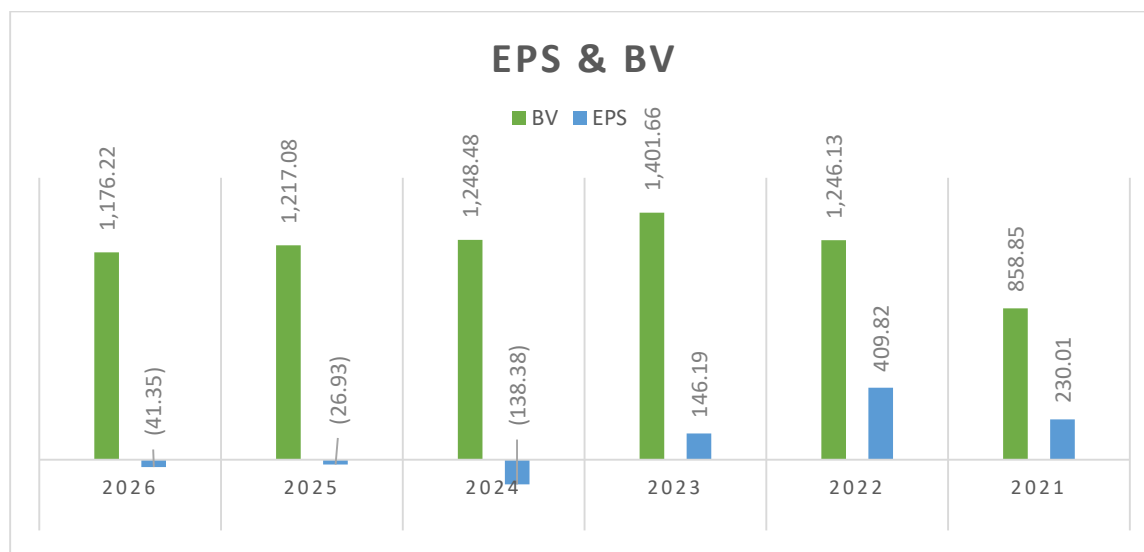
On the recommendation of the Audit Committee, the board of directors has decided not to declare any dividend for the year ended 30 June 2026. This decision was taken in view of the loss after tax of PKR -413.536 million incurred during the year and the need to preserve cash resources to strengthen the company's financial position and support working capital requirements amid prevailing market uncertainties.

The board believes that retaining available resources is in the best long-term interest of the company and its stakeholders. Nevertheless, the Board will continue to monitor the Company's financial performance and liquidity position and may consider the declaration of interim dividends subject to improved profitability, cash flow generation and overall economic conditions.

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

Earnings per share (EPS) and book value per share (BVS) are key metrics used to assess shareholder value. EPS measures the amount of profit generated for each ordinary share, providing an indication of the Company's earnings performance. BVS reflects the net asset value per share, offering insight into the Company's financial stability and the value underpinning shareholders' investment.

The company's reported loss per share of PKR -41.35 for the year ending June 30, 2026 whereas in June 2025 the loss per share was PKR -26.93. The breakup value of share during the current fiscal year ending June 30, 2026 is PKR 1,176.22 (June 2025: PKR 1,217.08).



Working Capital Management

The Company continues to maintain a prudent and effective working capital management framework, supported by continuous monitoring and control mechanisms. This approach ensures optimal utilisation of short-term resources, strengthens liquidity management, and supports sustainable returns, thereby contributing to enhanced shareholder value.

The current ratio during the current year has been increased during the year, from 1.19 in June 2025 to 1.26 in June 2026. This improvement reflects prudent working capital management and indicates that the company maintains sufficient current assets to meet its short-term financial obligations.

Capital Structure

The Company continues to pursue a balanced financing strategy by maintaining an optimal mix of debt and equity. This approach ensures sufficient funding for business operations and future growth while maintaining financial flexibility, managing risks effectively, and enhancing long-term shareholder value.

The company's long-term borrowing stood at PKR 4,692.585 million (June 2025: PKR 4,496.474 million) in June 30, 2026. The gearing ratio declined from 1.76 in June 2025 to 1.38 in June 2026 is primarily associated with decrease in short term obligations.

The shareholder equity stood at s PKR 11,762.187 million during the year ended June 30, 2026 whereas it was PKR 12,170.796 million in the corresponding year ending June 30, 2025.

Renewable Energy Initiatives

Apart from wind power generation of 4.80 megawatt, the company has so far successfully implemented 7.10 mega-watt solar renewable energy initiatives across its operational units. The additional 2.19 mega-watt solar energy installation is in process at Unit I of the company which is expected to commence its production in October 2026.

On successful completion of the 2.19 mega-watt solar energy initiative, the combined renewable energy portfolio of solar and wind power has reached 14.09 mega-watt, marking a significant milestone in the company's efforts to expand clean energy generation and reduce its environmental footprint.

Credit Rating

The entity's rating reaffirmed at A/A-1 (Single A / A-One) with 'Stable' outlook on given ratings is based on assessment by Messer's VIS Credit Rating Company Limited on May 20, 2026.

Financial Statements

As required under Companies Act 2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2026, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Mushtaq & Co, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2026 and clean review report on Statement of Code of Corporate Governance Regulations, 2019 "Code". These reports are attached with the financial statements.

Accounting Standards

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

Economic Outlook

The growth of Pakistan's industrial economy has always been closely linked to textiles due to availability of cotton, abundant labor and favorable export opportunities positioned it as a competitive textile producer. The inconsistent policies over the period for the textile sector have hindered its sustained growth with frequent changes in energy tariffs, taxation regimes and export incentives that created an uncertainty for manufacturers and exporters. The absence of a stable, long-term framework has limited investment in

modernization, discouraged value-added diversification and weakened Pakistan's competitiveness against regional rivals.

The Pakistan's textile sector in 2027 faces a complex set of challenges that directly impact competitiveness, compliance and growth. While opportunities in value-added production and sustainable exports exist, several structural and external pressures must be addressed. Hence, without reforms in energy pricing, taxation and compliance facilitation, Pakistan's textile sector risks losing competitiveness in 2027.

In present era, the textile industry continues to drive industrial growth, while facing new challenges of global competition, sustainability compliance and the need for value-added diversification. The country textile exports rose marginally by 0.26 percent during July-June 2025-26, reaching USD17.93 billion compared to USD17.88 billion in 2024-25 however, government set an ambitious textile export target of USD 30 billion by FY 2030.

We suggest Policymakers must immediately address the challenges through comprehensive reforms to achieve sustainable growth and competitiveness in the textile sector over the period.

Strategic Roadmap for Textile Sector Pakistan

- To achieve energy and cost competitiveness over regional players, rationalizing energy tariffs has become the need of the hour. Expansion in renewable energy adoption and investment in grid modernization are equally critical to ensure uninterrupted supply and reduce transmission losses.
- Taxation and liquidity reforms are essential to implement efficient refund mechanisms for sales tax and duty drawbacks. The government must introduce timely rebates to strengthen exporters' cash flows and simplify compliance through digital tax monitoring and track-and-trace systems.
- Value-added production is crucial for transforming textile industry from low-margin cotton exports into a diversified, competitive sector. By moving beyond raw yarn and grey cloth, the industry can capture higher margins, meet global demand for specialized products, and strengthen its export base. These initiatives will enhance competitiveness, diversify exports and position Pakistan as a leader in innovative and sustainable textile manufacturing.
- Compliance and sustainability are crucial for the long-term viability of our textile sector. The full alignment with the EU Green Deal is imperative which requires adherence to eco-design rules, digital product passports and chemical restrictions. Strengthening ESG reporting on energy use, water consumption, greenhouse gas emissions, and labor practices will ensure transparency and credibility in global markets. Collectively, these measures will enhance market access, reinforce trust, and position our textile sector as a responsible and competitive global supplier.

Compliance with Code of Corporate Governance

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

Statement on Corporate and Financial Reporting Framework

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

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

- The company has made the disclosure of gender pay gap in annual report for year ending June 30, 2026 as required under circular 10 of 2024 dated April 17, 2024.
- As required by the Code of Corporate Governance and Companies Act 2017, we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
 - Chairman review report under the provisions of section 192(4) of the Companies Act.
 - Statement of compliance duly signed by the chairman under regulation 36 of the Code.
- Key operating and financial statistics for last six years. Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

Pattern of Shareholding

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

Related Party Transactions

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

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

All the RPT's during the current fiscal year ending June 30, 2026 will be presented before the general meeting of the company for member's approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal year ending June 30, 2027 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

Board Evaluation

In accordance with Regulation 10(3)(v) of the Code of Corporate Governance, the Company conducts an annual performance evaluation of the Board, its Committees and individual Directors through a structured internal assessment process. The evaluation provides valuable insights into the effectiveness of the Board's oversight, governance practices and decision-making processes, while identifying opportunities for continuous improvement and fostering constructive engagement among Directors.

The evaluation process also enables the Board to leverage the diverse skills, experience and perspectives of its members more effectively, thereby enhancing overall Board performance and supporting the achievement of the Company's strategic objectives and long-term sustainable growth.

Board Composition

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

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

Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company through physically / virtually under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable cause.
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2025-26:

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

Audit Committee

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

The Audit Committee ("AC") comprises three members, including an Independent Director who serves as Chairman and two Non-Executive Directors. The Committee operates under formal Terms of Reference approved by the Board and performs its duties in accordance with Regulation 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

In compliance with Regulation 27(1)(iii), the Committee includes a member possessing the requisite financial literacy and expertise. During the year, the AC met regularly to review the quarterly, half-yearly and annual financial statements prior to their submission to the Board for approval. In accordance with Regulation 27(2), the Committee also held a separate meeting with the external auditors without the presence of the Chief Financial Officer and a separate meeting with the internal auditors without the presence of the Chief Financial Officer and the external auditors.

The AC provides independent oversight of the Company's financial reporting process, internal control environment and compliance with applicable laws, regulations and reporting standards. In fulfilling its responsibilities, the Committee works closely with management, internal auditors and external auditors to evaluate the adequacy and effectiveness of internal controls, accounting policies, risk management practices and governance processes.

The Committee also oversees the Company's fraud risk management framework by ensuring that appropriate policies, procedures and controls are established and maintained to prevent, detect and respond to financial statement fraud, asset misappropriation and other forms of misconduct. In addition, it promotes a culture of integrity, transparency and accountability across the organisation, monitors significant compliance matters, and remains apprised of investigations, remedial actions and other developments that may affect the Company's control environment and overall governance framework.

Human Resource and Remuneration Committee

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

The Human Resource and Remuneration Committee ("HR & R Committee") comprises three Non-Executive Directors, including an Independent Director serving as Chairman. Operating under the terms of reference approved by the Board, the Committee assists the Board in fulfilling its oversight responsibilities relating to human capital management, executive remuneration and succession planning.

The Committee reviews and makes recommendations on the appointment, performance evaluation, compensation and benefits of the Chief Executive Officer, Chief Financial Officer and Company Secretary. It also evaluates the adequacy and effectiveness of the Company's policies and practices relating to talent management, employee development, leadership succession, training and performance management.

The Committee strives to ensure that the Company's remuneration framework remains competitive, equitable and aligned with performance and long-term value creation. Through effective oversight of human resource strategies and practices, the Committee supports the development of a high-performing

workforce, strengthens organisational capability and contributes to the achievement of the Company's strategic objectives and sustainable growth.

Sustainability Committee - SC

Sr	Name	Designation	Category
i	Asif Elahi	Chairman	Independent Director
ii	Muhammad Amin	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

The Sustainability Committee ("SC") comprises three Non-Executive Directors, with an Independent Director serving as Chairman. The Committee assists the Board in providing strategic oversight of environmental, social and governance matters and in embedding sustainability considerations within the Company's business strategy and operations.

The Committee is responsible for overseeing the Company's sustainability framework, monitoring ESG-related risks and opportunities, reviewing sustainability objectives and ensuring compliance with applicable regulatory requirements and emerging best practices. It also promotes the integration of sustainability principles into decision-making processes to support responsible and sustainable business growth.

By strengthening sustainability governance and accountability, the Committee supports the Company's long-term resilience, enhances stakeholder confidence and enables the organisation to adapt effectively to evolving environmental, social and governance challenges. Its oversight contributes to sustainable value creation and reinforces the Company's commitment to responsible corporate citizenship and sound governance practices.

Corporate Social Responsibility Policy - CSR

The Company recognises its responsibility to contribute towards sustainable social and economic development and remains committed to creating a positive impact on the communities it serves. Through its CSR Policy, the Company undertakes initiatives that support education, healthcare, environmental stewardship, employee welfare, community development and other philanthropic causes.

The Company's CSR activities are guided by a framework designed to align social responsibility objectives with its corporate values and business strategy. The Board and management actively promote the integration of CSR considerations into business operations, reinforcing the Company's commitment to ethical business practices, sustainable development and stakeholder value creation.

In line with this commitment, the Company continued its healthcare outreach programme in Karachi by providing free medical consultation and healthcare services to underserved segments of society. This initiative demonstrates the Company's dedication to enhancing community welfare, supporting vulnerable populations and contributing to the overall socio-economic development of the communities in which it operates.

Health, Safety and Environment Policy - HSE

The Company recognises that effective management of health, safety and environmental matters is essential to sustainable business operations and long-term value creation. Accordingly, it has established a comprehensive Health, Safety and Environment (HSE) Policy aimed at ensuring a safe and healthy workplace, protecting the environment and managing operational risks in a responsible manner.

The Company's HSE framework focuses on the identification, evaluation and mitigation of risks that may impact employees, communities and the environment. To support employee welfare, the Company maintains a Group Life Insurance Policy for its employees and provides medical coverage to eligible administrative staff.

The Company remains committed to environmental sustainability through initiatives focused on pollution prevention, conservation of natural resources, efficient water management and environmental protection. Continuous improvement of HSE practices, coupled with strong management oversight, enables the Company to strengthen operational resilience, promote responsible corporate citizenship and support sustainable growth.

Sustainability Report (Environmental, Social and Governance - ESG)

The Sustainability Report in compliance with IFRS S1, IFRS S2 and SECP ESG Guidelines is enclosed in the annual report of the company.

Addressing Sustainability Risks

The Company recognises that the effective management of sustainability-related risks is fundamental to achieving long-term business resilience, sustainable growth and value creation. As part of its enterprise risk management framework, the Company continuously identifies, assesses and monitors environmental, social and governance (ESG) risks and opportunities that may influence its operations, reputation, financial performance and strategic objectives.

The Company has established appropriate policies, controls and mitigation measures to address emerging sustainability-related risks, improve operational efficiency and ensure compliance with applicable legal and regulatory requirements. Through a proactive approach to risk management, the Company seeks to strengthen organisational resilience, safeguard stakeholder interests and support the achievement of its long-term strategic goals.

The Company remains committed to responsible business practices, prudent resource utilisation and meaningful stakeholder engagement. Sustainability considerations are integrated into key business processes and decision-making activities to promote environmental stewardship, social responsibility and sound governance across the organisation.

By continually enhancing its sustainability practices and implementing improvement initiatives, the Company aims to create long-term value for shareholders and other stakeholders while contributing to sustainable economic, social and environmental development.

A comprehensive overview of the Company's sustainability strategy, governance structure, material ESG risks and opportunities, performance indicators and key initiatives is presented in the Sustainability Report, which forms an integral part of this Annual Report.

Promoting the Diversity, Equity and Inclusion - DEI

The Company is committed to fostering a workplace culture that values diversity, promotes equity and embraces inclusion as fundamental drivers of sustainable business success. The Company provides equal employment opportunities to all individuals and ensures that employment-related decisions are based solely on merit, qualifications, performance and business requirements, without discrimination on the basis of gender, age, ethnicity, religion, disability or any other protected characteristic.

The Company strives to maintain an inclusive work environment that respects individual differences, encourages collaboration and promotes mutual respect, professional growth and employee well-being. Through fair and transparent recruitment, training, performance management and career development practices, the Company seeks to attract, develop and retain a diverse and talented workforce.

The Board and management remain committed to cultivating a workplace culture in which all employees feel valued, respected and empowered to contribute their unique perspectives and capabilities. By fostering diversity of thought and providing equitable opportunities for growth and advancement, the Company enhances employee engagement, strengthens organisational effectiveness and supports innovation and sustainable business performance.

The Company believes that a diverse and inclusive workforce contributes to better decision-making, improved stakeholder relationships and long-term value creation. Accordingly, diversity, equity and inclusion considerations are embedded within the Company's human capital management practices and organisational culture.

A comprehensive overview of the Company's diversity, equity and inclusion initiatives, policies and performance is provided in the Sustainability Report, which forms an integral part of this Annual Report.

Directors Remuneration Policy

The Company has established a Directors' Remuneration Policy that is aimed at ensuring fair, transparent and market-competitive compensation arrangements for its Directors. The policy is designed to recognise individual responsibilities, performance and contribution to the achievement of the Company's strategic objectives while safeguarding the interests of shareholders.

The remuneration framework supports the attraction and retention of highly qualified professionals, promotes alignment between remuneration outcomes and the Company's long-term performance, and reinforces a culture of accountability and responsible risk management. The policy further seeks to ensure

that remuneration practices contribute to sustainable value creation and the long-term success of the Company.

The policy is developed upon the recommendations of the Human Resource and Remuneration Committee ("HRRC") and is approved by the Board in accordance with the Companies Act, 2017, the Company's Articles of Association and the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Executive Directors are entitled to remuneration and other benefits approved by the Board based on the recommendations of the HRRC. Shareholders' approval is obtained in accordance with applicable statutory and regulatory requirements.

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

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

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

Statutory Auditors

The present auditor's M/s Mushtaq & Company, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2026 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2027. The external auditor M/s Mushtaq & Company, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are fully complied with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

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

The Board of Directors also recommended the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2027 and the remuneration of the auditors has been fixed at PKR 3,100,000 (Year 2025-26: PKR 3,100,000) for the year 2026-27 as recommended by the audit committee to the board under regulation 32(3) of the Code. The assignments include statutory audit, half yearly review and code of corporate governance review.

Material Changes and Commitments

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

Acknowledgement

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

For and on behalf of the Board



Bilal Sharif
(Chief Executive Officer)

Karachi: September 29, 2026



Mohammad Salim
(Director)

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

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

Faisal Spinning Mills Limited Year Ending June 30, 2026

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

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

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

2. The composition of the Board is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Audit Committee

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

(b) Human Resource & Remuneration Committee

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

c) Nomination Committee (N/A)

The explanation stated below for not forming the nomination committee.

d) Risk Management Committee (N/A)

The explanation stated below for not forming the nomination committee.

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

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

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

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

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

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

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

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

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

For and on behalf of the Board



MOHAMMAD SALIM

(Chairman)

September 29, 2026, Karachi

Independent Auditor's Review Report

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Faisal Spinning Mills Limited** for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.



Place: Karachi
Dated: October 01, 2026
UDIN: CR202610043Rtj1VJKvi


MUSHTAQ & CO.
Chartered Accountants


Engagement Partner:
Zahid Hussain Zahid, FCA

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Faisal Spinning Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2026 and the statement of profit or loss, the statements of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss and other comprehensive income the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter(s)

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

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

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Stock in Trade Refer to note 3.15 & 23 to the financial statements.	Our key audit procedures in this area amongst others included the following;

	We identified this area as a key audit matter because inventories constitute significant portion of total assets of the Company. Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.	- Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets. - Compared on sample basis specific purchases and directly attributable cost with underlying supporting documents. - Checked overhead absorption rates at different stages of production to ascertain valuation of work in process and finished goods. - Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. - Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards. - Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit

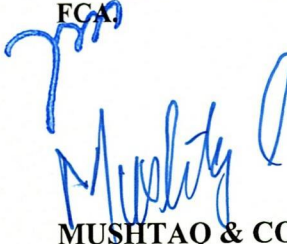
matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Zahid Hussain Zahid, FCA**



MUSHTAQ & CO
Chartered Accountants

Karachi.

Dated: September 30, 2026

UDIN: AR202610043Rz3ZInacm

Faisal Spinning Mills Limited

Statement of Financial Position

As at June 30, 2026

EQUITY AND LIABILITIES		Note	June 30, 2026 Rupees	June 30, 2025 Rupees	ASSETS		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
SHARE CAPITAL AND RESERVES					NON CURRENT ASSETS				
Authorized capital									
12,000,000 (2025: 12,000,000) ordinary shares of PKR 10 each					Property, plant and equipment				
					Long term investments				
					Long term deposits				
Issued, subscribed and paid up capital									
Reserves									
Loan from directors and sponsors									

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Profit or Loss For the Year Ended June 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Sales - Net	32	45,841,296,908	46,203,552,790
Cost of sales	33	(42,354,461,446)	(42,529,746,167)
Gross profit		3,486,835,462	3,673,806,623
Other income	34	547,679,171	238,075,025
		4,034,514,633	3,911,881,648
Distribution cost	35	(1,435,366,965)	(1,506,676,743)
Administrative expenses	36	(563,553,524)	(545,145,319)
Other operating expenses	37	(47,062,567)	(16,839,522)
Finance cost	38	(1,505,150,435)	(1,513,144,375)
		(3,551,133,491)	(3,581,805,959)
		483,381,142	330,075,689
Share of Profit/(loss) from associated undertaking		75,386,260	(17,911,648)
Profit before levies and taxation		558,767,402	312,164,041
Levies	39.1	(579,024,794)	(577,544,410)
Loss before taxation		(20,257,392)	(265,380,369)
Taxation	39.4	(393,278,454)	(3,886,716)
Loss after taxation		(413,535,846)	(269,267,085)
Loss per share - basic and diluted	40	(41.35)	(26.93)

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Comprehensive Income For the Year Ended June 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Loss after taxation		(413,535,846)	(269,267,085)
Other comprehensive income / (loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
		-	-
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain / (loss) on remeasurement of employees retirement benefits - gratuity	10.2	5,138,239	(40,033,182)
Share of OCI of associate	20	(212,662)	(4,668,666)
		4,925,577	(44,701,848)
Total comprehensive Loss for the year		(408,610,269)	(313,968,933)

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Changes in Equity For the Year Ended June 30, 2026

	Share Capital	Capital Reserves	Revenue Reserves		Loans from directors and sponsors	Total
			General Reserves	Unappropriated Profit		
	Rupees.....					
Balance as at June 30, 2024	100,000,000	24,150,000	9,975,850,000	1,312,047,267	1,072,718,600	12,484,765,867
Total comprehensive loss for the year						
Loss for the year	-	-	-	(269,267,085)	-	(269,267,085)
Other comprehensive loss	-	-	-	(44,701,848)	-	(44,701,848)
Balance as at June 30, 2025	100,000,000	24,150,000	9,975,850,000	998,078,334	1,072,718,600	12,170,796,934
Total comprehensive loss for the year						
Loss for the year	-	-	-	(413,535,846)	-	(413,535,846)
Other comprehensive income	-	-	-	4,925,577	-	4,925,577
Balance as at June 30, 2026	100,000,000	24,150,000	9,975,850,000	589,468,065	1,072,718,600	11,762,186,665

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Statement of Cash Flows For the Year Ended June 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and taxation		558,767,402	312,164,041
Adjustments for:			
Depreciation of property, plant and equipment		1,026,095,300	873,563,359
Share of profit from associated undertaking		(75,386,260)	17,911,648
Provision for ECL		7,188,173	2,542,725
Reversal of allowance for ECL		(2,542,725)	(9,052,781)
Unamortized interest income		(411,546,331)	-
Provision for staff retirement benefits		181,227,459	175,664,689
Gain on disposal of property, plant and equipment		(3,106,529)	(1,071,983)
FV gain on remeasurment of short term investments		(1,151,069)	-
Finance cost		1,505,150,435	1,513,144,375
		2,225,928,453	2,572,702,032
Operating cash flows before movements in working capital		2,784,695,855	2,884,866,073
Changes in working capital			
Stores, spares and loose tools		(18,207,867)	(127,733,557)
Stock in trade		5,992,759,005	(4,744,725,091)
Trade debts		(430,816,442)	158,651,495
Loans and advances		463,161,560	(483,286,345)
Trade deposits		1,108,211,260	(701,068,147)
Other receivables		(69,188,439)	(18,495,495)
Sales tax refund		(921,678,734)	(313,071,833)
Trade and other payables		1,052,208,582	290,109,218
		7,176,448,925	(5,939,619,755)
Cash generated from / (used in) operations		9,961,144,780	(3,054,753,682)
Finance cost paid		(1,579,257,275)	(1,442,410,177)
Staff retirement benefits - gratuity paid		(122,082,618)	(86,849,193)
Income taxes and levies paid - net		(1,279,870,427)	(860,022,470)
Long term payables - ETO		(186,620,616)	-
Long term deposits		(69,842,890)	(29,045,535)
		(3,237,673,826)	(2,418,327,375)
Net cash generated from / (used in) operating activities		6,723,470,954	(5,473,081,057)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		10,383,711	10,619,672
Addition in property, plant and equipment		(1,096,725,139)	(2,638,578,101)
Purchase of short term investments		(393,064,502)	-
Net cash used in investing activities		(1,479,405,930)	(2,627,958,429)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term finances		1,002,263,285	1,714,758,206
Repayment of long term financing		(760,481,646)	(766,046,527)
Short term borrowings - net		(5,667,258,082)	6,926,084,014
Dividend paid		(54,132)	(146,972)
Net cash (used in) / generated from financing activities		(5,425,530,575)	7,874,648,721
Net decrease in cash and cash equivalents		(181,465,551)	(226,390,765)
Cash and cash equivalents at the beginning of year		349,020,982	575,411,747
Cash and cash equivalents at the end of year	31	167,555,431	349,020,982

The annexed notes from 1 to 54 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

Notes to the Financial Statements**For the year ended June 30, 2026****1 The Company and its Operations**

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

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

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

Notes to the Financial Statements

For the year ended June 30, 2026

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

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

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

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

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

		Effective date (annual reporting periods beginning on or after)
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21	The effects of changes in foreign exchange rates (Amendments)	January 1, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts (Amendments)	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

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

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 20	Regulatory Assets and Regulatory Liabilities

3 Material Accounting Policy Information

3.1 Borrowings

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

Notes to the Financial Statements
For the year ended June 30, 2026**3.2 Employee benefits****Post retirement benefits****Defined benefit plans**

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

Amounts recognized in the statement of financial position represent the present value of the defined benefit obligation determined through actuarial valuation using the projected unit credit method.

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

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

3.3 Taxation

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

Current

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

Deferred

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

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a

Notes to the Financial Statements
For the year ended June 30, 2026

transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

Levies

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

3.4 Provisions

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

3.5 Trade and other payables

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

3.6 Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

3.7 Dividend

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

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

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

Subsequent cost

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

Depreciation

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

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

Notes to the Financial Statements
For the year ended June 30, 2026

depreciation is material.

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

Impairment

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

Leased assets**Recognition**

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

Initial measurement**Lease liability**

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

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

Right-of-use asset

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

Subsequent measurement**Lease liability**

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

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

Notes to the Financial Statements**For the year ended June 30, 2026****Right-of-use asset**

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

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

Ijarah Contracts

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

3.9 Capital work in progress

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

3.10 Investments in associate - Equity Method

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

3.11 Financial assets and liabilities**Financial assets**

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

Amortised Cost

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

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms

Notes to the Financial Statements**For the year ended June 30, 2026**

of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

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

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

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

Derecognition

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

Financial Liabilities

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

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

Derecognition

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

Notes to the Financial Statements
For the year ended June 30, 2026**3.12 Impairment****Financial Assets**

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

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

Non-Financial Assets

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

3.13 Offsetting of financial assets and financial liabilities

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

3.14 Stores and spares

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

3.15 Stock-in-trade

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

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

Notes to the Financial Statements**For the year ended June 30, 2026**

Valuation of raw material, work in process and finished goods as on June 30, 2026 have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

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

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

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

3.16 Trade debts and other receivables

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

3.17 Cash and cash equivalents

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

3.18 Revenue recognition

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

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

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

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

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

3.19 Other Income

Other income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Income and gains arising from financial and non-financial assets and liabilities, are recognized in profit or loss in accordance with the requirements of applicable IFRS. Liabilities written back are recognized when the related obligation no longer exists.

3.20 Borrowing costs

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

3.21 Foreign currency translation

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

Notes to the Financial Statements
For the year ended June 30, 2026

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

3.22 Transactions with related party

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

3.23 Segment reporting

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

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

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

3.24 Deferred Government Grant

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

4 Capital Management

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

5 Issued, Subscribed and Paid up Capital

Number of shares		Note	June 30, 2026	June 30, 2025
June 30, 2026	June 30, 2025		Rupees	Rupees
6,300,000	6,300,000	Ordinary shares of Rs 10 each allotted for consideration - fully paid in cash	63,000,000	63,000,000
3,700,000	3,700,000	Ordinary shares of Rs 10 each allotted as bonus shares	37,000,000	37,000,000
10,000,000	10,000,000		100,000,000	100,000,000

5.1 Admiral (Private) Limited, an associated company, holds 1,504,404 (2025: 1,440,493) ordinary shares of Rs. 10 each in the company.

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

6 Reserves

Capital Reserves		24,150,000	24,150,000
General Reserves - Revenue reserves	6.1	9,975,850,000	9,975,850,000
Unappropriated Profit - Revenue reserves		589,468,065	998,078,334
		10,589,468,065	10,998,078,334

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

7 Loan from Directors and Sponsors

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

8 Long Term Financing - Secured

From Financial Institutions

Facility	Limit	Rate	Repayments	Frequency	Security	June 30, 2026	June 30, 2025
						Rupees	Rupees
United Bank Limited							
LTFF	2065.9 M	SBP rate + Spread ranging from 0.5 % to 0.75% (2025: SBP rate + Spread ranging from 0.5 % to 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from 2015 and ending in 2029	Quarterly	First pari passu charge over plant and machinery of Spining Unit situated at 1Noori Abad, to the extent of Rs. 1.374 billion.	191,912,739	284,094,079
		SBP rate + Spread ranging from 0.5 % to 1% (2025: SBP rate + Spread ranging from 0.5 % to 1%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from 2015 and ending in 2032		First pari passu charge over plant and machinery of Weaving Unit situated at 18 KM, Faisalabad Road, Feroz Watwan, District Sheikhpora, to the extent of Rs. 2.205 billion.	386,728,739	592,269,295
TERF	160 M	SBP rate + Spread 0.75% (2025: SBP rate + Spread 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from Aug 2023 and ending in May 2031		First charge over plant and machinery of Weaving Unit situated at 18 KM, Faisalabad Road, Feroz Watwan, Sheikhpora, to the extent of Rs. 2.205 billion.	83,763,429	97,935,773
DM	200 M	3 Months KIBOR + 1% (2025: Nil)	The loans are repayable in fourteen equal quarterly installments, commenced from Sep 2027 and ending in Dec 2030		First charge over plant and machinery of Weaving Unit situated at 18 KM, Faisalabad Road, Feroz Watwan, Sheikhpora, to the extent of Rs. 2.205 billion.	96,169,904	-
						758,574,811	974,299,147

Facility	Limit	Rate	Repayments	Frequency	Security	June 30, 2026 Rupees	June 30, 2025 Rupees
Bank Al Falah Limited							
LTFF	2197 M	SBP rate + 0.75% (2025: SBP rate + 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from Nov 2022 and ending in June 2032	Quarterly	First charge over plant and machinery of Finishing Unit situated at 1.7KM Warburton Road Sheikhupura, Punjab to the extent of Rs. 6.97 billion (2025: 6.97 billion).	1,632,418,393	2,006,047,217
TERF	388 M	SBP rate + 0.75% (2025: SBP rate + 0.75%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from March 2023 and ending in Nov 2031			243,848,954	282,677,844
Term Finance	1500 M	3 months KIBOR + 0.85% (2025: 3 months KIBOR + 0.85%)	The loans are repayable in Twenty Four equal quarterly installments, commencing from April 2027 and ending in Jan 2033			838,427,806	838,427,806
LTFF	450 M	SBP rate + 1% (2025: Nil)	The loans are repayable in twenty four equal quarterly installments, commencing from Oct 2027 and ending in July 2033	Quarterly	First charge over plant and machinery of Finishing Unit situated at 1.7KM Warburton Road Sheikhupura, Punjab to the extent of Rs. 6.97 billion (2025: Nil).	463,495,100	-
LTFF	105 M	SBP rate + 1% (2025: Nil)	The loans are repayable in sixteen equal quarterly installments, commencing from March 2027 and ending in Dec 2030		First charge over plant and machinery of Finishing Unit situated at 1.7KM Warburton Road Sheikhupura, Punjab to the extent of Rs. 6.97 billion (2025: Nil).	45,886,151	-
LTFF		SBP rate + 1% (2025: Nil)	The loans are repayable in sixteen equal quarterly installments, commencing from March 2027 and ending in Dec 2030		First charge over plant and machinery of Finishing Unit situated at 1.7KM Warburton Road Sheikhupura, Punjab to the extent of Rs. 6.97 billion (2025: Nil).	16,712,130	-
Term Loan	400 M	6 months KIBOR +0.50% (2025: Nil)	Bullet at the end of 3 years from date of drawdown	Single	First charge over plant and machinery of Finishing Unit situated at 1.7KM Warburton Road Sheikhupura, Punjab to the extent of Rs. 6.97 billion (2025: Nil).	380,000,000	-
						3,620,788,534	3,127,152,867
Dubai Islamic Bank Limited							
LTFF	61.5 M	SBP rate + Spread 2.0% (2025: SBP rate + Spread 2.0%)	The loans are repayable in twenty one equal installments, commenced from May 2023 and ending in January 2028.	Quarterly	Exclusive charge on Jenbacher Natural Gas Genset location at Faisal Spinning Mills Ltd, A-150, SITE Area Nooriabad, Jamshoro, Sindh to the extent of Rs. 76.148 million (2025: 76.148 million).	21,515,550	33,810,150
						21,515,550	33,810,150
Bank Islami Limited							
IFRE	18.7 M	SBP rate + Spread 1.0% (2025: SBP rate + Spread 1.0%)	The loans are repayable in thirty nine equal installments, commenced from July 2022 and ending in March 2032.	Quarterly	Specific Charge over plant and machinery comprising solar power equipment installed at finishing Unit situated at 1.7KM Warburton Road Sheikhupura, Punjab to the extent of Rs. 25 Million (2025: 25 million).	13,675,606	15,629,262
						13,675,606	15,629,262
Habib Bank Limited							
Term Finance	2580 M	3 months Kibor + 1% (2025: 3 months Kibor + 1%)	The loans are repayable in Thirty Two equal quarterly installments, commenced from July 2026 and ending in June 2034	Quarterly	Specific charge over plant and machinery of Spinning Unit situated at Noori Abad, to the extent of Rs. 1.113 billion and ranking charge over plant & machinery of the Company to the extent of Rs. 371 million (2025: 371 million).	1,106,063,850	1,106,063,850
						1,106,063,850	1,106,063,850
						5,520,618,351	5,256,955,276
						828,032,968	760,481,640
						4,692,585,383	4,496,473,636
Less: Current portion shown in current liabilities							

9	Long Term Payables	Note	June 30, 2026	June 30, 2025
			Rupees	Rupees
	Infrastructure fee payable - ETO	9.1	459,349,876	-
9.1	Movement in liability recognized in the statement of financial position			
	Balance at beginning of the year		-	-
	Reclassified from current liabilities		1,244,137,439	-
	Paid during the year		(186,620,616)	-
	Notional interest expense		14,150,275	-
	Unamortized notional interest		(425,696,606)	-
			645,970,492	-
	Current portion shown under current liabilities		(186,620,616)	-
			459,349,876	-
9.1.1	During the year, the Company entered into a Settlement Agreement dated April 20, 2026 with the Government of Sindh for settlement of its outstanding and/or disputed liability relating to Sindh Infrastructure Cess. The liability has been accounted for in accordance with the Accounting Guidance on Sindh Development and Maintenance of Infrastructure Cess issued by ICAP and applicable IFRS Accounting Standards.			
	Under the agreement, the liability is payable through three initial instalments of Rs. 186.62 million each annually, followed by 48 equal quarterly instalments of approximately Rs. 14.26 million each from July 15, 2028 to April 15, 2040. The liability has been recognized at present value and is subsequently measured using the effective interest method, with unwinding of discount recognized as finance cost. As at June 30, 2026, the liability is classified between current and non-current portions based on contractual payments due within and after twelve months, respectively.			
10	Employees Retirement Benefits	Note	June 30, 2026	June 30, 2025
			Rupees	Rupees
10.1	Movement in liability recognized in the statement of financial position			
	Balance at beginning of the year		652,007,475	523,158,797
	Charged to Statement of profit or loss	10.2	181,227,459	175,664,689
	Charged to Statement of comprehensive income		(5,138,239)	40,033,182
	Benefits paid during the year		(122,082,618)	(86,849,193)
	Balance at the end of the year		706,014,077	652,007,475
10.2	Amount charged to Statement of profit or loss	Note	June 30, 2026	June 30, 2025
	Current service cost		119,565,031	119,694,412
	Interest cost		61,662,428	55,970,277
	Charge to Statement of profit or loss		181,227,459	175,664,689
10.3	Amount charged to Statement of comprehensive income			
	Due to change in financial assumptions		-	-
	Due to change in demographic assumptions		-	-
	Due to change in experience assumptions		(5,138,239)	40,033,182
	Remeasurement (loss) / gain in the year		(5,138,239)	40,033,182
10.4	Gratuity expenses have been allocated as follows:			
	Cost of sales		143,079,730	143,197,115
	Distribution Cost		10,484,299	8,209,646
	Administrative expenses		27,663,430	24,257,928
			181,227,459	175,664,689
10.5	The company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. Actuarial valuation has been carried out by independent actuary as at June 30, 2026 using the "Projected Unit Credit Method" assuming a discount rate of 11.75% (2025: 11.75%) per annum, expected rate of increase in salaries at 10.75% (2025: 10.75%) per annum.			
10.6	There is no unrecognized actuarial loss / gain.			
10.7	Historical information	Actuarial adjustment arising (%)	Present value of defined benefit obligation Rupees	Experience adjustment on plan liabilities Rupees
	30th June 2025	6.14%	652,007,475	40,033,182
	30th June 2024	5.64%	523,158,797	29,525,137
	30th June 2023	7.88%	395,311,495	31,134,625
	30th June 2022	-0.05%	279,196,638	(131,268)
10.8	Sensitivity analysis of actuarial assumptions			
	The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.			
			Increase in assumption	Decrease in assumption
	Discount rate		(52,035,451)	60,639,616
	Expected rate of increase in future salary		60,639,616	(52,914,652)
10.9	The expected post employment benefit cost comprising of service cost and net interest for the year ending June 30, 2027 works out to Rs. 204.67 million.			
10.10	The weighted average duration of defined benefit obligation is 9 years.			
11	Deferred Taxation	Note	June 30, 2026	June 30, 2025
			Rupees	Rupees
	Deferred tax liability on taxable temporary differences		227,155,066	215,879,026
	Deferred tax asset on deductible temporary differences		-	-
			227,155,066	215,879,026

2026			
As at July 01, 2025	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2026
Taxable temporary differences			
Accelerated tax depreciation on owned assets	-	-	-
Investment in associated company	215,879,026	11,276,040	227,155,066
	215,879,026	11,276,040	227,155,066
Deductible temporary differences			
Provision for employee benefit	-	-	-
Provision for doubtful debts	-	-	-
Unused tax credit	-	-	-
	215,879,026	11,276,040	227,155,066

2025			
As at July 01, 2024	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2025
Taxable temporary differences			
Accelerated tax depreciation on owned assets	-	-	-
Investment in associated company	219,266,073	(3,387,047)	215,879,026
	219,266,073	(3,387,047)	215,879,026
Deductible temporary differences			
Provision for employee benefit	-	-	-
Provision for doubtful debts	-	-	-
Unused tax credit	-	-	-
	219,266,073	(3,387,047)	215,879,026

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

12	Deferred Government grant	Note	June 30, 2026	June 30, 2025
			Rupees	Rupees
	Balance at beginning of the year		78,304,326	103,086,129
	Amortized during the year		(21,881,436)	(24,781,803)
			56,422,890	78,304,326
	Less: current portion	17	(18,724,347)	(21,118,641)
	Balance at the end of the year		37,698,543	57,185,685
12.1	The Company obtained long-term loan agreements with Bank Al Falah Limited and United bank limited under "SBP Temporary Economic Refinance Facility" for additions of new plant & machinery. The facilities carry mark-up at State Bank of Pakistan (SBP) rate 1% plus bank's spread of 0.75% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. The loans have been measured at fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.			

13	Trade and Other Payables		June 30, 2026	June 30, 2025
			Rupees	Rupees
	Creditors		3,345,185,300	2,609,989,824
	Accrued liabilities		830,777,176	668,946,384
	Contract liabilities	13.1	159,597,744	158,137,400
	Road Infrastructure cess payable	13.2	7,854,477	1,055,137,883
	Gas Infrastructure cess payable	13.3	331,023,030	331,023,030
	Workers' profit participation fund	13.4	4,442,903	16,839,522
	Workers' welfare fund	13.5	-	-
	Others		28,561,337	59,296,781
			4,707,441,967	4,899,370,824

13.1 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. 125.16 million (2025: Rs.84.29 million) has been recognised in current year in respect of advances from customers at the beginning of period.

13.2 Punjab Infrastructure Tax was levied by the Excise and Taxation Officer ("ETO"), Government of Punjab, on the movement of imported goods entering Punjab Province from outside Pakistan. The Company has challenged the levy before the Lahore High Court. Pending final adjudication of the matter, the Honorable Court has granted a stay against recovery of the levy, subject to the Company furnishing bank guarantees in favour of the ETO.

Sindh Infrastructure Cess was levied by the Excise and Taxation Officer ("ETO"), Government of Sindh, on the movement of imported goods entering Sindh Province from outside Pakistan. During the year, the Company entered into a settlement with the Government of Sindh in respect of the levy. Details of the settlement are disclosed in Note 9 to these financial statements.

13.3 Movement in liability recognized in the statement of financial position

Balance at beginning of the year	331,023,030	409,741,290
Paid / reversed during the year	-	(78,718,260)
Balance at the end of the year	331,023,030	331,023,030

It includes an amount of Rs. 51.99 million (2025: Rs.49.90 million) on account of tariff difference on captive and general rates against which the Company has provided bank guarantee / post dated cheques of an aggregate amount of Rs. 50.31 million (2025: Rs. 50.30 million) on the orders of Sindh High Court and has accrued unpaid tariff difference. The Company vide petition 1234/2021 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated November 22, 2020 had suspended the recovery of GIDC installments. Further, the Company vide petition 1848/2021 dated August 30, 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated August 13, 2020 in relation to commencement of work on specified projects.

			June 30, 2026 Rupees	June 30, 2025 Rupees
13.4	Workers' profit participation fund	Note		
	Balance at beginning of the year		16,839,522	-
	Interest on funds utilized in the Company's business	13.4.1	915,563	-
			17,755,085	-
	Paid during the year		(17,755,085)	-
			-	-
	Allocation / expense for the year		4,442,903	16,839,522
			4,442,903	16,839,522
13.4.1	Interest on workers' profit participation fund has been provided @ 13.5% (2025: Nil%) per annum.			
13.5	Workers' welfare fund			
	Balance at beginning of the year		-	224,064,703
	Paid / adjusted during the year		-	(224,064,703)
			-	-
	Allocation / expense for the year		-	-
			-	-
13.5.1	After the decision of the Honorable High Court of Sindh, the provisions of the Workers' Welfare Fund Ordinance, 1971 have been applied to the Company as it qualifies as a trans-provincial entity. Accordingly, the previously recognized liabilities have been settled, and any excess amounts have been reversed to ensure alignment with the Workers' Welfare Fund Ordinance, 1971 in line with the decision of the Council of Common Interests (CCI) regarding trans-provincial companies.			
14	Unclaimed Dividend			
	Unclaimed dividend		19,259,261	19,313,393
15	Accrued Markup / Interest			
	Accrued markup / interest on secured		83,456,469	76,102,149
	- long term financing		116,276,506	197,737,666
	- short term borrowings		199,732,975	273,839,815
16	Short Term Borrowings - secured			
	From banking companies			
	Running finance / Musharika		2,961,275,481	3,486,133,740
	Money market loans		516,700,000	6,170,000,000
	State Bank of Pakistan (SBP) refinances	16.3	7,025,312,102	6,514,411,925
			10,503,287,583	16,170,545,665
16.1	The aggregate approved short term borrowing facilities amounted to Rs.29.05 billion (2025: Rs. 25.60 billion). Out of total facilities, facilities of Rs. 18.50 billion (2025: Rs. 12.93 billion) are unavailed at the reporting date.			
16.2	Facilities, other than those described in Note 16.3, are subject to mark-up ranging from 1 to 3 month KIBOR plus 0.07% to KIBOR plus 1% (2025: 1 to 3 month KIBOR minus 2.17% to KIBOR plus 2%) per annum payable quarterly.			
16.3	The rates of mark-up range from 2% to 8.5% (2025: 2% to 17.5%) per annum.			
16.4	Short term facilities are secured against hypothecation charge on stock, stores and receivables.			
17	Current Portion of Long Term Financing	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	Long term financing	8	828,032,968	760,481,640
	Deferred Government grant	12	18,724,347	21,118,641
	Long term payables - Road infrastructure cess	9.1	186,620,616	-
			1,033,377,931	781,600,281
18	Contingencies and Commitments			
	Contingencies			
18.1	In normal course of business, the Company has issued Post dated cheques / indemnity bonds amounting to Rs. 23.46 billion (2025: Rs. 23.03 billion) in favour of collector of customs in lieu of custom, SSG levies and sales tax levies against various statutory notification and the indemnity bond furnished by the Company are likely to be released after fulfilment of the terms of related SRO's.			
18.2	Bank guarantees issued to utility companies on behalf of the company amounting Rs. 758.37 million (2025: Rs. 757.56 million), Excise and Taxation - Government of Sindh Rs. Nil (2025: Rs. 1,101.41 million), Excise and Taxation - Government of Punjab Rs. 7.90 million (2025: Rs. 7.90 million) and Pakistan State Oil Company Limited Rs. 2.250 million (2025: Rs. 2.250 million).			
18.3	The Government has levied Super Tax on high earning persons as well on companies assessed under final tax regime, which was levied by the Government for the tax year 2022 in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 in the Sindh High Court who decided the matter in favour of the petitioners ultra vires to the Constitution of Pakistan. The FBR challenged the said decision before the Supreme Court of Pakistan who, vide interim order dated February 2023, directed that the taxpayers shall pay super tax to Nazir on the direction of sindh high court. The Company, complying with the directions, provided security of 100% super tax to the Nazir of High Court. 40% of which was encashed and deposited with the FBR. During the year 2026, the Federal Constitutional Court decided the matter in favour of FBR and against the Company. Accordingly, the Company has recognized the provision for super tax in its financial statements. However, the Company has filed a review petition against the said decision, which is currently pending adjudication.			
18.4	The Company, along with other petitioners, has challenged before the Lahore High Court the retrospective determination and recovery of RLNG/gas tariff arrears for the respective periods under W.P. No. 1073 of 2026 (April 2015 to June 2022) and W.P. No. 21088 of 2026 (July 2022 to March 2024). The Company contends that the retrospective recovery is not supported by law. On January 12, 2026 and April 09, 2026, respectively, the Court suspended the impugned notifications and directed SNGPL to issue revised bills excluding the disputed amounts, against post-dated cheques provided by the Company. The matters remain pending before the Lahore High Court.			
18.5	The Securities and Exchange Commission of Pakistan issued a show cause notice dated May 15, 2023 under section 257 of the Companies Act, 2017, requiring the Company to explain why inspectors should not be appointed to investigate matters relating to the disposal of certain industrial and agricultural land, including the disposal price, information provided to shareholders and accounting for the transaction. The Company contested the proceedings through Suit No. 1114 of 2023 before the High Court of Sindh, Karachi. The Court granted interim relief against the show cause notice. The matter remains pending adjudication. The notice does not impose a quantified monetary demand or penalty, and no provision has been recognised in these financial statements in respect of these proceedings.			

			June 30, 2026 Rupees	June 30, 2025 Rupees
	Note			
18.6	Bills discounted		4,489,531,987	5,044,654,531
18.7	Share of contingencies of its associated company, Blessed Textiles Limited:			
	Bank guarantees		72,130,461	237,977,104
	Bills discounted		268,831,064	267,106,700
	Post dated cheques		-	2,573,656,064
			340,961,525	3,078,739,868
Commitments				
18.8	Letters of credit for: (Raw material, stores & machinery)		2,491,704,412	1,439,487,518
18.9	Share of commitments of its associated company Blessed Textiles Limited:			
	- purchase of fixed assets / capital commitments		-	-
	- purchase of stores and spares		456,280	3,301,619
	- purchase of raw material		408,316,738	472,184,695
			408,773,018	475,486,314
18.10	Ijarah Vehicles:			
	The Company has entered into Ijarah arrangements for vehicles with Meezan Bank Limited. These arrangements have been made for the period of five years. This arrangements carry Mark up range from 3 Month KIBOR+ 0.50% to 6 Month KIBOR+ 0.50% per annum. The rate would be fixed for the first three months on the last working day before the first disbursement date and subsequently on each last working day immediately preceding the beginning of next three months. Lease rentals shall be revised in accordance with the change in KIBOR to appropriately reflect the Bench Mark. Future Ijarah payments due under these arrangements at the period end are as follows:			
	Not later than one year		31,205,410	29,176,716
	Later than one year & not later than five years		52,377,518	51,644,307
	Later than five years		-	-
			83,582,928	80,821,023
19	Property, Plant and Equipment			
	Operating fixed assets	19.1	11,724,505,351	10,651,558,893
	Capital work in progress	19.6	167,258,712	1,176,852,513
			11,891,764,063	11,828,411,406

Faisal Spinning Mills Limited
**Notes to the Financial Statements
For the year ended June 30, 2026**
19.1 Operating fixed assets

Description	COST				DEPRECIATION				Book value as at June 30, 2026	Depreciation %
	As at July 01, 2025	Additions	Transfers / (Disposal)	As at June 30, 2026	As at July 01, 2025	Charge for the year	Transfers / (Disposal)	As at June 30, 2026		
	Rupees.....									
Freehold land	1,017,060,360	-	-	1,017,060,360	-	-	-	-	1,017,060,360	-
Leasehold land	222,877,085	-	-	222,877,085	-	-	-	-	222,877,085	-
Factory building on freehold land	2,103,682,872	-	6,876,262	2,110,559,134	790,440,286	131,381,559	-	921,821,845	1,188,737,289	10%
Factory building on leasehold land	252,617,099	-	-	252,617,099	191,097,079	6,152,001	-	197,249,080	55,368,019	10%
Factory building on Leasehold extension	5,169,785	-	-	5,169,785	4,685,781	48,400	-	4,734,181	435,604	10%
Non factory building on freehold land	555,968,070	-	104,690,141	660,658,211	118,130,470	22,652,783	-	140,783,253	519,874,958	5%
Non factory building on leasehold land	20,390,399	-	-	20,390,399	13,722,501	200,365	-	13,922,866	6,467,533	5%
Non factory building on Leasehold extension	168,065,547	-	-	168,065,547	91,288,251	5,645,417	2,660,608	99,594,276	68,471,271	5%
Plant and machinery	11,310,982,034	-	1,716,438,363	13,020,771,220	4,729,105,698	675,151,263	(3,825,801)	5,394,283,339	7,626,487,881	10%
			(6,649,177)				(6,147,821)			
Electric equipment and fitting	546,194,771	-	171,098,617	717,293,388	207,908,442	34,576,458	1,165,193	243,650,093	473,643,295	10%
Gas line and pipe fitting	7,943,179	-	-	7,943,179	7,006,082	93,710	-	7,099,792	843,387	10%
Factory equipment	41,967,755	-	543,660	42,511,415	11,606,287	1,917,399	-	13,523,686	28,987,729	10%
Office equipment	32,502,498	-	-	32,502,498	2,307,268	4,435,292	-	6,742,560	25,759,938	10%
Furniture and fixtures	168,144,576	-	-	168,144,576	53,420,399	11,472,418	-	64,892,817	103,251,759	10%
Equipment and other assets	622,414,491	-	98,365,354	720,779,845	359,917,092	101,109,418	-	461,026,510	259,753,335	3 to 4 years
Vehicles	326,241,528	8,306,543	(13,448,800)	321,099,271	170,027,520	31,258,817	(6,672,974)	194,613,363	126,485,908	20%
							-			
	17,402,222,049	8,306,543	2,098,012,397	19,488,443,012	6,750,663,156	1,026,095,300	-	7,763,937,661	11,724,505,351	
			(20,097,977)				(12,820,795)			
June 30, 2026	17,402,222,049	8,306,543	2,098,012,397	19,488,443,012	6,750,663,156	1,026,095,300	-	7,763,937,661	11,724,505,351	-
			(20,097,977)				(12,820,795)			

Operating fixed assets

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

Notes to the Financial Statements
For the year ended June 30, 2026

		(39,291,046)	-
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19.2 Equipment and other assets includes assets costing Rs. 269.79 million (2025: Rs. 269.79 million) which have been fully depreciated.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
19.3 The depreciation charge for the year has been allocated as follows:			
Cost of sales	33	993,752,191	825,691,064
Administrative expenses	36	32,343,109	47,872,295
		1,026,095,300	873,563,359

19.4 Free hold lands of the Company are located at Ferozwattwan Sheikhpura with an area of 187 Kanal 7 Marla (2025: 187 Kanal 7 Marla), Gajjumata Kasur with an area of 90 Kanal 10 Marla (2025: 90 Kanal 10 Marla), Warburton Sheikhpura 714 Kanal 1 Marla (2025: 714 Kanal 1 Marla), and leasehold lands of the Company are located at SITE Nooriabad with an area of 284.5 Kanal (2025: 284.5 Kanal).

19.5 Disposal of operating fixed assets

Description	Cost	Accumulated depreciation	Book value	Proceeds from disposal of property, plant and equipment	Gain on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
	Rupees.....						
Plant and machinery							
Air Compressor	6,649,177	6,147,821	501,356	762,711	261,355	Negotiation	Sargodha Weaving Industries (Pvt) Limited, 8KM Sargoda road near Ali town, Faisalabad
	6,649,177	6,147,821	501,356	762,711	261,355		
Vehicles							
Honda Civic	2,276,680	2,109,363	167,317	500,000	332,683	Negotiation	Mr. Muhammad Ayub, House no 1, street no. 1, khan street, sector 1 scheme no 1, ferozwala district, sheikhupura
Toyota Yaris	4,946,530	945,337	4,001,193	4,500,000	498,807	Insurance claim	EFU General Insurance Limited, corporate division branch 2nd floor, EFU house, MA jinnah road, Lahore
Kia Picanto	3,461,440	1,313,040	2,148,400	3,421,000	1,272,600	Insurance claim	UBL Insurers Limited, 126-C, Jami Commercial street no. 14, Phase VII, DHA, Karachi
Honda Civic	2,764,150	2,305,234	458,916	1,200,000	741,084	Negotiation	Mr. Wahid hashim, house no. B-212, Block 18, Area Gulshan e Iqbal, Karachi
	13,448,800	6,672,974	6,775,826	9,621,000	2,845,174		
June 30, 2026	20,097,977	12,820,795	7,277,182	10,383,711	3,106,529		
June 30, 2025	39,291,046	29,743,357	9,547,689	10,619,672	1,071,983		

19.6	Capital work in progress	2026			
		As at July 01, 2025 Rupees	Additions Rupees	Transfers Rupees	As at June 30, 2026 Rupees
	Building and other civil works	212,550,158	28,663,757	(110,852,093)	130,361,822
	Plant and machinery	964,302,355	768,565,392	(1,695,970,857)	36,896,890
	Electric installation	-	162,178,474	(162,178,474)	-
	Others	-	47,830,118	(47,830,118)	-
		<u>1,176,852,513</u>	<u>1,007,237,741</u>	<u>(2,016,831,542)</u>	<u>167,258,712</u>
		2025			
		As at July 01, 2024 Rupees	Additions Rupees	Transfers Rupees	As at June 30, 2025 Rupees
	Building and other civil works	214,365,509	122,902,034	(124,717,385)	212,550,158
	Plant and machinery	565,980,186	2,235,532,079	(1,837,209,910)	964,302,355
	Electric installation	189,932,160	-	(189,932,160)	-
	Others	6,499,135	-	(6,499,135)	-
		<u>976,776,990</u>	<u>2,358,434,113</u>	<u>(2,158,358,590)</u>	<u>1,176,852,513</u>
		Note	June 30, 2026 Rupees	June 30, 2025 Rupees	
20	Long term Investments				
	Associated Company - at equity method	20.1	<u>1,526,258,704</u>	1,451,085,106	
			<u>1,526,258,704</u>	<u>1,451,085,106</u>	
	Investment in associates				
20.1	Investment in shares of Blessed Textiles Limited		<u>1,526,258,704</u>	1,451,085,106	
	Cost of investment 1,189,160 ordinary shares of Rs. 10 each (2025: 1,189,160 shares)		<u>11,891,600</u>	11,891,600	
	Accumulated share of post acquisition profit / OCI - net of dividends received		<u>1,439,193,506</u>	1,461,773,820	
	Share of profit / (loss) for the year		<u>75,386,260</u>	(17,911,648)	
	Share of Other Comprehensive Loss for the year		<u>(212,662)</u>	(4,668,666)	
	Dividend received during the year		<u>-</u>	-	
			<u>1,514,367,104</u>	1,439,193,506	
			<u>1,526,258,704</u>	<u>1,451,085,106</u>	
	Total assets		<u>22,896,711,211</u>	25,271,189,935	
	Total liabilities		<u>14,529,679,186</u>	17,310,761,377	
	Net assets		<u>8,367,032,025</u>	7,960,428,558	
	Company's share of associate's net assets		<u>1,546,912,283</u>	1,471,738,685	
	Sales- net		<u>31,679,286,557</u>	30,433,100,980	
	Profit / (Loss) for the year		<u>407,753,728</u>	(96,881,598)	
	OCI for the year		<u>(1,150,261)</u>	(25,252,162)	
	Company's share of associate's profit / (loss) for the year		<u>75,386,260</u>	(17,911,648)	
	Company's share of Other Comprehensive loss for the year		<u>(212,662)</u>	(4,668,666)	
	Company's share of Contingencies for the year		<u>340,961,525</u>	3,078,739,868	
	Company's share of Commitments for the year		<u>408,773,018</u>	475,486,314	
	Market value per share		<u>1,140</u>	319.90	
20.1.1	Summarized Statement of Financial Position				
	Non Current Assets		<u>7,657,006,795</u>	7,890,896,656	
	Current Assets		<u>15,239,704,416</u>	17,380,293,279	
			<u>22,896,711,211</u>	25,271,189,935	
	Non Current Liabilities		<u>3,525,486,179</u>	3,546,887,683	
	Current Liabilities		<u>11,004,193,007</u>	13,763,873,694	
			<u>14,529,679,186</u>	17,310,761,377	
	Net Assets		<u>8,367,032,025</u>	7,960,428,558	
20.1.2	Summarized Statement of Profit or Loss				
	Revenue		<u>31,679,286,557</u>	30,433,100,980	
	Profit / (Loss) for the year		<u>407,753,728</u>	(96,881,598)	
20.1.3	Reconciliation to carrying amount				
	Opening net assets		<u>7,857,768,058</u>	7,979,901,818	
	Profit / (Loss) for the year		<u>407,753,728</u>	(96,881,598)	
	Other comprehensive loss for the year		<u>(1,150,261)</u>	(25,252,162)	
	Dividend paid during the year		<u>-</u>	-	
			<u>406,603,467</u>	(122,133,760)	
			<u>8,264,371,525</u>	7,857,768,058	
	Loan from directors		<u>102,660,500</u>	102,660,500	
	Net assets		<u>8,367,032,025</u>	7,960,428,558	
	Shareholding in associate		<u>18.49%</u>	18.49%	
	Proportion of associate ownership		<u>1,527,932,221</u>	1,452,758,623	
	Other adjustments		<u>(1,673,517)</u>	(1,673,517)	
			<u>1,526,258,704</u>	<u>1,451,085,106</u>	
20.1.4	This represents 18.49% shares in Blessed Textiles Limited, an associated company (The Company). Investment has been accounted for using 'Equity Method' of accounting as per IAS - 28 Investments in Associates and Joint Ventures. The Company is incorporated in Pakistan as a Public Limited Company and is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at 18 KM, Feroze Wattwan, Sheikhupura Road, District Sheikhupura in the Province of Punjab				

Faisal Spinning Mills Limited
**Notes to the financial statements
For the year ended June 30, 2026**

21	Long Term Deposits	Note	June 30, 2026	June 30, 2025
			Rupees	Rupees
	Security deposits		121,817,940	54,004,650
	Ijarah deposits		11,589,902	9,860,302
	Others	21.1	1,904,800	1,604,800
			<u>135,312,642</u>	<u>65,469,752</u>
21.1	It includes security deposit amounting to Rs. 0.02 million (2025: Rs. 0.02 million) given to Admiral (Private) Limited, an associated company, against rent of building in normal course of business.			
22	Stores, Spares and Loose Tools			
	Stores, spares and loose tools		1,121,091,842	1,102,883,975
	Provision for slow moving store items	22.1	(2,088,830)	(2,088,830)
			<u>1,119,003,012</u>	<u>1,100,795,145</u>
22.1	Provision for slow moving store items comprises;			
	Balance at the beginning of the year		2,088,830	2,088,830
	Recognized during the year		-	-
	Balance at the end of the year		<u>2,088,830</u>	<u>2,088,830</u>
22.2	No item of stores, spares and loose tools is pledged as security as at reporting date.			
23	Stock in Trade			
	Raw material		5,919,457,946	9,750,641,134
	Raw material in transit		234,635,602	728,086,445
	Work in process		1,204,559,805	1,096,340,549
	Finished goods	23.1	3,732,979,490	5,509,323,720
			<u>11,091,632,843</u>	<u>17,084,391,848</u>
23.1	Stock of finished goods includes stock of waste valued at Rs. 2.01 million (2025: Rs. 2.35 million).			
23.2	No item of stock in trade is pledged as security as at the reporting date.			
24	Trade Debts			
	Considered good			
	Foreign: secured through letters of credit		1,243,517,478	1,068,149,630
	Foreign: unsecured		431,747,027	474,075,215
	Local : unsecured		2,687,632,248	2,394,500,914
			<u>4,362,896,753</u>	<u>3,936,725,759</u>
	Considered doubtful			
	Export		14,204,494	14,204,494
	Local		149,490,584	144,845,136
	Considered doubtful		163,695,078	159,049,630
	Allowance for ECL	24.1	(163,695,078)	(159,049,630)
			<u>4,362,896,753</u>	<u>3,936,725,759</u>
24.1	Particulars of allowance for ECL on doubtful debts			
	Balance at beginning of the year		159,049,630	165,559,686
	Allowance no longer required / recovered		(2,542,725)	(9,052,781)
	Charge during the year	36	7,188,173	2,542,725
	Balance at the end of the year		<u>163,695,078</u>	<u>159,049,630</u>
25	Loans And Advances			
	Considered good			
	Advances to suppliers - unsecured		133,536,950	141,555,144
	Advances to employees	25.1	35,867,031	26,022,941
	Letters of credit		4,689,500	10,676,956
	Margin against letters of credit		-	459,000,000
	Advances to suppliers - unsecured; considered doubtful		64,213	64,213
			<u>174,157,694</u>	<u>637,319,254</u>
	Provision for doubtful advances		(64,213)	(64,213)
			<u>174,093,481</u>	<u>637,255,041</u>
25.1	These represent advances to employees against future salaries and post employment benefits in accordance with the company policy.			
26	Trade Deposits and Prepayments			
	Deposit against infrastructure fee payable	26.1	7,886,243	1,108,391,426
	Trade deposit		1,368,400	-
	Prepaid expenses		5,776,574	14,851,051
			<u>15,031,217</u>	<u>1,123,242,477</u>
26.1	Effective mark up rate on these deposits range from 8.75% to 10% per annum (2025: 6.05% to 19.65% per annum).			
27	Other Receivables			
	Claims and others receivables		132,121,474	62,933,035
			<u>132,121,474</u>	<u>62,933,035</u>
28	Short Term Investments			
	Equity instruments	28.1	19,215,571	-
	Investment in debt instruments	28.2	375,000,000	-
			<u>394,215,571</u>	<u>-</u>
28.1	Equity instruments - at FVTPL			
	Quoted			
	Fauji Fertilizer Company Limited			
	10,000 (2025: Nil) ordinary shares of Rs 10 each - cost		5,409,870	-
	Adjustment arising from re-measurement to fair value		324,930	-
			<u>5,734,800</u>	<u>-</u>

			June 30, 2026 Rupees	June 30, 2025 Rupees
	MCB Bank Limited	Note		
	16,728 (2025: Nil) ordinary shares of Rs 10 each - cost		6,708,480	-
	Adjustment arising from re-measurement to fair value		74,891	-
			6,783,371	-
	Oil & Gas Development Company Limited			
	20,000 (2025: Nil) ordinary shares of Rs 10 each - cost		5,946,152	-
	Adjustment arising from re-measurement to fair value		751,248	-
			6,697,400	-
			19,215,571	-
28.2	Investment in debt instruments - at FVTPL			
	Cost of investment 75,000 TFCs (2025: Nil)		375,000,000	-
	Amortization of income		-	-
			375,000,000	-
29	Advance income tax			
	Advance income tax refundable		1,745,969,296	1,425,645,693
	Prepaid Levies refundable/ adjustable		-	-
			1,745,969,296	1,425,645,693
	Provision for levies and taxation		(579,024,794)	(577,544,410)
	Provision for income taxes		-	-
			(579,024,794)	(577,544,410)
			1,166,944,502	848,101,283
30	Sales Tax Refundable			
	Sales tax refundable		2,171,259,634	1,249,580,900
	Excise duty and federal excise duty refundable		2,007,435	2,007,435
	Provision for doubtful excise duty and federal excise duty refundable		(2,007,435)	(2,007,435)
			-	-
			2,171,259,634	1,249,580,900
31	Cash and Bank Balances			
	Cash in hand		-	-
	Balances with banks in:			
	Local Current accounts		128,907,605	260,344,454
	Foreign currency accounts		31,540,367	88,209,631
	Saving accounts	31.1	7,107,459	466,897
			167,555,431	349,020,982
31.1	It carries mark up at the rate of 7.2% to 19.25% per annum (2025: 9.75% to 18% per annum).			
32	Sales - Net			
	Export			
	Yarn		13,520,512,892	12,066,072,226
	Fabric		8,712,977,156	5,536,121,959
	Made ups		10,807,450,645	15,445,986,897
			33,040,940,693	33,048,181,082
	Export rebate		25,272,092	16,182,698
			33,066,212,785	33,064,363,780
	Local			
	Yarn		4,734,141,741	3,781,500,035
	Fabric		10,164,770,286	9,508,672,627
	Cotton		-	-
	Made Up		31,474,663	1,923,452,311
	Waste and others		256,962,326	291,269,486
			15,187,349,016	15,504,894,459
	Gross sales		48,253,561,801	48,569,258,239
	Discount on sales		(95,330,477)	-
	Sales tax		(2,316,934,416)	(2,365,705,449)
			45,841,296,908	46,203,552,790
33	Cost of Sales			
	Raw material consumed	33.1	30,978,009,812	33,608,445,406
	Packing material consumed		599,776,667	621,822,595
	Stores spares and loose tools consumed		1,599,197,917	1,701,590,383
	Salaries, wages and benefits	33.2	2,739,477,569	2,672,244,492
	Fuel, power and water		3,257,873,970	3,545,988,882
	Insurance		101,379,012	110,658,757
	Repair and maintenance		21,829,711	30,748,629
	Rent, rates and taxes		4,559,488	1,192,990
	Travelling, conveyance and entertainment		25,036,649	25,008,508
	Vehicle running expenses		54,254,409	49,140,754
	Communication		2,507,904	2,203,480
	Fee and subscription		7,559,766	10,053,217
	Depreciation	19.3	993,752,191	825,691,064
	Others		23,268,556	18,427,014
			40,408,483,621	43,223,216,171
	Work in process			
	Opening stock		1,096,340,549	1,221,492,891
	Closing stock		(1,204,559,805)	(1,096,340,549)
			(108,219,256)	125,152,342
	Cost of goods manufactured		40,300,264,365	43,348,368,513
	Finished stocks			
	Opening stock		5,509,323,720	4,307,428,492
	Finished goods purchased - fabric		279,459,851	383,272,882
	Finished goods theft/Loss		(1,607,000)	-
	Closing stock		(3,732,979,490)	(5,509,323,720)
			2,054,197,081	(818,622,346)
			42,354,461,446	42,529,746,167

			June 30, 2026 Rupees	June 30, 2025 Rupees
33.1	Raw material consumed	Note		
	Opening stock		10,478,727,579	6,810,745,374
	Purchases		26,660,712,930	37,386,123,119
	Cost of raw material sold - yarn/fabric		(7,337,149)	(109,695,508)
	Closing stock		(6,154,093,548)	(10,478,727,579)
			<u>30,978,009,812</u>	<u>33,608,445,406</u>
33.2	Salaries, wages and benefits includes employees retirement benefits amounting to Rs. 143.08 million (2025: Rs. 143.20 million).			
34	Other Income	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	Income from financial assets			
	Interest income		105,177,964	133,158,008
	Reversal of ECL		2,542,725	9,052,781
	Exchange gain on foreign currency translation		-	4,096,973
	Fair value gain on re-measurement of investments at FVTPL		1,151,069	-
	Dividends from short term investments		300,552	-
	Gain on disposal of short term investments		23,854,001	-
	Notional interest income		411,546,331	-
	Income from non financial assets			
	Gain on disposal of fixed assets	19.5	3,106,529	1,071,983
	Liabilities written back		-	90,695,280
			<u>547,679,171</u>	<u>238,075,025</u>
35	Distribution Cost			
	Export			
	Steamer, air freight & forwarding		252,585,987	269,704,373
	Trailer freight		153,746,721	159,279,520
	Clearing and forwarding		183,910,270	197,951,413
	Export development surcharge		35,983,325	82,873,156
	Commission		343,645,744	415,246,439
	Sales promotion expenses		100,660,127	114,881,343
	Insurance expenses		7,156,817	3,692,662
	Salaries, wages and benefits	35.1	179,553,150	115,906,082
	Other export expenses		26,488,369	11,880,670
			<u>1,283,730,510</u>	<u>1,371,415,658</u>
	Local			
	Freight on local sales		22,562,841	23,701,300
	Commission		112,158,835	106,314,118
	Others		16,914,779	5,245,667
			<u>151,636,455</u>	<u>135,261,085</u>
			<u>1,435,366,965</u>	<u>1,506,676,743</u>
35.1	Salaries, wages and benefits includes employees retirement benefits amounting to Rs. 10.48 million (2025: Rs. 8.21 million).			
36	Administrative Expenses			
	Directors' remuneration		9,600,000	9,600,000
	Staff salaries and benefits	36.1	311,588,252	301,022,801
	Traveling, conveyance and entertainment		63,797,935	57,360,661
	Printing and stationery		9,522,929	10,654,958
	Communication expenses		3,850,481	4,181,856
	Vehicles running and maintenance		59,865,612	52,579,104
	Legal and professional		3,721,465	2,760,859
	Auditors' remuneration	36.2	3,100,000	2,775,000
	Fee and subscription		15,846,084	11,210,541
	Repair and maintenance		85,848	1,441,901
	Rent, rates and taxes		3,612,755	4,956,326
	Depreciation	19.3	32,343,109	47,872,295
	Charity and donation	36.3	1,000,000	1,000,000
	Provision for ECL	24.1	7,188,173	2,542,725
	Ijarah lease rental		26,147,766	28,261,674
	Software license renewal and maintenance fee		-	1,010,448
	Others		12,283,115	5,914,170
			<u>563,553,524</u>	<u>545,145,319</u>
36.1	Staff salaries and benefits includes employees retirement benefits amounting to Rs. 27.66 million (2025: Rs. 24.26 million).			
36.2	Auditors' remuneration			
	Annual statutory audit		2,800,000	2,505,000
	Half yearly review		190,000	190,000
	Review of Code of Corporate Governance		110,000	80,000
			<u>3,100,000</u>	<u>2,775,000</u>
36.3	During the year, donation to single party does not exceeded Rs. 1 million (2025: Rs. Nil). No director or his spouse had any interest in the donee. Detail of donations is as under:			
	Sindh Institute of Urology and Transplantation		<u>1,000,000</u>	-
37	Other Operating Expenses	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	Workers' Profit Participation Fund	13.4	4,442,903	16,839,522
	Exchange loss on foreign currency		42,619,664	-
			<u>47,062,567</u>	<u>16,839,522</u>

			June 30, 2026 Rupees	June 30, 2025 Rupees
38	Finance cost	Note		
	Markup on:			
	- long term financing		203,657,847	143,680,859
	- short term borrowings		1,115,001,358	1,182,018,961
	- workers' profit participation fund		915,563	-
	Letter of credit discounting		151,811,896	153,847,924
	Bank charges and commission		33,763,771	33,596,631
			<u>1,505,150,435</u>	<u>1,513,144,375</u>
38.1	During the year, the company has capitalized the borrowing cost of Rs. 79.09 million (2025: Rs. 127.21 million).			
38.2	Capitalization rates used to determine the amount of borrowing cost eligible for capitalization range from 11.19% to 13.3% (2025: 12.89% to 22.66%).			
39	Levies and Taxation			
	Levies	39.1	579,024,794	577,544,410
	Taxation	39.4	393,278,454	3,886,716
			<u>972,303,248</u>	<u>581,431,126</u>
39.1	Levies			
	Final tax	39.2	6,008,583	-
	Minimum tax	39.3	573,016,211	577,544,410
			<u>579,024,794</u>	<u>577,544,410</u>
39.2	These represent capital gains tax and tax on dividend income arising under sections 37A and 5, respectively, of the Income Tax Ordinance, 2001, and are classified as levies in accordance with IFRIC 21, IAS 37 and ICAP's guidance on the application of IAS 12.			
39.3	This represents minimum tax provision under section 113 of the income tax ordinance, 2001. The provision for minimum tax has been recognized as levies in these financial statements as per the requirements of IFRIC 21/IAS37 and guidance on IAS 12 issued by ICAP.			
39.4	Taxation			
	Current tax			
	- Current year		-	-
	- Prior years		382,002,414	7,273,763
			<u>382,002,414</u>	<u>7,273,763</u>
	Deferred tax - current year		11,276,040	(3,387,047)
			<u>393,278,454</u>	<u>3,886,716</u>
39.5	Provision for current tax for the year has been made in accordance with section 18 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized up to tax year 2025.			
40	Loss per Share - Basic and Diluted	Note	June 30, 2026	June 30, 2025
	The calculation of the basic loss per share is based on the following data:			
	Loss for the year			
	Loss for the purpose of basic loss per share - After tax loss for the year		(413,535,846)	(269,267,085)
	Number of shares			
	Weighted average number of ordinary shares		10,000,000	10,000,000
	Basic loss per share have been computed by dividing earnings as stated above with weighted average number of ordinary shares.			
	Basic loss per share		(41.35)	(26.93)
	No figure for diluted loss per share has been presented as the company has not issued any instruments carrying options which would have an impact on loss per share when exercised.			
41	Shariah Disclosures Under Clause Vii Of Part 1 Of Schedule Iv Of The Companies Act, 2017	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	Statement of Financial Position			
	Liabilities			
	Long term financing-islamic mode		131,361,060	49,439,412
	Short term financing-islamic mode		2,232,495,810	3,469,337,458
	Accrued Markup-Islamic Financing		53,566,302	98,340,390
	Accrued Markup-Conventional		146,166,673	175,499,425
	Assets			
	Sharia-Compliant bank deposits, bank balances		40,100,461	22,647,071
	Sharia-Compliant TDR		-	129,200,000
	Short-term Shariah compliant Investments		12,432,200	-
	Statement of Profit or Loss			
	Revenue earned from Sharia-Compliant business segment	32	45,841,296,908	46,203,552,790
	Profit earned from Sharia-Compliant bank deposits, bank balances		-	-
	Profit earned from Sharia-Compliant TDR		11,001,135	25,691,432
	Profit Accrued Sharia-Compliant TDR and subsequent received		-	-
	Markup paid on islamic mode of financing		497,244,118	339,368,144
	Markup paid on Conventional mode		1,021,801,796	445,419,760
	Interest earned on any conventional advance		-	-
	Exchange gain earned from actual currency		-	4,096,973
	Breakup of Other income			
	Shariah Compliant Income			
	Income from financial assets			
	Fair value gain on re-measurment of investments at FVTPL		1,076,178	-
	Dividends from short term investments		150,000	-
	Income from non financial assets			
	Gain on disposal of fixed assets		-	-
	Non-Shariah Compliant Income			
	Income from financial assets			
	Interest income	34	94,176,829	133,158,008
	Reversal of ECL		2,542,725	9,052,781
	Exchange gain on foreign currency translation		-	4,096,973
	Fair value gain on re-measurment of investments at FVTPL		74,891	-
	Dividends from short term investments		150,552	-
	Gain on disposal of short term investments		23,854,001	-
			<u>411,546,331</u>	<u>-</u>

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Income from non financial assets			
Gain on disposal of fixed assets		3,106,529	1,071,983
Liabilities written back		-	90,695,280

41.1 Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Dubai Islamic Bank Limited	Long term financing, accrued markup and bank balance
Bank Islamic Pakistan	Long term financing, Short term financing, accrued markup and bank balance
United Bank Limited-Ameen	Long term financing and accrued markup
Meezan Bank Limited	Short term financing, accrued markup and bank balance
Al-Barakah Bank Limited	Accrued markup and bank balance
Askari Bank Limited	Accrued markup and bank balance

42 Non Adjusting Events after the Reporting Period

In respect of current period, the board of directors in their meeting held on September 29, 2026 has proposed to pay cash dividend of Nil i.e. Rs. Nil per ordinary share of Rs. 10 each.

43 Changes From Financing Cash Flows

	June 30, 2026 Rupees			
	Loan from directors and sponsors	Long term finances	Short term borrowings	Unclaimed dividend
As at beginning of the year	1,072,718,600	5,256,955,276	16,170,545,665	19,313,393
Long term financing obtained	-	1,002,263,285	-	-
Repayment of loan	-	(760,481,646)	-	-
Loan accretion	-	21,881,436	-	-
Net decrease in short term borrowings	-	-	(5,667,258,082)	-
Dividend paid	-	-	-	(54,132)
As at end of the year	1,072,718,600	5,520,618,351	10,503,287,583	19,259,261
	June 30, 2025 Rupees			
	Loan from directors and sponsors	Long term finances	Short term borrowings	Unclaimed dividend
As at beginning of the year	1,072,718,600	4,283,461,794	9,244,461,651	19,460,365
Long term financing obtained	-	1,714,758,206	-	-
Repayment of loan	-	(766,046,527)	-	-
Loan accretion	-	24,781,803	-	-
Net increase in short term borrowings	-	-	6,926,084,014	-
Dividend paid	-	-	-	(146,972)
As at end of the year	1,072,718,600	5,256,955,276	16,170,545,665	19,313,393

44 Remuneration of Chief Executive, Directors and Executives

	Chief Executive June 30, 2026 Rupees	Director June 30, 2026 Rupees	Executives June 30, 2026 Rupees	Chief Executive June 30, 2025 Rupees	Director June 30, 2025 Rupees	Executives June 30, 2025 Rupees
Remuneration	9,600,000	-	269,375,913	9,600,000	-	212,271,527
Allowances	-	-	35,453,091	-	-	37,371,464
Post employment benefits	-	-	33,617,644	-	-	29,239,762
	9,600,000	-	338,446,648	9,600,000	-	278,882,753
Number of persons	1	-	93	1	-	63

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

44.2 No remuneration to non executive directors have been paid.

45 Related Party Transactions

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

Name of the related party	Basis of relationship	Percentage of shareholding
Bhanero Textiles Mills Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	18.49%
Bhanero Energy Limited	Common directorship	N/A
Admiral (Private) Limited	Directors' close family member	N/A
Mohammad Salim	Director	0.29%
Yasmeen Begum	Directors' close family member	2.39%
Khurram Salim	Director	2.00%
Farrukh Salim	Directors' close family member	1.37%
Yousaf Salim	Directors' close family member	3.13%
Saqib Salim	Directors' close family member	1.99%
Muhammad Umer	Directors' close family member	0.97%
Yahya Farrukh	Directors' close family member	2.74%
Amna Khurram	Directors' close family member	1.10%
Saba Yousaf	Directors' close family member	0.98%
Saba Saqib	Directors' close family member	2.12%
Bilal Sharif	Director / Chief executive	3.64%
Samia Bilal	Directors' close family member	5.34%

Abdullah Bilal	Directors' close family member	3.37%
Ali Bilal	Directors' close family member	3.37%
Azan Bilal	Directors' close family member	3.37%
Mohammad Shaheen	Director	0.33%
Mohammad Amin	Director	4.09%
Seema Shaheen	Directors' close family member	1.58%
Mohammad Qasim	Directors' close family member	6.24%
Fatima Amin	Directors' close family member	4.51%
Sumbul Qasim	Directors' close family member	2.36%
Mohammad Shakeel	Directors' close family member	0.48%
Nazli Shakeel	Directors' close family member	4.29%
Adil Shakeel	Directors' close family member	4.77%
Faisal Shakeel	Directors' close family member	4.77%
Hamza Shakeel	Director	4.77%

Nature of relationship	Nature of transactions	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Associated undertaking				
	Sales of fabric / Made ups		584,080,018	424,903,214
	Sales of yarn		8,812,860	215,340,014
	Purchase of yarn		4,714,269,495	5,766,178,491
	Purchase of fabric		827,947,848	479,509,719
	Services received		618,000	618,000
	Electricity purchased		5,466,690	312,266,397
Retirement benefits	Provision for gratuity		181,227,459	215,697,871

45.1 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 44.

Notes to the financial statements
For the year ended June 30, 2026

46 SEGMENT INFORMATION**46.1 Products and services from which reportable segments derive their revenues**

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

Segment

Spinning

Weaving

Finishing & Home Textile

Information regarding Company's reportable segments is presented below:

46.2 Information about reportable segments

	June-2026			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Revenue from external customers	17,670,025,222	11,620,354,851	16,550,916,835	45,841,296,908
Intersegment revenues	10,998,250	304,986,493	76,660,732	392,645,475
Depreciation	247,022,173	245,107,908	533,965,219	1,026,095,300
Segment results	448,689,483	305,699,293	822,596,470	1,576,985,246
Segment assets	8,135,131,662	5,789,627,041	15,415,668,899	29,340,427,602
Segment liabilities	3,430,527,631	2,698,905,919	15,411,827,402	21,541,260,952
Interest income	77,921,543	1,005,415	26,251,006	105,177,964
Additions to non-current assets	139,823,096	88,844,563	1,877,651,281	2,106,318,940
Disposals of property, plant and equipment	458,916	4,669,866	2,148,400	7,277,182

	June-2025			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Revenue from external customers	15,383,883,557	13,659,681,937	17,159,987,296	46,203,552,790
Intersegment revenues	112,811,250	121,381,655	98,509,615	332,702,520
Depreciation	145,378,822	177,770,089	550,414,448	873,563,359
Segment results	194,371,267	839,697,048	809,151,749	1,843,220,064
Segment assets	13,833,860,207	6,585,267,399	14,595,256,661	35,014,384,267
Segment liabilities	9,835,335,797	2,854,115,472	13,255,411,199	25,944,862,468
Interest income	127,595,117	1,261,166	4,301,725	133,158,008
Additions to non-current assets	1,123,092,247	248,729,979	1,273,221,096	2,645,043,322
Disposals of property, plant and equipment	-	4,021,189	5,526,500	9,547,689

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

46.3 Reconciliations of reportable segment information**46.3.1 Segment revenues**

	June-2026			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Total for reportable segments	17,681,023,472	11,925,341,344	16,627,577,567	46,233,942,383
Inter-segment revenues	(10,998,250)	(304,986,493)	(76,660,732)	(392,645,475)
Total for the Company	17,670,025,222	11,620,354,851	16,550,916,835	45,841,296,908

Faisal Spinning Mills Limited**Notes to the financial statements
For the year ended June 30, 2026**

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

46.3.2 Segment Profits

	June-2026			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Operating Profit	431,129,398	323,648,734	869,269,681	1,624,047,813
Unallocated expenses				
Other operating expenses				(47,062,567)
Finance cost				(1,505,150,435)
Unamortized interest income				411,546,331
Share of loss from associated undertaking				75,386,260
Levies				(579,024,794)
Total for the Company	431,129,398	323,648,734	869,269,681	(20,257,392)

	June-2025			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Operating Profit	160,189,535	879,082,465	820,787,586	1,860,059,586
Unallocated expenses				
Other operating expenses				(16,839,522)
Finance cost				(1,513,144,375)
Share of loss from associated undertaking				(17,911,648)
Levies				(577,544,410)
Total for the Company	160,189,535	879,082,465	820,787,586	(265,380,369)

46.3.3 Segment assets

	June-2026			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Total for reportable segments	8,135,131,662	5,789,627,041	15,415,668,899	29,340,427,602
Unallocated assets				
Taxation recoverable				3,338,204,136
Bank deposits				7,886,243
Long term investment				1,526,258,704
Long term deposit				135,312,642
Total for the Company	8,135,131,662	5,789,627,041	15,415,668,899	34,348,089,327

	June-2025			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Total for reportable segments	13,833,860,207	6,585,267,399	14,595,256,661	35,014,384,267
Unallocated assets				
Taxation recoverable				2,097,682,183

Faisal Spinning Mills Limited**Notes to the financial statements****For the year ended June 30, 2026**

Bank deposits				1,108,391,426
Long term investment				1,451,085,106
Long term deposit				65,469,752
Total for the Company	13,833,860,207	6,585,267,399	14,595,256,661	39,737,012,734

46.3.4 Segment liabilities

	June-2026			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Total for reportable segments	3,430,527,631	2,698,905,919	15,411,827,402	21,541,260,952
Un-allocated liabilities				
Unclaimed dividends				19,259,261
Gas Infrastructure development cess				331,023,030
Road Infrastructure fee - ETO				467,204,353
Deferred taxation				227,155,066
Total for the Company	3,430,527,631	2,698,905,919	15,411,827,402	22,585,902,662

Notes to the financial statements
For the year ended June 30, 2026

	June-2025			
	Spinning	Weaving	Finishing & Home Textile	Total
	Rupees	Rupees	Rupees	Rupees
Total for reportable segments	9,835,335,797	2,854,115,472	13,255,411,199	25,944,862,468
Un-allocated liabilities				
Unclaimed dividends				19,313,393
Infrastructure fee				1,386,160,913
Deferred taxation				215,879,026
Total for the Company	9,835,335,797	2,854,115,472	13,255,411,199	27,566,215,800

46.4 Geographical information

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
China		13,008,947,928	9,813,247,161
United States		3,433,661,550	4,902,204,818
United Kingdom		3,091,589,364	3,007,955,564
Portugal		1,174,702,425	1,244,374,351
Japan		870,663,621	698,875,947
Germany		1,422,908,429	2,072,746,973
France		1,284,257,181	1,331,281,169
Italy		985,444,699	674,424,440
Other Countries		7,768,765,496	9,303,070,659
Pakistan		15,187,349,016	15,504,894,459
		48,228,289,709	48,553,075,541
Export Rebate		25,272,092	16,182,698
Discount		(95,330,477)	-
Sales tax		(2,316,934,416)	(2,365,705,449)
		45,841,296,908	46,203,552,790

46.5 Information about significant customers

Sales amounting to Rs. 7,202.59 million (2025: Rs. 4,786.52 million) were made to one single significant external customer which accounts for more than 10% of the Company's total sales made during the year.

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

Notes to the financial statements
For the year ended June 30, 2026

47 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arms length transaction. As at June 30, 2026 the net fair value of all financial instruments has been based on the valuation methodology outlined below:-

Long-term deposits

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

Non-current liabilities

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

Other financial instruments

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

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

	2026							Effective Interest Rate %
	Interest / Markup bearing			Non Interest / Markup bearing				
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Total Rupees	
Financial assets								
Trade debts	-	-	-	4,362,896,753	-	4,362,896,753	4,362,896,753	
Advances to employees	-	-	-	35,867,031	-	35,867,031	35,867,031	
Trade deposits	7,886,243	-	7,886,243	-	-	-	7,886,243	8.75 to 10
Other receivables	-	-	-	132,121,474	-	132,121,474	132,121,474	
Short term Investment	375,000,000	-	375,000,000	19,215,571	-	19,215,571	394,215,571	6 month Kibor + 2%
Bank balance	7,107,459	-	7,107,459	160,447,972	-	160,447,972	167,555,431	7.20 to 19.25
Long-term deposits	-	-	-	-	135,312,642	135,312,642	135,312,642	
	389,993,702	-	389,993,702	4,710,548,801	135,312,642	4,845,861,443	5,235,855,145	
Financial liabilities								
Long-term financing	828,032,968	4,692,585,383	5,520,618,351	-	-	-	5,520,618,351	1.75% to 5.15% and 3 months KIBOR to 6 months KIBOR + 0.85% to 1%
Trade creditors	-	-	-	3,345,185,300	-	3,345,185,300	3,345,185,300	
Accrued liabilities	-	-	-	830,777,176	-	830,777,176	830,777,176	
Unclaimed dividend	-	-	-	19,259,261	-	19,259,261	19,259,261	
Other payables	-	-	-	28,561,337	-	28,561,337	28,561,337	
Mark-up accrued on loans	-	-	-	199,732,975	-	199,732,975	199,732,975	
Short-term borrowings	10,503,287,583	-	10,503,287,583	-	-	-	10,503,287,583	2% to 8.5% and 1 month KIBOR to 3 month KIBOR + 0.07% to 1%
	11,331,320,551	4,692,585,383	16,023,905,934	4,423,516,049	-	4,423,516,049	20,447,421,983	
On balance sheet gap	(10,941,326,849)	(4,692,585,383)	(15,633,912,232)	287,032,752	135,312,642	422,345,394	(15,211,566,838)	
	2025							
	Interest / Markup bearing			Non Interest / Markup bearing				
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Total Rupees	Effective Interest Rate %
Financial assets								
Trade debts	-	-	-	3,936,725,759	-	3,936,725,759	3,936,725,759	
Advances to employees	-	-	-	26,022,941	-	26,022,941	26,022,941	
Trade deposits	1,108,391,426	-	1,108,391,426	-	-	-	1,108,391,426	6.05 to 19.65
Other receivables	-	-	-	62,933,035	-	62,933,035	62,933,035	
Bank balances	466,897	-	466,897	348,554,085	-	348,554,085	349,020,982	9.75 to 18
Long-term deposits	-	-	-	-	65,469,752	65,469,752	65,469,752	
	1,108,858,323	-	1,108,858,323	4,374,235,820	65,469,752	4,439,705,572	5,548,563,895	
Financial liabilities								
Long-term financing	760,481,640	4,496,473,636	5,256,955,276	-	-	-	5,256,955,276	1.75 to 5.15 and 3 Months Kibor + 0.85% to 1%
Trade creditors	-	-	-	2,768,127,224	-	2,768,127,224	2,768,127,224	
Accrued liabilities	-	-	-	668,946,384	-	668,946,384	668,946,384	
Unclaimed dividend	-	-	-	19,313,393	-	19,313,393	19,313,393	
Other payables	-	-	-	59,296,781	-	59,296,781	59,296,781	
Mark-up accrued on loans	-	-	-	273,839,815	-	273,839,815	273,839,815	
Short-term borrowings	16,170,545,665	-	16,170,545,665	-	-	-	16,170,545,665	2 to 17.5 and KIBOR - 2.17% to KIBOR + 2%
	16,931,027,305	4,496,473,636	21,427,500,941	3,789,523,597	-	3,789,523,597	25,217,024,538	
On balance sheet gap	(15,822,168,982)	(4,496,473,636)	(20,318,642,618)	584,712,223	65,469,752	650,181,975	(19,668,460,643)	

47.1 Interest rate risk management

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

47.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of Rs. 5,235.86 million (2025: Rs. 5,548.56 million) unsecured trade debts, advances to employees, and other receivables amounting in aggregate to Rs. 3,287.37 million (2025: Rs. 2,957.53 million) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

47.3 Liquidity risk

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

47.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at reporting date, the total foreign currency risk exposure was Rs. 1,706.8 million (2025: Rs. 1,630.43 million) in respect of foreign trade debts, foreign currency banks and foreign currency borrowings.

Notes to the financial statements

For the year ended June 30, 2026

47.5 Credit risk

47.5.1 Maximum credit exposure

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Loans and receivables:			
Trade debts		4,362,896,753	3,936,725,759
Advances to employees		35,867,031	26,022,941
Trade deposits		9,254,643	1,108,391,426
Other receivables		132,121,474	62,933,035
Bank Balances		167,555,431	349,020,982
Long term deposits		135,312,642	65,469,752
		4,843,007,974	5,548,563,895

47.5.2 Concentration of credit risk

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

Domestic	2,687,632,248	2,394,500,914
Europe and UK	1,071,766,198	735,553,213
Asia and Middle East	255,936,291	220,454,167
USA and others	347,562,016	586,217,465
	4,362,896,753	3,936,725,759

47.5.3 Impairment losses

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

Not past due	2,813,969,075	2,861,187,788
Past due less than one year	1,497,815,642	1,043,802,943
Past due more than one year but less than three years	58,300,209	34,277,754
Past due more than three years	156,506,905	156,506,904
	4,526,591,831	4,095,775,389
Impairment	(163,695,078)	(159,049,630)
	4,362,896,753	3,936,725,759

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

As at beginning of the year	159,049,630	165,559,686
Impairment loss recognized	7,188,173	2,542,725
Impairment loss reversed	(2,542,725)	(9,052,781)
As at end of the year	163,695,078	159,049,630

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

47.5.4 Collateral held

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

47.6 Liquidity risk

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

	June 30, 2026				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	5,520,618,351	7,062,012,750	1,214,490,866	5,280,006,817	567,515,067
Short term borrowings	10,503,287,583	10,503,287,583	10,503,287,583	-	-
Accrued markup / interest	199,732,975	199,732,975	199,732,975	-	-
Trade creditors	3,345,185,300	3,345,185,300	3,345,185,300	-	-
Accrued liabilities	830,777,176	830,777,176	830,777,176	-	-
Unclaimed dividend	19,259,261	19,259,261	19,259,261	-	-
Other payables	192,601,984	192,601,984	192,601,984	-	-
	20,611,462,630	22,152,857,029	16,305,335,145	5,280,006,817	567,515,067

Notes to the financial statements
For the year ended June 30, 2026

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

47.7 Market risk

47.7.1 Currency risk

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

Trade receivables	1,675,264,505	1,542,224,845
Cash and cash equivalents	31,540,367	88,209,631
Short term borrowings	-	-
Total exposure	<u>1,706,804,872</u>	<u>1,630,434,476</u>

b) Exchange rates applied as at the reporting date.

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

	2026		2025	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	343.67	344.29	354.87	355.50
JPY	1.71	1.72	1.97	1.97
Euro	316.95	317.52	332.25	332.83
CNY	40.91	40.99	39.59	39.66
USD	278.05	278.55	283.60	284.10

A ten percent appreciation in Rupee would have decreased profit or increased loss by Rs. 170.68 million (2025: Rs. 163.04 million). A ten percent depreciation would have had the equal but opposite effect on profit or loss. This sensitivity analysis based on assumption that all variables, with the exception of foreign exchange rates, remain unchanged.

47.7.2 Interest rate risk

The interest rate profile the Company's interest bearing financial instruments as at the reporting date is as follows:

Fixed rate instruments

Financial assets	14,993,702	1,108,858,323
Financial liabilities	10,601,438,797	9,826,875,545

Variable rate instruments

Financial assets	375,000,000	-
Financial liabilities	5,422,467,137	11,600,625,396

The Company is not exposed to interest rate risk in respect of its fixed rate instruments. A 100 basis points increase in variable interest rates would have increased loss or decreased profit by Rs. 54.22 million (2025: Rs. 116.01 million). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit or loss.

47.7.3 Other Price Risk

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

47.8 Fair values

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

Notes to the financial statements

For the year ended June 30, 2026

47.9 Fair value of financial assets and liabilities

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

Carrying Amount			Carrying Amount		
2026			2025		
At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
-----Rupees-----					
Financial assets					
Long term deposits	135,312,642	-	65,469,752	-	-
Advances to employees	35,867,031	-	26,022,941	-	-
Trade debts	4,362,896,753	-	3,936,725,759	-	-
Trade deposits	7,886,243	-	1,108,391,426	-	-
Other receivables	132,121,474	-	62,933,035	-	-
Short term Investment	-	394,215,571	-	-	-
Cash at banks	167,555,431	-	349,020,982	-	-
	4,841,639,574	394,215,571	5,548,563,895	-	-
Financial Liabilities					
Long term financing	5,520,618,351	-	5,256,955,276	-	-
Short term borrowings	10,503,287,583	-	16,170,545,665	-	-
Accrued markup / interest	199,732,975	-	273,839,815	-	-
Trade creditors	3,345,185,300	-	2,609,989,824	-	-
Accrued liabilities	830,777,176	-	668,946,384	-	-
Unclaimed dividend	19,259,261	-	19,313,393	-	-
Other payables	28,561,337	-	59,296,781	-	-
	20,447,421,983	-	25,058,887,138	-	-

The basis for determining fair values is as follows:

Interest rates used for determining fair value

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

48 Accounting Estimates and Judgments**48.1 Income taxes**

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

48.2 Investment stated at fair value

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

48.3 Property, plant and equipment

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

48.4 Stock-in-trade and stores and spares

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

48.5 Interest rate and cross currency swap

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

49 Capital Management

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Total debt		5,577,041,241	5,360,041,405
Total equity		11,762,186,665	12,170,796,934
		<u>17,339,227,906</u>	<u>17,530,838,339</u>
Gearing		32.16%	30.57%

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

50 Fair Value Measurements**50.1 Financial Instruments**

The Company has short-term investments measured at fair value as at the reporting date. The fair value of these investments is determined based on quoted market prices. Other than these, the management considers that the carrying amounts of all other financial instruments approximate their fair values.

50.2 Assets and liabilities other than financial instruments.

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

51 Plant Capacity and Actual Production

	Note	2026	2025
51.1 Spinning unit			
Number of spindles installed		38,208	38,208
Installed capacity in kilograms converted into 20/1		14,500,000	14,500,000
Actual production of yarn in kilograms		22,685,800	22,242,014
51.2 Weaving unit			
Number of looms installed		264	264
Installed capacity in meters, after conversion into 50 picks		68,379,830	68,379,830
Actual production of fabric in meters		36,499,357	43,275,734
51.3 Finishing / Processing unit			
Production capacity in meters		45,600,000	33,000,000
Actual production in meters		42,132,932	39,497,926
51.4 Home Textile / Stitching			
The plant capacity of this division is indeterminable due to multi product plans involving varying processes of manufacturing and run length of order lots.			
51.5			
It is difficult to precisely describe production capacity and the resultant production in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed, twist etc, in case of spinning. In case of weaving fluctuation depends on factors such as loom width, width of fabric produced, type of yarn used etc. It would vary accordingly to the pattern of production adopted in a particular year.			

52 Date Of Authorization For Issue

These financial statements have been approved by the board of directors of the Company and authorized for issue on September 29, 2026.

53 Number Of Employees

	2026	2025
As at the reporting date	2,289	2,289
Average for the year	2,298	2,252

54 General

The figures have been rounded off to the nearest Rupee.

Faisal Spinning Mills Limited

Spinning | Weaving | Finishing | Home

Sustainability Report

ESG Environment, Social, Governance

FY2026

Message from the Chairman of Board Sustainability Committee

Dear Stakeholders,

It is my privilege to present the inaugural Sustainability Report of Faisal Spinning Mills Limited. This milestone reflects our unwavering commitment to operating responsibly, ethically, and transparently while delivering long-term value to our shareholders, partners, and communities.

The global textile sector is experiencing a structural shift. Today, customers, investors, and regulatory bodies demand tangible proof of environmental stewardship and social responsibility. At Faisal Spinning Mills Limited, we view sustainability not merely as a compliance requirement, but as a core competitive advantage in the global market.

Our ESG Commitments:

- **Environmental Stewardship:** Reducing our carbon footprint through investments in renewable energy, resource efficiency, responsible water management, waste minimization, and circular economy practices.
- **Social Responsibility:** Enhancing workplace safety (ISO 45001), promoting diversity, fair labor practices, and prioritizing employee wellbeing and professional growth.
- **Corporate Governance:** Maintaining strong ethical leadership, transparent reporting, and robust risk management aligned with international and local regulatory frameworks.

This report is prepared in alignment with internationally recognized benchmark frameworks, including the **Global Reporting Initiative (GRI)**, **IFRS Sustainability Disclosure Standards (IFRS S1 & S2)**, **UN SDGs**, **SASB Standards**, **SECP ESG Guidelines**, and certified management systems (**ISO 14001 & ISO 45001**).

1. Scope

Through this Sustainability Report, Faisal Spinning Mills Limited (FSM) shares, for the first time, its Environmental, Social, and Governance (ESG) insights and footprint. It gives a comprehensive overview of the Company's operations, strategic achievements, sustainability initiatives, and ESG performance for the fiscal year from 1 July 2025 to 30 June 2026. It should be read together with the Company's financial statements for the year ended 30 June 2026.

In addition to reporting FY26 performance, this report includes selected historical data, key achievements, and sustainability initiatives from previous fiscal years to provide stakeholders with a broader perspective on the Company's sustainability journey and performance trends.

2. Basis of Preparation

This Sustainability Report has been prepared to support FSM's adoption of IFRS S1, General Requirements for Disclosure of Sustainability related Financial Information, and IFRS S2, Climate related Disclosures.

Structured around the four core areas of governance, strategy, risk management, and metrics and targets, the report outlines sustainability and climate related risks and opportunities that could reasonably be expected to affect FSM's prospects.

In identifying sustainability related risks and opportunities and determining the appropriate disclosures, FSM also considered the Sustainability Accounting Standards Board (SASB) Standards and relevant industry based guidance, as applicable to FSM's activities and circumstances.

As it is the first reporting period under IFRS Sustainability Disclosure Standards, FSM has applied the transitional reliefs available under IFRS S1, IFRS S2 and the SECP adoption order, including:

- Disclosure of climate related risks and opportunities only, without disclosure of other sustainability related risks and opportunities.
- Omission of comparative sustainability information for the preceding reporting period except for climate related disclosure of green house gas emission and water consumption.
- Scope 3 greenhouse gas emissions have not been disclosed.

The Company intends to progressively enhance its scope, granularity and maturity of sustainability related financial disclosures in future reporting periods as data availability, governance processes and reporting systems continue to develop.

3. Reporting Boundary

The reporting boundary includes Unit 01 – Spinning, Unit 02 – Weaving, and Units 03–04 – Finishing and Home respectively.

FY2023 (1 July 2022 – 30 June 2023) is used as the baseline year unless otherwise stated. Historical information is presented for comparability in case of GHG emission and water management.

The report has been developed with reference to the following frameworks:

- **Global Reporting Initiative (GRI) Standards** for comprehensive sustainability disclosures and stakeholder reporting.
- **IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information**, issued by the International Sustainability Standards Board (ISSB), providing guidance on identifying and disclosing sustainability-related risks and opportunities.
- **IFRS S2 – Climate-related Disclosures**, supporting transparent reporting on climate governance, strategy, risk management, and climate-related metrics and targets.
- **United Nations Sustainable Development Goals (UN SDGs)** to demonstrate the Company's contribution toward global sustainable development priorities.
- **Securities and Exchange Commission of Pakistan (SECP) ESG Guidelines**, supporting responsible corporate governance and sustainability reporting practices within Pakistan.
- **Sustainability Accounting Standards Board (SASB) – Textiles, Apparel & Footwear Standard**, for industry-specific ESG performance metrics relevant to the textile manufacturing sector.
- **ISO 14001:2015 Environmental Management System**, guiding systematic environmental management and continual improvement.
- **ISO 45001:2018 Occupational Health and Safety Management System**, supporting effective management of occupational health, safety, and employee wellbeing.

4. Time Horizons

In assessing climate-related risks and opportunities, the Company applies defined time horizons to evaluate their potential effects on operations, strategy, and financial planning. For these disclosures, the time horizons are defined as follows:

- **Short term (up to 3 years)**
This horizon aligns with the Company's operational planning cycle and captures developments that may affect near-term business performance. Relevant considerations include changes in environmental regulations, climate-related operational disruptions, and immediate efficiency initiatives across production facilities.
- **Medium term (4-7 years)**
This horizon reflects the period over which strategic investments, operational optimisation projects, and technology upgrades typically take effect in the textile manufacturing industry. Relevant developments may include evolving climate policies, changes in energy markets, advances in industrial efficiency, and rising expectations for emissions management and environmental performance.
- **Long-term (beyond 8 years)**
This horizon reflects the extended useful lives of manufacturing assets and the structural changes expected in energy systems and industrial production as the global transition progresses. Potential developments include large scale technological shifts, carbon pricing mechanisms, and broader policy measures that may affect industry competitiveness, investment decisions, and the Company's long term strategy.

5. Judgements and uncertainties

The preparation of sustainability related financial disclosures involves the application of management's judgment in several key areas.

Significant judgment has been applied in determining the scope of disclosures and identifying sustainability related risks and opportunities.

Estimates have been applied where information is not directly measurable, is subject to data limitations, or involves forward looking assumptions. These judgements and estimates reflect management's assessment of the relevance and potential financial impact of sustainability related factors on the Company's strategy, business model, and cash flows over the short, medium, and long term.

5.1. Use of significant judgements

Significant areas of judgement and estimation uncertainty are highlighted below, with further details provided in the referenced note disclosures.

5.1.1. Sustainability Related Risk Assessment

Management exercised judgement in identifying sustainability related risks and opportunities relevant at corporate and business level and in determining the risk to be disclosed in relation to those matters. This assessment considered which issues could reasonably be expected to affect the Company's prospects or influence the decisions of primary users.

Judgement is also applied in evaluating the applicability of metrics including Industry based Guidance on Implementing IFRS S2

5.1.2. Emissions Measurement Approach

The Company has adopted the operational control approach for consolidating GHG emissions in accordance with the GHG Protocol Corporate Standard. This approach includes emissions from operations under the Company's operational control and is considered the most appropriate for GHG reporting.

5.2. Key area of measurement uncertainty

The following metrics are subject to measurement uncertainty.

5.2.1. GHG Emissions Metrics

The Company measures its greenhouse gas (GHG) emissions in accordance with the GHG Protocol. The reported emissions metrics are subject to inherent estimation uncertainty due to the reliance on activity data, emission factors and assumptions regarding combustion efficiency. Where activity data is incomplete or unavailable, management applies estimation techniques, which may introduce a degree of measurement uncertainty into the disclosures. Fugitive and process related emissions have more elements of measurement uncertainty than other sources of emissions in Scope 1. The Company intends to adopt all feasible means to improve measurement techniques in the future reporting cycles.

The Company has not reported Scope 3 emissions; however, estimation involved in measuring Scope 3 emissions also involves uncertainty due to data limitations.

6. Materiality Assessment

6.1. Approach to Materiality

FSM conducted a structured materiality assessment to identify sustainability and climate related risks and opportunities that could reasonably be expected to affect its prospects over the short, medium, and long term. The assessment considered FSM's business activities, operating context, value chain exposures, industry specific sustainability matters, and stakeholder perspectives.

Environmental and social impacts and stakeholder perspectives were used as additional inputs to provide broader context and incorporate an impact materiality perspective alongside the financial materiality assessment. These considerations complemented, but did not replace or alter, the financial materiality assessment used to determine material sustainability related information.

The process initially identified 14 sustainability topics across environmental, social, and governance considerations. These topics provided the basis for identifying potential sustainability and climate related risks and opportunities across FSM's operations and value chain.

The identified matters were then evaluated to determine whether the associated risks and opportunities could reasonably be expected to affect FSM's prospects over the short, medium, or long term. This evaluation supported the determination of the material information presented in this report.

6.2. Initial Sustainability Topic Assessment

The assessment began with a review of sustainability topics identified and reported in the preceding reporting period, ensuring continuity with FSM's established sustainability priorities. This review was supplemented by sustainability matters identified through the applicable SASB industry based guidance for the textile and apparel sector and relevant industry based guidance accompanying IFRS S2, taking into account their relevance to FSM's activities, operating context, and value chain.

Personnel from relevant functions and operational areas conducted the initial evaluation, drawing on their direct knowledge of FSM's activities, processes, workforce, resource requirements, supply chain, customers, and operating environment. This operational perspective provided the foundation for subsequent management review, stakeholder engagement, and prioritisation.

6.3. Stakeholder Engagement and Management Review

Following the initial assessment, relevant departmental and functional heads reviewed the identified sustainability topics using their management experience and understanding of FSM's operations and business context. Engagement with internal and external stakeholders further informed the assessment by incorporating their perspectives on the relevance and significance of the topics, providing the basis for subsequent prioritisation and materiality assessment.

6.4. Prioritisation and Assessment

A structured prioritisation exercise assessed the relative significance of the identified sustainability topics by considering their potential financial implications, operational relevance, stakeholder perspectives, and environmental and social impacts. The results were used to refine and prioritise the topics for the materiality assessment.

6.5. Management Review and Board Validation

The Board Sustainability Committee (BSC) reviewed the prioritised topics, providing Board level oversight of the materiality process. The topics were refined based on their strategic significance, operational relevance, and management insights.

The materiality assessment is expected to be reviewed annually, or earlier if significant events or material changes in circumstances occur, to ensure that the identified topics remain relevant to FSM's business and operating context.

Through this process, the Company identified 14 material sustainability topics, categorised as follows:

S. No.	Sustainability Topic	Category
1.	Energy and Water	Environmental
2.	Carbon Emissions	Environmental
3.	Material Consumption	Environmental
4.	Human Rights	Social
5.	Health and Safety	Social
6.	Training and Education	Social
7.	Supply Chain Management	Social
8.	Business Ethics	Governance
9.	Compliance	Governance
10.	Data Privacy and Cybersecurity	Governance
11.	Marketing Communications	Governance
12.	Economic Performance	Governance
13.	Market Presence	Governance
14.	Materials Sourcing and Efficiency	Governance

These material topics form the basis of the sustainability and climate related disclosures presented in this report. They are further evaluated through the assessment of sustainability and climate related risks and opportunities, including their potential implications and interactions with environmental and social systems.

7. Governance

FSM's sustainability governance framework establishes clear accountability for the oversight, management, implementation, and reporting of sustainability- and climate-related matters. During FY2026, FSM strengthened this framework by introducing dedicated Board-level oversight and a management coordination structure that integrates sustainability priorities with strategy, risk management, operations, and performance monitoring.

7.1. Overall Governance Structure

FSM's sustainability governance framework operates through interconnected Board, committee, management, and operational layers. The Board of Directors retains ultimate accountability for sustainability- and climate-related matters, while the Board Sustainability Committee (BSC) provides focused oversight on the Board's behalf. The Core Working Group on Sustainability coordinates management-level implementation and reporting, and relevant functions and operating locations execute approved actions, maintain supporting information, and monitor performance.

7.2. Board of Directors' Oversight

The Board retains ultimate accountability for sustainability and climate related matters, including oversight of the processes used to identify, assess, and manage material risks and opportunities and their integration into strategy, enterprise risk management (ERM), and significant business decisions. Although the Board delegates focused review to the BSC, it remains responsible for strategic direction, long-term resilience, and the integrity of sustainability-related reporting.

The Board receives the BSC's key deliberations, findings, recommendations, and decisions through the Committee. Matters with significant implications for FSM's strategy, operations, financial position, or stakeholder relationships may be escalated to the Board for consideration.

7.3. Board Skills and Competencies

FSM's wider corporate governance framework supports Board capability through director training, formal evaluation processes, and access to specialist expertise. The BSC may engage external experts or commission independent assessments where additional technical knowledge is required to fulfil its oversight responsibilities.

FSM continues to strengthen sustainability- and climate-related capability across its governance structure. A governance target has been established to build ESG awareness across the Board through director training, formal evaluation processes, and access to functional leaders, technical specialists, and external advisers, where appropriate. These arrangements support the progressive development and documentation of relevant Board-level sustainability competencies.

7.4. Role of Board Committees

Board Sustainability Committee reviews and recommends sustainability strategy; oversees key sustainability policies; monitors climate-related physical and transition risks and opportunities; reviews environmental and social performance; supports ERM integration; oversees stakeholder engagement, targets, disclosure integrity and consideration of external assurance.

Board Audit Committee complements BSC oversight in areas including risk management, sustainability reporting controls, data integrity, internal audit and assurance readiness. The existing Audit Committee framework also oversees internal control and risk management arrangements and whistleblowing mechanisms.

Human Resource and Remuneration Committee provides oversight of workforce management matters including diversity, employee development, succession planning, health and safety at workplace, remuneration and related people governance processes.

Sustainability oversight is coordinated across Board committees where responsibilities intersect. The BSC has the dedicated sustainability- and climate-oversight mandate, while the Board Audit Committee and the Human Resource and Remuneration Committee support matters within their respective mandates.

Under its terms of reference, the BSC oversees sustainability strategy and key policies; climate-related risks and opportunities; environmental performance relating to water, energy, waste, greenhouse gas emissions, biodiversity, and legal compliance; workforce, health and safety, community, and supply-chain matters; ERM integration; stakeholder engagement; disclosure integrity; diversity-related information; and the consideration of external assurance.

As part of its oversight role, the BSC reviewed and approved the material sustainability-related risks and opportunities and climate-related risks and opportunities, together with the related disclosures, and validated the final list of material topics.

7.5. Reporting Channels and Governance Oversight

The governance framework supports both downward and upward information flows. Strategic direction, policies, and approved actions flow from the Board and BSC through the Core Working Group to relevant functions and operating locations. Performance information, emerging risks and opportunities, implementation progress, incidents, and matters requiring attention are reported upward through the same structure.

The Core Working Group reports to the BSC quarterly, or more frequently when required. Reporting covers progress against sustainability priorities and targets; ESG performance trends; environmental and occupational health and safety performance; workforce and human-rights matters; sustainable sourcing; regulatory developments; climate-related risks and opportunities; stakeholder concerns; and significant investment requirements.

7.6. Integration with Risk Management and Decision-Making

Company governance framework integrates sustainability oversight with strategic planning, financial planning, and enterprise risk management. Relevant functions and operating teams assess material exposures and their potential operational and financial implications, including costs, capital requirements, business continuity, market access, and supply-chain resilience. The Core Working Group consolidates these assessments for management review and consideration by the BSC.

Where relevant, sustainability- and climate-related considerations are incorporated into operating and capital expenditure decisions, major investments, sourcing and operational choices, product and market development, and changes to business processes.

7.7. Sustainability-Related Policies and Codes

The Company's policy framework defines the standards, responsibilities, and control requirements that support the effective implementation of its sustainability priorities. Relevant management functions are accountable for implementing and communicating these policies and for monitoring ongoing compliance, while the BSC oversees the development and periodic review of key sustainability-related policies.

Ethical conduct, transparency, and accountability are supported by the Code of Conduct, Related Party Transactions Policy, Whistleblowing Policy, and Anti-Harassment Policy.

Environmental and social responsibilities are governed through the Environmental, Sustainability and Corporate Social Responsibility (CSR) Policy.

Risk identification, management, and organisational resilience are governed through the Risk Management Policy.

People management and responsible leadership are governed through the Remuneration Policy for Directors, Members of Senior Management and the Human Resource Management Policy.

Stakeholder engagement, responsiveness, and grievance management are governed through the Stakeholder Engagement Policy and the Shareholder Grievance Policy.

7.8. Targets, Monitoring, and Incentives

Management develops sustainability priorities, targets, and key performance indicators with reference to material risks and opportunities, strategic objectives, regulatory requirements, operational capabilities, and data maturity. The BSC reviews management proposals and monitors whether approved targets remain measurable, adequately supported, and aligned with Company strategy and risk profile.

The Core Working Group translates approved priorities into departmental objectives and action plans, assigns implementation responsibilities, and monitors progress. Performance reporting addresses progress against targets, implementation challenges, material incidents, data limitations, and corrective actions.

Company is progressively strengthening the link between sustainability priorities, performance monitoring, and management accountability. The continued development of measurable key performance indicators and supporting governance processes will provide a stronger basis for considering sustainability-related performance within remuneration and incentive arrangements. No specific sustainability-linked remuneration metric was incorporated during this reporting cycle.

7.9. Internal Controls and Assurance

The BSC oversees the integrity of sustainability-related disclosures, while management remains responsible for the underlying reporting processes and controls. The Core Working Group coordinates data ownership, methodologies, supporting evidence, validation, consolidation, and management review. Material data gaps, inconsistencies, or control weaknesses are escalated where they could affect the reliability of reported information.

Company internal-audit framework provides an additional independent control layer. Internal Audit reports functionally to the Board Audit Committee and may assess relevant sustainability governance, risk-management, and reporting controls where these matters are included in the approved audit plan. Internal Audit also maintains the enterprise risk register. As assurance readiness develops, the BSC may recommend external assurance where appropriate.

7.10. Governance Maturity and Continuous Improvement

FY2026 marked an important stage in the development of Company sustainability governance. The BSC was established during the reporting period and operates under defined Terms of Reference covering strategy and policy oversight, climate-risk management, environmental and social performance, risk integration, disclosure, stakeholder engagement, and assurance considerations.

Following its establishment, the BSC held one meeting during FY2026. Its Terms of Reference establish a recurring meeting cadence for sustainability oversight and permit additional meetings when specific matters require attention. The Core Working Group meets at least quarterly and may involve functional leaders, technical specialists, and external advisers, as appropriate.

The BSC's Terms of Reference also provide for an annual self-assessment of the Committee's performance and effectiveness, the reporting of key deliberations and recommendations to the Board through the BSC Chair, and access to external specialist support where additional expertise is required.

Company governance priorities include strengthening sustainability- and climate-related knowledge, information quality, internal controls, action tracking, and assurance readiness. These improvements are being advanced alongside the development of Company strategy, risk-management processes, and metrics and targets, enabling governance maturity to evolve as an integrated component of the broader sustainability-reporting framework.

8. Strategy

8.1. Strategic Sustainability and Climate Approach

Company strategic approach integrates business growth, operational efficiency, responsible resource use, environmental and social performance, ethical conduct, and long-term resilience. The Company's corporate strategy emphasises sales growth and market expansion, operational efficiency, business and product diversification, continued investment in advanced technology, high ethical and professional standards, and sustainable manufacturing.

Sustainability- and climate-related considerations are progressively being integrated into Company strategic planning and business decision-making, including decisions concerning resource allocation, operational improvements, sourcing, product and market development, and significant investments.

Company climate approach is being advanced through a portfolio of operational and investment initiatives, including renewable energy, energy efficiency, water-resilience measures, and sourcing and procurement responses for climate-sensitive raw materials. These initiatives provide a practical foundation for progressively strengthening the integration of climate considerations into strategic planning as Company sustainability and climate-reporting capabilities mature.

8.2. Material Sustainability and Climate-Related Risks and Opportunities

The Company's assessment identified material sustainability and climate-related risks and opportunities that may affect its prospects over the short, medium, and long term. The materiality assessment underpinning selection is described in materiality assessment, while the processes for identification, assessment, and prioritization are outlined in risk assessment.

8.3. Sustainability-Related Risks and Opportunities

The selected sustainability-related matters encompass ethical conduct, workforce capability and inclusion, sustainability claims, certification-based market positioning, data protection, environmental compliance, responsible supply-chain practices, certified sustainable cotton and yarn, recycled-fibre and low-carbon product development, product innovation, and market diversification. The sustainability linkages presented in the table are based on the relevant descriptions of each matter and the supporting information available for this report.

Sustainability Related Risks

S. No.	Sustainability Related Matter	Description	Potential Financial Effects
1.	Business Ethics - Corruption and unethical business practices, Retaliation Against Whistleblowers, Ethical Reporting Failures and Workplace Harassment	Ethical conduct, anti-corruption, whistleblowing, workplace fairness and harassment.	Revenue concentration, working capital, receivables/credit risk
2.	Training and Education - Lack of Leadership Development and Succession Readiness, Inadequate Employee, Training and Skills Development	Leadership and succession readiness; sustainability, health and safety, code of conduct, anti-harassment, regulatory-compliance and technical training.	Increased operating costs

3.	Compliance & Marketing Communications - Greenwashing and unsubstantiated sustainability or quality claims	Substantiation of certified sustainability attributes and product-quality claims; traceability and claims verification.	Revenue (order loss), regulatory/legal penalties, brand value
4.	Data Privacy and Cyber Security – Cybersecurity and data-protection control gaps	Security monitoring, data-loss prevention, incident response, customer/company data protection and operational continuity.	Business interruption
5.	Material Consumption – Hazardous wet-processing effluent discharge	Heavy metals and synthetic chemical finishes; aquatic biodiversity, surrounding agricultural land and final-discharge water quality.	Regulatory fines and penalties, legal/defense costs, potential revenue loss from shutdown

Sustainability Related Opportunities

S. No.	Sustainability Related Matter	Description	Potential Financial Effects
1.	Economic Performance - Revenue growth through certified sustainable cotton and yarn	Certified sustainable cotton and yarn, traceability-related product credentials, customer demand and product positioning.	Revenue growth, premium pricing, margin improvement
2.	Marketing Communications - Credible sustainability positioning through existing certifications	Existing certifications and traceability-related product credentials supporting credible sustainability positioning and customer communication	Revenue (premium pricing), customer retention, brand value
3.	Health and Safety - Enhanced OH&S management system and workforce wellness	OH&S management, hazard elimination, preventive health and wellness, incident reduction and workforce wellbeing.	Reduced compensation/insurance costs, productivity gains, avoidance of regulatory fines

4.	Materials Sourcing & Efficiency - Recycled-fibre and low-carbon product lines	Recycled-fibre and low-carbon product development, product innovation and product mix.	Revenue mix shift
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These matters can affect company's prospects through ethical and regulatory exposure, workforce capability and continuity, data protection and business interruption, environmental compliance, supplier and stakeholder relationships, customer acquisition and market diversification. Company's strategic responses to these themes are discussed below in the report.

8.4. Climate Related Risk and Opportunity

The selected climate-related population comprises transition risks and opportunities and physical risks. To avoid duplication, the detailed matters are presented only in the two sub-sections below. Transition-related matters arise through energy and carbon exposure, evolving customer and regulatory expectations, technology and access to finance.

Climate Related Risks

S. No.	Climate Related Matter	Driver	Potential Financial Effects
1.	Energy and Water - Rising energy costs and energy supply insecurity	Market	Increased operating costs (electricity, gas, water tariffs); capital expenditure for efficiency upgrades
2.	Economic Performance - Market Access Risk and Cost Inflation due to Climate Transition	Policy and Legal, Reputational, Market	Production assets and machinery, impairment/write-downs, capital expenditure for decarbonization, revenue loss
3.	Economic Performance - Sustainable Finance Capital Access Risk	Reputational / Market	Increased operating costs
4.	Carbon Emissions - Carbon pricing and climate-transition cost exposure	Policy and Legal	Compliance/carbon-tax costs, Carbon Border Adjustment Mechanism (CBAM) exposure on European Union (EU) exports, capital expenditure for low-emission technology

Climate Related Opportunities

S. No.	Climate Related Matter	Driver	Potential Financial Effects
1.	Energy and Water - Energy-efficient spinning, weaving and processing equipment	Technology	Increased productivity and reduced energy costs
2.	Carbon Emissions - Renewable energy, decarbonization and carbon offsets	Technology	Reduced energy costs, carbon-cost avoidance, improved competitiveness with international buyers

These transition-related matters are connected with company's energy intensive operations, decarbonisation requirements, evolving customer and regulatory expectations, technology investment and sustainable-finance exposure. Existing renewable-energy and efficiency initiatives provide a basis for responding to these changes, while further investment and capability development may be required as transition-related expectations evolve.

8.5. Climate Related Physical Risks

The selected physical climate population comprises two chronic, long-term risks relating to critical operating inputs: water and raw cotton.

S. No.	Climate Related Physical Risk	Driver	Potential Financial Effects
1.	Energy and Water - Water scarcity, water stress and abstraction limits	Chronic	Production disruption / lost-output costs; cost of alternate energy/water sourcing
2.	Supply Chain Management - Climate-driven raw cotton supply disruption	Chronic	Procurement cost increases, production disruption

Company's principal selected physical climate exposures therefore arise through the availability of water and climate-sensitive raw materials. These exposures may affect procurement, production planning, working capital and operating continuity over longer time horizons.

8.6. Strategic objectives and focus areas

The selected Sustainability Related Risk and Opportunities and Climate Related Risk and Opportunities reinforce and extend company's existing strategic objectives. For the purposes of this report, company groups the principal strategic implications into five interconnected focus areas.

S. No.	Strategic Focus Area	Principal Driver	Strategic Direction
1.	Resource efficiency and climate resilience	Energy security and cost, water scarcity, carbon transition exposure and climate-driven cotton disruption.	Renewable energy, energy-efficient equipment, water resilience, resource efficiency and resilience of critical operational inputs.
2.	Environmental compliance and responsible supply chain	Hazardous wet processing effluent exposure and human-rights considerations across operations and the supply chain.	Effluent treatment and discharge-quality controls, responsible supply-chain practices, supplier engagement and stronger value-chain resilience.
3.	Ethics, digital resilience and finance	Ethical conduct, whistleblowing, data protection, cybersecurity and sustainable-finance access	Ethical controls, reporting channels, digital resilience, credible sustainability information and engagement with financing institutions
4.	People, health and organisational capability	Leadership and succession readiness, workforce capability, occupational health and safety diversity and inclusion.	Structured capability development, leadership readiness, OH&S management, workforce wellness and equal opportunity.
5.	Products, markets and communication	Sustainability claim exposure, certification based positioning, certified sustainable cotton and yarn, product innovation and market diversification.	Credible certification and claims management, product innovation, certified and recycled/low-carbon product development, customer diversification and market expansion.

8.7. Strategic Integration of Sustainability and Climate Related Risks and Opportunities

The selected risks and opportunities inform strategic decisions across operations, sourcing, products, markets, people, and finance. The governance arrangements for oversight and escalation are described in this report, and the related risk management processes are set out in risk management section. This section outlines the resulting strategic actions.

- Energy and climate transition: FSM addresses energy costs, supply security, and carbon transition exposure through investment in renewable energy, onsite generation, energy efficiency, advanced machinery, and operational improvements.
- Water, effluent, and raw materials: FSM addresses water scarcity, climate sensitive cotton supply, and hazardous effluent exposure through reverse osmosis systems, effluent treatment infrastructure, water treatment, sourcing and procurement measures, and initiatives to strengthen the resilience of critical inputs.
- Products, markets, and communication: Matters relating to sustainability claims, certification based positioning, certified sustainable cotton and yarn, recycled fibre and low carbon products, product innovation, and market expansion are addressed through certification management, product development, and customer diversification.
- People and responsible supply chain: Ethical conduct, leadership development, training, occupational health and safety, diversity, and responsible supply chain practices are supported through employee development, workforce wellbeing, equal opportunity, human rights principles, and management controls.
- Finance and digital resilience: Sustainable finance, data protection, and cybersecurity are supported by stronger sustainability information, robust reporting controls, enhanced digital resilience, and engagement with financing institutions.

FSM's decision making also requires balancing immediate resource requirements with longer term operational, market, and resilience objectives. Examples include upfront capital expenditure on renewable energy to reduce energy costs and reliance on conventional energy; expenditure on water treatment and recycling to improve resource resilience; sustainable material and certification costs to strengthen customer trust and market access; and investment in technology and workforce capability to enhance productivity, product diversification, and long term competitiveness.

8.8. Sustainability and climate in financial planning

Sustainability and climate considerations are progressively being incorporated into budgeting, capital expenditure, operating expenditure, and major investment decisions. FSM's current financial planning approach is reflected in capital allocated to renewable energy, waste water treatment, and advanced machinery.

FSM's current period financial information reflects continued capital allocation to renewable energy, waste water treatment, and efficiency initiatives..

8.9. Financial information under development

FSM continues to strengthen the reconciliation and attribution of sustainability and climate related capital expenditure across projects and reporting categories. Accordingly, this report presents current period amounts where the related investment can be reliably identified. The quantification and allocation of certain other financial effects remain under development.

8.10. Sustainability and Climate Related Strategic Resilience

FSM's current resilience is supported by operational adaptation, product and market diversification, investment in renewable energy, resource management infrastructure, supply chain management, access to finance, and established business continuity practices. Existing measures include onsite and renewable power generation, advanced machinery, four principal manufacturing locations, sustainability certifications, effluent treatment and reverse osmosis infrastructure, sourcing and procurement measures, and established financing relationships. The assessment also identifies continuing vulnerabilities, including dependence on cotton and other critical inputs, high energy and water intensity, exposure to climate sensitive raw material supply, evolving customer and regulatory expectations, cybersecurity and data risks, and the need for continued investment as sustainability and climate requirements continue to evolve.

8.11. Development of the Climate Resilience Assessment

FSM is progressively strengthening its climate resilience and scenario analysis assessment through ongoing data collection, refinement of climate risk information, and stronger integration with strategic and financial planning. During this reporting cycle, FSM focused on improving the data, risk information, and analytical capability supporting climate resilience and scenario analysis assessment. As these capabilities mature, they are expected to support a more structured evaluation of resilience under different climate conditions. The related risk inputs and monitoring arrangements that support climate resilience and scenario analysis assessment are described in risk management section.

8.12. Broader Sustainability Strategy

Beyond matters classified as climate related, FSM's broader sustainability strategy addresses ethical conduct, leadership and workforce capability, occupational health and safety, diversity and inclusion, data protection, sustainability claims, hazardous effluent compliance, responsible supply chain practices, certification based sustainability positioning, certified sustainable cotton and yarn, sustainable finance, recycled fibre and low carbon product development, product innovation, and market diversification. These priorities support FSM's strategic objective of maintaining high ethical, professional, and environmental standards while supporting long term business performance.

8.12.1. Environmental compliance and supply chain

FSM's broader sustainability response includes environmental compliance measures for wet processing effluent and responsible supply chain practices. Effluent treatment and reverse osmosis infrastructure, together with final discharge water quality sampling, support the management of effluent exposure. Responsible supply chain initiatives also strengthen human rights practices, supplier relationships, customer and investor confidence, and sustainable business growth. Related environmental and supply chain metrics are presented in metrics and targets section.

8.12.2. Markets, innovation and communication

FSM's broader sustainability priorities for markets and products include substantiating sustainability and quality claims, strengthening credible sustainability positioning

through existing certifications, increasing revenue from certified sustainable yarns, developing recycled fibre and low carbon product lines, advancing product innovation, acquiring new customers, and expanding into underserved niche and international markets. Improved access to sustainable finance is also part of the broader sustainability opportunity set. Existing certifications and product traceability credentials support market positioning, while related monitoring is presented in metrics and targets section.

8.12.3. Workforce capability, health and inclusion

FSM's broader sustainability priorities include leadership and succession readiness, employee capability, occupational health and safety management, workforce wellbeing, and diversity and inclusion. FSM addresses these priorities through employee development, health and safety systems, wellness initiatives, equal opportunity measures, and management controls. Related performance measures are presented in metrics and targets section.

8.12.4. Ethics and digital resilience

FSM's broader sustainability priorities also address corruption and unethical business practices, whistleblowing and ethical reporting failures, workplace harassment, cybersecurity, and data protection control gaps. FSM's Code of Conduct, whistleblowing arrangements, internal controls, and information security measures provide the supporting governance and control framework. Related monitoring is presented in metrics and targets section.

8.13. Climate Strategy

FSM's current climate strategy is implemented through operational and investment initiatives that address energy and carbon exposure, water resilience, and the security of climate sensitive raw materials. These initiatives provide a practical foundation for progressively strengthening climate transition planning and integrating climate considerations into strategic and financial decision making.

8.13.1. Energy and Emissions

Energy is a central strategic consideration because FSM's spinning, weaving, and processing operations are energy intensive. The assessment of material risks and opportunities identified rising energy costs, supply insecurity, and climate transition costs as significant exposures.

FSM is addressing these exposures through investment in renewable energy, onsite generation, energy efficiency measures, and technology upgrades.

FSM continues to expand renewable energy capacity and improve energy efficiency through solar generation, wind power, waste heat recovery, efficient generation equipment, LED lighting, energy monitoring technologies, and energy efficient production equipment. Current capacity and expansion status metrics are presented in metrics and targets section.

The financial implications of the solar expansion currently under development are presented in investment plans and sources of funding, while the related capacity metric is disclosed in metrics and targets section.

8.13.2. Water and Raw Material Resilience

Water scarcity, water stress, and abstraction constraints are relevant to FSM's wet processing operations, while recurring floods, droughts, and shifting monsoon patterns present a long term physical risk to domestic raw cotton supply. FSM addresses these exposures through water treatment and resilience measures, together with sourcing and procurement actions designed to support the continuity of critical inputs. The Company's water strategy is supported by investment in treatment and reuse infrastructure. Detailed water performance indicators are presented in Metrics and Targets Sections, while quantitative cotton resilience indicators remain under development as part of the evolving measurement framework.

8.13.3. Climate Transition Opportunities

FSM's selected climate transition opportunities focus on energy efficient spinning, weaving and processing equipment, renewable energy, decarbonisation, and carbon offsets. These opportunities are supported by the energy and emissions initiatives described in **Energy and emissions** and monitored through the metrics presented Metrics and Targets Sections.

8.14. Strategic Planning Approach

FSM considers the expected timing of sustainability and climate related effects when assessing, prioritizing, and planning responses to material matters. This approach supports the alignment of management actions, investment decisions, and performance monitoring with the evolving nature of the identified risks and opportunities. The relevant assessment parameters are described in Section 5.2.

8.15. Financial Effects of Material Risks and Opportunities

The information currently available identifies several financial channels through which material sustainability and climate related risks and opportunities may affect FSM. These include operating, energy, raw material, procurement, regulatory, and compliance costs; capital expenditure; working capital requirements; revenue and market access; financing conditions; asset values; and cash flows.

Energy, raw materials, water, and capital investment are key channels through which these matters may affect FSM's business model and financial performance. Current period information indicates that renewable energy deployment is contributing to lower power costs, while cotton supply, water, and transition related risks may increase procurement costs, working capital requirements, operating expenses, market access risks, and capital needs.

8.15.1. Anticipated Financial Effects by Time Horizon

S. No.	Theme	Time Horizon	Financial Effect Identified in Current Information
1.	Energy and climate transition	Medium and long term	Higher energy and compliance costs; capital expenditure for efficiency and lower emission technology; and potential savings from renewable energy and efficiency measures.
2.	Water and physical resource constraints	Long term	Potential production disruption, alternative sourcing and treatment costs, and expenditure on resilience measures.
3.	Raw cotton supply	Long term	Potential increases in procurement costs, greater reliance on imported cotton, and pressure on working capital.
4.	Markets, products, and communication	Short, medium, and long term	Potential effects on orders and revenue, opportunities for premium positioning, product and market diversification, and certification and compliance costs.
5.	Financing and capital allocation	Medium term	Potential changes in access to sustainable finance, the cost of capital, and capital allocation for clean technology.

Current financial performance and cash flow effects are discussed in Expected Performance and Cash Flow Effects. Anticipated effects include continued capital requirements for renewable energy and efficiency initiatives, potential reductions in conventional energy costs and related cash outflows, and possible cost or revenue effects arising from the identified climate and sustainability matters.

Further investment in renewable energy is expected to require additional capital expenditure while reducing conventional fuel requirements and associated cash outflows. Effluent treatment and reverse osmosis infrastructure are expected to reduce external water and wastewater management costs and mitigate exposure to environmental penalties. The current solar investment plan and related funding arrangements are presented in investment plans and sources of funding.

8.15.2. Potential Material Adjustments to Assets and Liabilities

The information available for this report does not yet include a completed assessment of whether any identified sustainability or climate related risk or opportunity could result in a material adjustment to the carrying amount of an asset or liability within the next annual reporting period. This assessment remains in progress as the supporting financial information and evaluation processes continue to mature.

8.15.3. Expected Changes in Financial Position

FSM's financial position already reflects investment in renewable energy, wastewater treatment, and efficiency related assets. Further capital expenditure is expected as renewable energy and efficiency projects progress. The effects on asset balances, depreciation, financing, and other financial statement line items have not yet been quantified at the individual project level.

8.15.4. Investment Plans and Sources of Funding

FSM's strategy is supported by continued capital allocation to renewable energy, advanced machinery, wastewater treatment, and resource efficiency infrastructure. Current information identifies an additional solar project of 2.197 MW under development at an estimated cost of approximately PKR 154.054 million. Sustainability and climate related capital expenditure is funded through a combination of long term and short term borrowings within FSM's broader financing arrangements and liquidity management framework.

8.15.5. Expected Performance and Cash Flow Effects

The principal financial effects identified to date relate to energy and procurement costs, operational efficiency, regulatory exposure, product and market access, and financing. The transition to wind and solar energy has delivered a reported reduction of approximately PKR 440.374 million in power costs, representing a current financial performance effect. In addition, the cumulative capital expenditure of approximately PKR 1.879 billion on wind and solar installations since the inception of the Company's renewable energy initiative represents a cash flow effect. A comprehensive quantification of anticipated future effects is currently under development.

9. Risk management

Company applies an integrated approach for managing Sustainability and Climate Related Risks and Opportunities. The process is intended to support the timely identification, assessment, prioritisation, monitoring and escalation of matters that could reasonably be expected to affect company's prospects over the short, medium or long term.

Sustainability and climate considerations are incorporated into company's broader risk management arrangements, supported by departmental risk ownership, management coordination through the Core Working Group and oversight by the BSC.

Climate related matters are addressed within the overall sustainability risk process, with additional consideration given to their physical and transition characteristics.

9.1. Sustainability and Climate Related Risks and Opportunities Management Framework

Company applies an integrated process to identify, assess, manage, monitor and report sustainability and climate-related risks and opportunities across its operations and relevant areas of the value chain. This process operates within company's broader risk management framework and is supported by the risk management policy, management-level coordination through the core working group and board-level oversight through the Board Sustainability Committee, together with relevant policies and operational procedures.

Departmental heads serve as risk owners, with responsibility for identifying and managing risks within their respective functions, maintaining appropriate controls and reporting changes in risk exposure. Sustainability-related matters are identified through departmental assessments, management review, stakeholder input, regulatory and industry developments and consideration of relevant SASB and IFRS S2 industry-based guidance.

Climate-related risks are further classified as physical or transition risks. The selected climate-related opportunities comprise energy efficient spinning, weaving and processing equipment and renewable energy, decarbonisation and carbon offsets.

9.2. Assessment inputs and parameters

The identification and assessment of sustainability and climate related risks and opportunities draws on company's operational and sustainability performance, departmental risk assessments, existing controls and management insights, alongside regulatory requirements, industry guidance, stakeholder perspectives, customer expectations and textile-sector developments.

The assessment covers company's operations and, where relevant, upstream and downstream value chain exposures, including raw materials, energy and water dependencies, suppliers, workforce, customers and markets. The extent of value chain consideration varies by topic based on relevance, influence and availability of reasonable and supportable information.

Company assesses each identified risk and opportunity across the short, medium and long term, considering its nature, likelihood, scope and potential financial, operational, environmental and social effects. Climate-related risks are further classified as physical or transition risks, with physical risks distinguished as acute or chronic where relevant. The assessment also considers velocity and the scoring factors Irremediability for risks and Benefit Durability for opportunities.

The assessment combines qualitative management judgement with defined scoring criteria to support consistent evaluation and prioritisation. Quantification of the current and anticipated financial effects of individual sustainability and climate related risks and opportunities is being progressively developed as company strengthens its underlying data and assessment capabilities.

Company's current climate resilience work is focused on strengthening the supporting data, risk information and analytical capability, as described in **Sustainability and climate-related strategic resilience**.

9.3. Prioritisation of sustainability and climate-related matters

Sustainability and climate related matters are prioritised based on their likelihood, potential impact and relevance to company's business and prospects. Material matters are incorporated into the sustainability risk and opportunity register and subject to management review and Board Sustainability Committee oversight.

Sustainability and climate related matters are considered within company's broader risk management framework and prioritised alongside other principal risks where they may affect the achievement of business objectives. Opportunities are similarly assessed based on their potential strategic, operational, financial, environmental and social benefits.

Company continues to strengthen the integration of its sustainability and climate related assessment processes with the broader risk management framework to support consistent prioritisation, monitoring and management of material matters.

9.4. Reporting-period developments and monitoring

Sustainability and climate related risks and opportunities are monitored through company's sustainability governance and broader risk management processes, supported by relevant operational controls and available performance indicators, where established. The Core Working Group coordinates management level monitoring, including changes in exposure, implementation of management responses and progress against relevant targets, where available. Material developments and matters requiring further attention are escalated to the Board Sustainability Committee for oversight.

Monitoring considers changes in risk exposure, relevant environmental, social and operational performance and progress against applicable initiatives and available targets. This enables emerging or changing sustainability and climate related matters to be identified and addressed through the appropriate management and governance channels as the monitoring framework progressively strengthens.

Company continues to strengthen the linkage between its sustainability risk and opportunity assessment and broader risk management processes to support more consistent monitoring, ownership and action tracking.

9.5. Integration with the Enterprise Risk Management Framework

The integration of sustainability and climate considerations into company's risk management framework enables these matters to be assessed within company's overall risk profile. Departmental heads retain responsibility for risks within their functions, supported by the Core Working Group's coordination of sustainability and climate related risks and opportunities. The role of Internal Audit in enterprise risk governance is described in **Internal controls and assurance**, while material matters are escalated through the Board Sustainability Committee to the Board.

Outputs from the sustainability and climate risk assessment support risk prioritisation, control design, management responses, operational planning and escalation. This enables matters

such as energy and water availability, environmental compliance, workforce practices, supply chain continuity, customer requirements and physical and transition climate developments to be considered alongside financial, operational, compliance and reputational risks.

Integration will continue to mature as company further aligns its sustainability and enterprise risk registers, rating scales, monitoring thresholds and reporting protocols. As sustainability and climate related matters are managed through a connected framework, the related disclosures are presented together, with climate specific information distinguished only where necessary to provide appropriate context and avoid duplication.

9.6. Risk management, strategy and performance

Company's assessment of sustainability and climate related risks and opportunities supports its governance, strategic planning and performance management. Material matters are considered when setting operational priorities, allocating resources and evaluating company's resilience over the short, medium and long term.

This approach is reflected in initiatives relating to renewable energy, energy efficiency, heat recovery, water reuse, wastewater treatment, materials recovery, Occupational Health and Safety employee development and responsible supply chain practices. Where competing priorities arise, company considers near-term costs and operational requirements alongside longer term financial, environmental and social outcomes.

Available ESG indicators, where established, are used to monitor implementation and support assessment of management responses. Company is progressively strengthening the connection between each material Sustainability and Climate Related Risks and Opportunities, its accountable owner, related actions, performance indicators, targets and potential financial implications.

10. Metrics and targets

Company's metrics and targets framework provides the monitoring layer for the material sustainability and climate related risks and opportunities presented in **Material sustainability and climate related risks and opportunities** and the monitoring arrangements described in **Reporting-period developments and monitoring** and **Risk management, strategy and performance**. The indicators below reflect information that is currently available and sufficiently supportable for this reporting cycle. Where the underlying data is incomplete, not yet reconciled or not aligned to the reporting period, company identifies the metric as under development or under validation rather than presenting an unsupported value. The broader basis for measurement uncertainty, limitations and connected information is described in **Estimates, assumptions and measurement uncertainty, Key limitations and Connected information**.

10.1. Climate-related metrics

Climate-related monitoring reflects the selected transition and physical risks and opportunities, including energy and carbon exposure and water and raw-material physical risks. Available quantitative information is strongest for renewable energy, emissions-reduction and water-related indicators, while broader energy-efficiency and climate-resilience measures continue to develop.

10.1.1. Energy consumption and energy mix

As Compared with the FY2023 baseline, company has made significant progress in transforming its energy mix toward lower-carbon and renewable sources. Total energy consumption increased by **7.87%**, from **308,926 GJ in FY2023 to 335,322 GJ in FY2026**, reflecting changes in operational energy requirements due to increased production. Despite this increase, the contribution of non-renewable electricity declined substantially from **71% to 25.67%**, representing a **-45.32% reduction in its share of the energy mix**. In parallel, renewable electricity generated through **solar and wind** increased from **1,297 GJ (0.42%) to 78,507 GJ (23.41%)**. Purchased electricity increased from **28.58% to 50.91%**, indicating a greater reliance on externally sourced electricity. Overall, the FY2026 energy profile demonstrates a substantial transition away from non-renewable energy toward renewable electricity, supporting the Company's broader climate action and de-carbonization objectives.



Total Electricity Consumption		Non-Renewable Electricity		Renewable Electricity		Purchased Electricity	
308,926 GJ	335,322 GJ	219,331 GJ	86,094 GJ	1,297 GJ	78,507 GJ	88,297 GJ	170,721 GJ
FY2023 Baseline	FY2026 Current	FY2023 Baseline	FY2026 Current	FY2023 Baseline	FY2026 Current	FY2023 Baseline	FY2026 Current

2022

0.25 MW

Solar capacity
Installed on-site at
Unit #04,
Faisal – Home Division
250 kWh

2024

2.0 MW

Solar capacity
Installed on-site at
Unit #02,
Faisal – Weaving Unit
2,000 kWh

0.25 MW

Solar capacity
Installed on-site at
Unit #04,
Faisal – Home Division
250 kWh

2025

4.8 MW

Wind turbine
Installed on-site at
Unit #01,
Faisal – Spinning Unit
4,800 kWh

2026

2.3 MW

Solar capacity
Installed on-site at
Unit #01,
Faisal – Spinning Unit
2,300 kWh

2.3 MW

Solar capacity
Installed on-site at
Unit #03,
Faisal – Finishing Unit
1,800 kWh

Unit #02,
Faisal – Weaving Unit
500 kWh

Scope 1 and Scope 2 emissions

GHG emissions are calculated per the GHG Protocols by using the IPCC 2006 Guidelines and Pakistan national grid (NTDC).

Scope 1 – Direct GHG Emissions:

Scope 1 emissions arise from the direct combustion of fuels in stationary sources owned/controlled by the Company. These emissions are categorized into below two parts;

- **On-site Electricity Generation**, covering the combustion of natural gas, diesel and furnace oil in electricity-generation equipment;
- **On-site Thermal Energy and Steam Generation**, covering the combustion of coal and biomass in boilers for steam generation

Scope 2 – In-direct GHG Emissions

Covers indirect emissions from national

*Through the adoption of **solar and wind energy for on-site electricity generation**, the Company has reduced its reliance on fossil fuels and is estimated to have **avoided 8,107.95 tCO₂ e** of emissions associated with natural gas, diesel and furnace oil consumption. This includes **4,095.93 tCO₂ e** from natural gas, **1.57 tCO₂ e** from diesel and **4,010.44 tCO₂ e** from*

Consolidated GHG Emissions (Scope 1 & Scope 2) — tCO2e

Fiscal Year / Period	Scope 1 (tCO2e)					Total Scope 1 (tCO2e)		Scope 2 (tCO2e)	Total Scope 1+2 (tCO2e)
	(A) On-site Electricity Generation			(B) On-site Steam Generation		On-site Electricity Generation	On-site Steam Generation	Purchased Grid Electricity	
	Natural Gas	Diesel	Furnace Oil	Coal	Biomass*				
FY2023 (Jul22-Jun23)	12,228.90	4.39	99.68	91,748.67	-	12,332.97	91,748.67	10,791.90	114,873.54
FY2024 (Jul23-Jun24)	10,741.72	0.48	364.99	69,228.32	29,682.06	11,107.19	98,910.38	10,424.06	120,441.63
FY2025 (Jul24-Jun25)	7,710.73	2.33	2,006.24	-	67,798.75	9,719.30	67,798.75	10,192.44	87,710.49
FY2026 (Jul25-Jun26)	4,801.25	3.15	36.16	-	72,560.62	4,840.56	72,560.62	20,865.93	98,267.11

furnace oil, demonstrating the positive climate impact of the Company's transition toward renewable energy.

Scope 1 Natural Gas (tCO2e)	Scope 1 Diesel (tCO2e)	Scope 1 Furnace Oil (tCO2e)	
4,095.93	1.57	4,010.44	8,107.95 tCO2e

Energy Improvement Plan

Objective	Key Actions	2030 Target / KPI	Timeline	Responsible Person	Alignments with	
					GRI Standard	UN SDGs
Reduce energy intensity	ISO 50001 implementation	Certified Energy Management System	2028	Engineering Manager	GRI 302	
Reduce energy consumption	Annual Energy Audits	100% completion	Annual	Engineering Manager	GRI 302	

Improvement Metric		FY2023 (Baseline)	FY2026 (Current Year)	Change
Renewable Energy Installed (Solar + Wind)		1,297 GJ	78,507 GJ	+77,210 GJ
Coal Consumption (Steam Generation)		37,591 MT	0 MT	-37,591 MT (-100%, Phased out)
Biomass Consumption (Steam Generation)		0 MT	62,552 MT	+62,552 MT
WHRB Recovered Steam (Zero-emission)		13,230 MT	17,989 MT	+4,759 MT

Improve equipment efficiency	Replace inefficient motors with IE3/IE4	100% replacement	2030	Engineering Manager	GRI 302
Improve compressed air efficiency	Leak detection program	Quarterly inspections	Quarterly	Engineering	GRI 302
Improve lighting	LED replacement	100% LED lighting	2028	Engineering	GRI 302

Water Management Improvement Plan

Objective	Key Actions	2030 Target / KPI	Timeline	Responsible Person	Alignments with	
					GRI Standard	UN SDGs
Reduce water consumption	Water conservation projects	10% reduction from FY2025	2030	Utility Manager	GRI 303	
Increase reuse	Water recycling	20% recycled water	2030	Utility Manager	GRI 303	
Eliminate untreated discharge	Upgrade ETP	Zero untreated discharge	2028	ETP Manager	GRI 303	
Reduce freshwater withdrawal	Rainwater harvesting	System operational	2027	Engineering	GRI 303	

10.1.2. Water Management

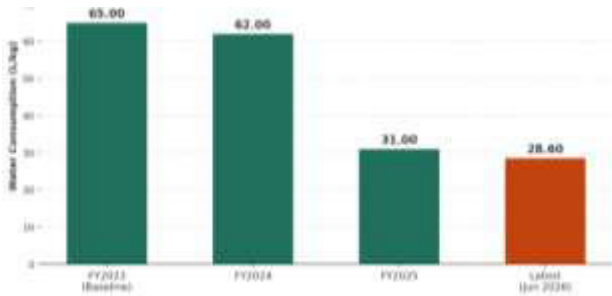
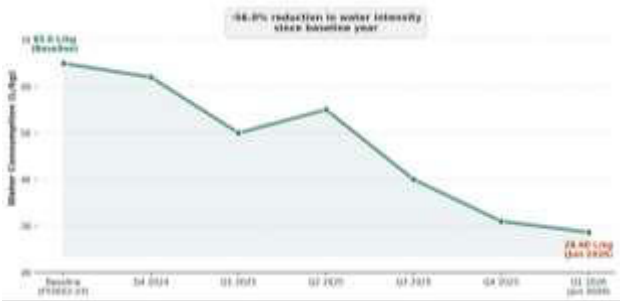
Faisal Spinning Mills Limited remains committed to reducing freshwater consumption, improving water-use efficiency, strengthening water resilience and supporting the needs of surrounding communities. During FY2026, FSM's total water withdrawal was **5,061,230 m³**, primarily sourced from **groundwater** while total water consumption was **5,061,230 m³** (where the wet-process was consumed **3,631,250 m³**, home textile **14,055 m³**, domestic & irrigation purposes **1,395,924 m³**, and total treated wastewater discharge was **2,947,309 m³**], discharged to **Machrala Drain of Govt.** FSM assessed its water withdrawal using the **WRI Aqueduct Water Risk Atlas**. FSM assessed its water withdrawal using the **WRI Aqueduct Water Risk Atlas**. The assessment covered the Company's facility located in Feroze Watwan, Sheikhpura, Pakistan, which was classified as Extremely High Risk under the applicable Aqueduct indicator. During FY2026, FSM withdrew **5,061,230 m³**, of water from this location, representing 100% of the Company's total water withdrawal.

56% Reduction in Water Intensity | 300 m³/day Process Water Recovered and Reused

FSM reduced water intensity from **65.0 L/kg** during the baseline period of July 2022–June 2023 to **28.60 L/kg** by June 2026, representing an approximately **56% reduction** against the baseline. The water-intensity calculation is based on total water consumption divided by **total production output into (kg)**, using a consistent methodology and reporting boundary covering **Units 03–04 Wet-processing and Dry process as well**.

The improvement has been supported by process optimization, wastewater recycling, hot-water recovery and water-efficient technologies. FSM currently recovers approximately **300 m³/day** of process water from **Bleaching (100 m³/day)**, **Mercerizing (50 m³/day)**, **Dyeing – Thermosole (80 m³/day)**, **Pad Steam (20 m³/day)**, **Finishing – Stenter 8F (20 m³/day)** and **Stenter 9F (30 m³/day)**. The recovered water is reused within the relevant processes, including burner cooling applications, reducing freshwater demand. The recycled/reused volume is measured through **flow meters** with approximately **104,100 m³/year** reused during FY2026.

Wastewater is treated through on-site SIMEM biological technology **ETP plant** before discharge, and effluent quality is monitored through **Internal and External third-party** testing against applicable regulatory requirements by PEPA (Punjab Environmental Protection Agency) on monthly basis and International requirements (ZDHC Parameters and STeP by OEKO-TEX guidelines) on twice in a year, including **pH, COD, BOD, TSS, temperature and ZDHC parameters**.



10.1.3. Waste Water, Sludge Management & Effluent Quality

Treatment Infrastructure

Faisal Spinning Mills Limited has invested in a **125 m³/hour capacity Effluent Treatment Plant (ETP) based on Simem biological treatment technology**, supported by a full treatment train comprising:

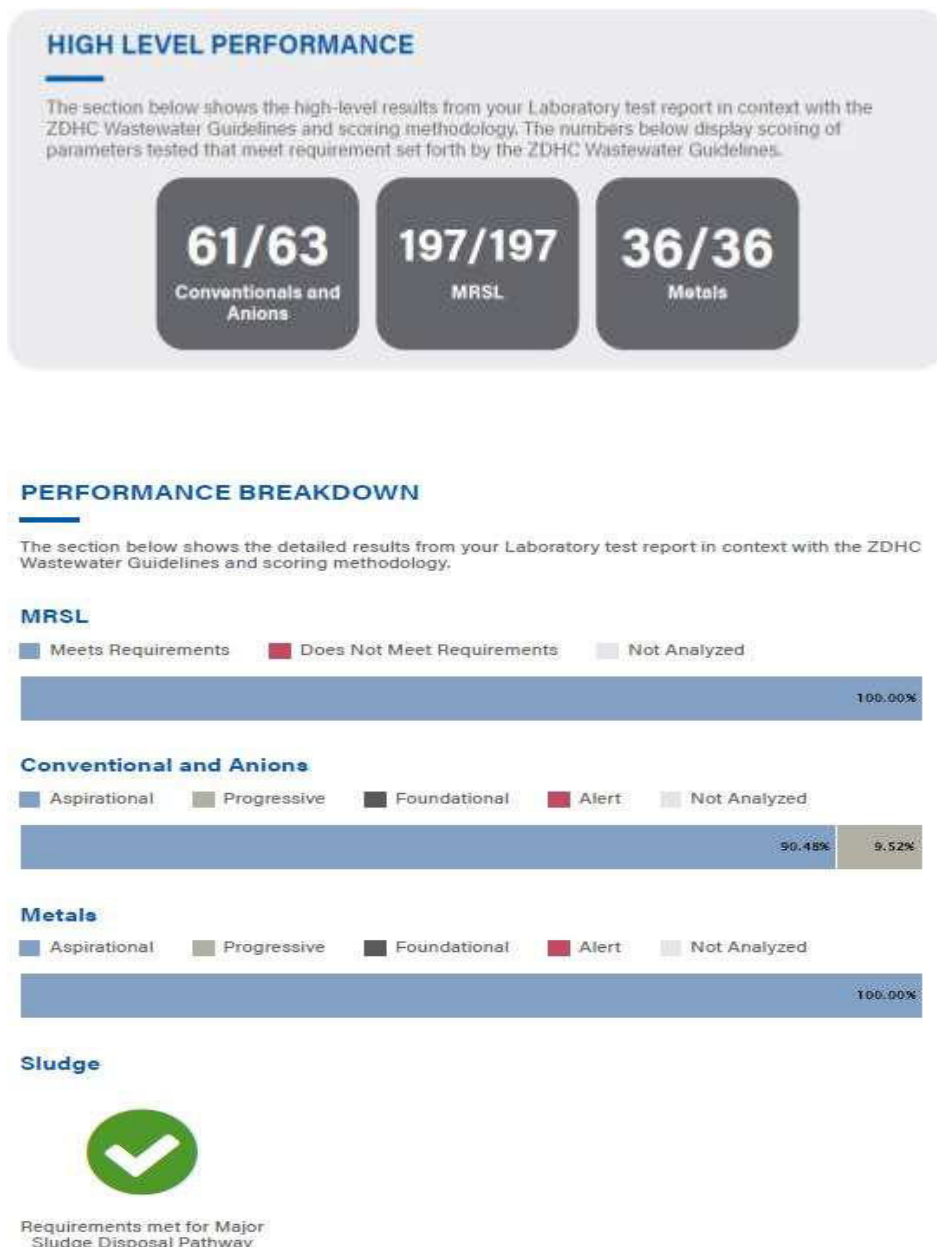
- Preliminary Treatment
- Primary Treatment
- Secondary (Biological) Treatment
- Sludge Handling

This infrastructure enables FSM to treat an average of **1,761.6 m³/day** of wastewater to meet ZDHC discharge standards prior to direct release, and to manage 100% of generated sludge through **offsite incineration at temperatures exceeding 1,000°C** — the highest-tier disposal pathway recognized under ZDHC guidelines, minimizing risk of soil or groundwater contamination.

Sludge Management

Sludge generated from effluent treatment plants is handed over to a Punjab Environmental Protection Agency (PEPA) approved supplier for incineration in PEPA-certified incineration facilities

ZDHC Waste Water Performance Level



Waste Water Improvement Plan

Objective	Key Actions	2030 Target / KPI	Timeline	Responsible Person	Alignments with	
					GRI Standard	UN SDGs
Reduce landfill	Waste segregation	100% segregation	2028	Utilities Manager	GRI 306	
Eliminate landfill	Zero Waste to Landfill Program	0% landfill disposal	2030	Sustainability Manager	GRI 306	

10.1.4. Chemical Management



MRSL compliance

100%

Chemicals verified

88/88

Supplier to ZERO

ZDHC Certified

BHive profile status



BHive Gold status

Highest performance tier for chemical management maturity, verified through the BHive platform.

100% MRSL Level 3 inventory

All 88 in-scope chemicals verified conformant to ZDHC MRSL, the highest input approval level.

ZDHC Supplier to Zero

Certified zero discharge of hazardous chemicals, with wastewater and sludge data disclosed on the ZDHC Gateway.

Product safety certifications

OEKO-TEX STANDARD 100 (Appendix 6, Class I) and StEP by OEKO-TEX Level 3 confirm finished-product and process-level safety.

Goal

We aim to

“Zero hazardous chemicals”

100% compliance with ZDHC MRSL & RSL across every process input

Faisal Spinning Mills Limited. is committed to establish, implement, and continually improve a robust Chemicals Management System that ensures all chemicals, chemical formulations, and process inputs used across the facility's manufacturing operations are sourced, stored, handled, used, and disposed of in full compliance with the **ZDHC Manufacturing Restricted Substances List (MRSL)** and the **ZDHC Restricted Substances List (RSL)**, thereby eliminating the use of hazardous chemicals from the supply chain, protecting worker health and safety, safeguarding the environment, and ensuring finished products are safe for consumers — while sustaining the facility's certifications under **ZDHC Supplier to Zero**, **OEKO-TEX STANDARD 100**, **STeP by OEKO-TEX (Level 3)**, and the **Higg Facility Environmental Module (FEM)**.

Impact

*Safer workers,
cleaner discharge,
safer products,
stronger buyer
trust*

Chemicals Improvement Plan

Objective	Key Actions	2030 Target / KPI	Timeline	Responsible Person	Alignments with	
					GRI Standard	UN SDGs
Reduce hazardous chemicals	Replace hazardous substances	100% MRSL compliance	2030	Chemical Manager	GRI 306	
					GRI 306	
Increase approved chemicals	Purchase ZDHC-approved chemicals	100% approved inventory	2030	Purchase Manager		
Improve chemical safety	Digital chemical inventory	100% inventory	2027	Chemical Manager	GRI 306	
Improve worker competence	Chemical safety training	100% employees trained	Annual	HR Manager	GRI 403	

11. Human Capital Management (HCM)

At **Faisal Spinning Mills Limited (FSM)**, we recognize our people as a fundamental driver of sustainable business performance, operational excellence, innovation, and long-term organizational growth. Our **Human Capital Management (HCM) approach** therefore positions people management as a strategic business function that strengthens organizational capabilities, fosters an inclusive and high-performing culture, and supports the Company's long-term competitiveness.

Our HCM priorities focus on:

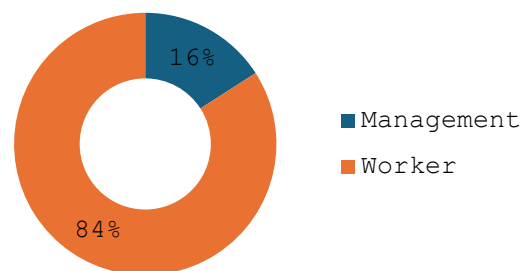
- Attracting, Developing and Retaining Talent
- Fostering an Inclusive and High-Performing Culture
- Strengthening Organizational Capability
- Employee Engagement and Well-being
- Effective HCM Governance and Services

FSM believes, through effective policies, continuous capability development, employee well-being, and technology-enabled HCM practices, we may strengthen both **organizational performance and long-term human capital value**.

Total Number of Employees



Employees by Cadre %



Gender	Total Number of Employees
Men	2,244
Women	45

Table 1: Number of Employees as per FY26

Age	Total Number of Employees	Percentage
Under 30 Years	1,316	57%
30-50 Years	909	40%
Above 50 Years	64	3%

Table 2: Number of Employees by Age

11.1. Training and Capacity Building

FSM implements a structured **Training and Capacity Building Program** to strengthen employee competencies, promote responsible labor and human rights practices, enhance workplace engagement, and support continual improvement. Training needs are identified based on job requirements, organizational priorities, compliance obligations, and employee development needs.

Key training areas include:

Through these initiatives, FSM aims to build a **skilled, responsible, engaged and resilient workforce**, while strengthening compliance, operational performance, employee participation, and continual improvement across the organization.

Average hours of training per year
Per Employee

23.06 hours

11.2. Worker Training on Occupational Health and Safety

Training Overview: OSH department delivers mandatory and role-specific occupational health and safety training on time of hiring and refresher courses on Quarterly, Bi-annually and Annually basis. These trainings content is aligned with legal requirements, operational risks, and OSH procedures. Training effectiveness and coverage are monitored through attendance records and training logs.

S. No.	Topics Covered	Frequency
1	Emergency Evacuation Drill	Bi-annually
2	Fire Fighting	Quarterly
3	CPR & First Aid	Quarterly
4	Usage of Workplace PPE's	Quarterly
5	Machine Safety	Quarterly
6	Chemicals Safety (RSL & MRSL)	Quarterly
7	Waste Handling	Quarterly
8	Ergonomic Management	Quarterly
9	Heat Stress Management	Quarterly
10	Electrical Safety	Quarterly
11	Blood-borne Pathogen	Quarterly

11.3. Work Related Injuries

Financial Year	TRIR @200,000	ROHC WRIs @200,000	Ill Health Cases
FY23	0.86	0.05	0
FY24	0.81	0.11	0
FY25	0.62	0.02	0
FY26	0.50	0.01	0

12. Equal Opportunity, Diversity and Inclusion (DEI)

FSM is committed to fostering a **diverse, inclusive, and respectful workplace** where employees are treated fairly and with dignity, regardless of their background. The Company promotes **equal access to employment, development, career progression, and other opportunities** based on merit, skills, and performance, while embedding inclusion and non-discrimination principles within its organizational values, leadership practices, and people-management processes.



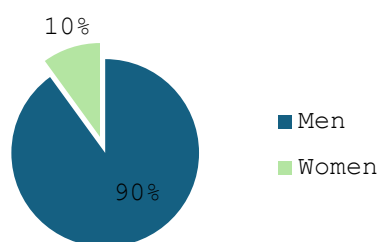
Policy Commitment

FSM is committed to ensuring **equal opportunity, fair treatment, and an inclusive workplace** for all employees. The Company's policies on **Diversity, Equity and Inclusion (#SMS 03)** and **Retention and Support of Persons with Disabilities (#SMS 13)** reinforce its commitment to providing equitable opportunities and an accessible work environment. This commitment is supported through **fair and unbiased performance evaluations, merit-based career development, and zero tolerance for discrimination, harassment, or any form of unfair treatment (#SMS 02)**.

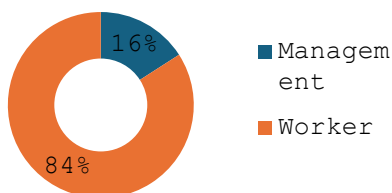
Total Number of Employees



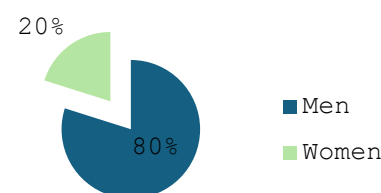
Leadership



Employees by Cadre %



Managerial Role



13. Events after the reporting period

No transactions, events, or conditions that require further disclosure have occurred after the reporting period and up to the date of presentation of the disclosure.

14. Restatement and errors

There are no changes due to estimates or restatement required due to material errors.

15. Approval and authorization for issue

This sustainability report has been approved by the Board of Directors in the manner prescribed under Section 232 of the Companies Act, 2017 as mandated by the Securities and Exchange Commission of Pakistan (SECP).



Chairman Sustainability Committee

Chief Executive Officer

Chief Financial Officer

Faisal Spinning Mills Limited

Gender Diversity and Pay Gaps as required under circular 10 of 2024 dated April 17, 2024

We encourage an inclusive workplace by assuring equitable and fair representation at all organizational levels irrespective of gender discrimination. At the head office of Karachi and Lahore, women currently make up approximately 25 percent of the company's total staff. There is 6.83 percent and 6.02 percent mean and median gender pay gap however, the variation in pay is due to individual performance over time, employment tenure and specific set of skill.

Faisal Spinning Mills Limited



Bilal Sharif
(Chief Executive Officer)

Faisal Spinning Mills Limited

Historical Data for the Year Ended June 30, 2026

Year-Wise Operating Data
Spinning Unit

 Spindle installed
 Spindles worked - Average
 Installed capacity after conversion into 20/s count - Kg
 Actual production - Kg

2026	2025	2024	2023	2022	2021
38,208	38,208	38,208	38,208	38,208	38,208
38,208	38,208	38,208	38,208	38,208	38,208
14,500,000	14,500,000	23,161,653	23,161,653	23,161,653	23,161,653
22,685,800	22,242,014	22,321,532	20,101,182	22,834,826	19,921,801

Weaving Unit

 Air jet looms installed
 Air jet looms worked
 Installed capacity after conversion into 50 picks - Meter
 Actual production - Meter

264	264	265	265	265	265
264	264	265	265	265	265
68,379,830	68,379,830	68,379,830	68,379,830	67,578,655	64,308,255
36,499,357	43,275,734	39,682,149	38,211,707	41,155,105	40,242,805

Finishing Unit

 Production Capacity in meters
 Actual Production - Meter
 (Year 2021 Inclusive of Trial & Commercial)

45,600,000	33,000,000	33,000,000	33,000,000	28,000,000	26,766,667
42,132,932	39,497,926	35,151,288	34,338,963	28,674,769	7,133,010

Year-Wise Financial Data
Profit and loss account

 Turnover (Net)
 Gross profit
 Operating profit
 Financial expenses
 Share profit/(loss) of associate
 Profit/(Loss) before tax & levies
 Profit/(Loss) after tax
 Cash dividend

2026	2025	2024	2023	2022	2021
------	------	------	------	------	------

Rupees in Thousands

45,841,297	46,203,553	45,029,601	37,672,808	32,074,370	17,065,186
3,486,835	3,673,807	2,741,109	4,562,231	6,372,386	2,488,776
1,988,532	1,843,220	402,878	2,519,050	4,540,496	2,440,270
1,505,150	1,513,144	1,608,042	1,267,154	408,214	296,590
75,386	(17,912)	(315,451)	138,814	592,861	396,627
558,767	312,164	(1,520,616)	1,390,710	4,725,143	2,540,307
(413,536)	(269,267)	(1,383,771)	1,488,896	4,098,223	2,300,119
-	-	-	115,000	214,500	214,500

Balance Sheet

 Share capital
 Reserves
 Shareholder equity
 Long term loans
 Short term loan
 Current liabilities
 Current portion of long term loans
 Fixed assets
 Current assets

100,000	100,000	100,000	100,000	100,000	100,000
10,589,468	10,998,078	11,312,047	12,843,890	11,603,522	7,300,000
11,762,187	12,170,797	12,484,766	14,016,609	12,641,303	8,588,498
4,692,585	4,496,474	3,518,351	4,019,676	4,632,023	4,404,730
10,503,288	16,170,546	9,244,462	10,260,977	4,872,154	1,878,178
16,463,100	22,144,670	14,866,182	15,941,965	9,319,146	3,699,052
1,033,378	781,600	789,893	726,103	615,010	359,135
11,724,505	10,651,559	9,096,167	9,832,039	9,891,076	8,619,791
20,794,754	26,392,046	20,106,994	22,785,546	15,284,828	7,919,505

Ratios**Performance**

Sales growth percentage - Year to Year basis

Gross profit (%)

Profit/(Loss) before tax -%

Profit/(Loss) after tax - %

Breakup value per share - Rupees per share

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

Earnings/(Loss) per share - Rupees per share

Price earning ratio

Leverage

Gearing ratio

Debt to equity (%)

Interest covering ratio

Liquidity ratio

Current ratio

	2026	2025	2024	2023	2022	2021
Sales growth percentage - Year to Year basis	-0.78%	2.61%	19.53%	17.45%	87.95%	14.57%
Gross profit (%)	7.61%	7.95%	6.09%	12.11%	19.87%	14.58%
Profit/(Loss) before tax -%	1.22%	0.68%	-3.38%	3.69%	14.73%	14.89%
Profit/(Loss) after tax - %	-0.90%	-0.58%	-3.07%	3.95%	12.78%	13.48%
Breakup value per share - Rupees per share	1,176.22	1,217.08	1,248.48	1,401.66	1,264.13	858.85
Market value of share - at the year end - Rupees per share	323.76	369.24	280.12	323.75	450.00	420.00
Earnings/(Loss) per share - Rupees per share	(41.35)	(26.93)	(138.38)	146.19	409.82	230.01
Price earning ratio	(7.83)	(13.71)	(2.02)	2.21	1.10	1.83
Gearing ratio	1.38	1.77	1.09	1.07	0.81	0.77
Debt to equity (%)	39.90%	36.94%	28.18%	28.68%	36.64%	51.29%
Interest covering ratio	1.37	1.21	0.05	2.10	12.58	9.57
Current ratio	1.26	1.19	1.35	1.43	1.64	2.14

FAISAL SPINNING MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2026

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors, Chief Executive Officer, and their spouse and minor children.	16	3,342,024	33.42
2	Associated Companies, Undertaking and Related Parties	17	4,295,776	42.96
3	NIT and ICP	1	500	0.01
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	1	3,600	0.04
5	Insurance Company	-	-	0.00
6	Share holders holding 10%	1	1,504,404	15.04
7	General Public			
	Local	879	852,485	8.52
	Foreign	1	500	0.01
8	Other Companies	1	1	0.00
9	Joint Stock Companies	3	710	0.01
		920	10,000,000	100.00

**DETAIL OF PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2026
INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE**

SR #	CATEGORIES OF SHAREHOLDERS	PERCENTAGE	NUMBER OF SHARES HELD
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	ADMIRAL (PVT) LTD	15.04	1,504,404
	MR. MOHAMMAD SHAKEEL	0.48	48,077
	MR. ADIL SHAKEEL	4.77	477,321
	MR. ALI BILAL	3.37	337,361
	MR. FARRUKH SALEEM	1.37	136,919
	MR. YOUSUF SALEEM	3.13	312,688
	MR. SAQIB SALEEM	1.99	199,055
	MR. MUHAMMAD QASIM	6.24	624,110
	MR. FAISAL SHAKEEL	4.77	477,321
	MR. ABDULLAH BILAL	3.37	337,257
	MR. MUHAMMAD UMER	0.97	97,000
	MR. YAHYAA FURRUKH	2.74	274,000
	MRS. MARIUM ADIL	0.01	500
	MRS. NAZLI BEGUM	4.29	429,244
	MRS. SABA YOUSUF	0.98	97,923
	MRS. SABA SAQIB	2.12	211,500
	MRS. SUMBUL QASIM	2.36	235,500
2	NIT AND ICP		
	INVESTMENT CORPORATION OF PAKISTAN	0.01	500
3	DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		
	MR. MUHAMMAD SALEEM	0.29	28,846
	MR. MUHAMMAD SHAHEEN	0.33	32,692
	MR. KHURRAM SALEEM	2.00	200,380
	MR. BILAL SHARIF	3.64	363,841
	MR. MUHAMMAD AMIN	4.09	408,611
	MR. HAMZA SHAKEEL	4.77	477,322
	MR. ASIF ELAHI	0.01	500
	MR. MUSTAFA TANVIR	0.01	500
	MR. TAUQEER AHMED SHEIKH	0.01	600
	MRS. YASMIN BEGUM	2.39	238,577
	MRS. SEEMA BEGUM	1.58	158,333
	MRS. AMNA KHURRAM	1.10	109,500
	MRS. SAMIA BILAL	5.34	533,960
	MRS. FATIMA AMIN	4.51	451,000
	MASTER AZAAN BILAL	3.37	337,362
4	BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES		
	NATIONAL DEVELOPMENT FINANCE CORPORATION (INVESTAR)	0.04	3,600

5	JOINT STOCK COMPANIES	0.01	710
6	OTHER COMPANIES	0.00	1
7	GENERAL PUBLIC		
	A. Local	8.52	852,485
	B. Foreign	0.01	500
	TOTAL	100.00	10,000,000
8	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN		
9	SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST		
	ADMIRAL (PVT) LTD	15.04	1,504,404

FAISAL SPINNING MILLS LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2026

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	PERCENTAGE
	FROM	TO		
487	1	100	12,372	0.12
312	101	500	140,249	1.40
28	501	1000	24,353	0.24
46	1001	5000	113,409	1.13
10	5001	10000	70,649	0.71
5	10001	15000	57,745	0.58
1	15001	20000	16,000	0.16
1	25001	30000	28,846	0.29
1	30001	35000	32,692	0.33
2	45001	50000	98,077	0.98
1	85001	90000	87,503	0.88
2	95001	100000	194,923	1.95
1	105001	110000	109,500	1.10
1	135001	140000	136,919	1.37
1	155001	160000	158,333	1.58
1	195001	200000	199,055	1.99
1	200001	205000	200,380	2.00
1	210001	215000	211,500	2.12
1	230001	235000	235,000	2.35
1	235001	240000	237,577	2.38
1	270001	275000	274,000	2.74
1	285001	290000	289,116	2.89
1	310001	315000	312,688	3.13
3	335001	340000	1,011,980	10.12
1	360001	365000	363,841	3.64
1	405001	410000	408,611	4.09
1	425001	430000	429,244	4.29
1	450001	455000	451,000	4.51
3	475001	480000	1,431,964	14.32
1	530001	535000	533,960	5.34
1	620001	625000	624,110	6.24
1	1500001	1505000	1,504,404	15.04
920			10,000,000	100.00

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



Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

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*Mobile apps are also available for download for android and ios devices

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

ڈائریکٹرز رپورٹ

فیصل اسپننگ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ، آڈٹ شدہ مالیاتی گوشواروں اور ان پر آڈیٹرز کی رپورٹ کے ہمراہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی جائزہ

30 جون 2026 کو ختم ہونے والے سال کی مالیاتی کارکردگی:

نفع یا نقصان کا گوشوارہ برائے سال مختتمہ 30 جون 2026

30 جون 2025	30 جون 2026	
روپے	روپے	
46,203,552,790	45,841,296,908	فروخت - خالص
(42,529,746,167)	(42,354,461,446)	فروخت کی لاگت
3,673,806,623	3,486,835,462	مجموعی منافع
238,075,025	547,679,171	دیگر آمدنی
3,911,881,648	4,034,514,633	
(1,506,676,743)	(1,435,366,965)	تقسیم کے اخراجات
(545,145,319)	(563,553,524)	انتظامی اخراجات
(16,839,522)	(47,062,567)	دیگر آپریٹنگ اخراجات
(1,513,144,375)	(1,505,150,435)	مالیاتی لاگت
(3,581,805,959)	(3,551,133,491)	
330,075,689	483,381,142	
(17,911,648)	75,386,260	ایسوسی ایٹڈ ادارے سے منافع / (نقصان) میں حصہ
312,164,041	558,767,402	لیویز اور ٹیکس سے قبل منافع
(577,544,410)	(579,024,794)	لیویز
(265,380,369)	(20,257,392)	ٹیکس سے قبل نقصان
(3,886,716)	(393,278,454)	ٹیکس
(269,267,085)	(413,535,846)	بعد از ٹیکس نقصان
(26.93)	(41.35)	فی حصص نقصان - بنیادی اور تحلیل شدہ (روپے)

کمپنی کو رواں سال کے دوران 413.536 ملین روپے کا بعد از ٹیکس نقصان ہوا (جون 2025: 269.267 ملین روپے نقصان)، جبکہ رواں سال کے دوران فروخت کی آمدنی میں 0.78 فیصد کی معمولی کمی ہوئی۔ رواں سال کے دوران مجموعی منافع کا مارجن جون 2025 کے 7.95 فیصد سے کم ہو کر جون 2026 میں 7.61 فیصد رہ گیا۔

کمپنی نے سال کے دوران انویٹری کی سطح اور قلیل مدتی قرضوں دونوں میں 35 فیصد سے زائد کمی کامیابی سے کی، جو ورکنگ کیپیٹل کے محتاط انتظام کی عکاسی کرتی ہے۔ اس سے مالیاتی لاگت میں کمی، لیکویڈیٹی میں بہتری اور آئندہ برسوں میں منافع میں اضافے کی توقع ہے۔

سال کے دوران برآمدی اور مقامی فروخت کا تناسب بڑی حد تک تبدیل نہیں ہوا، اور کل فروخت کے حجم میں برآمدات کا حصہ 72 فیصد اور مقامی فروخت کا حصہ 28 فیصد رہا۔ اگرچہ برآمدی منڈیوں کو کمزور عالمی طلب، معاشی غیر یقینی صورتحال اور شدید بین الاقوامی مسابقت کے باعث مسلسل مشکلات کا سامنا رہا، تاہم کمپنی نے اپنی منڈیوں میں اپنی موجودگی اور صارفین کا حلقہ برقرار رکھا۔ اگرچہ بین الاقوامی ٹیکسٹائل منڈیوں میں حالات بدستور مشکل رہے، بورڈ پُر اعتماد ہے کہ کمپنی کی مضبوط مارکیٹ پوزیشن اور آپریشنل بہتری آئندہ برسوں میں مزید ترقی اور منافع میں معاون ثابت ہوگی۔

منافع منقسمہ اور ذخائر کی تخصیص

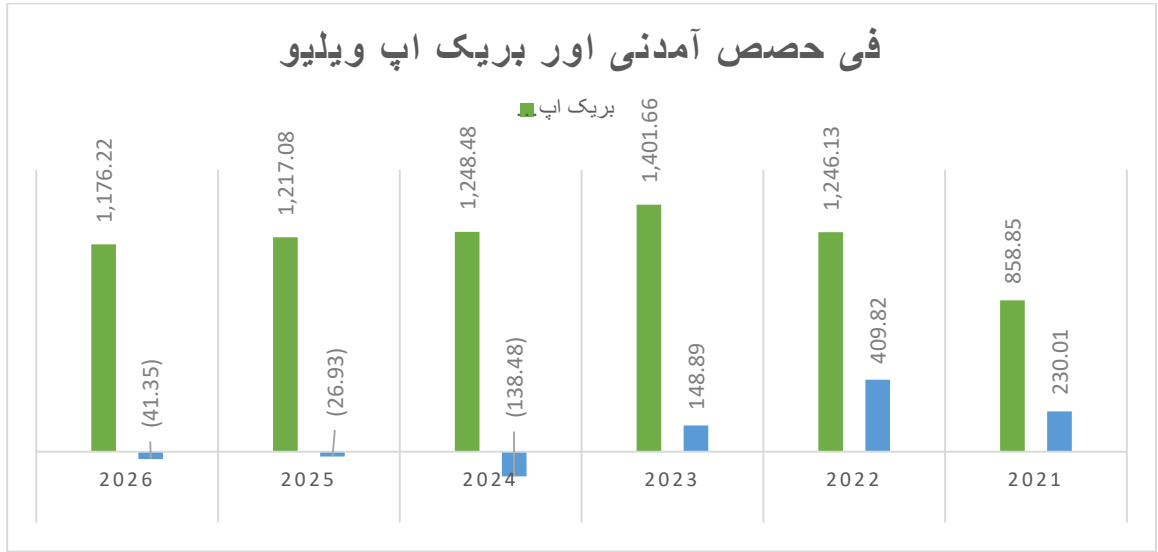
آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کسی منافع منقسمہ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔ یہ فیصلہ سال کے دوران ہونے والے 413.536 ملین روپے کے بعد از ٹیکس نقصان، اور موجودہ مارکیٹ کی غیر یقینی صورتحال میں کمپنی کی مالیاتی پوزیشن مضبوط کرنے اور ورکنگ کیپیٹل کی ضروریات پوری کرنے کے لیے نقد وسائل محفوظ رکھنے کی ضرورت کے پیش نظر کیا گیا۔

بورڈ کا یقین ہے کہ دستیاب وسائل کو محفوظ رکھنا کمپنی اور اس کے اسٹیک ہولڈرز کے طویل مدتی مفاد میں ہے۔ تاہم بورڈ کمپنی کی مالیاتی کارکردگی اور لیکویڈیٹی کی پوزیشن کی نگرانی جاری رکھے گا اور منافع میں بہتری، کیش فلو اور مجموعی معاشی حالات کو مد نظر رکھتے ہوئے عبوری منافع منقسمہ کے اعلان پر غور کر سکتا ہے۔

فی حصص آمدنی اور بریک اپ ویلیو - EPS اور BV

فی حصص آمدنی (EPS) اور فی حصص بک ویلیو (BVS) حصص یافتگان کی قدر کا اندازہ لگانے کے کلیدی پیمانے ہیں۔ PSE ہر عام حصص پر حاصل ہونے والے منافع کی پیمائش کرتی ہے اور کمپنی کی آمدنی کی کارکردگی کی نشاندہی کرتی ہے۔ VSB فی حصص خالص اثاثہ جاتی قدر کو ظاہر کرتی ہے، جس سے کمپنی کے مالیاتی استحکام اور حصص یافتگان کی سرمایہ کاری کی پشت پر موجود قدر کا اندازہ ہوتا ہے۔

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کا فی حصص نقصان 41.35 روپے رہا، جبکہ جون 2025 میں فی حصص نقصان 26.93 روپے تھا۔ 30 جون 2026 کو ختم ہونے والے رواں مالی سال کے دوران فی حصص بریک اپ ویلیو 1,176.22 روپے ہے (جون 2025: 1,217.08 روپے)۔



ورکنگ کیپیٹل کا انتظام

کمپنی مسلسل نگرانی اور کنٹرول کے طریقہ کار کی مدد سے ورکنگ کیپیٹل کے انتظام کا ایک محتاط اور مؤثر فریم ورک برقرار رکھے ہوئے ہے۔ یہ حکمت عملی قلیل مدتی وسائل کے بہترین استعمال کو یقینی بناتی ہے، لیکویڈیٹی کے انتظام کو مضبوط کرتی ہے اور پائیدار منافع میں معاون ہے، جس سے حصص یافتگان کی قدر میں اضافہ ہوتا ہے۔

رواں سال کے دوران کرنٹ ریشو جون 2025 کے 1.19 سے بڑھ کر جون 2026 میں 1.26 ہو گیا۔ یہ بہتری ورکنگ کیپیٹل کے محتاط انتظام کی عکاسی کرتی ہے اور ظاہر کرتی ہے کہ کمپنی کے پاس اپنی قلیل مدتی مالیاتی ذمہ داریاں پوری کرنے کے لیے کافی موجودہ اثاثے ہیں۔

سرمائے کا ڈھانچہ

کمپنی قرض اور ایکویٹی کا موزوں امتزاج برقرار رکھتے ہوئے متوازن مالیاتی حکمت عملی پر عمل پیرا ہے۔ یہ حکمت عملی کاروباری آپریشنز اور مستقبل کی ترقی کے لیے مناسب فنڈنگ یقینی بنانے کے ساتھ مالیاتی لچک برقرار رکھتی ہے، خطرات کا مؤثر انتظام کرتی ہے اور حصص یافتگان کی طویل مدتی قدر میں اضافہ کرتی ہے۔

30 جون 2026 تک کمپنی کے طویل مدتی قرضے 4,692.585 ملین روپے رہے (جون 2025: 4,496.474 ملین روپے)۔ گیئرنگ ریشو جون 2025 کے 1.76 سے کم ہو کر جون 2026 میں 1.38 رہ گیا، جس کی بنیادی وجہ قلیل مدتی ذمہ داریوں میں کمی ہے۔

30 جون 2026 کو ختم ہونے والے سال کے دوران حصص یافتگان کی ایکویٹی 11,762.187 ملین روپے رہی، جبکہ 30 جون 2025 کو ختم ہونے والے گزشتہ سال میں یہ 12,170.796 ملین روپے تھی۔

قابل تجدید توانائی کے اقدامات

4.80 میگاواٹ ہوا سے بجلی کی پیداوار کے علاوہ، کمپنی اب تک اپنے آپریشنل یونٹس میں 7.10 میگاواٹ شمسی توانائی کے منصوبے کامیابی سے نافذ کر چکی ہے۔ کمپنی کے یونٹ 1 میں مزید 2.19 میگاواٹ شمسی توانائی کی تنصیب جاری ہے، جس کی پیداوار اکتوبر 2026 میں شروع ہونے کی توقع ہے۔

2.19 میگاواٹ شمسی توانائی کے منصوبے کی کامیاب تکمیل پر شمسی اور ہوائی توانائی کا مجموعی قابل تجدید توانائی پورٹ فولیو 14.09 میگاواٹ تک پہنچ جائے گا، جو صاف توانائی کی پیداوار بڑھانے اور ماحولیاتی اثرات کم کرنے کی کمپنی کی کوششوں میں ایک اہم سنگ میل ہوگا۔

کریڈٹ ریٹنگ

میسرز VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے 20, May, 26 کو کیے گئے جائزے کی بنیاد پر ادارے کی ریٹنگ A/A-1 (سنگل اے / اے ون) پر برقرار رکھی گئی ہے، اور دی گئی ریٹنگز پر آؤٹ لک 'مستحکم' ہے۔

مالیاتی گوشوارے

کمپنیز ایکٹ 2017، پاکستان اسٹاک ایکسچینج (PSX) کے لسٹنگ ریگولیشنز اور سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) کی جاری کردہ ہدایات کے تقاضوں کے مطابق چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشوارے، اپنے اپنے دستخطوں سے باقاعدہ توثیق شدہ، اجرا و تقسیم کے لیے بورڈ آف ڈائریکٹرز کے غور، منظوری اور اجازت کے لیے پیش کیے۔

کمپنی کے مالیاتی گوشواروں کا کمپنی کے آڈیٹرز، مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے باقاعدہ آڈٹ کیا ہے، اور آڈیٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں پر غیر مشروط (کلین) آڈٹ رپورٹ، نیز کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 ("کوڈ") کی تعمیل کے بیان پر غیر مشروط ریویو رپورٹ جاری کی ہے۔ یہ رپورٹس مالیاتی گوشواروں کے ساتھ منسلک ہیں۔

اکاؤنٹنگ معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ، 2017 کے تقاضوں اور اس ایکٹ کے تحت نیز سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کے ذریعے نوٹیفائی کیے گئے منظور شدہ بین الاقوامی اکاؤنٹنگ معیارات (ASI) اور بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی مکمل عکاسی کرتی ہیں۔

معاشی منظرنامہ

پاکستان کی صنعتی معیشت کی ترقی ہمیشہ ٹیکسٹائل سے گہرا تعلق رکھتی رہی ہے، کیونکہ کپاس کی دستیابی، وافر افرادی قوت اور برآمدات کے سازگار مواقع نے اسے ایک مسابقتی ٹیکسٹائل پیدا کنندہ ملک بنایا۔ ٹیکسٹائل سیکٹر کے لیے وقت کے ساتھ غیر مستقل پالیسیوں، یعنی توانائی ٹیرف، ٹیکس نظام اور برآمدی مراعات میں بار بار تبدیلیوں نے تیار کنندگان اور

برآمد کنندگان کے لیے غیر یقینی صورتحال پیدا کی اور اس کی پائیدار ترقی میں رکاوٹ بنیں۔ ایک مستحکم اور طویل مدتی فریم ورک کی عدم موجودگی نے جدید کاری میں سرمایہ کاری کو محدود کیا، ویلیو ایڈڈ تنوع کی حوصلہ شکنی کی اور علاقائی حریفوں کے مقابلے میں پاکستان کی مسابقت کو کمزور کیا۔

2027 میں پاکستان کے ٹیکسٹائل سیکٹر کو پیچیدہ چیلنجز کا سامنا ہے جو مسابقت، تعمیل اور ترقی پر براہ راست اثر انداز ہوتے ہیں۔ اگرچہ ویلیو ایڈڈ پیداوار اور پائیدار برآمدات کے مواقع موجود ہیں، تاہم کئی ساختی اور بیرونی دباؤ سے نمٹنا ضروری ہے۔ لہذا توانائی کی قیمتوں، ٹیکس نظام اور تعمیل میں سہولت کے حوالے سے اصلاحات کے بغیر پاکستان کا ٹیکسٹائل سیکٹر 2027 میں اپنی مسابقت کھونے کے خطرے سے دوچار ہے۔

-موجودہ دور میں ٹیکسٹائل صنعت بدستور صنعتی ترقی کا محرک ہے، جبکہ اسے عالمی مسابقت، پائیداری سے متعلق تعمیل اور ویلیو ایڈڈ تنوع کی ضرورت جیسے نئے چیلنجز کا سامنا ہے۔ جولائی تا جون 2025-26 کے دوران ملک کی ٹیکسٹائل برآمدات میں 0.26 فیصد کا معمولی اضافہ ہوا اور یہ 2024-25 کے 17.88 ارب امریکی ڈالر کے مقابلے میں 17.93 ارب امریکی ڈالر تک پہنچیں، تاہم حکومت نے مالی سال 2030 تک 30 ارب امریکی ڈالر کی ٹیکسٹائل برآمدات کا پُر عزم ہدف مقرر کیا ہے۔

ہماری تجویز ہے کہ پالیسی ساز ٹیکسٹائل سیکٹر میں پائیدار ترقی اور مسابقت کے حصول کے لیے جامع اصلاحات کے ذریعے ان چیلنجز سے فوری طور پر نمٹیں۔

پاکستان کے ٹیکسٹائل سیکٹر کے لیے اسٹریٹجک روڈ میپ

- علاقائی حریفوں کے مقابلے میں توانائی اور لاگت کی مسابقت حاصل کرنے کے لیے توانائی ٹیرف کو معقول بنانا وقت کی اہم ضرورت بن چکا ہے۔ بلا تعطل فراہمی یقینی بنانے اور ترسیلی نقصانات کم کرنے کے لیے قابل تجدید توانائی کے استعمال میں توسیع اور گرڈ کی جدید کاری میں سرمایہ کاری بھی اتنی ہی اہم ہے۔
- سیلز ٹیکس اور ڈیوٹی ڈرا بیک کے ریفرنڈ کا مؤثر طریقہ کار نافذ کرنے کے لیے ٹیکس اور لیکویڈیٹی سے متعلق اصلاحات ناگزیر ہیں۔ حکومت کو برآمد کنندگان کا کیش فلو مضبوط کرنے کے لیے بروقت ریپیٹس متعارف کرانے چاہئیں اور ڈیجیٹل ٹیکس مانیٹرنگ اور ٹریک اینڈ ٹریس نظام کے ذریعے تعمیل کو آسان بنانا چاہیے۔
- ٹیکسٹائل صنعت کو کم منافع والی کپاس کی برآمدات سے ایک متنوع اور مسابقتی شعبے میں تبدیل کرنے کے لیے ویلیو ایڈڈ پیداوار انتہائی اہم ہے۔ خام دھاگے اور گرے کپڑے سے آگے بڑھ کر صنعت زیادہ منافع حاصل کر سکتی ہے، مخصوص مصنوعات کی عالمی طلب پوری کر سکتی ہے اور اپنی برآمدی بنیاد کو مضبوط بنا سکتی ہے۔ یہ اقدامات مسابقت میں اضافہ کریں گے، برآمدات کو متنوع بنائیں گے اور پاکستان کو جدید اور پائیدار ٹیکسٹائل مینوفیکچرنگ میں ایک رہنما کے طور پر سامنے لائیں گے۔
- ہمارے ٹیکسٹائل سیکٹر کی طویل مدتی بقا کے لیے تعمیل اور پائیداری انتہائی اہم ہیں۔ یورپی یونین کی گرین ڈیل سے مکمل ہم آہنگی ناگزیر ہے، جس کے لیے ایکو ڈیزائن قواعد، ڈیجیٹل پروڈکٹ پاسپورٹ اور کیمیکلز سے متعلق پابندیوں کی پاسداری ضروری ہے۔ توانائی کے استعمال، پانی کی کھپت، گرین ہاؤس گیسوں کے اخراج اور محنت کے طریقوں سے متعلق ESG رپورٹنگ کو مضبوط بنانے سے عالمی منڈیوں میں شفافیت اور ساکھ یقینی ہوگی۔ مجموعی طور پر یہ

اقدامات منڈیوں تک رسائی میں اضافہ کریں گے، اعتماد کو تقویت دیں گے اور ہمارے ٹیکسٹائل سیکٹر کو ایک ذمہ دار اور مسابقتی عالمی سپلائر کے طور پر قائم کریں گے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق بیان

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

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ یہ مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتب رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا تسلسل کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کا نظام اپنے ڈیزائن کے لحاظ سے مضبوط ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے بطور جاری ادارہ (گوئنگ کنسرن) کام جاری رکھنے کی صلاحیت پر کوئی نمایاں شبہات نہیں ہیں۔
- لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی قابل ذکر انحراف نہیں کیا گیا۔
- ہم نے ضابطہ اخلاق اور کاروباری حکمت عملی تیار کر کے ڈائریکٹرز اور ملازمین میں تقسیم کی ہے۔
- بورڈ آف ڈائریکٹرز نے وژن اور مشن اسٹیٹمنٹ اور مجموعی کارپوریٹ حکمت عملی کا بیان منظور کیا ہے۔
- تمام ڈائریکٹرز نے اجلاس عام میں شرکت کی، سوائے اس کے کہ کسی معقول وجہ سے ایسا ممکن نہ ہوا ہو۔
- تمام ڈائریکٹرز کو ان کی مدت کے آغاز پر کوڈ آف کارپوریٹ گورننس، کمپنیز ایکٹ اور آرٹیکلز آف ایسوسی ایشن کے مطابق ان کی ذمہ داریاں، کردار، مشاہرہ، اختیارات اور فرائض تفویض کیے گئے ہیں۔
- کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تقاضے کے مطابق کمپنی کے تمام ڈائریکٹرز ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تحت سند یافتہ / مستثنیٰ ہیں۔
- بورڈ آف ڈائریکٹرز کی جانب سے باقاعدہ منظور شدہ اہم پالیسیوں کا مناسب اور تازہ ترین ریکارڈ موجود ہے، جن میں انسانی وسائل، وسل بلوئر، خریداری، اسٹیک ہولڈرز سے رابطے کا طریقہ کار، متعلقہ فریقین، ماحول، صحت و

حفاظت، ڈائریکٹرز کا مشاہرہ، انسدادِ منی لانڈرنگ اور رسک مینجمنٹ، ماحولیاتی، سماجی و گورننس، اور ملازمین کے لیے انسدادِ ہراسانی کی پالیسیاں شامل ہیں، جنہیں کام کی جگہ پر خواتین کو ہراسانی سے تحفظ کے ایکٹ 2010 وغیرہ کے تحت مقرر کردہ طریقہ کار شامل کر کے باقاعدہ اپ ڈیٹ کیا گیا ہے۔

- کمپنی نے 17 اپریل 2024 کے سرکر نمبر 10 بابت 2024 کے تقاضے کے مطابق 30 جون 2026 کو ختم ہونے والے سال کی پائیداری رپورٹ میں صنفی تنخواہ کے فرق کا انکشاف کیا ہے۔ کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کے تقاضے کے مطابق ہم نے اس رپورٹ میں درج ذیل معلومات شامل کی ہیں:
 - حصص داری کے پیٹرن کا بیان علیحدہ سے دیا گیا ہے۔
 - ایسوسی ایٹڈ اداروں اور متعلقہ افراد کے پاس موجود حصص کا بیان۔
 - سال کے دوران منعقدہ بورڈ اجلاسوں اور سالانہ اجلاس عام اور ہر ڈائریکٹر کی حاضری کا بیان علیحدہ سے دیا گیا ہے۔
 - کمپنیز ایکٹ کی دفعہ 192(4) کی دفعات کے تحت چیئرمین کی جائزہ رپورٹ۔
 - کوڈ کے ریگولیشن 36 کے تحت چیئرمین کا باقاعدہ دستخط شدہ تعمیل کا بیان۔
- گزشتہ چھ سال کے کلیدی آپریشنل اور مالیاتی اعداد و شمار۔ ٹیکسوں اور محصولات سے متعلق معلومات منسلک آڈٹ شدہ مالیاتی گوشواروں میں مناسب طور پر ظاہر کی گئی ہیں۔
- کمپنی لسٹڈ کمپنیز میں اندرونی معلومات کی بنیاد پر تجارت (انسائیڈر ٹریڈنگ) کی ممانعت سے متعلق ECPS کی جاری کردہ ہدایات پر سختی سے عمل کرتی ہے، اور حصص داری کے پیٹرن میں ظاہر کردہ کے سوا کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، سربراہ اندرونی آڈٹ اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا۔

حصص داری کا پیٹرن

حصص داری کا پیٹرن اور اس سے متعلق معلومات منسلک ہیں۔

متعلقہ فریقین کے ساتھ لین دین

متعلقہ فریقین کے ساتھ لین دین (RPT) اور ان کی صورتحال IAS 24 کے تقاضوں کی تعمیل کرتے ہوئے مناسب طور پر ظاہر کی گئی ہے۔ مزید برآں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفکیشن 2015(1) 9RO 768 کے تحت ایک مضبوط پالیسی نافذ ہے، اور لین دین اور ریکارڈ کی دیکھ بھال سے متعلق ہدایات کو کمپنی کی پالیسی میں باقاعدہ شامل کیا گیا ہے۔

متعلقہ فریقین کے ساتھ لین دین کی پہلے اندرونی آڈٹ اور پھر آڈٹ کمیٹی نے باقاعدہ منظوری دی، جس کے بعد انہیں بورڈ اجلاس میں پیش کیا گیا، تاکہ یقینی بنایا جا سکے کہ کاروباری سرگرمیوں کے معمول کے دوران تمام لین دین منصفانہ بنیاد (آرمز لینتھ) پر ہوں۔

30 جون 2026 کو ختم ہونے والے رواں مالی سال کے دوران متعلقہ فریقین کے ساتھ تمام لین دین ممبران کی منظوری کے لیے کمپنی کے اجلاس عام میں پیش کیے جائیں گے۔ اسی طرح بورڈ نے 30 جون 2027 کو ختم ہونے والے مالی سال کے دوران کیے جانے والے لین دین کے لیے بھی کمپنی کے اجلاس عام میں ممبران کی منظوری حاصل کرنے کا فیصلہ کیا ہے، اور انہیں باقاعدہ توثیق / منظوری کے لیے آئندہ سالانہ اجلاس عام میں حصص یافتگان کے سامنے پیش کیا جائے گا۔

بورڈ کی کارکردگی کا جائزہ

کوڈ آف کارپوریٹ گورننس کے ریگولیشن 10(3)(v) کے مطابق کمپنی ایک منظم اندرونی جائزہ عمل کے ذریعے بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی سالانہ کارکردگی کا جائزہ لیتی ہے۔ یہ جائزہ بورڈ کی نگرانی، گورننس کے طریقوں اور فیصلہ سازی کے عمل کی تاثیر کے بارے میں قیمتی بصیرت فراہم کرتا ہے، مسلسل بہتری کے مواقع کی نشاندہی کرتا ہے اور ڈائریکٹرز کے درمیان تعمیری روابط کو فروغ دیتا ہے۔

جائزے کا یہ عمل بورڈ کو اپنے اراکین کی متنوع مہارتوں، تجربے اور نقطہ نظر سے زیادہ مؤثر طور پر استفادہ کرنے کے قابل بناتا ہے، جس سے بورڈ کی مجموعی کارکردگی میں اضافہ ہوتا ہے اور کمپنی کے اسٹریٹجک مقاصد اور طویل مدتی پائیدار ترقی کے حصول میں مدد ملتی ہے۔

بورڈ کی تشکیل

کوڈ کے ریگولیشن 34 کے تقاضے کے مطابق دس (10) ڈائریکٹرز پر مشتمل بورڈ کی تشکیل درج ذیل ہے:

نمبر	زمرہ	جنس		کل
		مرد	خواتین	
(i)	خودمختار ڈائریکٹرز	3	0	3
(ii)	ایگزیکٹو ڈائریکٹر	1	0	1
(iii)	نان ایگزیکٹو ڈائریکٹرز	5	1	6

بورڈ اور آڈٹ کمیٹی کے اجلاس

- کوڈ کے ریگولیشن 10(6) کے تحت اجلاس میں شرکت کے اہل تمام ڈائریکٹرز نے کمپنی کے اجلاس عام میں بالمشافہ / ورجوئل طور پر شرکت کی، سوائے اس کے کہ کسی معقول وجہ سے ایسا ممکن نہ ہوا ہو۔

- 2025-26 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے منعقدہ اجلاسوں اور ان میں حاضری کی تعداد درج ذیل ہے:

کمیٹیاں				بورڈ آف ڈائریکٹرز		ڈائریکٹرز کے نام
ہیومن ریسورس اینڈ ریمونریشن		آڈٹ				
شرکت کی	شرکت کے اہل	شرکت کی	شرکت کے اہل	شرکت کی	شرکت کے اہل	
-	-	-	-	4	4	جناب محمد سلیم
1	1	-	-	4	4	جناب محمد شاہین
-	-	6	6	4	4	جناب خرم سلیم
-	-	-	-	4	4	جناب بلال شریف
-	-	6	6	3	4	جناب محمد امین
1	1	-	-	4	4	جناب حمزہ شکیل
-	-	6	6	4	4	جناب توقیر احمد شیخ
				4	4	جناب آصف الہی
				4	4	جناب مصطفیٰ تنویر
				4	4	محترمہ فاطمہ امین

آڈٹ کمیٹی

نمبر	نام	عہدہ	زمرہ
i	توقیر احمد شیخ	چیئرمین	نان ایگزیکٹو ڈائریکٹر
ii	محمد امین	رکن	نان ایگزیکٹو ڈائریکٹر
iii	خرم سلیم	رکن	خود مختار ڈائریکٹر

آڈٹ کمیٹی ("AC") تین اراکین پر مشتمل ہے، جن میں بطور چیئرمین خدمات انجام دینے والا ایک خودمختار ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔ کمیٹی بورڈ کی منظور شدہ باضابطہ ٹرمز آف ریفرنس کے تحت کام کرتی ہے اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ریگولیشن 27 کے مطابق اپنے فرائض انجام دیتی ہے۔

ریگولیشن 27(1)(iii) کی تعمیل میں کمیٹی میں مطلوبہ مالیاتی خواندگی اور مہارت رکھنے والا ایک رکن شامل ہے۔ سال کے دوران آڈٹ کمیٹی نے سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا بورڈ کو منظوری کے لیے پیش کیے جانے سے قبل جائزہ لینے کے لیے باقاعدگی سے اجلاس منعقد کیے۔ ریگولیشن 27(2) کے مطابق کمیٹی نے چیف فنانشل آفیسر کی غیر موجودگی میں بیرونی آڈیٹرز کے ساتھ ایک علیحدہ اجلاس، اور چیف فنانشل آفیسر اور بیرونی آڈیٹرز کی غیر موجودگی میں اندرونی آڈیٹرز کے ساتھ ایک علیحدہ اجلاس بھی منعقد کیا۔

آڈٹ کمیٹی کمپنی کے مالیاتی رپورٹنگ کے عمل، اندرونی کنٹرول کے ماحول اور قابل اطلاق قوانین، ضوابط اور رپورٹنگ معیارات کی تعمیل کی آزادانہ نگرانی کرتی ہے۔ اپنی ذمہ داریوں کی انجام دہی میں کمیٹی انتظامیہ، اندرونی آڈیٹرز اور بیرونی آڈیٹرز کے ساتھ قریبی تعاون کرتی ہے تاکہ اندرونی کنٹرولز، اکاؤنٹنگ پالیسیوں، رسک مینجمنٹ کے طریقوں اور گورننس کے عمل کی موزونیت اور تاثیر کا جائزہ لیا جا سکے۔

کمیٹی کمپنی کے فراڈ رسک مینجمنٹ فریم ورک کی بھی نگرانی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ مالیاتی گوشواروں میں دھوکہ دہی، اثاثوں کے غلط استعمال اور بدعنوانی کی دیگر اقسام کی روک تھام، نشاندہی اور تدارک کے لیے مناسب پالیسیاں، طریقہ کار اور کنٹرولز قائم اور برقرار رکھے جائیں۔ مزید برآں، یہ پورے ادارے میں دیانت داری، شفافیت اور جوابدہی کی ثقافت کو فروغ دیتی ہے، اہم تعمیلی معاملات کی نگرانی کرتی ہے اور تحقیقات، اصلاحی اقدامات اور ایسی دیگر پیش رفت سے باخبر رہتی ہے جو کمپنی کے کنٹرول ماحول اور مجموعی گورننس فریم ورک کو متاثر کر سکتی ہو۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

نمبر	نام	عہدہ	زمرہ
i	توفیر احمد شیخ	چیئرمین	خودمختار ڈائریکٹر
ii	محمد شاپین	رکن	نان ایگزیکٹو ڈائریکٹر
iii	حمزہ شکیل	رکن	نان ایگزیکٹو ڈائریکٹر

ہیومن ریسورس اینڈ ریمونریشن کمیٹی ("HR & R کمیٹی") تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، جن میں بطور چیئرمین خدمات انجام دینے والا ایک خودمختار ڈائریکٹر بھی شامل ہے۔ بورڈ کی منظور شدہ ٹرمز آف ریفرنس کے تحت کام کرتے ہوئے کمیٹی انسانی سرمائے کے انتظام، ایگزیکٹو مشاہرے اور جانشینی کی منصوبہ بندی سے متعلق نگرانی کی ذمہ داریوں کی انجام دہی میں بورڈ کی معاونت کرتی ہے۔

کمیٹی چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سیکرٹری کی تقرری، کارکردگی کے جائزے، معاوضے اور مراعات کا جائزہ لیتی اور ان پر سفارشات پیش کرتی ہے۔ یہ ٹیلنٹ مینجمنٹ، ملازمین کی نشوونما، قیادت کی جانشینی، تربیت اور کارکردگی کے انتظام سے متعلق کمپنی کی پالیسیوں اور طریقوں کی موزونیت اور تاثیر کا بھی جائزہ لیتی ہے۔

کمپنی اس بات کو یقینی بنانے کی کوشش کرتی ہے کہ کمپنی کا مشاہرے کا فریم ورک مسابقتی، منصفانہ اور کارکردگی و طویل مدتی قدر کی تخلیق سے ہم آہنگ رہے۔ انسانی وسائل کی حکمت عملیوں اور طریقوں کی مؤثر نگرانی کے ذریعے کمپنی اعلیٰ کارکردگی کی حامل افرادی قوت کی تیاری میں معاونت کرتی ہے، ادارہ جاتی صلاحیت کو مضبوط بناتی ہے اور کمپنی کے اسٹریٹجک مقاصد اور پائیدار ترقی کے حصول میں کردار ادا کرتی ہے۔

پائیداری کمیٹی - SC

نمبر	نام	عہدہ	زمرہ
i	آصف الہی	چیئرمین	خودمختار ڈائریکٹر
ii	محمد امین	رکن	نان ایگزیکٹو ڈائریکٹر
iii	حمزہ شکیل	رکن	نان ایگزیکٹو ڈائریکٹر

پائیداری کمیٹی ("SC") تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، جن میں ایک خودمختار ڈائریکٹر بطور چیئرمین خدمات انجام دیتے ہیں۔ کمیٹی ماحولیاتی، سماجی اور گورننس امور کی اسٹریٹجک نگرانی اور پائیداری کے پہلوؤں کو کمپنی کی کاروباری حکمت عملی اور آپریشنز کا حصہ بنانے میں بورڈ کی معاونت کرتی ہے۔

کمپنی کمپنی کے پائیداری فریم ورک کی نگرانی، GES سے متعلق خطرات اور مواقع کی مانیتورنگ، پائیداری کے مقاصد کے جائزے اور قابل اطلاق ریگولیٹری تقاضوں اور ابھرتے ہوئے بہترین طریقوں کی تعمیل کو یقینی بنانے کی ذمہ دار ہے۔ یہ ذمہ دارانہ اور پائیدار کاروباری ترقی کی معاونت کے لیے فیصلہ سازی کے عمل میں پائیداری کے اصولوں کی شمولیت کو بھی فروغ دیتی ہے۔

پائیداری سے متعلق گورننس اور جوابدہی کو مضبوط بنا کر کمپنی کی طویل مدتی لچک میں معاونت کرتی ہے، اسٹیک ہولڈرز کے اعتماد میں اضافہ کرتی ہے اور ادارے کو بدلتے ہوئے ماحولیاتی، سماجی اور گورننس چیلنجز سے مؤثر طور پر نمٹنے کے قابل بناتی ہے۔ اس کی نگرانی پائیدار قدر کی تخلیق میں حصہ ڈالتی ہے اور ذمہ دار کارپوریٹ شہریت اور مضبوط گورننس کے طریقوں سے کمپنی کی وابستگی کو تقویت دیتی ہے۔

کارپوریٹ سماجی ذمہ داری کی پالیسی - CSR

کمپنی پائیدار سماجی اور معاشی ترقی میں اپنا کردار ادا کرنے کی ذمہ داری کو تسلیم کرتی ہے اور جن برادریوں کی وہ خدمت کرتی ہے ان پر مثبت اثرات مرتب کرنے کے لیے پُرعزم ہے۔ اپنی CSR پالیسی کے ذریعے کمپنی تعلیم، صحت، ماحولیاتی نگہداشت، ملازمین کی بہبود، کمیونٹی کی ترقی اور دیگر فلاحی مقاصد کی معاونت کے لیے اقدامات کرتی ہے۔

کمپنی کی CSR سرگرمیاں ایک ایسے فریم ورک کے تحت انجام دی جاتی ہیں جو سماجی ذمہ داری کے مقاصد کو کمپنی کی اقدار اور کاروباری حکمت عملی سے ہم آہنگ کرنے کے لیے تشکیل دیا گیا ہے۔ بورڈ اور انتظامیہ CSR کے پہلوؤں کو کاروباری آپریشنز میں شامل کرنے کو فعال طور پر فروغ دیتے ہیں، جو اخلاقی کاروباری طریقوں، پائیدار ترقی اور اسٹیک ہولڈرز کے لیے قدر کی تخلیق سے کمپنی کی وابستگی کو تقویت دیتا ہے۔

اسی عزم کے تحت کمپنی نے کراچی میں معاشرے کے محروم طبقات کو مفت طبی مشاورت اور صحت کی خدمات فراہم کر کے اپنا صحت عامہ کا پروگرام جاری رکھا۔ یہ اقدام کمیونٹی کی بہبود میں اضافے، کمزور طبقات کی معاونت اور جن برادریوں میں کمپنی کام کرتی ہے ان کی مجموعی سماجی و معاشی ترقی میں حصہ ڈالنے کے لیے کمپنی کی لگن کا مظہر ہے۔

صحت، حفاظت اور ماحولیات کی پالیسی - HSE

کمپنی تسلیم کرتی ہے کہ صحت، حفاظت اور ماحولیاتی امور کا مؤثر انتظام پائیدار کاروباری آپریشنز اور طویل مدتی قدر کی تخلیق کے لیے ناگزیر ہے۔ چنانچہ کمپنی نے ایک جامع صحت، حفاظت اور ماحولیات (HSE) پالیسی وضع کی ہے جس کا مقصد محفوظ اور صحت مند کام کی جگہ کو یقینی بنانا، ماحول کا تحفظ اور آپریشنل خطرات کا ذمہ دارانہ انتظام ہے۔

کمپنی کا HSE فریم ورک ان خطرات کی نشاندہی، جائزے اور تخفیف پر مرکوز ہے جو ملازمین، برادریوں اور ماحول کو متاثر کر سکتے ہیں۔ ملازمین کی بہبود کے لیے کمپنی اپنے ملازمین کے لیے گروپ لائف انشورنس پالیسی برقرار رکھتی ہے اور اہل انتظامی عملے کو طبی سہولت فراہم کرتی ہے۔

کمپنی آلودگی کی روک تھام، قدرتی وسائل کے تحفظ، پانی کے مؤثر انتظام اور ماحولیاتی تحفظ پر مرکوز اقدامات کے ذریعے ماحولیاتی پائیداری کے لیے پُر عزم ہے۔ HSE طریقوں میں مسلسل بہتری اور انتظامیہ کی مضبوط نگرانی کمپنی کو آپریشنل لچک مضبوط کرنے، ذمہ دار کارپوریٹ شہریت کو فروغ دینے اور پائیدار ترقی کی معاونت کے قابل بناتی ہے۔

پائیداری رپورٹ (ماحولیاتی، سماجی اور گورننس - ESG)

IFRS S2، IFRS S1 اور SECP کی ESG ہدایات کے مطابق تیار کردہ پائیداری رپورٹ کمپنی کی سالانہ رپورٹ میں شامل ہے۔

پائیداری سے متعلق خطرات سے نمٹنا

کمپنی تسلیم کرتی ہے کہ پائیداری سے متعلق خطرات کا مؤثر انتظام طویل مدتی کاروباری لچک، پائیدار ترقی اور قدر کی تخلیق کے لیے بنیادی اہمیت رکھتا ہے۔ اپنے ادارہ جاتی رسک مینجمنٹ فریم ورک کے تحت کمپنی ان ماحولیاتی، سماجی اور گورننس (ESG) خطرات اور مواقع کی مسلسل نشاندہی، جائزہ اور نگرانی کرتی ہے جو اس کے آپریشنز، ساکھ، مالیاتی کارکردگی اور اسٹریٹجک مقاصد پر اثر انداز ہو سکتے ہیں۔

کمپنی نے پائیداری سے متعلق ابھرتے ہوئے خطرات سے نمٹنے، آپریشنل استعداد بہتر بنانے اور قابل اطلاق قانونی و ریگولیٹری تقاضوں کی تعمیل یقینی بنانے کے لیے مناسب پالیسیاں، کنٹرولز اور تخفیفی اقدامات وضع کیے ہیں۔ رسک مینجمنٹ کے فعال طرز عمل کے ذریعے کمپنی ادارہ جاتی لچک کو مضبوط بنانے، اسٹیک ہولڈرز کے مفادات کے تحفظ اور اپنے طویل مدتی اسٹریٹجک اہداف کے حصول کی کوشش کرتی ہے۔

کمپنی ذمہ دارانہ کاروباری طریقوں، وسائل کے محتاط استعمال اور اسٹیک ہولڈرز سے بامعنی روابط کے لیے پُر عزم ہے۔ پورے ادارے میں ماحولیاتی نگہداشت، سماجی ذمہ داری اور مضبوط گورننس کو فروغ دینے کے لیے پائیداری کے پہلوؤں کو کلیدی کاروباری عمل اور فیصلہ سازی کی سرگرمیوں میں شامل کیا گیا ہے۔

اپنے پائیداری کے طریقوں میں مسلسل بہتری اور بہتری کے اقدامات کے نفاذ کے ذریعے کمپنی کا مقصد پائیدار معاشی، سماجی اور ماحولیاتی ترقی میں حصہ ڈالتے ہوئے حصص یافتگان اور دیگر اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنا ہے۔ کمپنی کی پائیداری کی حکمت عملی، گورننس ڈھانچے، اہم ESG خطرات و مواقع، کارکردگی کے اشاریوں اور کلیدی اقدامات کا جامع جائزہ پائیداری رپورٹ میں پیش کیا گیا ہے، جو اس سالانہ رپورٹ کا لازمی حصہ ہے۔

تنوع، مساوات اور شمولیت کا فروغ - DEI

کمپنی کام کی جگہ پر ایسی ثقافت کو فروغ دینے کے لیے پُر عزم ہے جو تنوع کی قدر کرے، مساوات کو فروغ دے اور شمولیت کو پائیدار کاروباری کامیابی کے بنیادی محرکات کے طور پر اپنائے۔ کمپنی تمام افراد کو ملازمت کے یکساں مواقع فراہم کرتی ہے اور یقینی بناتی ہے کہ ملازمت سے متعلق فیصلے جنس، عمر، نسل، مذہب، معذوری یا کسی دیگر محفوظ خصوصیت کی بنیاد پر کسی امتیاز کے بغیر صرف میرٹ، قابلیت، کارکردگی اور کاروباری ضروریات کی بنیاد پر کیے جائیں۔

کمپنی ایسا جامع کام کا ماحول برقرار رکھنے کی کوشش کرتی ہے جو انفرادی اختلافات کا احترام کرے، باہمی تعاون کی حوصلہ افزائی کرے اور باہمی احترام، پیشہ ورانہ ترقی اور ملازمین کی بہبود کو فروغ دے۔ منصفانہ اور شفاف بھرتی، تربیت، کارکردگی کے انتظام اور کیریئر کی ترقی کے طریقوں کے ذریعے کمپنی ایک متنوع اور باصلاحیت افرادی قوت کو راغب کرنے، اس کی نشوونما کرنے اور اسے برقرار رکھنے کی کوشش کرتی ہے۔

بورڈ اور انتظامیہ ایسی ثقافت پروان چڑھانے کے لیے پُر عزم ہیں جس میں تمام ملازمین خود کو قابلِ قدر، محترم اور باختیار محسوس کریں اور اپنے منفرد نقطہ نظر اور صلاحیتوں سے حصہ ڈال سکیں۔ فکری تنوع کو فروغ دے کر اور ترقی و پیش رفت کے منصفانہ مواقع فراہم کر کے کمپنی ملازمین کی وابستگی میں اضافہ کرتی ہے، ادارہ جاتی تاثیر کو مضبوط بناتی ہے اور جدت اور پائیدار کاروباری کارکردگی کی معاونت کرتی ہے۔

کمپنی کا یقین ہے کہ متنوع اور جامع افرادی قوت بہتر فیصلہ سازی، اسٹیک ہولڈرز سے بہتر تعلقات اور طویل مدتی قدر کی تخلیق میں معاون ہوتی ہے۔ چنانچہ تنوع، مساوات اور شمولیت کے پہلو کمپنی کے انسانی سرمائے کے انتظام کے طریقوں اور ادارہ جاتی ثقافت کا حصہ ہیں۔

کمپنی کے تنوع، مساوات اور شمولیت کے اقدامات، پالیسیوں اور کارکردگی کا جامع جائزہ پائیداری رپورٹ میں فراہم کیا گیا ہے، جو اس سالانہ رپورٹ کا لازمی حصہ ہے۔

ڈائریکٹرز کے مشاہرے کی پالیسی

کمپنی نے ڈائریکٹرز کے مشاہرے کی ایک پالیسی وضع کی ہے جس کا مقصد اپنے ڈائریکٹرز کے لیے منصفانہ، شفاف اور مارکیٹ کے لحاظ سے مسابقتی معاوضے کے انتظامات کو یقینی بنانا ہے۔ یہ پالیسی حصص یافتگان کے مفادات کا تحفظ کرتے ہوئے انفرادی ذمہ داریوں، کارکردگی اور کمپنی کے اسٹریٹجک مقاصد کے حصول میں کردار کو تسلیم کرنے کے لیے ترتیب دی گئی ہے۔

مشاہرے کا فریم ورک اعلیٰ تعلیم یافتہ پیشہ ور افراد کو راغب کرنے اور برقرار رکھنے میں معاون ہے، مشاہرے کے نتائج اور کمپنی کی طویل مدتی کارکردگی کے درمیان ہم آہنگی کو فروغ دیتا ہے اور جوابدہی اور ذمہ دارانہ رسک مینجمنٹ کی ثقافت

کو تقویت دیتا ہے۔ یہ پالیسی مزید اس بات کو یقینی بنانے کی کوشش کرتی ہے کہ مشاہرے کے طریقے پائیدار قدر کی تخلیق اور کمپنی کی طویل مدتی کامیابی میں معاون ہوں۔

یہ پالیسی ہیومن ریسورس اینڈ ریمونریشن کمیٹی ("HRRC") کی سفارشات پر تیار کی گئی ہے اور کمپنیز ایکٹ، 2017، کمپنی کے آرٹیکلز آف ایسوسی ایشن اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق بورڈ سے منظور شدہ ہے۔

ایگزیکٹو ڈائریکٹرز HRRC کی سفارشات کی بنیاد پر بورڈ کی منظور کردہ مشاہرے اور دیگر مراعات کے حقدار ہیں۔ قابل اطلاق قانونی اور ریگولیٹری تقاضوں کے مطابق حصص یافتگان کی منظوری حاصل کی جاتی ہے۔

a) جناب بلال شریف (چیف ایگزیکٹو آفیسر) - 800,000 روپے ماہانہ۔

اس کے علاوہ مذکورہ بالا ڈائریکٹر کی دیگر ضمنی مراعات میں ایندھن کے ساتھ کمپنی کی فراہم کردہ گاڑی، کاروباری سفر اور مواصلات کے اخراجات شامل ہیں۔

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

قانونی آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، 27 اکتوبر 2026 کو منعقد ہونے والے سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے، تاہم اہل ہونے کی بنا پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2027 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بیرونی آڈیٹر مقرر کرنے کی تجویز دی ہے۔ بیرونی آڈیٹر میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش ریٹنگ دی گئی ہے۔ فرم اور اس کے تمام شراکت دار انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی جانب سے اختیار کردہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کی ضابطہ اخلاق سے متعلق ہدایات کی مکمل تعمیل کرتے ہیں، اور SECP ایکٹ، 1997 کی دفعہ 136 کے تحت آڈٹ اوور سائٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔

قانونی آڈیٹرز نے نہ تو فیصلہ سازی، اندرونی آڈٹ یا انتظامی امور میں سے کوئی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹو کے ساتھ کسی قسم کا تعلق ہے۔ انگیجمنٹ پارٹنرز کو ہر پانچ سال کی تکمیل کے بعد تبدیل کیا گیا۔

بورڈ آف ڈائریکٹرز نے بھی 30 جون 2027 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹر تقرری کی سفارش کی ہے، اور کوڈ کے ریگولیشن 32(3) کے تحت آڈٹ کمیٹی کی جانب سے بورڈ کو کی گئی سفارش کے مطابق سال 2026-27 کے لیے آڈیٹرز کا مشاہرہ 3,100,000 روپے (سال 2025-26: 3,100,000 روپے) مقرر کیا گیا ہے۔ ان ذمہ داریوں میں قانونی آڈٹ، ششماپی جائزہ اور کوڈ آف کارپوریٹ گورننس کا جائزہ شامل ہیں۔

اہم تبدیلیاں اور وعدے

کمپنی کے مالی سال کے اختتام، جس سے بیلنس شیٹ متعلق ہے، اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلی یا وعدہ رونما نہیں ہوا۔

اظہارِ تشکر

میں گورننگ بورڈ، معزز حصص یافتگان، قابلِ قدر صارفین، قرض دہندگان، سپلائرز اور تمام اسٹیک ہولڈرز کا ان کی مسلسل حوصلہ افزائی، اعتماد اور غیر متزلزل تعاون پر تہ دل سے شکریہ ادا کرتا ہوں۔ میں ادارے کی خدمت اور اس کی کامیابی میں بامعنی کردار ادا کرنے پر ہر ملازم کی لگن، ثابت قدمی اور محنت کو بھی دل کی گہرائیوں سے سراہتا ہوں۔

منجانب و برائے بورڈ



محمد سلیم
(ڈائریکٹر)



بلال شریف
(چیف ایگزیکٹو آفیسر)

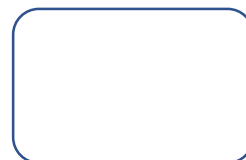
کراچی: 29 ستمبر 2026

Faisal Spinning Mills Ltd

Shareholder Proxy Form

I/We _____ of _____ being a member of **FAISAL SPINNING MILLS LIMITED** and holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Sub Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her _____ of _____ as my / our proxy to act on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Tuesday, 27th October 2026 at 04:00 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

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



As witness my / our hand / on this _____ day of _____ 2026.

Signature of witness: _____

Name of the witness: _____

CNIC/ PP of the witness: _____

Address of the witness: _____

Notes:

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

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



FAISAL SPINNING MILLS LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

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

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

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

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

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

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

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
Agenda A(i) <i>“Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2026, be and are hereby ratified, approved and confirmed.”</i>		

Agenda A(ii) <i>“Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2027.</i> <i>Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval.”</i>		
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Notes:

1. Duly filled postal ballot should be sent to the Chairman of **Faisal Spinning Mills Ltd** at above-mentioned postal or email address.
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours on or before 26th October, 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website at <https://www.umergroup.com>
Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

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

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

Place: _____

Dated: _____