



ANNUAL REPORT 2026

FAZAL CLOTH MILLS LIMITED

From Fibre to Future

Integrated textile excellence - every thread connected to lasting stakeholder value.

For the year ended June 30, 2026



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Company Information

Board of Directors

Naseem Ahmad
Rehman Naseem
Amir Naseem Sheikh
Faisal Ahmed
Muhammad Mukhtar
Abbas Mukhtar
Muhammad Shaukat
Masood Karim Shaikh
Parveen Akhter Malik

Chairman/ NE-Director
CEO / Executive Director
NE – Director
NE – Director
Executive Director
Executive Director
Independent Director
Independent Director
Independent Director

Human Resource & Remuneration Committee

Muhammad Shaukat
Amir Naseem Sheikh
Abbas Mukhtar

Chairperson
Member
Member

Audit Committee

Parveen Akhter Malik
Muhammad Shaukat
Amir Naseem Sheikh
Faisal Ahmed

Chairperson
Member
Member
Member

Sustainability & ESG Committee

Rehman Naseem
Parveen Akhter Malik
Masood Karim Shaikh
Muhammad Shaukat

Chairperson
Member
Member
Member

Risk Management & Strategic Planning Committee

Masood Karim Shaikh
Rehman Naseem
Muhammad Shaukat
Parveen Akhter Malik

Chairperson
Member
Member
Member

Chief Financial Officer

Muhammad Azam

Company Secretary

Basharat Hashmi

Share Registrar

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

External Auditors

ShineWing Hameed Chaudhri & Co.,
Chartered Accountants, Lahore.

Legal Advisor

M/s Muhammad Haneef
District Courts, Muzaffargarh

Mr. Fazley Rabi

House No. 9E Upper Mall,
Lahore

Bankers

United Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Al Habib Limited
The Bank of Punjab
Allied Bank Limited
Faysal Bank Limited
Bank Alfalah Limited
Meezan Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Islamic Bank Limited
Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited
Askari Bank Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
The Bank of Khyber
JS Bank Limited
Bank Makramah Limited
PAIR Investment Company Limited
Pak Libya Holding Company (Pvt) Limited
Pak Brunei Investment Company Limited
Pak Oman Investment Company Limited
Pakistan Kuwait Investment Company (Pvt.) Limited
Saudi Pak Industrial & Agricultural Investment Company Limited

Credit Rating Company

VIS Credit Rating Company Limited
VIS House 431, Q-Block
Commercial Area,
Phase II DHA, Lahore.

Insurance Company

Adamjee Insurance Company Limited
UBL Insurers Limited
IGI General Insurance Limited
Jubilee General Insurance Co. Ltd.
Security General Insurance Co. Ltd.
Habib Insurance Company Ltd
Alfalah Insurance Company Limited
EFU General Insurance Limited
Jubilee Life Insurance Co. Ltd
Askari General Insurance Co. Ltd.

Head Office & Shares Department:

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

Registered Office:

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

Mills:

- Fazal Nagar, Jhang Road, Muzaffargarh – Pakistan
Ph. (92) 66-2422216-18 Fax: (92) 66-2422217
- Qadirpur Rawan Bypass, Khanewal Road, Multan – Pakistan
Ph. (92) 61-6740041-43, Fax : (92) 61-6740052
- 13-Km, Mian Wali Road, Khanpur Bagga Sher.
Ph. (92) 662-490183



Company Profile

Fazal Cloth Mills Limited (“FCML” or “the Company”) is a prominent name in Pakistan's spinning sector. The Company has developed a diversified product portfolio catering to both domestic and international markets. FCML specializes in the production of greige fabric and a wide range of yarn products, including multi-count/multi-twist, double, zero-twist, organic, Supima, Lycra, Giza, and USA cotton yarns. The Company benefits from a longstanding operational track record, supported by continued investment in advanced production mechanisms. On the strategic front, management is pursuing a volume-led growth strategy, with an emphasis on enhancing revenues and market penetration through its existing product portfolio rather than undertaking diversification into new business ventures.



FCML is a listed concern, incorporated in 1966. The Company's operational infrastructure comprises 275,724 spindles, 8,820 open-end rotors, 1,752 MVS spindles/rotors, 119 doubling machines, and 224 air-jet looms strategically divested across eleven manufacturing facilities in Multan and Muzaffargarh. The Company's major stake is owned by the Fazal Group and Fatima Group (~44.6% each). The remaining shareholding rests with financial institutions (6.8%) and others (4.0%). The Company's board comprises nine members. The CEO, Mr. Rehman Naseem, is supported by a team of highly qualified and seasoned professionals

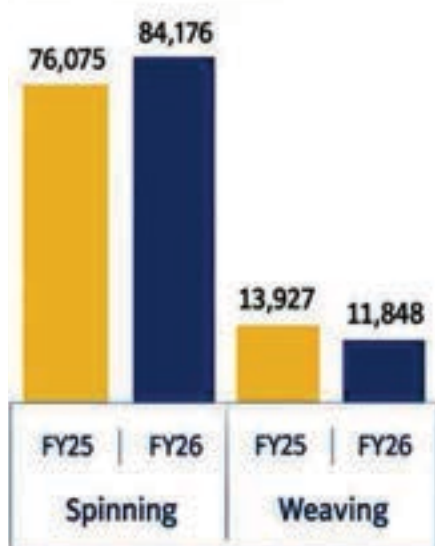


Key - Financial Highlights 2026

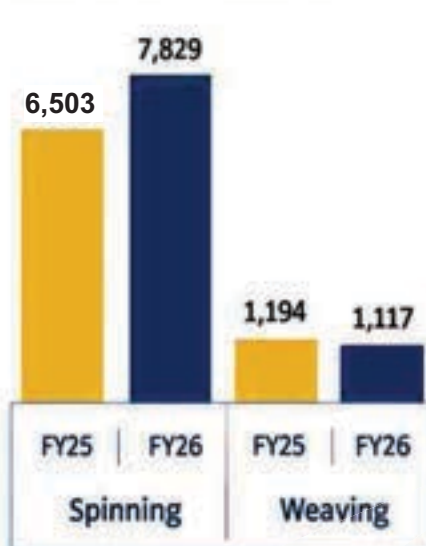
Results for the year at a glance, compared with the prior year.

NET SALES Rs 96.0 bn +6.7% vs 2025	GROSS PROFIT Rs 8.9 bn +16.2% vs 2025	PROFIT AFTER TAX Rs 1.57 bn +311% vs 2025	EARNINGS PER SHARE Rs 52.44 2025: Rs 12.76
CASH DIVIDEND Rs 15 / share 2025: nil	SHAREHOLDERS' EQUITY Rs 75.7 bn +34.1% vs 2025	DEBT TO EQUITY 0.61x 2025: 0.83x	INTEREST COVER 1.59x 2025: 1.30x

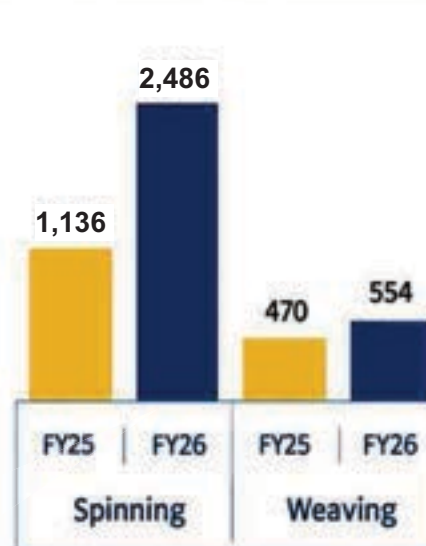
Sales (Rs million)



Gross profit (Rs million)



Profit before tax (Rs million)



Rs million / %	Spinning FY26	Spinning FY25	Weaving FY26	Weaving FY25
GP / Sales	9.3%	8.6%	9.4%	8.6%
EBITDA / Sales	11.1%	10.6%	9.0%	8.1%
PBT / Sales	3.0%	1.5%	4.7%	3.4%



Vision

The Company aims to establish a vertically integrated textile business producing finished products, processed and greige fabrics and yarn. The Company aims to produce high-quality diversified products at competitive price to be marketed globally.

Mission

The Company should provide a secure and rewarding investment to its shareholders and investors, quality products to its customers, a secure place of work to its employees and be an ethical partner with its business associates.

Core Values

Rooted in integrity and progress, Fazal Cloth Mills is built upon the following core values:

- i. **Quality:** To fulfill customer needs by producing quality products.
- ii. **Governance:** To act with good governance.
- iii. **Growth:** To achieve sustainable and equitable growth.
- iv. **Diversity & Ethics:** To promote diversity and ethical behavior.
- v. **Excellence & Innovation:** To develop a dynamic team of professionals to achieve excellence and innovation



► Credit Rating – PECRA



► Certifications

Sustainability & Organic Standards



► Raw Material & Cotton Traceability Initiatives



► Quality, Audits & Brand Compliance



And others.



Annual General Meeting (AGM) Notice

Notice is hereby given that the 61st Annual General Meeting (the "AGM") of the shareholders of Fazal Cloth Mills Limited (the "Company") will be held on Wednesday October 28, 2026 at 11.30 a.m. at E-110, Khyaban-e-Jinnah Defence Mor Lahore as well as through Video Conferencing facility to transact the following business:

1. ORDINARY BUSINESS

- i. To confirm the Minutes of the Extraordinary General Meeting held on June 2, 2026.
- ii. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026 together with the Reports of the Directors, Chairman's review and Auditors report thereon.
- iii. To consider and, if thought fit, approve the payment of a final cash dividend of **150%** (i.e., Rs. 15 per ordinary share of Rs. 10/- each) for the financial year ended June 30, 2026, as recommended by the Board of Directors.
- iv. In compliance with section 223(6) of the Act and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Company has electronically transmitted the Annual Report, 2026 through email to shareholders whose email addresses are available with the Company's Share Registrar the Vision Consulting Ltd. In those cases, where email addresses are not available with the Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, notwithstanding the above, the Company will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Shareholders are requested to kindly provide their valid email addresses (along with a copy of valid CNIC) to the Registrar if the Member hold shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form. The copy of the financial statements of can be accessed through the following weblink and QR enabled code:



<https://fazalcloth.com/FinancialReports/annual-report-ended-30-06-2026.pdf>

- v. To appoint Auditors for the ensuing year and to fix their remuneration for the year ending June 30, 2027. The present auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, have retired and being eligible, have offered themselves for re-appointment. The Board of Directors recommends, based on the recommendation of the Board Audit Committee, the appointment of M/s. ShineWing Hameed Chaudhri & Co., as auditors for the ensuing year.

2. SPECIAL BUSINESS

- I. To ratify and approve the transactions carried out by the Company with related parties during the year ended June 30, 2026 under the authority of the special resolution passed in the annual general meeting held on October 25, 2025 and to pass the special resolution with or without modification(s) as proposed in the statement of material fact.
- II. To authorize the Chief Executive of the Company to approve all transactions with Related Parties during the financial year ending June 30, 2027 and till the date of next annual general meeting and to pass the special resolution with or without modification(s) as proposed in the statement of material fact:

A statement of material facts along with draft special resolutions are annexed to this notice circulated to the members.

3. ANY OTHER BUSINESS

To transact any other ordinary business which may legally be transacted at an Annual General Meeting, with the permission of the Chair.

By the Order of the Board of Directors

Basharat Hashmi
(Company Secretary)

Dated: 06 October, 2026



NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 5-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 21, 2026 will be considered in time for the purpose attending the Meeting and entitlement.

2. APPOINTMENT OF PROXIES :

- i. A member is entitled to appoint a proxy in his/her place to attend, speak and vote instead of him/her. A member can appoint only one proxy in his/her place who can exercise all rights of a member in the meeting. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Company Secretary of the Fazal Cloth mills, E/110, Khayaban-e-Jinnah, Defence Mor, Lahore not later than 48 hours before the time of the meeting. A proxy must be a member of the Company. Form of proxy in English and Urdu Language is enclosed herewith and also available on Company's website: www.fazalcloth.com
- ii. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 of 2000 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

3-a. For Appointing Proxies

- A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the Company, all such forms of proxy shall be rendered invalid.
- The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- Attested copies for CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.

3-b. Participation in AGM through Video Link

Pursuant to circular 4 of 2021 issued by SECP the Company shall provide video link facility for attending the annual general meeting. The members / proxies who wish to attend the meeting via video link facility are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) to the Company Secretary through WhatsApp at 03001588167 or email ID; basharat.hashmi@fazalgroup.com by October 23, 2026.

Name of Shareholder	CNIC Number	Folio / CDC Account Number	Registered email Address	Cell Number
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4. ELECTRONIC VOTING AND POSTALBALLOT

The members will be provided the facility of voting through e-voting and voting by post for the special business (es) to be transacted at the Meeting.



i. E-VOTING PROCEDURE

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the October 22, 2026.
- b. The security codes will be communicated to members through SMS from the web portal of M/s. Vision Consulting Ltd. (being the e-voting service provider).
- c. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d. Members shall cast vote online at any time from October 22, 2026, to October 28, 2026 till 11:00 a.m. (PST). Voting shall close on October 28, 2026, at 11:00 a.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

ii. POSTAL BALLOT VOTING PROCEDURE

- a. Members may alternatively opt for voting through postal ballot. Ballot Paper is attached with this notice and is also available on the Company's website www.fazalcloth.com within stipulated time to download.

The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the address, Company Secretary, Fazal Cloth Mills Limited, FG Head Office, E/110, Khayaban-e-Jinnah, Defence Mor, Lahore or email at basharat.hashmi@fazalgroup.com one (01) day before the meeting, i.e., on October 27, 2026 before 05:00 p.m. Postal ballot received after this time/date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

5. UNCLAIMED DIVIDEND

Shareholders, who for any reason, could not claim their dividend and/or bonus shares are advised to contact our Shares Registrar M/s. Vision Consulting Ltd, Lahore to collect/enquire about their unclaimed dividends and/or bonus shares if any.

6. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Companies Act, 2017 (the Act), states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the promulgation of the Act.

7. AVAILABILITY OF FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The annual report 2026 containing notice of AGM, audited financial statements along with directors and auditors reports and the Chairman Review and other document has been placed on the Company's website www.fazalcloth.com.

8. PROHIBITION ON GRANT OF GIFTS TO SHAREHOLDERS

In accordance with the prohibition under section 185 of the Companies Act, 2017 and as directed by SECP no gifts will be distributed at the Annual General Meeting.

Note: In case of any contradiction between English and Urdu text, English text should be recognized as correct.

**9. PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E-DIVIDEND MECHANISM)**

In accordance with Section 242 of the Act, cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their complete bank details along with 24-digit International Bank Account Number ("IBAN") directly to our share registrar (for physical shares) or to their respective participant/broker (for CDS shares) as the case may be for the dividends which are unclaimed till date. Shareholders are advised to ensure that title of bank account must be in the name of the shareholder. The subject Form is available at Company's website i.e. <http://fazalcloth.com>.

10. WITHHOLDING TAX ON DIVIDEND

Pursuant to the provisions of Section 150 of the Income Tax Ordinance, 2001 the rates of deduction of Income tax from dividend payments will be as follows:

- Rate of tax deduction for persons who are appearing in the active taxpayers list: 15%.
- Rate of tax deduction for persons who are not appearing in the active taxpayers list: 30%.

All Shareholders are advised to check their status on Active Taxpayers List (ATL) available on Federal Board of Revenue (FBR) website and if required take necessary actions for inclusion of their name in ATL. In case a person's name does not appear in the ATL, the applicable tax rate will be increased by hundred percent.

Members seeking exemption from deduction of income tax or those who are eligible for deduction at reduce rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on Active and In-active status whereby tax on each joint-holder shall be deducted on the gross amount of dividend amount determined by bifurcating the shareholding of each joint holder on equal proportion except where the shareholding proportion is pre-defined as per the records of the Company's share registrar. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

Folio/CDC Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC	Shareholding Proportion (No. of Shares)	Name and CNIC	Shareholding Proportion (No. of Shares)

11. NOTIFY THE CHANGES IN ADDRESSES OF SHAREHOLDERS

The shareholders of the Company are requested to promptly notify changes in their mailing addresses (if any), to our share registrar/transfer agent.

12. SUBMISSION OF COPIES OF CNIC (MANDATORY)

Individual shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold the dividend unclaimed till date, under the provisions of Section 243 of the Act which will be released by the Share Registrar only upon submission of a valid copy of the CNIC.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017.**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company.

Special Business No.1

The transactions carried out with the related parties were presented to the Board for their review and consideration as recommended by the Audit Committee on quarterly basis pursuant to provisions of applicable laws. All these related party transactions during the mentioned period were executed at Arm's Length Price and in the ordinary course of business in a fair and transparent manner. Accordingly, the transactions were carried out under the authority of the special resolution passed by the shareholders in the last annual general meeting. These related party transactions during the year ended June 30, 2026 are as under:

Name of parties	Relationship	Transaction	2026 Rupees	2025 Rupees
a) Fatima Fertilizer Company Ltd	Common Directorship and 3.29 % (2025: 3.29%) shareholding	Dividend income Reimbursable expenses Payments against expenses Sale of goods and services	414,684,186 382,337 466,140 -	483,798,217 288,783 322,930 338,920
b) Fatima Energy Limited	Sponsor / Associated	Purchase of electricity Payment against purchase of goods - net	6,282,832,922 6,382,195,542	5,768,933,866 5,653,231,508
c) Reliance Weaving Mills Limited	Common Directorship	Purchase of goods Sale of goods Payment against expenses Receipts against sale of goods - net	71,855,489 441,053,859 721,033 378,952,858	75,223,586 387,896,609 - 311,139,216
d) Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services Sale of goods and services Receipts against sale of goods and services - net Payment against expenses	2,189,791,206 13,687,376,407 11,070,845,744 -	2,896,414,100 14,323,088,155 11,392,543,853 185,416
e) Fazal-ur-Rehman Foundation	Common Directorship/ Trustees	Donations	2,175,550	2,520,000
f) Pak Arab Energy Limited	Common Directorship	Mark-up accrued on long term advance	3,316,194	4,355,107
g) Fazal Farm (Private) Limited	Common Directorship	Purchase of goods Payment against purchase of goods - net	22,944,911 19,375,814	21,485,628 16,922,400
h) Fatima Management Company Ltd	Common Directorship	Reimbursable expenses Payment against reimbursable expenses	- -	344,903 344,903
i) Key Management Personnel	Key Management Personnel	Remuneration and other benefits	63,713,652	63,498,496
j) Relative of director	Spouse	Lease rental paid	14,147,686	12,881,533

The directors' interest is only to the extent of common directorship / shareholding / remunerations / trustees in related parties and they do not have any interest directly or indirectly.

The following resolution is proposed to be passed as special resolution:

“RESOLVED THAT the above related party transactions carried out by the Company during the year ended June 30, 2026 as detailed in note 46 to the audited financial statements be and are hereby ratified, confirmed and approved”.



Special Business No.2

The Company shall be continuing to transact transactions with the related parties during the year ending June 30, 2027 and till the date of next annual general meeting on an arm's length basis as per approved policy with respect to 'transactions with related parties' in the ordinary course of business. The majority of the directors are interested in the related party transactions and the transactions shall be placed before the shareholders in next Annual General Meeting for their formal ratification / approval.

The interest of directors has been mentioned herein above.

The following resolution is proposed to be passed as special resolution:

- “RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to approve the transactions to be carried out with Related Parties as and when required in the ordinary course of business at arm's length basis during the financial year ending June 30, 2027 and till the next Annual General Meeting, without any limitation on the amounts to the transactions.”
- “RESOLVED FURTHER THAT the related party transaction shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval”.
- “RESOLVED FURTHER THAT the Chief Executive, Chief Financial Officer and Company Secretary be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) with the Related Parties after approval of the transactions by the Chief Executive and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.”



STATEMENT UNDER REGULATION 4 (2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017 Name of Associated Company / Undertaking: Fatima Transmission Company Limited (FTCL)

Sr.No.	Description	Loans / advances	
a)	Total investment approved	250,000,000	
b)	Amount of investment made to date	0	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specific time.	Facility is in the nature of Sponsor Support Agreement and the Company as sponsor has committed with the NIB Bank, in case of default by FTCL, to pay the outstanding amount. Aforesaid facility shall remain valid and in full force and effect and shall be subject to the Company's obligations under Sponsors Support.	
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	2025	2024
		----- Rupees -----	
i	Earnings (loss) per share - basic & diluted	0.2833	0.5076
ii	Net profit / (loss)	18,321.449	32,830.648
iii	Shareholders' Equity	355,567.791	337,246.342
iv	Total Assets	612,794.394	659,525.555
v	Break-up value	5.4980	5.2147



Name of Associated Company / Undertaking: Fatima Energy Limited (FEL)

Sr #	Description	Equity		Loans / advances	
a)	Total investment approved	2,000,000,000	282,000,000	500,000,000	6,000,000,000
b)	Amount of investment made to date	1,050,523,553	0	442,077,112	400,000,000
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specific time	Conversion of future markup into preference shares of FEL on loans / advances. Period of Investment renew `till Oct 31, 2026.	Amount will be invested in preference shares of FEL offered to the Company as right shares or otherwise than right shares in future. Period of Investment renew till Oct 31, 2027.	Further funds request has not yet been made by the investee company. Period of Investment till renew Oct 31, 2027.	Facility is in the nature of Sponsor Support Agreement and the Company as sponsor commits to pay FEL's lender banks in case of default by FEL. Aforesaid facility shall remain valid and in full force and effect and shall be subject to the Company's obligations under Sponsors Support
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	2025	2024	2025	2024
i	Gain/(Loss) per share—Rs.	0.60	(0.68)	0.60	(0.68)
ii	Net Gain/(Loss)- Rs. In '000	1,065,075	(1,193,772)	1,065,075	(1,193,772)
iii	Shareholders' Equity - Rs. In '000	8,717,475	7,652,400	8,717,475	7,652,400
iv	Total Assets - Rs. In '000	28,229,595	28,988,336	28,229,595	28,988,336
v	Break-up value - Rs. In '000	4.95	4.34	4.95	4.34



Postal Ballot Paper

FOR VOTING THROUGH POST FOR SPECIAL BUSINESS AT ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, OCTOBER 28, 2026 AT 11.30 A.M. AT E-110, KHAYABAN-E-JINNAH, DEFENCE MORE, LAHORE

Attention: Company Secretary designated email address: basharat.hashmi@fazalgroup.com Ph: +92 61 4781637 Fax No. +92 61 4541832 Website: www.fazalcloth.com

On Above email address of the Company Secretary at which duly filled ballot paper may be sent:

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Agenda item No.1 "RESOLVED THAT the above related party transactions carried out by the Company during the year ended June 30, 2026 as detailed in note 46 to the audited financial statements be and are hereby ratified, confirmed and approved".	No of ordinary shares for which votes cast	I/We assent to the Resolutions (For)	I/We dissent to the Resolutions (Against)
Agenda item No.2 "RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to approve the transactions to be carried out with Related Parties as and when required in the ordinary course of business at arm's length basis during the financial year ending June 30, 2027 and till the next Annual General Meeting, without any limitation on the amounts to the transactions." "RESOLVED FURTHER THAT the related party transaction shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval". "RESOLVED FURTHER THAT the Chief Executive, Chief Financial Officer and Company Secretary be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) with the Related Parties after approval of the transactions by the Chief Executive and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions."	No of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)



فضل کلاتہ ملز لمیٹڈ نوٹس برائے سالانہ اجلاس عام

ہذریعہ بذمہ مطلع کیا جاتا ہے کہ فضل کلاتہ ملز لمیٹڈ ("کمپنی") کے حصص یافتگان کا 61 واں سالانہ اجلاس عام ("AGM") بروز بدھ 28 اکتوبر 2026 کو صبح 11:30 بجے ای۔ 110، نیپالیاں جناح ہائیوے، لاہور میں، میزبانی کا نظم اسٹاک کی سہولت کے ذریعے، درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا:

1. عمومی امور

- 2 جون 2026 کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آؤٹ شدہ مالیاتی گوشواروں میں مع ڈائریکٹرز، مینیجرین کا جائزہ اور آڈیٹرز کی رپورٹس کی وصولی، ان پر غور اور ان کی منظوری۔
- 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے بورڈ آف ڈائریکٹرز کی تجویز کے مطابق 150 فیصد (یعنی 10 روپے والے فی عام شیئر پر 15 روپے) کے حتمی تقسیم واپس ڈالنے (تفصیلات کی اطلاع کی منظوری دینا)۔
- ایکٹ کی دفعہ 223(6) کی تعمیل میں اور (I.S.R.O. 389) 2023 مورخہ 21 مارچ 2023 کے مطابق، کمپنی نے سالانہ رپورٹ 2026 بذریعہ ای میل ان حصص یافتگان کو الیکٹرانک طور پر ارسال کر دئی ہے جن کے ای میل پتے کمپنی کے شیئر رجسٹرار و چین کنسلٹنگ لینڈ کے پاس دستیاب ہیں۔ جن صورتوں میں رجسٹرار کے پاس ای میل پتے دستیاب نہیں، وہاں مذکورہ سالانہ رپورٹ ڈاکن نوڈ کرنے کے لیے ویب لنک اور QR کوڈ کے ساتھ AGM کے مطبوعہ نوٹس ارسال کر دیے گئے ہیں۔ تاہم، مذکورہ بالا کے باوجود، کمپنی کسی بھی رکن کی درخواست پر آؤٹ شدہ مالیاتی گوشواروں کی مطبوعہ کاپیاں درخواست موصول ہونے کے ایک (1) قسط کے اندر اس کے رجسٹرار پتے پر مفت فراہم کرے گی۔ مزید برآں، حصص یافتگان سے درخواست ہے کہ اگر ان کے حصص فزیکل شکل میں ہیں تو وہ اپنے درست ای میل پتے (مع درست CNIC کی کاپی) رجسٹرار کو، اور اگر حصص بک انٹری شکل میں ہیں تو اپنے متعلقہ پارٹنر سہیل / انویسٹر کا ڈسٹ سرور کو فراہم کریں۔ مالیاتی گوشواروں کی کاپی درج ذیل ویب لنک اور QR کوڈ کے ذریعے حاصل کی جاسکتی ہے۔



<https://fazalcloth.com/FinancialReports/annual-report-ended-30-06-2026.pdf>

- آئندہ سال کے لیے آڈیٹرز کی تقرری اور 30 جون 2027 کو ختم ہونے والے سال کے لیے ان کے معاوضے کا تعین۔ موجودہ آڈیٹر، میسرز شائن ونگ حیدر چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز، بورڈ آؤٹ کمپنی کی سفارش کی بنیاد پر، آئندہ سال کے لیے میسرز شائن ونگ حیدر چوہدری اینڈ کمپنی کی بطور آڈیٹر تقرری کی سفارش کرتا ہے۔

2. خصوصی امور

- 25 اکتوبر 2025 کو منعقدہ سالانہ اجلاس عام میں منظور شدہ خصوصی قرارداد کے اختیار کے تحت 30 جون 2026 کو ختم ہونے والے سال کے دوران متعلقہ فریقین کے ساتھ کمپنی کی جانب سے کیے گئے لین وین کی توثیق اور منظوری دینا، اور بیان حقائق مادی میں تجویز کردہ خصوصی قرارداد کو تسلیم کے ساتھ اس کے بغیر منظور کرنا۔
- کمپنی کے چیف ایگزیکٹو کو 30 جون 2027 کو ختم ہونے والے مالی سال کے دوران اور آئندہ سالانہ اجلاس عام کی تاریخ تک متعلقہ فریقین کے ساتھ تمام لین وین کی منظوری کا اختیار دینا اور بیان حقائق مادی میں تجویز کردہ خصوصی قرارداد کو تسلیم کے ساتھ اس کے بغیر منظور کرنا۔
- اراکین کو ارسال کیے گئے اس نوٹس کے ساتھ بیان حقائق مادی مع مجوزہ خصوصی قراردادوں کا مسودہ منسلک ہے۔

3. دیگر امور

صدر اجلاس کی اجازت سے کوئی دیگر عمومی امور انجام دینا جو قانونی طور پر سالانہ اجلاس عام میں انجام دیے جاسکتے ہوں۔

بلکم بورڈ
بشارت باغی
(کمپنی سیکرٹری)

تاریخ: 6 اکتوبر 2026

مقام: ملتان



نوٹس:

1. حصص کی منتقلی کی کتب کی بندش

کمپنی کی حصص کی منتقلی کی کتب 22 اکتوبر 2026 سے 28 اکتوبر 2026 تک (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئرز جسٹس ورسز وچرن کنسلٹنگ لمیٹڈ C-5، ایس ڈی اے فٹنس، لارنس روڈ، لاہور کو 21 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک موصول ہونے والی فزیکل منگلیاں / CDS ٹرانزیکشن IDs اجلاس میں شرکت اور احتیاق کے مقصد کے لیے بروقت تصوری جائیں گی۔

2. پراکسیز کی تقرری

(i) کوئی رکن اپنی جگہ اجلاس میں شرکت کرنے، ووٹ ڈالنا اور ووٹ دینے کے لیے پراکسی مقرر کرنے کا حقدار ہے۔ کوئی رکن اپنی جگہ صرف ایک پراکسی مقرر کر سکتا ہے جو اجلاس میں رکن کے تمام حقوق استعمال کر سکتا ہے۔ پراکسی کی تقرری کا دستاویز، یا قاعدہ اسٹامپ شدہ اور دستخط شدہ اور ووٹ کا نام یا دیگر اختیار نامہ (اگر کوئی ہو) جس کے تحت اس پر دستخط کیے گئے ہوں یا مختار نام سے یا اختیار نام سے کی نوٹری سے تصدیق شدہ کو اپنی اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کو بنام کمپنی سیکریٹری فضل کھٹو ملہ میڈ ای / 110، خیابان جناح، ڈیٹیکس موڈ، لاہور میں جمع کرنا لازم ہے۔

انگریزی اور اردو زبان میں پراکسی فارم اس نوٹس کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ www.fazalcloth.com پر بھی دستیاب ہے۔

(ii) CDC کا ڈسٹریبیوٹر ڈیوڈ راکوٹر سیکرٹری جنرل اینڈ ایکٹنگ مینجمنٹ آف پاکستان کے جاری کردہ سرٹیفکٹ نمبر 1 بابت 26 مئی 2000 اور 26 جنوری 2000 میں وضع کردہ درج ذیل ہدایات پر عمل کرنا ہوگا۔

3. پراکسیز کی تقرری کے لیے

- کوئی رکن ایک سے زائد پراکسی مقرر کرنے کا حقدار نہیں ہوگا۔ اگر کوئی رکن ایک سے زائد پراکسی مقرر کرتا ہے اور ایک سے زائد پراکسی فارم کمپنی کے پاس جمع کراتا ہے تو ایسے تمام پراکسی فارم کا عدم تصور ہوں گے۔
- پراکسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔
- پراکسی فارم پر دو افراد بطور گواہ دستخط کریں گے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔
- تصدیق شدہ اور پراکسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں گی۔

3. ویڈیو لنک کے ذریعے AGM میں شرکت

SECP کے جاری کردہ سرٹیفکٹ نمبر 4 بابت 2021 کے مطابق کمپنی سالانہ اجلاس عام میں شرکت کے لیے ویڈیو لنک کی سہولت فراہم کرے گی۔ جو اراکین / پراکسیز ویڈیو لنک کی سہولت کے ذریعے اجلاس میں شرکت کے خواہشمند ہوں، ان سے درخواست ہے کہ وہ درج ذیل معلومات، مع کیپٹن ہزارہ قومی شناختی کارڈ (دونوں اطراف) / پاسپورٹ کی درست کاپی، اور بورڈ کی قرارداد اختیار نامے کی تصدیق شدہ کاپی (کارپوریٹ حصص یافتگان کی صورت میں) 23 اکتوبر 2026 تک کمپنی سیکریٹری کو ایس ایف نمبر 03001588167 یا ای میل basharat.hashmi@fazalgroup.com کے ذریعے فراہم کر کے اپنی رجسٹریشن کرائیں۔

حصص یافتگان	CNIC نمبر	لنک / CDC ڈسٹ نمبر	رجسٹرڈ ای میل پتہ	سوال نمبر

الیکٹرانک ووٹنگ اور پوسٹل بیلٹ

اجلاس میں انجام دیے جانے والے مخصوص امور کے لیے اراکین کو الیکٹرانک ووٹنگ اور پوسٹل بیلٹ کی سہولت فراہم کی جائے گی۔

(ا) الیکٹرانک ووٹنگ کا طریقہ کار

الف۔ ای۔ الیکٹرانک سہولت کی تفصیلات کمپنی کے اراکین کو الیکٹرانک ووٹنگ کے ذریعے بھیجی جائیں گی جن کے درست شناختی کارڈ (CNIC) نمبر، موبائل نمبر اور ای میل ایڈریس 22 اکتوبر 2026 تک کمپنی کے رجسٹر آف ممبرز میں درج ہوں گے۔

ب۔ سیکرٹری کوڈز اراکین کو میسرز وچرن کنسلٹنگ لمیٹڈ (ای۔ الیکٹرانک سروس فراہم کنندہ) کے ویب پورٹل سے ایس ایم ایل کے ذریعے بھیجے جائیں گے۔

ج۔ جو اراکین ای۔ الیکٹرانک ووٹ ڈالنا چاہتے ہیں، ان کی شناخت کی تصدیق الیکٹرانک دستخط یا لاگ ان کی تصدیق کے ذریعے کی جائے گی۔

د۔ اراکین 22 اکتوبر 2026 سے 28 اکتوبر 2026 کو صبح 11:00 بجے (پاکستان کا معیاری وقت) تک کسی بھی وقت آن لائن ووٹ ڈال سکیں گے۔ ووٹنگ 28 اکتوبر 2026 کو صبح 11:00 بجے بند ہو جائے گی۔ جب کوئی رکن قرارداد پر ووٹ ڈال دے گا تو اسے بعد میں یہ ووٹ تبدیل کرنے کی اجازت نہیں ہوگی۔

(ii) پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار

- اراکین قبیلہ طور پر پوسٹل بیلٹ کے ذریعے ووٹنگ کا انتخاب کر سکتے ہیں۔ بیلٹ بھیجے اس نوٹس کے ساتھ منسلک ہے اور مقررہ مدت کے اندر ڈاک ان لوڈ کے لیے کمپنی کی ویب سائٹ www.fazalcloth.com پر بھی دستیاب ہے۔



ادراکین اس امر کو یقینی بنائیں کہ باقاعدہ شدہ اور دستخط شدہ خط بھی منع کیپورٹ اور ذمہ داری کا راز (CNIC) کی کاپی، اجلاس سے ایک (01) دن قبل یعنی 27 اکتوبر 2026 کو شام 05:00 بجے سے پہلے بذریعہ ایک اس پتے پر: کمپنی سیکرٹری، فضل کا تھڑ مل لینڈ، FG، بیڈ آفس، ای/110، شیباؤن جناح، ڈائریکٹس موڈ، لاہور میں جمع کرانا لازم ہے۔
basharat.hashmi@fazalgroup.com صدر اجلاس کو موصول ہو جائے۔ اس وقت تاریخ کے بعد موصول ہونے والے پوسٹل ٹکٹ دو ٹکٹ کے لیے ذریعہ غور نہیں لائے جائیں گے۔ ٹکٹ بھی پر دستخط CNIC پر موجود خط کے مطابق ہونے چاہئیں۔

غیر وصول شدہ منافع منقسمہ

جو حصص یافتگان کسی بھی وجہ سے اپنا منافع منقسمہ اور یا پونس حصص وصول نہیں کر سکے، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر وصول شدہ منافع منقسمہ اور یا پونس حصص (اگر کوئی ہوں) کی وصولی معلومات کے لیے ہمارے شیئر رجسٹرار میسرز ویٹن کنسلٹنگ لینڈ، لاہور سے رابطہ کریں۔

فریکل حصص کی CDC اکاؤنٹس میں منتقلی

فریکل حصص رکھنے والے حصص یافتگان اپنے فریکل حصص کو اسکرپ لیس شکل میں منتقل کرنے کے لیے کسی بھی بروکر کے پاس CDC سب اکاؤنٹ یا براہ راست CDC کے پاس انویسٹر اکاؤنٹ کھول سکتے ہیں۔ اس سے انہیں کسی طرح سے سہولت ملے گی، بشمول حصص کی محفوظ قویل اور جب چاہیں حصص کی فروخت، کیونکہ اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فریکل حصص کی تجارت کی اجازت نہیں ہے۔ مزید برآں، کمپنیز ایکٹ 2017 ("ایکٹ") کی دفعہ 72 کے مطابق SECP کی جانب سے مطلع کردہ تاریخ سے ایکٹ کے نفاذ کے بعد حصص سرمایہ رکھنے والی کمپنی کے حصص صرف بک انٹری شکل میں ہوں گے۔ برآمدہ حصص کمپنی پر لازم ہوگا کہ وہ SECP کی مقرر کردہ طریقہ کار کے مطابق اور مطلع کردہ تاریخ سے ایکٹ کے نفاذ سے زیادہ سے زیادہ چار سال کی مدت کے اندر اپنے فریکل حصص کو بک انٹری شکل میں تبدیل کرے۔

کمپنی کی ویب سائٹ پر مالیاتی گوشواروں کی دستیابی

سالانہ رپورٹ 2026 جس میں AGM کا نوٹس، آڈٹ شدہ مالیاتی گوشوارے سے متعلق ڈائریکٹرز اور آڈیٹرز کی رپورٹس، چیئرمین کا جائزہ اور دیگر دستاویزات شامل ہیں، کمپنی کی ویب سائٹ www.fazalcloth.com پر دستیاب ہے۔

حصص یافتگان کو تحائف دینے کی ممانعت

کمپنیز ایکٹ 2017 کی دفعہ 185 کے تحت ممانعت کے مطابق اور SECP کی ہدایت کے تحت سالانہ اجلاس عام میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔
نوٹ: اگر برائی اور اور وقت میں کسی تشدد کی صورت میں انگریزی متن کو درست تسلیم کیا جائے گا۔

نقد منافع منقسمہ کی الیکٹرانک ادائیگی (ای-ڈیبیٹ میکانزم)

ایکٹ کی دفعہ 242 کے مطابق نقد منافع منقسمہ صرف الیکٹرانک طریقے سے براہ راست مستحق حصص یافتہ کے نامزد کردہ متعلقہ بینک اکاؤنٹ میں ادا کیا جاسکتا ہے۔ حصص یافتگان سے درخواست ہے کہ اب تک غیر وصول شدہ منافع منقسمہ کے لیے اپنی مکمل بینک تفصیلات مع 24 ہندسوں پر مشتمل انٹرنیشنل بینک اکاؤنٹ نمبر ("IBAN") براہ راست ہمارے شیئر رجسٹرار کو (فریکل حصص کی صورت میں) یا اپنے متعلقہ پارٹنر یا رجسٹرڈ ایرو کر کو (CDS حصص کی صورت میں) فراہم کریں۔ حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ یقینی بنائیں کہ بینک اکاؤنٹ حصص یافتہ کے اپنے نام پر ہو۔ متعلقہ فارم کمپنی کی ویب سائٹ www.fazalcloth.com پر دستیاب ہے۔

منافع منقسمہ پر وہولڈنگ ٹیکس

اکٹ 2001 کی دفعہ 150 کی دفعات کے مطابق منافع منقسمہ کی ادائیگی سے اٹھ گیس کی کوٹنی کی شرحیں درج ذیل ہوں گی:

- ایکٹو گیس ریٹرنسٹ میں شامل افراد کے لیے گیس کوٹنی کی شرح: 15%۔
- ایکٹو گیس ریٹرنسٹ میں شامل نہ ہونے والے افراد کے لیے گیس کوٹنی کی شرح: 30%۔

تمام حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ پر دستیاب ایکٹو گیس ریٹرنسٹ (ATL) میں اپنی حیثیت چیک کریں اور اگر ضرورت ہو تو ATL میں اپنا نام شامل کرنے کے لیے ضروری اقدامات کریں۔ اگر کسی شخص کا نام ATL میں شامل نہ ہو تو قابل اطلاق گیس کی شرح میں سو فیصد اضافہ کر دیا جائے گا۔

اکٹ 2001 کی کوٹنی سے استثنیٰ کے خواہشمند یا کم شرح پر کوٹنی کے اہل اراکین سے درخواست ہے کہ وہ جب صورت درست گیس اسٹمٹی سرٹیفکیٹ یا ضروری دستاویزی ثبوت جمع کرائیں۔ ڈکوڈ کی کوٹنی نہ کرانے کے خواہشمند اراکین سے بھی درخواست ہے کہ وہ ڈکوڈ کی عدم کوٹنی کا درست اقرار نامہ جمع کرائیں۔

FBR کی جاری کردہ وضاحت کے مطابق مشترکہ طور پر حصص رکھنے والے حصص یافتگان کے لیے وہولڈنگ گیس کا تعین ایکٹو اور ان ایکٹو حیثیت کی بنیاد پر الگ الگ کیا جائے گا، جس کے تحت ہر جوائنٹ ہولڈر کا ٹیکس اس کے حصے کی شیئر ہولڈنگ کو مساوی حساب میں تقسیم کر کے متعین کردہ منافع منقسمہ کی مجموعی رقم پر کاٹا جائے گا، ماسوائے اس صورت کے جہاں کمپنی کے شیئر رجسٹرار کے ریکارڈ کے مطابق شیئر ہولڈنگ کا تناسب پہلے سے متعین ہو۔ لہذا مشترکہ طور پر حصص رکھنے والے تمام حصص یافتگان پر لازم ہے کہ وہ اپنے حصص کے سلسلے میں پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر (ز) کی شیئر ہولڈنگ کا تناسب درج ذیل طریقے سے تحریری طور پر ہمارے شیئر رجسٹرار کو فراہم کریں:



فول / CNIC / شناخت نمبر	کل حصص	پرنسپل شیئر ہولڈر جنم اور CNIC	پرنسپل شیئر ہولڈر جنم اور CNIC	جوائنٹ شیئر ہولڈر، شیئر ہولڈنگ (کتابت حصص کی تعداد)	جوائنٹ شیئر ہولڈر، شیئر ہولڈنگ (کتابت حصص کی تعداد)

حصص یافتگان کے پتوں میں تبدیلی کی اطلاع

کمپنی کے حصص یافتگان سے درخواست ہے کہ وہ اپنے ڈاک کے پتوں میں تبدیلی (اگر کوئی ہو) سے فوری طور پر ہمارے شیئر رجسٹر اور انٹر انسٹر ایکٹ کو مطلع کریں۔

CNIC کی کاپیاں جمع کرائی جائیں گی

انفرادی حصص یافتگان کو ایک بار پھر یا دوبارہ اپنی کرائی جاتی ہے کہ اگر انہوں نے پہلے فراہم نہیں کی تو وہ اپنے درست CNIC کی کاپی کمپنی کے شیئر رجسٹر کو جمع کرائیں۔ کمپنی کے ریکارڈز میں درست CNIC دستیاب نہ ہونے کی صورت میں کمپنی ایکٹ کی دفعہ 243 کی دہمات کے تحت اپ تک بغیر موصول شدہ متعلقہ حصص روک لے گی، جو شیئر رجسٹر ارم کی جانب سے صرف درست CNIC کی کاپی جمع کرائے پر جاری کیا جائے گا۔

کمپنیز ایکٹ 2017 کی دفعہ 134 (3) کے تحت بیان حقائق مادی

یہ بیان کمپنی کے سالانہ اجلاس عام میں اہم ہونے والے خصوصی امور سے متعلق حقائق مادی بیان کرتا ہے۔

خصوصی امر نمبر 1

متعلقہ فریقین کے ساتھ کیے گئے لین دین، مقامی اطلاق قوانین کی دفعات کے مطابق سرمایہ بنیاد پر آڈٹ کمپنی کی سفارش کے ساتھ بورڈ کے جائزے اور غور کے لیے پیش کیے گئے۔ مذکورہ مدت کے دوران متعلقہ فریقین کے ساتھ یہ تمام لین دین آرمر لینتھ قیمت پر اور معمول کے کاروبار کے دوران منصفانہ اور شفاف طریقے سے کیے گئے۔ چنانچہ یہ لین دین گزشتہ سالانہ اجلاس عام میں حصص یافتگان کی منظور کردہ خصوصی قرارداد کے اختیار کے تحت کیے گئے۔ 30 جون 2026 کو ختم ہونے والے سال کے دوران متعلقہ فریقین کے ساتھ یہ لین دین درج ذیل ہیں:

ڈائریکٹرز کا مناد صرف متعلقہ فریقین میں مشترکہ ڈائریکٹر شپ / شیئر ہولڈنگ / معاوضے / زرعی شپ کی حد تک ہے اور ان کا براہ راست یا بالواسطہ کوئی منافع نہیں ہے۔

درج ذیل قرارداد کو بطور خصوصی قرارداد منظور کرنے کی تجویز ہے:

"قرارداد پر 30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی کی جانب سے متعلقہ فریقین کے ساتھ کیے گئے مذکورہ لین دین، جن کی تفصیل آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 46 میں دی گئی ہے، کی بذریعہ بذاتوقیق تصدیق اور منظوری دی جاتی ہے۔"

Name of parties	Relationship	Transaction	2026 Rupees	2025 Rupees
a) Fatima Fertilizer Company Ltd	Common Directorship and 3.29% (2025: 3.29%) shareholding	Dividend income Reimbursable expenses Payments against expenses Sale of goods and services	414,884,188 382,337 486,140 -	483,798,217 288,783 322,930 338,920
b) Fatima Energy Limited	Sponsor / Associated	Purchase of electricity Payment against purchase of goods - net	6,282,832,922 6,382,195,542	5,768,933,888 5,653,231,608
c) Reliance Weaving Mills Limited	Common Directorship	Purchase of goods Sale of goods Payment against expenses Receipts against sale of goods - net	71,855,489 441,053,859 721,033 378,952,858	75,223,596 387,896,609 - 311,139,216
d) Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services Sale of goods and services Receipts against sale of goods and services - net Payment against expenses	2,189,791,208 13,687,376,407 11,070,645,744 -	2,896,414,100 14,323,088,155 11,392,543,853 185,416
e) Fazal-ur-Rehman Foundation	Common Directorship/ Trustees	Donations	2,175,550	2,020,000
f) Pak Arab Energy Limited	Common Directorship	Mark-up accrued on long term advance	3,316,194	4,355,107
g) Fazal Farm (Private) Limited	Common Directorship	Purchase of goods Payment against purchase of goods - net	22,944,911 19,375,814	21,485,626 16,922,400
h) Fatima Management Company Ltd	Common Directorship	Reimbursable expenses Payment against reimbursable expenses	- -	344,903 344,903
i) Key Management Personnel	Key Management Personnel	Remuneration and other benefits	63,713,632	83,498,496
j) Relative of director	Spouse	Lease rental paid	14,147,686	12,861,533

**خصوصی امر نمبر 2**

کھٹی 30 جون 2027 کو ختم ہونے والے سال کے دوران اور آئندہ سالانہ اجلاس عام کی تاریخ تک معمول کے کاروبار کے دوران متعلقہ فریقین کے ساتھ لین دین سے متعلق منظور شدہ پالیسی کے مطابق آرمز لینتھ بنیاد پر متعلقہ فریقین کے ساتھ لین دین جاری رکھے گی۔ ڈائریکٹرز کی اکثریت متعلقہ فریقین کے ساتھ لین دین میں دلچسپی رکھتی ہے اور یہ لین دین باقاعدہ وثیقہ/منگوری کے لیے آئندہ سالانہ اجلاس عام میں حصص یافتگان کے سامنے پیش کیے جائیں گے۔

ڈائریکٹرز کے مفاد کا ذکر اوپر کیا جا چکا ہے۔

درج ذیل قرارداد کو بطور خصوصی قرارداد منظور کرنے کی تجویز ہے:

”قرار پایا کہ کھٹی کے چیف ایگزیکٹو کو بذریعہ ہذا اختیار دیا جاتا ہے کہ وہ 30 جون 2027 کو ختم ہونے والے مالی سال کے دوران اور آئندہ سالانہ اجلاس عام تک معمول کے کاروبار کے دوران آرمز لینتھ بنیاد پر حسب ضرورت متعلقہ فریقین کے ساتھ کیے جانے والے لین دین کی، لین دین کی رقم پر کسی حد کے بغیر منگوری دیں۔“

”مزید قرار پایا کہ متعلقہ فریقین کے ساتھ لین دین باقاعدہ وثیقہ منگوری کے لیے آئندہ سالانہ اجلاس عام میں حصص یافتگان کے سامنے پیش کیے جائیں گے۔“

”مزید قرار پایا کہ چیف ایگزیکٹو، چیف فنانشل آفیسر اور کھٹی میگزینی کو بذریعہ ہذا انفرادی طور پر یا اختیارات دینا جاتا ہے کہ وہ مذکورہ بالا قراردادوں پر مملد آمد کے مقصد کے لیے تمام افعال، امور،

دستاویزات اور کام انجام دیں، تمام یا کوئی بھی ضروری اقدامات کریں، بشمول چیف ایگزیکٹو کی جانب سے لین دین کی منگوری کے بعد متعلقہ فریقین کے ساتھ معاہدے (معاہدوں) پر دستخط اور ان کی تکمیل، اور تمام قانونی تھانے پورے کریں بشمول دستاویزات کی فائلنگ جو ضروری، ضمنی یا مناسب ہو۔“



کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ اداروں میں سرمایہ کاری) ریگولیشن 2017 کے ضابطہ 4 (2) کے تحت بیان
ایسوسی ایٹڈ کمپنی / ادارے کا نام: فاطمہ ٹرانسمیشن کمپنی لینڈ (FTCL)

نمبر	حاصل	قرض لکھوں
(الف)	مستوردہ مل سرمایہ کاری	250,000,000
(ب)	اپ بک کی گئی سرمایہ کاری کی رقم	0
(ج)	جہاں قرارداد کے تحت مقررہ مدت میں سرمایہ کاری مکمل کرنا لازم تھا وہاں اپ بک مکمل سرمایہ کاری نہ کرنے کی وجہ سے	یہ سہولت اسپانسر سپورٹ انگریز اسٹ کی نو قیمت کی ہے اور کمپنی نے بطور اسپانسر NIB دیکھ کر سے عہد کیا ہے کہ FTCL کی جانب سے اس سہولت کی صورت میں وہ بلا پاد رقم ادا کرنے کی ذمہ داری سہولت پر مستوردہ مل سرمایہ کاری کی طرف منتقل ہو جائے گی اور اسپانسر سپورٹ کے تحت کمپنی کی آمدنیوں سے مشروط ہوگی۔
(د)	دی کمپنی میں سرمایہ کاری کی منظوری کے لیے قرارداد کی منظوری کی تاریخ سے لے کر ایسوسی ایٹڈ کمپنی یا ادارے کے مالکان کو اداروں میں نمایاں تبدیلی	2024 2025

i	فی حصص آمدنی (تفصیل) - بنیادی اور تخریب شدہ	0.5076 0.2833
ii	خاص منافع / (تفصیل)	32,830,648 18,321,449
iii	حصص یا ملکان کی دیکھائی	337,246,342 355,567,791
iv	کل اثاثے	659,525,555 612,794,394
v	بریک اپ مل	5.2147 5.4980

ایسوسی ایٹڈ کمپنی / ادارے کا نام: فاطمہ انرجی لینڈ (FEL)

نمبر	حاصل	لکھوں	قرض لکھوں
(الف)	مستوردہ مل سرمایہ کاری	2,000,000,000	500,000,000
(ب)	اپ بک کی گئی سرمایہ کاری کی رقم	1,050,523,553	442,077,112
(ج)	جہاں قرارداد کے تحت مقررہ مدت میں سرمایہ کاری مکمل کرنا لازم تھا وہاں اپ بک مکمل سرمایہ کاری نہ کرنے کی وجہ سے	قرضوں اور ملکان کے سہولت کے بارے میں FEL کی طرف سے تفصیل میں تھیں۔ سرمایہ کاری کی مدت میں 13 اکتوبر 2026 تک۔	سرمایہ کاری و ملکان کے سہولت کے بارے میں FEL کی طرف سے تفصیل میں تھیں۔ سرمایہ کاری کی مدت میں 13 اکتوبر 2027 تک۔
(د)	دی کمپنی میں سرمایہ کاری کی منظوری کے لیے قرارداد کی منظوری کی تاریخ سے لے کر ایسوسی ایٹڈ کمپنی یا ادارے کے مالکان کو اداروں میں نمایاں تبدیلی	2024 2025	2024 2025
i	فی حصص تفصیل - بریک اپ	0.60 (0.68)	0.60 (0.68)
ii	خاص منافع - بریک اپ	1,065,075 (1,193,772)	1,065,075 (1,193,772)
iii	حصص یا ملکان کی دیکھائی - بریک اپ	8,717,475 7,652,400	8,717,475 7,652,400
iv	کل اثاثے - بریک اپ	28,229,595 28,988,336	28,229,595 28,988,336
v	بریک اپ مل - بریک اپ	4.95 4.34	4.95 4.34

پوسٹل بیلت پیپر

بروز جمعہ 28 اکتوبر 2026 کو صبح 11:30 بجے ای-110، علیا بان جناح، ڈائریکٹس موڑ، لاہور میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور کے لیے بذریعہ ایک وفد تک توجہ کینیڈائی سیکرٹری خصوصی ای میل پر: basharat.hashmi@fazalgroup.com فون: +92-61-4781637 فیکس نمبر: +92-61-4541832 جس پر باقاعدہ شدہ ویلٹ پیپر پیش کیا جاسکتا ہے۔

	حصص یافتہ / مشترک حصص یافتگان کا نام
	رجسٹرڈ پتہ
	رکے گئے حصص کی تعداد اور فولیو نمبر
	CNIC نمبر (کاپی منسلک کی جائے)
	اضافی معلومات اور منسلکات (باقی کارپوریٹ ریلیشن اور وفاقی حکومت کے ذمہ داری کی صورت میں)

میں کہ ہم ہر یحیٰ ہذا درج ذیل قراردادوں کے سلسلے میں پرنسپل ٹیلٹ کے ذریعے اپنا دوا استعمال کرتا ہوں اگر کرتے ہیں اور ذیل میں مناسب خانے میں نشان (✓) لگا کر درج ذیل قرارداد سے اپنی رضامندی یا عدم رضامندی کا اظہار کرتا ہوں کرتے ہیں (جو لاکھوں ہوا سے حذف کریں):

[illegible]



ORGANOGRAM





DIRECTOR PROFILE

Sheikh Naseem Ahmed (Bachelor of Arts, Emerson College 1960) is a distinguished industrialist and visionary business leader of Pakistan, serving as the Chief Executive Officer and Director of the diversified Fazal Group, which comprises Fazal Cloth Mills Limited, Ahmed Fine Textile Mills Limited, Hussain Gineries Limited, Zafar Nasir Oil Extraction Limited, Rashid Brothers Associates (Private) Limited and Fazal Farms (Private) Limited. Under his dynamic leadership over the past three decades, Fazal Group has evolved into one of Pakistan's leading industrial conglomerates with operations spanning the complete textile value chain, including cotton ginning, spinning, weaving, towel manufacturing, and international trading. The Group has also diversified successfully into agriculture and livestock farming through Fazal Farms, which manages more than 1,000 hectares of agricultural land equipped with modern irrigation systems along with a 1,000-head livestock program.



Sheikh Naseem Ahmed

Chairman

Today, Fazal Cloth Mills Limited operates an extensive manufacturing setup comprising 275,724 spindles, 8,820 open-end rotors, 1,752 MVS spindles/rotors, 119 doubling machines, and 224 air-jet looms. Running at near full capacity, the company produces approximately 138.35 million kilograms of yarn and 43.10 million meters of cloth annually. Backed by a net revenue of Rs. 96.02 billion, the company continues to be a cornerstone of Pakistan's textile industry sector while providing employment opportunities to more than 5600 people.

In addition to his industrial leadership, Sheikh Naseem Ahmed has made significant contributions to corporate social responsibility (CSR) through the Fazal Group's structured welfare and development initiatives. Under his guidance, the Group actively supports social welfare and community development through the Fazal Rehman Foundation, which operates a 50-bed hospital providing free medical treatment to underprivileged and deserving patients. The Group has also played an important role in strengthening Pakistan's healthcare infrastructure, including major contributions towards the renovation of emergency wards at Nishtar Hospital and Ch. Pervaiz Ellahi Institute of Cardiology. In addition, it has financed the expansion of the Angiography Laboratory at the cardiology institute, enhancing critical cardiac care facilities in the region. Furthermore, the Group donated a three-storey reception and recovery block adjacent to the central operation theatre of Nishtar Hospital, Multan, reflecting Sheikh Naseem Ahmed's sustained commitment to healthcare development, philanthropy, and broader social responsibility initiatives. Possesses over 50 years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



DIRECTOR PROFILE

Rehman Naseem (B.A. in Economics, Columbia University, New York) is the Chief Executive Officer and Director of the diversified Fazal Group, one of Pakistan's leading vertically integrated industrial conglomerates, comprising Fazal Cloth Mills Limited, Ahmed Fine Textile Mills Limited, Hussain Ginners Limited, Fazal Holding (Private) Limited and Fazal Farms (Private) Limited. He returned to Pakistan in 1991 after completing his education in the United States and immediately joined the family business, playing a key role in its modernization, strategic expansion, and transformation into a technology-driven industrial enterprise.

Equipped with machinery from global industry leaders such as Picanol, Toyota, and Tsudakoma, Fazal Cloth Mills Limited maintains an extensive production base of 275,724 spindles, 8,820 open-end rotors, 1,752 MVS spindles/rotors, 119 doubling machines, and 224 air-jet looms.

Over the past three decades, Mr. Rehman Naseem has led Fazal Group's evolution into a fully integrated textile powerhouse with operations spanning cotton ginning, spinning, weaving, towel manufacturing, garment development, and global trading. Under his leadership, the Group has also diversified into agriculture and livestock through Fazal Farms, which manages more than 1,000 hectares of agricultural land equipped with modern irrigation systems and a 1,000-head livestock program. The Fazal Group also maintains a rapidly expanding terry towel division and produces approximately 168,000 tons of yarn and 156 million meters of woven fabric annually. With exports of Rs. 34 billion and a consolidated turnover of Rs. 138 billion (FY 2024–25), the Group stands as a major contributor to Pakistan's textile industry, employing more than 13,000 individuals.

Mr. Rehman's strategic focus remains on modernization, value addition, sustainability, and export-led growth. He is currently spearheading key investment initiatives including the expansion of the production capacity and products, establishment of a new plants to enter technical and performance textiles, development of high-value manufacturing to consumer end capabilities, and a new solar power projects to strengthen the Group's renewable energy footprint.

In addition to his corporate leadership, Mr. Rehman Naseem has held several prominent public-sector governance positions. These include Member Board of Directors of Mukhtar A. Sheikh Hospital (since December 2010), Member Syndicate of Nishtar Medical University, Chairman Board of Directors of Ch. Pervaiz Ellahi Institute of Cardiology (February 2017 to February 2021), Director of Quaid-e-Azam Solar Power Company (January 2014 to July 2018), Director of Punjab Thermal Power Company (June 2017 to July 2018), Director of Punjab Industrial Estates Development Company (March 2010 to May 2016), and Director of Multan Electric Power Company (April 2011 to May 2016). His extensive governance experience reflects his broader commitment to healthcare, industrial development, energy sector reforms, and sustainable economic growth in Pakistan. Possesses over three decades of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



REHMAN NASEEM

CEO / Director



DIRECTOR PROFILE

Amir Naseem Sheikh (B.A., Government College, Multan) is a Director of the diversified Fazal Group, a leading Pakistani business conglomerate with interests across textiles, trading, manufacturing, and investments. The Group comprises Fazal Cloth Mills Limited, Ahmed Fine Textile Mills Limited, Hussain Gineries Limited, Zafar Nasir Oil Extraction Limited, and Rashid Brothers Associates (Private) Limited, and has built a strong reputation for its long-standing contribution to Pakistan's industrial and export sectors.

He has been associated with Fazal Cloth Mills Limited in a leadership capacity, contributing significantly to its governance and strategic growth across the textile sector. Operating with its core manufacturing base in and around Multan and Muzaffargarh, the company has achieved substantial scale over recent years registering a robust turnover crossing

Rs. 96 billion backed by strong export and domestic channels. As a key entity of the Fazal Group (operational since 1936), the company remains a vital economic anchor and major regional employer, providing livelihoods to thousands of individuals.

Beyond his corporate responsibilities, Amir Naseem Sheikh has held several prominent public and social sector positions. He is a Member of the Board of Directors of MEPCO, Chairman of the Board of Directors of Multan Arts Council, and formerly served as Chairman of the Chamber of Commerce and Industry, Dera Ghazi Khan (2007–08). He also serves as Trustee of the Citizen Police Liaison Committee, Muzaffargarh, and the Fazal Rehman Charitable Trust and Mukhtar A. Sheikh Welfare Trust. In addition, he is a Member of the Board of Governors of SOS Children's Village, Multan, and Al Noor Special Children School, Multan, reflecting his continued engagement in social welfare, education, and community development. Possesses over three decades of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



Amir Naseem Sheikh

Director



DIRECTOR PROFILE

Mr. Faisal Ahmed Mukhtar is a distinguished corporate leader and law graduate with over 27 years of extensive experience spanning corporate governance, strategic industrial management, and public administration. He plays a pivotal leadership role across prominent corporate networks, including Director in Fazal Cloth Mills and key entities associated with the Fatima Group and the broader industrial legacy of the Mukhtar family.

He is currently serving as the Chief Executive Officer of Reliance Weaving Mills Limited, Fatima Sugar Mills Limited, Farrukh Trading Company Limited, and Fatima Holding Limited. He is also a member of the Board of Directors of Fatimafert Limited, Pakarab Fertilizers Limited, Fatima Cement Limited, Fazal Cloth Mills Limited, Fatima Electric Company Limited, Pakarab Energy Limited, Fatima Fibres Limited, Reliance Fabrics Limited, Reliance Commodities (Private) Limited and Air One (Private) Limited.

Beyond his corporate achievements, Mr. Faisal mukhtar has maintained a distinguished record of public service and regional leadership, notably serving as the City District Nazim (Mayor) of Multan and has contributed extensively through institutional roles towards welfare and community development initiatives in the region.

His extensive institutional leadership includes serving as member of Provincial Finance Commission (Punjab), the Steering Committee for the Southern Punjab Development Project, and the Decentralization Support Program, complemented by his executive roles as Chairman of the Multan Development Authority and a member of the Syndicate at Bahauddin Zakariya University, Multan.

Combining deep-rooted industrial stewardship across the Fazal Cloth Mills and Fatima Group with a legacy of public welfare, Mr. Faisal continues to drive sustainable corporate expansion, infrastructure growth, and community development across southern Punjab and Pakistan.



Faisal Ahmed Mukhtar

Director



DIRECTOR PROFILE

Abbas Mukhtar serves as Director of several companies within Fatima Group also, which is one of Pakistan's leading diversified business groups with strategic interests in fertilizers, textiles, sugar, energy, trading, mining, cement, technology, and allied sectors. After completing his bachelor's degree from the University of Pennsylvania, he joined the family business and became actively involved in strategic management, corporate development, and long-term growth initiatives of both the Fatima Group and Fazal Group businesses.

Mr. Abbas Mukhtar is the Director of Fazal Cloth Mills Ltd and also serves as Chief Executive Officer of Fatima Packaging Limited and Fatima AG Solutions Limited. In addition, he holds directorships in several prominent group companies, including Reliance Weaving Mills Limited, Fazal Cloth Mills Limited, Fatima Sugar Mills Limited, Fatima Trading Company (Private) Limited, OSOL Tech (Private) Limited, SmartTech Semiconductors (Private) Limited, and Grand Exploration & Mining Company (Private) Limited.

Within the Group, Abbas Mukhtar oversees strategic planning and business development initiatives, particularly relating to the fertilizer sector, including the operations, expansion, and growth strategies of Fatima Fertilizer Company Limited, one of Pakistan's leading fertilizer manufacturers playing a vital role in strengthening the country's agricultural economy. Alongside his association with Fazal Cloth Mills Limited, he is also closely involved in the strategic direction and development of Fatima Cement Limited, supporting the Group's expansion into the construction and infrastructure sector in line with Pakistan's industrial and economic development needs. Through his leadership and strategic vision, he contributes towards operational excellence, innovation, sustainability, and long-term value creation across the Group's diversified business portfolio.

As part of the senior leadership of Fatima Group, Abbas Mukhtar is also deeply committed to social responsibility and community welfare initiatives undertaken by the Group. He actively supports philanthropic and social development programs focused on healthcare, education, and community uplift. The Group has made significant contributions towards improving healthcare facilities, promoting educational opportunities, and supporting welfare projects aimed at enhancing the quality of life for underserved communities. His involvement reflects the Group's broader commitment towards sustainable and inclusive development beyond commercial success.

In addition to his corporate and social welfare responsibilities, Abbas Mukhtar is widely recognized for his keen interest in the promotion and development of sports in Pakistan. He strongly believes in the positive role of sports in fostering a healthier, more disciplined, and progressive society. Through various initiatives and ventures, he continues to encourage youth participation in sports and supports efforts aimed at the growth and promotion of sporting activities across the country. His contributions are aligned with his vision of building a healthier, happier, and more socially engaged society through sports and community development. Possesses over 12 years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



Abbas Mukhtar

Director



DIRECTOR PROFILE

Mr. Muhammad Mukhtar Sheikh is a prominent businessman and entrepreneur belonging to one of Pakistan's leading industrial business families with diversified interests in fertilizers, textiles, sugar, energy, and related sectors. He holds a Bechler degree in Entrepreneurship and Strategic Management from Babson College, one of the world's renowned institutions for entrepreneurship and business education. His academic background has provided him with strong expertise in strategic leadership, business development, innovation, and corporate management.

He is associated with the renowned Fatima Group, one of Pakistan's major industrial conglomerates with diversified operations across fertilizers, textiles, sugar, energy, trading, and other manufacturing sectors. Fatima Group is widely recognized for its strong corporate governance practices, industrial growth, export-oriented operations, and significant contribution to Pakistan's economy.



M. Mukhtar Sheikh

Director

The Group operates some of the country's leading industrial enterprises, including fertilizer manufacturing companies, textile mills, sugar mills, and power generation projects. Through its diversified business portfolio, the Group plays an important role in agriculture, industrial development, employment generation, and export earnings of Pakistan.

Mr. Muhammad Mukhtar Sheikh serves as Director of Reliance Weaving Mills Limited, Fazal Cloth Mills Limited, and Fatima Sugar Mills Limited. His involvement in these organizations reflects extensive exposure to textile manufacturing, export operations, industrial management, strategic planning, and corporate governance.

Particularly in the textile sector, his experience includes oversight of textile manufacturing operations, strategic business planning, production management, export-oriented operations, financial supervision, and implementation of modern management practices. His association with leading textile companies has enabled him to gain practical understanding of spinning, weaving, textile exports, operational efficiency, cost competitiveness, supply chain management, and market expansion strategies. Such experience is highly valuable in Pakistan's textile industry, which operates in a competitive global environment requiring continuous innovation, quality control, financial discipline, and operational excellence.

In addition to his corporate responsibilities, he is actively involved in various social welfare and community development initiatives undertaken by the Group. He contributes to organizations including the Mukhtar A. Sheikh Welfare Trust, Mukhtar A. Sheikh Hospital, Fatima Fertilizer Trust, Welfare Hospital, and the Fatima Fertilizer Education Society and School. Through these initiatives, he supports healthcare, education, and social welfare programs aimed at improving the quality of life for underprivileged communities.

Mr. Muhammad Mukhtar Sheikh has been affiliated with Fazal Cloth Mills Limited since May 30, 2020. His diversified business exposure, strategic management capabilities, industrial leadership, and commitment to social responsibility make him an important contributor to the governance and growth of the organizations with which he is associated. Possesses less than five years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



DIRECTOR PROFILE

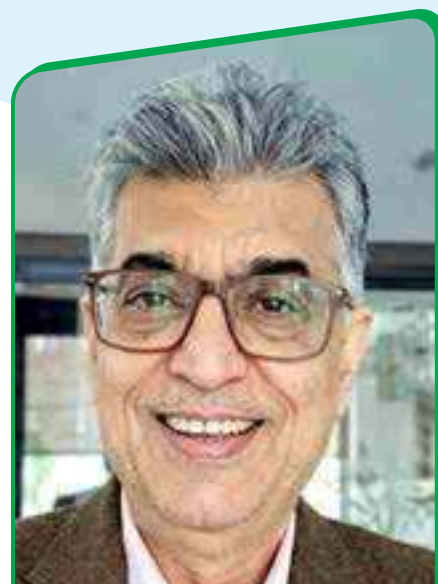
Mr. Masood Karim Shaikh is a Fellow Chartered Accountant (FCA) with over 30 years of distinguished senior-level experience spanning Pakistan's financial and corporate sectors. Having retired as a Senior Executive Vice President (SEVP) and key group chief from the National Bank of Pakistan. He was managing their international operations in 18 countries in Far East, Central Asia, Middle East, Europe and Americas. In his previous assignment with National Bank of Pakistan, he held key executive responsibilities as CFO and Group Chief Corporate & Investment Banking. He has also worked with Dubai Islamic Bank Pakistan as Country Head Corporate & Investment Banking. His other previous assignments were with Emirates Bank International, Mashreq Bank and MCB Bank in various positions as CFO, Head of Treasury and Head of Card Division. At KASB Bank, he held the position of COO. He has served on Boards of following financial institutions and Corporations: United National Bank plc. UK (UBL UK), Siemens Pakistan, National Fullerton Asset Management Fund (Chairman, NAFA), Atlas Power, Taurus Securities and Maple Leaf Cement. Presently, he is working as an independent Financial & Management Consultant.

Current Board Positions:

- Fauji Oil Terminal Company (FOTCO)
- Fauji Trans Terminal Limited
- Lucky Cement Limited
- Fazal Cloth Mills Limited
- Child LIFE care Foundation
- UBL insurers Ltd

He is a certified Director from Pakistan Institute of Corporate Governance -PIC

Possesses over 30 years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



Masood Karim Sheikh

Independent Director



DIRECTOR PROFILE

Ms. Parveen Akhtar Malik Holds master degree in Economics from Quaid-e-Azam university Islamabad, completed MBA courses from American Management Association in business and finance, strategic planning, budgeting, Marketing, human Resource Management and Leadership skills. Participated in seminars/ conferences at national and international level on investment and development banking, compliance, privatization, capital markets and diversified areas of banking and finance. Served Saudi Pak investment company Ltd for about 37 years in various capacities and has been member of its key management committees. Having Served as executive vice president of Saudi Pak investment company Ltd, has also been chief executive of its two subscribers i-e Saudi Pak real estate Ltd and Saudi Pak insurance company Ltd. Was awarded country level Women Excellence Award " woman banker of the year 2007 " by triple E Karachi.

Has been nominee/ independent director on boards of several quoted and unquoted companies. Among others, quoted companies include Nimir industrial chemicals Ltd, prosperity weaving Mills Ltd, Fazal cloth Mills Ltd, Apna micro finance bank Ltd, Golden Arrow stock funds Ltd, Saudi Pak commercial bank Ltd renamed silk bank and now merged into UBL. Represented Saudi Pak on the boards of several unquoted companies. Possesses over 30 years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



PARVEEN AKHTER MALIK

Independent Director



DIRECTOR PROFILE

Prof. Dr. Muhammad Shaukat Malik holds an MBA, a Post Graduate Diploma in Systems Analysis from Institute of Business Administration, a PhD in Business Administration through collaboration with the University of Strathclyde a distinguished academician, researcher, and administrator with over 30 years of experience. He currently serves as Pro Vice-Chancellor of TIMES University Multan and has held key leadership positions at Bahauddin Zakariya University, Emerson University Multan, and University of Layyah.

Apart from his distinguished academic career, he possesses extensive experience in corporate governance, public administration, and the textile industry. He has served as a Member of the Board of Directors of Fatima Group, one of Pakistan's leading diversified business groups operating in fertilizers, textiles, energy, sugar, and trading sectors, where he gained strategic exposure in corporate governance, financial oversight, policy formulation, risk management, and long-term business planning.

He also has practical industrial experience in the textile sector through his role as Manager Finance at Mahmood Textile Mills Ltd., where he was actively involved in budgeting, financial management, cost control, working capital management, financial reporting, and operational finance functions related to textile manufacturing and export operations.

He also served as Advisor to the Punjab Public Service Commission, where he contributed to institutional governance, policy advisory, administrative oversight, and merit-based evaluation systems. This experience enhanced his understanding of organizational management, transparency, accountability, and regulatory compliance.

His academic excellence has been recognized through several awards, including the Emerald Literati Award (UK) and the Higher Education Commission (HEC) Best Paper Award in 2018. Prof. Malik has also actively participated in numerous international and national conferences organized by institutions such as Oxford University, HEC Pakistan, and international academic forums.

He is also a Certified Corporate Director from Institute of Chartered Accountants of Pakistan. Possesses over 35 years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



Muhammad Shaukat

Independent Director



Management Profile

Holding a Master of Business Administration (MBA) from Concordia University, Canada, and a Bachelor of Arts (BA) from McGill University, Canada, he provides strategic leadership and oversight for the diversified business operations of Fazal Group, which comprises Ahmed Fine Textile Mills Ltd., Ahmed Fine Textile Mills Ltd., Hussain Gineries Ltd., Fazal Holding (Private) Limited, and Fazal Farms (Private) Limited. Established in 1936, Fazal Group is one of Pakistan's oldest and most respected business conglomerates, with diversified interests in textiles, trading, investments, and agriculture. Beyond its business achievements, the Group remains firmly committed to corporate social responsibility through substantial investments in healthcare and education. Under the Fazal Rehman Foundation, it operates a 50-bed charitable hospital that provides free medical services to deserving communities and has significantly contributed to the healthcare sector by renovating the emergency wards.

The emergency wards are of Nishtar Hospital, Multan and the Chaudhry Pervaiz Elahi Institute of Cardiology (CPEIC), financing the expansion of the Angiography Laboratory at CPEIC, and donating a three-storey Reception and Recovery Block adjacent to the Central Operation Theatre at Nishtar Hospital. The Group has also partnered with the CARE Foundation to provide quality education to nearly 500 underprivileged children by donating the land and building for the CARE Model School and continuing to fund its monthly operating expenses, reflecting its enduring commitment to community development and social uplift. Possesses over 10 years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



ABDULLAH AMIR

Director Production



Management Profile

Holding a Bachelor of Science (BSc) degree from the University of Toronto, Canada, he serves as Director Marketing of Fazal Group, where he is responsible for formulating and implementing the Group's marketing strategies, strengthening customer relationships, and driving business growth across its diversified operations. The Group comprises Fazal Cloth Mills Ltd., Ahmed Fine Textile Mills Ltd., Fazal Rehman Fabrics Ltd., Hussain Ginners Ltd., Zafar Nasir Oil

Extraction Ltd., Amir Fine Exports (Private) Limited, and Rashid Brothers Associates (Private) Limited. Established in 1936, Fazal Group is one of Pakistan's leading business conglomerates with diversified interests in textiles, edible oil, trading, and investments. During the financial year 2023–24, the Group achieved a turnover of approximately Rs. 144 billion, including export sales of Rs. 63 billion, reflecting a 24% year-on-year increase in revenue, while providing employment to approximately 12,500 people across its manufacturing facilities located in and around Multan.

In addition to its business achievements, the Group remains firmly committed to corporate social responsibility through sustained investments in healthcare and education. Under the Fazal Rehman Foundation, it operates a 50-bed charitable hospital providing free medical services to deserving communities and has made significant contributions to the healthcare sector by renovating the emergency wards of Nishtar Hospital, Multan and the Chaudhry Pervaiz Elahi Institute of Cardiology (CPEIC), financing the expansion of the Angiography Laboratory at CPEIC, and donating a three-storey Reception and Recovery Block adjacent to the Central Operation Theatre at Nishtar Hospital. The Group has also partnered with the CARE Foundation to provide quality education to approximately 500 underprivileged children by donating the land and building for the CARE Model School at Qadirpur Rawan, Multan, while continuing to finance its monthly operating expenses. Furthermore, in collaboration with the Local Government and the Progressive Education Network (PEN), Fazal Group is leading the renovation and operation of the historic Ali-Garh Model School in Gol Bagh, Multan by supporting the recruitment and training of teaching and non-teaching staff, upgrading school infrastructure, and ensuring the availability of modern educational facilities, reflecting the Group's enduring commitment to community development and social progress. Possesses over 10 years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



Yousaf Amir

Director Marketing



Management Profile

Mr. Amin Rehman holds a Bachelor of Science in Business Administration (BBA), majoring in Finance, from the University of Southern California's Marshall School of Business, where he earned Dean's List recognition for academic excellence. He joined Fazal Group as a Director Finance in January 2025. He currently oversees the Group's spinning operations and leads strategic expansion initiatives, focusing on operational excellence, modernization, and sustainable growth. Under his leadership, the spinning division has undertaken modernization programs, strengthened High Volume Instrument (HVI)-based cotton management practices, and enhanced production efficiency through data-driven yield optimization. He is also spearheading the Group's diversification into higher-value textile products and adjacent industrial sectors while working closely with the executive leadership on project evaluation, capital allocation, international partnerships, and long-term growth strategy.



AMIN REHMAN

Director Finance

Prior to joining Fazal Cloth full-time, he gained valuable international experience in investment management, banking, and technology-driven businesses. At Vantage Point Asset Management, Singapore, he conducted valuation modelling, sector analysis, and macroeconomic research for global equity investments. He also worked with Deutsche Bank Wealth Management, New York, supporting Chief Investment Office (CIO)-level portfolio analysis for ultra-high-net-worth clients and assisting in the development of diversified investment strategies. Earlier in his career, he contributed to the development of a feasibility and valuation model for a new towel manufacturing project at Fazal Cloth Mills Ltd. and gained experience with Finja and Airlift in SME lending analytics, digital procurement, and operational efficiency initiatives. As a Director of Fazal Group, which comprises Ahmed Fine Textile Mills Ltd., Ahmed Fine Textile Mills Ltd., Hussain Gineries Ltd., Fazal Holding (Private) Limited, and Fazal Farms (Private) Limited, he plays an instrumental role in strengthening the Group's competitive position through innovation, technology adoption, and strategic business expansion while contributing to its long-term sustainable growth. Possesses less than five years of rich professional experience, with a proven track record of leadership at Fazal Cloth Mills Limited and other corporate entities.



Management Profile

Mr. Muhammad Azam as Chief Financial Officer at Fazal Cloth Mills Limited is responsible for steering the financial strategy and operational efficiency of the organization. He is responsible for managing financial risks, ensuring accurate financial reporting, and overseeing budgeting and forecasting processes. In the textile industry, where market dynamics and raw material costs can fluctuate significantly, the CFO also plays a key role in cost control and supply chain management. Additionally, the CFO helps guide investment decisions, supports strategic planning for expansion or diversification, and ensures compliance with financial regulations. By providing insights into financial performance and operational metrics, the CFO enables informed decision-making that drives sustainable growth and profitability. He is CA qualified and completed his article from ShineWing Hameed Chaudhri & Co. Chartered Accountant. During articles ship he served in various national and international companies in Pakistan and central Asia etc. His experiences in these companies have equipped with a well-rounded skill set and a strong understanding of Textile Industry, which prepare him for future challenges and opportunities.



Muhammad Azam

Chief Financial Officer (CFO)

Mr. Basharat Hashmi serving as Company Secretary in Fazal Cloth Mills Limited from. He is responsible for ensuring that a company operates within legal and regulatory frameworks while upholding corporate governance standards. As a key advisor to the board of directors, he is responsible for managing board meetings, maintaining accurate records of minutes, and ensuring compliance with statutory requirements. He facilitates effective communication between the board, management, and shareholders, and help to ensure that decisions are made in accordance with corporate policies and best practices.

He holds Master Degrees in Business Administration & Economics along with post-graduation degree in Law (LLB) having vast experience of more than 25 years in dealing with Central Depository Company (CDC), Securities and Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange, (PSX) for Shares and Corporate affairs of Listed, Non-Listed & other companies. Before joining Fazal Cloth Mills he remained affiliated with Al-Azhar Textile Mills Limited and Fatima Group and Sadaqat Limited.



Basharat Hashmi

Company Secretary



Management Profile

Mr. Ejaz Hussain brings over 15 years of distinguished financial leadership, combining his credentials as a Fellow Chartered Accountant (FCA) of ICAP with deep expertise in corporate governance and strategic finance. Having built a strong foundation in statutory auditing and financial management across prominent industrial organizations, he joined Fazal Cloth Mills in October 2012 and assumed his current leadership role in March 2021. Reporting directly to the higher management including CFO, Mr. Hussain leads a high-performing accounts team. Steering rigorous IFRS-compliant reporting, budgeting, treasury management, taxation, and internal controls. A pivotal driver of the company's continuous growth and modernization, he has successfully spearheaded major digital transformations including the Oracle R12 rollout, directed critical feasibility studies for expansion and BMR projects, and engineered targeted cost-optimization strategies that safeguard Fazal Cloth Mills' long-term financial resilience and market leadership.



Ejaz Hussain

(General Manager — Accounts)

Accomplished financial leader with over 24 years of combined experience spanning Big Four professional services and executive industry leadership. Features a robust six-year background with Deloitte Touche Tohmatsu across Pakistan, the UAE, and KSA, complemented by 18 years as Head of Internal Audit in the textile sector. Holds Certified Business Accountant from Institute of Chartered Accountants of Pakistan and Fellow Member of Professional Body of Accountants (PIPFA), a Master's in Economics, a Bachelor of Commerce, and prestigious professional accounting credentials, bringing deep expertise in corporate governance, internal controls, risk management, and financial compliance. Mr. Abdul Saboor is working with Fazal Cloth Mills Ltd. from 2024.



Abdul Saboor

Head of Internal Audit



Management Profile

Mr. Irshad Ali Sindhu graduate of the National University of Singapore (NUS) and a Certified Human Resource Professional (CHRP), He brings over two decades of transformative leadership in human resource management, organizational development, and strategic administration across leading industrial sectors. Reporting directly to the Board of Directors at Fazal Group, he oversees comprehensive HR systems, labor relations, and stringent social compliance to align human capital with the company's long-term vision of growth and excellence. A recognized industry expert and mentor actively engaged with prominent academic and trade councils—including the FPCCI and NTU—Mr. Sindhu is dedicated to fostering an inclusive, high-performance, and ethical work environment that empowers Fazal Cloth Mills' dynamic workforce.



Irshad Ali Sindhu

(General Manager —
HR & Support Services)

Serving as General Manager – Marketing & Sales at Fazal Cloth Mills Limited, Muhammad Tayyab is a seasoned textile industry executive with over 23 years of distinguished experience in international marketing, business development, and commercial strategy. Since joining the organization in 2023, Mr. Tayyab has been instrumental in accelerating company growth, strengthening high-value client partnerships, and opening new market avenues across the Fashion, Workwear, and Fabric segments. Holding an MBA in Marketing, his strategic oversight of global sales channels, customer relationship management, and product positionings continues to bolster revenue generation and reinforce Fazal Cloth's position as an industry leader.



Muhammad Tayyab

GM – Marketing & Sales



Management Profile

Mr. Aitzaz is a experienced textile professional with 24 years of spinning industry, with top Pakistani Yarn Manufacturers. Graduated in BS (Hons) in Textile Technology & Management From University of Management & Technology (UMT), Lahore, Pakistan. Currently serving as GM – Sales – Marketing & Compliances (Yarn Division) at Fazal Cloth Mills Limited having long association off 22-years with this company. Specialized in Yarn Sales and Marketing across both domestic and international markets, with extensive experience in product development, customer development, and market diversification. Brings strong knowledge of the yarn business, customer requirements, market dynamics, commercial opportunities and product diversification with a career focused on developing sustainable customer relationships and expanding market presence. Focused on aligning yarn sales and marketing activities with evolving environmental, social, ethical, and customer compliance expectations, Familiar with the increasing role of sustainability and traceability in international textile markets and their importance in product development, customer engagement, and market expansion.



Aitzaz Naveed Ahsan

**GM – Sales/Marketing
& Compliances (Yarn Division)**



Chairman's Review

For the Year Ended June 30, 2026

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present my review of the affairs of Fazal Cloth Mills Limited ("the Company" or "FCML") for the financial year ended June 30, 2026, together with the audited financial statements for the year.

Operating Environment

The year under review continued to test the resilience of Pakistan's textile value chain. Producers operated against a backdrop of elevated energy and financing costs, volatile raw material prices and a highly competitive export market, even as macroeconomic conditions showed signs of gradual stabilization. Against this backdrop, your Company's performance for the year reflects the benefit of a disciplined operating strategy, a diversified yarn and fabric product mix, and continued investment in modernizing its manufacturing base at Muzaffargarh and Multan.

Financial Performance

I am pleased to report that the Company delivered a significant improvement in its financial performance during FY2026. Net revenue increased by 6.7% to Rs. 96,024 million (FY2025: Rs. 90,002 million), while gross profit grew by 16.2% to Rs. 8,946.2 million and profit from operations advanced by 18.2% to Rs. 8,151.1 million, strengthening the operating margin from 7.7% to 8.5%. Higher operational profitability, combined with a 3.4% reduction in finance costs to Rs. 5,110.6 million, drove an 89.3% increase in profit before levies and income tax to Rs. 3,040 million (FY2025: Rs. 1,606 million). Profit after taxation surged by 311.0% to Rs. 1,573.1 million compared with Rs. 382.8 million in FY2025, lifting the net profit margin from 0.43% to 1.64% and basic and diluted earnings per share from Rs. 12.76 to Rs. 52.44.

The Company's financial position and balance sheet strength also improved substantially over the year. Total assets expanded by 15.6% to Rs. 133,421.0 million, backed by a 34.1% growth in total equity to Rs. 75,677.3 million, while total liabilities declined by 2.2% to Rs. 57,743.7 million. Reduced financial leverage was reflected in the gearing ratio (debt to debt-plus-equity), which eased from approximately 0.459 to 0.38, while liquidity strengthened as the current ratio rose from 1.35 to 1.61. Capital expenditure was increased by 41.5% to Rs. 3,458.8 million to support ongoing growth, and net cash flow from operating activities achieved a marked turnaround, generating a positive Rs. 9,667.3 million compared with an operating cash outflow of Rs. 2,244.3 million in the previous year.

A summary of the Company's key results is set out below.

Financial Indicator	FY2026 (Rs. million)	FY2025 (Rs. million)	Change (%)
Net Revenue	96,024.00	90,002.00	+6.7%
Gross Profit	8,946.20	7,696.70	+16.2%
Profit from Operations	8,151.10	6,895.40	+18.2%
Operating Margin (%)	8.50%	7.70%	+80 bps
Finance Costs	5,110.60	5,290.5	-3.40%
Profit Before Levies & Income Tax	3,040.00	1,606.00	+89.3%
Profit After Taxation (PAT)	1,573.10	382.8	+311.0%
Net Profit Margin (%)	1.64%	0.43%	+121 bps
Earnings Per Share (Rs.)	52.44	12.76	+311.0%
Total Assets	133,421.00	115,453.80	+15.6%
Total Equity	75,677.30	56,437.30	+34.1%
Total Liabilities	57,743.70	59,016.50	-2.20%
Current Ratio	1.61	1.35	+19.3%
Gearing Ratio (Debt / Debt+Equity)	0.38	0.459	-17.20%
Capital Expenditure (CapEx)	3,458.80	2,444.4	+41.5%



Effectiveness of the Board in Achieving the Company's Objectives

I am pleased to report that the Board of Directors of Fazal Cloth Mills Limited continued to play an effective and strategic role in guiding the Company toward its long-term objectives. Throughout the year, the Board provided clear direction, ensured strong oversight of management performance, and made timely decisions in response to market challenges and economic uncertainties. The Board remained fully engaged in reviewing strategic priorities, monitoring financial performance, overseeing risk management, and ensuring compliance with all applicable regulatory requirements. Through regular meetings, transparent communication, and constructive deliberations, the Board effectively contributed to maintaining operational stability, improving governance standards, and supporting sustainable business growth aligned with the Company's mission and stakeholder expectations. Details of the number of Board and Committee meetings held during the year, and Directors' attendance, are set out in the Directors' Report.

Chairman's Significant Commitments

The Chairman remains committed to steering Fazal Cloth Mills Limited with a clear strategic vision, strong governance principles, and a long-term value-creation approach. His responsibilities continue to focus on providing strategic direction to the Board, ensuring that the Company's objectives remain aligned with evolving market dynamics, and overseeing management's performance to maintain operational excellence.

From a strategic standpoint, the Chairman is dedicated to strengthening the Company's competitive position by supporting innovation, expanding global market reach, and enhancing efficiency across all operational levels, including continued investment in technology, automation, and product diversification.

In terms of financial commitments, the Chairman prioritizes prudent financial management, cost rationalization, and maintaining a strong balance sheet, with a continued focus this year on strengthening cash flow management, improving liquidity, reducing finance costs, and ensuring disciplined capital allocation to safeguard shareholder value.

On CSR and ESG, the Chairman reinforces the Company's commitment to community welfare, employee well-being and social uplift initiatives, and to strengthening the Company's sustainability agenda through energy conservation, renewable energy initiatives, waste reduction and responsible sourcing, alongside continued emphasis on strong governance, transparency, accountability and regulatory compliance.

Board Statement on the Internal Control System, Structure, Processes, and Review of Adequacy

In compliance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors acknowledges its responsibility for establishing, maintaining, and continually evaluating a sound, integrated internal control framework tailored to the size and complexity of the Company's operations. This is structured through dedicated Board and Management Committees, an independent Internal Audit function reporting directly to the Audit Committee, and standardized operational procedures across all business functions, encompassing financial, operational, IT, and risk management controls. Following a review of internal audit reports, compliance matrices and management assurances, the Board supported by the Audit Committee is satisfied with the design, adequacy and operating effectiveness of the Company's internal control system, which provides reasonable (though not absolute) assurance against material misstatement, inefficiency or unauthorized use of resources, while safeguarding the Company's assets and supporting reliable financial reporting.

Dividend

Keeping in view the Company's solid financial performance, the Board of Directors is pleased to recommend a final cash dividend of 150% (i.e., Rs. 15.00 per ordinary share of Rs. 10/- each) for the financial year ended June 30, 2026, for approval by the members at the upcoming Annual General Meeting. This distribution reflects our continued commitment to enhancing shareholder value while maintaining a strong financial base for future growth.



Corporate Governance

The Board remains committed to the highest standards of corporate governance and to safeguarding the interests of all stakeholders. The financial statements for the year have been prepared in accordance with the reporting standards applicable in Pakistan, including IFRS Accounting Standards and Islamic Financial Accounting Standards as notified under the Companies Act, 2017, and have been reviewed and recommended for approval by the Board. The Board continues to oversee the Company's risk management framework, its internal control environment and its compliance obligations as a company listed on the Pakistan Stock Exchange.

Acknowledgement

On behalf of the Board, I would like to express my sincere appreciation to our shareholders for their continued confidence, to our customers and business partners for their support, and to our banks and financial institutions for their continued cooperation. I would also like to place on record the Board's appreciation for the dedication and hard work of the Company's management and workforce, whose efforts underpin the results reported this year

Outlook

The Board remains confident in the Company's underlying strengths — its established position in the yarn and fabric business, its growing export footprint, and the ongoing modernization of its manufacturing facilities. While cost pressures in the wider operating environment are expected to persist, the Board believes the Company is well positioned to build on this year's performance and remains committed to pursuing sustainable, long-term value for all shareholders.

On behalf of the Board,

Sheikh Naseem Ahmed
Chairman
Multan



چیمبرمین کا جائزہ

معزز شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے فضل کاچھڑ ملینڈ ("کمپنی" یا "FCML") کے امور کا جائزہ رسالہ کے آؤٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کرتے ہوئے سرت ہو رہی ہے۔

آپریٹنگ ماحول

زیر جائزہ سال کے دوران پاکستان کی ٹیکسٹائل وٹیلو جین کی کلب کو مسلسل آزمائش کا سامنا رہا۔ اگرچہ میکرو اکنامک حالات میں بتدریج استحکام کے آثار نمایاں ہوئے، تاہم پیدائشی اکنامک کان کو توانائی اور مالیاتی اخراجات میں اضافے، تمام مال کی قیمتوں میں اتار چڑھاؤ اور برآمدی منڈی میں سخت مسابقت کے ماحول میں کام کرنا سب سے بڑا چیلنج رہا۔ سال کے دوران آپ کی کمپنی کی کارکردگی ایک منظم آپریٹنگ حکمت عملی، دھماکے اور کپڑے کی متنوع مصنوعات اور مظہر گڑھ اور ملتان میں اپنی پیدوار کی بنیاد کو جدید بنانے کے لیے مسلسل سرمایہ کاری کے اثرات کی عکاسی کرتی ہے۔

مالیاتی کارکردگی

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مالی سال 2026 کے دوران کمپنی کی مالیاتی کارکردگی میں نمایاں بہتری آئی۔ خالص آمدنی 6.7% اضافے کے ساتھ 96,024 ملین روپے رہی (مالی سال 2025 90,002 ملین روپے)۔ جبکہ مجموعی منافع 16.2% اضافے کے ساتھ 8,946.2 ملین روپے اور آپریٹنگ منافع سے حاصل ہونے والا منافع 18.2% اضافے کے ساتھ 8,151.1 ملین روپے تک پہنچ گیا، جس سے آپریٹنگ مارجن 7.7% سے بڑھ کر 8.5% ہو گیا۔ آپریٹنگ منافع میں اضافے اور مالیاتی اخراجات میں 3.4% کمی کے ساتھ 5,110.6 ملین روپے ہونے کے نتیجے میں لیویز اور انکم ٹیکس سے قبل منافع میں 89.3% اضافہ ہوا اور یہ 3,040 ملین روپے رہا (مالی سال 2025 1,606 ملین روپے)۔ بعد از ٹیکس منافع 311.0% کے نمایاں اضافے کے ساتھ 1,573.1 ملین روپے رہا جو مالی سال 2025 میں 382.8 ملین روپے تھا، جس سے خالص منافع کا مارجن 0.43% سے بڑھ کر 1.64% اور بنیادی و تعمیل شدہ فی شیئر آمدنی 12.76 روپے سے بڑھ کر 52.44 روپے ہو گئی۔

سال کے دوران کمپنی کی مالیاتی پوزیشن اور بیلنس شیٹ کی مضبوطی میں بھی خاطر خواہ بہتری آئی۔ مجموعی اثاثے 15.6% اضافے کے ساتھ 133,421.0 ملین روپے ہو گئے، جنہیں مجموعی ایکویٹی میں 34.1% اضافے کے ساتھ 75,677.3 ملین روپے تک پہنچنے سے تقویت ملی، جبکہ مجموعی واجبات 2.2% کمی کے ساتھ 57,743.7 ملین روپے ہو گئے۔ مالیاتی لیوریج میں کمی کی عکاسی گیزٹنگ ریٹو (قرض بہتالیہ قرض میں ایکویٹی) سے ہوتی ہے، جو تقریباً 0.459 سے کم ہو کر 0.38 رہ گیا، جبکہ کرٹ ریٹو 1.35 سے بڑھ کر 1.61 ہونے سے لیکویڈیٹی مضبوط ہوئی۔ جاری ترقی کو سہارا دینے کے لیے سرمایہ جاتی اخراجات میں 41.5% اضافہ کر کے 3,458.8 ملین روپے کیا گیا، اور آپریٹنگ سرگرمیوں سے خالص نقد بہاؤ میں نمایاں بہتری آئی جو گزشتہ سال 2,244.3 ملین روپے کے آپریٹنگ نقد اخراج کے مقابلے میں 9,667.3 ملین روپے کے مثبت بہاؤ میں تبدیل ہو گیا۔

کمپنی کے کلیدی نتائج کا خلاصہ ذیل میں پیش کیا گیا ہے۔

مالیاتی اشاریہ	مالی سال 2026 (مجموعی روپے)	مالی سال 2025 (مجموعی روپے)	تبدیلی (%)
خالص آمدنی	96,024.00	90,002.00	6.7%
مجموعی منافع	8,946.20	7,696.70	16.2%
آپریٹنگ منافع	8,151.10	6,895.40	18.2%
آپریٹنگ مارجن (%)	8.50%	7.70%	80%+
مالیاتی اخراجات	5,110.60	5,290.5	3.40%+
لیویز اور انکم ٹیکس سے قبل منافع	3,040.00	1,606.00	89.3%
بعد از ٹیکس منافع (PAT)	1,573.10	382.8	311.0%
خالص منافع اور مارجن (%)	1.64%	0.43%	121%+
فی شیئر آمدنی (روپے)	52.44	12.76	311.0%
مجموعی اثاثے	133,421.00	115,453.80	15.6%
مجموعی ایکویٹی	75,677.30	56,437.30	34.1%
مجموعی واجبات	57,743.70	59,016.50	2.20%+
کرٹ ریٹو	1.61	1.35	19.3%
گیزٹنگ ریٹو (قرض / قرض و ایکویٹی)	0.38	0.459	17.20%+
سرمایہ جاتی اخراجات (CapEx)	3,458.80	2,444.4	41.5%



کمپنی کے مقاصد کے حصول میں بورڈ کی مؤثریت

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ فضل کا تھوڑا لمبی مدت کے بورڈ آف ڈائریکٹرز نے کمپنی کو اس کے طویل مدتی مقاصد کی جانب رہنمائی فراہم کرنے میں بڑا اثر اور حکمت عملی پر مبنی کردار ادا کرنا جاری رکھا۔ سال بھر بورڈ نے واضح سمت فراہم کی، انتظامیہ کی کارکردگی کی مستحضر نگہرائی کو یقینی بنایا اور مارکیٹ کے چیلنجز اور معاشی غیر یقینی صورتحال کے خلاف نظر بروقت فیصلے کیے۔ بورڈ اسٹرٹجک ترجیحات کے جائزے، مالیاتی کارکردگی کی گہرائی درجہ کی جانچ و نظر اور مقاصد کی گہراشت اور تمام قابل اطلاق ریگولیٹری تقاضوں کی تعمیل کو یقینی بنانے میں پوری طرح مصروف عمل رہا۔

باقاعدہ اجلاسوں، شفاف رابطے اور تعمیری مشاورت کے ذریعے بورڈ نے آپریشنل استحکام پر قرار رکھے، گورننس کے معیارات کو بہتر بنانے اور کمپنی کے مشن اور اسٹیک ہولڈرز کی توقعات سے ہم آہنگ پائیدار کاروباری ترقی کی معاونت میں بڑا کردار ادا کیا۔ سال کے دوران منعقد ہونے والے بورڈ اور کمپنی اجلاسوں کی تعداد اور ڈائریکٹرز کی حاضری کی تفصیلات ڈائریکٹرز رپورٹ میں درج ہیں۔

جیئرمین کی اہم ذمہ داریاں

جیئرمین ایک واضح اسٹرٹجک وژن، گورننس کے مضبوط اصولوں اور طویل مدتی قدر کی تخلیق کے نقطہ نظر کے ساتھ فضل کا تھوڑا لمبی مدت کی قیادت کے لیے پرعزم ہیں۔ ان کی ذمہ داریوں کا محور بورڈ کو اسٹرٹجک سمت فراہم کرنا اس امر کو یقینی بنانا کہ کمپنی کے مقاصد مارکیٹ کی بدلتی ہوئی حرکیات سے ہم آہنگ رہیں، اور آپریشنل فیصلوں پر قرار رکھنے کے لیے انتظامیہ کی کارکردگی کی گہرائی کرنا ہے۔ اسٹرٹجک نقطہ نظر سے، جیئرمین جدت کی حوصلہ افزائی، عالمی منڈیوں تک رسائی میں توسیع اور تمام آپریشنل سطحوں پر استعداد میں اضافے کے ذریعے کمپنی کی مسابقتی پوزیشن کو مستحکم کرنے کے لیے کوشاں ہیں، جس میں ٹیکنالوجی، انویشن اور مصنوعات کے تنوع میں مسلسل سرمایہ کاری شامل ہے۔

مالیاتی ذمہ داریوں کے حوالے سے، جیئرمین متناظر مالیاتی انتظام، اخراجات میں کفایت اور مضبوط منٹنس شیٹ کو برقرار رکھنے کو ترجیح دیتے ہیں، اور اس سال شیئر ہولڈرز کی قدر کے تحفظ کے لیے نقد بہاؤ کے انتظام کو مستحکم کرنے، لیکویڈیٹی بہتر بنانے، مالیاتی اخراجات میں کمی لانے اور سرمائے کی منظم تخصیص کو یقینی بنانے پر خصوصی توجہ مرکوز رکھی گئی۔

CSR اور ESG کے حوالے سے، جیئرمین کمیونٹی کی خارج و بیہودہ ملازمت کی بہبود اور سماجی ترقی کے اقدامات کے لیے کمپنی کے عزم کو تقویت دیتے ہیں، نیز توانائی کے تحفظ، قابل تجدید توانائی کے اقدامات، فیصلے میں کمی اور ذمہ دارانہ حصول کے ذریعے کمپنی کے پائیداری کے ایجنڈے کو مستحکم کرنے کے عزم کا اعادہ کرتے ہیں، اور اس کے ساتھ مضبوط گورننس، شفافیت، احتساب اور ریگولیٹری تعمیل پر مسلسل زور دیتے ہیں۔

داخلی کنٹرول کے نظام، ڈھانچے، طریقہ کار اور اس کی موزونیت کے جائزے پر بیان

گھنیز ایکٹ، 2017 اور سیکرٹریٹ (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل میں، بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز کے حجم اور پیچیدگی کے مطابق ایک مضبوط اور مرکوز داخلی کنٹرول فریم ورک کے قیام، اسے برقرار رکھنے اور اس کا مسلسل جائزہ لینے کی اپنی ذمہ داری کا اعتراف کرتا ہے۔ یہ فریم ورک بورڈ اور انتظامیہ کی مخصوص کمیشنوں، آڈٹ کمیٹی کو براہ راست رپورٹ کرنے والے ایک خود مختار انٹرنل آڈٹ شیپ، اور تمام کاروباری شعبوں میں معیاری آپریشنل طریقہ کار پر مشتمل ہے، جن میں مالیاتی، آپریشنل، انویشن ٹیکنالوجی اور رسک مینجمنٹ کنٹرول شامل ہیں۔ انٹرنل آڈٹ رپورٹس، تعمیلی میٹرز اور انتظامیہ کی تعلیم و تادیب کے جائزے کے بعد، آڈٹ کمیٹی کی معاونت سے بورڈ کمپنی کے داخلی کنٹرول نظام کے ذریعہ ان موزونیت اور عملی موثریت سے مطمئن ہے، جو مادی تلافیاتی، غیر موثر کارکردگی یا وسائل کے غیر مجاز استعمال کے خلاف محنت (اکرچہ مطلق نہیں) یقین دہانی فراہم کرتا ہے، اور ساتھ ہی کمپنی کے انٹن کو تحفظ اور قابل اعتماد مالیاتی رپورٹنگ میں معاونت کرتا ہے۔

منافع منقسمہ

کمپنی کی مستحکم مالیاتی کارکردگی کے خلاف نظر اور بورڈ آف ڈائریکٹرز 30 جون 2026 کو قلم ہونے والے مالی سال کے لیے 150% (یعنی 15.00 روپے فی عام شیئر، جس کی فی شیئر مالیت 10 روپے ہے) حتمی نقد منافع منقسمہ کی سفارش کرتے ہوئے مسرت محسوس کرتا ہے، جو آئندہ سالانہ اجلاس عام میں اراکین کی منظوری سے مشروط ہے۔ یہ تقسیم مستقبل کی ترقی کے لیے مضبوط مالیاتی بنیاد برقرار رکھتے ہوئے شیئر ہولڈرز کی قدر میں اضافے کے ہمارے مسلسل عزم کی عکاسی کرتی ہے۔

کارپوریٹ گورننس

بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات اور تمام اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے پرعزم ہے۔ سال کے مالیاتی گوشوارے پاکستان میں قابل اطلاق رپورٹنگ معیارات کے مطابق تیار کیے گئے ہیں، جن میں گھنیز ایکٹ، 2017 کے تحت نوٹیفائیڈ IFRS کاؤنٹنگ اسٹینڈرڈز اور اسٹاک فیض کاؤنٹنگ اسٹینڈرڈز شامل ہیں، اور بورڈ نے ان کا جائزہ لے کر منظوری کی سفارش کی ہے۔ بورڈ کمپنی کے رسک مینجمنٹ فریم ورک، اس کے داخلی کنٹرول کے ماحول اور پاکستان اسٹاک ایکسچینج پر لسٹڈ کمپنی کی حیثیت سے اس کی تعمیلی ذمہ داریوں کی گہرائی جاری رکھے ہوئے ہے۔

**اظہار تشکر**

بورڈ کی جانب سے، میں اپنے شیئر ہولڈرز کا ان کے مسلسل اعتماد پر، اپنے صارفین اور کاروباری شراکت داروں کا ان کی معاونت پر، اور اپنے منجکوں اور مالیاتی اداروں کا ان کے مسلسل تعاون پر تہ دل سے شکریہ ادا کرنا چاہتا ہوں۔ میں کمپنی کی انتظامیہ اور افرادی قوت کی لگن اور محنت کے لیے بھی بورڈ کی جانب سے خراج تحسین ریکارڈ پر لانا چاہتا ہوں، جن کی کاوشیں اس سال رپورٹ کے گئے نتائج کی بنیاد ہیں۔

CSR اور ESG کے حوالے سے، جیئر مین کیونٹی کی تلاش و بہبود، ملازمت کی بہبود اور سماجی ترقی کے اقدامات کے لیے کمپنی کے عزم کو تقویت دیتے ہیں، نیز توانائی کے تحفظ، قابل تجدید توانائی کے اقدامات، فضلے میں کمی اور ذمہ داریات حصول کے ذریعے کمپنی کے پائیداری کے ایجنڈے کو مستحکم کرنے کے عزم کا اعادہ کرتے ہیں، اور اس کے ساتھ مضبوط گورننس، شفافیت، احتساب اور ریگولیٹری تعمیل پر مسلسل زور دیتے ہیں۔

مستقبل کا منظر نامہ

بورڈ کمپنی کی بنیادی قویوں پر پُر اعتماد ہے، دھانگے اور کپڑے کے کاروبار میں اس کی مستحکم حیثیت، اس کی بڑھتی ہوئی برآمدی موجودگی، اور اس کی پیداواری سہولیات کی جاری جدید کاری۔ اگرچہ وسیع تر آہریننگ ماحول میں لاگت کے دباؤ برقرار رہنے کی توقع ہے، تاہم بورڈ سمجھتا ہے کہ کمپنی اس سال کی کارکردگی کو آگے بڑھانے کے لیے بہتر پوزیشن میں ہے اور تمام شیئر ہولڈرز کے لیے پائیدار، طویل مدتی قدر کے حصول کے لیے پُر عزم ہے۔

بورڈ کی جانب سے،

By *Amir Ahmad*

شیخ نسیم احمد
چیئر مین
مکمل



CEO's Message

I am pleased to present my review of the operating and financial performance of Fazal Cloth Mills Limited for the fiscal year ended June 30, 2026. This message outlines the key drivers of our performance, the strategic and operational decisions taken during the year, and our strategic priorities as we move into the new financial year. During FY2026, Fazal Cloth Mills delivered a strong recovery and notable operational progress despite a complex macro environment. Strategic focus on efficiency, cost discipline, and targeted export growth allowed us to expand profitability across all tiers.

Revenue and Margins

Net revenue grew by 6.7% to Rs. 96,023.7 million in FY2026, anchored by a 10.6% increase in export revenue to Rs. 16,386.4 million—highlighted by a 40.5% surge in export yarn sales—and steady local sales growth of 5.9% to Rs. 79,637.3 million. Strict cost control held cost of sales growth to just 5.8%, unlocking operational leverage that expanded gross margin to 9.3% (Rs. 8,946.2 million) and operating margin to 8.5% (Rs. 8,151.1 million). Coupled with a 3.4% reduction in finance costs to Rs. 5,110.6 million, Profit After Tax surged by 310.9% to Rs. 1,573.1 million, expanding net profit margin to 1.6% and delivering an Earnings Per Share of Rs. 52.44.

Balance Sheet and Cash Flow

Total assets rose 15.6% to Rs. 133,421.0 million. The main drivers were a Rs. 14,902.6 million revaluation surplus on property, plant and equipment, capital expenditure of Rs. 3,458.8 million, and a Rs. 2,751.1 million fair value gain on investments. Shareholders' equity increased 34.1% to Rs. 75,677.3 million, lifting break-up value to Rs. 2,522.58 per share (2025: Rs. 1,881.24). Total liabilities fell 2.2% to Rs. 57,743.7 million, as short-term borrowings were cut by 30.6% to Rs. 16,342.0 million. Stock-in-trade came down 12.2%, while trade debts rose 24.2% to Rs. 15,240.4 million. The current ratio improved to 1.61 (2025: 1.35) and debt-to-equity to 0.61x (2025: 0.83x). Operating activities generated a net inflow of Rs. 9,667.3 million, against an outflow of Rs. 2,244.3 million last year. This was driven by higher cash profit and a Rs. 4,097.5 million release from inventory. After capital expenditure of Rs. 3,458.8 million, free cash flow was Rs. 6,208.6 million. This allowed net repayment of Rs. 7,286.0 million of short-term borrowings. New long-term financing and musharika of Rs. 10,847.2 million were raised to fund investment. Cash and cash equivalents improved by Rs. 631.4 million to a net position of negative Rs. 1,464.0 million (2025: negative Rs. 2,095.4 million).

Our People

As of June 30, 2026, our workforce stood at 5,620 employees (2025: 6,048), with an average of 5,834 employees during the year (2025: 6,293). Continuous investment in facility modernization and lean manufacturing drove productivity gains, lifting revenue per average employee to Rs. 16.5 million (2025: Rs. 14.3 million). We remain deeply committed to the health, workplace safety, skills development, and long-term retirement security of our workforce.

Looking Forward

Management remains focused on four core strategic pillars:

- **Export Scaling:** Expand export revenue share by leveraging enhanced yarn production capabilities in key global markets.
- **CapEx Execution:** Finalize modernization across our Multan and Muzaffargarh facilities to boost unit energy efficiency and product quality.



- Financial Discipline: Preserve tight working-capital controls, expand cash reserves, and continuously optimize our cost of capital.
- Risk Mitigation: Proactively manage raw-material procurement volatility and energy-market risk through dynamic sourcing models.

Acknowledgement

I extend my sincere gratitude to the Board of Directors for their guidance and stewardship throughout the year. My deep appreciation goes to our leadership team and employees across Fazal Cloth Mills, whose dedication and hard work made these results possible.

Finally, I thank our valued customers, suppliers, banking partners, and shareholders for their continued trust and partnership.

Rehman Naseem
Chief Executive Officer
Fazal Cloth Mills Limited



چیف ایگزیکٹو آفیسر کا پیغام

مجھے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے فضل کلاٹھ ملز لمیٹڈ کی آپریشننگ اور مالیاتی کارکردگی کا جائزہ پیش کرتے ہوئے مسرت ہو رہی ہے۔ یہ پیغام ہماری کارکردگی کے کلیدی محرکات، سال کے دوران کیے گئے اسٹریٹجک اور آپریشنل فیصلوں، اور نئے مالی سال میں داخل ہوتے ہوئے ہماری اسٹریٹجک ترجیحات کا احاطہ کرتا ہے۔ مالی سال 2026 کے دوران، پیچیدہ میکرو اکنامک ماحول کے باوجود فضل کلاٹھ ملز نے مضبوط بحالی اور نمایاں آپریشنل خوش رفت کا مظاہرہ کیا۔ استعداد، لاگت میں نظم و ضبط اور بدلتی برآمدی ترقی پر اسٹریٹجک توجہ کی بدولت ہم تمام سطحوں پر منافع میں اضافہ کرنے میں کامیاب رہے۔

آمدنی اور عارجہ

مالی سال 2026 میں خالص آمدنی 6.7% اضافے کے ساتھ 96,023.7 ملین روپے رہی، جس کی بنیاد برآمدی آمدنی میں 10.6% اضافہ تھا جو 16,386.4 ملین روپے تک پہنچ گئی۔ بالخصوص برآمدی دھانے کی فروخت میں 40.5% کا نمایاں اضافہ ہوا جبکہ مقامی فروخت میں 5.9% کی مستحکم نمو کے ساتھ یہ 79,637.3 ملین روپے رہی۔ لاگت پر سخت کنٹرول کے باعث فروخت کی لاگت میں اضافہ محض 5.8% تک محدود رہا، جس سے حاصل ہونے والے آپریشنل لیورج نے مجموعی مارجن کو 9.3% (8,946.2 ملین روپے) اور آپریشننگ مارجن کو 8.5% (8,151.1 ملین روپے) تک بڑھا دیا۔ مالیاتی اخراجات میں 3.4% کمی کے ساتھ 5,110.6 ملین روپے ہونے کے نتیجے میں بعد از ٹیکس منافع 310.9% کے نمایاں اضافے کے ساتھ 1,573.1 ملین روپے رہا، جس سے خالص منافع کا مارجن 1.6% تک بڑھ گیا اور فی شیئر آمدنی 52.44 روپے رہی۔

بیلنس شیٹ اور نقد بہاؤ

مجموعی اثاثے 15.6% اضافے کے ساتھ 133,421.0 ملین روپے ہو گئے۔ اس اضافے کے بنیادی محرکات میں پراپرٹی، پلانٹ اور آلات پر 14,902.6 ملین روپے کا ری ویلیویشن سرٹیس 3,458.8 ملین روپے کے سرمایہ جاتی اخراجات اور سرمایہ کاری پر 2,751.1 ملین روپے کا فیئر ویلیو منافع شامل ہیں۔ شیئر ہولڈرز کی انکویٹی 34.1% اضافے کے ساتھ 75,677.3 ملین روپے ہو گئی، جس سے بریک اپ ویلیو بڑھ کر 2,522.58 روپے فی شیئر ہو گئی (2025: 1,881.24 روپے)۔ مجموعی واجبات 2.2% کمی کے ساتھ 57,743.7 ملین روپے ہو گئے، کیونکہ قلیل مدتی قرضوں میں 30.6% کمی کر کے انہیں 16,342.0 ملین روپے تک لایا گیا۔ اسٹاک ان ٹریڈ میں 12.2% کمی ہوئی، جبکہ تجارتی قرضہ جات 24.2% اضافے کے ساتھ 15,240.4 ملین روپے ہو گئے۔ کرنٹ ریلیو بہتر ہو کر 1.61 (2025: 1.35) اور قرضہ بمقابلہ انکویٹی تناسب 0.61x (2025: 0.83x) ہو گیا۔

آپریٹنگ سرگرمیوں سے 9,667.3 ملین روپے کا خالص نقد بہاؤ حاصل ہوا، جبکہ گزشتہ سال 2,244.3 ملین روپے کا اخراج ہوا تھا۔ اس کی بنیادی وجوہات نقد منافع میں اضافہ اور انویٹری سے 4,097.5 ملین روپے کا اجزا تھیں۔ 3,458.8 ملین روپے کے سرمایہ جاتی اخراجات کے بعد فری کیش فلو 6,208.6 ملین روپے رہا، اس کی بدولت قلیل مدتی قرضوں کی مدد میں 7,286.0 ملین روپے کی خالص ادائیگی ممکن ہوئی۔ سرمایہ کاری کی مالی معاونت کے لیے 10,847.2 ملین روپے کی طویل مدتی قرضگ اور مشارک حاصل کی گئی۔ نقد اور نقد کے مساوی اثاثوں میں 631.4 ملین روپے کی بہتری آئی اور خالص پوزیشن منفی 1,464.0 ملین روپے رہی (2025: منفی 2,095.4 ملین روپے)۔

ہماری افرادی قوت

30 جون 2026 تک ہماری افرادی قوت 5,620 ملازمین پر مشتمل تھی (2025: 6,048)، جبکہ سال کے دوران ملازمین کی اوسط تعداد 5,834 رہی (2025: 6,293)۔ سہولیات کی جدید کاری اور لیٹن مینوفیکچرنگ میں مسلسل سرمایہ کاری سے پیداواری صلاحیت میں اضافہ ہوا، جس سے فی اوسط ملازم آمدنی بڑھ کر 16.5 ملین روپے ہو گئی (2025: 14.3 ملین روپے)۔ ہم اپنی افرادی قوت کی صحت، کام کی جگہ پر حفاظت، مہارتوں کی ترقی اور طویل مدتی ریتائزمنٹ جھٹکے کے لیے گہری وابستگی رکھتے ہیں۔

مستقبل کی جانب

انتظامیہ چار بنیادی اسٹریٹجک ستونوں پر توجہ مرکوز رکھے ہوئے ہے:

- برآمدات میں توسیع: کلیدی عالمی منڈیوں میں دھانے کی بہتر پیداواری صلاحیتوں سے استفادہ کرتے ہوئے برآمدی آمدنی کے حصے میں اضافہ کرنا۔
- سرمایہ جاتی اخراجات پر عملدرآمد: اینٹ کی سطح پر توانائی کی کارکردگی اور مصنوعات کے معیار کو بہتر بنانے کے لیے مکان اور منظر گڑھ میں واقع اپنی تنصیبات کی جدید کاری کو حتمی شکل دینا۔
- مالیاتی نظم و ضبط: ورکنگ کپٹل پر سخت کنٹرول برقرار رکھنا، نقد ذخائر میں اضافہ کرنا، اور سرمائے کی لاگت کو مسلسل بہتر بنانا۔
- خطرات میں کمی: متحرک سورشنگ مالٹز کے ذریعے خام مال کی خریداری میں اتار چڑھاؤ اور توانائی کی منڈی کے خطرات کا پیشگی انتظام کرنا۔



اظہار تشکر

میں سال بھر کی رہنمائی اور نگہبانی پر بورڈ آف ڈائریکٹرز کا جہد دل سے شکریہ ادا کرتا ہوں۔ میں فضل کا تھ ملز کی قیادت ٹیم اور تمام ملازمین کا بھی دلی طور پر معترف ہوں، جن کی لگن اور محنت کی بدولت یہ نتائج ممکن ہوئے۔

آخر میں، میں اپنے معزز صارفین، سپلائرز، بینکنگ شراکت داروں اور شیئرز ہولڈرز کا ان کے مسلسل اعتماد اور شراکت داری پر شکریہ ادا کرتا ہوں۔

رحمان نسیم

چیف ایگزیکٹو آفیسر

فضل کا تھ ملز لمیٹڈ



Directors' Report

We are pleased to present the Directors' Report for Fazal Cloth Mills Limited for the financial year ended June 30, 2026. This report provides a detailed analysis of the Company's financial performance, key initiatives, and outlook.

Macroeconomic Review of Pakistan's Economy and Regional Comparison

Pakistan's economy continued its transition from stabilization towards gradual recovery during FY2026. Macroeconomic conditions improved compared with the preceding year, supported by prudent monetary and fiscal policies, improved external-sector conditions, strengthening foreign exchange reserves and continued implementation of structural reforms. Inflationary pressures moderated considerably compared with the exceptionally high levels experienced during the preceding period, while economic activity and business confidence showed signs of improvement.

The manufacturing sector also recorded a broad-based recovery. According to the Pakistan Bureau of Statistics, Large-Scale Manufacturing (LSM) output increased by 4.98% during July-June FY2026 compared with the preceding year. Within the manufacturing sector, cotton yarn production increased by 1.0%, cotton cloth by 0.17% and garments by 5.49% during the period. However, the textile sector recorded a 6.67% decline in the relevant textile production index, highlighting the continued pressure on certain segments of the domestic textile manufacturing chain.

The external sector remained an important area of focus. Pakistan's total exports during FY2026 were provisionally recorded at approximately US\$30.14 billion, compared with US\$32.04 billion in FY2025, representing a decline of 5.93%. The performance of individual export categories remained mixed, with knitwear, readymade garments, bedwear, cotton cloth, towels and cotton yarn continuing to constitute major export products.

Macroeconomic Environment Effect on Pakistan's Textile Sector

The macroeconomic environment continued to have a significant bearing on Pakistan's textile industry during FY2026, with the period from July 1, 2025 to June 30, 2026 characterized by gradual macroeconomic stabilization alongside persistent cost and competitiveness pressures. Despite the overall contraction in national exports, textile and apparel products remained a cornerstone of Pakistan's export base and a major source of foreign-exchange earnings. Within the manufacturing sector, Large-Scale Manufacturing recorded overall growth of 4.98% during FY2026; however, the textile sector's production index declined by 6.67%, highlighting continued challenges relating to input costs, energy prices, domestic raw-material availability and international competitiveness.

For textile manufacturers, energy availability and cost, interest rates, exchange-rate stability, cotton availability and raw-material prices remained key determinants of operating performance and international competitiveness. Energy-intensive spinning, weaving, processing and finishing operations remain particularly sensitive to electricity and gas tariffs, making investments in renewable energy, energy efficiency, biomass and alternative energy sources increasingly important for controlling production costs, enhancing operational resilience and reducing environmental impact. A more stable interest-rate environment supports investment in modernization and capacity enhancement, while disciplined working-capital management remains essential given the significant funding requirements associated with inventories, receivables and export cycles. The availability, quality and cost of domestic cotton continue to influence the competitiveness of Pakistan's vertically integrated textile value chain.

At the international level, Pakistani textile manufacturers continued to operate in a highly competitive environment, particularly against India and Bangladesh, while international buyers increasingly emphasized product quality, value addition, shorter lead times, traceability, sustainability, energy efficiency and responsible manufacturing practices. In this environment, the Company's focus on value-added products, operational efficiency, product quality, energy security, technological modernization and sustainability — including continued investment in solar energy, energy-efficient equipment and manufacturing capacity — is aligned with the changing requirements of international markets.



Regional Comparison

Pakistan's economic performance needs to be considered against the broader South Asian environment. The region continues to benefit from comparatively strong economic growth, although individual countries face different inflationary, fiscal and external-sector challenges. India continues to demonstrate stronger growth momentum, supported by its large domestic market, diversified economy, expanding manufacturing base and strong services sector. Bangladesh remains an important regional comparator for Pakistan, particularly because of its export-oriented textile and apparel industry. For Pakistan, the key challenge is to convert the recent period of macroeconomic stabilization into sustained, private-sector-led economic growth. Improvements in fiscal management, foreign-exchange liquidity and inflation provide a more stable foundation, but structural issues — including energy costs, productivity, investment, taxation, public debt and export diversification — remain important constraints on long-term competitiveness.

Business Overview and Developments

Fazal Cloth Mills Limited (FCML), part of the Fazal Group, is principally engaged in the manufacture and sale of yarn and fabric, with operations organised into two reportable segments Spinning and Weaving and manufacturing facilities at Muzaffargarh, Khanpur Bagga and Multan. During the year ended June 30, 2026, the Company continued to consolidate its operating base and strengthen its market position despite a challenging environment marked by volatile raw material prices, elevated energy costs and competitive export markets.

Production remained at or near full capacity across both segments. Spinning capacity utilization rose to approximately 100.5% (2025: 97.9%), with actual production increasing to 138.35 million kgs (20's count equivalent) from 135.05 million kgs a year earlier, across an installed base of 275,724 spindles and 10,572 rotors/MVS spindles. Weaving capacity utilization was approximately 92.7% (2025: 92.7%), with the Company's 224 looms producing 43.10 million metres of cloth during the year. The Company also enhanced its export footprint, with combined direct and scheme-based (EFS) export revenue rising 10.6% to Rs. 16,386.4 million (2025: Rs. 14,817.4 million), led by a 40.5% increase in export yarn revenue, while local sales of yarn, fabric and by-products grew 5.9% to Rs. 79,637.3 million, together lifting net revenue by 6.7% to Rs. 96,023.7 million and reinforcing the Company's standing among Pakistan's leading composite spinning and weaving exporters.

To support this growth, the Company expanded its capital investment programme, with capital expenditure rising by **41.5% to Rs. 3,458.8 million** (2025: Rs. 2,444.2 million). The programme focused on two priorities: expanding solar generation capacity, and modernizing and expanding production facilities at Muzaffargarh and Multan. It was funded through a mix of internally generated cash flows and additional long-term financing and musharika facilities. Investment in solar generation is expected to reduce the Company's reliance on grid and gas-based power generation, lower energy costs over time and reduce its carbon footprint.

Overview of Financial Performance

The Company delivered a significant improvement in its financial performance during FY2026, despite a continuing challenging operating environment. **Net revenue increased by 6.7% to Rs. 96,024 million, compared with Rs. 90,002 million in FY2025. Gross profit increased by 16.2% to Rs. 8,946.2 million, and profit from operations increased by 18.2% to Rs. 8,151.1 million, with the operating margin strengthening from 7.7% to 8.5%. Finance cost declined by 3.4% to Rs. 5,110.6 million. Profit before levies and income tax increased by 89.3% to Rs. 3,040 million, compared with Rs. 1,606 million in the previous year, while profit after taxation increased by 310.9% to Rs. 1,573.1 million, compared with Rs. 382.8 million in FY2025. Consequently, the net profit margin improved from 0.43% to 1.64%, and basic and diluted earnings per share increased from Rs. 12.76 to Rs. 52.44.**



The Company's financial position also strengthened during the year. **Total assets increased by 15.6% to Rs. 133,421.0 million**, while total equity grew by 34.1% to Rs. 75,677.3 million and total liabilities declined by 2.2% to Rs. 57,743.7 million. The current ratio improved from 1.35 to 1.61, and the gearing ratio (debt to debt-plus-equity) declined from approximately 0.459 to 0.38, reflecting reduced financial leverage. Capital expenditure increased by 41.5% to Rs. 3,458.8 million, and net cash flow from operating activities turned positive at Rs. 9,667.3 million, compared with an operating cash outflow of Rs. 2,244.3 million in FY2025.

Principal Risks and Uncertainties Facing the Business

The Company's main risks during FY2026 were raw material price volatility, rising energy costs with gas supply disruption, and interest rates. It managed these through forward cotton buying, expanding solar capacity to 46.6 MW, and reducing debt while moving to SBP fixed-rate financing. The Board also monitors operational, IT, regulatory, legal, credit and exchange rate risks. None of these risks threatens the Company's solvency or liquidity. At year end, the gearing ratio was 38.3% and the current ratio was 1.61x, both well within the limits set by the Board.

Election of Directors

In accordance with Section 159 of the Companies Act, 2017, the election of Directors of the Company was held on June 2, 2026. Following the election, the Board was reconstituted for the ensuing term of three years, bringing together a balanced combination of experience, institutional knowledge and fresh perspectives. The Company acknowledges the valuable contribution of Mr. Babar Ali, who completed his tenure after serving three consecutive terms as an Independent Director. The Board places on record its appreciation for his dedicated service, guidance and contribution to the governance and strategic direction of the Company. Dr. Muhammad Shaukat has been elected in his place as an Independent Director, bringing fresh talent, expertise and a new perspective to the Board.

The newly constituted **Board comprises:**

Name	Position
Sheikh Naseem Ahmed	Chairman (Non-Executive)
Rehman Naseem	CEO / Executive Director
Amir Naseem	Non-Executive Director
Faisal Ahmed	Non-Executive Director
Muhammad Mukhtar Sheikh	Executive Director
Abbas Mukhtar	Executive Director
Masood Karim Sheikh	Independent Director
Ms. Parveen Akhter Malik	Independent Director
Dr. Muhammad Shaukat	Independent Director

The reconstituted Board reflects the Company's continued commitment to effective corporate governance, diversity of experience, sound oversight and the infusion of new talent to support the Company's strategic objectives and sustainable growth.



Assessment of Independent Directors' Status and Justification

The Board of Directors affirms that its Independent Directors, Ms. Parveen Akhter Malik, Mr. Masood Karim Sheikh and Dr. Muhammad Shaukat fulfil all statutory eligibility criteria laid down under the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. Their presence on the Board is justified by their broad technical expertise, deep corporate experience, and ability to offer impartial, objective oversight across strategic decision-making processes. Each Independent Director has provided a formal declaration of independence, and the Board is satisfied that they operate free from any interest, position or relationship that could materially influence or compromise their independent judgment.

Reconstitution of Committees

Audit Committee

Following the election of Directors held on June 2, 2026, the Audit Committee was reconstituted with changes in its membership to align its composition with the newly constituted Board and to further strengthen the Company's governance and oversight framework. Ms. Parveen Akhter Malik and Mr. Amir Naseem continued as members of the Audit Committee, while Dr. Muhammad Shaukat and Mr. Faisal Ahmed were inducted as new members, replacing Sheikh Naseem Ahmed and Mr. Babar Ali, respectively. The reconstituted Audit Committee therefore comprises Ms. Parveen Akhter Malik, Dr. Muhammad Shaukat, Mr. Faisal Ahmed and Mr. Amir Naseem.

HR & Remuneration Committee

Following the election of Directors held on June 2, 2026, the Human Resource & Remuneration (HR&R) Committee was reconstituted with changes in its membership. Mr. Amir Naseem continued as a member of the Committee, while Dr. Muhammad Shaukat and Mr. Abbas Mukhtar were inducted as new members, replacing Mr. Babar Ali and Mr. Faisal Ahmed, respectively. Accordingly, the reconstituted HR&R Committee comprises Mr. Amir Naseem, Dr. Muhammad Shaukat and Mr. Abbas Mukhtar.

Risk Management & Strategic Planning Committee

Following the election of Directors, the existing Strategic Planning Committee was renamed the 'Risk Management & Strategic Planning Committee' to broaden its mandate. The Committee was reconstituted with the existing members Mr. Rehman Naseem, Mr. Masood Karim Sheikh and Ms. Parveen Akhter Malik continuing as members, while Dr. Muhammad Shaukat was inducted as an additional member.

Nomination Committee (newly constituted)

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG 2019), the Company has constituted a Nomination Committee comprising Mr. Sheikh Naseem Ahmed (Chairman), Mr. Rehman Naseem, Mr. Faisal Ahmed and Mr. Muhammad Mukhtar Sheikh, entrusted with matters relating to Board composition, effectiveness, succession planning and the nomination of candidates for the Board and its Committees.

Sustainability & ESG Committee (newly constituted)

In line with the Company's commitment to strengthening its sustainability and ESG framework, and in accordance with applicable SECP requirements and IFRS Sustainability Disclosure Standards, the Company has constituted a Sustainability & ESG Committee comprising Mr. Rehman Naseem, Mr. Masood Karim Sheikh, Ms. Parveen Akhter Malik and Dr. Muhammad Shaukat, entrusted with overseeing the Company's sustainability strategy, ESG-related policies, risks, opportunities, performance and disclosures, including matters relevant to IFRS S1 and IFRS S2.



Composition of the Board and Board Committees; Meetings Held (July 1, 2025 to June 30, 2026)

Particulars	Board of Directors	Audit Committee	Strategic Planning Committee	HR & R Committee	Sustainability & ESG Committee	Nomination Committee
No. of members	Nine	Four	Four	Three	Four	Four
No. of meetings held	Five	Four	Two	One	One	One

Attendance Details

Director	Board	Audit Committee	Strategic Planning Committee	HR & R Committee	Sustainability & ESG	Nomination Committee
Sheikh Naseem Ahmed	5/5	4/4	NM	NM	NM	1
Rehman Naseem	5/5	NM	2/2	NM	1	1
Amir Naseem	5/5	4/4	NM	1	NM	NM
Faisal Ahmed	5/5	NM	NM	1	NM	1
Babar Ali (retired June 2, 2026)	4/4	4/4	NM	1	NM	NM
Dr. Muhammad Shaukat	1/1	NA	NA	NM	1	NM
Masood Karim Sheikh	5/5	NM	2/2	NM	1	NM
Parveen Akhter Malik	5/5	4/4	2/2	NM	1	NM
Muhammad Mukhtar Sheikh	5/5	NM	NM	NM	NM	1
Abbas Mukhtar	5/5	NM	NM	NM	NM	NM

Board Meetings Held Outside Pakistan

During the financial year ended June 30, 2026, no Board meeting of Fazal Cloth Mills Limited was held outside Pakistan.

Trading in Shares of the Company by Directors and Executives

During the financial year ended June 30, 2026, no Director or Executive of the Company traded in the shares of the Company. However, Mr. Abbas Mukhtar (Director) acquired 141,719 shares of the Company from his father by way of gift. The transfer was a bona fide gift between family members and did not involve any sale, purchase consideration, negotiated price or trading transaction, and accordingly does not represent a market trade in the Company's shares.



Pursuant to Rule 5.6.4 of the Rule Book of the Pakistan Stock Exchange Limited (PSX), the Board of Directors has approved the threshold for categorizing employees of the Company, other than the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary, as 'Executives' for the purpose of reporting transactions in the shares of the Company. Employees at the level of Department Manager and above are classified as 'Executives' and are required to comply with all applicable disclosure and reporting requirements relating to transactions in the Company's shares.

Corporate Briefing Session (CBS) and Investor Discussions

In compliance with Pakistan Stock Exchange (PSX) regulations, Fazal Cloth Mills Limited, continuous stakeholder collaboration is central to our decision-making framework. The Board has established an interactive mechanism to maintain open communication, provide regular updates, and engage with shareholders and financial analysts on key strategic initiatives.

These interactive briefings allow management to present comprehensive updates regarding:

- Operational and financial performance
- Macroeconomic trends and sector-specific developments impacting the textile industry
- Strategic initiatives and risk mitigation measures implemented under challenging economic conditions
- Future growth prospects and expansion strategies

By actively soliciting investor input and addressing market concerns, FCML builds strong stakeholder confidence and creates strategic alignment across its capital base.

Key Briefing Events:

CBS Held for FY 2025: A live virtual Corporate Briefing Session was conducted on November 13, 2025, with active participation from shareholders, fund managers, and research analysts. Management presented an operational overview of the Company's spinning units (276,300 spindles), 224 air-jet looms and 51.2 MW captive power plant, together with the FY2025 financial results as reported in the Annual Report 2025 — net sales of Rs. 90,002 million and net profit after tax of Rs. 117.14 million.

During the interactive session, management responded to a number of queries raised by participants:

Query raised	Management's response
Performance metrics: how did turnover and margins move during FY2025, and why?	Turnover contracted by 7.37% and gross margins were squeezed to 8.55%, mainly due to high energy tariffs and sector-wide capacity constraints; finance costs, however, declined significantly by 36.72% following interest rate easing.
Segmental performance: how did the spinning and weaving segments perform individually?	The spinning division contributed Rs. 83,977 million in sales at a 7.74% gross margin, while weaving generated Rs. 13,957 million at an 8.55% gross margin, supported by Murata Vortex Spinning (MVS) technology and air-jet operational efficiencies.
Energy risk: how is the Company managing energy cost and supply risk?	Management highlighted the Company's internal 51.2 MW captive power plant, used to manage grid power cost spikes and gas supply uncertainty.
Outlook: what is management's outlook for the sector and the Company?	Management expressed optimism, citing local cotton crop expectations of above 4.8 million bales, a lower KIBOR environment (averaging 11.39% compared with 21.68% in FY2024), a flexible exchange rate supporting export competitiveness, and an expected global demand recovery lifting sector capacity utilization from around 50% toward 75%.



- **Planned for FY 2026:** The upcoming Corporate Briefing Session for the financial year ended June 30, 2026, is scheduled to take place after October 2026.

Corporate Governance and Compliance

The Directors are committed to ensuring that the Company operates in line with best governance practices and complies with all statutory and regulatory requirements applicable to public limited companies in Pakistan. The Company is compliant with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board of Directors has duly adopted the Code of Conduct and ensured its effective implementation. Integrity, transparency, and ethical conduct remain central to the Company's governance philosophy.

Statement of Directors' Responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP) under the Code of Corporate Governance, and confirm that:

- The financial statements prepared by the management present fairly the Company's state of affairs, the results 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 the preparation of the financial statements, except for changes resulting from the initial application of standards, amendments or interpretations, and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements, and any departures therefrom have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored, and there are no significant doubts concerning the Company's ability to continue as a going concern.
- There is no material departure from the best practices of corporate governance.

Remuneration Policy for Non-Executive & Independent Directors

In accordance with the Company's Articles of Association, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Companies Act, 2017, the Board of Directors has approved a formal Remuneration Policy for Directors and Key Management Personnel. No remuneration, salary, or perquisites other than meeting fee for attending board meetings, have been paid to the Non-Executive Directors (including Independent Directors) of the Company. Note 44.1 to the financial statements records aggregate meeting fees of Rs. 1.78 million paid to two non-executive/independent directors during the year (2025: Rs. 1.47 million).

Executive Directors, including the Chief Executive Officer, receive fixed remuneration, performance-based allowances, and perquisites in line with their service contracts as approved by the Board upon recommendation of the Human Resource & Remuneration (HR&R) Committee. Detailed itemized disclosures regarding the total remuneration, fee structure, and benefits paid to the Chief Executive Officer, Executive Directors, Non-Executive Directors, and Key Executives during the financial year are presented in Note 44 to the Financial Statements.

Retention of External Board Fees by Executive Directors

In accordance with the Company's Remuneration Policy, Executive Directors serving as non-executive directors on the boards of other companies are permitted to retain any director's fee, meeting attendance fee, or compensation earned for such services, provided that such outside directorships are duly authorized by the Board of Directors and do not pose a conflict of interest with the business operations of the Company.



Compensation of Directors

The Company has a formal policy and transparent procedures for the remuneration of its directors in accordance with the Companies Act, 2017. The policy also provides travel and daily allowance entitlements for Non-Executive Directors for business-related travel. The remuneration, including the director fee for attending the Board or Board Committee Meeting, paid to the Directors and Chief Executive Officer, is disclosed in Note 44 to the Financial Statements.

Remuneration of CEO, Directors and Executive Officers

The remuneration paid to the Chief Executive Officer, Directors and Executive Officers of the Company during the year was in accordance with Note 44.1 to the financial statements. The compensation package includes salaries, allowances, perquisites and benefits as approved by the Board of Directors in line with the Company's remuneration policy and applicable regulatory requirements. No additional fees, bonuses, or benefits were paid other than meeting fee and those disclosed in the financial statements. The Company ensures that all remuneration practices are transparent, performance-based, and aligned with the long-term interests of shareholders.

Positions of the Chairman and Chief Executive Officer

The Company has clearly identified the roles and responsibilities of the CEO and Chairman, and both positions are held by separate individuals in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Roles and Responsibilities of the Chairman

The Chairman is a non-executive director responsible for providing effective leadership and direction to the Board, ensuring that the Board plays a substantial role in fulfilling its responsibilities, and reviewing the effectiveness of the Board in achieving the Company's objectives. The Chairman sets agendas, signs the minutes of Board meetings, presides at each AGM, acts as a liaison between management and the Board, coordinates with the Committees to ensure their effective operation, manages conflicts of interest, and safeguards the interests of shareholders. He also works closely with the Chief Executive Officer and supports management on major issues.

Roles and Responsibilities of the Chief Executive Officer

The Chief Executive Officer is the executive director of the Board and is entrusted with managing the affairs of the Company under all statutory obligations. He is responsible for the day-to-day management of the Company's affairs and execution of long- and short-term plans to increase shareholder value, including overseeing business operations, building a corporate culture and ethical working environment, implementing Board-approved policies and strategies, monitoring financial results against plans and budgets, ensuring compliance with laws and regulations, ensuring the effective functioning of the internal control system, and safeguarding the Company's assets and resources.

Payments of Debts

In line with its commitment to the highest standards of business integrity and financial discipline, The Company recognizes its responsibility to ensure the timely settlement of all financial obligations. During the year under review, the Company remained fully compliant with its loan and debt repayment schedules, and no instances of default were recorded.



Furthermore, FCML ensured that all statutory obligations, including taxes, duties, and other applicable levies, were discharged in full and within prescribed timelines. No statutory dues remained outstanding or overdue as at the close of the financial year. These practices underscore the Company's prudent financial management, strong internal controls, and its continued commitment to maintaining credibility and trust with lenders, regulatory authorities, and other stakeholders.

Board Committees

The Board discharges its corporate governance oversight responsibilities through a structured framework of duly constituted Board Committees, leveraging the collective expertise of Directors and senior management. In compliance with the Code of Corporate Governance, the Company has constituted the following Committees to support the Board in the effective discharge of its responsibilities:

- Audit Committee
- Human Resource & Remuneration (HR&R) Committee
- Risk Management & Strategic Planning Committee
- Sustainability & ESG Committee
- Nomination Committee

Audit Committee

The Audit Committee operates as a key arm of the Board and forms an integral part of the Company's corporate governance framework. The Committee comprises four members, with an Independent Director serving as Chairman, ensuring objectivity and effective oversight. The Committee promotes transparency and accountability by overseeing the Company's risk management framework, with particular focus on identifying and evaluating strategic, financial, regulatory and compliance risks through a risk matrix that is reviewed and updated periodically. The Committee meets on a quarterly basis and as and when required, and its primary responsibilities include oversight of the financial reporting process, the external and internal audit functions, internal control systems, and compliance with applicable laws and regulations. The internal audit function operates under a risk-based audit plan covering, among other things, the review of significant legal matters that may impact the financial statements, related party transactions (Note 46), and adherence to corporate governance best practices. Prior to submission to the Board, the Audit Committee reviewed the Company's interim and annual financial statements, and all meetings were held in accordance with the Committee's terms of reference, with minutes duly recorded and maintained.

Salient Features of the Board Audit Committee Terms of Reference

Comprises at least three Non-Executive Directors, with at least one Independent Director, chaired by an Independent Director (who cannot be the Board Chairman), with at least one member possessing relevant financial expertise.

The Company Secretary or Head of Internal Audit serves as Secretary; the Chief Financial Officer is barred from holding this role.

Meets at least quarterly prior to financial statement approvals; holds annual closed-door sessions separately with internal and external auditors (without management present); the Committee Chairman attends the AGM.

Reviews quarterly, half-yearly and annual financial statements, accounting policies and going-concern assumptions, and ensures the second-quarter and annual accounts are initialed by the external auditors before Board approval.

Directs the internal audit function (the Head of Internal Audit reports functionally to the Committee), approves internal audit plans, recommends the appointment/removal of the Head of Internal Audit, and monitors compliance with the Code of Corporate Governance and whistleblowing mechanisms.



Oversees external auditor selection, independence, fees, rotation and non-audit service approvals, and reviews management letters and unresolved audit issues.

Reviews all related party transactions to ensure arm's-length pricing and policy compliance before Board approval.

Evaluates the risk management and internal control frameworks, assesses asset safeguarding, and monitors sustainability-related risks and disclosures.

Has unrestricted access to Company data and personnel, may engage independent professional advice, and conducts an annual self-review of its terms of reference.

Human Resource & Remuneration Committee

The Human Resource & Remuneration (HR & R) Committee of Fazal Cloth Mills Limited operates in accordance with the terms of reference approved by the Board of Directors. The Committee comprises three members, with an Independent Director serving as its Chairman, ensuring objective and effective oversight. The Committee meets at least once annually, or more frequently as determined by the Chairman, and proper minutes of all meetings are duly recorded and maintained in the Company's records.

Salient Features and Terms of Reference

- Ensure that robust human resource policies and procedures are in place, effectively implemented, and compliant with applicable laws and regulations.
- Recommend to the Board a comprehensive policy framework for determining the remuneration of directors and senior management.
- Review and advise on training, development, and succession planning for key positions, including the Chief Executive Officer.
- Assess and recommend corporate objectives related to the Company's human resources strategy.
- Oversee human resource management for key executives, including selection, performance evaluation, compensation, and retirement benefits for the Chief Executive Officer, Chief Financial Officer, Company Secretary, and Head of Internal Audit. Conduct an annual formal evaluation of the Board's performance and its committees, either directly or through an independent external consultant.
- Review audit observations related to human resource management raised by internal and external auditors, ensuring appropriate follow-up. Recommend for Board approval the Company's human resource strategy, including key objectives, workforce planning, and implementation monitoring.
- Review and propose for Board approval new or revised salary structures, incentive plans, and related remuneration frameworks.
- Review human resource development initiatives, organizational structure, Code of Conduct, and ethics policies, and recommend significant changes to the Board as necessary.

Risk Management & Strategic Planning Committee

The Strategic Planning Committee of Fazal Cloth Mills Limited (FCML) assists the Board of Directors in defining and overseeing the implementation of the Company's long-term strategic objectives. The Committee ensures that business strategies are aligned with the Company's vision, mission, and risk appetite, while responding effectively to evolving market conditions, industry trends, and stakeholder expectations. By leveraging the expertise of Board members and senior management, the Committee provides guidance on resource allocation, capital investment, expansion initiatives, and innovation priorities, enabling sustainable growth and value creation.



Salient Features of the Terms of Reference

The Terms of Reference of the Risk Management & Strategic Planning Committee, approved by the Board, cover the Company's enterprise risk management framework, strategic planning process, and business continuity oversight. The salient features thereof, inter alia, include the following:

- Overseeing the Company's enterprise-wide risk management framework and ensuring that significant risks are identified, assessed, monitored and effectively managed.
- Reviewing and recommending the Company's Risk Management Policy, Enterprise Risk Management Framework, risk appetite and risk tolerance levels for the Board's approval.
- Ensuring that risk considerations are integrated into the Company's strategic planning, investment decisions and business operations.
- Reviewing and evaluating the Company's long-term strategic direction, business plans, growth initiatives and key strategic objectives, and monitoring implementation and performance against approved plans.
- Reviewing the annual budget and monitoring actual performance against budgeted figures, including significant variances and management's corrective measures, on a bi-annual basis.
- Assessing emerging risks and opportunities, including market developments, technological changes and sustainability considerations, that may impact the Company's business and strategic objectives.
- Reviewing exposure to financial and treasury risks, including liquidity, interest rate, credit and foreign exchange risk, and evaluating hedging and financing strategies.
- Monitoring industry-specific risks relevant to the textile sector, including raw material (cotton) price volatility, energy and fuel cost fluctuations, export market concentration and changes in international trade regulations.
- Monitoring operational risks relating to production efficiency, plant reliability, occupational health and safety, and workforce stability.
- Reviewing information security, cybersecurity and data protection frameworks, and assessing the adequacy of disaster recovery and business continuity arrangements.
- Overseeing business continuity, crisis management and resilience planning to safeguard the Company's operations and stakeholders' interests.
- Providing recommendations to the Board on matters relating to risk management, strategic initiatives, business expansion, diversification and sustainable growth.
- Reporting its proceedings, findings and recommendations to the Board after each meeting, including an annual assessment of the effectiveness of the Company's risk management and strategic planning processes.
- Reviewing its own Terms of Reference annually and recommending amendments to the Board, as considered necessary.

Sustainability & ESG Committee

The Environmental, Social, Governance, and Sustainability Committee of Fazal Cloth Mills Limited (FCML) assists the Board in embedding sustainable and responsible practices across all aspects of the Company's operations. The Committee ensures that FCML's strategies, policies, and initiatives align with global best practices, regulatory frameworks, and stakeholder expectations while promoting long-term value creation. In particular, the Committee focuses on integrating United Nations Sustainable Development Goals (UN SDGs), compliance with the Pakistan Stock Exchange (PSX) ESG Guidelines, and the SECP's Corporate Sustainability & Responsibility Requirements, ensuring a structured and transparent approach to sustainability and governance.



Salient Features of the Terms of Reference

The salient features of the Terms of Reference of the Sustainability, ESG & Climate Committee, inter alia, include:

- Assisting the Board in overseeing the Company's sustainability strategy, ESG performance, climate-related risks and opportunities, responsible business conduct and long-term value creation, and reviewing and recommending the Sustainability Strategy for Board approval;
- Overseeing ESG governance structures, policies and accountability mechanisms, and reviewing material ESG topics through a double materiality assessment covering both their financial impact on the Company and the Company's impact on people, society and the environment;
- Overseeing climate-related risks and opportunities, climate adaptation and transition strategy, and emissions management, including the Greenhouse Gas inventory across Scope 1, 2 and 3, and emission reduction targets and performance;
- Overseeing resource management matters, including energy efficiency and renewable energy adoption, water stewardship, waste reduction, circular economy initiatives and biodiversity impacts, as well as compliance with applicable environmental laws;
- Overseeing human capital and social matters, including workforce well-being, occupational health and safety, diversity, equity and inclusion, and human rights due diligence including prevention of child and forced labour;
- Overseeing supply chain sustainability, including supplier ESG standards, responsible sourcing practices and supplier audits, as well as community investment and stakeholder engagement initiatives;
- Monitoring governance-related matters, including business ethics and integrity, anti-bribery and anti-corruption measures, whistleblowing mechanisms, and data privacy and cybersecurity governance;
- Reviewing ESG risks incorporated into the enterprise risk management framework, monitoring emerging sustainability risks, and coordinating with the Audit and Risk Management Committees where appropriate;
- Reviewing the Company's Sustainability Report and ESG disclosures prior to Board approval, and monitoring alignment with applicable international frameworks, including IFRS S1 & S2, the Global Reporting Initiative, the UN Sustainable Development Goals, the UN Global Compact, and applicable SECP and Pakistan Stock Exchange ESG guidelines; and
- Periodically reviewing key performance indicators, including carbon emissions intensity, energy efficiency, water consumption, waste recycling, workplace safety and supply-chain ESG compliance, and reporting to the Board after each meeting.

Nomination Committee

The Nomination Committee comprises at least three (3) members appointed by the Board of Directors from among Executive and Non-Executive Directors. The Chairperson of the Committee is a Non-Executive Director, and the Company Secretary acts as Secretary to the Committee. The Committee meets at least once a year, or more frequently as required, with a majority of members constituting the quorum.

Salient Features of the Terms of Reference

The salient features of the Terms of Reference of the Nomination Committee, inter alia, include:

- Assisting the Board in ensuring a formal, transparent and merit-based process for the appointment, re-appointment, succession planning and performance evaluation of Directors, the Chief Executive Officer, Key Management Personnel, and Board Committees and their Chairpersons, in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019;



- Identifying, evaluating and recommending suitable candidates for appointment as Directors, Independent Directors and Chief Executive Officer, and ensuring that such candidates meet the fit and proper criteria, including integrity, experience and independence requirements;
- Reviewing the size, structure and composition of the Board and its Committees, and recommending improvements in Board diversity, including the skills, experience and gender mix, and ensuring adequate representation of Independent Directors;
- Reviewing succession planning requirements for the Chief Executive Officer and other Board leadership positions to ensure alignment of leadership capability with the Company's long-term strategic objectives and risk profile;
- Developing the criteria for, and overseeing, the annual performance evaluation of the Board as a whole, individual Directors, Board Committees, the Chief Executive Officer and Committee Chairpersons, and reporting the results and improvement recommendations to the Board;
- Recommending induction programs for new Directors and identifying the ongoing training and development needs of Directors and senior management, including on governance, regulatory and ESG matters;
- Reviewing governance gaps relating to nomination, independence and Board composition and recommending corrective actions to the Board; and
- Reporting its recommendations, findings and proceedings to the Board after each meeting, and submitting an annual report on Board composition, succession planning and performance evaluation outcomes.

Delegation of Powers

The Board of Directors of Fazal Cloth Mills Limited operates as the supreme strategic and governing body, providing leadership and strategic direction while ensuring robust corporate governance, regulatory compliance, and risk oversight across all operations. In compliance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Company's Articles of Association, the Board functions through a structured framework that clearly demarcates reserved board powers from delegated executive authorities.

To ensure smooth, rapid, and responsive decision-making required in today's dynamic commercial environment, the Board has established a comprehensive policy for the delegation of financial and operational powers to the Chief Executive Officer and Executive Management. Management is empowered to make day-to-day operational, procurement, process-optimization, administrative, and tactical commercial decisions within defined financial limits, board-approved budgets, and corporate policies.

Crucially, this delegation framework is designed to operate strictly within statutory boundaries and does not contradict any applicable laws. Matters expressly reserved for the Board's decision under Section 183 of the Companies Act, 2017, and the Code of Corporate Governance including approving annual operational and capital budgets, declaring dividends, issuing shares, approving major capital expenditures (such as BMR projects), approving related-party transactions, appointing key management officers, and overseeing ESG risk governance remain strictly under the Board's purview. Management reports regularly to the Board and its Committees (Audit, HR&R, and Risk Management/Sustainability) on all significant operational developments and delegated actions, ensuring complete accountability, transparency, and internal control.

Board of Directors' Review

The Board of Directors reviews all significant matters of the Company, including its strategic direction, annual business plans and targets, and decisions on long-term investments and borrowings, and is committed to maintaining high standards of corporate governance. The existing Board was elected on June 2, 2026 and possesses a diverse mix of gender, knowledge and expertise. The Board consists of three Independent Directors and six other Directors.



Human Resource Management and Employee Relations

At FCML, our people are fundamental to operational excellence, business resilience and sustainable value creation. The Company continues to develop a capable, engaged and future-ready workforce while fostering a culture of integrity, inclusion, accountability, learning and respect. During the year, FCML strengthened its human capital practices through merit-based recruitment and career progression, performance management, employee development and succession planning.

- **Talent Development**

FCML recognizes continuous learning and skills development as essential to organizational capability. Training initiatives focus on enhancing technical, professional, managerial and leadership competencies while supporting new technologies and improved business practices.

- **Performance and Career Growth**

The Company promotes a performance-oriented culture through structured evaluations, merit-based progression and professional development opportunities, aligning individual performance and career growth with organizational objectives.

- **Succession and Workforce Resilience**

FCML continues to strengthen succession planning and its talent pipeline for critical roles, supporting business continuity, operational resilience and effective leadership.

- **HR Digitalization**

The Company is progressively leveraging digital systems and data-driven approaches to enhance HR efficiency, transparency and reliability, supporting workforce planning, employee records, attendance, payroll, performance management and reporting, while strengthening compliance and controls.

- **Employee Engagement and Equal Opportunity**

FCML promotes a workplace based on equal opportunity, professional respect, ethical conduct and merit, and encourages employee development, teamwork, constructive engagement and accountability.

- **Health, Safety and Well-being**

Employee health, safety and well-being remain integral to FCML's responsible business approach. The Company promotes safe working practices through appropriate policies, training, awareness and monitoring, particularly across its manufacturing facilities.

- **Relevant GRI / SDG Alignment:**

The Company's human capital initiatives are aligned, where applicable, with relevant GRI Standards, including GRI 2: General Disclosures, GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity and GRI 406: Non-discrimination. These initiatives also contribute to SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities).

Contribution to the National Exchequer and Economy of Pakistan

During the year ended June 30, 2026, the Company paid approximately Rs. 7,818 million (2025: Rs. 8,240 million) to the Government treasury on account of income tax, sales tax and other levies, and provided employment to 5,620 employees. Details of the Company's tax contribution are set out below (Rs in millions).



Detail	Income tax	Sales tax	PRA	Other taxes	Total
2026	1,835	4,979	64	940	7,818
2025	1,679	5,333	55	1,173	8,240
Change (%)	9.3%	-6.6%	16.4%	-19.9%	-5.1%

Adequacy of Internal Financial Controls

The Board holds ultimate responsibility for the Company's system of internal control and for reviewing its ongoing effectiveness. While retaining overall accountability, the Board has delegated the detailed design, implementation and operation of internal controls to the Chief Executive Officer. The Company's system of internal controls encompasses well-defined governance structures, authority limits and accountabilities, supported by clearly communicated policies, procedures and a disciplined budgeting process. The Board meets quarterly to review financial performance, operating and capital budgets, business growth and development plans, capital expenditure proposals, and other key performance indicators. The Audit Committee receives regular reports from internal and external auditors on the effectiveness of internal financial controls.

Dividend Recommendation

Supported by strong profitability during the period, the Board of Directors has recommended a final cash dividend of **150%** (Rs. 15.00 per share of Rs. 10/- each) for the financial year ended June 30, 2026. Subject to shareholder approval at the Annual General Meeting, this payout highlights the Board's ongoing effort to deliver sustainable returns on your investment.

Website & Electronic Transmission

In compliance with SECP notifications and PSX Listing Regulations, the Company's annual report, quarterly financial statements, and other mandatory corporate information are regularly updated and made available on the official website: www.fazalcloth.com. Further, in line with shareholder approval and SECP guidelines, the Company transmits its Annual Report electronically via email to consented shareholders and transmits all statutory reports electronically to the Pakistan Stock Exchange via the **PUCARS** portal. Shareholders who wish to receive a hard copy of the Annual Report may submit a standard request form available on the website, and the Company will provide the printed report free of cost within seven days of receipt.

Sustainable Returns & Value Creation for Shareholders

Throughout FY 2026, Fazal Cloth Mills Limited maintained its steadfast commitment to maximizing long-term shareholder value. Over the past five years, our shareholders have consistently benefited from sustainable value appreciation.

By balancing prudent financial management, disciplined working capital control, and strategic market positioning within the textile sector, the Company continues to build a resilient balance sheet. We remain focused on sustaining this momentum, ensuring that operational growth translates directly into meaningful, long-term returns for our equity partners.



Independent Auditors' Report on the Financial Statements

The Company's external auditors, M/s ShineWing Hameed Chaudhri & Co., have issued an unqualified opinion on the Company's financial statements for the year ended June 30, 2026, comprising the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Independent Auditor's Review Report on the Statement of Compliance

The Independent Auditor's Review Report to the Members covers the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and provides independent assurance on whether the Statement of Compliance presents the Company's compliance with the applicable corporate governance requirements for the year under review.

Internal Audit

The Internal Audit function is committed to maintaining an independent, objective and risk-based approach to evaluating and enhancing the effectiveness of governance, risk management and internal control processes, operating within the framework of the applicable Code of Corporate Governance and the Internal Audit Charter approved by the Audit Committee. Going forward, Internal Audit will continue to evolve towards a more proactive business-partner and advisory role, with greater emphasis on risk mitigation, process improvement, operational efficiency and sustainable value creation, using Risk and Control Matrices as a key tool for risk assessment, audit planning and prioritization, and with continued reference to the COSO framework for the Company's Enterprise Risk Management framework.

Related Parties

Fazal Cloth Mills Limited maintains a comprehensive register of all related parties. All transactions with related parties during the year, including the nature of the relationship and percentage holdings, have been appropriately disclosed in Note 46 to the financial statements. To enhance operational efficiency and strengthen governance, certain back-office functions — such as Human Resources, Information Technology, Treasury, Accounts Payable and Corporate Communications — have been strategically centralized within the Company, optimizing operations and reducing costs through synergy while ensuring robust risk management and timely, accurate reporting.

Environment, Health and Safety (EHS)

FCML is committed to embedding sustainability and ethical practices across its operations while ensuring the highest standards of environment, health and safety. The Company fosters a strong safety culture among employees, suppliers and stakeholders, with regular training, exposure assessments and monitoring of environmental risks. The EHS Committee oversees implementation of policies to manage greenhouse gas emissions, energy conservation, water recycling, low-emission products, and the use of green energy, including a 46.6 MW solar grid, ensuring compliance with National Environmental Quality Standards (NEQS) and alignment with local and international sustainability standards.

Ethics and Business Practices

At FCML, maintaining the highest standards of business ethics and professional conduct is a core principle. Every Director, officer and employee is expected to act responsibly, honestly and with integrity, upholding the Company's reputation and adhering to applicable laws and regulations. All employees are required to comply with FCML's Code of Ethics and



Business Conduct; the offering or acceptance of inducements or any form of reward intended to influence decisions or governmental actions is strictly prohibited.

Corporate Social Responsibility (CSR)

FCML remains deeply committed to sustainable growth and social welfare, advancing initiatives across education, healthcare, environmental protection, diversity and inclusion, climate action, and corporate governance under the oversight of the Board's Sustainability Committee. Healthcare and education remain the primary pillars of the Company's CSR strategy. Through the Fazal ur Rehman Foundation, FCML operates a 50-bed charitable hospital offering free medical treatment to underserved communities, while actively supporting major regional healthcare institutions including Nishtar Hospital Multan and the Ch. Pervaiz Elahi Institute of Cardiology, alongside organizing regular medical camps for staff and local residents. In education, FCML funds local schools and provides technical apprenticeship programs to empower youth.

Environmentally, the Company continues to minimize its ecological footprint by expanding solar energy capacity and maintaining advanced effluent treatment and water recycling plants. Backed by ISO 14001, OEKO-TEX, and GOTS certifications, FCML has formally committed to reducing its Scope 1 and Scope 2 greenhouse gas emissions by approximately 30% by FY2030.

Internal Control Framework

The Board recognizes that a robust system of risk oversight, management and internal control is a cornerstone of good corporate governance. The Company has established an internal control framework actively monitored by the Audit Committee, with a qualified Head of Internal Audit supported by an in-house team overseeing the design and operation of internal control functions. The framework comprises well-defined governance structures, authority limits, accountabilities, policies and detailed procedures.

Adjusting Events

During the financial year ended June 30, 2026 and up to the date of authorization of these financial statements, no significant events or transactions have occurred that would require adjustments to, or disclosure in, these financial statements, other than those already disclosed in the relevant notes.

Relaxation for the Preparation of Consolidated Accounts

Shareholders are informed that a wholly owned subsidiary, Fazal Gas Distribution Company Limited, was incorporated on June 24, 2026 to carry out gas trading and distribution operations. As the subsidiary was incorporated just six days before the close of the financial year, commercial activities have not yet commenced and had no material operational or financial impact on the Company's standalone position for the year ended June 30, 2026. The Company accordingly applied for and obtained an exemption from the Securities and Exchange Commission of Pakistan under Section 228(7) of the Companies Act, 2017 from the requirement to prepare consolidated financial statements for the year ended June 30, 2026 (SECP letter no. SMD/PRDD/Comp/(80)/2022/30 dated September 09, 2026). Full consolidation of the subsidiary's financial statements will commence in subsequent reporting periods once it begins operations.

Information Technology (IT)

FCML continues to leverage information technology as a strategic enabler for operational efficiency, business growth and risk management, investing in modern IT infrastructure, systems and software to support seamless integration across its



spinning, weaving and administrative operations. Robust IT governance and cybersecurity measures protect critical business data, while advanced Management Information Systems facilitate timely, accurate and data-driven decision-making. Several IT infrastructure upgrades were completed during the year, with further advancements planned in line with the Company's long-term strategic objectives.

Adaptability to Change

At Fazal Cloth Mills Limited (FCML), adaptability is a cornerstone of our corporate resilience and long-term success. In a dynamic global landscape characterized by economic volatility, technological advancement, and evolving customer expectations, our ability to respond swiftly and effectively to change distinguishes us as a forward-looking organization. We continuously assess our operating environment and proactively adjust strategies, processes, and resource allocations to maintain competitiveness and ensure sustainable growth.

Through ongoing investments in innovation, digital transformation, and employee development, FCML has cultivated a culture that views change as an opportunity for improvement. Whether navigating supply chain disruptions, regulatory developments, or market shifts, the Company remains agile aligning its business model to emerging realities while upholding its values and strategic objectives.

During 2025-26, our adaptability was evident in initiatives such as the scaling of sustainable energy solutions, enhanced automation, and improvements in operational efficiency, all undertaken in response to rising costs and climate imperatives. Looking ahead, FCML's commitment to adaptability will continue to guide strategic decision-making, enabling the Company to seize new opportunities, mitigate risks, and drive long-term, responsible, and sustainable growth.

Auditors

The present auditors, M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, have completed the annual audit for the year ended June 30, 2026 and issued an unqualified audit report. The auditors will retire on conclusion of the Annual General Meeting and, being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the ensuing financial year.

Sustainability and SDG Disclosures

In compliance with the Securities and Exchange Commission of Pakistan's (SECP) notification S.R.O. 920(I)/2024 dated June 12, 2024, amending the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors actively exercises oversight over the Company's sustainability, environmental, social, and governance (ESG), and climate-related risks and opportunities. The Board evaluates the potential impact of these risks on short, medium, and long-term financial performance and ensures robust mitigation strategies are embedded into executive decision-making. Adopting the core disclosures structured around Governance, Strategy, Risk Management, and Metrics & Targets and encouraged by the SECP's ESG Disclosure Guidelines the Board regularly monitors specific metrics to evaluate progress. Furthermore, the Board periodically reviews, tracks, and aligns performance against the Company's sustainability and Diversity, Equity, and Inclusion (DE&I) strategies, priorities, and targets to ensure long-term corporate value creation and responsible workplace practices.

The Company has also adopted IFRS S1 and IFRS S2 standards, addressing environmental, social, governance and climate-related risks and opportunities that may impact long-term performance, and aligns its sustainability initiatives with the United Nations Sustainable Development Goals.



Combat Against Climate Change

The Company remains committed to combating climate change through a series of environmental initiatives. It generates 46.6 MW of electricity annually from renewable energy sources, and number of tree plantation drives have been consider around the manufacturing facilities to enhance green cover. The Company prioritizes the health, safety and security of its workforce, infrastructure and operations through regular awareness sessions and evacuation drills aligned with current health, safety and environment (HSE) practice, and ensures emissions of particulate matter and CO₂ are maintained within the limits defined in the National Environmental Quality Standards (NEQS), supported by an ongoing air quality monitoring program under the NEQS (Self-Monitoring and Reporting) Rules, 2001.

Shares Held by Sponsors, Directors and Executives

As at June 30, 2026, sponsors, directors, executives and their minor children collectively held 6,938,186 ordinary shares, representing 23.13% of the Company's issued, subscribed and paid-up share capital, while associated companies, related parties and other family members held a further aggregate stake of 66.12%. The detailed Pattern of Shareholding as at June 30, 2026, prepared in compliance with applicable regulatory requirements, is annexed to this Report.

Future Outlook

The Company remains focused on expanding into new international markets; enhancing product diversification and sustainability initiatives; investing in renewable energy and digital transformation for operational efficiency; and strengthening compliance with ESG and sustainability reporting standards. Management expects a steady growth trajectory in FY2027, supported by incentives, stable exchange rates and continued operational improvement.

Acknowledgements

The Directors would like to express their appreciation for the services, loyalty and continuing efforts of the Company's employees, and for the continued support of its customers, suppliers, banks, financial institutions, regulators and shareholders, and look forward to that cooperation and support continuing to grow in the future.

For and on behalf of the Board of Directors,

Rehman Naseem
Chief Executive Officer

Amir Naseem
Director



ڈائریکٹرز رپورٹ

ہمیں 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے فضل کلاٹھ ملز لمیٹڈ کی ڈائریکٹرز رپورٹ پیش کرتے ہوئے مسرت ہو رہی ہے۔ یہ رپورٹ کمپنی کی مالیاتی کارکردگی، اہم اقدامات اور مستقبل کے امکانات کا تفصیلی تجزیہ پیش کرتی ہے۔

پاکستان کی معیشت کا میکرو اکنامک جائزہ اور علاقائی موازنہ

مالی سال 2026 کے دوران پاکستان کی معیشت استحکام سے بہتر ترقی معاشی کی جانب اپنا سفر جاری رکھے ہوئے رہی جتنا کہ مالیاتی وزری پالیسیوں، بیرونی شعبے کے بہتر حالات، مازمہاد کے ذخائر میں استحکام اور ڈھانچہ جاتی اصلاحات پر مسلسل عملدرآمد کی بدولت گزشتہ سال کے مقابلے میں میکرو اکنامک حالات میں بہتری آئی۔ گزشتہ عرصے کی غیر معمولی بلند سطح کے مقابلے میں افراط زر کے ہاد میں نمایاں کمی واقع ہوئی، جبکہ معاشی سرگرمیوں اور کاروباری اہمیت میں بھی بہتری کے آثار نمایاں ہوئے۔

مینوفیکچرنگ کے شعبے نے بھی وسیع الجہاد معاشی ریکارڈ کی۔ پاکستان بیورو آف اسٹیتسٹکس کے مطابق، لارج اسکیل مینوفیکچرنگ (LSM) کی پیداوار میں مالی سال 2026 کے جولائی تا جون کے دوران گزشتہ سال کے مقابلے میں 4.98% اضافہ ہوا۔ مینوفیکچرنگ کے شعبے میں، اس عرصے کے دوران سوتی دھانے کی پیداوار میں 1.0%، سوتی کپڑے میں 0.17% اور گاڑشیں میں 5.49% اضافہ ہوا۔ اہم، ٹیکسٹائل کے شعبے میں متعلقہ ٹیکسٹائل پیداواری اشاریے میں 6.67% کمی ریکارڈ کی گئی، جو ٹیکسٹائل مینوفیکچرنگ چین کے بعض حصوں پر مسلسل دباؤ کی نشاندہی کرتی ہے۔

بیرونی شعبہ بدستور توجہ کا ایک اہم مرکز رہا۔ مالی سال 2026 کے دوران پاکستان کی مجموعی برآمدات عارضی طور پر تقریباً 30.14 ارب امریکی ڈالر ریکارڈ کی گئیں، جبکہ مالی سال 2025 میں یہ 32.04 ارب امریکی ڈالر تھیں، جو 5.93% کمی کو ظاہر کرتی ہے۔ برآمدات کے انفرادی ذمروں کی کارکردگی فی جلی رہی، جبکہ نہایت تیار ملیبوسات، بیڈ ویئر، سوتی کپڑے اور سوتی دھانے بدستور بڑی برآمدی مصنوعات رہیں۔

پاکستان کے ٹیکسٹائل شعبے پر میکرو اکنامک ماحول کے اثرات

مالی سال 2026 کے دوران میکرو اکنامک ماحول پاکستان کی ٹیکسٹائل صنعت پر نمایاں طور پر اثر انداز ہوتا رہا، اور 1 جولائی 2025 سے 30 جون 2026 تک کا عرصہ بدستور میکرو اکنامک استحکام کے ساتھ ساتھ لاگت اور مسابقت کے مسلسل دباؤ سے مہارت رہا۔ قومی برآمدات میں مجموعی کمی کے باوجود، ٹیکسٹائل اور ملیبوسات کی مصنوعات پاکستان کی برآمدی بنیاد کنگ بنیاد اور زرمہاد کمانے کا ایک بڑا ذریعہ رہیں۔ مینوفیکچرنگ کے شعبے میں، لارج اسکیل مینوفیکچرنگ نے مالی سال 2026 کے دوران مجموعی طور پر 4.98% نمو ریکارڈ کی، تاہم، ٹیکسٹائل شعبے کے پیداواری اشاریے میں 6.67% کمی واقع ہوئی، جو پیداواری لاگت، توانائی کی قیمتوں، ملکی خام مال کی دستیابی اور بین الاقوامی مسابقت سے متعلق مسلسل چیلنجز کی عکاسی کرتی ہے۔

ٹیکسٹائل مینوفیکچررز کے لیے توانائی کی دستیابی اور لاگت، شرح سود، شرح مبادلہ کا استحکام، کپاس کی دستیابی اور خام مال کی قیمتیں آپریشنل کارکردگی اور بین الاقوامی مسابقت کے کلیدی عوامل رہے۔ توانائی پر زیادہ انحصار کرنے والے اسپننگ، ویوٹنگ، پروسیسنگ اور فیکٹری کے آپریشنز ملکی اور گیس کے نرخوں کے حوالے سے خاص طور پر حساس ہیں، جس کے باعث پیداواری لاگت پر قابو پانے، آپریشنل چلک بڑھانے اور ماحولیاتی اثرات کم کرنے کے لیے قابل تجدید توانائی، توانائی کی بچت، بائیو ماس اور متبادل توانائی کے ذرائع میں سرمایہ کاری کی اہمیت روز بروز بڑھ رہی ہے۔ شرح سود کا نسبتاً مستحکم ماحول جدید کاری اور پیداواری صلاحیت میں اضافے کے لیے سرمایہ کاری میں معاون ثابت ہوتا ہے، جبکہ ٹوٹل ٹریڈ، وصولیوں اور برآمدی سائیکلز سے وابستہ نمایاں مالی ضروریات کے پیش نظر ورکنگ کپٹل کا عظیم انتظام کا گزیر ہے۔ ملکی کپاس کی دستیابی، معیار اور لاگت بدستور پاکستان کی عمومی طور پر مربوط ٹیکسٹائل و پلیسٹکس کی مسابقت پر اثر انداز ہو رہی ہے۔

بین الاقوامی سطح پر، پاکستانی ٹیکسٹائل مینوفیکچررز بدستور بین الاقوامی مسابقتی ماحول میں کام کرتے رہے، بالخصوص بھارت اور بنگلہ دیش کے مقابلے میں، جبکہ بین الاقوامی خریداروں نے مصنوعات کے معیار، پلیسٹکیشن، کم لیڈ ٹائم، ٹریس ایبلٹی، پائیداری، توانائی کی بچت اور ذمہ دارانہ مینوفیکچرنگ طریقوں پر روز افزوں زور دیا۔ اس ماحول میں، ویوٹیلٹیڈ مصنوعات، آپریشنل کارکردگی، مصنوعات کے معیار، توانائی کے تحفظ، تکنیکی جدید کاری اور پائیداری پر کمپنی کی توجہ۔ بشمول ٹیکسٹائل، توانائی کی بچت کرنے والے آلات اور پیداواری صلاحیت میں مسلسل سرمایہ کاری۔ بین الاقوامی منڈیوں کی بدلتی ہوئی ضروریات سے ہم آہنگ ہے۔

علاقائی موازنہ

پاکستان کی معاشی کارکردگی کا جائزہ جنوبی ایشیا کے وسیع تر ماحول کے تناظر میں لینے کی ضرورت ہے۔ یہ خطہ نسبتاً مضبوط معاشی نمو سے مستفید ہو رہا ہے، اگرچہ انفرادی ممالک کو افراط زر، مالیاتی اور بیرونی شعبے کے مختلف چیلنجز کا سامنا ہے۔ بھارت اپنی وسیع ملکی منڈی، متنوع معیشت، پھیلتی ہوئی مینوفیکچرنگ بنیاد اور مضبوط خدمات کے شعبے کی بدولت عمومی زیادہ مضبوط رفتار کا مظاہرہ کر رہا ہے۔ بنگلہ دیش، بالخصوص اپنی برآمدات پر مبنی ٹیکسٹائل اور ملیبوسات کی صنعت کے باعث، پاکستان کے لیے ایک اہم علاقائی تجارتی ملک ہے۔



پاکستان کے لیے کلیدی چیلنج یہ ہے کہ میکرو اکنامک استحکام کے حالیہ دور کو کئی شعبے کی قیادت میں پائیدار معاشی نمو میں تبدیل کیا جائے۔ مالیاتی انتظام زرمبادلہ کی لیکوئیٹی اور فراہم زر میں بہتری ایک زیادہ مستحکم بنیاد فراہم کرتی ہے، تاہم ڈھانچہ جاتی مسائل۔ بشمول توانائی کی لاگت، پیداواری استعداد، سرمایہ کاری، ٹیکسیشن، سرکاری قرضے اور برآمدات میں تنوع۔ طویل مدتی مسابقت کی راہ میں اہم رکاوٹیں ہیں۔

کاروباری جائزہ اور پیش رفت

فصل کا تجزیہ ٹریڈ (FCML)، جو فضل گروپ کا حصہ ہے، بنیادی طور پر دھانے اور کپڑے کی تجارتی اور فروخت کے کاروبار سے وابستہ ہے، جس کے آپریشنز دو قابل رچرٹ شعبوں، اسپننگ اور ویجنگ میں منظم ہیں اور اس کی پیداواری تنصیبات مظفر گڑھ، خانپور ہاگا اور ملتان میں واقع ہیں۔ 30 جون 2026 کو ختم ہونے والے سال کے دوران، خام مال کی قیمتوں میں اتار چڑھاؤ، توانائی کی بلند لاگت اور مسابقتی برآمدی مندرجوں پر مشتمل مشکل ماحول کے باوجود، کمپنی نے اپنی آپریشننگ بنیاد کو مستحکم کرنے اور منڈی میں اپنی پوزیشن کو مضبوط بنانے کا سلسلہ جاری رکھا۔

دونوں شعبوں میں پیداوار مکمل یا تقریباً مکمل صلاحیت پر برقرار رہی۔ اسپننگ کی پیداواری صلاحیت کا استعمال بڑھ کر تقریباً 100.5% (2025: 97.9%) ہو گیا، اور 275,724 اسپنڈلز اور 10,572 روٹرز / MVS اسپنڈلز پر مشتمل نصب شدہ بنیاد پر حقیقی پیداوار گزشتہ سال کے 135.05 ملین کلوگرام سے بڑھ کر 138.35 ملین کلوگرام (20's کاؤنٹ کے مساوی) ہو گئی۔ ویجنگ کی پیداواری صلاحیت کا استعمال تقریباً 92.7% (2025: 92.7%) رہا، اور سال کے دوران کمپنی کی 224 کلوٹرنے 43.10 ملین میٹر کپڑا تیار کیا۔ کمپنی نے اپنی برآمدی موجودگی کو بھی وسعت دی، اور براہ راست اور انکیم پری (EFS) مجموعی برآمدی آمدن 10.6% اضافے کے ساتھ 16,386.4 ملین روپے (2025: 14,817.4 ملین روپے) ہو گئی، جس میں برآمدی دھانے کی آمدن میں 40.5% اضافے نے کلیدی کردار ادا کیا، جبکہ دھانے، کپڑے اور عمومی مصنوعات کی مقامی فروخت 5.9% اضافے کے ساتھ 79,637.3 ملین روپے ہو گئی۔ ان دونوں کے نتیجے میں خالص آمدن 6.7% اضافے کے ساتھ 96,023.7 ملین روپے ہو گئی، جس سے پاکستان کے صنف اول کے کپوزٹ اسپننگ اور ویجنگ برآمد کنندگان میں کمپنی کی حیثیت مزید مستحکم ہوئی۔

اس نمو میں معاونت کے لیے، کمپنی نے اپنے سرمایہ کاری پروگرام کو وسعت دی، اور سرمایہ جاتی اخراجات 41.5% اضافے کے ساتھ 3,458.8 ملین روپے (2025: 2,444.2 ملین روپے) ہو گئے۔ اس پروگرام کی توجہ دو ترجیحات پر مرکوز رہی: بخشی توانائی کی پیداواری صلاحیت میں اضافہ، اور مظفر گڑھ اور ملتان میں پیداواری تنصیبات کی جدید کاری اور توسیع۔ اس کے لیے مالی وسائل اندرونی طور پر پیدا ہونے والے نقد بہاؤ اور اضافی طویل مدتی فنڈنگ اور مشارکہ سہولیات کے احتجاج سے فراہم کیے گئے۔ بخشی توانائی میں سرمایہ کاری سے توقع ہے کہ گزشتہ دو گیس پر مبنی بجلی کی پیداوار پر کمپنی کا انحصار کم ہوگا، وقت کے ساتھ توانائی کی لاگت میں کمی آئے گی اور کاربن کے اخراج میں کمی واقع ہوگی۔

مالیاتی کارکردگی کا جائزہ

مستحکم مشکل آپریشننگ ماحول کے باوجود، کمپنی نے مالی سال 2026 کے دوران اپنی مالیاتی کارکردگی میں نمایاں بہتری حاصل کی۔ خالص آمدن 6.7% اضافے کے ساتھ 96,024 ملین روپے رہی، جبکہ مالی سال 2025 میں یہ 90,002 ملین روپے تھی۔ مجموعی منافع 16.2% اضافے کے ساتھ 8,946.2 ملین روپے اور آپریشنل منافع 18.2% اضافے کے ساتھ 8,151.1 ملین روپے ہو گیا، جبکہ آپریشنل مارجن 7.7% سے بہتر ہو کر 8.5% ہو گیا۔ مالیاتی لاگت 3.4% کمی کے ساتھ 5,110.6 ملین روپے رہی۔ لیونڈ اور انکم ٹیکس سے قبل منافع 89.3% اضافے کے ساتھ 3,040 ملین روپے رہا، جبکہ گزشتہ سال یہ 1,606 ملین روپے تھا، اور بعد از ٹیکس منافع 311.0% اضافے کے ساتھ 1,573.1 ملین روپے رہا، جبکہ مالی سال 2025 میں یہ 382.8 ملین روپے تھا۔ نتیجتاً، خالص منافع کا مارجن 0.43% سے بہتر ہو کر 1.64% ہو گیا، اور فی حصص بنیادی اور تحلیل شدہ آمدن 12.76 روپے سے بڑھ کر 52.44 روپے ہو گئی۔

سال کے دوران کمپنی کی مالی پوزیشن بھی مستحکم ہوئی۔ مجموعی اثاثے 15.6% اضافے کے ساتھ 133,421.0 ملین روپے ہو گئے، جبکہ مجموعی لیکوئیٹی 34.1% اضافے کے ساتھ 75,677.3 ملین روپے ہو گئی اور مجموعی واجبات 2.2% کمی کے ساتھ 57,743.7 ملین روپے ہو گئے۔ کرنٹ ریٹو 1.35 سے بہتر ہو کر 1.61 ہو گیا، اور گیزٹنگ ریٹو (قرض برتاؤ قرض جمع لیکوئیٹی) تقریباً 0.459 سے کم ہو کر 0.38 ہو گیا، جو مالیاتی لیوریج میں کمی کی عکاسی کرتا ہے۔ سرمایہ جاتی اخراجات 41.5% اضافے کے ساتھ 3,458.8 ملین روپے ہو گئے، اور آپریشنل سرگرمیوں سے خالص نقد بہاؤ مثبت ہو کر 9,667.3 ملین روپے رہا، جبکہ مالی سال 2025 میں 2,244.3 ملین روپے کا آپریشنل نقد اخراج ہوا تھا۔

کاروبار کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

مالی سال 2026 کے دوران کمپنی کو درپیش بنیادی خطرات میں خام مال کی قیمتوں میں اتار چڑھاؤ، گیس کی فراہمی میں فصل کے ساتھ توانائی کی بروقتی ہوئی لاگت، اور شرح سود شامل تھے۔ کمپنی نے سپلائی کی متنوعی فریڈاری، بخشی توانائی کی صلاحیت کو 46.6 میگا واٹ تک بڑھانے، اور قرضوں میں کمی کے ساتھ SBP کی مقررہ شرح والی فنڈنگ کی جانب منتقلی کے ذریعے ان خطرات کا انتظام کیا۔ بورڈ آپریشنل، بائٹا، مشین ٹیکنالوجی، ریگولٹری، قانونی، کریڈٹ اور شرح مبادلہ کے خطرات کی بھی نگرانی کرتا ہے۔ ان میں سے کوئی بھی خطرہ کمپنی کی سالاہنی یا لیکوئیٹی کے لیے خطرے کا باعث نہیں ہے۔ سال کے اختتام پر گیزٹنگ ریٹو 38.3% اور کرنٹ ریٹو 1.61x تھا، اور دونوں بورڈ کی مقرر کردہ حدود کے اندر تھے۔

**ڈائریکٹرز کا انتخاب**

کمپنیز ایکٹ 2017 کی دفعہ 159 کے مطابق، کمپنی کے ڈائریکٹرز کا انتخاب 2 جون 2026 کو منعقد ہوا۔ انتخاب کے بعد، آئندہ تین سالہ مدت کے لیے بورڈ کی از سر نو تشکیل کی گئی، جس میں تجربے، ادارہ جاتی علم اور نئے نقطہ ہائے نظر کا متوازن احتجاج یکجا کیا گیا ہے۔ کمپنی جناب بابر علی کی گراں قدر خدمات کا اعتراف کرتی ہے، جنہوں نے بطور آزاد ڈائریکٹر مسلسل تین مدتیں مکمل کرنے کے بعد اپنی مدت پوری کی۔ بورڈ کمپنی کی گورننس اور اسٹرٹجک سمت میں ان کی نکاحانہ خدمات، درہمائی اور تعاون پر ان کی سٹائش کو ریکارڈ پر لاتا ہے۔ ان کی جگہ ڈاکٹر محمد شاکت کو بطور آزاد ڈائریکٹر منتخب کیا گیا ہے، جو بورڈ میں نیایشانیت، مہارت اور ایک نیا نقطہ نظر لے کر آئے ہیں۔

نو تشکیل شدہ بورڈ درج ذیل ارکان پر مشتمل ہے:

رد نمبر	مقام
1	شیخ نسیم احمد
2	رحمان نسیم
3	عامر نسیم
4	فیصل احمد
5	محمد منیر شیخ
6	مہاسین بیگم
7	مسعود کریم شیخ
8	محترمہ پروین اختر ملک
9	ڈاکٹر محمد شاکت

از سر نو تشکیل شدہ بورڈ کا ڈاکٹر محمد شاکت کا پورٹ گورننس، متنوع تجربے، محکمہ گمرانی اور کمپنی کے اسٹرٹجک مقاصد اور پائیدار نمو میں معاونت کے لیے نئے ٹیلنٹ کی شمولیت کے حوالے سے کمپنی کے مسلسل عزم کی عکاسی کرتا ہے۔

آزاد ڈائریکٹرز کی حیثیت کا جائزہ اور جواز

بورڈ آف ڈائریکٹرز اس امر کی توثیق کرتا ہے کہ اس کے آزاد ڈائریکٹرز محترمہ پروین اختر ملک، جناب مسعود کریم شیخ اور ڈاکٹر محمد شاکت کمپنیز ایکٹ 2017 اور سیکورٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت مقرر کردہ تمام قانونی اہلیت کے معیارات پر پورا اترتے ہیں۔ بورڈ میں ان کی موجودگی ان کی وسیع تکنیکی مہارت، گہرے کاروباری تجربے، اور اسٹرٹجک فیصلہ سازی کے عمل میں غیر جانبدارانہ اور معروضی گمرانی فراہم کرنے کی صلاحیت کی بنا پر جائز ہے۔ ہر آزاد ڈائریکٹر نے آزادی کا پابند اقرار نامہ جمع کرایا ہے، اور بورڈ مطمئن ہے کہ وہ کسی بھی ایسے مفادِ عہدے یا تعلق سے آزاد ہو کر کام کرتے ہیں جو ان کے آزادانہ فیصلے پر نمایاں طور پر اثر انداز ہونے کے پائے متاثر کر سکے۔

کمپنیوں کی از سر نو تشکیل

آڈٹ کمیٹی

2 جون 2026 کو منعقدہ ڈائریکٹرز کے انتخاب کے بعد، آڈٹ کمیٹی کی رکنیت میں تبدیلیوں کے ساتھ اس کی از سر نو تشکیل کی گئی تاکہ اس کی جدت ترکیبی کو نو تشکیل شدہ بورڈ سے ہم آہنگ کیا جاسکے اور کمپنی کے گورننس اور گمرانی کے فریم ورک کو مزید مضبوط بنایا جاسکے۔ محترمہ پروین اختر ملک اور جناب عامر نسیم بدستور آڈٹ کمیٹی کے رکن رہے، جبکہ ڈاکٹر محمد شاکت اور جناب فیصل احمد کو بائرنسٹ شیخ نسیم احمد اور جناب بابر علی کی جگہ نئے ارکان کے طور پر شامل کیا گیا۔ ہند از سر نو تشکیل شدہ آڈٹ کمیٹی محترمہ پروین اختر ملک، ڈاکٹر محمد شاکت، جناب فیصل احمد اور جناب عامر نسیم پر مشتمل ہے۔

**ایچ آر اینڈ ریمونریشن کمیٹی**

2 جون 2026 کو منعقد ہونے والے ڈائریکٹرز کے انتخاب کے بعد ہیومن ریسورس اینڈ ریمونریشن (HR&R) کمیٹی کی اس کی رکنیت میں تبدیلیوں کے ساتھ از سر نو تشکیل کی گئی۔ جناب عامر نسیم بدستور کمیٹی کے رکن رہے، جبکہ ڈاکٹر محمد شوکت اور جناب عباس عطار کو بائز تیب جناب پارعلی اور جناب فیصل احمد کی جگہ نئے اراکین کے طور پر شامل کیا گیا۔ چنانچہ از سر نو تشکیل شدہ HR&R کمیٹی جناب عامر نسیم، ڈاکٹر محمد شوکت اور جناب عباس عطار پر مشتمل ہے۔

رئیس مینجمنٹ اینڈ اسٹریٹجک پلاننگ کمیٹی

ڈائریکٹرز کے انتخاب کے بعد موجودہ اسٹریٹجک پلاننگ کمیٹی کا دائرہ کار وسیع کرنے کے لیے اس کا نام تبدیل کر کے 'رئیس مینجمنٹ اینڈ اسٹریٹجک پلاننگ کمیٹی' رکھا گیا۔ کمیٹی کی از سر نو تشکیل کی گئی جس میں موجودہ اراکین جناب رحمان نسیم، جناب مسعود کریم شیخ اور محترمہ پروین اختر ملک بدستور رکن رہے، جبکہ ڈاکٹر محمد شوکت کو اضافی رکن کے طور پر شامل کیا گیا۔

نامزدگی کمیٹی (نئی تشکیل شدہ)

سید کبیر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (CCG 2019) کی قیام میں کمیٹی نے ایک نامزدگی کمیٹی تشکیل دی ہے جو جناب شیخ نسیم احمد (چیئرمین)، جناب رحمان نسیم، جناب فیصل احمد اور جناب محمد عطار شیخ پر مشتمل ہے، اور اسے بورڈ کی تشکیل، اس کی مشاورت، جانشینی کی منصوبہ بندی اور بورڈ اور اس کی کمیٹیوں کے لیے امیدواروں کی نامزدگی سے متعلق امور سونپے گئے ہیں۔

سسٹین ایبلٹی اینڈ ESG کمیٹی (نئی تشکیل شدہ)

اپنے پائیداری اور ESG فریم ورک کو مضبوط بنانے کے عزم کے مطابق، اور قابل اطلاق SECP تقاضوں اور IFRS سسٹین ایبلٹی ڈسکلوژر اینڈ رپورٹنگ ریگولیشنز کی پیروی میں، کمیٹی نے ایک سسٹین ایبلٹی اینڈ ESG کمیٹی تشکیل دی ہے جو جناب رحمان نسیم، جناب مسعود کریم شیخ، محترمہ پروین اختر ملک اور ڈاکٹر محمد شوکت پر مشتمل ہے، اور اسے کمیٹی کی پائیداری کی حکمت عملی، ESG سے متعلق پالیسیوں، خطرات، مواقع، کارکردگی اور اطمینان کی نگرانی سونپی گئی ہے، بشمول IFRS-S1 اور IFRS-S2 سے متعلق امور۔

بورڈ اور بورڈ کمیٹیوں کی تشکیل: منعقدہ اجلاس (1 جولائی 2025 تا 30 جون 2026)

مصلحت	بورڈ آف ڈائریکٹرز	آؤٹ کمیٹی	اسٹریٹجک پلاننگ کمیٹی	HR/ر کمیٹی	پائیداری و ESG کمیٹی	نامزدگی کمیٹی
اراکین کی تعداد	نو	چار	چار	تین	چار	چار
منعقدہ اجلاسوں کی تعداد	پانچ	چار	دو	ایک	ایک	ایک



حاضری کی تفصیلات

ڈائریکٹر	بورڈ	آؤٹ کٹ	اسٹریٹجک پلاننگ	HR رپورٹ	پائیداری ESG	مردم کی کمیٹی
شیخ نسیم احمد	5/5	4/4	NM	NM	NM	1
رحمان نسیم	5/5	NM	2/2	NM	1	1
عامر نسیم	5/5	4/4	NM	1	NM	NM
فیصل احمد	5/5	NM	NM	1	NM	1
بابر علی (2 جون 2026 کو سبکدوش)	4/4	4/4	NM	1	NM	NM
ڈاکٹر محمد شوکت	1/1	NA	NA	NM	1	NM
مسعود کریم شیخ	5/5	NM	2/2	NM	1	NM
پروین اختر ملک	5/5	4/4	2/2	NM	1	NM
محمد عتیق شیخ	5/5	NM	NM	NM	NM	1
عباس عتیق	5/5	NM	NM	NM	NM	NM

پاکستان سے باہر منعقدہ بورڈ اجلاس

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران فضل کا تھم مل لینڈ کا کوئی بورڈ اجلاس پاکستان سے باہر منعقد نہیں ہوا۔

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے کمپنی کے حصص میں لین دین

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کمپنی کے کسی ڈائریکٹر یا ایگزیکٹو نے کمپنی کے حصص میں لین دین نہیں کیا۔ تاہم، جناب عباس عتیق (ڈائریکٹر) نے اپنے والد سے بطور تحفہ کمپنی کے 141,719 حصص حاصل کیے۔ یہ منتقلی اہل خانہ کے مابین ایک حقیقی تحفہ تھی جس میں کوئی فروخت، خریداری کا معاوضہ، طے شدہ قیمت یا تجارتی لین دین شامل نہیں تھا، لہذا یہ کمپنی کے حصص میں مارکیٹ ٹریڈ کی نمائندگی نہیں کرتی۔

پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کی رول بک کے رول 5.6.4 کے تحت، بورڈ آف ڈائریکٹرز نے کمپنی کے حصص میں لین دین کی رپورٹنگ کے مقصد کے لیے چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس ایگزیکٹو آفیسر، ہیڈ آف انٹرنل آڈٹ اور کمپنی سیکرٹری کے علاوہ کمپنی کے ملازمین کو 10 ایگزیکٹوز کے زمرے میں شامل کرنے کی حد کی منظوری دی ہے۔ ایوارڈسٹ مینیجر اور اس سے اوپر کی سطح کے ملازمین کو 10 ایگزیکٹوز قرار دیا گیا ہے اور ان کے لیے کمپنی کے حصص میں لین دین سے متعلق تمام قابل اطلاق انکشافات اور رپورٹنگ کے تقاضوں کی تعمیل لازم ہے۔

**کارپوریٹ بریفنگ سیشن (CBS) اور سرمایہ کاروں سے مشاورت**

پاکستان اسٹاک ایکسچینج (PSX) کے ضوابط کی تعمیل میں، فضل کلا تھ ملز لمیٹڈ میں اسٹیک ہولڈرز کے ساتھ مسلسل اشتراک ہمارے فیصلہ سازی کے فریم ورک کا مرکزی جزو ہے۔ ہولڈرز نے کھلے رابطے کو برقرار رکھنے، باقاعدہ معلومات فراہم کرنے، رپورٹیں اسٹریٹجک اقدامات پر حصص یافتگان اور مالیاتی تجویز کاروں کے ساتھ رابطے کے لیے ایک باہمی طریقہ کار وضع کیا ہے۔

یہ باہمی بریلنگز انتظامیہ کو درج ذیل امور کے بارے میں جامع معلومات پیش کرنے کا موقع فراہم کرتی ہیں:

- آپریشنل اور مالیاتی کارکردگی
- ٹیکنیکل صنعت پر اثر انداز ہونے والے نئی معاشی رجحانات اور شعبہ جاتی پیش رفت
- مشکل معاشی حالات میں نافذ کیے گئے اسٹریٹجک اقدامات اور خطرات میں کمی کے اقدامات
- مستقبل میں ترقی کے امکانات اور توسیعی حکمت عملیاں

سرمایہ کاروں کی آراء فعال طور پر حاصل کرنے اور مارکیٹ کے تبدیلیات کا ازالہ کرنے کے ذریعہ، FCML اسٹیک ہولڈرز کا مضبوط اعتماد قائم کرتی ہے اور اپنی سرمایہ کی بنیاد میں اسٹریٹجک ہم آہنگی پیدا کرتی ہے۔

اہم بریفنگ تقریبات:

مالی سال 2025 کے لیے منعقدہ CBS 13 نومبر 2025 کو ایک براہ راست ویڈیو کانفرنس کے ذریعہ منعقد کیا گیا جس میں حصص یافتگان، فنڈ منیجرز اور ڈائریکٹرز نے فعال شرکت کی۔ انتظامیہ نے کمپنی کے اسپانگ بزنس (276,300 اسپنڈلز)، 224 ایئر جیٹ لوز اور MW51.2 کمپنی پاور پلانٹ کا آپریشنل جائزہ پیش کیا، نیز سالانہ رپورٹ 2025 میں درج مالی سال 2025 کے مالیاتی نتائج بھی پیش کیے، خالص فروخت 90,002 ملین روپے اور بعد از ٹیکس منافع 117.14 ملین روپے۔

باقی سیشن کے دوران، انتظامیہ نے شرکاء کی جانب سے اٹھائے گئے متعدد سوالات کے جوابات دیے۔ 10.05

اہم مالیات	انتظامیہ کا جواب
کارکردگی کے چارٹرڈ مالی سال 2025 کے دوران ٹرن اور مار جیٹس میں کیا تبدیلی آئی، اور کیوں؟	ٹرن اور میں 7.37% کی واقع ہوئی اور مجموعی مار جیٹس سیکر 8.55% ہو گئے۔ جس کی بنیادی وجوہات توانائی کے بلند نرخ اور پورے شعبے میں پیداواری کھپائش کی رکاوٹیں تھیں۔ تاہم شرح سود میں نرمی کے بعد مالیاتی لاگت میں 36.72% کی نمایاں کمی ہوئی۔
شعبہ دار کارکردگی: اسپانگ اور ویلنگ کے شعبوں نے انفرادی طور پر کبھی کارکردگی دکھائی؟	اسپانگ ڈویژن نے 7.74% مجموعی مار جیٹس کے ساتھ 83,977 ملین روپے کی فروخت میں حصہ ڈالا، جبکہ ویلنگ نے 8.55% مجموعی مار جیٹس کے ساتھ 13,957 ملین روپے حاصل کیے، جس میں مورٹا اور ٹیکس اسپانگ (MVS) ٹیکنالوجی اور ایئر جیٹ کی آپریشنل کارکردگی نے معاونت کی۔
توانائی کا رسک: کمپنی توانائی کی لاگت اور فراہمی کے رسک سے کیسے نمٹ رہی ہے؟	انتظامیہ نے کمپنی کے اپنے 51.2 میگا واٹ کے سیٹو پاور پلانٹ کو اجاگر کیا، جو گرڈ نیٹ کی لاگت میں اچانک اضافے اور گیس کی فراہمی کی غیر یقینی صورتحال سے نمٹنے کے لیے استعمال کیا جاتا ہے۔
مستقبل کا منظر نامہ: شعبے اور کمپنی کے بارے میں انتظامیہ کا کھلے نظر کیا ہے؟	انتظامیہ نے امید کا اظہار کیا اور اس ضمن میں 4.8% ملین گھنٹوں سے زائد مقامی سپائس کی فصل کی توقعات، KIBOR کے کم تر ماحول (مالی سال 2024 کے 21.68% کے مقابلے میں اوسط 11.39%)، برآمدی مسابقت میں معاون لگندار شرح مہوار، اور عالمی طلب کی متوقع بحالی کا حوالہ دیا جس سے شعبے کی پیداواری کھپائش کا استعمال تقریباً 50% سے بڑھ کر 75% کی جانب جانے کی توقع ہے۔



- مالی سال 2026 کے لیے منصوبہ: 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے آئندہ کارپوریٹ بریلنگ سیشن اکتوبر 2026 کے بعد منعقد کیا جائے گا۔

کارپوریٹ گورننس اور تعمیل

ڈائریکٹرز اس امر کو یقینی بنانے کے لیے پُر عزم ہیں کہ کمپنی بہترین گورننس طریقہ کار کے مطابق کام کرے اور پاکستان میں پبلک لمیٹڈ کمپنیوں پر لاگو تمام قانونی اور ریگولیٹری تقاضوں کی تعمیل کرے۔ کمپنی اس کے پیجز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل کر رہی ہے۔ بورڈ آف ڈائریکٹرز نے ضابطہ اخلاق کو باقاعدہ طور پر اختیار کیا ہے اور اس کے موثر نفاذ کو یقینی بنایا ہے۔ دیانت داری، شفافیت اور اخلاقی طریقہ عمل کمپنی کے گورننس فلسفے کا مرکزی حصہ ہیں۔

ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز کوڈ آف کارپوریٹ گورننس کے تحت سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے کارپوریٹ اینڈ فیضیل رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں، اور تصدیق کرتے ہیں کہ:

- انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے امور کی حالت، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے کماؤ کی باقاعدہ کتب برقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے، سوائے ان تبدیلیوں کے جو معیارات، ترامیم یا تشریحات کے ابتدائی اطلاق کے نتیجے میں ہوئیں، اور اکاؤنٹنگ چھپے، محلول اور چھٹا فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی جڑ کی گئی ہے، اور ان سے کسی بھی انحراف کا مناسب انکشاف کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اسے موثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے، اور کمپنی کے جاری ادارے (گولنگ کنسرن) کے طور پر کام جاری رکھنے کی صلاحیت کے بارے میں کوئی نمایاں شبہات موجود نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقے؟ کار سے کوئی نمایاں انحراف نہیں کیا گیا۔

نان ایگزیکٹو اور آزاد ڈائریکٹرز کے لیے مشاہرہ پالیسی

کمپنی کے آرٹیکلز آف ایسوسی ایشن، اس کے پیجز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور کمپنیز ایکٹ، 2017 کے مطابق، بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور کلیدی انتظامی عملے کے لیے ایک باقاعدہ مشاہرہ پالیسی کی منظوری دی ہے۔ کمپنی کے نان ایگزیکٹو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز) کو بورڈ اجلاسوں میں شرکت کی میزبانی فیس کے علاوہ کوئی مشاہرہ، جتنی بھی ضروری ہو، یا مراعات اور انجمن کی تحفیں۔ مالیاتی گوشواروں کے نوٹ 44.1 میں سال کے دوران دوران ان ایگزیکٹو/آزاد ڈائریکٹرز کو ادائیگی 1.78 ملین روپے کی مجموعی میزبانی فیس (2025: 1.47 ملین روپے)۔ ایگزیکٹو ڈائریکٹرز، بشمول چیف ایگزیکٹو آفیسر، اپنے سروں کنٹرول کے مطابق مقررہ مشاہرہ، کارکردگی پر مبنی الاؤنسز اور مراعات حاصل کرتے ہیں، جن کی منظوری بورڈ نے ہیومن ریسورس اینڈ ریسورسز (HR&R) کمپنی کی سٹارٹ پر دی ہے۔ مالی سال کے دوران چیف ایگزیکٹو آفیسر، ایگزیکٹو ڈائریکٹرز، نان ایگزیکٹو ڈائریکٹرز اور کلیدی ایگزیکٹو کو ادائیگی کے کل مشاہرے، فیس کے ذخیرے اور فوائد سے متعلق تفصیلی ادارہ نمائندگی مالیاتی گوشواروں کے نوٹ 44 میں پیش کیے گئے ہیں۔

ایگزیکٹو ڈائریکٹرز کی جانب سے بیرونی بورڈز کی فیسیں اپنے پاس رکھنا

کمپنی کی مشاہرہ پالیسی کے مطابق، دیگر کمپنیوں کے بورڈز میں نان ایگزیکٹو ڈائریکٹرز کے طور پر خدمات انجام دینے والے ایگزیکٹو ڈائریکٹرز کو ایسی خدمات کے عوض حاصل ہونے والی کوئی بھی ڈائریکٹر فیس، اجلاس میں حاضری کی فیس یا معاوضہ اپنے پاس رکھنے کی اجازت ہے، بشرطیکہ ایسی بیرونی ڈائریکٹر فیس کی بورڈ آف ڈائریکٹرز کی جانب سے باقاعدہ منظوری دی گئی ہو اور ان سے کمپنی کے کاروباری آپریشنز کے ساتھ مفادات کا کوئی ٹکراؤ پیدا نہ ہو۔

ڈائریکٹرز کا معاوضہ

کمپنی کے پاس کمپنیز ایکٹ، 2017 کے مطابق اپنے ڈائریکٹرز کے مشاہرے کے لیے ایک باقاعدہ پالیسی اور شفاف طریقہ کار موجود ہے۔ یہ پالیسی نان ایگزیکٹو ڈائریکٹرز کو کاروباری سفر کے لیے سفری اور عوامی ادائیگی کا انتظام بھی فراہم کرتی ہے۔ ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کو ادائیگی کیا گیا مشاہرہ، بشمول بورڈ یا بورڈ کمٹی کے اجلاس میں شرکت کی ڈائریکٹر فیس، مالیاتی گوشواروں کے نوٹ 44 میں ظاہر کیا گیا ہے۔



چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹو آفیسرز کا مشاہرہ

سال کے دوران کمپنی کے چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹو آفیسرز کو ادا کیا گیا مشاہرہ مالیاتی گوشواروں کے نوٹ 44.1 کے مطابق تھا۔ معاوضے کے منیجمنٹ میں تنخواہیں، الاؤنسز، مراعات اور فوائده شامل ہیں جن کی منظوری بورڈ آف ڈائریکٹرز نے کمپنی کی مشاہرہ پالیسی اور قابل اطلاق ریگولیٹری تقاضوں کے مطابق دی ہے۔ مینٹگ فیس اور مالیاتی گوشواروں میں ظاہر کردہ ادائیگیوں کے علاوہ کوئی اضافی فیس، بونس یا فوائده نہیں کیے گئے۔ کمپنی اس امر کو یقینی بناتی ہے کہ مشاہرے کے تمام طریقے کار شفاف، کارکردگی پر مبنی اور حصص یافتگان کے طویل مدتی مفادات سے ہم آہنگ ہوں۔

چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے

کمپنی نے چیف ایگزیکٹو آفیسر اور چیئر مین کے کردار اور ذمہ داریوں کا واضح تعین کیا ہے، اور سیکرٹریز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی قیام میں دونوں عہدے الگ الگ افراد کے پاس ہیں۔

چیئر مین کا کردار اور ذمہ داریاں

چیئر مین ایک جان ایگزیکٹو ڈائریکٹر ہیں جو بورڈ کو قیادت اور رہنمائی فراہم کرنے، اس امر کو یقینی بنانے کے بورڈ اپنی ذمہ داریوں کی انجام دہی میں بھرپور کردار ادا کرے، اور کمپنی کے مقاصد کے حصول میں بورڈ کی موثریت کا جائزہ لینے کے ذمہ دار ہیں۔ چیئر مین ایجنڈا طے کرتے ہیں، بورڈ اجلاسوں کی کارروائی پر دخل کرتے ہیں، ہر سال اجلاس عام (AGM) کی صدارت کرتے ہیں، انتظامیہ اور بورڈ کے درمیان رابطہ کار کا کردار ادا کرتے ہیں، کمپنیوں کے موثر کام کو یقینی بنانے کے لیے ان کے ساتھ رابطہ رکھتے ہیں، مفادات کے ٹکراؤ کو سنبھالتے ہیں اور حصص یافتگان کے مفادات کا تحفظ کرتے ہیں۔ وہ چیف ایگزیکٹو آفیسر کے ساتھ قریبی تعاون سے کام کرتے ہیں اور اہم امور پر انتظامیہ کی معاونت کرتے ہیں۔

چیف ایگزیکٹو آفیسر کا کردار اور ذمہ داریاں

چیف ایگزیکٹو آفیسر بورڈ کے ایگزیکٹو ڈائریکٹر ہیں اور تمام قانونی ذمہ داریوں کے تحت کمپنی کے امور کے انتظام کا فریضہ ان کے سپرد ہے۔ وہ کمپنی کے امور کے روزمرہ انتظام اور حصص یافتگان کی قدر میں اضافے کے لیے طویل اور قلیل مدتی منصوبوں پر عمل درآمد کے ذمہ دار ہیں، جس میں کاروباری آپریشنز کی نگرانی، کارپوریٹ گورننس اور اخلاقی ماحول کار کی تشکیل، بورڈ کی منظورشده پالیسیوں اور حکمت عملیوں کا نفاذ، منصوبوں اور بجٹ کے مقابلے میں مالیاتی نتائج کی نگرانی، قوانین و ضوابط کی تعمیل کو یقینی بنانا، اندرونی کنٹرول کے نظام کی موثر کارکردگی کو یقینی بنانا، اور کمپنی کے چیلنجز اور وسائل کا تحفظ شامل ہے۔

قرضوں کی ادائیگی

کاروباری دیانت داری اور مالیاتی نظم و ضبط کے اعلیٰ ترین معیارات کے اپنے عزم کے مطابق، کمپنی تمام مالیاتی واجبات کی بروقت ادائیگی کو یقینی بنانے کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ سبز جائزہ سال کے دوران کمپنی نے اپنے قرضوں اور واجبات کی ادائیگی کے شیڈول کی مکمل پابندی کی، اور تاہم ہند کی کوئی واقعہ ریکارڈ نہیں ہوا۔ مزید برآں، FCML نے اس امر کو یقینی بنایا کہ میکسز، ڈی بی آر اور دیگر قابل اطلاق مصیولات سمیت تمام قانونی واجبات مکمل طور پر اور مقررہ مدت کے اندر ادا کیے جائیں۔ مالی سال کے اختتام پر کوئی قانونی واجبات بتایا یا واجب الادا نہیں تھے۔ یہ طریقے کار کمپنی کے محتاط مالیاتی انتظام، مضبوط اندرونی کنٹرولز، اور قرض دہندگان، ریگولیٹری اداروں اور دیگر اسٹیک ہولڈرز کے ساتھ ساتھ کاروبار اور اعتماد برقرار رکھنے کے اس کے مسلسل عزم کو اجاگر کرتے ہیں۔

بورڈ کمیٹیاں

بورڈ ڈائریکٹرز اور سینئر انتظامیہ کی اپنی فی مہارت سے استفادہ کرتے ہوئے، باقاعدہ تشکیل شدہ بورڈ کمیٹیوں کے ایک منظم فریم ورک کے ذریعے کارپوریٹ گورننس کی نگرانی کی اپنی ذمہ داریاں انجام دیتا ہے۔ کوڈ آف کارپوریٹ گورننس کی قیام میں، کمپنی نے بورڈ کو اس کی ذمہ داریوں کی موثر انجام دہی میں معاونت کے لیے درج ذیل کمیٹیاں تشکیل دی ہیں:

- آڈٹ کمیٹی
- ہیومن ریسورس اینڈ ریٹرنیشن (HR&R) کمیٹی
- رسک مینجمنٹ اینڈ اسٹریٹجک پلاننگ کمیٹی
- سسٹم اینڈ ESG کمیٹی
- تاجر کی کمیٹی



آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ کے ایک کلیدی بازو کے طور پر کام کرتی ہے اور کمیٹی کے کارپوریٹ گورننس فریم ورک کا ایک لازمی حصہ ہے۔ کمیٹی چار اراکین پر مشتمل ہے، جس کی صدارت ایک آزاد ازیکیٹر کرتے ہیں، تاکہ غیر جانبداری اور مؤثر نگرانی کو یقینی بنایا جاسکے۔ کمیٹی کمیٹی کے رسک مینجمنٹ فریم ورک کی نگرانی کے ذریعے شفافیت اور جوابدہی کو فروغ دیتی ہے، جس میں ایک رسک میٹریکس کے ذریعے، جس کا مقصد فوٹا جائزہ لیا جاتا ہے اور اسے اپ ڈیٹ کیا جاتا ہے، اسٹرٹجک، مالیاتی، ریگولیٹری اور عملی خطرات کی نشاندہی اور جانچ پر خصوصی توجہ دی جاتی ہے۔ کمیٹی کا اجلاس سہ ماہی بنیادوں پر اور حسب ضرورت منعقد ہوتا ہے، اور اس کی بنیادی ذمہ داریوں میں مالیاتی رپورٹنگ کے عمل، بیرونی اور اندرونی آڈٹ کے امور، اندرونی کنٹرول کے نظام، اور قاطبی اطلاق قوانین و ضوابط کی تعمیل کی نگرانی شامل ہے۔ اندرونی آڈٹ کا شعبہ رسک پر مبنی آڈٹ پلان کے تحت کام کرتا ہے، جس میں دیگر امور کے علاوہ مالیاتی گوشواروں پر اثر انداز ہونے والے اہم قانونی معاملات، متعلقہ فریقین کے ساتھ لین دین (نوٹ 46)، اور کارپوریٹ گورننس کے بہترین طریقوں کی پابندی کا جائزہ شامل ہے۔ بورڈ کو پیش کرنے سے قبل آڈٹ کمیٹی نے کمیٹی کے عبوری اور سالانہ مالیاتی گوشواروں کا جائزہ لیا، اور تمام اجلاس کمیٹی کے فرم آف ریفرنس کے مطابق منعقد کیے گئے، جن کی کارروائی باقاعدہ طور پر قلمبند اور محفوظ کی گئی۔

بورڈ آڈٹ کمیٹی کے فرم آف ریفرنس کی نمایاں خصوصیات

کمیٹی کم از کم تین ان ایگزیکٹو ازیکیٹرز پر مشتمل ہوتی ہے، جن میں کم از کم ایک آزاد ازیکیٹر شامل ہو، اس کی صدارت ایک آزاد ازیکیٹر کرتے ہیں (جو بورڈ کے چیئرمین نہیں ہو سکتے)، اور کم از کم ایک رکن متعلقہ مالیاتی مہارت کا حامل ہوتا ہے۔

کمیٹی سیکرٹری یا ہیڈ آف انٹرنل آڈٹ کمیٹی کے سیکرٹری کے فرائض انجام دیتے ہیں؛ چیف فنانشل آفیسر کو یہ عہدہ رکھنے کی اجازت نہیں ہے۔

مالیاتی گوشواروں کی منظوری سے قبل کم از کم سہ ماہی بنیادوں پر اجلاس منعقد کرتی ہے؛ اندرونی اور بیرونی آڈیٹرز کے ساتھ علیحدہ علیحدہ سالانہ بند کردہ اجلاس (انتظامیہ کی غیر موجودگی میں) منعقد کرتی ہے؛ کمیٹی کے چیئرمین سالانہ اجلاس عام (AGM) میں شرکت کرتے ہیں۔

سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں، اکاؤنٹنگ پالیسیوں اور گولنگ کنسرن کے مفروضات کا جائزہ لیتی ہے، اور اس امر کو یقینی بناتی ہے کہ دوسری سہ ماہی اور سالانہ حسابات بورڈ کی منظوری سے قبل بیرونی آڈیٹرز کے دستخط شدہ ہوں۔

اندرونی آڈٹ کے شعبے کی رہنمائی کرتی ہے (ہیڈ آف انٹرنل آڈٹ فعلی طور پر کمیٹی کو رپورٹ کرتے ہیں)، اندرونی آڈٹ کے منصوبوں کی منظوری دیتی ہے، ہیڈ آف انٹرنل آڈٹ کی تقرری/برطرفی کی سفارش کرتی ہے، اور بورڈ آف کارپوریٹ گورننس اور عمل بلونگ کے نظام کی تعمیل کی نگرانی کرتی ہے۔

بیرونی آڈیٹر کے انتخاب، آزادی، نفیس، تبدیلی اور ان آڈٹ خدمات کی منظوری کی نگرانی کرتی ہے، اور مینجمنٹ لیٹرز اور غیر عمل شدہ آڈٹ امور کا جائزہ لیتی ہے۔

بورڈ کی منظوری سے قبل متعلقہ فریقین کے ساتھ تمام لین دین کا جائزہ لیتی ہے تاکہ آرمز لینتھ قیمتوں اور پالیسی کی تعمیل کو یقینی بنایا جاسکے۔

رسک مینجمنٹ اور اندرونی کنٹرول کے فریم ورکس کا جائزہ لیتی ہے، اکاؤنٹس کے تحفظ کا تخمینہ لگاتی ہے، اور پائیداری سے متعلق خطرات اور کمشنات کی نگرانی کرتی ہے۔

کمیٹی کے ڈیٹا اور عملے تک غیر محدود رسائی رکھتی ہے، آزاد پیشہ ورانہ مشاورت حاصل کر سکتی ہے، اور اپنے فرم آف ریفرنس کا سالانہ خود جائزہ لیتی ہے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

فضل کھاتہ ٹیبلینڈ کی ہیومن ریسورس اینڈ ریمونریشن (R&HR) کمیٹی بورڈ آف ازیکیٹرز کے منظور کردہ فرم آف ریفرنس کے مطابق کام کرتی ہے۔ کمیٹی تین اراکین پر مشتمل ہے، جس کی صدارت ایک آزاد ازیکیٹر کرتے ہیں، تاکہ غیر جانبدارانہ اور مؤثر نگرانی کو یقینی بنایا جاسکے۔ کمیٹی کا اجلاس سال میں کم از کم ایک مرتبہ یا چیئرمین کی صوابدید کے مطابق زیادہ کثرت سے منعقد ہوتا ہے، اور تمام اجلاسوں کی کارروائی باقاعدہ طور پر قلمبند کر کے کمیٹی کے ریکارڈز میں محفوظ کی جاتی ہے۔

نمایاں خصوصیات اور فرم آف ریفرنس

- اس امر کو یقینی بنانا کہ مضبوط ہیومن ریسورس پالیسیاں اور طریقہ کار موجود ہوں، مؤثر طریقے سے نافذ ہوں، اور قاطبی اطلاق قوانین و ضوابط کے مطابق ہوں۔
- ڈائریکٹرز اور سینئر انتظامیہ کے مشاہرے کے تعین کے لیے ایک جامع پالیسی فریم ورک کی بورڈ کو سفارش کرنا۔
- چیف ایگزیکٹو آفیسر سمیت کلیدی عہدوں کے لیے تربیت، ترقی اور جانشینی کی منصوبہ بندی کا جائزہ لینا اور اس پر مشورہ دینا۔
- کمیٹی کی ہیومن ریسورس حکمت عملی سے متعلق کارپوریٹ مقاصد کا جائزہ لینا اور ان کی سفارش کرنا۔



- کلیدی ایگزیکٹوز کے لیے جیومن ریورس منجمنٹ کی نگرانی کرنا، بشمول چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، کینیٹر ٹریڈ اور ہیڈ آف انٹرئل آڈٹ کا انتخاب، کارکردگی کی جانچ، معاوضہ اور پائزمنٹ کے فوائد۔
- بورڈ اور اس کی کمیٹیوں کی کارکردگی کی سالانہ باضابطہ جانچ، براہ راست یا کسی آزاد بیرونی کنسلٹنٹ کے ذریعے، منعقد کرنا۔
- اندرونی اور بیرونی آڈیٹرز کی جانب سے جیومن ریورس منجمنٹ سے متعلق اٹھائے گئے آڈٹ مشاہدات کا جائزہ لینا اور ان پر مناسب پیش رفت کو یقینی بنانا۔
- کینیٹ کی جیومن ریورس حکمت عملی، بشمول کلیدی مقاصد، افرادی قوت کی منصوبہ بندی اور عملدرآمد کی نگرانی، کو بورڈ کی منظوری کے لیے تجویز کرنا۔
- نئے یا نظر ثانی شدہ تجاویز کے ذرائع، برقی منصوبوں اور متعلقہ مشاہیر فریم ورکس کا جائزہ لینا اور انہیں بورڈ کی منظوری کے لیے تجویز کرنا۔
- جیومن ریورس کی ترقی کے اقدامات، تکنیکی ڈھانچے، ضابطہ اخلاق اور اخلاقیات سے متعلق پالیسیوں کا جائزہ لینا، اور حسب ضرورت اہم تبدیلیوں کی بورڈ کو سفارش کرنا۔

ریسک مینجمنٹ اینڈ اسٹریٹجک پلاننگ کمیٹی

فصل کا تھم لمز لیڈ (FCML) کی اسٹریٹجک پلاننگ کمیٹی کینیٹ کے طویل المدتی اسٹریٹجک مقاصد کے تعین اور ان پر عملدرآمد کی نگرانی میں بورڈ آف ڈائریکٹرز کی معاونت کرتی ہے۔ کمیٹی اس امر کو یقینی بناتی ہے کہ کاروباری حکمت عملیاں کینیٹ کے وژن، مشن اور ریسک لیویجنٹ سے ہم آہنگ ہوں، اور ساتھ ہی بدلتی ہوئی مارکیٹ صورتحال، صنعتی رجحانات اور اسٹیک ہولڈرز کی توقعات کا مؤثر جواب دیا جائے۔ بورڈ کے اراکین اور سینئر انتظامیہ کی مہارت سے استفادہ کرتے ہوئے، کمیٹی وسائل کی تقسیم، سرمایہ کاری، توسیعی اقدامات اور جدت کی ترجیحات کے بارے میں رہنمائی فراہم کرتی ہے، جس سے پائیدار ترقی اور قدر کی تخلیق ممکن ہوتی ہے۔

ٹرمز آف ریفرنس کی نمایاں خصوصیات

- بورڈ کے منظور کردہ ریسک منجمنٹ اینڈ اسٹریٹجک پلاننگ کمیٹی کے ٹرمز آف ریفرنس کینیٹ کے انٹر پرائز ریسک منجمنٹ فریم ورک، اسٹریٹجک منصوبہ بندی کے عمل اور کاروباری تسلسل کی نگرانی کا احاطہ کرتے ہیں۔ ان کی نمایاں خصوصیات میں، دیگر امور کے ساتھ، درج ذیل شامل ہیں:
- کینیٹ کے ادارہ جاتی سطح کے ریسک منجمنٹ فریم ورک کی نگرانی کرنا اور اس امر کو یقینی بنانا کہ اہم خطرات کی نشاندہی، جانچ، نگرانی اور مؤثر انتظام کیا جائے۔
- کینیٹ کی ریسک منجمنٹ پالیسی، انٹر پرائز ریسک منجمنٹ فریم ورک، ریسک لیویجنٹ اور ریسک برداشت کی حدود کا جائزہ لینا اور انہیں بورڈ کی منظوری کے لیے تجویز کرنا۔
- اس امر کو یقینی بنانا کہ خطرات سے متعلق پہلوؤں کو کینیٹ کی اسٹریٹجک منصوبہ بندی، سرمایہ کاری کے فیصلوں اور کاروباری سرگرمیوں میں شامل کیا جائے۔
- کینیٹ کی طویل المدتی اسٹریٹجک سمت، کاروباری منصوبوں، ترقیاتی اقدامات اور کلیدی اسٹریٹجک مقاصد کا جائزہ اور تجویز کرنا، اور منظور شدہ منصوبوں کے مقابلے میں عملدرآمد اور کارکردگی کی نگرانی کرنا۔
- سالانہ بجٹ کا جائزہ لینا اور ششماہی بنیادوں پر بجٹ کے اعداد و شمار کے مقابلے میں حقیقی کارکردگی کی نگرانی کرنا، بشمول نمایاں فرق اور انتظامیہ کے اصلاحی اقدامات۔
- ابھرتے ہوئے خطرات اور مواقع کا جائزہ لینا، بشمول مارکیٹ کی پیش رفت، تکنیکی تبدیلیاں اور پائیداری سے متعلق پہلو، جو کینیٹ کے کاروبار اور اسٹریٹجک مقاصد پر اثر انداز ہو سکتے ہیں۔
- مالیاتی اور غیر مالی خطرات، بشمول لیکویڈیٹی، شرح سود، کرنیٹ اور زرمبادلہ کے خطرات، سے وابستگی کا جائزہ لینا، اور ڈھنگ اور فنڈنگ کی حکمت عملیوں کا تجویز کرنا۔
- ٹیکسٹائل شعبے سے متعلق صنعتی خطرات کی نگرانی کرنا، بشمول خام مال (کپاس) کی قیمتوں میں اتار چڑھاؤ، توانائی اور ایندھن کی لاگت میں تغیر، برآمدی منڈیوں کا ارتکاز اور بین الاقوامی تجارتی ضوابط میں تبدیلیاں۔
- پیداواری استعداد، پلانٹ کی بھروسہ مندی، پیشہ ورانہ صحت و تھک، اور افرادی قوت کے استحکام سے متعلق آپریٹنگ خطرات کی نگرانی کرنا۔
- انفارمیشن سیکورٹی، سائبر سیکورٹی اور ڈیٹا کے تحفظ کے فریم ورکس کا جائزہ لینا، اور ڈیٹا سٹریٹجی اور کاروباری تسلسل کے انتظامات کی موزونیت کا تحفظ یقینی بنانا۔
- کینیٹ کے آپریٹنگ اور اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے کاروباری تسلسل، بحران کے انتظام اور پلگ کی منصوبہ بندی کی نگرانی کرنا۔
- ریسک منجمنٹ، اسٹریٹجک اقدامات، کاروباری توسیع، تنوع اور پائیدار ترقی سے متعلق امور پر بورڈ کو سفارشات پیش کرنا۔
- ہر اجلاس کے بعد اپنی کارروائی، نتائج اور سفارشات بورڈ کو رپورٹ کرنا، بشمول کینیٹ کے ریسک منجمنٹ اور اسٹریٹجک منصوبہ بندی کے عمل کی تاخیر کا سالانہ جائزہ۔
- اپنے ٹرمز آف ریفرنس کا سالانہ جائزہ لینا اور حسب ضرورت ان میں ترامیم کی بورڈ کو سفارش کرنا۔

**سسٹم ایبلیٹی اینڈ ESG کمیٹی**

فضل کلاٹھ ملز لمیٹڈ (FCML) کی انوائرسمنٹل، سوشل، گورننس اینڈ سسٹم ایبلیٹی کمیٹی کمیٹی کے آپریشنز کے تمام پہلوؤں میں پائیدار اور ذمہ دارانہ طریقوں کو شامل کرنے میں بورڈ کی معاونت کرتی ہے۔ کمیٹی اس امر کو یقینی بناتی ہے کہ FCML کی حکمت عملیاں، پالیسیاں اور اقدامات عالمی بہترین طریقوں، ریگولیٹری فریم ورکس اور اسٹیک ہولڈرز کی توقعات سے ہم آہنگ ہوں اور ساتھ ہی طویل المدتی قدر کی تخلیق کو فروغ دیں۔ بالخصوص، کمیٹی اقوام متحدہ کے پائیدار ترقیاتی اہداف (UN SDGs) کے انتظام، پاکستان اسٹاک ایکسچینج (PSX) کی ESG گائیڈ لائنز کی تعمیل، اور SECP کی کارپوریٹ سسٹم ایبلیٹی اینڈ ریپسٹبلٹی کی ضروریات پر توجہ مرکوز کرتی ہے تاکہ پائیداری اور گورننس کے لیے ایک منظم اور شفاف طریقہ کار کو یقینی بنایا جاسکے۔

ٹرمز آف ریفرنس کی نمایاں خصوصیات

- سسٹم ایبلیٹی، ESG اینڈ گراہمیت کمیٹی کے ٹرمز آف ریفرنس کی نمایاں خصوصیات میں، دیگر امور کے ساتھ درج ذیل شامل ہیں:
- کمیٹی کی پائیداری کی حکمت عملی، ESG کارکردگی، موسمیاتی تبدیلی سے متعلق خطرات اور مواقع، ذمہ دارانہ کاروباری طریقہ عمل اور طویل المدتی قدر کی تخلیق کی نگرانی میں بورڈ کی معاونت کرنا، اور پائیداری کی حکمت عملی کا جائزہ لے کر اسے بورڈ کی منظوری کے لیے تجویز کرنا؛
- ESG گورننس کے ڈھانچوں، پالیسیوں اور جوابدہی کے نظام کی نگرانی کرنا، اور دہرے مادیات کے جائزے (double materiality assessment) کے ذریعے اہم ESG موضوعات کا جائزہ لینا، جس میں کمیٹی پر ان کے مالیاتی اثرات اور لوگوں، معاشرے اور ماحول پر کمیٹی کے اثرات دونوں کا احاطہ کیا جائے؛
- موسمیاتی تبدیلی سے متعلق خطرات اور مواقع، موسمیاتی موائفیت اور منتقلی کی حکمت عملی، اور اخراج کے انتظام کی نگرانی کرنا، بشمول اسکوپ 1، 2 اور 3 پر مبنی گرین ہاؤس گیس انویسٹری، اور اخراج میں کمی کے اہداف اور کارکردگی؛
- وسائل کے انتظام سے متعلق امور کی نگرانی کرنا، بشمول توانائی کی بچت اور قابل تجدید توانائی کا استعمال، پانی کا ذمہ دارانہ استعمال، فضلے میں کمی، سرکلر کالونی کے اقدامات اور حیاتیاتی تنوع پر اثرات، نیز قابل اطلاق ماحولیاتی قوانین کی تعمیل؛
- انسانی سرمائے اور سماجی امور کی نگرانی کرنا، بشمول افرادی قوت کی فلاح و بہبود، پیشہ ورانہ صحت و تھقلہ، تنوع، مساوات اور شمولیت، اور انسانی حقوق سے متعلق مستعدی بشمول چائلڈ لیبر اور جبری مشقت کی روک تھام؛
- سپلائی چین کی پائیداری کی نگرانی کرنا، بشمول سپلائرز کے ESG معیارات، ذمہ دارانہ حصولی کے طریقے اور سپلائرز کے آڈٹ، نیز کمیونٹی سرمایہ کاری اور اسٹیک ہولڈرز سے روابط کے اقدامات؛
- گورننس سے متعلق امور کی نگرانی کرنا، بشمول کاروباری اخلاقیات اور دیانتداری، رشوت ستانی اور بدعنوانی کی روک تھام کے اقدامات، دوسل بلونگ کے نظام، اور ڈیپائریٹس و سائبر سیکیورٹی گورننس؛
- انٹرپرائز رسک مینجمنٹ فریم ورک میں شامل ESG خطرات کا جائزہ لینا، پائیداری سے متعلق ابھرتے ہوئے خطرات کی نگرانی کرنا، اور جہاں مناسب ہو آڈٹ اور رسک مینجمنٹ کمیٹیوں کے ساتھ رابطہ رکھنا؛
- بورڈ کی منظوری سے قبل کمیٹی کی سسٹم ایبلیٹی رپورٹ اور ESG اکتشافات کا جائزہ لینا، اور قابل اطلاق بین الاقوامی فریم ورکس، بشمول IFRS S1/S2، گلوبل ریپورنگ اینیشی ایٹو، اقوام متحدہ کے پائیدار ترقیاتی اہداف، اقوام متحدہ کے گلوبل کمیٹیت، اور SECP اور پاکستان اسٹاک ایکسچینج کی قابل اطلاق ESG گائیڈ لائنز سے ہم آہنگی کی نگرانی کرنا؛ اور
- کلیدی کارکردگی کے اشاریوں، بشمول کاربن کے اخراج کی شدت، توانائی کی استعداد، پانی کی کمی، فضلے کی ری سائیکلنگ، کام کی جگہ پر تھقلہ اور سپلائی چین میں ESG تعمیل، کا وقتاً فوقتاً جائزہ لینا اور ہر اجلاس کے بعد بورڈ کو رپورٹ کرنا۔

خاص ذمہ داری کمیٹی

نامزدگی کمیٹی کم از کم تین (3) اراکین پر مشتمل ہے جنہیں بورڈ آف ڈائریکٹرز ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز میں سے مقرر کرتا ہے۔ کمیٹی کے چیئر پرسن ایک نان ایگزیکٹو ڈائریکٹر ہیں، اور کمیٹی سیکرٹری کمیٹی کے سیکرٹری کے فرائض انجام دیتے ہیں۔ کمیٹی کا اجلاس سال میں کم از کم ایک مرتبہ، یا حسب ضرورت زیادہ کثرت سے منعقد ہوتا ہے، اور اراکین کی اکثریت سے کورم مکمل ہوتا ہے۔



شرمز آف ریفرنس کی نمایاں خصوصیات

نامزدگی کمپنی کے ممبرز آف ریفرنس کی نمایاں خصوصیات میں دیگر امور کے ساتھ درج ذیل شامل ہیں:

- سیکمینٹیز (کوڈ آف کارپوریٹ گورننس) مارچ 2019ء کی قیام میں ڈائریکٹرز، چیف ایگزیکٹو آفیسر، بھیدی انتظامیہ اور بورڈ کمیٹیوں اور ان کے چیئرمین پر سنز کی تقرری، دوبارہ تقرری، جانشینی کی منصوبہ بندی اور کارکردگی کی جانچ کے لیے ایک باضابطہ شفاف اور میرٹ پر مبنی عمل کو یقینی بنانے میں بورڈ کی معاونت کرنا؛
- ڈائریکٹرز، آزاد ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے طور پر تقرری کے لیے موزوں امیدواروں کی نشاندہی، جانچ اور سفارش کرنا اور اس امر کو یقینی بنانا کہ ایسے امیدوار پائیداری، تجربے اور آزادی کی شرائط سمیت اہلیت اور موزونیت (fit and proper) کے معیار پر پورا اترتے ہوں؛
- بورڈ اور اس کی کمیٹیوں کے حجم، ڈھانچے اور ترکیب کا جائزہ لینا اور بورڈ میں تنوع، بشمول مہارتوں، تجربے اور صنعتی توازن، میں بہتری کی سفارش کرنا، اور آزاد ڈائریکٹرز کی مناسب نمائندگی کو یقینی بنانا؛
- چیف ایگزیکٹو آفیسر اور بورڈ کے دیگر قائدانہ عہدوں کے لیے جانشینی کی منصوبہ بندی کی ضروریات کا جائزہ لینا تاکہ قیادت کی صلاحیت کو کمپنی کے طویل المدتی اسٹریٹجک مقاصد اور رسک پروفائل سے ہم آہنگ رکھا جاسکے؛
- بورڈ کی شمولیت، مجموعی، انفرادی ڈائریکٹرز، بورڈ کمیٹیوں، چیف ایگزیکٹو آفیسر اور کمیٹیوں کے چیئرمین پر سنز کی سالانہ کارکردگی کی جانچ کے لیے معیارات وضع کرنا اور اس کی نگرانی کرنا، اور نتائج اور بہتری کی سفارشات بورڈ کو رپورٹ کرنا؛
- نئے ڈائریکٹرز کے لیے تعارفی (انڈکشن) پروگراموں کی سفارش کرنا اور ڈائریکٹرز اور سینئر انتظامیہ کی جاری تربیت و ترقی کی ضروریات کی نشاندہی کرنا، بشمول گورننس، ریگولیٹری اور ESG امور؛

- نامزدگی، خود معناری اور بورڈ کی تشکیل سے متعلق گورننس کے حلقہ کار کا جائزہ لینا اور بورڈ کو اصلاحی اقدامات کی سفارش کرنا؛ اور
- ہر اجلاس کے بعد اپنی سفارشات، نتائج اور کارروائی سے بورڈ کو آگاہ کرنا، نیز بورڈ کی تشکیل، جانشینی کی منصوبہ بندی اور کارکردگی کی جانچ کے نتائج پر ایک سالانہ رپورٹ پیش کرنا۔

اختیارات کی تفویض

فصل کھاتہ طر لیٹڈ کا بورڈ آف ڈائریکٹرز اعلیٰ ترین حکمت عملی ساز اور نگران ادارے کے طور پر کام کرتا ہے، جو قیادت اور اسٹریٹجک سمت فراہم کرتا ہے اور تمام آپریشنز میں مضبوط کارپوریٹ گورننس، ریگولیٹری قیام اور رسک کی نگرانی کو یقینی بناتا ہے۔ سیکمینٹیز ایکٹ، 2017ء، سیکمینٹیز (کوڈ آف کارپوریٹ گورننس) مارچ 2019ء اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کی قیام میں، بورڈ ایک منظم فریم ورک کے تحت کام کرتا ہے جو بورڈ کے لیے مخصوص اختیارات اور تفویض کردہ انتظامی اختیارات کے درمیان واضح حد بندی کرتا ہے۔

آج کے متحرک تجارتی ماحول میں درکار ہمارے حیرت انگیز رفتار اور بروقت فیصلہ سازی کو یقینی بنانے کے لیے، بورڈ نے چیف ایگزیکٹو آفیسر اور ایگزیکٹو مینجمنٹ کو مالیاتی اور آپریشنل اختیارات کی تفویض کے لیے ایک جامع پالیسی وضع کی ہے۔ انتظامیہ کو متعین مالیاتی حدود، بورڈ سے منظور شدہ بجٹ اور کارپوریٹ پالیسیوں کے دائرے میں روزمرہ آپریشنل، خریداری، عمل کی بہتری، انتظامی اور تجارتی نوعیت کے عملی فیصلے کرنے کا اختیار حاصل ہے۔

اہم بات یہ ہے کہ اختیارات کی تفویض کا یہ فریم ورک سختی سے قانونی حدود کے اندر کام کرنے کے لیے تشکیل دیا گیا ہے اور کسی بھی قابل اطلاق قانون سے متصادم نہیں ہے۔ سیکمینٹیز ایکٹ، 2017ء کی دفعہ 183 اور کوڈ آف کارپوریٹ گورننس کے تحت بورڈ کے فیصلے کے لیے واضح طور پر مخصوص امور بشمول سالانہ آپریشنل اور سرمایہ جاتی بجٹ کی منظوری، منافع منقسمہ کا اعلان، حصص کا اجراء، بڑے سرمایہ جاتی اخراجات (جیسے BMR منصوبے) کی منظوری، متعلقہ فریقین کے ساتھ لین دین کی منظوری، بھیدی انتظامیہ اور ESG رسک گورننس کی نگرانی، بدستور سختی سے بورڈ کے دائرہ اختیار میں رہتے ہیں۔ انتظامیہ تمام اہم آپریشنل فیصلے، رفت اور تفویض کردہ اقدامات کے بارے میں بورڈ اور اس کی کمیٹیوں (آڈٹ، HR&R اور رسک مینجمنٹ/پائیداری) کو باقاعدگی سے رپورٹ کرتی ہے، جس سے مکمل جوابدہی، شفافیت اور داخلی کنٹرول یقینی بناتا ہے۔

بورڈ آف ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کمپنی کے تمام اہم امور کا جائزہ لیتا ہے، بشمول اس کی اسٹریٹجک سمت، سالانہ کاروباری منصوبے اور اہداف، اور طویل مدتی سرمایہ کاری اور قرضوں سے متعلق فیصلے، اور کارپوریٹ گورننس کے اعلیٰ معیارات پر قرار دینے کے لیے پرمزم ہے۔ موجودہ بورڈ کا انتخاب 2 جون 2026ء کو مکمل میں آیا اور یہ صنف، علم اور مہارت کے متنوع استزاع کا حامل ہے۔ بورڈ تین آزاد ڈائریکٹرز اور چھ دیگر ڈائریکٹرز پر مشتمل ہے۔



انسانی وسائل کا انتظام اور ملازمین سے تعلقات

FCML میں ہمارے افراد آپریشنل برتری، کاروباری استحکام اور پائیدار قدر کی تخلیق کی بنیاد ہیں۔ کمپنی دیانتداری، شمولیت، جوابدہی، سکھنے اور احترام کی ثقافت کو فروغ دیتے ہوئے ایک قابل، پُر عزم اور مستقبل کے لیے تیار افرادی قوت کی تیاری کا سلسلہ جاری رکھے ہوئے ہے۔ سال کے دوران FCML نے میرٹ کی بنیاد پر بھرتی اور کیریئر میں ترقی، کارکردگی کے انتظام، ملازمین کی ترقی اور جانشینی کی منصوبہ بندی کے ذریعے اپنے انسانی سرمائے کے طریقہ کار کو مزید مضبوط کیا۔

- ملازمین کی نشوونما
FCML مسلسل سکھنے اور مہارتوں کی ترقی کو ادارہ جاتی صلاحیت کے لیے ناگزیر سمجھتی ہے۔ ترقیاتی اقدامات کی توجہ ٹیکنیکی، پیشہ ورانہ، انتظامی اور قائدانہ صلاحیتوں میں اضافے پر مرکوز ہے، جبکہ یہ نئی ٹیکنالوجی اور بہتر کاروباری طریقوں کی معاونت بھی کرتے ہیں۔
- کارکردگی اور کیریئر میں ترقی
کمپنی منظم جائزوں، میرٹ کی بنیاد پر ترقی اور پیشہ ورانہ ترقی کے مواقع کے ذریعے کارکردگی پر مبنی ثقافت کو فروغ دیتی ہے، اور انفرادی کارکردگی اور کیریئر کی ترقی کو ادارہ جاتی مقاصد سے ہم آہنگ کرتی ہے۔
- جانشینی اور افرادی قوت کا استحکام
FCML اہم عہدوں کے لیے جانشینی کی منصوبہ بندی اور باصلاحیت افرادی قوت کی دستیابی کے نظام کو مسلسل مضبوط بناتی ہے، جو کاروباری تسلسل، آپریشنل استحکام اور عموماً شریعت میں معاون ہے۔
- HR کی ڈیجیٹلائزیشن
کمپنی HR کی کارکردگی، شفافیت اور اعتباریت میں اضافے کے لیے ہندسہ و ٹیکنیکل نظاموں اور ڈیٹا پر مبنی طریقوں سے استفادہ کر رہی ہے، جو افرادی قوت کی منصوبہ بندی، ملازمین کے ریکارڈ، حاضری، تنخواہوں، کارکردگی کے انتظام اور پورنگ میں معاونت فراہم کرنے کے ساتھ ساتھ تھقیل اور کنٹرولز کو بھی مضبوط بناتے ہیں۔
- ملازمین کی وابستگی اور مساوی مواقع
FCML مساوی مواقع، پیشہ ورانہ احترام، اخلاقی طرز عمل اور میرٹ پر مبنی کام کے ماحول کو فروغ دیتی ہے، اور ملازمین کی ترقی، ٹیم ورک، تعمیری روابط اور جوابدہی کی حوصلہ افزائی کرتی ہے۔
- صحت، تحفظ اور فلاح و بہبود
ملازمین کی صحت، تحفظ اور فلاح و بہبود FCML کے ذمہ دارانہ کاروباری طرز عمل کا لازمی جزو ہیں۔ کمپنی مناسب پالیسیوں، تربیت، آگاہی اور نگرانی کے ذریعے، بالخصوص اپنی پیداواری تنصیبات میں، کام کے محفوظ طریقوں کو فروغ دیتی ہے۔
- متعلقہ SDG / GRI
کمپنی کے انسانی سرمائے سے متعلق اقدامات، جہاں قابل اطلاق ہو، متعلقہ GRI معیارات سے ہم آہنگ ہیں، جن میں GRI 2 عمومی اکتشافات، GRI 401 روزگار، GRI 403: پیشہ ورانہ صحت و تحفظ، GRI 404: تربیت و تعلیم، GRI 405: تنوع اور مساوی مواقع اور GRI 406: عدم امتیاز شامل ہیں۔ یہ اقدامات SDG 3 (اچھی صحت اور فلاح و بہبود)، SDG 4 (معیاری تعلیم)، SDG 5 (صنعتی مساوات)، SDG 8 (باوقار روزگار اور معاشی ترقی) اور SDG 10 (عدم مساوات میں کمی) کے حصول میں بھی معاون ہیں۔

قومی خزانے اور پاکستان کی معیشت میں حصہ

30 جون 2026 کو ختم ہونے والے سال کے دوران، کمپنی نے اگم ٹیکس، بیلز ٹیکس اور دیگر محصولات کی مدد میں سرکاری خزانے میں تقریباً 7,818 ملین روپے (2025-8,240 ملین روپے) جمع کرائے اور 5,620 ملین روپے کا فراہم کیا۔ کمپنی کے ٹیکس کی مدد میں حصے کی تفصیلات ذیل میں دی گئی ہیں (ملین روپے میں)۔



تفصیل	اکم لکھن	سٹریٹ لکھن	PRA	ریٹریٹ لکھن	کل
2026	1,835	4,979	64	940	7,818
2025	1,679	5,333	55	1,173	8,240
تبدیلی (%)	9.3%	6.6%	16.4%	19.9%	5.1%

داخلی مالیاتی کنٹرولز کی موزونیت

کمپنی کے داخلی کنٹرول کے نظام اور اس کی مسلسل افادیت کے جائزے کی حتمی ذمہ داری بورڈ پر عائد ہوتی ہے۔ مجموعی جوابدہی برقرار رکھتے ہوئے، بورڈ نے داخلی کنٹرولز کی تفصیلی تشکیل، نفاذ اور عمل درآمد کی ذمہ داری چیف ایگزیکٹو آفیسر کو تفویض کی ہے۔ کمپنی کا داخلی کنٹرول کا نظام واضح طور پر متعین گورننس ڈھانچوں، اختیارات کی حدود اور جوابدہیوں پر مشتمل ہے، جسے واضح طور پر مطلع کردہ پالیسیوں، طریقہ کار اور منظم بجٹ سازی کے عمل کی معاونت حاصل ہے۔ بورڈ مالیاتی کارکردگی، آپریشنل اور سرمایہ جاتی بجٹ، کاروباری نمو ترقی کے منصوبوں، سرمایہ جاتی اخراجات کی تہاویز اور دیگر کلیدی کارکردگی کے اشاریوں کا جائزہ لینے کے لیے سرمایہ بنیادوں پر اجلاس منعقد کرتا ہے۔ آڈٹ کمیٹی داخلی مالیاتی کنٹرولز کی افادیت کے بارے میں داخلی اور بیرونی آڈیٹرز سے باقاعدہ رپورٹس حاصل کرتی ہے۔

منافع منقسمہ کی سفارش

حالت کے دوران مضبوط منافع کی بدولت، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے 150% (15.00 روپے فی حصص، جس کی فی حصص قیمت 10/- روپے ہے) حتمی نقد منافع منقسمہ کی سفارش کی ہے۔ سالانہ اجلاس عام میں حصص یافتگان کی منظوری سے مشروط یہ ادائیگی آپ کی سرمایہ کاری پر پائیدار منافع کی فراہمی کے لیے بورڈ کی مسلسل کوششوں کی عکاس ہے۔

ویب سائٹ اور الیکٹرانک ترسیل SECP کے نوٹیفیکیشن اور PSX لسٹنگ ریگولیشنز کی تعمیل میں، کمپنی کی سالانہ رپورٹ، سرمایہ مالیاتی گوشوارے اور دیگر لازمی کارپوریٹ معلومات باقاعدگی سے اپ ویب سائٹ پر اپ ڈیٹ کی جاتی ہیں اور سرکاری ویب سائٹ www.fazalcloth.com پر دستیاب ہیں۔ مزید برآں، حصص یافتگان کی منظوری اور SECP کی ہدایات کے مطابق، کمپنی رضا مندی دینے والے حصص یافتگان کو اپنی سالانہ رپورٹ بذریعہ ای میل الیکٹرانک طور پر ارسال کرتی ہے اور تمام قانونی رپورٹس PUCARS پورٹل کے ذریعے پاکستان اسٹاک ایکسچینج کو الیکٹرانک طور پر بھیجتی ہے۔ جو حصص یافتگان سالانہ رپورٹ کی مطلوبہ نقل حاصل کرنا چاہیں وہ ویب سائٹ پر دستیاب معیاری درخواست فارم جمع کرا سکتے ہیں، اور کمپنی درخواست موصول ہونے کے سات دن کے اندر مطلوبہ رپورٹ بلا معاوضہ فراہم کرے گی۔ www.fazalcloth.com

حصص یافتگان کے لیے پائیدار منافع اور قدر کی تخلیق

مالی سال 2026 کے دوران فضل کا تھو ملز لمیٹڈ نے طویل مدتی بنیادوں پر حصص یافتگان کی قدر میں زیادہ سے زیادہ اضافے کے اپنے پختہ عزم کو برقرار رکھا۔ گزشتہ پانچ برسوں کے دوران ہمارے حصص یافتگان مسلسل پائیدار قدر میں اضافے سے مستفید ہوتے رہے ہیں۔

مناط مالیاتی انتظام، ورکنگ کپیکلٹی پر منظم کنٹرول اور ٹیکنالوجی کے سیکٹر میں اسٹرٹجک مارکیٹ ہزیشننگ کے درمیان توازن قائم رکھتے ہوئے، کمپنی ایک منظم بیلنس شیٹ کی تعمیر جاری رکھے ہوئے ہے۔ ہم اس رفتار کو برقرار رکھنے پر توجہ مرکوز کیے ہوئے ہیں تاکہ آپریشنل ترقی بردار راستہ ہمارے انکوبیٹری شراکت داروں کے لیے باہمی اور طویل مدتی منافع میں تبدیل ہو۔

مالیاتی گوشواروں پر آزاد آڈیٹرز کی رپورٹ

کمپنی کے بیرونی آڈیٹرز، میسرز شاہین ونگ حیدر چوہدری اینڈ کمپنی، نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں پر غیر مشروط رائے جاری کی ہے، جو گوشوارہ مالی حیثیت، گوشوارہ نقل و انتظام، گوشوارہ 7 جامع آمدنی، گوشوارہ 7 تبدیلی 12، گوشوارہ 7 نقد بہاؤ اور مالیاتی گوشواروں کے نوٹس، بشمول اہم اکاؤنٹنگ پالیسیوں کے خلاف سے اور دیگر وضاحتی معلومات پر مشتمل ہیں۔

**اسٹیشنمنٹ آف کمپلائنس پر آزاد آڈیٹر کی جائزہ رپورٹ**

ممبران کے لیے آزاد آڈیٹر کی جائزہ رپورٹ لکھنے پر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی قیاس کے اسٹیشنمنٹ کا احاطہ کرتی ہے، اور اس امر کی آزادانہ یقین دہانی فراہم کرتی ہے کہ آیا اسٹیشنمنٹ آف کمپلائنس زیر جائزہ سال کے لیے قابل اطلاق کارپوریٹ گورننس تھانوں کی کمیٹی کی جانب سے قیاس کو پیش کرتا ہے۔

داخلی آڈٹ

داخلی آڈٹ کا شعبہ گورننس، رسک مینجمنٹ اور داخلی کنٹرول کے عمل کی افادیت کی جانچ اور اس میں بہتری کے لیے ایک آزاد، معروضی اور رسک پر مبنی طریقہ کار برقرار رکھنے کے لیے پر عزم ہے، اور قابل اطلاق کوڈ آف کارپوریٹ گورننس اور آڈٹ کمیٹی سے منظور شدہ منظور آڈٹ چارٹر کے فریم ورک کے تحت کام کرتا ہے۔ آئندہ، داخلی آڈٹ ایک زیادہ فعال کاروباری شراکت دار اور مشاورتی کردار کی جانب پیش رفت جاری رکھے گا، جس میں رسک میں تخفیف، طریقہ کار میں بہتری، آپریشنل کارکردگی اور پائیدار قدر کی تخلیق پر زیادہ زور دیا جائے گا؛ رسک اینڈ کنٹرول میٹریکس کو رسک کی جانچ، آڈٹ کی منصوبہ بندی اور ترجیحات کے تعین کے کلیدی آلے کے طور پر استعمال کیا جائے گا، اور کمیٹی کے انٹریکٹرز رسک مینجمنٹ فریم ورک کے لیے COSO فریم ورک سے مسلسل رہنمائی حاصل کی جائے گی۔

متعلقہ فریقین

فصل کا تھمٹر لمیٹڈ تمام متعلقہ فریقین کا ایک جامع رجسٹر برقرار رکھتی ہے۔ سال کے دوران متعلقہ فریقین کے ساتھ تمام لین دین، بشمول قرض کی نوعیت اور فیصد حصص داری، مالیاتی گوشواروں کے نوٹ 46 میں مناسب طور پر ظاہر کیے گئے ہیں۔ آپریشنل کارکردگی میں اضافے اور گورننس کو مضبوط بنانے کے لیے، بعض ایک آفس امور — جیسے انسانی وسائل، انفارمیشن ٹیکنالوجی، مارجنری، واجب الادا کھاتے اور کارپوریٹ کیوریٹیو — کو سخت عملی کے تحت کمیٹی کے اندر مرکزی حیثیت دی گئی ہے، جس سے ہم آہنگی کے ذریعے آپریشنز بہتر اور لاگت کم ہوتی ہے، جبکہ مضبوط رسک مینجمنٹ اور بروقت و درست رپورٹنگ بھی یقینی بنائی گئی ہے۔

ماحولیات، صحت اور تحفظ (EHS)

FCML اپنے تمام آپریشنز میں پائیداری اور اخلاقی طرز عمل کو شامل کرنے کے ساتھ ساتھ ماحولیات، صحت اور تحفظ کے اعلیٰ ترین معیارات کو یقینی بنانے کے لیے پر عزم ہے۔ کمیٹی کا وعدہ تربیت، ایکسپوژر اسسٹنس اور ماحولیات کی خطرات کی نگرانی کے ذریعے ملازمین، سپلائرز اور اسٹیک ہولڈرز میں تحفظ کی مضبوط ثقافت کو فروغ دیتی ہے۔ EHS کمیٹی گرین ہاؤس گیسوں کے اخراج، توانائی کی بچت، پانی کی ری سائیکلنگ، کم اخراج والی مصنوعات اور سبز توانائی کے استعمال، بشمول 46.6 میگا واٹ سولر کورٹ، سے متعلق پالیسیوں کے تھاک کی نگرانی کرتی ہے، اور پینٹل انوائز معیار کو داخلی اسٹیشن ریز (NEQS) کی قیاس نیز مقامی و بین الاقوامی پائیداری معیارات سے ہم آہنگی کو یقینی بناتی ہے۔

اخلاقیات اور کاروباری طرز عمل

FCML میں کاروباری اخلاقیات اور پیشہ ورانہ طرز عمل کے اعلیٰ ترین معیارات کو برقرار رکھنا ایک بنیادی اصول ہے۔ ہر ڈائریکٹر، افسر اور ملازم سے توقع کی جاتی ہے کہ وہ ذمہ داری، ایمان داری اور دیانتداری سے کام کرے، کمیٹی کی سائیکو کو برقرار رکھے اور قابل اطلاق قوانین و ضوابط کی پاسداری کرے۔ تمام ملازمین کے لیے FCML کے شاہد 7 اخلاق و کاروباری طرز عمل کی قیاس لازم ہے؛ فیملوں یا سرکاری اقدامات پر اثر انداز ہونے کی غرض سے کسی بھی قسم کی ترفیب یا انعام کی پیشکش یا قبولیت سختی سے منع ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

FCML پائیدار ترقی اور سماجی صلاح و بہبود کے لیے گہری وابستگی رکھتی ہے اور بورڈ کی پائیداری کمیٹی کی نگرانی میں تعلیم، صحت، ماحولیات، تنوع و شمولیت، موسمیاتی اقدامات اور کارپوریٹ گورننس کے شعبوں میں اقدامات کو آگے بڑھا رہی ہے۔ صحت اور تعلیم کمیٹی کی CSR سخت عملی کے بنیادی ستون ہیں۔ فضل الرحمن فاؤنڈیشن کے ذریعے FCML ایک 50 بسٹروں پر مشتمل خیراتی ہسپتال چلا رہی ہے جو پس ماندہ طبقات کو مفت طبی علاج فراہم کرتا ہے، جبکہ نیشنل ہسپتال ملتان اور چوہدری پرویز الہی انسٹی ٹیوٹ آف کارڈیالوجی سمیت نکلے کے بڑے طبی اداروں کی فعال معاونت کرتی ہے، اور عملی اور مقامی رہائشیوں کے لیے باقاعدگی سے طبی کیپ بھی منعقد کرتی ہے۔ تعلیم کے شعبے میں FCML مقامی اسکولوں کو مالی معاونت فراہم کرتی ہے اور نوجوانوں کو بااختیار بنانے کے لیے ٹیکنیکی اپٹنس شپ پروگرام پیش کرتی ہے۔

ماحولیاتی لحاظ سے، کمیٹی شمس توانائی کی استعداد میں توسیع اور جدید ٹیکنالوجی ٹریسٹ اور پانی کی ری سائیکلنگ کے پائس کو برقرار رکھتے ہوئے اپنے ماحولیاتی اثرات کو کم سے کم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ GOTS اور TEX-OEKO 1400 ISO سرٹیفیکیشن کی حامل FCML نے مالی سال 2030 تک اپنے اسکوپ 1 اور اسکوپ 2 گرین ہاؤس گیسوں کے اخراج میں تقریباً 30% کمی کا باضابطہ عزم کیا ہے۔

**داخلی کنٹرول کا فریم ورک**

پورڈاس امر کا ادراک رکھتا ہے کہ رسک کی نگرانی، انتظام اور داخلی کنٹرول کا ایک مضبوط نظام اچھی کارپوریٹ گورننس کا بنیادی ستون ہے۔ کمپنی نے داخلی کنٹرول کا ایک فریم ورک قائم کیا ہے جس کی آڈٹ کمیٹی فعال طور پر نگرانی کرتی ہے، جبکہ ایک اعلیٰ ہیڈ آف انٹرنل آڈٹ، اندرونی ٹیم کے تعاون سے، داخلی کنٹرول کے ڈیزائن اور ان پر عملدرآمد کی نگرانی کرتے ہیں۔ یہ فریم ورک واضح طور پر متعین گورننس ڈھانچوں، اختیارات کی حدود، جوابدہی، پالیسیوں اور تفصیلی طریقہ کار پر مشتمل ہے۔

ایڈجسٹ کرنے والے واقعات

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران اور ان مالیاتی گوشواروں کی منظوری کی تاریخ تک، متعلقہ نوٹس میں پہلے سے ظاہر کردہ امور کے علاوہ، ایسا کوئی اہم واقعہ یا لین دین پیش نہیں آیا جس کے لیے ان مالیاتی گوشواروں میں یا ایڈجسٹمنٹ یا انکشاف درکار ہو۔

مجموعی (کنسولیڈیٹڈ) حسابات کی تیاری سے استثنیٰ

حصص یافتگان کو مطلع کیا جاتا ہے کہ گیس کی تجارت اور تقسیم کے کاروبار کے لیے ایک مکمل ملکیتی ذیلی کمپنی، فضل گیس ڈسٹری بیوشن کمپنی لمیٹڈ، 24 جون 2026 کو قائم کی گئی۔ چونکہ یہ ذیلی کمپنی مالی سال کے اختتام سے محض چھ دن قبل قائم ہوئی، اس لیے اس کی تجارتی سرگرمیاں ابھی شروع نہیں ہوئیں اور 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی انفرادی (ایلیمنڈ لون) رپورٹیشن پراس کا کوئی قابل ذکر آپریشن یا مالیاتی اثر مرتب نہیں ہوا۔ چنانچہ کمپنی نے یکمیز ایکٹ، 2017 کی دفعہ 228(7) کے تحت سلیج ریز اینڈ ایکچینج کمیشن آف پاکستان سے 30 جون 2026 کو ختم ہونے والے سال کے لیے مجموعی مالیاتی گوشوارے تیار کرنے کی شرط سے استثنیٰ کی درخواست دی اور یہ استثنیٰ حاصل کر لیا (SECP) کا مکتوب نمبر

Comp/PRDD/SMD/80/2022/30 مورخہ 09 ستمبر 2026)۔ ذیلی کمپنی کے کاروبار کا آغاز ہونے کے بعد آئندہ ورچنگ اور اس کے مالیاتی گوشواروں کا مکمل انضمام شروع کر دیا جائے گا۔

انفارمیشن ٹیکنالوجی (IT)

FCML آپریشنل کارکردگی، کاروباری ترقی اور رسک منجمنٹ کے لیے انفارمیشن ٹیکنالوجی کو ایک اسٹریٹجک معاون کے طور پر برآمدے کار لاری ہے، اور اپنے اسپینگ، ویلجنگ اور انتظامی امور کے درمیان ہموار انضمام کے لیے جدید IT انفراسٹرکچر، سسٹمز اور سافٹ ویئر میں سرمایہ کاری کر رہی ہے۔ مضبوط IT گورننس اور سائبر سیکیورٹی کے اقدامات اہم کاروباری ڈیجیٹل تحفظ کرتے ہیں، جبکہ جدید منجمنٹ انفارمیشن سسٹمز بروقت، درست اور ڈیٹا پر مبنی فیصلہ سازی میں معاونت فراہم کرتے ہیں۔ سال کے دوران IT انفراسٹرکچر کی متعدد اپ گریڈز مکمل کی گئیں، اور کمپنی کے طویل مدتی اسٹریٹجک مقاصد کے مطابق مزید پیش رفت کی منصوبہ بندی کی گئی ہے۔

تبدیلی سے مطابقت

فضل کا تھری ملز لمیٹڈ (FCML) میں مطابقت پذیری ہماری کارپوریٹ انتظامات اور طویل مدتی کامیابی کا بنیادی ستون ہے۔ معاشی اتار چڑھاؤ، تکنیکی ترقی اور صارفین کی بدلتی توقعات سے ہماری ایک متحرک عالمی منظر نامے میں، تبدیلی کا فوری اور سواثر جواب دینے کی ہماری صلاحیت ہمیں ایک دوراندیش ادارے کے طور پر ممتاز کرتی ہے۔ ہم مسابقت برقرار رکھنے اور پائیدار ترقی کو یقینی بنانے کے لیے اپنے کاروباری ماحول کا مسلسل جائزہ لیتے ہیں اور حکمت عملی، طریقہ کار اور وسائل کی تقسیم میں تبدیلیاں کر رہے ہیں۔

جدت، ڈیجیٹل تبدیلی اور ملازمین کی ترقی میں مسلسل سرمایہ کاری کے ذریعے FCML نے ایک ایسی ثقافت کو فروغ دیا ہے جو تبدیلی کو بہتری کا موقع سمجھتی ہے۔ خواہ سہلائی چین میں رکاوٹیں ہوں، رگولیری پیش رفت ہو یا مارکیٹ میں تبدیلیاں، کمپنی اپنی اقدار اور اسٹریٹجک مقاصد کو برقرار رکھنے ہوئے اپنے کاروباری ماحول کو انجمرتے ہوئے حقائق سے ہم آہنگ کرنے میں مستعد رہتی ہے۔ 26-2025 کے دوران ہماری مطابقت پذیری پائیدار توانائی کے مل کی توسیع، بہتر آؤٹپٹ اور آپریشنل کارکردگی میں بہتری جیسے اقدامات سے عیاں رہی، جو بروقت ہوئی لاگت اور موسمیاتی تقاضوں کے پیش نظر اٹھائے گئے۔ مستقبل میں بھی مطابقت پذیری سے FCML کی داخلی اسٹریٹجک فیصلہ سازی کی رہنمائی کرتی رہے گی، جس سے کمپنی نئے مواقع سے فائدہ اٹھانے، خطرات کو کم کرنے اور طویل مدتی، ذمہ دارانہ اور پائیدار ترقی کو فروغ دینے کے قابل ہوگی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز شائن ونگ میپ جوبدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2026 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر کے غیر مشروط آڈٹ رپورٹ جاری کی ہے۔ آڈیٹرز سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے اور اہل ہونے کی بنا پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، پورڈاس آئندہ مالی سال کے لیے بطور آڈیٹران کی تقرری کی سفارش کرتا ہے۔

**پائیداری اور SDG سے متعلق انکشافات**

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نوٹیفکیشن (I) S.R.O. 920/2024 مورخہ 12 جون 2024، جس کے ذریعے سیکرٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں ترمیم کی گئی، کی تعمیل میں بورڈ آف ڈائریکٹرز کمپنی کی پائیداری، ماحولیاتی، سماجی اور گورننس (ESG) اور موسمیاتی تبدیلی سے متعلق خطرات اور مواقع کی فعال نگرانی کرتا ہے۔ بورڈ کمپنی، درمیانی اور طویل مدتی مالیاتی کارکردگی پر ان خطرات کے ممکنہ اثرات کا جائزہ لیتا ہے اور اس بات کو یقینی بناتا ہے کہ ان کے تدارک کی مضبوط حکمت عملیاں انتظامی فیصلہ سازی کا حصہ ہوں۔ SECP کی ESG ڈسکلوژر گائیڈ لائنز کی حوصلہ افزائی کے تحت گورننس، حکمت عملی، درجہ، منجنت، اور پالیسیوں و اہداف پر مبنی بنیادی انکشافات اختیار کرتے ہوئے، بورڈ غور و خاشا کا جائزہ لینے کے لیے مخصوص پالیسیوں کی باقاعدگی سے نگرانی کرتا ہے۔ مزید برآں، طویل مدتی کارپوریٹ قدر کی تخلیق اور کام کی جگہ پر ذمہ دارانہ طرز عمل کو یقینی بنانے کے لیے بورڈ وقتاً فوقتاً کمپنی کی پائیداری اور تنوع، مساوات و شمولیت (DE&I) کی حکمت عملیوں، ترجیحات اور اہداف کے مقابلے میں کارکردگی کا جائزہ لیتا، اس کا تعاقب کرتا اور اسے ہم آہنگ کرتا ہے۔

کمپنی نے IFRS S1 اور IFRS S2 معیارات بھی اختیار کیے ہیں، جو ماحولیاتی، سماجی، گورننس اور موسمیاتی تبدیلی سے متعلق ان خطرات اور مواقع کا احاطہ کرتے ہیں جو طویل مدتی کارکردگی پر اثر انداز ہو سکتے ہیں، اور کمپنی اپنے پائیداری کے اقدامات کو اقوام متحدہ کے پائیدار ترقیاتی اہداف سے ہم آہنگ رکھتی ہے۔

موسمیاتی تبدیلی کے خلاف اقدامات

کمپنی متعدد ماحولیاتی اقدامات کے ذریعے موسمیاتی تبدیلی کا مقابلہ کرنے کے لیے عزم ہے۔ کمپنی سالانہ قابل تجدید توانائی کے ذرائع سے 46.6 میگا واٹ بجلی پیدا کرتی ہے، اور سبزے میں اضافے کے لیے پیداواری تنصیبات کے اطراف متعدد درخت لگائے گئے ہیں۔ کمپنی صحت، حفاظت اور ماحول (HSE) کے موجودہ طریقہ کار کے مطابق باقاعدہ آگاہی سیشن اور اخلاقی مشقوں کے ذریعے اپنی افرادی قوت، انفراسٹرکچر اور آپریشنز کی صحت، حفاظت اور سلامتی کو ترجیح دیتی ہے، اور اس بات کو یقینی بناتی ہے کہ ذرائعی مادے اور CO₂ کا اخراج بحال انوار استعمال کو اپنی اسٹینڈرڈز (NEQS) میں متعین حدود کے اندر رہے، جس کے لیے NEQS (سیلف مانیٹرنگ اینڈ رپورٹنگ) 2001 کے تحت فضائی معیار کی نگرانی کا ایک جاری پروگرام بھی موجود ہے۔

اسپانسرز، ڈائریکٹرز اور ایگزیکٹوز کے زیر ملکیت حصص

30 جون 2026 تک اسپانسرز، ڈائریکٹرز، ایگزیکٹوز اور ان کے متعلقہ فریقین اور خاندان کے دیگر افراد کے پاس مجموعی طور پر 6,938,186 عام حصص تھے، جو کمپنی کے جاری شدہ، خریدے گئے اور ادا شدہ سرمایہ حصص کا 23.13% ہیں، جبکہ ایسوسی ایٹڈ کمپنیوں، متعلقہ فریقین اور خاندان کے دیگر افراد کے پاس مزید 66.12% مجموعی حصص تھے۔ 30 جون 2026 تک کا تفصیلی بیڑن آف شیئر ہولڈنگ، جو قابل اطلاق ریگولیٹری تھرسوں کی تعمیل میں تیار کیا گیا ہے، اس رپورٹ کے ساتھ منسلک ہے۔

مستقبل کا منظر نامہ

کمپنی نئی بین الاقوامی منڈیوں تک وسیع مصنوعات کے تنوع اور پائیداری کے اقدامات میں بہتری، آپریشنز کارکردگی کے لیے قابل تجدید توانائی اور ڈیجیٹل تبدیلی میں سرمایہ کاری، اور ESG اور پائیداری رپورٹنگ کے معیارات کی تعمیل کو مضبوط بنانے پر توجہ مرکوز رکھے ہوئے ہے۔ انتظامیہ کو مراعات، معقول شرح مبادلہ اور آپریشنز بہتری کے تسلسل کی بدولت مالی سال 2027 میں معقول ترقی کی توقع ہے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے ملازمین کی خدمات، وفاداری اور مسلسل کوششوں پر ان کی تحسین کرتے ہیں، نیز صارفین، سپلائرز، بینکوں، مالیاتی اداروں، ریگولیٹرز اور حصص یافتگان کے مسلسل تعاون پر ان کے شکر گزار ہیں، اور توقع رکھتے ہیں کہ یہ تعاون اور حمایت مستقبل میں بھی فروغ پاتی رہے گی۔

منجانب و برائے بورڈ آف ڈائریکٹرز،

عامر نسیم

ڈائریکٹر

رحمان نسیم

چیف ایگزیکٹو آفیسر



Gender Pay Gap & Executive Remuneration

Fazal Cloth Mills Limited (FCML) is committed to ensuring equitable treatment and fair working conditions for all employees. We provide equal opportunities for career growth and maintain compensation packages for female employees that are fully comparable to those of their male counterparts. Our workplace fosters an inclusive culture, where every individual is valued and respected, regardless of age, gender, race, marital status, disability, religion or belief, color, or nationality.

Our dedication to gender diversity is reflected across the organization, including meaningful representation of women on the Board of Directors. In line with our commitment to transparency and fairness, the Gender Pay Gap for the year ended 30 June 2026 is presented below:

The following is the Gender Pay Gap Statement Under Circular No. 10 of 2024 for Fazal Cloth Mills Ltd:

-58% (FY 2025 -48%)	-72% (FY 2025 -67%)
Mean Gender Pay Gap	Median Gender Pay Gap

While the gender pay gap figures reflect a widening variance moving from -48% to -58% for the mean and -67% to -72% for the median, this is primarily driven by structural workforce distribution across our operational and manufacturing cadres rather than disparities in compensation for equal roles. As a textile manufacturer, our workforce is predominantly concentrated in specific shop-floor and technical positions where male employment historically outweighs female representation.

Fazal Cloth Mills Limited remains steadfastly committed to the principle of equal pay for work of equal value and merit-based remuneration. To address these structural gaps sustainably, we are actively expanding inclusive recruitment channels, enhancing career development pathways for women across all organizational levels, and fostering an environment that supports balanced gender representation in higher-cadre and leadership roles.

CEO Pay ratio

As part of our commitment to transparency, equitable compensation, and governance best practices, the Board evaluates executive remuneration relative to the broader workforce structure. For the financial year ended June 30, 2026 CEO-to-median employee pay ratio of [34:1]. The median employee was identified using consistent total cash remuneration across all permanent personnel. Executive pay remains strictly performance-linked, and oversight is maintained by the Board's HR&R Committee to ensure fair, non-discriminatory, and competitive pay practices across all organizational levels. Also mention in Note 46 in attached financials.

Corporate Social Responsibility – Activities (CSR)

Fazal Cloth Mills Limited remains deeply committed to sustainable growth and social welfare, advancing impactful initiatives across healthcare, education, environmental protection, diversity and inclusion, and climate action under the oversight of the Board's Sustainability Committee. Healthcare and education form the core pillars of the Company's corporate social responsibility strategy. Through the Fazal ur Rehman Foundation, FCML operates a dedicated 50-bed charitable hospital providing free medical treatment to underserved communities, while actively supporting major regional healthcare institutions like Nishtar Hospital Multan and the Ch. Pervaiz Elahi Institute of Cardiology alongside regular medical camps. In education, the Company funds local schools and runs technical apprenticeship programs to empower youth. On the environmental front, FCML continuously minimizes its ecological footprint by expanding solar energy capacity, maintaining advanced effluent treatment and water recycling plants, and committing to reduce its Scope 1 and Scope 2 greenhouse gas emissions by approximately 30% by FY2030, backed by key environmental certifications.



Below are key highlights of FCML CSR activities ;



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited





Below are key highlights of FCML CSR activities ;



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



Fazal Cloth Mills Limited



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Fazal Cloth Mills Limited



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Fazal Cloth Mills Limited



Fazal Cloth Mills Limited





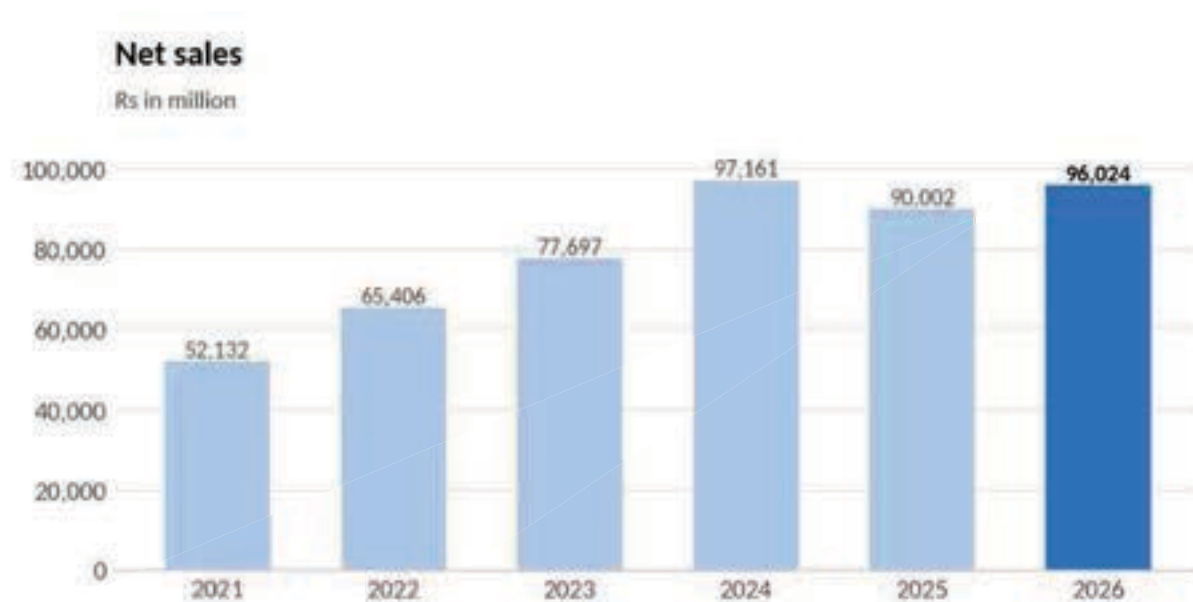
Financial Highlights 2026

Results for the year at a glance, compared with the prior year.

NET SALES Rs 96.0 bn +6.7% vs 2025	GROSS PROFIT Rs 8.9 bn +16.2% vs 2025	PROFIT AFTER TAX Rs 1.57 bn +311% vs 2025	EARNINGS PER SHARE Rs 52.44 2025: Rs 12.76
CASH DIVIDEND Rs 15 / share 2025: nil	SHAREHOLDERS' EQUITY Rs 75.7 bn +34.1% vs 2025	DEBT TO EQUITY 0.61x 2025: 0.83x	INTEREST COVER 1.59x 2025: 1.30x

Performance overview

- Net sales grew 6.7% to Rs 96.0 billion, a five-year compound annual growth rate of 13.0% from Rs 52.1 billion in 2021.
- Gross margin improved to 9.32% from 8.55%, lifting gross profit by 16.2% to Rs 8.9 billion.
- Finance cost fell 3.4% to Rs 5.1 billion.
- Profit after tax rose to Rs 1,573 million from Rs 383 million, taking earnings per share to Rs 52.44.
- A cash dividend of Rs 15 per share, the first since 2022, represents a payout of 28.61% and a dividend yield of 5.85%.
- Balance sheet strength improved: debt to equity reduced to 0.61x and debt service coverage rose to 2.03x.





Key Financial Performance Indicators

Rs in million

RS IN MILLION	2026	2025	2024	2023	2022	2021
Net Sales	96,024	90,002	97,161	77,697	65,406	52,132
Gross Profit	8,946	7,697	11,017	10,086	11,168	8,005
EBIT	8,151	6,895	11,163	6,669	8,821	7,404
Finance Cost	5,111	5,290	8,337	5,074	2,923	1,795
Pre-tax Profit	3,040	1,606	2,826	1,595	5,899	5,563
Post-tax Profit	1,573	383	1,785	586	4,610	5,432
Net Assets	75,677	56,437	53,556	44,647	40,529	34,697

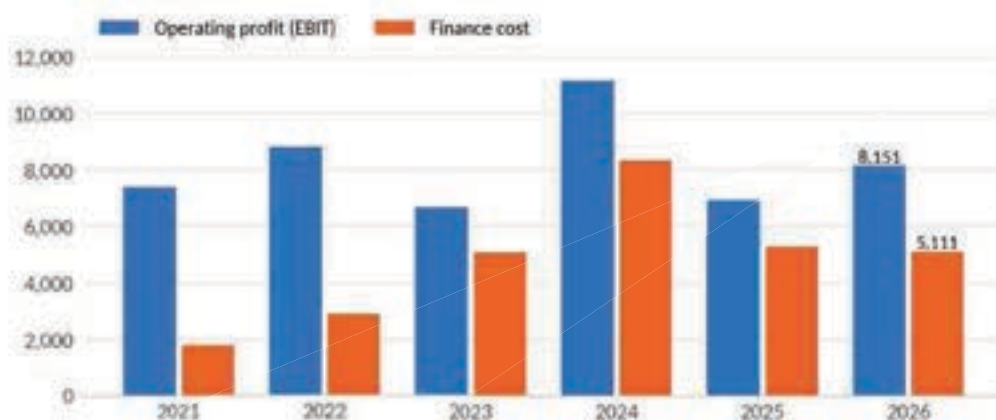
Profit progression

Rs in million



Operating profit vs finance cost

Rs in million



- Operating profit recovered 18.2% to Rs 8,151 million, while finance cost absorbed 63% of it, down from 77% in 2025 and 75% in 2024.



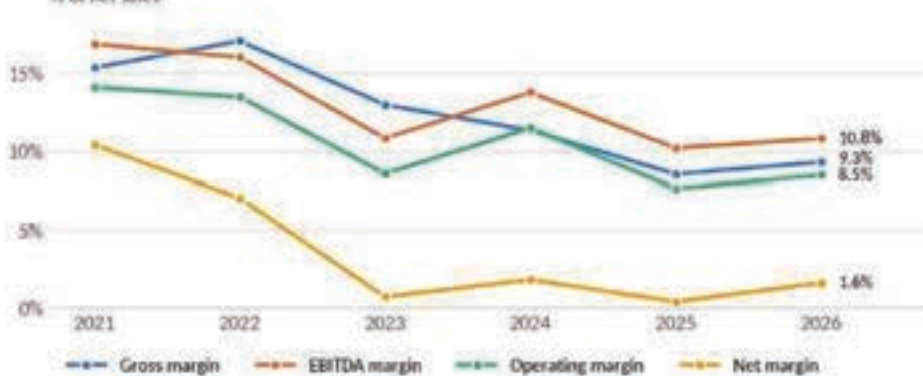
Profitability

PROFITABILITY	2026	2025	2024	2023	2022	2021
Gross Profit Margin	9.32%	8.55%	11.34%	12.98%	17.07%	15.36%
EBITDA Margin	10.83%	10.21%	13.78%	10.84%	16.03%	16.87%
Operating Profit Margin	8.49%	7.66%	11.49%	8.58%	13.49%	14.11%
Net Profit Margin	1.64%	0.43%	1.84%	0.75%	7.05%	10.42%
Net Return on Equity (ROE) %	2.08%	0.68%	3.33%	1.31%	11.38%	15.65%
Net Return on Assets (ROA) %	1.18%	0.33%	1.79%	0.54%	5.27%	8.09%
Shareholders' Funds (Rs in billion)	75.68	56.44	53.56	44.65	40.53	34.70
Return on Capital Employed	8.08%	9.03%	16.08%	9.72%	14.48%	14.04%

Shareholders' funds shown in Rs billion, rounded to two decimals.

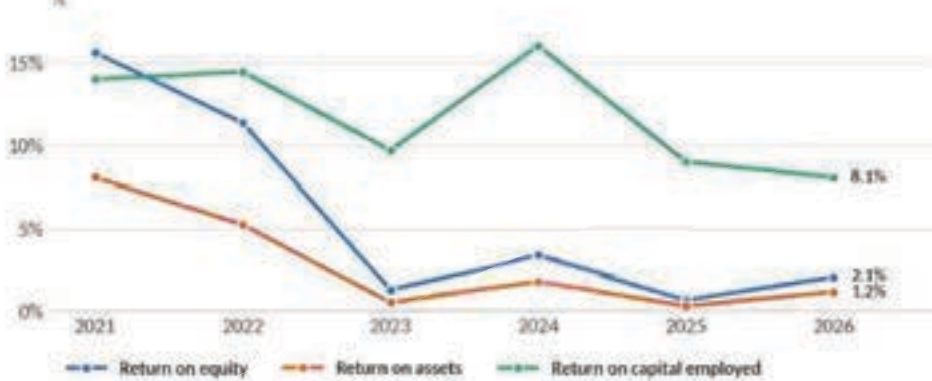
Profit margins

% of net sales



Returns

%



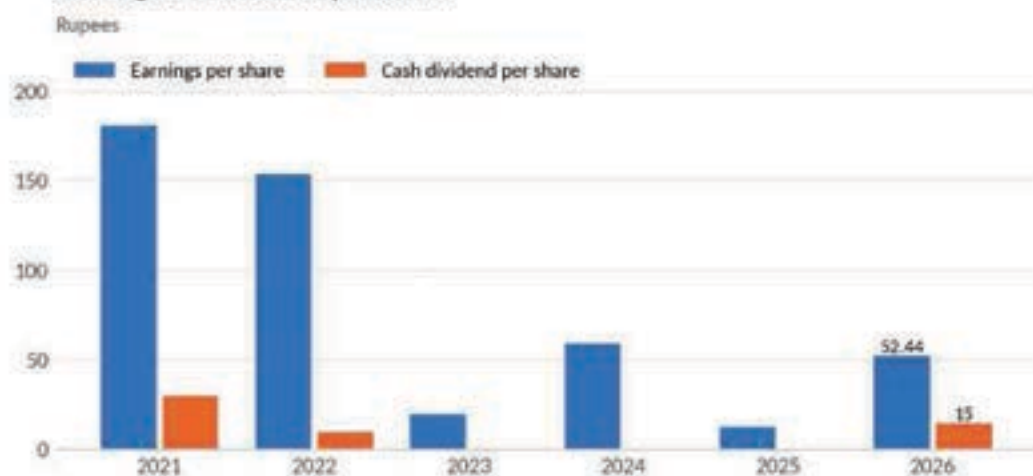
- All margins improved on 2025 but remain below the 2021-2022 levels, with cost of sales still at 90.7% of net sales.
- Net margin and return on equity recovered from 0.43% and 0.68% to 1.64% and 2.08% respectively, as lower finance cost fed through to the bottom line.



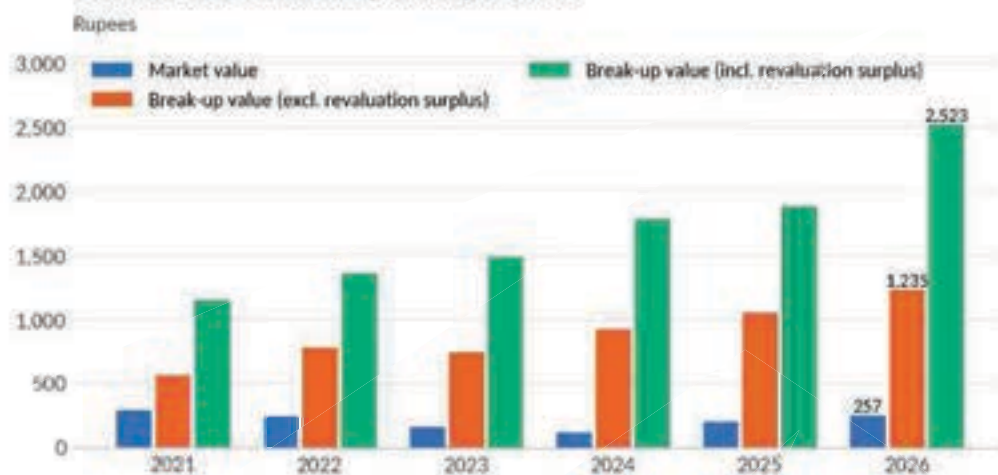
Investment Ratios

INVESTMENT	2026	2025	2024	2023	2022	2021
Earnings per share - basic & diluted (Rs)	52.44	12.76	59.51	19.54	153.68	181.06
Price Earnings Ratio (Times)	4.90	16.37	2.13	8.50	1.57	1.62
Price to Book Ratio (Times)	0.10	0.11	0.07	0.11	0.18	0.25
Dividend Yield Ratio (%)	5.85	-	-	-	4.15	10.20
Dividend payout ratio (%)	28.61	-	-	-	6.51	16.57
Cash dividend per share (Rs)	15	-	-	-	10	30
Market value per share at year end (Rs)	256.52	209.02	127	166	241	294
Break-up value per share - with revaluation surplus (Rs)	2,522.58	1,881	1,785	1,488	1,351	1,156
Break-up value per share - without revaluation surplus (Rs)	1,234.53	1,058	931	751	779	556

Earnings and dividend per share



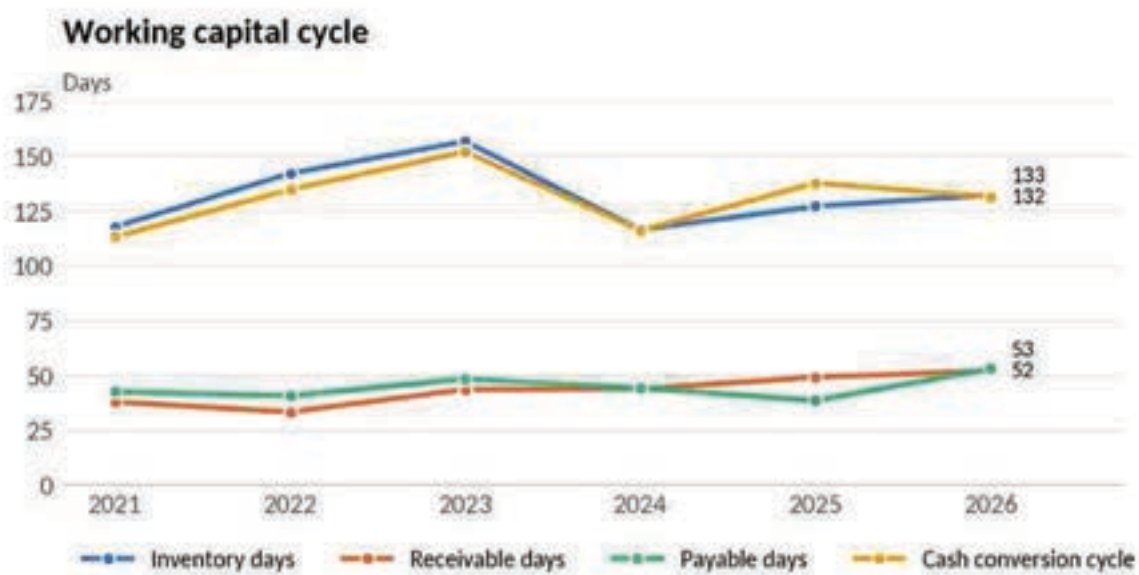
Market value vs break-up value per share





Activity / Turnover Ratios

ACTIVITY / TURNOVER RATIOS	2026	2025	2024	2023	2022	2021
Inventory Holding Period (Days)	132.51	127.3	116.6	156.9	142.3	117.9
Inventory Turnover Ratio (Times)	2.75	2.87	3.13	2.33	2.57	3.1
Trade Receivables Collection Period (Days)	52.28	49.37	44.04	43.78	33.5	38.05
Trade Receivables Turnover Ratio (Times)	6.98	7.39	8.29	8.34	10.9	9.59
Trade Payables Payment Period (Days)	53.16	38.71	44.41	48.54	40.88	42.68
Trade Payables Turnover Ratio (Times)	6.87	9.43	8.22	7.52	8.93	8.55
Fixed Asset Turnover Ratio (Times)	1.41	1.44	1.62	1.32	1.33	1.17
Total Asset Turnover Ratio (Times)	0.72	0.78	0.97	0.72	0.75	0.78
Cash Conversion Cycle (Days)	131.6	137.9	116.3	152.2	134.9	113.3

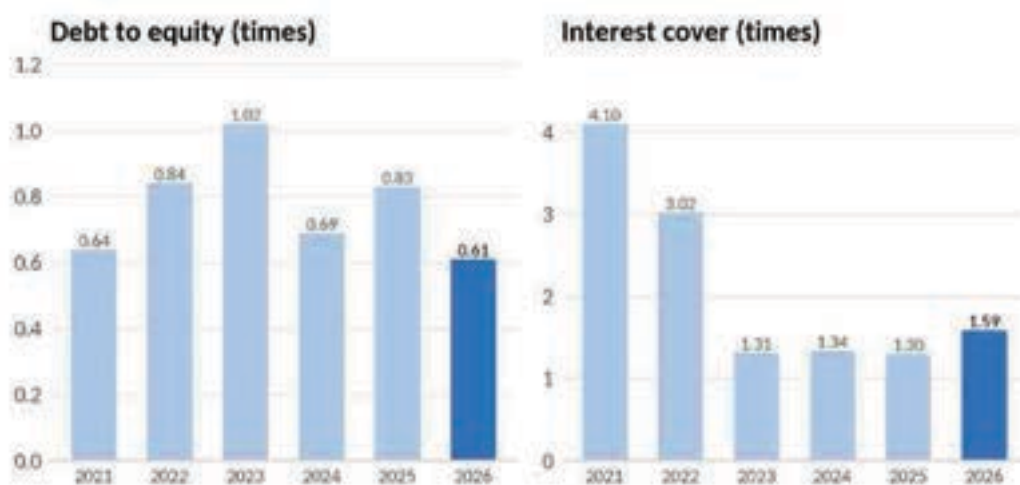


- The cash conversion cycle shortened by 6.3 days to 131.6 days, as longer payable days (53.2) more than offset higher inventory (132.5) and receivable (52.3) days.
- Stock-in-trade fell 12.2% to Rs 29.6 billion, while trade debts rose 24.2% to Rs 15.2 billion.

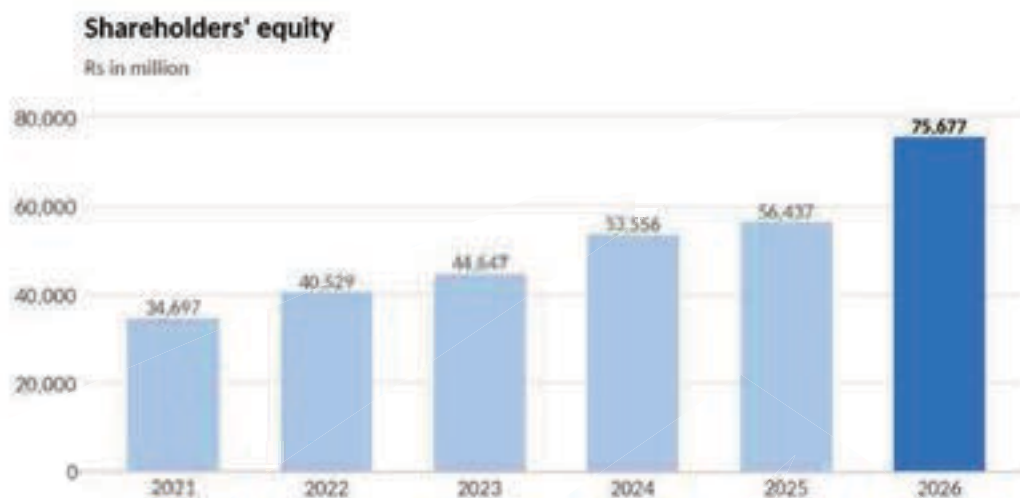


Capital Structure

CAPITAL STRUCTURE	2026	2025	2024	2023	2022	2021
Total Liabilities to Equity (Times)	0.76	1.05	0.86	1.41	1.16	0.93
Long Term debt to Equity (Times)	0.39	0.42	0.36	0.45	0.46	0.47
Equity Multiplier (Times)	1.76	2.05	1.86	2.41	2.16	1.93
Interest Coverage Ratio (Times)	1.59	1.30	1.34	1.31	3.02	4.10
Debt to equity ratio (Times)	0.61	0.83	0.69	1.02	0.84	0.64
Net Assets per Share (Rs)	2,522	1,881	1,785	1,488	1,351	1,156
Debt Service Coverage (Times)	1.09	1.00	1.16	1.03	1.56	2.84
Total Liabilities to Total Assets Ratio	43.29%	51.1%	46.33%	59%	54%	48%



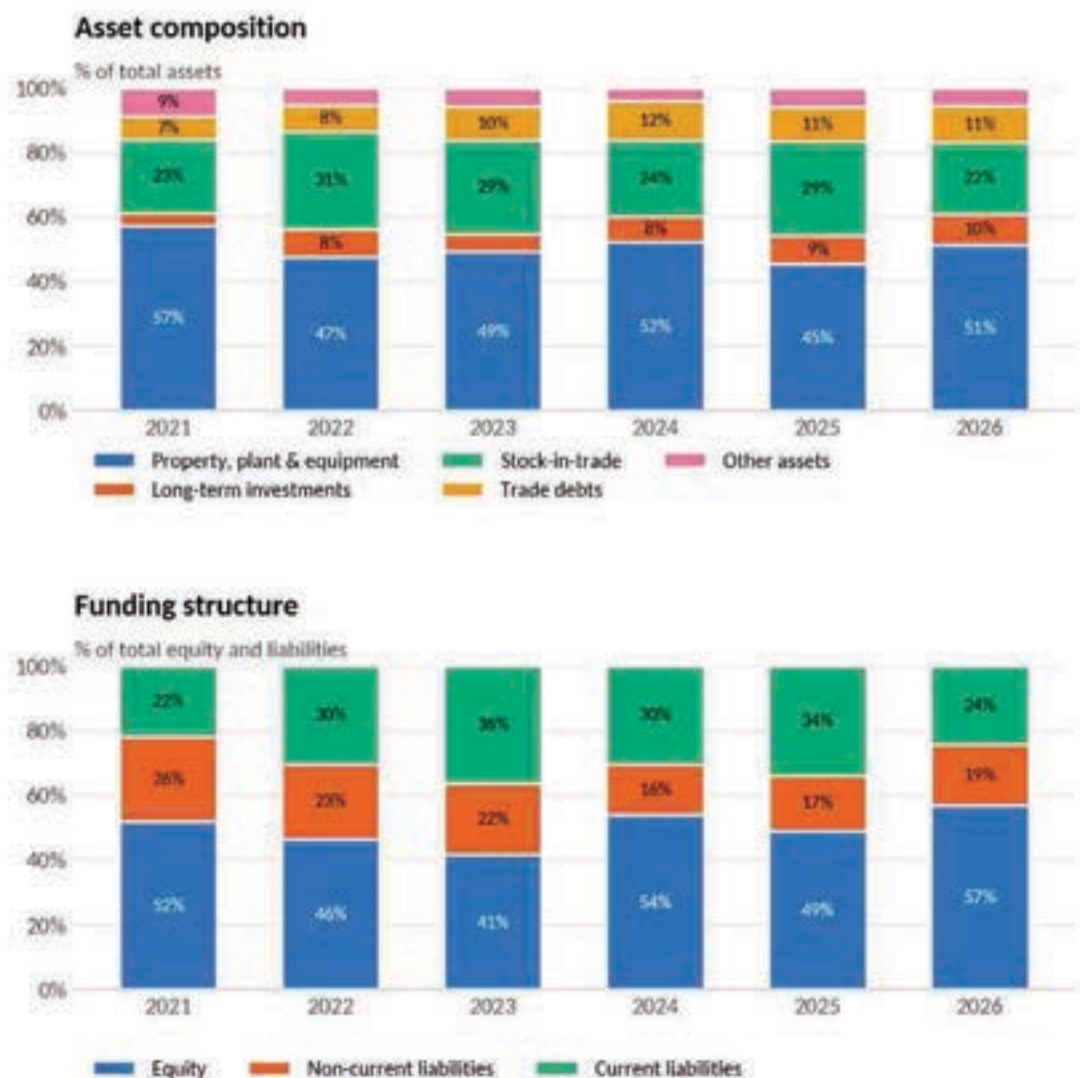
- Debt to equity improved to 0.61x from 0.83x, and total liabilities fell to 43.3% of total assets from 51.1%.
- Interest cover strengthened to 1.59x, its highest since 2022, and debt service coverage rose to 2.03x, its highest since 2021.





Vertical Analysis for the Last Six Years

Each line item expressed as a percentage of total assets (statement of financial position) or of net revenue (statement of profit or loss).



Key observations

- Property, plant and equipment is the largest asset at 51.1% of total assets, up from 45.2%, in line with the Rs 14.0 billion increase in revaluation surplus.
- Stock-in-trade fell to 22.2% of total assets from 29.2%, while trade debts rose to 11.4% from 10.6%.
- Equity now funds 56.7% of total assets, the highest share in six years, while current liabilities fell to 24.4% from 34.0% as short-term borrowings were repaid.
- Cost of sales absorbed 90.7% of net revenue (2025: 91.4%), and finance cost fell to 5.3% of revenue from 5.9%.



STATEMENT OF FINANCIAL POSITION – ASSETS												
	2026		2025 (Revised)		2024 (Revised)		2023		2022		2021	
	Rs. mn.	%	Rs. mn.	%	Rs. mn.	%	Rs. mn.	%	Rs. mn.	%	Rs. mn.	%
NON-CURRENT ASSETS												
Property, plant and equipment	68,121.0	91.1%	52,167.4	45.2%	52,090.0	52.2%	52,882.7	49.0%	41,518.3	47.4%	38,416.2	57.2%
Long term investments	12,999.4	9.7%	10,248.1	8.9%	7,659.0	7.7%	5,999.2	5.6%	7,484.7	8.5%	2,568.0	3.8%
Long term loans, advances and mark-up accrued	-	-	-	-	-	-	-	-	-	-	3,361.4	5.0%
Long term deposits	25.7	0.0%	25.7	0.0%	110.6	0.1%	25.5	0.0%	25.5	0.0%	24.1	0.0%
Total non-current assets	81,146.4	60.8%	62,441.2	54.1%	59,859.7	60.0%	58,897.4	54.6%	49,028.6	56.0%	44,389.7	66.1%
CURRENT ASSETS												
Stores, spare parts and loose tools	2,161.9	1.8%	2,110.8	2.0%	2,066.8	2.1%	1,429.9	1.3%	807.3	0.9%	850.4	1.3%
Stock-in-trade	29,564.0	22.2%	33,661.5	29.2%	23,780.1	23.8%	31,318.2	29.1%	26,813.0	30.6%	15,470.4	23.0%
Trade debtors	15,240.4	11.4%	12,267.0	10.6%	12,079.3	12.1%	11,366.8	10.5%	7,268.4	8.3%	4,737.5	7.1%
Loans, advances and other receivables	372.5	0.3%	324.1	0.3%	217.2	0.2%	218.4	0.2%	400.3	0.5%	226.0	0.3%
Deposits, prepayments and other receivables	456.8	0.3%	642.8	0.6%	269.4	0.3%	602.5	0.6%	186.4	0.2%	220.4	0.2%
Mark-up accrued	28.9	0.0%	19.1	0.0%	4.3	0.0%	1.2	0.0%	-	-	-	-
Short term investment	1,031.6	0.8%	608.4	0.5%	315.9	0.3%	182.4	0.2%	231.3	0.3%	176.0	0.3%
Sales tax refundable / tax refunds due from Government	1,203.8	0.9%	2,056.5	1.8%	585.2	0.6%	3,267.7	3.0%	2,367.9	2.7%	1,017.9	1.5%
Income tax refundable – net	350.6	0.1%	-	-	-	-	-	-	-	-	-	-
Cash and bank balances	1,843.9	1.4%	1,122.3	1.0%	713.4	0.7%	528.6	0.5%	386.2	0.4%	155.9	0.2%
Non-current assets held for sale	-	-	-	-	-	-	-	-	53.6	0.1%	-	-
Total current assets	52,274.6	39.2%	53,012.5	45.9%	39,941.7	40.0%	48,516.5	45.4%	38,514.3	44.0%	22,754.4	33.9%
TOTAL ASSETS	133,421.0	100.0%	115,453.8	100.0%	99,781.3	100.0%	107,773.9	100.0%	87,542.9	100.0%	67,124.1	100.0%



STATEMENT OF FINANCIAL POSITION - EQUITY & LIABILITIES												
	2026		2025 (Revised)		2024 (Revised)		2023		2022		2021	
Rs in million	Rs. mtn	%	Rs. mtn	%	Rs. mtn	%	Rs. mtn	%	Rs. mtn	%	Rs. mtn	%
SHARE CAPITAL AND RESERVES												
Issued, subscribed and paid-up capital	300.0	0.2%	300.0	0.3%	300.0	0.3%	300.0	0.3%	300.0	0.3%	300.0	0.4%
Other capital reserves	22,426.4	16.8%	19,675.3	17.0%	2,066.2	2.1%	1,075.7	1.0%	2,780.4	3.1%	1,144.0	1.7%
Revaluation surplus on property, plant and equipment	38,641.2	29.0%	24,671.5	21.4%	25,630.0	25.7%	22,130.6	20.5%	17,150.5	19.6%	18,009.5	26.8%
Unappropriated profit - revenue reserve	14,309.6	10.7%	11,790.5	10.2%	23,559.5	25.6%	21,140.1	19.6%	20,368.5	23.5%	15,243.8	22.7%
Total equity	75,677.3	56.7%	56,437.3	48.9%	53,555.7	53.7%	44,646.5	41.4%	40,529.3	46.3%	34,697.3	51.7%
NON-CURRENT LIABILITIES												
Long term financing - secured	11,775.0	8.8%	11,168.1	9.7%	12,715.3	12.7%	13,425.9	12.5%	12,924.5	14.7%	10,834.5	16.1%
Long term musharaka - secured	12,783.9	9.6%	7,956.1	6.9%	2,509.6	2.5%	3,329.1	3.1%	2,633.2	3.0%	1,864.1	2.8%
Lease liability - unsecured	60.0	0.0%	66.8	0.1%	70.7	0.1%	73.1	0.1%	74.0	0.1%	72.9	0.1%
Long term payable	-	-	-	-	-	-	-	-	-	-	304.5	0.5%
Staff retirement benefits	571.6	0.4%	604.3	0.5%	576.4	0.6%	445.2	0.4%	342.3	0.4%	288.7	0.4%
Deferred grant	-	-	-	-	-	-	-	-	-	-	5.7	0.0%
Deferred taxation	-	-	-	-	-	-	6,082.5	6.3%	4,445.0	5.1%	4,356.8	6.5%
Total non-current liabilities	25,190.4	18.9%	19,794.9	17.1%	15,872.1	15.9%	23,855.9	22.2%	20,398.9	23.3%	17,717.1	26.4%
CURRENT LIABILITIES												
Current portion of non-current liabilities	5,314.3	4.0%	8,111.5	1.7%	3,835.2	3.8%	3,239.1	3.0%	3,094.9	3.5%	3,663.8	5.5%
Short term borrowings - secured	16,342.0	12.2%	23,537.8	20.4%	17,717.7	17.8%	25,569.2	23.7%	15,370.8	17.6%	6,007.1	8.9%
Contract liabilities	1,402.7	1.1%	1,294.3	1.1%	438.1	0.4%	760.0	0.7%	207.2	0.2%	150.7	0.2%
Trade and other payables	8,740.0	6.6%	8,596.3	7.8%	6,387.0	6.4%	8,279.1	7.7%	7,399.5	8.4%	4,570.0	6.8%
Unclaimed dividend	22.0	0.0%	27.0	0.0%	22.0	0.0%	22.6	0.0%	21.2	0.0%	18.9	0.0%
Accrued work up	732.2	0.5%	882.3	0.8%	1,320.4	1.3%	1,273.7	1.2%	551.2	0.6%	299.1	0.4%
Provision for income tax and fines - net	-	-	177.5	0.2%	633.1	0.6%	26.8	0.0%	-	-	-	-
Total current liabilities	32,553.3	24.4%	39,221.6	34.0%	30,353.6	30.4%	39,171.5	36.3%	26,614.7	30.4%	14,709.7	21.9%
Total liabilities	57,743.7	43.3%	59,016.5	51.1%	46,225.7	46.3%	63,127.4	58.6%	47,013.6	53.7%	32,426.8	48.3%
TOTAL EQUITY AND LIABILITIES	133,421.0	100.0%	115,453.8	100.0%	99,781.3	100.0%	107,773.9	100.0%	87,542.9	100.0%	67,124.1	100.0%



STATEMENT OF PROFIT OR LOSS		2026		2025 (Revised)		2024		2023 (Revised)		2022		2021	
	Rs in million	Rs mn	%	Rs mn	%	Rs mn	%	Rs mn	%	Rs mn	%	Rs mn	%
Revenue from contracts with customers - net	96,023.7	100.0%		90,002.4	100.0%	97,160.9		77,697.0	100.0%	65,406.3	100.0%	52,132.2	100.0%
Cost of sales	(87,077.6)	(90.7%)		(82,305.6)	(91.4%)	(86,143.9)		(67,610.9)	(87.0%)	(54,238.3)	(82.9%)	(44,127.3)	(84.6%)
Gross profit	8,946.2	9.3%		7,696.7	8.6%	11,017.0		10,086.1	13.0%	11,167.9	17.1%	8,005.0	15.4%
Selling and distribution expenses	(516.2)	(0.5%)		(516.6)	(0.6%)	(559.6)		(497.1)	(0.6%)	(592.0)	(0.9%)	(371.7)	(0.7%)
Administrative expenses	(931.7)	(1.0%)		(900.3)	(1.0%)	(780.7)		(615.7)	(0.8%)	(521.2)	(0.8%)	(404.2)	(0.8%)
Other expenses	(350.5)	(0.4%)		(304.0)	(0.3%)	(178.5)		(2,677.9)	(3.4%)	(1,519.9)	(2.3%)	(686.0)	(1.3%)
Fair value (loss) / gain on financial assets	-	-		-	-	-		-	-	(274.7)	(0.4%)	216.8	0.4%
Other income	1,003.8	1.0%		919.6	1.0%	1,665.2		373.8	0.5%	561.3	0.9%	644.5	1.2%
Profit from operations	8,151.1	8.5%		6,895.4	7.7%	11,163.3		6,669.2	8.6%	8,821.4	13.5%	7,404.3	14.2%
Share of loss from associates	-	-		-	-	-		(0.0)	(0.0%)	(0.0)	(0.0%)	(46.5)	(0.1%)
Finance cost	(5,110.6)	(5.3%)		(5,203.5)	(5.9%)	(8,337.4)		(5,074.4)	(6.5%)	(2,922.7)	(4.5%)	(1,794.7)	(3.4%)
Profit before levies and income tax	3,040.4	3.2%		1,691.9	1.8%	2,825.9		1,594.8	2.1%	5,898.7	9.0%	5,562.8	10.7%
Levies	(1,205.5)	(1.3%)		(1,080.7)	(1.2%)	(1,330.6)		(1,007.9)	(1.3%)	-	-	-	-
Profit before income tax	1,835.0	1.9%		525.2	0.6%	1,495.3		586.9	0.8%	5,898.7	9.0%	5,562.8	10.7%
Income tax	(261.9)	(0.3%)		(147.5)	(0.2%)	290.0		(0.8)	(0.0%)	(1,288.5)	(2.0%)	(131.0)	(0.3%)
Profit after taxation	1,573.1	1.6%		382.8	0.4%	1,785.3		586.1	0.8%	4,610.3	7.0%	5,431.8	10.4%
Other comprehensive income - net	17,666.9	18.4%		2,498.8	2.8%	853.0		4,499.4	5.8%	1,536.2	2.3%	9,167.3	17.6%
Total comprehensive income	19,240.0	20.0%		2,881.6	3.2%	2,638.3		5,085.4	6.5%	6,146.4	9.4%	14,599.1	28.0%

**Horizontal Analysis for the Last Six Years**

Year-on-year percentage change in each line item. Figures in brackets denote decreases; n/a - not applicable.

FINANCIAL POSITION - ASSETS (Rs mn)	2026	% change	2025 (Restated)	% change	2024 (Restated)	% change	2023	% change	2022	% change	2021
NON-CURRENT ASSETS											
Property, plant and equipment	68,121	30.6	52,167	0.1	52,090	(1.4)	52,833	27.3	41,518	8.1	38,416
Long term investments	12,999	26.8	10,248	34.2	7,639	27.3	5,999	(19.8)	7,485	191.5	2,568
Long term loans and advances and mark up accrued	-	-	-	-	-	-	-	-	-	(100.0)	3,361
Long term deposits	26	0.0	26	(76.7)	111	333.2	26	0.0	26	5.9	24
Total non-current assets	81,146	30.0	62,441	4.3	59,840	1.7	58,857	20.0	49,029	10.5	44,370
CURRENT ASSETS											
Stores, spare parts and loose tools	2,362	2.2	2,311	12.9	2,047	43.1	1,430	77.1	807	(5.1)	850
Stock-in-trade	29,564	(12.2)	33,662	41.9	23,730	(24.2)	31,318	16.8	26,813	73.3	15,470
Trade debts	15,240	24.2	12,267	1.6	12,079	6.3	11,369	56.4	7,268	53.4	4,738
Advances and other receivables	373	14.9	324	49.2	217	(0.5)	218	(45.5)	400	77.1	226
Deposits, prepayments and other receivables	457	(28.9)	643	138.6	269	(55.2)	601	222.7	186	54.8	120
Mark-up accrued	29	51.7	19	345.7	4	257.3	1	n/a	-	-	-
Short term investment	1,012	66.3	608	92.6	316	73.2	182	(21.1)	231	31.5	176
Sales tax refundable / tax refunds due from Government	1,204	(41.5)	2,056	263.9	565	(82.7)	3,268	38.0	2,368	132.6	1,018
Income tax refundable - net	191	n/a	-	-	-	-	-	-	-	-	-
Cash and bank balances	1,844	64.3	1,122	57.3	713	35.0	529	36.9	386	147.8	156
Non-current assets held for sale	-	-	-	-	-	-	-	(100.0)	54	n/a	-
Total current assets	52,275	(1.4)	53,013	32.7	39,942	(18.3)	48,917	27.0	38,514	69.3	22,754
Total assets	133,421	15.6	115,454	15.7	99,781	(7.4)	107,774	23.1	87,543	30.4	67,124

FINANCIAL POSITION - EQUITY & LIABILITIES (Rs. mn)	2026	% change	2025 (Restated)	% change	2024 (Restated)	% change	2023	% change	2022	% change	2021
SHARE CAPITAL AND RESERVES											
Issued, subscribed and paid-up capital	300	0.0	300	0.0	300	0.0	300	0.0	300	0.0	300
Other capital reserves	22,426	14.0	19,675	852.3	2,066	(60.3)	1,076	(60.3)	2,710	136.9	1,144
Revaluation surplus on property, plant and equipment	38,641	56.6	24,671	(3.7)	25,630	29.0	22,131	29.0	17,150	(4.8)	18,009
Unappropriated profit - revenue reserve	14,310	21.4	11,791	(53.9)	25,559	3.8	21,140	3.8	20,368	33.6	15,244
Total equity	75,677	34.1	56,437	5.4	53,556	10.2	44,647	10.2	40,529	16.8	34,697
NON-CURRENT LIABILITIES											
Long term financing - secured	11,775	5.4	11,168	(12.2)	12,715	4.0	13,426	4.0	12,905	19.2	10,825
Long term musharika - secured	12,784	60.7	7,956	217.0	2,510	26.4	3,329	26.4	2,633	41.3	1,864
Lease liability - unsecured	60	(9.7)	66	(6.0)	71	(1.1)	73	(1.1)	74	1.4	73
Long term payable - GIDC	-	-	-	-	-	-	-	-	-	(100.0)	304
Staff retirement benefits	572	(5.4)	604	4.8	576	30.1	445	30.1	342	18.6	289
Deferred grant	-	-	-	-	-	-	-	-	-	(100.0)	6
Deferred taxation	-	-	-	-	-	50.3	6,682	50.3	4,445	2.0	4,357
Total non-current liabilities	25,190	27.3	19,795	24.7	15,872	17.4	23,956	17.4	20,399	15.1	17,717
CURRENT LIABILITIES											
Trade and other payables	8,740	(2.8)	8,996	40.9	6,387	12.3	8,279	12.3	7,369	61.3	4,570
Contract liabilities	1,403	8.4	1,294	195.5	438	266.9	760	266.9	207	37.5	151
Current portion of non-current liabilities	5,314	23.3	4,311	12.4	3,835	4.7	3,239	4.7	3,095	(15.5)	3,664
Short term borrowings - secured	16,342	(30.6)	23,538	32.8	17,718	66.3	25,569	66.3	15,371	155.9	6,007
Accrued mark-up	732	(17.0)	882	(33.2)	1,320	131.3	1,275	131.3	551	84.3	299
Unclaimed dividend	22	0.0	22	(0.1)	22	6.3	23	6.3	21	12.0	19
Provision for income tax and levies - net	-	(100.0)	177	(72.0)	633	n/a	27	n/a	-	-	-
Total current liabilities	32,553	(17.0)	39,222	29.2	30,354	47.2	39,172	47.2	26,615	80.9	14,710
Total liabilities	57,744	(2.2)	59,016	27.7	46,226	34.3	63,127	34.3	47,014	45.0	32,427
Total equity and liabilities	133,421	15.6	115,454	15.7	99,781	23.1	107,774	23.1	87,543	30.4	67,124



STATEMENT OF PROFIT OR LOSS (Rs mn)	2026	% change	2025 (Restated)	% change	2024	% change	2023 (Restated)	% change	2022	% change	2021
Revenue from contracts with customers - net	96,024	6.7	90,002	(7.4)	97,161	25.1	77,697	18.8	65,406	25.5	52,132
Cost of sales	(87,078)	5.8	(82,306)	(4.5)	(86,144)	27.4	(67,611)	24.7	(54,238)	22.9	(44,127)
Gross profit	8,946	16.2	7,697	(30.1)	11,017	9.2	10,086	(9.7)	11,168	39.5	8,005
Selling and distribution expenses	(516)	(0.1)	(517)	(7.7)	(560)	12.6	(497)	(16.0)	(592)	59.3	(372)
Administrative expenses	(932)	3.5	(900)	15.3	(781)	26.8	(616)	18.1	(521)	28.9	(404)
Other expenses	(351)	15.4	(304)	70.3	(179)	(93.3)	(2,678)	76.2	(1,520)	121.6	(686)
Fair value (loss) / gain on financial assets	-	-	-	-	-	-	-	(100.0)	(275)	(226.7)	217
Other income	1,004	9.2	920	(44.8)	1,665	345.4	374	(33.4)	561	(12.9)	644
Profit from operations	8,151	18.2	6,895	(38.2)	11,163	67.4	6,669	(24.4)	8,821	19.1	7,404
Share of loss from associates	-	-	-	-	-	(100.0)	(0)	(8.7)	(0)	(100.0)	(47)
Finance cost	(5,111)	(3.4)	(5,290)	(36.6)	(8,337)	64.3	(5,074)	73.6	(2,923)	62.9	(1,795)
Profit before levies and income tax	3,040	89.3	1,606	(43.2)	2,826	77.2	1,595	(73.0)	5,899	6.0	5,563
Levies	(1,205)	11.5	(1,081)	(18.8)	(1,331)	32.0	(1,008)	n/a	-	-	-
Profit before income tax	1,835	249.4	525	(64.9)	1,495	154.8	587	(90.0)	5,899	6.0	5,563
Income tax	(262)	83.8	(142)	(149.1)	290	-	(1)	(99.9)	(1,288)	883.4	(131)
Profit after taxation	1,573	311.0	383	(78.6)	1,785	204.6	586	(87.3)	4,610	(15.1)	5,432
Other comprehensive income - net	17,667	607.0	2,499	192.9	853	(81.0)	4,499	192.9	1,536	(83.2)	9,167
Total comprehensive income	19,240	567.7	2,882	9.2	2,638	(48.1)	5,085	(17.3)	6,146	(57.9)	14,599

Comparative figures for certain years have been restated as indicated in the column headings.



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

Name of Company: Fazal Cloth Mills Limited

Year Ended: June 30, 2026

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. Total Number of Directors:

The total number of Directors of the Company is 9 as per the following:

- Male: 8
- Female: 1

2. Composition of the Board:

The composition of the Board is as follows:

○ **Independent Directors:**

Mr. Masood Karim Sheikh
Dr. Muhammad Shoukat

○ **Non-Executive Directors:**

Mr. Naseem Sheikh
Mr. Faisal Ahmed
Mr. Amir Naseem Sheikh

○ **Executive Directors:**

Mr. Rehman Naseem
Mr. Muhammad Mukhtar Sheikh
Mr. Abbas Mukhtar

○ **Female Independent Director**

Mst. Parveen Akhtar Malik

3. Directorship Limits:

The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.

4. Code of Conduct:

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. Vision/Mission Statement & Significant Policies:

The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. A complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the Company.

6. Board Powers:

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 Companies Act, 2017 ("the Act") and the Regulations.

**7. Board Meetings & Minutes:**

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 the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board.

8. Remuneration Policy:

The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.

9. Directors' Training Program (DTP):

As per detail below, Seven directors of the Company have already completed the formal Directors Training Program ("DTP"), whereas the one director fall under the exemption from the mandatory requirement for acquiring DTP certification, however Company intends to arrange measures for DTP of one Director including Female Executive and HOD.

Mr. Masood Karim Sheikh	Obtained DTP
Dr. Shoukat Malik	Obtained DTP
Mst. Parveen Akhter Malik	Obtained DTP
Mr. Naseem Sheikh	Obtained DTP
Mr. Amir Naseem Sheikh	Obtained DTP
Mr. Rehman Naseem	Obtained DTP
Mr. Muhammad Mukhtar Sheikh	Obtained DTP
Mr. Faisal Ahmed	Exempt
Mr. Abbas Mukhtar	Will obtained in December Session

10. Key Corporate Appointments:

The Board has approved the appointment of Company Secretary including his Remuneration & terms & Conditions of employment and complied with relevant requirements of the Regulations. There was no change in the Position of Chief Financial Officer and Head of Internal Audit.

11. Financial Statements Endorsement:

Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. Board Committees:

The Board has formed committees comprising members given below:

I. Board Audit Committee

- Ms. Parveen Akhtar Malik (Chairperson)
- Dr. Muhammad Shoukat (Member)
- Mr. Faisal Ahmed (Member)
- Mr. Aamir Naseem (Member)

II. HR & R Committee

- Dr. Muhammad Shoukat - Chairperson
- Mr. Aamir Naseem (Member)
- Mr. Abbas Mukhtar (Member)



III. Risk Management & Strategic Planning Committee

- Mr. Masood Karim Sheikh - Chairperson
- Mr. Rehman Naseem (Member)
- Mst. Parveen Akhtar Malik (Member)
- Dr. Muhammad Shaukat (Member)

IV. Nomination Committee

- Mr. Sheikh Naseem Ahmed - Chairperson
- Mr. Rehman Naseem (Member)
- Mr. Faisal Ahmed (Member)
- Mr. Muhammad Mukhtar (Member)

V. Sustainability & ESG Committee

- Mr. Rehman Naseem - Chairperson
- Dr. Muhammad Shaukat (Member)
- Mr. Masood Karim Sheikh (Member)
- Ms. Parveen Akhtar Malik (Member)

13. Terms of Reference (TORs):

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

14. Frequency of Committee Meetings:

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

- Audit Committee: Four (4) meetings held during FY 2025–26
- HR, Nomination & Remuneration Committee: One meeting held during FY 2025–26
- Risk Management & Strategic Planning Committee: Two meetings held during FY 2025–26
- Nomination Committee: One meeting was held during the FY 2025–26.
- Sustainability & ESG Committee: One meeting was held during FY 2025–26.

15. Internal Audit Function:

The Board has set up an effective internal audit function which is suitably qualified & experience for the purpose and is conversant with the policies and procedures of the Company.

16. Statutory Auditors:

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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guide lines 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. Auditor Compliance:

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 guide lines in this regard, and

18. Mandatory Provisions Compliance:

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

19. Non mandatory requirements

Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are mentioned below:

One Director needs DTP which the Company has made necessary arrangements for obtaining such training in December 2026

On behalf of the Board of Directors
FAZAL CLOTH MILLS LIMITED

Sheikh Naseem Ahmed
(Director/Chairman)

Rehman Naseem
(Director/CEO)



Fazal Cloth Mills Limited



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SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FAZAL CLOTH MILLS LIMITED

**Review Report on the Statement of Compliance Contained in
the Listed Companies (Code of Corporate Governance) Regulations, 2019**

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 Fazal Cloth Mills Limited (the Company) 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.

LAHORE; SEPTEMBER 30, 2026
UDIN: CR202610104vXNfdjm60

Shinewing Hameed Chaudhri & co.

**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**

Audit Engagement Partner: Osman Hameed Chaudhri



Fazal Cloth Mills Limited

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SW PAKISTAN

SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

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Independent Auditor's Report To the Members of Fazal Cloth Mills Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and 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 profit, 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 Matters

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.



Following are the key audit matters:

S. No.	Description	How the matter was addressed in our audit
1.	Change in accounting policy and reversal of deferred tax liability (Refer note 6) As disclosed in Note 6 to the financial statements, during the year the Company revised its accounting policy relating to income taxes and levies following guidance issued by the Institute of Chartered Accountants of Pakistan through ICAP Circular No. 07 of 2024, together with the relevant requirements of IAS 12 Income Taxes, IFRIC 21 Levies, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and amendments introduced through the Finance Act, 2025. In reassessing its tax position under the revised framework, management concluded that the Company is expected to remain subject to the minimum tax regime for the foreseeable future. Consequently, the deferred tax liability previously recognised in respect of taxable temporary differences was considered no longer required and was derecognised. We considered this matter to be a Key Audit Matter due to the significant judgment involved in determining the Company's future tax position under the minimum tax regime, the complexity associated with applying the relevant tax legislation and accounting requirements, and the material impact of the resulting derecognition of deferred tax liabilities and retrospective restatement on the financial statements and comparative information.	Our audit procedures included the following: - Obtained an understanding of management's assessment of the Company's tax position and the basis for the change in accounting policy. - Evaluated the appropriateness of the revised accounting policy and its consistency with the requirements of IAS 12, IAS 37, IFRIC 21, IAS 8 and the related guidance issued by ICAP and discussed its implication with the ICAP technical services team. - Obtained and reviewed management's tax computations, forecasts and supporting analyses used in concluding that the Company is expected to remain subject to the minimum tax regime for the foreseeable future. - Assessed the reasonableness of key assumptions used in management's forecasts by comparing them with historical financial and tax results and other supporting information. - Reperformed the calculations relating to the derecognition of deferred tax liabilities and tested the allocation of the adjustment between revaluation surplus and unappropriated profit. - Assessed the accuracy and completeness of the retrospective restatement adjustments and related comparative information in accordance with IAS-8. - Evaluated whether the presentation requirements relating to retrospective restatements, including the presentation of an additional statement of financial position where applicable, had been appropriately complied with. - Assessed the adequacy and appropriateness of the related disclosures in the financial statements.



S. No.	Description	How the matter was addressed in our audit
2.	Valuation of stock-in-trade The total value of stock in trade as at the reporting date amounted to Rs.29.564 billion, representing 56.56% of the Company's total current assets. Stock in trade as at reporting date included raw material and finished goods. Refer note 11 to the financial statements. The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of raw material and finished goods and in determining the appropriate value of slow moving and obsolete stocks. We identified this matter as key in our audit due to the judgement and assumption applied by the Company in determining the cost and NRV of stock in trade at the year-end.	We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps: - Assessed whether the Company's accounting policy for inventory valuation is in line with the applicable financial reporting standards. - Attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data. - Assessed the historical costs recorded in the inventory valuation by checking purchase invoices on sample basis. - Tested the reasonability of assumptions applied by the management in the allocation of labour and other various overhead costs to the inventories. - Assessed the management determination of NRV of raw material thereon by performing tests on the subsequent purchase price. - Tested the cost of inventories for finished goods and performed NRV test to assess whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices. - We reviewed the Company's disclosure in the financial statement in respect of stock in trade.



S. No.	Description	How the matter was addressed in our audit
3.	Contingencies The Company is subject to material litigations including taxation and other matters at different courts which require management to make assessment and judgements with respect to likelihood and impact of such litigations on the financial statements of the Company. The details of contingencies along with management's assessment thereon are disclosed in note 30 to the financial statements. Management engaged independent legal consultants on these matters. The accounting for and disclosure of contingencies is complex and is a matter of significance in our audit because of the judgements required to determine the level of certainty on these matters. Due to the magnitude of amount involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts we have considered above referred contingencies as one of the key audit matters.	Our audit procedures included the following: - Discussed legal cases with the legal department to understand the management's view point and obtained management's assessment regarding their implications on the Company. - Obtained independent opinion of legal advisors dealing with such cases in the form of confirmations. - Examined legal expense ledgers to assess any litigations or claims which may result in material misstatement of the financial statements. - Reviewed the documents for legal and tax proceedings maintained by the management, including Judgements passed by different courts. - Assessed the disclosures of legal exposures and provisions for completeness and accuracy.
4.	Revenue recognition The principal activity of the Company is to manufacture and sale of yarn and fabrics. Revenue from sale of goods is recognised as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time. Revenue is measured at fair value of the consideration received or receivable and the payment is typically due on the satisfaction of performance obligation. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures included the following: - Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition. - Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices. - Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period. - Performed audit procedures to analyse variation in the price and quantity sold during the year. - Performed recalculations of discounts as per the Company's policy on test basis. - Understood and evaluated the accounting policy with respect to revenue recognition. - Assessed the adequacy of disclosures made in the financial statements related to revenue.



Information Other than the Financial Statements and Auditors' Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' 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 is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 upto the date of our auditors' 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 provide 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 year and are therefore the key audit matters. We describe these matters in our auditors' 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:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 auditors' report is Osman Hameed Chaudhri.

Shinewing Hameed Chaudhri & co.

Lahore: September 30, 2026
UDIN: AR202610104SxG4cJwdN

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS



Fazal Cloth Mills Limited

ANNUAL REPORT 2026

Fazal Cloth Mills Limited

Audited Financial Statements for the year ended June 30, 2026



Statement Of Financial Position As at June 30, 2026

		2026	2025 Restated	2024 Restated
	Note	----- Rupees -----		
Assets				
Non current assets				
Property, plant and equipment	7	68,121,301,064	52,167,363,593	52,090,033,687
Long term investments	8	12,999,375,653	10,248,129,438	7,639,002,089
Long term advances and mark-up accrued	9	-	-	-
Long term deposits		25,733,193	25,733,193	110,640,293
		81,146,409,910	62,441,226,224	59,839,676,069
Current assets				
Stores, spare parts and loose tools	10	2,361,907,044	2,310,844,034	2,046,801,806
Stock-in-trade	11	29,564,029,613	33,661,545,599	23,730,084,196
Trade debts	12	15,240,449,784	12,266,998,305	12,079,342,689
Advances and other receivables	13	372,535,068	324,107,024	217,229,996
Deposits, prepayments and other receivables	14	456,797,456	642,810,677	269,417,471
Mark-up accrued	15	28,949,068	19,085,522	4,281,883
Short term investment	16	1,011,636,000	608,389,200	315,914,400
Sales tax refundable and adjustable		1,203,795,079	2,056,456,838	565,170,561
Income tax refundable - net		190,577,425	-	-
Cash and bank balances	17	1,843,903,430	1,122,291,188	713,418,102
		52,274,579,967	53,012,528,387	39,941,661,104
Total assets		133,420,989,877	115,453,754,611	99,781,337,173
Equity and Liabilities				
Share capital and reserves				
Authorised capital		1,700,000,000	1,700,000,000	1,700,000,000
30,000,000 ordinary shares of Rs.10 each				
Issued, subscribed and paid-up capital	18	300,000,000	300,000,000	300,000,000
Other capital reserves	19	22,426,424,507	19,675,278,292	2,066,150,943
Revaluation surplus on property, plant and equipment	20	38,641,229,404	24,671,468,956	25,630,012,233
Unappropriated profit - revenue reserves		14,309,625,467	11,790,510,792	25,559,495,981
Total equity		75,677,279,378	56,437,258,040	53,555,659,157
Non current liabilities				
Long term financing - secured	21	11,775,026,476	11,168,050,617	12,715,332,537
Long term musharika - secured	22	12,783,883,426	7,956,146,606	2,509,641,813
Lease liability - unsecured	23	59,976,512	66,442,445	70,677,725
Deferred liabilities:				
-Staff retirement benefit	24	571,560,377	604,292,806	576,427,439
-Deferred taxation	24	-	-	-
		25,190,446,791	19,794,932,474	15,872,079,514
Current liabilities				
Current portion of non-current liabilities	25	5,314,333,841	4,311,481,264	3,835,167,740
Short term borrowings - secured	26	16,342,042,625	23,537,764,673	17,717,675,277
Contract liabilities	27	1,402,712,995	1,294,316,323	438,053,016
Trade and other payables	28	8,739,995,892	8,996,266,832	6,387,042,998
Unclaimed dividend		21,977,192	21,977,192	22,002,980
Accrued mark-up	29	732,201,163	882,273,218	1,320,363,612
Provision for income tax and levies - net		-	177,484,595	633,292,879
		32,553,263,708	39,221,564,097	30,353,598,502
Total liabilities		57,743,710,499	59,016,496,571	46,225,678,016
Contingencies and commitments	30			
Total equity and liabilities		133,420,989,877	115,453,754,611	99,781,337,173

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

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



Statement Of Profit Or Loss For the Year Ended June 30, 2026

		2026	2025 Restated
	Note	---- R u p e e s ----	
Revenue from contracts with customers - net	31	96,023,702,425	90,002,392,849
Cost of sales	32	(87,077,550,206)	(82,305,647,102)
Gross profit		8,946,152,219	7,696,745,747
Selling and distribution expenses	33	(516,239,188)	(516,633,533)
Administrative expenses	34	(931,722,797)	(900,286,707)
Other income	35	1,003,792,838	919,609,990
Other expenses	36	(350,915,267)	(304,017,262)
Profit from operations		8,151,067,805	6,895,418,235
Finance cost	37	(5,110,634,775)	(5,289,502,756)
Profit before levies and income tax		3,040,433,030	1,605,915,479
Levies	38.1	(1,205,473,700)	(1,080,686,437)
Profit before income tax		1,834,959,330	525,229,042
Income tax	38.2	(261,861,797)	(142,464,418)
Profit after taxation		1,573,097,533	382,764,624
Earnings per share - basic and diluted		52.44	12.76

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

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



Statement Of Other Comprehensive Income For the Year Ended June 30, 2026

	2026	2025 Restated
	----- Rupees -----	
Profit after taxation	1,573,097,533	382,764,624
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss subsequently		
Revaluation surplus on property, plant and equipment	14,902,603,674	-
Re-measurement of defined benefit liability	13,173,916	(110,293,090)
Net change in fair value of financial assets at FVOCI	2,751,146,215	2,609,127,349
Total comprehensive income for the year	<u>19,240,021,338</u>	<u>2,881,598,883</u>

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



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



Statement Of Changes In Equity For the Year Ended June 30, 2026

	Capital reserves					Revenue reserve			
	Share capital	Share premium	Redemption reserve	Fair value reserve	Revaluation surplus on property, plant and equipment	Reserve against capacity expansion	Sub-total	Unappropriated profit	Total
-----R u p e e s-----									
Balance as at June 30, 2024 - as previously reported	300,000,000	77,616,000	175,000,000	1,756,765,395	18,554,848,169	-	20,564,229,564	23,457,160,434	44,321,389,998
Effect of retrospective restatement of deferred taxation (note 6)	-	-	-	56,769,548	7,075,164,064	-	7,131,933,612	2,102,335,547	9,234,269,159
Balance as at June 30, 2024 - Restated	300,000,000	77,616,000	175,000,000	1,813,534,943	25,630,012,233	-	27,696,163,176	25,559,495,981	53,555,659,157
Total comprehensive income for the year ended June 30, 2025									
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss)	-	-	-	2,609,127,349	-	-	2,609,127,349	272,471,534	2,881,598,883
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year	-	-	-	-	(913,929,684)	-	(913,929,684)	913,929,684	-
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	(44,613,593)	-	(44,613,593)	44,613,593	-
Transfer of reserves	-	-	-	-	15,000,000,000	15,000,000,000	15,000,000,000	(15,000,000,000)	-
Balance as at June 30, 2025 - Restated	300,000,000	77,616,000	175,000,000	4,422,662,292	24,671,468,956	15,000,000,000	44,346,747,248	11,790,510,792	56,437,258,040
Total comprehensive income for the year ended June 30, 2026									
Profit for the year	-	-	-	-	-	-	-	1,573,097,533	1,573,097,533
Other comprehensive income / (loss)	-	-	-	2,751,146,215	14,902,603,674	-	17,653,749,889	13,173,916	17,666,923,805
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year	-	-	-	2,751,146,215	14,902,603,674	-	17,653,749,889	1,586,271,449	19,240,021,338
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	(69,161,211)	-	(69,161,211)	69,161,211	-
Balance as at June 30, 2026	300,000,000	77,616,000	175,000,000	7,173,808,507	38,641,229,404	15,000,000,000	61,067,653,911	14,309,625,467	75,677,279,378
The annexed notes form an integral part of these financial statements.									

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

Dr. Faran Ahmad

DIRECTOR

Munir Ahmad

DIRECTOR

Atiqur Rahman

CHIEF FINANCIAL OFFICER



Statement of Cash Flows For the year ended June 30, 2026

	Note	2026 ---- Rupees ----	2025
<u>Cash flows from operating activities</u>			
Profit before taxation		3,040,433,030	1,605,915,479
Adjustments for:			
Depreciation on property, plant and equipment	7.1.1	2,249,731,322	2,293,296,740
Unrealized gain on re-measurement of short term investment	16.1	(403,246,800)	(292,474,800)
(Reversal) / loss allowance against trade debts	36	5,016,490	(51,935,105)
Provision for gratuity	24.1.3	262,152,262	268,930,768
Provision for infrastructure cess		761,625,963	813,832,944
Provision for workers' profit participation fund	36	116,868,726	45,837,857
Provision for workers' welfare fund	36	9,251,334	33,709,232
Loss on disposal of property, plant and equipment	7.2	91,358,877	36,855,339
Fixed assets' written off	7.1	42,149,731	-
Dividend income	35	(414,684,186)	(483,798,217)
Provision for slow moving store items		-	6,372,038
Finance income on Term finance certificate		(109,454,459)	(42,990,435)
Finance cost		5,110,634,775	5,289,502,756
Cash generated from operations before working capital changes		10,761,837,065	9,523,054,596
<u>Effect on cash flows due to working capital changes</u>			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(51,063,010)	(270,414,266)
Stock-in-trade		4,097,515,986	(9,931,461,403)
Trade debts		(2,978,467,969)	(135,720,511)
Advances and other receivable		(48,428,044)	(106,877,028)
Deposits, prepayments and other receivables		186,013,221	(373,393,206)
		1,205,570,184	(10,817,866,414)
Increase / (decrease) in current liabilities:			
Trade and other payables		(1,035,620,291)	2,572,107,108
Cash generated from operations		10,931,786,958	1,277,295,290
Gratuity paid to employees	24.1.2	(281,710,775)	(351,358,491)
Taxes paid - net		(982,735,758)	(3,170,245,416)
		(1,264,446,533)	(3,521,603,907)
Net cash generated from / (used in) operating activities		9,667,340,425	(2,244,308,617)
<u>Cash flows from investing activities</u>			
Fixed capital expenditure	7.2	(3,458,771,685)	(2,444,240,116)
Proceeds from sale of property, plant and equipment		24,197,958	36,758,131
Investment in Subsidiary Company		(100,000)	-
Long term deposits		-	84,907,100
Finance income received		99,590,913	14,914,355
Dividend received from associated company		414,684,186	483,798,217
Net cash used in investing activities		(2,920,398,628)	(1,823,862,313)
<u>Cash flows from financing activities</u>			
Long term financing obtained		4,284,894,465	2,774,638,954
Long term financing repaid		(3,368,836,091)	(2,993,242,097)
Long term musharika obtained		6,562,320,295	5,489,548,859
Long term musharka repaid		(1,043,044,067)	(897,210,735)
Short term borrowings - net		(7,285,975,890)	3,858,713,895
Lease rentals paid		(14,147,686)	(12,861,533)
Finance cost paid		(5,250,794,423)	(5,703,893,040)
Dividend paid		-	(25,788)
Net cash (used in) / generated from financing activities		(6,115,583,397)	2,515,668,515
Net increase / (decrease) in cash and cash equivalents		631,358,400	(1,552,502,415)
Cash and cash equivalents at beginning of the year		(2,095,383,155)	(542,880,740)
Cash and cash equivalents at end of the year		(1,464,024,755)	(2,095,383,155)
Cash and cash equivalents at year end comprises of:			
Cash and bank balances		1,843,903,430	1,122,291,188
Running finance / running musharika		(3,307,928,185)	(3,217,674,343)
		(1,464,024,755)	(2,095,383,155)

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



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



Notes to the Financial Statements For the Year Ended June 30, 2026

1. CORPORATE AND GENERAL INFORMATION

Fazal Cloth Mills Limited ("the Company") was incorporated in Pakistan in 1966 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange ('PSX'). The registered office of the Company is situated at 69/7, Abid Majeed Road, Survey No. 248/7, Lahore Cantt, Lahore. The Company is principally engaged in manufacture and sale of yarn and fabric. The manufacturing facilities and warehouses are located at Fazal Nagar, Jhang Road, Muzaffargarh and Qadirpur Rawan Bypass, Khanewal Road, Multan 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. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

- 2.2 The Company, during the year, made investment in a Subsidiary Company "Fazal Gas Distribution Company Limited". The Subsidiary Company was incorporated on June 24, 2026 and as at reporting date had not commenced its operations. The Securities and Exchange Commission of Pakistan, upon an application made by the Company, has granted exemption under section 228(7) of the Companies Act, 2017 from the requirement to prepare consolidated financial statements for the year ended June 30, 2026 vide its letter no.SMD/PRDD/Comp/(80)/2022/30 dated September 09, 2026.

2.3 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain items of property, plant and equipment that are stated at revalued amounts (note 5.1), recognition of staff retirement benefits at present value (note 5.7) and revaluation of certain financial instruments at fair values (note 5.10). The methods used to measure fair values are discussed further in their respective policy notes.



2.4 Functional and presentation currency

These financial statements have been prepared in Pak Rupees ('Rs.') which is the Company's functional currency. All financial information has been rounded to the nearest rupee, except when otherwise indicated.

3. ACCOUNTING ESTIMATES, JUDGEMENTS & MEASUREMENT OF FAIR VALUES

Use of estimates and judgements

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 reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which from 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 a continuous basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods affected.

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

(a) Property, plant and equipment

The Company reviews the useful lives, residual values, depreciation method and rates for each item of property, plant and equipment on regular basis by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. It may be necessary to revalue the item only every three to five years unless earlier required.



(b) Stores, spares, loose tools and stock-in-trade

The Company reviews the stores, spares, loose tools and stock-in-trade 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 stores, spares and loose tools and stock-in-trade with a corresponding effect on the provision.

(c) Expected credit loss (ECL)/ Loss allowance against trade debts, other receivables, loan, advances and deposits, mark-up accrued and bank balances

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The Company reviews the recoverability of its trade debts, other receivables, loans advances and deposits, mark-up accrued and bank balances to assess amount of loss allowance required on an annual basis.

(d) Provisions and 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.

(e) Employee benefits

The Company operates an un-funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits. The Projected Unit Credit method used for the valuation of the scheme is based on assumptions stated in note 24.1. Calculations are sensitive to change in underlying assumptions.

**(f) Taxation**

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Company also regularly reviews the trend of proportion of incomes between 'Final Tax Regime' income and 'Normal Tax Regime' income and the change in proportions, if significant, is accounted for in the year of change.

(g) Fair value of investments

The Company regularly reviews the fair value of investments including level 3 fair values. The estimate of fair values are based on both observable market data and unobservable inputs. Any change in estimate will effect the carrying value of investments with the corresponding impact on statement of profit or loss for investments carried at fair value through profit or loss and on other comprehensive income for investments carried at fair value through OCI.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM NEW / AMENDMENTS IN STANDARDS AND INTERPRETATION DURING THE YEAR

4.1 Standards, amendments to approved accounting standards and interpretations that are effective and have been adopted by the Company

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after July 01, 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

IFRS S1 General Requirement for Disclosure of Sustainability-Related Financial Information

Effective: July 01, 2025

IFRS S2 Climate Related Disclosure

These standards include the core framework for the disclosure of material information about sustainability-related risk, opportunities across an entities' value chain and set out the requirements for entities to disclose information about climate related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability related risks and opportunities that is useful to primary user of general purpose financial reporting in making decisions relating to providing resources to the entity. The standard provide guidance on identifying sustainability related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability related risks and opportunities.



IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate related disclosures. IFRS S2 requires an entity to identify and disclose climate related risks and opportunities that could affect the entities prospects over the short, medium and long term. In addition, IFRS S2 requires and entities to consider other industries based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage identified material climate related risks and opportunities. The cross-industry metrics include disclosure on green house gas ('GHG') emissions, transition risks, physical risks, climate related opportunities, capital development, internal carbon prices and remuneration.

The Company meets the specified criteria for Phase I applicability under the SECP's order dated December 31, 2024, as this represents the Company's first year of compliance. Accordingly, the Company has availed the first-year reporting relief provided under the SECP Order, whereby the sustainability-related financial disclosures may be issued within nine months from the close of the financial year. The Company will therefore issue its sustainability-related financial disclosures separately by March 31, 2027, in respect of the year ended June 30, 2026, rather than presenting them together with these financial statements.

There are number of other standards, amendments and interpretations to the approved accounting standards that are effective but are not relevant to the Company and therefore, have not been presented here.

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

The following standards, interpretations and amendments as notified under Companies Act, 2017 are effective for accounting periods beginning from the dates specified below and have not been early adopted by the Company:

a) Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments **Effective: January 01, 2026**

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

b) IFRS 18 Presentation and Disclosure in Financial Statements **Effective: January 01, 2027**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.



c) Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency

Effective: January 01, 2027

These amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements of the Company other than in presentation and disclosures.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the changes made during the year as detailed in notes 5.5 and 6 to these financial statements.

5.1 Property, plant and equipment

Owned assets

Freehold land is measured at revalued amount less impairment if any.

'Factory building', 'non-factory building', 'plant and machinery', 'electric fitting and installations', 'tools', 'laboratory equipment, sui gas installations and arms' and 'fire extinguishing equipment and scales' are measured at revalued amount less accumulated depreciation and impairment if any.

Office equipment, furniture and fixture and vehicles are measured at cost less accumulated depreciation and impairment if any.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and other costs directly attributable to the acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of operating fixed assets.

Depreciation is charged on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the economic benefits are consumed by the Company, at the rates specified in note 7.1. Depreciation on additions is charged when available for use and is discontinued when the asset is disposed off.

An item of property, plant and equipment is de-recognized when permanently retired from use. The gain or loss on disposal or retirement 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 in the statement of profit or loss.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.



The asset's residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant. The Company's estimate of residual values of property, plant and equipment as at June 30, 2026 does not require any adjustment as its impact is considered insignificant.

Capital work-in-progress

Capital work in progress is stated at cost less identified impairment loss, if any. Cost includes expenditures on material, labour, appropriate directly attributable overheads and includes borrowing cost in respect of qualifying assets if any, as stated in note 5.4. These costs are transferred to operating fixed assets as and when assets are available for their intended use.

5.1.1 Revaluation surplus on property, plant and equipment

Revaluation of items of property, plant and equipment measured at revalued amount is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase arising on the revaluation is recognized, by restating gross carrying amounts and accumulated depreciation of respective assets being revalued in proportion to the change in their carrying amounts due to revaluation, in other comprehensive income and presented as a separate component of equity as 'Revaluation surplus on property, plant and equipment', except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset.

The revaluation reserve is not available for distribution to the Company's shareholders. The revaluation surplus on item of property, plant and equipment measured at revalued amount, except land, is transferred to unappropriated profit to the extent of incremental depreciation charged. Upon disposal, any revaluation surplus is transferred to unappropriated profit.

5.2 Lease

At the inception of a contract, the Company assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use asset is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any. The right of use assets is depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or cost of the right of use asset reflects that the Company will exercise a purchase option.



In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in note 7.1 of the financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note 23 to these financial statements for disclosure of lease liability.

Short term leases and leases of low value assets

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

5.3 Intangible assets

Expenditure incurred on intangible asset is capitalized and stated at cost less accumulated amortization and any accumulated impairment losses. Finite life intangible assets are amortized using the straight-line method over the estimated useful life of three years. Amortization of intangible assets is commenced from the date an asset is capitalized.

5.4 Borrowing cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets to the extent the carrying amount of the assets does not exceed its recoverable value, until such time as the assets are substantially ready for their intended use or sale.

5.5 Taxation

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

**5.5.1 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 current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. 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.

During the year, the Company changed its policy and designate the amount calculated on gross amount of revenue or other basis (such as receipts or other values etc. as provided in law) as a levy within the scope of IFRIC 21/IAS37 and recognise it as an operating expense. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12.

The effect of change in the accounting policy as stated above has been disclosed in note 6 to the financial statement.

5.5.2 Deferred

Deferred tax is recognized using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date. 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. Further, the Company recognizes deferred tax asset/ liability on deficit/ surplus on revaluation of property, plant and equipment which is adjusted against the related deficit/ surplus.

The Company accounts for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves. Thus, for transactions and other events recognized in statement of profit or loss, any related tax effects are also recognized in statement of profit or loss. For transactions and other events recognized outside statement of profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognized outside profit and loss (either in other comprehensive income or directly in equity, respectively).

Based on the revised policy as stated above, the management determined that the recognition of deferred tax is no longer required as the minimum taxes paid by the Company may not be released / adjustable the management expects the Company to remain subject to the minimum tax regime.

**Levy**

In accordance with the requirements of Income Tax Ordinance, 2001 (Ordinance), computation of final / minimum taxes is not based on taxable income and as per revised guidance by IASB (International Accounting Standards Board), these fall within the scope of IFRIC 21 (Levies) / IAS 37 (Provisions, contingent liabilities and contingent assets) and accordingly have been classified as levy in these financial statements. Further, the Company designate the amount calculated on gross amount of revenue or other basis (such as receipts or other values etc. as provided in law) as a levy within the scope of IFRIC 21/IAS 37 and recognise it levy as an operating expense. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12.

5.6 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognized in the statement of profit or loss.

5.7 Employee retirement benefits

The Company operates an un-funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount. Calculation of defined benefit obligation is performed annually by a qualified actuary using the 'Projected Unit Credit Method'.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plan are recognized in the statement of profit or loss. Past service costs are immediately recognized in statement of profit or loss.



When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gain and losses on the settlement of a defined benefit plan when the settlement occurs.

5.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

5.9 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.10 Financial instruments

5.10.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

5.10.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.



Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, loan and advances, mark-up accrued, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

The Company's investments measured at FVOCI are included in note 8 of these financial statements.



Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

Financial asset measured at FVTPL comprises of investment in term finance certificate and short term investments in equity instrument as detailed in note 8 and 16 of these financial statements.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss or capitalized as stated in note 5.4. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Financial liabilities comprises of trade and other payables, long term and short term financing, dividend payable, accrued markup and lease liability.



5.10.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

5.10.4 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The Company measured its long term advances and related markup to associated companies under the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.



The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.10.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.



5.11 Acquisition of assets that do not constitute a business

When the Company acquires an asset or a Company (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of IFRS 03 'Business Combinations' since it does not meet the definition of a business combination.

Such transactions are accounted for by the Company as asset acquisitions in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities acquired based on their relative fair values at the date of acquisition. These transactions do not give rise to goodwill or a gain on a bargain purchase.

Assets acquired in an asset acquisition are recognized based on the cost of acquisition. The cost of an asset acquisition may comprise the following:

- cash or cash equivalent price at the date of acquisition;
- fair value of non-cash consideration (e.g. non-cash assets given up or liabilities assumed); and
- transaction costs directly attributable to the acquisition of the assets.

Under asset acquisition, for any identifiable asset or liability initially measured at an amount other than cost, the Company initially measures that asset or liability at the amount specified in the applicable IFRS Standard. The Company deducts from the transaction price, the amounts allocated to the assets and liabilities initially measured at an amount other than cost, and then allocates the residual transaction price to the remaining identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

5.12 Investments in associates

Associates are the entities over which the Company has significant influence but not control. Significant influence is generally considered where shareholding percentage is between 20% to 50% of the voting shares. However, such significant influence can also arise where shareholding is lesser than 20% but due to other quantitative factors e.g. Company's representation on the Board of Directors of investee Company, the Company can exercise significant influence. Investments in associates are accounted for using the equity method of accounting in these financial statements and are initially recognized at cost. If the ownership interest is reduced but significant influence is retained, gain / loss on the partial disposal of ownership interest is recognized in the statement of profit or loss as the difference between the proceeds from the sale and the cost of investment sold. The cost of investment is disposed off on weighted average basis.

The Company's share of its associate's post-acquisition profits or losses, movement in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in the statement of profit or loss, statement of comprehensive income and reserves respectively. When the Company's share of losses in associates / joint ventures equals or exceeds its interest in the associate including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an associate reduce the carrying amount of the investment.



The carrying amount of equity accounted investments is tested for impairment in accordance with policy described for non-financial asset in note 5.10.4.

5.13 Stores, spares and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

5.14 Stock-in-trade

These are stated at the lower of cost and net realizable value except for waste stock which is valued at net realizable value.

Cost has been determined as follows:

- | | |
|--------------------------------------|---|
| - Raw materials | Weighted average cost |
| - Work-in-process and finished goods | Cost of direct materials, labour and appropriate manufacturing overheads. |

Materials in transit comprises of invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale necessarily to be incurred in order to make a sale.

5.15 Trade Debts

These are classified at amortized cost and are initially recognized 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.

5.16 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for sale of goods, net of returns, allowances, trade discounts, rebates and sales tax. Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised goods or services to a customer, and control either transfers over time or point in time.

5.17 Other income

Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Foreign currency gains and losses are reported on a net basis.

Dividend income and entitlement of bonus shares are recognized when the right to receive is established.

Gains and losses on sale of investments are accounted for on disposal of investments.

5.18 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand and cash at banks. Short term running finance facilities availed by the Company are also recorded as part of cash and cash equivalents. Cash and cash equivalents are carried in statement of financial position at amortised cost.

**5.19 Contract liabilities**

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

5.20 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The details related to operating segments are disclosed in note 47.

5.21 Earnings per share ('EPS')

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.22 Dividend distribution

Dividend is recognized as a liability in the statement of financial position in the year in which it is declared and approved. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

6. RESTATEMENT DUE TO CHANGE IN ACCOUNTING POLICY AND REVERSAL OF DEFERRED TAX

As stated in note 5.5.1 to these financial statements, during the year, the Company changed its policy regarding recognition and measurement of income tax and levies and designate the amount calculated on gross amount of revenue or other basis (such as receipts or other values etc. as provided in law) as a levy within the scope of IFRIC 21/IAS 37 and recognise it as an operating expense. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12 "Income taxes". Based on the revised policy, the Company reassessed the recognition and measurement of deferred tax in its financial statements in light of the Application Guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) vide Circular No. 07 of 2024 dated May 15, 2024, as well as the



abolition of the final tax regime on export sales through the Finance Act, 2025. Based on this reassessment, management determined that the deferred tax liability previously recognized was no longer required, as the Company's management expects the Company to remain subject to the minimum tax regime in foreseeable future. Based on the revised assessment of the Company's tax position and the applicable accounting requirements, management concluded that the deferred tax liability previously recognized in the financial statements should be reversed. Accordingly, the Company has restated its financial statements.

The restatement, due to aforementioned reasons, resulted in the reversal of the deferred tax liability previously recognized, with a corresponding adjustment to the related tax expense, revaluation surplus and retained earnings, as applicable. The impact of the restatement on the financial statements is summarized below:

	As previously reported	Restatement	As restated
----- Rupees -----			
As at June 30, 2025			
Effect on statement of financial position			
Deferred liabilities (deferred taxation)	9,501,841,903	(9,501,841,903)	-
Revaluation surplus on property, plant and equipment	17,970,136,770	6,701,332,186	24,671,468,956
Unappropriated profit - revenue reserves	9,048,716,202	2,741,794,590	11,790,510,792
Others capital reserves	19,616,563,165	58,715,127	19,675,278,292
Effect on statement of profit or loss			
Deferred tax	265,627,165	(265,627,165)	-
Earnings per share (Rupees)	3.90	8.86	12.76
As at June 30, 2024			
Effect on statement of financial position			
Deferred liabilities (deferred taxation)	9,234,269,159	(9,234,269,159)	-
Revaluation surplus on property, plant and equipment	18,554,848,169	7,075,164,064	25,630,012,233
Unappropriated profit - revenue reserves	23,457,160,434	2,102,335,547	25,559,495,981
Others capital reserves	2,009,381,395	56,769,548	2,066,150,943

7. PROPERTY, PLANT AND EQUIPMENT

		2026	2025
	Note	- - - R u p e e s - - -	
Operating fixed assets	7.1	65,386,789,477	50,716,603,453
Right of use Asset	7.1	28,717,903	34,461,484
Capital work-in-progress	7.3	2,705,793,684	1,416,298,656
		68,121,301,064	52,167,363,593

7.1 Operating fixed assets

	Cost/ revlued amount				Accumulated depreciation				Rate %	Balance as at July 01, 2025	Revaluation Surplus	Disposals	Written-off	Balance as at June 30, 2026	Net book value Balance as at June 30, 2026
	Balance as at July 01, 2025	Revaluation Surplus	Additions	Reclassification	Disposals	Written-off	For the year								
----- Rupees -----															
Freehold land															
- cost	1,067,236,012	-	-	-	-	-	1,067,236,012			-	-	-	-	-	1,067,236,012
- revaluation surplus	7,489,565,939	3,880,537,050	-	-	-	-	11,369,102,989			-	-	-	-	-	11,369,102,989
	8,556,801,951	3,880,537,050	-	-	-	-	12,436,339,001			-	-	-	-	-	12,436,339,001
Factory building on free hold land															
- cost	3,916,115,748	-	141,329,913	-	-	-	4,057,445,661			-	-	-	-	-	4,057,445,661
- revaluation surplus	7,982,678,558	6,737,731,235	-	-	-	-	14,720,409,793			-	-	-	-	-	14,720,409,793
	11,898,794,306	6,737,731,235	141,329,913	-	-	-	18,777,855,454			-	-	-	-	-	18,777,855,454
Non-factory building on free hold land															
- cost	1,587,519,144	-	5,015,779	-	-	-	1,592,534,923			-	-	-	-	-	1,592,534,923
- revaluation surplus	4,698,008,596	3,103,124,285	-	-	-	-	7,801,132,881			-	-	-	-	-	7,801,132,881
	6,285,527,740	3,103,124,285	5,015,779	-	-	-	9,393,667,204			-	-	-	-	-	9,393,667,204
Non-factory building on lease hold land															
- cost	150,655,612	-	2,320,453	-	-	-	152,976,065			-	-	-	-	-	152,976,065
- revaluation surplus	194,078,546	294,651,157	-	-	-	-	488,729,703			-	-	-	-	-	488,729,703
	344,734,158	294,651,157	2,320,453	-	-	-	641,705,768			-	-	-	-	-	641,705,768
Plant and machinery															
- cost	29,028,447,368	-	1,971,123,890	-	-	(151,430,061)	30,760,945,922			-	-	-	-	-	30,760,945,922
- revaluation surplus	18,827,023,605	7,836,272,585	-	-	-	(130,616,752)	26,532,679,118			-	-	-	-	-	26,532,679,118
	47,855,470,973	7,836,272,585	1,971,123,890	-	-	(282,046,813)	57,293,625,340			-	-	-	-	-	57,293,625,340
Electric fittings and installations															
- cost	1,432,968,152	-	6,570,949	-	-	(382,725)	1,432,909,588			-	-	-	-	-	1,432,909,588
- revaluation surplus	2,423,957,667	928,242,182	-	-	-	(6,246,788)	3,352,199,849			-	-	-	-	-	3,352,199,849
	3,856,925,819	928,242,182	6,570,949	-	-	(382,725)	4,785,109,437			-	-	-	-	-	4,785,109,437
Sul gas installations															
- cost	217,785,018	-	-	-	-	(74,452)	217,710,566			-	-	-	-	-	217,710,566
- revaluation surplus	36,867,296	3,884,254	-	-	-	(74,452)	40,751,550			-	-	-	-	-	40,751,550
	58,652,314	3,884,254	-	-	-	(74,452)	62,482,116			-	-	-	-	-	62,482,116
Tools, laboratory equipment and arms															
- cost	190,251,408	-	49,415	-	-	(5,037,509)	185,263,314			-	-	-	-	-	185,263,314
- revaluation surplus	367,376,264	80,619,743	-	-	-	-	447,996,007			-	-	-	-	-	447,996,007
	557,627,672	80,619,743	49,415	-	-	(5,037,509)	633,259,321			-	-	-	-	-	633,259,321
Fire extriguishing equipment and scales															
- cost	53,219,708	-	2,714,400	-	-	(1,580,425)	54,353,683			-	-	-	-	-	54,353,683
- revaluation surplus	64,163,405	13,146,973	-	-	-	-	77,310,378			-	-	-	-	-	77,310,378
	117,383,113	13,146,973	2,714,400	-	-	(1,580,425)	131,664,061			-	-	-	-	-	131,664,061
Office equipments															
- revaluation surplus	179,462,827	-	21,895,318	-	-	(1,785,549)	176,112,643			-	-	-	-	-	176,112,643
Furniture and fittings	42,168,398	-	-	-	-	(19,215,807)	22,952,591			-	-	-	-	-	22,952,591
Vehicles	699,844,695	-	18,257,140	-	-	(5,124,798)	712,977,237			-	-	-	-	-	712,977,237
Right of use asset - building	66,922,967	-	-	-	-	-	66,922,967			-	-	-	-	-	66,922,967
	80,521,257,133	22,878,209,444	2,169,276,657	-	-	(289,339,885)	105,136,593,140			-	-	-	-	-	105,136,593,140
								</							



	Cost/ revalued amount				Accumulated depreciation				Net book value	
	Balance as at July 01, 2024	Revaluation Surplus	Additions	Reclassification	Disposals	Written-off	Balance as at June 30, 2025	Rate %	Balance as at July 01, 2024	Balance as at June 30, 2025
Freehold land										
- cost	694,452,742	-	371,043,270	1,740,000	-	-	-	-	-	1,067,236,012
- revaluation surplus	7,488,565,939	-	-	-	-	-	-	-	-	7,488,565,939
	8,183,018,681	-	371,043,270	1,740,000	-	-	-	-	-	8,555,801,951
Factory building on free hold land										
- cost	3,872,439,132	-	43,676,616	-	-	-	-	-	-	3,916,115,748
- revaluation surplus	7,992,678,558	-	-	-	-	-	-	-	-	7,992,678,558
	11,865,117,690	-	43,676,616	-	-	-	-	-	-	11,898,794,306
Non-factory building on free hold land										
- cost	1,330,016,185	-	257,502,959	-	-	-	-	-	-	1,587,519,144
- revaluation surplus	4,698,008,596	-	-	-	-	-	-	-	-	4,698,008,596
	6,028,024,781	-	257,502,959	-	-	-	-	-	-	6,285,527,740
Non-factory building on lease hold land										
- cost	150,655,612	-	-	-	-	-	-	-	-	150,655,612
- revaluation surplus	194,078,546	-	-	-	-	-	-	-	-	194,078,546
	344,734,158	-	-	-	-	-	-	-	-	344,734,158
Plant and machinery										
- cost	28,515,866,610	-	617,430,005	(1,740,000)	(103,109,247)	-	-	-	-	29,028,447,368
- revaluation surplus	18,906,382,608	-	-	-	(79,359,003)	-	-	-	-	18,827,023,605
	47,422,249,218	-	617,430,005	(1,740,000)	(182,468,250)	-	-	-	-	47,855,470,973
Electric fittings and installations										
- cost	1,423,896,543	-	9,375,644	-	(304,035)	-	-	-	-	1,432,968,152
- revaluation surplus	2,423,957,667	-	-	-	-	-	-	-	-	2,423,957,667
	3,847,854,210	-	9,375,644	-	(304,035)	-	-	-	-	3,856,925,819
Sul gas installations										
- cost	21,785,018	-	-	-	-	-	-	-	-	21,785,018
- revaluation surplus	36,867,296	-	-	-	-	-	-	-	-	36,867,296
	58,652,314	-	-	-	-	-	-	-	-	58,652,314
Tools, laboratory equipment and arms										
- cost	190,219,108	-	32,300	-	-	-	-	-	-	190,251,408
- revaluation surplus	367,376,294	-	-	-	-	-	-	-	-	367,376,294
	557,595,372	-	32,300	-	-	-	-	-	-	557,627,672
Fire extinguishing equipment and scales										
- cost	49,519,708	-	3,700,000	-	-	-	-	-	-	53,219,708
- revaluation surplus	64,163,405	-	-	-	-	-	-	-	-	64,163,405
	113,683,113	-	3,700,000	-	-	-	-	-	-	117,383,113
Office equipments										
Furniture and fittings	157,078,044	-	26,388,970	(126,875)	(3,877,312)	-	-	-	-	179,462,827
Vehicles	42,041,523	-	-	126,875	-	-	-	-	-	42,168,398
Right of use asset - building	663,606,591	-	47,562,198	-	(11,383,894)	-	-	-	-	699,784,895
	68,922,967	-	-	-	-	-	-	-	-	68,922,967
2025	79,342,578,662	-	1,376,711,962	-	(198,033,491)	-	-	-	-	80,521,257,133



7.1.1 Depreciation for the year has been allocated as under:

	2026	2025
	--- R u p e e s ---	
Cost of sales	2,127,397,824	2,158,056,322
Administrative expense	122,333,498	135,240,418
	<u>2,249,731,322</u>	<u>2,293,296,740</u>

7.1.2 All assets of the Company as at June 30, 2026 are located in Pakistan.

7.1.3 The latest valuation of the Company's assets was carried out on June 30, 2026. The Category wise gross revalued amounts along with forced sale values, as at that date, are given below:

	Gross revalued	Forced sales
	----- R u p e e s -----	
Freehold land	12,436,339,001	10,570,888,000
Factory building on free hold land	10,072,568,695	8,847,742,000
Non-factory building on free hold land	4,877,684,614	4,153,169,000
Non-factory building on lease hold land	229,764,561	262,353,000
Plant and machinery	34,500,450,371	31,222,340,000
Electric fittings and installations	2,478,604,906	2,112,233,000
Sui gas installations	24,500,000	20,825,000
Tools, laboratory equipment and arms	294,127,892	250,009,000
Fire extinguishing equipment and scales	69,099,999	58,735,000
	<u>64,983,140,039</u>	<u>57,498,294,000</u>

7.1.4 Had there been no revaluation of the freehold land, factory building on freehold land, non-factory building on free hold and leasehold land, thereon and plant and machinery, electric fittings and installations, sui gas installations, tools laboratory equipment and arms, fire fighting and weighing scales, the net book value as of June 30, 2026 would have been as follows:



	2026	2025
	--- Rupees ---	
Freehold land	1,067,236,012	1,067,236,012
Factory building	2,614,758,095	2,607,375,299
Non-Factory building - freehold land	1,058,702,003	1,109,363,697
Non-Factory building- leasehold land	63,697,271	72,242,146
Plant & machinery	20,469,781,088	19,601,372,355
Electric fitting & installations	917,442,003	962,226,468
Sui gas installations	9,352,247	9,864,413
Tools, lab equipments & arms	101,882,529	108,973,983
Fire extinguishing equipment & scale	39,059,387	38,903,481
	26,341,910,635	25,577,557,854

7.1.5 Particulars of immoveable fixed assets (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Total Area
Free hold land (Manufacturing Unit)	Jhang Road, Muzaffargarh	544 kanal and 16 marlas & 136 square feet
Free hold land (Manufacturing Unit, Open Area)	Jhang Road, Muzaffargarh	43 kanal and 11 marlas
Free hold land (Residential Colony)	Jhang Road, Muzaffargarh	107 kanal and 15 marlas
Free hold land (residential colony, Open Area)	Jhang Road, Muzaffargarh	56 kanal and 7 marlas & 229 square feet
Free hold land (Manufacturing Unit)	Moza Khanpur Shumali, Muzaffargarh	157 kanal and 19 marlas
Free hold land (Residential Colony)	Moza Khanpur Shumali, Muzaffargarh	13 kanal
Free hold land (Manufacturing Unit, Open Area)	Qadirpur Rawan bypass Khanewal Road, Multan	178 kanal and 9 marlas
Free hold land (Manufacturing Unit)	Qadirpur Rawan bypass Khanewal Road, Multan	576 kanal and 18 marlas
Free hold land (Residential Colony)	Qadirpur Rawan bypass Khanewal Road, Multan	92 kanal and 8 marlas
Free hold land (Administrative Storage Unit)	Sarwar Road, Multan	15 marlas
Free hold land	Bahawalpur Road, Multan	7 kanal and 9 marlas

Factory buildings, non-factory building, plant and machinery, electric fitting and installation and sui gas installation are located on above mentioned free hold land, whereas, building on leasehold land (Head office building) is constructed on land held under lease, measuring 7 kanal, 13 marla and 153 square feet, located at 59/3, Abdali Road, Multan.



7.2 The following assets were disposed of during the year

Particulars of assets	Cost/ revalued amount	Accumulated depreciation	Net book value	Sale proceeds/ Insurance claim	Loss	Mode of disposal	Particulars of purchaser	Relationship
----- Rupees -----								
Assets having net book value exceeding Rs.500,000 each								
Plant and machinery								
Ring Frame	127,596,481	78,573,127	49,023,354	7,459,016	(41,564,338)	Negotiation	Mr. Muhammad Usman	Third party
Ring Frame	95,697,361	58,929,845	36,767,516	5,122,951	(31,644,565)	Negotiation	Mr. Muhammad Abu Bakar	Third party
Diesel Genset	11,608,157	4,498,516	7,109,641	2,868,852	(4,240,789)	Negotiation	Mr. Muhammad Salman Khan	Third party
Gas Generator	38,353,350	20,196,931	18,156,419	1,918,033	(16,238,386)	Negotiation	Mr. Nazar Ali	Third party
Diesel Generator	6,081,405	3,954,677	2,126,728	2,868,852	742,124	Negotiation	Mr. Muhammad Salman Khan	Third party
Cooling Tower	2,660,353	1,443,829	1,216,524	131,148	(1,085,376)	Negotiation	Mr. Nazar Ali	Third party
Vehicles								
Fork Lifter	1,763,997	1,746,998	16,999	159,836	142,837	Negotiation	Mr. Sanwal	Third party
Fork Lifter	1,364,146	1,341,995	22,151	159,836	137,685	Negotiation	Mr. Sanwal	Third party
Suzuki Bolan	826,215	685,915	140,300	250,000	109,700	Negotiation	Mr. Muhammad Mushtaq	Third party
Suzuki Cultus	1,012,540	968,517	44,023	220,000	175,977	Negotiation	Mr. Abid Ali	Third party
Various assets having net book value up to Rs. 500,000 each								
	289,339,885	173,783,050	115,556,835	24,197,958	(91,358,877)		Various parties	Third parties
2026	289,339,885	173,783,050	115,556,835	24,197,958	(91,358,877)			
2025	198,033,491	124,420,021	73,613,470	36,758,131	(36,855,339)			



- 7.2.1 During the year, the Company has written-off fixed assets costing Rs.142.810 million having written down value of Rs. 42.150 million, as these assets were no more in use of the Company.

7.3 Capital work-in-progress - cost

	Note	2026 --- R u p e e s ---	2025
Balance as at July 01,		1,416,298,656	348,770,502
Additions during the year		3,458,771,685	2,444,240,116
Transfers during the year	7.1	(2,169,276,657)	(1,376,711,962)
Balance as at June 30,	7.4	<u>2,705,793,684</u>	<u>1,416,298,656</u>

7.4 Breakup of capital work-in-progress:

Building on free hold land		314,277,335	92,393,493
Non-factory building on free hold land		81,711,958	37,145,587
Plant and machinery {(Including in transit aggregating Rs. 82.888 million)}		1,351,661,312	1,071,186,694
Electric fittings and installations		6,375,100	773,548
Tools, lab, equipment & arms		-	49,415
Furniture and fixtures		-	25,424
Office equipment		13,356,437	1,635,990
Advances to suppliers - unsecured, considered good	7.4.1	938,411,542	213,088,505
		<u>2,705,793,684</u>	<u>1,416,298,656</u>

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

8. LONG TERM INVESTMENT

	Note	2026 --- R u p e e s ---	2025
<u>Subsidiary companies - at cost method</u>			
Fazal Gas Distribution Company Limited 10,000 ordinary shares of Rs.10 each Equity held: 100%	8.1	100,000	-
<u>At fair value through OCI</u>			
Fatima Fertilizer Company Limited - quoted	8.2	10,412,913,324	6,262,236,622
Fatima Energy Limited (FEL) - unquoted	8.3	2,146,435,459	3,520,811,224
Fatima Transmission Company Limited (FTCL) - unquoted	8.4	60,139,569	97,758,789
Multan Real Estate (Private) Limited Limited (MREL) - unquoted	8.5	339,787,301	327,322,803
		<u>12,959,275,653</u>	<u>10,208,129,438</u>



Associated companies - at equity method

Fatima Transmission Company Limited - unquoted

- Ordinary shares - unquoted

Note 2026 2025
--- R u p e e s ---

8.6 - -

Fatima Electric Company Limited - unquoted

- Ordinary shares - unquoted

8.6 - -

At fair value through P&L

Term finance certificates

8.8 40,000,000 40,000,000
12,999,375,653 10,248,129,438

- 8.1** Fazal Gas Distribution Company Limited is a wholly owned Subsidiary Company incorporated in Pakistan on June 24, 2026 and is engaged in the business of purchase, sale, store, transport, market, distribute, and supply of all kinds of petroleum and petroleum products. The Subsidiary Company has not commenced its business and operation as at reporting date.

8.2 At fair value through OCI

Note	Shares		Market value		Market value per share		Percentage of holding	
	2026	2025	2026	2025	2026	2025	2026	2025
	Number		Rupees					

Fatima Fertilizer Company

Limited - related party, quoted

8.2.1 62,994,031 62,994,031 10,412,913,324 6,262,236,622 165.30 99.41 3.00% 3.00%

- 8.2.1** The investments in Fatima Fertilizer Company Limited '(FFCL)' has been designated as fair value through OCI under IFRS9. FFCL is an associated undertaking of the Company as per the Companies Act 2017, however, for the purpose of measurement it has been classified as investment at fair value through OCI. The Company does not have significant influence on FFCL. These shares are pledged as security with commercial bank as referred in note 26.

Note	Shares		Fair value		Percentage of holding	
	2026	2025	2026	2025	2026	2025
	Number		Rupees			

- 8.3** Fatima Energy Limited
- related party, unquoted

Ordinary Shares - unquoted

108,300,000 108,300,000 424,536,000 696,369,000 19.00% 19.00%

Non voting, non cumulative, redeemable,

convertible Preference Shares - unquoted

8.3.1 439,260,066 439,260,066 1,721,899,459 2,824,442,224 36.86% 36.86%

547,560,066 547,560,066 2,146,435,459 3,520,811,224

- 8.3.1** The Company holds 36.86% preference shares in FEL, however the Company believes that it does not have significant influence in the investee company. This investment in FEL (ordinary shares and preference shares) has been designated at fair value through OCI under IFRS9. The fair value at reporting date has been determined by an independent valuer and has been designated at Level 3 as mentioned in note 40.



Following major terms and conditions for issuance of preference shares are agreed by both companies.

- Preference shares are unlisted, perpetual, non cumulative, redeemable and convertible.
- A conversion option of preference shares into ordinary shares with ratio of 1:1 after a period of 5 years and a redemption option after 21.5 years stands with the issuer of preference shares i.e. FEL
- Preference shareholders have no voting rights and does not carry entitlement of ordinary shares, right issue or bonus issue.
- Preference shareholders will be entitled up to 60% of profit after tax subject to discretion of the Board of Directors and approval of shareholders of FEL.
- Preference will be given to preference shareholders before declaring dividend to ordinary shareholder.
- If the FEL has no surplus/distributable profits available at the end of any financial year, no dividend shall be declared. The dividend will also not accumulate.
- Preference shares shall be transferrable among the Preference shareholders.
- The face value of preference shares shall not be higher than the par value of existing ordinary shares i.e. Rupees 10 each.
- At the time of winding up, the holders of the preference shares are entitled to a pro rata share of FEL's available net assets.

Fatima Energy Limited
- Preference Shares

	2026	2025
	--- R u p e e s ---	
Balance as at 01 July	2,824,442,224	3,149,494,673
Fair value loss recognized in Statement of Comprehensive Income'	(1,102,542,765)	(325,052,449)
Balance as at June 30,	<u>1,721,899,459</u>	<u>2,824,442,224</u>

Note	Shares		Fair value		Percentage of holding	
	2026	2025	2026	2025	2026	2025
	-----Number-----		-----Rupees-----			

8.4 Fatima Transmission Company Limited
- unquoted (preference shares)

Non voting, non cumulative, redeemable
convertible Preference Shares - unquoted

8.4.1	<u>12,795,653</u>	<u>12,795,653</u>	<u>60,139,569</u>	<u>97,758,789</u>	<u>30.71%</u>	<u>30.71%</u>
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8.4.1 The Company holds 30.71% of preference shares in FTCL, however the Company believes that it does not have significant influence as preference shares currently do not carry any voting rights nor any current access to the returns associated with an underlying ownership interest. This investment in FTCL's preference shares has been designated at fair value through OCI under IFRS 9. The fair value at reporting date has been determined by an independent valuer and has been designated at Level 3 as mentioned in note 40.

Following major terms and conditions for issuance of preference shares are agreed by both companies:

- These preference shares are unlisted, perpetual, non cumulative, redeemable and convertible.
- A conversion option of preference shares into ordinary shares with ratio of 1:1 after a period of 5 years and a redemption option after 21.5 years stands with the issuer of preference shares i.e. FTCL.
- Preference shareholders have no voting rights and does not carry entitlement of ordinary shares, right issue or bonus issue.
- Preference shareholders will be entitled up to 60% of profit after tax subject to discretion of the Board of Directors and approval of shareholders of FTCL.
- Preference will be given to preference shareholders before declaring dividend to ordinary shareholder.
- If the FTCL has no surplus/distributable profits available at the end of any financial year, no dividend shall be declared. The dividend will also not accumulate.
- Preference shares shall be transferrable among the Preference shareholders.
- The face value of preference shares shall not be higher than the par value of existing ordinary shares i.e. Rupees 10 each.
- At the time of winding up, the holders of the preference shares are entitled to a pro rata share of FTCL's available net assets.

Fatima Transmission Company Limited
- Preference Shares

	2026	2025
	- - - R u p e e s - - -	
Balance as at July 01,	97,758,789	98,910,398
Fair value loss recognized in 'Statement of Comprehensive Income'	(37,619,220)	(1,151,609)
Balance as at June 30,	<u>60,139,569</u>	<u>97,758,789</u>

8.5 This represents 17.04% (2025: 17.04%) ordinary shares of Multan Real Estate (Private) Limited (MREL), which is a dormant entity. The latest valuation is based on adjusted net asset value of MREL as at June 30, 2026 and has been designated at level 3 as mentioned in note 40.

**8.6 Associated companies with significant influence *under equity method***

	Note	Shares		Carrying value		Percentage of holding	
		2026	2025	2026	2025	2026	2025
		-----Number-----		-----Rupees-----			
Fatima Transmission Company Limited - <i>unquoted</i>							
Ordinary Shares - unquoted	8.6.1	5,520,000	5,520,000	-	-	24.00%	24.00%
Fatima Electric Company Limited - <i>unquoted</i>	8.6.2	7,000	7,000	-	-	20.00%	20.00%
		5,527,000	5,527,000	-	-		

8.6.1 Fatima Transmission Company Limited (FTCL), was incorporated in Pakistan on December 26, 2014 as a public limited company under the repealed Companies Ordinance (now Companies Act, 2017). The principal activity of FTCL includes operation and maintenance of transmission lines, electrical transmission facilities, electrical circuits, transformers and sub-stations and the movement & delivery of electric power. The share of loss has been restricted to cost of investment.

8.6.2 Fatima Electric Company Limited (FECL) was incorporated in Pakistan on February 29, 2016 as a public limited company under the repealed Companies Ordinance (now Companies Act, 2017). The principal activity of FECL is to carry on supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source.

8.7 Investments of the Company in associated companies has been accounted for under equity method of accounting based on their un-audited management financial statements for the year ended June 30, 2026.

8.7.1 Reconciliation of carrying value of investments in associated companies accounted for under equity method:

	2026	
	FTCL (Un-audited)	FECL (Un-audited)
	----- Rupees -----	
Cost of investment		
- Ordinary shares	55,200,000	70,000
	55,200,000	70,000
Company's share of loss - post acquisition:		
Balance at July 01,	(55,200,000)	(70,000)
Statement of profit or loss		
- share of loss	-	-
- share of tax	-	-
	(55,200,000)	(70,000)
Net investment at June 30,		
- Ordinary shares	-	-



	2025	
	FTCL (Audited)	FECL (Audited)
	----- Rupees -----	
Cost of investment		
- Ordinary shares	55,200,000	70,000
	55,200,000	70,000
Company's share of loss - post acquisition:		
Balance at 01 July	(55,200,000)	(70,000)
<i>Statement of profit or loss</i>		
- share of loss	-	-
- share of tax	-	-
	(55,200,000)	(70,000)
Balance at June 30,	-	-

8.7.2 Since the Company's investment in equity accounted investment has reduced to zero due to post acquisition losses and keeping in view the materiality of these investments, summarized financial information of these equity accounted investment has not been presented in these financial statements.

8.8 This represents investment in TFC of Bank Al Habib Limited (BAHL) and Bank of Punjab (BOP) of Rs. 25 million and Rs. 15 million respectively. These carry mark-up at the rate of 6 months Kibor plus spread (1.65% for BAHL and 2% for BOP).

9. LONG TERM ADVANCES AND MARK-UP ACCRUED **2026** **2025**

	Note	--- Rupees ---	
Fatima Transmission Company Limited	9.1		
- associate		13,748,696	13,748,696
Pak Arab Energy Limited - associate	9.2	25,904,160	25,904,160
		39,652,856	39,652,856
Less: Loss allowance for the year	9.4	(39,652,856)	(39,652,856)
		-	-

9.1 This represents the mark-up accrued on advances disbursed to meet the working capital requirements, operational / capital nature needs of FTCL in prior years. This loan carried markup at the rate of average borrowing cost of the Company. The outstanding amount of advance of FTCL was converted into preference shares and the closing balance represented markup accrued was fully provided for.



- 9.2** This represents advances disbursed to Pak Arab Energy Limited to meet the working capital requirements, operational / capital nature needs. The loan carries mark-up at the rate of average borrowing cost of the Company. Effective mark-up rate charged by the Company during the year ranged from 12.25% to 13.59% per annum (2025: 12.88% to 22.35% per annum). Balance of advance and the related markup has been fully provided for being doubtful of recovery.

- 9.3** Maximum outstanding balance with reference to month end balances:

	2026	2025	2026	2025
	Month	Month	Rupees	Rupees
Fatima Transmission Company Limited	Jun-26	Jun-25	13,748,696	13,748,696
Pak Arab Energy Limited (PAEL)	Jun-26	Jun-25	25,904,160	25,904,160

- 9.4** This represents loss allowance against the receivable amounts due from FTCL and PAEL amounting Rs. 13.75 million and Rs. 25.90 million respectively. The said advance and mark-up have been provided for in accordance with the requirement of IFRS 09.

10. STORES, SPARES AND LOOSE TOOLS

2026 **2025**
--- R u p e e s ---

Stores	477,262,157	346,069,559
Spares [In-transit: Rs. 124.53 million (2025: Rs. 188.18 million)]	1,893,063,274	1,972,945,902
Loose tools	1,169,211	1,416,171
	2,371,494,642	2,320,431,632
Provision for slow moving items	(9,587,598)	(9,587,598)
	2,361,907,044	2,310,844,034

10.1 Provision for slow moving items

Balance as at July 01,	9,587,598	3,215,560
Provision made during the year	-	6,372,038
Balance as at June 30,	9,587,598	9,587,598



11. STOCK IN TRADE	Note	2026 --- R u p e e s ---	2025
Raw material [In-transit: Rs. 5,874.050 million (2025: Rs. 4,954.033 million)]	11.1	19,024,267,194	19,128,039,516
Work-in-process		1,164,735,768	1,090,597,209
Finished goods [In-transit: Rs. Nil (2025: Rs. 91.606 million)]			
Yarn	11.1	7,387,005,615	11,464,519,087
Fabric		1,159,777,804	1,021,542,292
Waste		828,243,232	956,847,495
		9,375,026,651	13,442,908,874
		29,564,029,613	33,661,545,599

11.1 It includes stock amounting to Rs. 3.498 billion (2025: Rs. 4.753 billion) pledged as security against borrowings from banking companies.

12. TRADE DEBTS	Note	2026 --- R u p e e s ---	2025
Export debtors - secured against letters of credit:			
Considered good		2,720,304,719	2,248,569,443
Local debtors - unsecured			
Related Parties - considered good	12.1 & 12.2	1,896,978,892	1,478,389,088
Others - considered good		10,623,166,173	8,540,039,774
Others - considered doubtful		49,681,610	44,665,120
		12,569,826,675	10,063,093,982
Loss allowance against trade debts	12.4	(49,681,610)	(44,665,120)
		15,240,449,784	12,266,998,305

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

	2026 --- R u p e e s ---	2025
Ahmad Fine Textile Mills Limited	1,841,402,690	1,413,863,233
Reliance Weaving Mills Limited	55,242,890	64,276,346
Fatima Fertilizer Company Limited	333,312	249,509
	1,896,978,892	1,478,389,088

**12.2** Maximum outstanding balance with reference to month end balances:

	2026	2025	2026	2025
	Month	Month	Rupees	Rupees
Ahmad Fine Textile Mills Limited	Mar-26	Sep-24	2,590,120,593	2,873,919,549
Reliance Weaving Mills Limited	Dec-25	Nov-24	182,316,989	137,861,396
Fatima Fertilizer Company Limited	Jun-26	Nov-24	333,312	338,919

12.3 The ageing analysis of trade debts from related parties is as follows:

	2026	2025
Note	--- R u p e e s ---	
Not yet due	1,012,534,784	1,110,603,620
1 to 90 days	884,110,796	359,976,935
91 to 180 days	-	446,682
181 to 270 days	-	7,361,851
270 days and above	333,312	-
	<u>1,896,978,892</u>	<u>1,478,389,088</u>

12.4 The movement in loss allowance against trade debts is as follows:

Balance as at July 01,	44,665,120	96,600,225
Loss / (reversal) allowance for the year	5,016,490	(51,935,105)
Balance as at June 30,	<u>49,681,610</u>	<u>44,665,120</u>

13. ADVANCES AND OTHER RECEIVABLES
- Considered good

Advances to suppliers and contractors - unsecured	13.1	336,042,489	299,157,916
Advances to employees against salaries - secured		25,372,787	16,553,368
Advance against letter of credit		11,119,792	8,395,740
		<u>372,535,068</u>	<u>324,107,024</u>

13.1 These are interest free in the normal course of business.

**14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Note

2026 2025
 --- R u p e e s ---

Deposits against LC / guarantee margin		87,801,658	150,206,538
Deposit to supplier	14.1	228,506,292	228,506,292
Import claim receivable		140,489,506	256,663,714
Other receivable		-	7,434,133
		456,797,456	642,810,677

14.1 This represent deposit given to M/s. Universal Gas Distribution Company Limited against gas supply agreement.

15. MARK-UP ACCRUED

Note

2026 2025
 --- R u p e e s ---

Mark-up accrued on:			
Advance to associated company (PAEL)		33,008,188	29,691,993
Less: Loss allowance on markup accrued	15.1	(33,008,188)	(29,691,993)
		-	-
Term finance certificates and term deposit receipt	15.2	28,949,068	19,085,522
		28,949,068	19,085,522

15.1 This represents loss allowance on markup balance of advance to Associated Company (Pak Arab Energy Limited) in accordance with the requirements of IFRS 9. Mark-up is accrued on the basis as described in note 9.2 of these financial statements.

15.2 Mark-up is accrued on the basis as described in note 8.8 of these financial statements.

16. SHORT TERM INVESTMENT

2026 2025
 --- R u p e e s ---

Investment at fair value through P&L

Fatima Fertilizer Company Limited - quoted
 6,120,000 (2025: 6,120,000) fully paid
 ordinary shares of Rs. 10 each
 Equity held 0.29% (2025: 0.29%)
 Market value per share Rs.165.30 (2025: Rs.99.41)

1,011,636,000 **608,389,200**



	2026	2025
	--- Rupees ---	
16.1 Movement in short term investment at fair value through profit or loss is as follows :		
Market value as at July 01,	608,389,200	315,914,400
Unrealized fair value gain on re-measurement of investments	403,246,800	292,474,800
Market value as at June 30,	1,011,636,000	608,389,200

16.2 These shares are pledged as security against short borrowings from banking companies as disclosed in note 26.1.

17. CASH AND BANK BALANCES

	Note	2026	2025
		--- Rupees ---	
Cash in hand		34,627,084	50,256,125
Cash at banks			
Current accounts			
- foreign currency		22,389,962	18,421,841
- local currency		519,998,271	246,682,446
		542,388,233	265,104,287
Saving accounts	17.1	103,638,113	93,680,776
		646,026,346	358,785,063
Term deposit receipts	17.2	1,163,250,000	713,250,000
		1,843,903,430	1,122,291,188

17.1 Rate of interest and mark-up on saving account is 0.15% to 9.75% (2025: 0.15% to 19%) per annum.

17.2 These carry mark up at the rate ranging from 7% to 16.50% (2025: 7% to 20%) per annum.

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2026	2025	2026	2025
	---- (Number of shares) ----		----- (Rupees) -----	
Ordinary shares of Rs. 10 each fully paid in cash	1,000,000	1,000,000	10,000,000	10,000,000
Ordinary shares of Rs. 10 each fully paid as right shares	9,187,200	9,187,200	91,872,000	91,872,000
Ordinary shares of Rs. 10 each issued as fully paid bonus shares	19,812,800	19,812,800	198,128,000	198,128,000
	30,000,000	30,000,000	300,000,000	300,000,000



18.1 As at the statement of financial position date, ordinary shares held by associated companies, undertakings and related parties are as follows:

	2026	2025	2026	2025
	----- (Number of shares) --		--- (Percentage of holding) ---	
Fazal Holdings (Private) Ltd.	7,352,041	7,352,041	24.51	24.51
Mr. Rehman Naseem	3,101,320	3,101,320	10.34	10.34
Mr. Fawad Ahmed Mukhtar	675,925	2,415,422	2.25	8.05
Mr. Fazal Ahmed Sheikh	2,041,611	2,041,611	6.81	6.81
Mr. Faisal Ahmed	2,039,865	2,039,865	6.80	6.80
Mr. Muhammad Yousaf Amir S/O Amir Naseem Sheikh	1,421,643	1,421,643	4.74	4.74
Mr. Abdullah Amir Fazal S/O Amir Naseem Sheikh	1,414,139	1,414,139	4.71	4.71
Mr. Asad Muhammad Sheikh S/O Fazal Ahmed Sheikh	1,012,970	1,012,970	3.38	3.38
Mr. Muhammad Mukhtar Sheikh S/O Fazal Ahmed Sheikh	1,012,969	1,012,969	3.38	3.38
Mr. Muhammad Fazeel Mukhtar S/O Faisal Ahmed	675,895	675,895	2.25	2.25
Mr. Ibrahim Mukhtar S/O Faisal Ahmed	675,895	675,895	2.25	2.25
Mr. Mohid Muhammad Ahmed S/O Faisal Ahmed	675,895	675,895	2.25	2.25
Mr. Fahd Mukhtar	677,925	579,715	2.26	1.93
Mr. Ali Mukhtar S/O Fawad Ahmed Mukhtar	677,925	536,207	2.26	1.79
Mr. Abbas Mukhtar S/O Fawad Ahmed Mukhtar	677,925	536,206	2.26	1.79
Fatima Trading Company (Private) Ltd.	392,283	392,283	1.31	1.31
Farrukh Trading Company Ltd.	392,282	392,282	1.31	1.31



	2026 ----- (Number of shares) --	2025	2026 --- (Percentage of holding) ---	2025
Fatima Management Company Ltd.	392,282	392,282	1.31	1.31
Mr. Aamir Naseem Sheikh	82,828	82,828	0.28	0.28
Mr. Sheikh Naseem Ahmad	8,820	8,820	0.03	0.03
Mrs. Mahnaz Amir Sheikh	4,447	4,447	0.01	0.01
Mr. Babar Ali	-	2,501	-	0.01
Ms. Parveen Akhter Malik	7,501	7,501	0.03	0.03
Mr. Masood Karim Sheikh	2,501	2,501	0.01	0.01
Reliance Commodities (Private) Ltd.	500	500	0.002	0.002
Fatima Holding Ltd.	5	5	0.00002	0.00002
Ms. Ambreen Fawad	677,925	-	2.26	-
Ms. Meraj Fatima	677,925	-	2.26	-
Mr. Shaukat Malik	10	-	0.00003	-

19. OTHER CAPITAL RESERVES

2026
2025
Restated
--- R u p e e s ---

Note

Share premium

Issue of 3,168,000 ordinary shares of Rs. 10 each at premium of Rs. 20 per share issued during the year 2001

63,360,000

63,360,000

Issue of 2,851,200 ordinary shares of Rs. 10 each at premium of Rs. 5 per share issued during the year 2002

14,256,000

14,256,000

19.1

77,616,000

77,616,000

Capital redemption reserve

19.2

175,000,000

175,000,000

Fair value reserve - net of tax

19.3

7,173,808,507

4,422,662,292

Transfer of reserves

19.4

15,000,000,000

15,000,000,000

22,426,424,507

19,675,278,292



- 19.1 This reserve can be utilized by the Company only for the purposes specified in section 81(2) of the Companies Act, 2017.
- 19.2 This represents capital redemption reserve created for the purpose of redemption of preference shares, and is not available for distribution to the shareholders.
- 19.3 This represents fair value adjustment on investments classified as fair value through OCI and is not available for distribution to the shareholders.
- 19.4 This represents revenue reserves transferred out of unappropriated profits for the purpose of capacity expansion, and is not available for distribution to the shareholders.

20. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT	2026	2025 Restated
	--- Rupees ---	
Gross surplus		
Balance at July 01,	24,671,468,956	25,630,012,233
Revaluation surplus arise during the year	14,902,603,674	-
Effect of disposal of operating fixed assets during the year	(69,161,211)	(44,613,593)
Transferred to unappropriated profits in respect of incremental depreciation charge for the year	(863,682,015)	(913,929,684)
Balance at June 30,	<u>38,641,229,404</u>	<u>24,671,468,956</u>

- 20.1 Property, plant and equipment of the Company except office equipment, furniture and fittings and vehicles have been revalued on June 30, 2026 by KGT (Private) Limited, an independent valuer not connected with the Company and approved by Pakistan Banks' Association 'any amount' category, resulting in recognition of additional surplus of Rs.14,903 million. Previously, the revaluation of the Company was carried out on June 30, 2007, March 31, 2012, March 31, 2015, February 28, 2018, January 01, 2021 and June 30, 2023 by independent valuers resulting in additional surplus of Rs.2,915 million, Rs. 2,028 million, Rs. 4,398 million Rs. 4,589 million, Rs. 10,558 million and Rs. 7,700 millions respectively.

Freehold land

Fair market value of freehold land is assessed through examining plot profile and purchase terms, independent inquiries from local active realtors, current and past occupants, of land, neighbouring areas, current asking prices for industrial used land in the vicinity, access roads and independent inquiries from other real estate sources to ascertain the selling prices for the properties of the same nature.

Factory and non-factory building

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, residual factors are applied based on estimate of balance useful life to determine the current assessed market value.

**Plant and machinery and others fixed assets**

Plant and machinery and other fixed assets (electric fittings and installations, sui gas installations, tools, laboratory equipment and arms, fire extinguishing equipment and scales) have been evaluated/assessed by inspecting items of plant and machinery and fixed assets. The valuer also consulted industry related dealers, indenters and/ or manufactures in order to ascertain the current replacement values of imported and locally fabricated items. The value assigned reflects the present condition of items while considering age, condition and/ or obsolescence of the items.

21. LONG TERM FINANCING - SECURED

	Note	2026 --- R u p e e s ---	2025
Long term financing:			
- banking companies	21.1	12,558,560,550	11,894,393,406
- other financial institutions	21.2	2,789,750,359	2,537,859,128
		15,348,310,909	14,432,252,534
Accrued mark-up			
- banking companies	21.1	320,217,522	290,254,150
- other financial institutions	21.2	38,672,748	46,225,620
		358,890,270	336,479,770
Total long term financing including accrued mark-up		15,707,201,179	14,768,732,304
Less:			
Current portion of long term financing	25	(3,573,284,433)	(3,264,201,917)
Accrued mark-up presented separately in the financial statements	29	(358,890,270)	(336,479,770)
		11,775,026,476	11,168,050,617



21.1 Banking companies:

Lender	2026	2025	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
Askari Bank Limited					
- Term finance - TF	125,000,015	208,333,335	6 Months KIBOR + 1.00%	Balance principal amount is payable in three equal half yearly instalments ending on November 26, 2027.	1st joint pari passu charge/ mortgage of Rs.3,639 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- SBP's LTFF loan	165,800,867	248,701,301	SBP Rate + 1.00% (fixed rate)	Balance principal amount is payable in four equal half yearly instalments ending on June 22, 2028.	
- Term finance - TF	400,000,000	-	6 Months KIBOR + 1.25%	Principal amount is payable in Eight equal half yearly instalments beginning on March 24, 2027.	
Accrued markup on loan	17,032,676	9,796,490			
	707,833,558	466,831,126			
Soneri Bank Limited					
- Term finance - TF	200,000,000	300,000,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in four equal half yearly instalments ending on April 01, 2028	1st joint pari passu charge/ mortgage of Rs.1,161 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- SBP's LTFF loan	184,541,744	246,055,676	SBP rate + 1.10% (fixed rate)	Balance principal amount is payable in twelve equal quarterly instalments ending on June 20, 2029.	
Accrued markup on loan	7,342,423	11,849,155			
	391,884,167	557,904,831			
Habib Bank Limited					
- SBP's LTFF loan	80,330,053	133,883,427	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in three equal half yearly instalments ending on September 29, 2027.	1st joint pari passu charge/ mortgage of Rs.1,463 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Demand Finance	374,999,999	458,333,333	3 Month KIBOR + 0.75%	Balance principal amount is payable in nine equal half yearly instalments ending on September 11, 2030.	
TF for Solar	496,082,727	451,682,582	6 Month KIBOR + 1%	Principal amount is payable in ten equal half yearly instalments beginning on April 03, 2027.	
Accrued markup on loan	26,545,016	28,111,435			
	977,957,795	1,072,010,777			



Lender	2026	2025	Rate of mark up per annum	Tenure and basis of principal repayments	Security
National Bank of Pakistan					
- SBP's LTFF loan	400,000,000	500,000,000	SBP rate + 0.60% (fixed rate)	Balance principal amount is payable in sixteen equal quarterly instalments ending on April 08, 2030.	1st joint pari passu charge/ mortgage of Rs.4,467 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Demand finance - XII	812,500,000	937,500,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in thirteen equal half yearly instalments ending on November 02, 2032.	
- SBP's LTFF loan	625,000,000	750,000,000	SBP rate + 0.80% (fixed rate)	Balance principal amount is payable in ten equal half yearly instalments ending on February 23, 2031.	
- Demand finance - XI	150,000,000	187,500,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in eight equal half yearly instalments ending on February 24, 2030.	
Accrued markup on loan	36,601,736	47,216,000			
	2,024,101,736	2,422,216,000			
United Bank Limited					
- SBP's LTFF loan	57,719,012	173,156,926	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in one half yearly instalments ending on December 31, 2026.	1st joint pari passu charge/ mortgage of Rs.10,658 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
Accrued markup on loan	41,413	759,286			
	57,760,425	173,916,212			
MCB Bank Limited					
- Syndicated term finance	852,347,141	80,986,125	6 Months KIBOR + 0.75%	Principal amount is payable in ten equal half yearly Instalments beginning on September 30, 2027.	1st joint pari passu charge/ mortgage of Rs.2,321 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
- EXIM's LTFF Loan	239,378,205	-	SBP's Policy Rate - 3.00% (fixed rate)	Principal amount is payable in Ten equal half yearly Instalments beginning on September 30, 2027.	
Accrued markup on loan	31,286,335	1,075,692			
	1,123,011,681	82,061,817			



Lender	2026	2025	Rate of mark up per annum	Tenure and basis of principal repayments	Security
Allied Bank Limited					
- Term loan - VII	110,656,995	165,985,493	6 Months KIBOR + 0.65%	Balance principal amount is payable in four equal half yearly instalments ending on March 02, 2028.	1st joint pari passu charge/ mortgage of Rs.5,783 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
- SBP's LTFF loan	110,950,214	155,330,302	SBP Rate+0.50% (fixed rate)	Balance principal amount is payable in five equal half yearly instalments ending on September 02, 2028.	
- SBP's LTFF loan	258,747,915	344,997,197	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in six equal half yearly instalments ending on January 04, 2029.	
- SBP's LTFF loan	199,563,610	261,830,472	SBP rate + 0.75% (fixed rate)	Balance principal amount is payable in eight equal half yearly instalments ending on March 27, 2030.	
- SBP's REPP loan	87,984,032	109,980,038	SBP rate + 0.75% (fixed rate)	Balance principal amount is payable in eight equal half yearly instalments ending on March 25, 2030.	
- Term finance - XVI	250,000,000	350,000,000	6 Months KIBOR + 1.50%	Balance principal amount is payable in five equal half yearly instalments ending on July 10, 2028.	
- SBP's LTFF loan	15,625,000	21,875,000	SBP Rate + 1.00% (fixed rate)	Balance principal amount is payable in five equal half yearly instalments ending on December 11, 2028.	
- Term loan - XVII	1,750,000,000	2,000,000,000	6 Months KIBOR + 0.70%	Balance principal amount is payable in seven equal half yearly instalments ending on November 08, 2029.	
- Syndicated term finance	1,091,725,346	80,986,125	6 Months KIBOR + 0.75%	Principal amount is payable in ten equal half yearly Instalments beginning on September 30, 2027.	
Accrued markup on loan	108,530,858	91,412,412			
	3,983,783,970	3,582,397,039			
The Bank of Khyber					
- SBP's LTFF loan	35,000,000	105,000,000	SBP rate + 0.60% (fixed rate)	Balance principal amount is payable in one half yearly instalments ending on August 27, 2026.	1st joint pari passu charge/ mortgage of Rs.1,047 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- SBP's LTFF loan	250,000,000	350,000,000	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in five equal half yearly instalments ending on July 19, 2028.	
Accrued markup on loan	2,639,684	3,966,040			
	287,639,684	458,966,040			



Lender	2026	2025	Rate of mark up per annum	Tenure and basis of principal repayments	Security
The Bank of Punjab					
- SBP's LTFF loan	125,000,012	187,500,010	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in four equal half yearly instalments ending on December 05, 2027.	1st joint pari passu charge/ mortgage of Rs. 4,877 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Term finance	50,000,000	150,000,000	6 Months KIBOR + 0.75%	Balance principal amount is payable in one half yearly instalments ending on October 25, 2026.	
- SBP's LTFF loan	156,222,929	218,712,081	SBP rate + 0.75% (fixed rate)	Balance principal amount is payable in five equal half yearly instalments ending on October 12, 2028.	
- SBP's LTFF loan	214,338,628	275,578,222	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in seven equal half yearly instalments ending on December 27, 2029.	
- Term finance	595,849,540	704,185,820	6 Months KIBOR + 1.75%	Balance principal amount is payable in eleven equal half yearly instalments ending on November 29, 2031	
- SBP's LTFF loan	85,874,495	101,488,041	SBP rate + 1.75% (fixed rate)	Balance Principal amount is payable in Twelve equal half yearly instalments ending on January 24, 2032.	
- SBP's LTFF loan	6,301,048	7,351,224	SBP rate + 2.25% (fixed rate)	Balance Principal amount is payable in Nine equal half yearly instalments ending on December 22, 2030.	
- Term finance	900,000,000	-	6 Months KIBOR + 1.00%		
Accrued markup on loan	55,202,440	37,048,458			
	2,188,789,092	1,681,863,856			



Lender	2026	2025	Rate of mark up per annum	Tenure and basis of principal repayments	Security
Bank Al Habib Limited					
- Term finance	-	100,000,000	6 Months KIBOR + 1.00%	Loan has been repaid during the year	1st joint pari passu charge/ mortgage of Rs.1,951 million on all present and future fixed assets of the Company.
- Term finance	9,003,122	10,803,748	6 Months KIBOR + 2.00%	Balance principal amount is payable in ten equal half yearly instalments ending on June 16, 2031.	
- SBP's LTFF loan	147,246,878	176,696,252	SBP rate + 2.00% (fixed rate)	Balance principal amount is payable in ten equal half yearly instalments ending on June 16, 2031.	
- SBP's REPP loan	268,333,508	313,055,754	SBP rate + 1.75% (fixed rate)	Balance principal amount is payable in twelve equal half yearly instalments ending on June 14, 2032.	
Accrued markup on loan	5,344,262	9,539,552			
	429,927,770	610,095,306			
Bank Alfalah Limited					
- Term finance	210,000,000	350,000,000	6 Months KIBOR + 1.50%	Balance principal amount is payable in three equal half yearly instalments ending on November 02, 2027.	1st joint pari passu charge/ mortgage of Rs.2,058 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- SBP's REPP loan	203,937,515	239,404,922	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in twenty three equal quarterly instalments ending on February 23, 2032.	
Accrued markup on loan	9,566,241	15,612,408			
	423,503,756	605,017,330			
Habib Metropolitan Bank Limited					
- Term finance	262,500,000	437,500,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in six equal quarterly instalments ending on October 15, 2027.	1st joint pari passu charge/ mortgage of Rs.750 million on all present and future fixed assets of the Company.
Accrued markup on loan	20,084,438	33,867,222			
	282,584,438	471,367,222			
	12,878,778,072	12,184,647,556			
Long term financing at year end	12,558,560,550	11,894,393,406			
Accrued mark up	320,217,522	290,254,150			



21.2 Other financial institutions:

Lender	2026	2025	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
Pak Brunei Investment Company Limited					
- Term finance	195,000,000	255,000,000	3 Months KIBOR + 2.00%	Balance principal amount is payable in thirteen equal quarterly instalments ending on August 18, 2029.	1st joint pari passu charge/ mortgage of Rs.920 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Term finance	180,000,000	200,000,000	3 Months KIBOR + 2.00%	Balance principal amount is payable in eighteen equal quarterly instalments ending on November 27, 2030.	
- Term finance	250,000,000	-	3 Months KIBOR + 1.25%	Principal amount is payable in Twenty equal quarterly instalments beginning on December 26, 2027.	
Accrued markup on loan	6,278,069	6,727,363			
	631,278,069	461,727,363			
Pak Oman Investment Company Limited					
- Term finance	-	75,000,000	6 Months KIBOR + 0.90%	Loan has been repaid during the year	1st joint pari passu charge/ mortgage of Rs.867 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Term finance	62,500,007	145,833,339	3 Months KIBOR + 2.00%	Balance principal amount is payable in three equal quarterly instalments ending on March 09, 2027.	
- Term finance	500,000,000	-	6 Months KIBOR + 0.80%	Principal amount is payable in Twelve equal half yearly instalments beginning on March 26, 2027.	
Accrued markup on loan	1,413,752	2,986,888			
	563,913,759	223,820,227			
Saudi Pak Industrial & Agricultural Investment Co. Limited					
- Term finance	50,000,000	100,000,000	6 Months KIBOR + 2.25%	Balance principal amount is payable in two equal half yearly instalments ending on January 23, 2027.	1st joint pari passu charge/ mortgage of Rs.516 million on all present and future fixed assets of the Company.
- SBP's LTFF loan	336,875,000	398,125,000	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in eleven equal half yearly instalments ending on August 29, 2031	
Accrued markup on loan	5,724,333	6,210,877			
	392,599,333	504,335,877			



Lender	2026	2025	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
PAIR Investment Company Limited					
- Term finance	200,000,000	255,000,000	3 Months KIBOR + 1.90%	Balance principal amount is payable in ten quarterly instalments ending on October 03, 2028.	1st joint pari passu charge/ mortgage of Rs.552 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors...
- Term finance	213,292,017	160,984,122	3 Months KIBOR + 1.90%	Balance principal amount is payable in seventeen quarterly instalments ending on July 23, 2030.	
Accrued markup on loan	11,832,123	12,941,040			
	425,124,140	428,925,162			
Pak Libya Holding Company (Private) Limited					
- Term finance	395,833,335	479,166,667	3 Months KIBOR + 2.10%	Balance principal amount is payable in nineteen equal quarterly instalments ending on January 02, 2031.	1st joint pari passu charge/ mortgage of Rs.528 million on all present and future fixed assets of the Company.
Accrued markup on loan	13,116,832	16,684,452			
	408,950,167	495,851,119			
Pakistan Kuwait Investment Company (Private) Limited					
- Term finance	406,250,000	468,750,000	3 Months KIBOR + 2.00%	Balance principal amount is payable in twenty six equal quarterly instalments ending on December 29, 2032.	1st joint pari passu charge/ mortgage of Rs.563 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
Accrued markup on loan	307,639	675,000			
	406,557,639	469,425,000			
	2,828,423,107	2,584,084,748			
Long term financing at year end	2,789,750,359	2,537,859,128			
Accrued mark up	38,672,748	46,225,620			



- 21.3** The above financing facilities have been obtained to meet capital expenditure including balancing, modernization and replacement of manufacturing facilities, balance sheet reprofiling and long term working capital requirements of the Company.

22. LONG TERM MUSHARIKA - SECURED		2026	2025
		--- R u p e e s ---	
Note			
<u>Islamic mode of financing</u>			
Long term musharika - banking companies	22.1	14,518,466,901	8,999,190,673
Accrued mark-up	22.1	217,500,008	180,723,636
Total long term financing including accrued mark-up		14,735,966,909	9,179,914,309
Less:			
Current portion of long term musharika	25	(1,734,583,475)	(1,043,044,067)
Accrued mark-up presented separately in the financial statements	29	(217,500,008)	(180,723,636)
		12,783,883,426	7,956,146,606



22.1 Banking companies:

Lender	2026	2025	Rate of profit per Annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
Meezan Bank Limited					
- Diminishing musharika	666,666,668	833,333,334	6 Months KIBOR + 1.25%	Balance Principal amount is payable in eight equal half yearly instalments ending on April 22, 2030.	1st joint pari passu charge/ mortgage of Rs.3,956 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Diminishing musharika	300,000,000	500,000,000	6 Months KIBOR + 1.25%	Balance principal amount is payable in three equal half yearly instalments ending on November 29, 2027	
- Diminishing musharika	303,905,295	-	6 Months KIBOR + 1.00%	Principal amount is payable in eight equal half yearly instalments beginning on October 06, 2027.	
Accrued mark up on loans	27,174,128	27,029,087			
	1,297,746,091	1,360,362,421			
Dubai Islamic Bank Pakistan Limited					
- Diminishing musharika	25,000,000	125,000,000	3 Months KIBOR + 1.50%	Balance principal amount is payable in one quarterly instalments ending on September 06, 2026.	1st joint pari passu charge/ mortgage of Rs.1,967 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Diminishing musharika	150,000,000	250,000,000	3 Months KIBOR + 1.50%	Balance principal amount is payable in six equal quarterly instalments ending on December 27, 2027.	
- Diminishing musharika	850,000,000	1,000,000,000	3 Months KIBOR + 1.50%	Balance principal amount is payable in seventeen equal quarterly instalments ending on August 29, 2030.	
Accrued mark up on loans	10,670,904	12,586,167			
	1,035,670,904	1,387,586,167			
Faysal Bank Limited					
- Diminishing musharika	558,264,412	651,308,480	3 Months KIBOR + 0.75%	Balance Principal amount is payable in twelve equal half yearly instalments ending on June 30, 2032.	1st joint pari passu charge/ mortgage of Rs.3,006 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Diminishing musharika	1,500,000,000	-	6 Months KIBOR + 0.70%	Principal amount is payable in eleven equal half yearly instalments beginning on September 29, 2027.	
Accrued mark up on loans	11,812,760	10,828,102			
	2,070,077,172	662,136,582			



Lender	2026	2025	Rate of profit per Annum	Tenure and basis of principal repayments	Security
National Bank of Pakistan					
- Diminishing musharika	50,000,000	150,000,000	6 Months KIBOR + 0.85%	Balance principal amount is payable in one half yearly instalments ending on July 02, 2026.	1st joint pari passu charge/ mortgage of Rs.4,467 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Diminishing musharika	750,000,000	750,000,000	6 Months KIBOR + 1.00%	Principal amount is payable in twelve equal half yearly instalments beginning on July 02, 2026.	
Accrued profit on loan	45,918,713	61,089,713			
	845,918,713	961,089,713			
Bank Islami Pakistan					
- Diminishing musharika	916,666,667	1,000,000,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in eleven equal half yearly instalments ending on December 18, 2031.	1st joint pari passu charge/ mortgage of Rs.3,334 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Diminishing musharika	1,000,000,000	-	6 Months KIBOR + 1.00%	Principal amount is payable in Twelve equal half yearly instalments beginning on April 20, 2027.	
Accrued mark up on loans	30,866,393	4,320,656			
	1,947,533,060	1,004,320,656			
United Bank Limited					
- Diminishing musharika	950,000,000	1,000,000,000	3 Months KIBOR + 1.50%	Balance principal amount is payable in nineteen equal quarterly instalments ending on January 15, 2031.	1st joint pari passu charge/ mortgage of Rs.10,658 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Diminishing musharika	2,500,000,000	2,500,000,000	3 Months KIBOR + 1.50%	Principal amount is payable in thirty two equal quarterly instalments beginning on November 28, 2026.	
- Diminishing musharika	247,963,859	239,548,859	3 Months KIBOR + 1.50%	Principal amount is payable in thirty two equal quarterly instalments beginning on February 14, 2027.	
- Diminishing musharika	2,500,000,000	-	6 Months KIBOR + 1.50%	Principal amount is payable in sixteen equal half yearly instalments beginning on December 04, 2028.	
Accrued mark up on loans	86,373,395	64,860,716			
	6,284,337,254	3,804,409,575			



Lender	2026	2025	Rate of profit per Annum	Tenure and basis of principal repayments	Security
The Bank of Khyber					
- Diminishing musharika	500,000,000	-	6 Months KIBOR +1.00% pa	Principal amount is payable in Twelve equal half yearly instalments beginning on September 03, 2027.	1st joint pari passu charge/ mortgage of Rs.1,047 million on all present and future fixed assets of the Company and personal
Accrued mark up on loans	4,149,315	-			
	504,149,315	-			
Askari Bank Limited					
- Diminishing musharika	750,000,000	-	6 Months KIBOR +1.25% pa	Principal amount is payable in Ten equal half yearly instalments beginning on March 29, 2027.	1st joint pari passu charge/ mortgage of Rs.3,639 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Accrued mark up on loans	525,205	-			
	750,525,205	-			
	14,735,966,909	9,179,914,309			
Long term financing at year end	14,518,466,901	8,999,190,673			
Accrued mark up	217,500,008	180,723,636			



- 22.2** The above financing facilities have been obtained to meet capital expenditure including balancing, modernization and replacement of manufacturing facilities, balance sheet reprofiling and long term working capital requirements of the Company.

23. LEASE LIABILITY - UNSECURED

	Note	2026 --- R u p e e s ---	2025
Lease liability against right of use asset		66,442,445	70,677,725
Current portion of lease liability	25	(6,465,933)	(4,235,280)
	23.1	<u>59,976,512</u>	<u>66,442,445</u>

	2026		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
Lease liability - unsecured	----- (Rupees) -----		
Not later than one year	15,562,455	9,096,522	6,465,933
Later than one year and not later than five years	79,447,888	19,471,376	59,976,512
Above five years	-	-	-
	<u>95,010,343</u>	<u>28,567,898</u>	<u>66,442,445</u>
	2025		
	Minimum lease payments	Finance charge	Present value of minimum lease payments
Lease liability - unsecured	----- (Rupees) -----		
Not later than one year	14,147,686	9,912,406	4,235,280
Later than one year and not later than five years	72,225,353	27,353,752	44,871,601
Above five years	22,784,990	1,214,146	21,570,844
	<u>109,158,029</u>	<u>38,480,304</u>	<u>70,677,725</u>

- 23.1** The Company has recognized right of use on account of head office land obtained by the Company on lease. The remaining tenure of contract is 5 years and the rent is payable quarterly. Lease liability is calculated at discount rate of 15.11% per annum.

**24. DEFERRED LIABILITIES:**

		2026	2025 Restated
	Note	--- Rupees ---	
Staff retirement benefit - Gratuity	24.1	571,560,377	604,292,806
Deferred taxation	24.2	-	-
		<u>571,560,377</u>	<u>604,292,806</u>

24.1 Staff retirement benefit - Gratuity

The latest actuarial valuation of the Company's defined benefit plan, was conducted at 30 June 2026 using 'Projected Unit Credit' method. Detail of obligation for defined benefit plan is as follows:

24.1.1 The amounts recognized in the 'Statement of financial position' is as follows:

	Note	2026 --- Rupees ---	2025
Present value of defined benefit obligation liability at June 30,		<u>571,560,377</u>	<u>604,292,806</u>

24.1.2 Movement in the liability for defined benefit obligation recognized in the 'Statement of financial position' is as follows:

Liability for defined benefit obligation at July 01,		604,292,806	576,427,439
Current service cost	24.1.3	207,698,365	209,820,409
Interest cost on defined benefit obligation	24.1.3	54,453,897	59,110,359
Actuarial loss charged to 'Other Comprehensive Income'	24.1.5	(13,173,916)	110,293,090
Benefits paid during the year		<u>(281,710,775)</u>	<u>(351,358,491)</u>
Liability for defined benefit obligation at June 30,		<u>571,560,377</u>	<u>604,292,806</u>

24.1.3 The amounts recognized in the 'Statement of profit or loss' against defined benefit plan are as follows:

Current service cost		207,698,365	209,820,409
Interest cost		54,453,897	59,110,359
		<u>262,152,262</u>	<u>268,930,768</u>

24.1.4 Charge to 'Statement of profit or loss' against defined benefit plan has been allocated as under

Cost of sales		246,618,467	253,302,637
Selling and distribution expense		2,705,969	2,295,864
Administrative expense		12,827,826	13,332,267
		<u>262,152,262</u>	<u>268,930,768</u>



2026 2025
 --- R u p e e s ---

24.1.5 Remeasurement loss recognized in the 'Other comprehensive income' against defined benefit plan are as follows:

Remeasurement gain on defined benefit obligation due to:

- changes in financial assumptions	-	(2,236,622)
- change in experience adjustment	(13,173,916)	112,529,712
	<u>(13,173,916)</u>	<u>110,293,090</u>

24.1.6 Actuarial assumptions used for valuation of liability at June 30, against defined benefit obligation are as under :

The following are the principal actuarial assumptions at statement of financial position date:

	2026	2025
Discount rate used for interest cost	14.75% per annum	14.75% per annum
Discount rate used for year end obligation	11.75% per annum	11.75% per annum
Expected rate of growth per annum in future salaries	9.75% per annum	9.75% per annum
Mortality rates	SLIC (2001 - 05) Setback 1 Year	SLIC (2001 - 05) Setback 1 Year
Retirement assumption	Age 60	Age 60

24.1.7 Sensitivity analysis of defined benefit obligation to changes in the actuarial assumptions

Reasonably possible changes at the statement of financial position date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2026			2025		
	Impact on defined benefit obligation			Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	Percentage	----- Rupees -----		Percentage	----- Rupees -----	
Discount rate	1.00%	<u>533,111,232</u>	<u>612,796,108</u>	1.00%	<u>563,641,734</u>	<u>647,890,047</u>
Salary growth rate	1.00%	<u>612,782,558</u>	<u>533,104,683</u>	1.00%	<u>647,875,722</u>	<u>563,634,810</u>

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognized in the statement of financial position.



24.1.8 The Company expects to charge Rs.237.72 million against current service cost and Rs. 67.16 million against net interest cost, aggregating to Rs.304.88 million, to 'Statement of Profit or Loss' in respect of defined benefit plan in 2027.

24.1.9 The Company exposure to the actuarial risks are as follows:

a) Salary risks

The risk that the final salary at the time of cessation of service is greater than the assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

b) Demographic risks

Mortality Risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

24.1.10 Gratuity scheme entitles members of staff retirement benefit plan on resignation, termination, retirement, early retirement, retrenchment, death and dismissal based, on the Company's service rules, for staff gratuity. Gratuity is based on the last month basic salary for each year of service.

24.2 Deferred taxation

Refer contents of Note 6 to the financial statements.

25. CURRENT PORTION OF

NON-CURRENT LIABILITIES

Note

2026

2025

--- R u p e e s ---

Mark-up bearing finances from conventional banks:

Long term financing - secured

21

3,573,284,433

3,264,201,917

Islamic mode of financing:

Long term musharika - secured

22

1,734,583,475

1,043,044,067

Current portion of lease liability

23

6,465,933

4,235,280

5,314,333,841

4,311,481,264

**26. SHORT TERM BORROWINGS - SECURED**

	Limits (in million)	Nominal interest rate %	2026 --- R u p e e s ---	2025
Banking Companies				
Mark-up based borrowings from conventional banks				
Cash finance	7,900	11.04 - 12.78	1,690,783,130	1,611,195,107
Running finance	9,550	10.95 - 12.68	1,616,431,013	1,018,634,532
Foreign currency export finance	5,500	2.50 - 5.50	3,522,747,069	1,804,771,769
Finance against imported merchandise	3,476	4.50 - 21.14	2,231,706,834	2,241,226,163
Finance against trust receipt	10,245	4.00 - 12.74	1,507,307,406	8,052,522,296
Money market loan	Sub- Limit	10.46 - 12.49	2,545,603,111	3,699,999,997
Accrued mark-up			124,124,250	312,465,357
			13,238,702,813	18,740,815,221
Islamic mode of financing				
Running musharika	4,650	10.73 - 13.40	1,691,497,172	2,199,039,811
Karobar finance/ Import murabaha/ Musawammah	7,930	10.38 - 12.36	946,111,059	2,910,374,998
Foreign currency export finance	1,040	2.75 - 3.00	589,855,831	-
Accrued mark-up			31,686,635	52,604,455
			3,259,150,697	5,162,019,264
Total short term borrowings			16,497,853,510	23,902,834,485
Less: accrued mark-up/profit			(155,810,885)	(365,069,812)
			16,342,042,625	23,537,764,673

- 26.1** The Company has limits for funded short term borrowing facilities of aggregate amount of Rs. 50,291 million and facilities for opening of letters of credit of aggregate amount of Rs. 1,650 million having aggregate sanctioned limit of Rs.51,941 million (2025: Rs.58,310 million). Further, the company has aggregate limit of bank guarantees of Rs. 8,872 million (2025: Rs 6,322 million). These facilities are secured against different securities including pledge of stocks, hypothecation of stocks, stores and spares, hypothecation charge on all other current assets, lien on debtors, lien on imports and exports documents and personal guarantees of the sponsoring directors. The pledge based outstanding borrowings out of the above outstanding borrowings are secured against pledge of stocks amounting to Rs.3,498 million and 69 million shares of Fatima Fertilizer Company Limited. Short term borrowing funded facilities of aggregate amount of Rs.32,413 million and non-funded letters of credit facilities of aggregate



amount of Rs. Nil having an aggregate of Rs.32,413 million (2025: Rs.29,631 million) remained unutilized at year end. Further, the bank guarantee facilities of aggregate amount of Rs.4,500 million (2025: Rs. 2,406 million) remained unutilized at year end. These facilities are expiring on various dates by October 31, 2029.

27. CONTRACT LIABILITIES

	Note	2026 --- R u p e e s ---	2025
Contract liabilities	27.1	<u>1,402,712,995</u>	<u>1,294,316,323</u>

27.1 The amount of Rs. 1,030 million included in contract liabilities as at June 30, 2025 has been recognized as revenue in the year ended June 30, 2026. (2025: Rs. 189.9 million).

28. TRADE AND OTHER PAYABLES

	Note	2026 --- R u p e e s ---	2025
Trade creditors		1,212,641,634	883,302,869
Accrued liabilities	28.1	1,133,953,878	1,716,247,361
Due to associated undertakings	28.2	282,722,047	378,465,070
Bills payable		2,372,478,395	3,117,084,261
Tax deducted at source		26,275,035	29,571,730
Infrastructure cess	28.3	3,540,527,364	2,778,901,401
Workers' profit participation fund	28.4	116,868,726	45,837,853
Workers' welfare fund	28.5	46,777,329	39,256,594
Loan from Director	28.6	399,693	299,693
Others		7,351,791	7,300,000
		<u>8,739,995,892</u>	<u>8,996,266,832</u>

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

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

**28.2 Due to associated undertakings**

	Note	2026 --- Rupees ---	2025
Fatima Energy Limited		274,259,547	373,622,167
Fazal Farm (Private) Limited		8,412,000	4,842,903
Fazal-ur-Rehman Foundation		50,500	-
	28.2.1	282,722,047	378,465,070

28.2.1 These are unsecured and in the normal course of business for goods and services.

28.3 This represent provision against 'Sindh Infrastructure Cess', levied under section 9 of 'Sindh Finance Act, 1994' and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017 at the rate specified of total value of goods as assessed by the 'Custom Authorities' while considering net weight and distance for carriage of goods through the province of 'Sindh'. The Company has filed an appeal before the 'Honourable Sindh High Court' against levy, which passed order dated June 04, 2021 against the Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others has filed petition for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. The Supreme court in its order dated September 01, 2021 granted interim relief to the Company against the order of Honourable Sindh High Court subject to provision of bank guarantees equivalent of Cess amount. However, the probable amount has been fully recognized in the financial statements.

28.4 Workers' profit participation fund

	Note	2026 --- Rupees ---	2025
Balance as at July 01		45,837,853	33,645,019
Provision for the year	36.	116,868,726	45,837,857
Interest on funds utilized by the company		1,491,928	2,098,896
		164,198,507	81,581,772
Payment made during the year		(47,110,338)	(35,561,762)
Deposited in 'Government Treasury'		(219,443)	(182,157)
Balance as at June 30		116,868,726	45,837,853

28.5 Workers' welfare fund

Balance as at July 01		39,256,594	56,984,574
Adjustment during the year		(39,256,594)	(51,437,212)
Allocation for the year	36	46,777,329	33,709,232
Balance as at June 30		46,777,329	39,256,594



- 28.6** This represents interest free loan from a director of the company. The loan is unsecured and repayable on demand.

29. ACCRUED MARK-UP

2026 2025

--- Rupees ---

Mark-up based loans from conventional bank:

Long term financing - secured	358,890,270	336,479,770
Short term borrowings - secured	124,124,250	312,465,357
	483,014,520	648,945,127

Islamic mode of financing:

Long term musharika - secured	217,500,008	180,723,636
Short term borrowings - secured	31,686,635	52,604,455
	249,186,643	233,328,091
	732,201,163	882,273,218

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

Income Tax

- 30.1.1** The officials of Large Taxpayer Unit (LTU) through order on July 27, 2022 under Section 170 of the Income Tax Ordinance, 2001 have curtailed income tax refunds on account of disallowance of the brought-forward minimum tax for tax years 2016 through tax year 2020 and the curtailment of taxes paid or suffered at source for tax year 2021 amounting to Rs. 854.14 million and Rs. 46.98 respectively. Being aggrieved, the company preferred an appeal against the said order before the Commissioner of Inland Revenue Appeals (CIR (A)). During the preceding year, the CIR (A) remand the case back to the assessing officer for denovo consideration. However, the company preferred an appeal before the Appellate Tribunal for Inland Revenue (ATIR). During pendency of the case with ATIR, the department through order u/s 170 dated July 29, 2024 has accepted refund of Rs. 350.10 million by adjusting against advance tax u/s 147 for tax year 2024. The company has preferred an appeal before ATIR on account of disallowance of the brought forward minimum tax for tax years 2016 through tax year 2020 amounting to Rs. 550,271,897 and disallowance of tax credit of Rs. 2.16 million on donations claimed under section 61 of the Ordinance. On January 21, 2025, the ATIR remand the case back to the department, which is pending adjudication.



- 30.1.2** The officials of LTU, through a notice dated August 31, 2021, initiated proceedings under Section 4B of the Ordinance against the company, which was duly responded to by the company's tax advisor on the company's behalf. Such proceedings were concluded through an order dated September 17, 2021, passed under Section 4B of the Ordinance, whereby a tax demand of Rs 23.97 million imposing super tax and default surcharge was raised against the company. The company assailed the subject order in appeal before CIR(A), which was accepted and vacated against the departmental action by CIR(A) through an appellate order dated 13 April, 2022. The department preferred further appeal against the said appellate order before ATIR which is pending adjudication.
- 30.1.3** The officials of LTU, initiated proceedings under section 122(5A) of the Ordinance through notice dated February 11, 2025, through which Company's treatment of apportionment of 'other income' between normal tax regime and final tax regime in return of total income for tax year 2021 was disputed, which was duly responded through letter dated April 28, 2025. Such proceedings have been concluded through order dated July 18, 2025 and department raised the demand for Rs. 131.5 million and adjusted the same amount against the refunds available for this year. The Company has preferred appeal before CIR(A) against the order dated July 18, 2025, passed by assessing officer u/s 122(5A) of the Ordinance. CIR (A) through order dated March 30, 2026 has annuled or deleted all issues except the one regarding attribution of scrap sales towards NTR along with remanded back on the issue of attribution of notional income towards NTR. The Company has filed an appeal before ATIR against the order of CIR(A). ATIR has issued order dated July 27, 2026. Via its order the direction remanding the addition of Rs. 117 million is vacated and the addition of Rs. 10.37 million sustained on account of scrap sales is also deleted.
- 30.1.4** The officials of LTU - Lahore raised income tax demands of Rs. 32.03 million against the Company through amendment order, dated June 28, 2019 under section 122(5A) of the Ordinance for tax year 2013. The Company has preferred appeal against the orders before CIR(A) which was disposed off by CIR(A) through appellate order dated December 31, 2021. Through such order CIR(A) has deleted/ annulled the departmental actions on all the issue except the issue regarding the time limitation of such proceedings and apportionment of expenses under rule 231 of the Income Tax Rules, 2002 ('the Rules'). Feeling aggrieved with the order, Company preferred an appeal before ATIR in accordance with the available remedial course. The department has also filed against the said appellate order before ATIR, both appeals are pending adjudication.
- 30.1.5** The officials of Large Taxpayers Unit, Lahore ('LTU - Lahore') raised income tax demands of Rs. 8.8 million for tax year 2013, Rs. 49.78 million for tax year 2016, and Rs. 93.49 million for tax year 2019 against the Company through separate orders, dated June 28, 2019, June 29, 2018, and December 29, 2020 respectively, under Section 161/205 of the Income Tax Ordinance, 2001 ('Ordinance') on grounds that income tax has not been deducted against certain payments during tax years 2013, 2016 and 2019 respectively. The Company agitated the orders in appeal before Commissioner Inland Revenue Appeals (CIR(A)). For tax year 2013, the Company's appeal against order was disposed of by CIR(A) for which the Company has filed appeal before ATIR. Honorable ATIR through appellate order dated January 21, 2026 disposed of this matter. Through its order, the honorable ATIR has deleted the departmental action of levying default



against the Company u/s 161 of the Ordinance. For tax year 2016, CIR(A) has vacated the departmental action to the extent of Rs. 39.12 million and for remaining amount of Rs. 10.78 million the Company has filed an appeal before the ATIR. ATIR has decided the case in the Company's favour. Accordingly, the demand of Rs. 10.66 million created u/s 161 on foreign commission is vacated. For tax year 2019, the Company's appeal against order was disposed of by CIR(A), through appellate order dated April 28, 2022. Through such order CIR(A) upheld the departmental action on all accounts. Company assailed the said appellate order in appeal before ATIR. ATIR, through order dated September 11, 2023, has decided the case in the Company's favor by deleting the demand.

- 30.1.6** The officials of LTU - Lahore, started proceedings against the company and FWML under Section 161/205 of the Income Tax Ordinance, 2001, by issuing notices dated December 29, 2020, and November 17, 2020. These notices were responded to by the company's tax advisor on behalf of the Company on March 01 and March 22, 2021. Proceedings concluded with an order passed on March 31, 2021, whereby a tax demand of Rs. 55.78 million was raised against the Company. The Company preferred an appeal against this order before the Commissioner of Inland Revenue Appeals (CIR(A)).

However, CIR(A), through an appellate order dated October 13, 2021, upheld the departmental action, affirming the tax demand. Subsequently, the Company preferred an appeal against the CIR(A)'s decision before the Appellate Tribunal for Inland Revenue (ATIR). ATIR's decision, dated April 29, 2022, vacated both the earlier orders and remitted the matter back to the tax department for consideration afresh. On June 23, 2023, the tax department maintained its previous decision and issued a tax demand of Rs 55.8 million against the Company. Being aggrieved, the Company preferred an appeal before the CIR(A). On August 3, 2023, CIR (A) upheld the department's decision and passed an order against the company. The company subsequently appealed against the said order before the ATIR which is pending adjudication.

- 30.1.7** The officials of LTU-Lahore after concluding an income tax audit under Section 177 of the Ordinance, raised an income tax demand of Rs. 7.98 million against the company through an amended order dated April 26, 2018, under Section 122(5) of the Ordinance for the tax year 2014. The company has preferred an appeal against the orders before CIR(A). Through such an order, CIR(A) has deleted or annulled the departmental action on all issues except the ones regarding the time limitation of such proceedings and the apportionment of expenses under Rule 231 of the Income Tax Rules, 2002. Feeling aggrieved with the aforesaid action, the Company has preferred appeal before ATIR in accordance with the available remedial course. The department has also filed an appeal against the said appellate order before ATIR; both appeals are presently pending adjudication.

- 30.1.8** Consequent to the amendment of the deemed income tax assessment of tax years 2006 to 2012 via separate orders dated April 30, 2010, September 30, 2010, May 14, 2012, October 23, 2012, March 30, 2015, June 23, 2014 and January 29, 2016, respectively, involving an income tax of Rs. 324.80 million, the company has been extended significant relief by the CIR(A). The issues in respect of which CIR(A) did not allow relief have been taken up in appeals before the ATIR, and such appeals are pending adjudication.



- 30.1.9** The officials of LTU - Lahore, while giving effect to CIR-A's appellate orders under Section 124/129 of the Ordinance in the context of amendments made under Section 122(5A) of the Ordinance, have arbitrarily made disallowances/ increase in income (i.e. exchange loss, notional profit of associates etc.) for tax years 2010 and 2012 vide separate orders, dated June 30, 2018, involving sum of Rs. 657 million. The issue was taken up in appeals before CIR(A). CIR(A) has deleted the departmental action on all issues except for disallowance for exchange loss amounting to Rs. 122.97 million which was remanded back and for which the Company preferred appeal before ATIR. For tax year 2010, ATIR has remitted the matter to OIR for de novo consideration through order dated March 17, 2026. ATIR through its order dated March 18, 2026 has accepted the Company's stance on allowance of WPPF/WWF/ donations and remand back the issue of disallowance of tax credit u/s 65B. Department has filled an ITR no. 35379/2026 against apportionment of WPPF/WWF/donations amounting Rs. 102 million before Lahore High Court.
- 30.1.10** Proceedings were initiated by officials of LTU-Lahore through orders dated December 29, 2018 under Section 122(5A) of the Ordinance regarding the apportionment of deductions claimed on account of WPPF to export income amounting to Rs. 16.12 million and Rs. 12.50 million for tax years 2015 and 2017, respectively. The Company filed an appeal before CIR(A), which was decided against the company by CIR(A) through an appellate order dated August 24, 2020. The Company has assailed the said appellate order in appeal before ATIR, who vide its order dated December 18, 2025 dispose of this matter. Through such order the honorable ATIR annulled the departmental action of apportionment of deduction.
- 30.1.11** Through an order dated June 28, 2019 under Section 132/162/205 of the Ordinance, the LTU-Lahore officials raised an income tax demand of Rs. 10.11 million for the tax year 2009 on the grounds that tax under Section 148 of the Ordinance at the import stage was short paid. The Company filed an appeal before CIR(A), and through an appellate order dated October 23, 2019, the tax demand was vacated by CIR(A). The department has assailed the appellate order of CIR(A) in appeal before ATIR, ATIR has dismissed the appeal.

Sales Tax

- 30.1.12** The Deputy Commissioner of Inland Revenue (DCIR) initiated proceedings against the Company under Section 11 of the Sales Tax Act, 1990 (the Act), for the subject tax periods through notice dated March 22, 2022, whereby intentions were shown to adjudge sales tax default in connection with the claim of input sales tax of Rs. 38.65 million, by relying on the provisions of section 8(1)(a), (f) to (m) of the Act. Such notice was duly responded by the Company's tax advisors on Company's behalf, and proceedings were concluded through Order-In-Original No. ('ONO') 64/2021-22 dated June 17, 2022, whereby the confronted default was adjudged against the Company. The Company preferred an appeal against the subject ONO before CIR(A) as per the available remedial course.

The proceedings concluded with the issuance of Order-In-Original No. 64/2021-22 dated June 17, 2022, where the alleged default was confirmed against the Company. Being aggrieved, the Company preferred an appeal against this order before the Commissioner of Inland Revenue Appeals (CIR(A)) following the available remedial course. CIR(A) issued Order No. 44 dated December 30, 2022, ruling in favour of the Company on most of the issues.



However, one specific issue regarding the inadmissibility of input tax was not accepted by CIR(A), and the case was remanded back to the assessing officer for further consideration. However, the tax department preferred an appeal before the Appellate Tribunal for Inland Revenue (ATIR) against the order passed by the Commissioner of Inland Revenue Appeals (CIR(A)), which is pending adjudication.

- 30.1.13** The Assistant Commissioner Inland Revenue ('ACIR') as a result of sales tax audit for tax year July 2013 to June 2014 raised a sales tax demand of Rs. 71.60 million through order dated July 31, 2017. The Company filed an appeal before CIR(A) which was disposed off through appellate order dated March 06, 2019 passed under Section 45B of the Sales Tax Act ('Act') whereby such order was annulled, and the matter was remanded back to department for denovo consideration which is pending adjudication. Meanwhile, the Company preferred an appeal in ATIR for the disposal of the case as reasonable grounds exists, however, the matter is pending adjudication.
- 30.1.14** The Deputy Commissioner Inland Revenue ('DCIR') issued Order-In-Original No.14/2019-20 dated April 15, 2020 ('ONO') under Section 11 of the Sales Tax Act 1990, disallowing the input tax of Rs. 143.63 million claimed under various heads from tax periods July 2013 to August 2018. The Company preferred an appeal before CIR(A) which was disposed off through appellate order dated June 29, 2020 passed under Section 45B of the Act whereby ONO was annulled, and the matter was remanded back to department for denovo consideration. However, the Company preferred an appeal in ATIR. ATIR through appellate order dated January 26, 2026 dismissed the departmental appeal. The department has also filled an appeal in ATIR. ATIR through appellate order dated February 19, 2026 remand the matter back to assessing officer for re-examination.
- 30.1.15** The Commissioner of Inland Revenue ('CIR') through an order dated December 28, 2017, rejected the admissibility of input tax aggregating to Rs 7.27 million, primarily on account of a mismatch between buyer and seller declarations and building materials, subsequent to the audit of the tax period from July 2013 to June 2014. The Company agitated for such an order in appeal before the CIR(A). The Company's appeal against the subject ONO, which was disposed of by CIR(A) through an appellate order dated October 29, 2020, annulling/ deleting the departmental action on the majority of the issues taken up in the appeal, while certain other matters were upheld by CIR(A). The Company has agitated for such an order in appeal before ATIR, which is pending adjudication.
- 30.1.16** The CIR-A, through its order dated April 14, 2016, has maintained departmental rejection of the input tax of Rs 18.10 million (primarily comprising building materials) in terms of the provisions contained in SRO 450(I)/2013 for the tax period March 2014, June 2014, October 2014, through February 2015. The Company has agitated for such an order in appeal before ATIR, which is pending adjudication.



30.1.17 CIR-A through his order no. 01 dated January 16 ,2024 has partially allowed inputs on insurance and other services and also provided relief on sales of Yarn to unregistered persons. Demand has been created for input tax on building materials and sales of Greige Fabric and Waste to unregistered persons. The remaining demand stands at Rs. 115 million.

The company being aggrieved filed an appeal with ATIR. Request for appeal effect of the orders of CIR-A also filed with the DCIR. The department has also filed an appeal with ATIR and communicated the same to us through letter no. 8682 dated February 12, 2024.

30.1.18 Proceedings under section 11E of the Act were initiated by the department against the Company for the tax periods 2023, 2024, 2025 and 2026 (July 2025 through October 2025) through notice dated January 21, 2026. On the basis of physical stock verification and scrutiny of the Company's audited financial statements and relevant sales tax returns, certain discrepancies were observed in the Company's sales tax returns for the captioned tax periods. Accordingly, the department showed its intention to adjudge the Company in default. The notice was duly responded to by the Company. The proceedings were concluded through ONO No. 01/2026 dated July 16, 2026. The Company has received relief on several points, while an appeal has been filed before CIR(A) against the points decided adversely against the Company, which is pending adjudication.

Based on the opinion of the Company's legal and tax advisors the management is confident of favourable outcome in all aforesaid matters, hence no provision is recognized in respect of these matters in the financial statements.

30.2 Commitments

2026 2025

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30.2.1 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies. 4,372,034,854 3,915,715,954

30.2.2 Commitments against irrevocable letters of credit:

- capital expenditures	<u>1,124,297,037</u>	<u>346,393,440</u>
- raw material and stores and spares	<u>3,185,591,463</u>	<u>5,141,588,662</u>

30.2.3 Commitments against foreign bills discounting - 410,563,243

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

The Company through sponsors support agreement commits to lenders of FEL, in case of default by FEL, to pay amount outstanding up to Rs. 6,000 million (2025: Rs 6,000 million), This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in annual general meeting dated November 26, 2020.

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

The Company through sponsors support agreement commits to MCB Bank Limited, in case of default by FTCL, to pay amount outstanding up to Rs. 250 million (2025: Rs. 250 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in extra ordinary general meeting held on March 25, 2017.

31. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	2026 --- R u p e e s ---	2025
Local:			
Yarn		78,177,941,608	73,308,621,296
Fabric		11,413,981,081	14,140,400,146
Waste		900,886,643	742,446,368
Comber noil		1,547,409,355	372,594,877
		92,040,218,687	88,564,062,687
Cotton and other products		2,671,775,827	650,761,062
		94,711,994,514	89,214,823,749
Less:			
Sales return		(603,114,049)	(376,851,114)
Sales tax		(14,471,538,877)	(13,652,971,307)
		(15,074,652,926)	(14,029,822,421)
Net local sales		79,637,341,588	75,185,001,328
Export Facilitation Scheme (EFS)			
- Yarn	31.1	3,274,894,138	5,596,942,135
Less:			
Sales tax		(499,560,123)	(857,342,070)
		2,775,334,015	4,739,600,065
Export:			
Yarn		11,545,781,564	8,217,025,564
Fabric		2,065,245,258	1,860,765,892
		13,611,026,822	10,077,791,456
Revenue from contracts with customers - net		96,023,702,425	90,002,392,849

31.1 It includes sales made under EFS to a related party under S.R.O 957(1)/ 2021 dated July 30, 2021 amounts to Rs. 3,274.89 million (2025: Rs. 5,596.94 million).

31.2 All revenue is recognized by the Company at a point in time.

**32. COST OF SALES**

		2026	2025
		--- Rupees ---	
	Note		
Raw material consumed	32.1	56,109,301,080	59,446,428,328
Packing material consumed		1,064,519,259	1,025,145,792
Salaries, wages and benefits	32.2	4,789,547,359	4,147,868,946
Freight outward charges	32.3	540,674,966	486,258,563
Travelling and conveyance		27,937,625	24,688,638
Vehicle running and maintenance		89,487,910	81,928,362
Power and fuel		10,783,845,542	11,288,903,314
Stores and spares consumed		2,578,548,752	2,289,256,975
Processing charges		190,157,450	205,840,900
Repair and maintenance		89,489,246	61,340,922
Insurance		152,740,628	155,792,269
Depreciation on property, plant and equipment	7.1.1	2,127,397,824	2,158,056,322
Others		36,937,589	29,669,856
		78,580,585,230	81,401,179,187
Work-in-process:			
Balance at July 01		1,090,597,209	1,170,146,399
Balance at June 30		(1,164,735,768)	(1,090,597,209)
		(74,138,559)	79,549,190
Cost of goods manufactured		78,506,446,671	81,480,728,377
Finished goods:			
Balance at July 01,		13,442,908,874	10,969,115,013
Finished goods purchased		2,306,110,286	2,986,504,930
Insurance claim		-	(236,789,000)
Balance at June 30,		(9,375,026,651)	(13,442,908,874)
		6,373,992,509	275,922,069
Cost of goods sold		84,880,439,180	81,756,650,446
Cost of raw material sold		2,197,111,026	1,105,900,656
Insurance claim		-	(556,904,000)
		2,197,111,026	548,996,656
		87,077,550,206	82,305,647,102
32.1 Raw material consumed			
Raw material as at July 01,		19,128,039,516	11,590,822,784
Add: Purchases and expenses		56,005,528,758	66,983,645,060
		75,133,568,274	78,574,467,844
Less:			
Raw material as at June 30,		(13,150,216,948)	(14,174,006,885)
Stock-in-transit		(5,874,050,246)	(4,954,032,631)
		(19,024,267,194)	(19,128,039,516)
		56,109,301,080	59,446,428,328



32.2 These include Rs. 246.62 million (2025: Rs. 253.30 million) in respect of staff retirement benefits.

32.3 This represents freight on export sales amounting to Rs. 344.94 million (2025: Rs. 312.77 million) and freight on local sales amounting to Rs. 195.74 million (2025: Rs. 173.49 million).

33.	SELLING AND DISTRIBUTION EXPENSES	2026	2025
	Note	--- R u p e e s ---	
Export sales:			
Commission		137,521,783	136,446,286
Export development surcharge		14,075,675	25,246,761
Insurance		3,946,082	3,105,230
Local sales:			
Commission		272,351,046	282,271,997
Insurance		23,574,504	19,939,701
Salaries and benefits - marketing staff	33.1	64,770,098	49,623,558
		516,239,188	516,633,533

33.1 These include Rs. 2.71 million (2025: Rs. 2.30 million) in respect of staff retirement benefits.

34.	ADMINISTRATIVE EXPENSES	2026	2025
	Note	--- Rupees ---	
Salaries and benefits	34.1	352,980,243	318,295,264
Travelling and conveyance	34.2	86,531,505	100,160,815
Vehicle running and maintenance		60,715,617	48,141,465
Rent, rates, taxes and fees		69,859,744	66,537,544
Electricity, gas and water		20,838,354	21,191,010
Entertainment / guest house expenses		29,922,104	23,207,541
Communication		27,679,236	23,707,487
Printing and stationery		12,682,531	11,087,278
Insurance		15,935,566	14,385,860
Repair and maintenance		73,206,509	95,509,717
Subscription/ advertisement		6,664,027	5,914,459
Auditors' remuneration	34.3	5,874,086	5,859,480
Legal and professional charges		32,557,740	24,339,857
Depreciation on property, plant and equipment	7.1.1	122,333,498	135,240,418
Others		13,942,037	6,708,512
		931,722,797	900,286,707



34.1 These include Rs. 12.83 million (2025: Rs. 13.33 million) in respect of staff retirement benefits.

34.2 These include Directors' traveling expense of Rs. 53.95 million (2025: Rs. 72.91 million).

34.3 Auditors' remuneration

Note	2026	2025
	--- R u p e e s ---	
Annual Audit fee	3,875,025	3,522,750
Half yearly review fee	1,200,623	1,091,475
Prior year under provision	(3,000)	394,130
Code of corporate governance review fee	121,275	105,000
Other certification / services	355,163	433,125
Out of pocket expenses	325,000	313,000
	5,874,086	5,859,480

35. OTHER INCOME

Income from financial assets

Dividend income	35.1	414,684,186	483,798,217
Mark-up on advance to PAEL	15	3,316,194	4,355,107
Income on investment in TFC and TDR		106,138,265	38,635,328
Profit on saving accounts		12,843,293	13,272,441
Gain on remeasurement of short term investment	16.1	403,246,800	292,474,800
Reversal of loss allowance against trade debts	12.4	-	51,935,105
		940,228,738	884,470,998

From non-financial assets

Scrap sales		63,564,100	35,138,992
		1,003,792,838	919,609,990



35.1 This represents interim dividend for the period ended June 30, 2025 and annual dividend for the year ended December 31, 2025 declared by Fatima Fertilizer Limited 'an associated undertaking'.

36. OTHER EXPENSES

	Note	2026	2025
		--- Rupees ---	
Workers' Profit participation fund	28.4	116,868,726	45,837,857
Workers' welfare fund - net	28.5	9,251,334	33,709,232
Provision against mark-up on advance to PAEL	15.1	3,316,194	4,355,107
Loss on disposal of property, plant and equipment	7.2	91,358,877	36,855,339
Fixed assets written off	7.1	42,149,731	-
Bad debts written off		989,449	920,677
Exchange loss - net	36.2	60,263,324	160,452,650
Donations	36.1	21,701,142	15,514,362
Loss allowance against trade debts	12.4	5,016,490	-
Provision for slow moving store items		-	6,372,038
		350,915,267	304,017,262

36.1 Donations for the year have been given to:

Fazal Rahman Foundation Multan	36.1.1	2,175,550	2,920,000
Taarey Zameen Par Trust		827,000	570,000
Progressive Education Network		4,050,000	1,000,000
Al-Noor Special Children School Multan		600,000	1,580,000
S.O.S Children Village Multan		1,050,000	1,050,000
Saleem Memorial Trust Hospital		1,000,000	1,000,000
Al-Khidmat Foundation		575,000	-
CMH Multan (Cims Endowment Fund)		500,000	-
Others	36.1.2	10,923,592	7,394,362
		21,701,142	15,514,362



36.1.1 Mr. Rehman Naseem (Chief Executive Officer) and Mr. Sheikh Naseem Ahmad (Chairman) are amongst the trustees of the Fazal Rehman Foundation.

36.1.2 Others' includes donations paid to various institutions. The aggregate amount paid during the current year and last year to a single institution does not exceed Rs. 0.5 million.

36.2 Breakup of exchange Loss / (gain) is as follows:

	2026		
	Realized	Unrealized	Total
	----- Rupees -----		
Exports	12,281,050	8,179,474	20,460,524
Imports	62,744,320	(2,562,014)	60,182,306
Foreign currency export finance	(7,467,995)	(12,355,794)	(19,823,789)
Foreign currency account	(2,554,906)	1,999,189	(555,717)
	65,002,469	(4,739,145)	60,263,324
	----- Rupees -----		
	2025		
	Realized	Unrealized	Total
	----- Rupees -----		
Exports	(55,654,475)	(22,655,749)	(78,310,224)
Imports	111,004,534	13,791,827	124,796,361
Foreign currency export finance	103,279,922	13,877,591	117,157,513
Foreign currency account	(2,190,953)	2,554,906	363,953
Forward contracts	(3,554,953)	-	(3,554,953)
	152,884,075	7,568,575	160,452,650

37. FINANCE COST

	Note	2026	2025
		--- Rupees ---	
Mark-up based loans from conventional banks:			
- Long term financing - secured		1,482,528,386	1,951,173,833
- Short term borrowings - secured		1,418,630,351	1,929,198,628
		2,901,158,737	3,880,372,461
Islamic mode of financing:			
- Musharika - secured		1,414,841,730	958,796,126
- Short term borrowings - secured		647,994,121	314,672,569
		2,062,835,851	1,273,468,695
Bank charges		135,235,853	123,135,036
Interest on workers' profit participation fund	28.4	1,491,928	2,098,896
Markup on lease liability		9,912,406	10,427,668
		5,110,634,775	5,289,502,756

**38. LEVIES AND INCOME TAXATION**

		2026	2025 Restated
		--- Rupees ---	
38.1 Final tax levy	Note		
Levy:			
- for the year	38.4	1,201,090,832	1,114,574,629
- for prior year		4,382,868	(33,888,192)
		1,205,473,700	1,080,686,437

38.2 Income tax**Current tax**

- for the year	38.6	260,838,283	135,600,814
- for prior year		1,023,514	6,863,604
		261,861,797	142,464,418

38.3 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognized in the profit and loss account, is as follows:

	2026	2025
	--- Rupees ---	
Current tax liability for the year as per applicable tax laws	1,466,311,983	1,216,287,251
Portion of current tax liability as per tax laws, representing income tax under IAS 12	260,838,283	135,600,814
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	1,205,473,700	1,080,686,437
Difference	-	-

38.4 This represents minimum tax on turnover under section 113 of the Income Tax Ordinance, 2001 (the Ordinance). This liability has been recognised as levy in align with the scope of IFRIC 21 / IAS 37.

38.5 Numeric tax rate reconciliation is not presented as the Company's income is chargeable to tax under final and minimum tax regime.

38.6 This represents income tax payable on dividend income under section 150 received from associated company and Super tax payable under the Ordinance.

39. EARNINGS PER SHARE - BASIC AND DILUTED**39.1 Basic earnings per share**

Profit after taxation	<i>Rupees</i>	1,573,097,533	382,764,624
Weighted average number of ordinary shares	<i>No. of shares</i>	30,000,000	30,000,000
Earnings per share	<i>Rupees</i>	52.44	12.76



39.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share of the current year as the Company has no such commitments.

40. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

A. Accounting classifications and fair values

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

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

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

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

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

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

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



		Carrying amount			Fair value			
Financial assets at amortized cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----								
As at June 30, 2026								
Financial Assets - measured at fair value								
Short term investment	1,011,636,000	-	-	1,011,636,000	1,011,636,000	-	-	1,011,636,000
Long term investments	40,000,000	12,959,275,653	-	12,999,275,653	10,452,913,324	2,546,362,329	-	12,999,275,653
Financial assets - measured at amortized cost								
Long term deposits	25,733,193	-	-	25,733,193	-	-	-	-
Trade debts	15,240,449,784	-	-	15,240,449,784	-	-	-	-
Deposits and other receivables	456,797,456	-	-	456,797,456	-	-	-	-
Mark-up accrued	28,949,068	-	-	28,949,068	-	-	-	-
Cash and bank balances	1,843,903,430	-	-	1,843,903,430	-	-	-	-
	17,595,832,931	1,051,636,000	12,959,275,653	31,606,744,584	11,464,549,324	2,546,362,329	-	14,010,911,653
Financial liabilities - measured at amortized cost								
Long term financing - secured	-	-	15,348,310,909	15,348,310,909	-	-	-	-
Long term musharika - secured	-	-	14,518,466,901	14,518,466,901	-	-	-	-
Trade and other payables	-	-	5,009,547,438	5,009,547,438	-	-	-	-
Unclaimed dividend	-	-	21,977,192	21,977,192	-	-	-	-
Short term borrowings - secured	-	-	16,342,042,625	16,342,042,625	-	-	-	-
Accrued mark-up	-	-	732,201,163	732,201,163	-	-	-	-
	-	-	51,972,546,228	51,972,546,228	-	-	-	-



As at June 30, 2025

Financial assets - measured at fair value

Short term investment	-	608,389,200	-	-	608,389,200	-	-	-	608,389,200
Long term investments	-	40,000,000	10,208,129,438	-	10,248,129,438	6,302,236,622	-	3,945,892,816	10,248,129,438

Financial assets - measured at amortized cost

Long term loan and advances									
Long term deposits	25,733,193	-	-	-	25,733,193	-	-	-	-
Trade debts	12,266,998,305	-	-	-	12,266,998,305	-	-	-	-
Deposits and other receivables	642,810,677	-	-	-	642,810,677	-	-	-	-
Mark-up accrued	19,085,522	-	-	-	19,085,522	-	-	-	-
Cash and bank balances	1,122,291,188	-	-	-	1,122,291,188	-	-	-	-
	14,076,918,885	648,389,200	10,208,129,438	-	24,933,437,523	6,910,625,822	-	3,945,892,816	10,856,518,638

Financial liabilities - measured at amortized cost

Long term financing - secured	-	-	-	14,432,252,534	14,432,252,534	-	-	-	-
Long term musharika - secured	-	-	-	8,999,190,673	8,999,190,673	-	-	-	-
Trade and other payables	-	-	-	6,102,699,254	6,102,699,254	-	-	-	-
Unclaimed dividend	-	-	-	21,977,192	21,977,192	-	-	-	-
Short term borrowings - secured	-	-	-	23,537,764,673	23,537,764,673	-	-	-	-
Accrued mark-up	-	-	-	882,273,218	882,273,218	-	-	-	-
	-	-	-	53,976,157,544	53,976,157,544	-	-	-	-



40.1 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

B. Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The following table shows valuation techniques used in measuring Level 3 fair values for financial instruments of financial position, as well as the significant unobservable inputs used. Related valuation process have been described below:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement	significant measurement
<u>Long term investments - Ordinary and preference shares</u> - Fatima Energy Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using risk-adjusted discount rate.	- Expected cash flows: Rs. nil to Rs. 66,686 million (2025: Rs. nil to Rs. 72,426 million). - Risk-adjusted discount rate including specific risk premium: 22.56% (2025: 25.41%).	The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk-adjusted discount rate were lower (higher).	
<u>Long term investments - preference</u> - Fatima Transmission Company Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using risk-adjusted discount rate.	- Expected cash flows: Rs. 11 million to Rs. 94 million (2025: Rs. 17 million to Rs. 419 million). - Risk-adjusted discount rate including specific risk premium: 19.46% (2025: 20.42%).	- the expected cash flows were higher (lower); or - the risk-adjusted discount rate were lower (higher)	
Long term investments - Multan Real Estate (Private) Limited	Market comparison technique: The valuation is based on market multiples derived from comparable investments / properties, adjusted for the effect of non-marketability of the equity securities.	- Adjusted market multiple.	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).	

**II. Level 3 recurring fair values**

Reconciliation of Level 3 fair values

The following table shows a reconciliation from opening balances to the closing balances for Level 3 fair values.

Long term investments - under income approach (FEL + FTCL)

	2026	2025
	--- Rupees ---	
Balance at July 01	3,618,570,013	4,024,916,071
Fair value loss recognized in Statement of Comprehensive Income	(1,411,994,985)	(406,346,058)
Balance as at June 30	2,206,575,028	3,618,570,013

Long term investments - under market comparison technique (MREL)

Balance at July 01	327,322,803	322,334,138
Fair value gain recognised in Statement of Comprehensive Income	12,464,498	4,988,665
Balance as at June 30	339,787,301	327,322,803

Sensitivity analysis

The effect of changes in the unobservable inputs used in the fair value of long term investment in Multan Real Estate (Private) Limited cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented. For the fair value of long term investment in Fatima Energy Limited and Fatima Transmission Company Limited, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	2026			2025		
	Long term investments			Long term investments		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	Percentage	Rupees		Percentage	Rupees	
As at June 30,						
Expected cash flows (Discounted)	10.00%	225,037,983	(219,562,383)	10.00%	360,163,138	(360,163,138)
Risk adjusted discount rate	1.00%	(299,265,218)	359,880,695	1.00%	(366,507,905)	424,590,781

40.2 FAIR VALUE MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Freehold land, buildings on freehold land and plant and machinery have been carried at revalued amounts determined by professional valuers (Level 3) based on their assessment of market value as disclosed in note 20. The valuations are conducted by the valuation experts appointed by the company. The valuation experts used a market based approach to arrive at the fair value of the company's properties. This revaluation was carried out by KGT (Private) Limited (Independent valuers). The most significant input into this valuation approach is price



per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery and other assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a disclosure of sensitivity has not been presented in these financial statements.

41. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

41.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's exposure to financial risk, the way these risks affect the financial position and performance and the manner in which such risks are managed is as follows:

41.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the



customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Most of the customers are also secured, where possible, by way of letters of credit.

Total financial assets of Rs. 17,561.21 million (2025: Rs. 14,026.66 million) are subject to credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date is:

Financial assets at amortized cost

	2026	2025
	--- Rupees ---	
Trade debts	15,240,449,784	12,266,998,305
Bank balances	1,809,276,346	1,072,035,063
Deposits and other receivables	456,797,456	642,810,677
Mark-up accrued	28,949,068	19,085,522
Long term deposits	25,733,193	25,733,193
	17,561,205,847	14,026,662,760

41.2.1 Counterparties with external credit rating

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating		Rating agency	2026	2025
	Short term	Long term		Rupees	Rupees
Allied Bank Limited	A-1+	AAA	PACRA	2,730,332	4,633,724
National Bank of Pakistan	A-1+	AAA	PACRA	15,835,572	16,405,892
MCB Bank Limited	A-1+	AAA	PACRA	16,380,419	8,001,370
Meezan Bank Limited	A-1+	AAA	VIS	48,522,705	45,810,932
United Bank Limited	A-1+	AAA	VIS	9,663,331	5,023,251
Standard Chartered Bank Pakistan Limited	A-1+	AAA	VIS	4,078,728	430,356
Habib Bank Limited	A-1+	AAA	VIS	45,093,352	6,518,331
Soneri Bank Limited	A-1+	AA	PACRA	19,640,631	7,206,801
Bank Al Falah Limited	A-1+	AAA	PACRA	192,956,654	41,134,306
Askari Bank Limited	A-1+	AAA	PACRA	20,865,499	34,490,468
The Bank of Punjab	A-1+	AAA	PACRA	28,305,803	26,613,602
The Bank of Khyber	A-1	AA-	VIS	14,979,461	1,683,372
Bank Al Habib Limited	A-1+	AAA	PACRA	118,041,184	98,279,641
Bank Islami Limited	A-1	AA-	PACRA	50,660,541	21,722,726
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	26,704,045	20,667,914
Habib Metropolitan Bank Limited	A-1+	AAA	PACRA	7,494,241	2,626,080
Faysal Bank Limited	A-1+	AA+	PACRA	10,895,214	-
Samba Bank Limited	A-1+	AA	PACRA	1,809	2,059
Silk Bank Limited	A-1+	AAA	VIS	73,295	73,295
AlBaraka Bank Pakistan Limited	A-1	AA-	VIS	23,132	24,132
Bank Makramah Limited	A-2	A-	VIS	615,325	624,124
JS Bank Limited	A-1+	AA	PACRA	2,317,944	16,666,707
Sindh Bank Limited	A-1+	AA	VIS	10,001,159	-
Industrial Commercial Bank of China	F-1+	A	Fitch	145,970	145,980
				646,026,346	358,785,063

**41.2.2 Counterparties without external credit rating**

These mainly include customers which are counter parties to local and foreign trade debts against sale of yarn and fabric. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. The management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Company has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors. Out of total trade debts of Rs. 15,290.13 million (2025: Rs. 12,311.67 million), Rs. 2,720.30 million (2025: Rs. 2,248.57 million) are majorly secured against letter of credits. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2026 was determined as follows:

	2026		2025	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
The aging of trade debts at the reporting date is: ----- Rupees ----- Rupees -----				
Export debtors - secured				
Not past due	2,720,304,719	-	2,248,569,443	-
Local debtors				
Not past due	7,777,079,416	-	6,790,683,188	281,764
Past due				
1- 90 days	4,301,379,232	2,013,623	2,925,773,011	4,438,174
91 - 180 days	251,147,651	5,648,610	247,058,034	41,804
181 - 270 days	53,484,916	1,374,553	62,289,527	3,413,491
271 - 365 days	102,732,369	4,580,051	3,748,332	3,684,512
366 - above days	84,003,091	36,064,773	33,541,890	32,805,375
	15,290,131,394	49,681,610	12,311,663,425	44,665,120

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

Credit risk on loans and advances and related markup accrued from related parties are measured under General Approach based on assessment of factors related to increase in significant risk and impairment at reporting date. These loans were given to related parties to meet their operational and financial needs after approval of shareholders and the board of directors after assessing the business case, financial vulnerability and credit worthiness. In the financial year 2022, the outstanding advances to FEL and FTCL have been converted into



preference shares. In the financial year 2024, markup accrued on advances to FEL was converted into preference shares. Based on the assessment of factors related to credit risk under IFRS 9, a provision has been recognized during the year against the remaining advances and mark-up.

Other receivables and deposit are mostly from utility companies and insurance. Impairment on the assets has been measured on a 12 months expected credit loss basis and reflect the shortest maturities. Based on past experience the management believes that no impairment allowance is necessary in respect of these financial assets.

41.2.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect Company's of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

41.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations/ commitments of the Company are restricted to the extent of available liquidity. In addition, the Company has obtained various short term facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

Exposure to liquidity risk

The following are the contractual maturities of the financial liabilities, including estimated interest payments:



Weighted average effective rate of interest	2026				
	Carrying value	Contractual cash flows	Less than one year	One to five years	Above five years
	Rupees				
Financial liabilities					
Long term financing	29,866,777,810	41,087,093,619	8,576,970,246	26,419,821,681	6,090,301,692
Short term borrowings	16,342,042,625	16,497,853,510	16,497,853,510	-	-
Lease liability	66,442,445	95,010,343	15,562,455	79,447,888	-
Trade and other payables	5,009,547,438	5,009,547,438	5,009,547,438	-	-
Unclaimed dividend	21,977,192	21,977,192	21,977,192	-	-
Accrued markup	732,201,163	732,201,163	732,201,163	-	-
	52,038,988,673	63,443,683,265	30,854,112,004	26,499,269,569	6,090,301,692
					63,443,683,265
Weighted average effective rate of interest	2025				
	Carrying value	Contractual cash flows	Less than one year	One to five years	Above five years
	Rupees				
Financial liabilities					
Long term financing	23,431,443,207	31,546,109,397	6,685,631,639	20,394,348,880	4,466,128,878
Short term borrowings	23,537,764,673	23,902,834,485	23,902,834,485	-	-
Lease liability	70,677,725	109,158,029	14,147,686	72,225,353	22,784,990
Trade and other payables	6,102,699,254	6,102,699,254	6,102,699,254	-	-
Unclaimed dividend	21,977,192	21,977,192	21,977,192	-	-
Accrued markup	882,273,218	882,273,218	882,273,218	-	-
	54,046,835,269	62,565,051,575	37,609,563,474	20,466,574,233	4,488,913,868
					62,565,051,575



It is not expected that the cash flows on the maturity analysis could occur significantly earlier, or at significant different amount.

41.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. Market risk comprises of currency risk, interest rate risk and other price risk.

41.4.1 Currency risk

Pakistani Rupee is the functional currency of the Company and exposure arises from transactions and balances in currencies other than Pakistani Rupee as foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

Exposure to currency risk

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

	2026		
	Total	USD to Rupees	EUR to Rupees
Statement of financial position items			
Finance against imported merchandise & finance against trust receipt	923,903,842	923,903,842	-
Foreign currency export finance	4,112,602,900	4,112,602,900	-
Bank balance	(15,778,489)	(5,448,876)	(10,329,613)
Foreign debtors	(2,720,304,719)	(2,568,253,979)	(152,050,740)
Exposure at reporting date	<u>2,300,423,533</u>	<u>2,462,803,886</u>	<u>(162,380,353)</u>

Off statement of financial position items

Outstanding letters of credit	4,309,888,500	3,836,787,193	473,101,307
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Statement of financial position items	2025		
	Total	USD to Rupees	EUR to Rupees
Finance against imported merchandise & finance against trust receipt	1,940,706,768	1,940,706,768	-
Foreign currency export finance	1,804,771,769	1,804,771,769	-
Bank balance	(18,421,841)	(17,105,533)	(1,316,308)
Foreign debtors	(2,248,569,443)	(2,087,881,246)	(160,688,197)
Exposure at reporting date	1,478,487,253	1,640,491,758	(162,004,505)

Off statement of financial position items

Outstanding letters of credit	5,487,982,102	5,270,805,759	217,176,343
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The following significant exchange rate has been applied:

Average and spot rate

	Average rate		Spot rate	
	2026	2025	2026	2025
	----- Rupees -----			
USD to Rupee	280.88	283.97	277.73	284.10
EUR to Rupee	327.71	333.13	317.16	332.83

Sensitivity analysis of on balance sheet items:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, profit / (loss) for the year would (decrease) / increase by the amount shown below, mainly as a result of net foreign exchange loss on translation of on balance sheet items exposure in foreign currency as above.

Effect on statement of profit or loss	2026	2025
	--- Rupees ---	
USD to Rupee	<u>246,280,389</u>	<u>164,049,176</u>
EUR to Rupee	<u>(16,238,035)</u>	<u>(16,200,451)</u>

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Company.

**Currency risk management**

Since the maximum amount exposed to currency risk is only 1.71% (2025: 1.28%) of the Company's total assets, any adverse/ favourable movement in functional currency with respect to US dollar will not have any material impact on the operational results.

41.4.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

	2026	2025	2026	2025
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Financial Instruments				
<u>Financial liabilities</u>				
Fixed rate instruments:				
Long term loan	2.50 - 8.00	2.50 - 6.25	4,254,770,676	5,318,721,845
Variable rate instruments:				
Long term loan	9.33 - 14.34	11.90 - 24.01	25,612,007,133	18,112,721,362
Short term borrowings	2.50 - 21.14	2.5 - 24.96	16,342,042,625	23,537,764,673
			41,954,049,758	41,650,486,035
<u>Financial assets</u>				
Variable rate instruments:				
Saving accounts	0.15 - 9.75	0.15 - 19.00	103,638,113	93,680,776

41.4.3 Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

41.4.4 Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or (loss) for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Increase / (decrease) Profit or loss	
	100 bps Increase	100 bps Decrease
	----- Rupees -----	
As at June 30, 2026	(418,504,116)	418,504,116
As at June 30, 2025	(415,568,053)	415,568,053

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Company.

**41.4.5 Interest rate risk management**

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

41.5 Other price risk

Other price risk is 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). The Company is exposed to equity price risk because of investments held by the Company and classified on the statement of financial position at fair value through profit or loss and fair value through OCI. To manage its price risk arising from investments in ordinary and preference equity securities, the Company diversifies its portfolio within the eligible stocks in accordance with the risk investment guidelines approved by the investment committee.

Sensitivity analysis

The table below summarizes the Company's equity price risk as of June 30, 2026 and June 30, 2025 and shows the effects of a hypothetical 10% increase and a 10% decrease in fair values as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in the Company's equity investment portfolio.

2026				
	Fair value	Price change	Estimated fair value after change in prices	Increase (decrease) in profit or (loss)/ equity
	-----Rupees-----			
Financial assets at fair value through profit or loss	1,051,636,000	10% increase 10% decrease	1,156,799,600 946,472,400	105,163,600 (105,163,600)
Financial assets at fair value through OCI	12,959,275,653	10% increase 10% decrease	14,255,203,218 11,663,348,088	1,295,927,565 (1,295,927,565)
	<u>14,010,911,653</u>			
2025				
	Fair value	Price change	Estimated fair value after change in prices	Increase (decrease) in profit or (loss)/ equity
	-----Rupees-----			
Financial assets at fair value through profit or loss	648,389,200	10% increase 10% decrease	713,228,120 583,550,280	64,838,920 (64,838,920)
Financial assets at fair value through OCI	10,208,129,438	10% increase 10% decrease	11,228,942,382 9,187,316,494	1,020,812,944 (1,020,812,944)
	<u>10,856,518,638</u>			



41.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

42. CAPITAL MANAGEMENT

The Board of Directors' policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio - calculated as a ratio of total debt to capital employed.



42.1 Gearing ratio as at June 30, 2026 and as at June 30, 2025 are as follows:

	2026	2025 Restated
	--- Rupees ---	
Total debt	47,007,464,043	47,922,158,823
Total equity including revaluation surplus	75,677,279,378	56,437,258,040
Total capital employed	<u>122,684,743,421</u>	<u>104,359,416,863</u>
Gearing ratio	38%	46%

Total debt comprises of long term financing from conventional banks, long term musharika including current portion of long term financing, short term borrowings, accrued mark-up and lease liability.

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, commonly imposed by the providers of debt finance.



43. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2026						
	Long term financing	Long term musharika	Short term borrowing	Lease liability	Unclaimed dividend	Accrued markup	Total
	-----Rupees-----						
Balance at July 01, 2025	14,432,252,534	8,999,190,673	23,537,764,673	70,677,725	21,977,192	882,273,218	47,944,136,015
Changes from financing cash flows							
Short term borrowings -net	-	-	(7,195,722,048)	-	-	-	(7,195,722,048)
Financial charges paid -net	-	-	-	-	-	(5,250,794,432)	(5,250,794,432)
Proceeds from long term financing	4,284,894,465	6,562,320,295	-	-	-	-	10,847,214,760
Long term financing repaid	(3,368,836,090)	(1,043,044,067)	-	-	-	-	(4,411,880,157)
Lease rentals paid	-	-	-	(14,147,686)	-	-	(14,147,686)
Total changes from financing cash flows	916,058,375	5,519,276,228	(7,195,722,048)	(14,147,686)	-	(5,250,794,432)	(6,025,329,563)
Other changes							
Finance cost	-	-	-	9,912,406	-	5,100,722,377	5,110,634,783
Total liability related other changes	-	-	-	9,912,406	-	5,100,722,377	5,110,634,783
Balance at June 30, 2026	15,348,310,909	14,518,466,901	16,342,042,625	66,442,445	21,977,192	732,201,163	47,029,441,235



	2025					
	Long term financing	Long term musharika	Short term borrowing	Lease liability	Unclaimed dividend	Accrued markup
						Total
	----- Rupees -----					
Balance at July 01, 2024	14,650,855,677	4,406,852,548	17,717,675,277	73,111,590	22,002,980	1,320,363,613
						38,190,861,685
Changes from financing cash flows						
Proceeds from short term borrowings -net	-	-	5,820,089,396	-	-	-
Financial charges paid -net	-	-	-	-	-	(5,703,893,042)
Proceeds from long term financing	2,774,638,954	5,489,548,860	-	-	-	8,264,187,814
Long term financing repaid	(2,993,242,097)	(897,210,735)	-	-	-	(3,890,452,832)
Lease rentals paid	-	-	-	(12,861,533)	-	(12,861,533)
Dividend paid	-	-	-	-	(25,788)	(25,788)
Total changes from financing cash flows	(218,603,143)	4,592,338,125	5,820,089,396	(12,861,533)	(25,788)	(5,703,893,042)
						4,477,044,015
Other changes						
Finance cost	-	-	-	10,427,668	-	5,265,802,647
Total liability related other changes	-	-	-	10,427,668	-	5,265,802,647
Balance at June 30, 2025	14,432,252,534	8,999,190,673	23,537,764,673	70,677,725	21,977,192	882,273,218
						47,944,136,015

**44. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the Chief Executive Officer and Directors and Executives of the Company are as follows:

	2026				2025			
	Chief Executive	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration	16,698,000	33,396,000	197,382,541	247,476,541	15,180,000	30,360,000	167,636,924	213,176,924
House rent and utilities	4,872,563	-	35,954,558	40,827,121	5,636,027	-	31,764,500	37,400,527
Medical	1,318,981	-	21,291,696	22,610,677	265,815	-	18,809,206	19,075,021
Bonus paid	-	-	-	-	-	-	14,265,168	14,265,168
	22,889,544	33,396,000	254,628,795	310,914,339	21,081,842	30,360,000	232,475,798	283,917,640
Numbers	1	2	84	87	1	2	72	75

- 44.1** In addition to above, two non-executive / independent directors were paid Rs.1.78 million (2025: Rs. 1.47 million) as meeting fee.
- 44.2** Chief Executive Officer, directors and some of the executives are also provided with Company maintained cars and telephones at their residences for the Company business purposes.
- 44.3** The contribution of employer towards the Gratuity for executive employee amounts to Rs. 47.065 million (2025: Rs. 45.613 million).

45. NUMBER OF EMPLOYEES

	2026	2025
	- - - Number- - -	
Total number of employees as at June 30,	5,620	6,048
Average number of employees during the year	5,834	6,293

46. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of entities of same group, directors of the Company, key management personnel and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:



Name of parties		Relationship	Transaction	2026 Rupees	2025 Rupees
a)	Fatima Fertilizer Company Ltd	Common Directorship and 3.29 % (2025: 3.29%) shareholding	Dividend income Reimbursable expenses Payments against expenses Sale of goods and services	414,684,186 382,337 466,140 -	483,798,217 288,783 322,930 338,920
b)	Fatima Energy Limited	Sponsor / Associated undertaking	Purchase of electricity Payment against purchase of goods - net	6,282,832,922 6,382,195,542	5,768,933,866 5,653,231,508
c)	Reliance Weaving Mills Limited	Common Directorship	Purchase of goods Sale of goods Payment against expenses Receipts against sale of goods - net	71,855,489 441,053,859 721,033 378,952,858	75,223,596 387,896,609 - 311,139,216
d)	Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services Sale of goods and services Receipts against sale of goods and services - net Payment against expenses	2,189,791,206 13,687,376,407 11,070,045,744 -	2,996,414,100 14,323,088,155 11,392,543,853 185,416
e)	Fazal-ur-Rehman Foundation	Common Directorship/ Trustees	Donations	2,175,550	2,920,000
f)	Pak Arab Energy Limited	Common Directorship	Mark-up accrued on long term advance	3,316,194	4,355,107
g)	Fazal Farm (Private) Limited	Common Directorship	Purchase of goods Payment against purchase of goods - net	22,944,911 19,375,814	21,485,628 16,922,400
h)	Fatima Management Company Ltd	Common Directorship	Reimbursable expenses Payment against reimbursable expenses	- -	344,903 344,903
i)	Key Management Personnel	Key Management Personnel	Remuneration and other benefits	63,713,652	63,498,496
j)	Relative of director	Spouse	Lease rental paid	14,147,686	12,861,533



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

Name	Relationship	% shareholding in the company	Number of shares
Mr. Rehman Naseem	CEO/Director/Key Management Personnel	10.34%	3,101,320
Mr. Aamir Naseem Sheikh	Director/Key Management Personnel	0.28%	82,828
Mr. Sheikh Naseem Ahmad	Director/Key Management Personnel	0.03%	8,820
Mr. Muhammad Mukhtar Sheikh	Director/Key Management Personnel	3.38%	1,012,969
Mr. Faisal Ahmed	Director/Key Management Personnel	6.80%	2,039,865
Mr. Abbas Mukhtar	Director/Key Management Personnel	2.26%	677,925
Mrs. Mahnaz Amir Sheikh	Spouse of Director/Key Management Personnel	0.02%	4,447
Ms. Parveen Akhter Malik	Director/Key Management Personnel	0.03%	7,501
Mr. Masood Karim Shaikh	Director/Key Management Personnel	0.01%	2,501
Mr. Muhammad Azam	CFO / Key Management Personnel	N/A	1
Mr. Basharat Hashmi	Company secretary / Key Management Personnel	N/A	N/A
Mr. Shaukat Malik	Independent Director/Key Management Personnel	N/A	10

Certain directors have provided personal guarantee against loan provided by the financial institution to the Company (refer note 21, 22 and 26).

47. SEGMENT REPORTING

47.1 Reportable segments

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

The Company's reportable segments are as follows:

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

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

**47.2 Information about reportable segments**

	Spinning		Weaving		Total	
	2026	2025	2026	2025	2026	2025
	----- Rupees -----					
External revenues	84,176,118,133	76,075,430,697	11,847,584,292	13,926,962,152	96,023,702,425	90,002,392,849
Intersegment revenues	6,935,852,926	7,901,219,939	25,387,687	30,077,850	6,961,240,613	7,931,297,789
Cost of sales	(83,257,360,688)	(77,443,444,401)	(3,820,189,518)	(4,862,202,702)	(87,077,550,206)	(82,305,647,102)
Intersegment cost of sales	(25,387,687)	(30,077,850)	(6,935,852,926)	(7,901,219,939)	(6,961,240,613)	(7,931,297,789)
Selling and distribution expense	(392,518,285)	(377,248,411)	(123,720,903)	(139,385,122)	(516,239,188)	(518,633,533)
Administrative expenses	(834,714,023)	(804,319,803)	(97,008,774)	(95,966,904)	(931,722,797)	(900,286,707)
Other expense	(350,915,267)	(304,017,262)	-	-	(350,915,267)	(304,017,262)
Other income	989,555,097	909,759,581	14,237,741	9,850,429	1,003,792,838	919,609,990
Finance cost	(4,754,571,169)	(4,791,351,288)	(356,063,606)	(498,151,468)	(5,110,634,775)	(5,289,502,756)
Profit before taxation	2,486,059,037	1,135,951,182	554,373,993	469,964,297	3,040,433,030	1,605,915,479

47.2.1 The accounting policies for disclosure of the reportable segments are the same as the Company's accounting policies described in note 5.20 to the financial statements. Expenditures are allocated on the basis of actual amounts incurred for the segments. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

47.2.2 Reconciliation of reportable segment revenues and profits

	2026	2025
	--- Rupees ---	
Total revenue from reportable segments	102,984,943,038	97,933,690,638
Elimination of inter segment revenue	(6,961,240,613)	(7,931,297,789)
	<u>96,023,702,425</u>	<u>90,002,392,849</u>
Statement of profit or loss		
Total profit of reportable segments	3,040,433,030	1,605,915,479
Taxation for the year	(1,467,335,497)	(1,223,150,855)
	<u>1,573,097,533</u>	<u>382,764,624</u>

47.3 Segment assets and liabilities

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

	Spinning	Weaving	Total
	----- Rupees -----		
For the year ended June 30, 2026			
Segment assets for reportable segment	95,251,594,984	4,795,642,737	100,047,237,721
Unallocated corporate assets	-	-	33,373,752,156
Total assets as per statement of financial position			<u>133,420,989,877</u>
Segment liabilities for reportable segment	10,637,787,470	-	10,637,787,470
Unallocated corporate liabilities	-	-	47,105,923,029
Total liabilities as per statement of financial position			<u>57,743,710,499</u>



	Spinning	Weaving	Total
	----- Rupees -----		
For the year ended June 30, 2025			
Segment assets for reportable segment	83,388,249,985	4,751,503,241	88,139,753,226
Unallocated corporate assets	-	-	27,314,001,385
Total assets as per statement of financial position			<u>115,453,754,611</u>
Segment liabilities for reportable segment	9,584,624,373	-	9,584,624,373
Unallocated corporate liabilities	-	-	49,431,872,198
Total liabilities as per statement of financial position			<u>59,016,496,571</u>

For the purposes of monitoring segment performance and allocating resources between segments

- all assets are held under unallocated corporate assets except property, plant and equipment, stores spares and loose tools, and stock in trade which are allocated to reportable segments; and
- all liabilities are held under unallocated corporate liabilities except for long term loans obtained specifically for spinning unit.

Other segment information

	Spinning	Weaving	Total
	----- Rupees -----		
For the year ended June 30, 2026			
Capital expenditure	<u>3,404,214,175</u>	<u>54,557,521</u>	<u>3,458,771,696</u>
Depreciation			
Cost of sales	<u>1,974,069,108</u>	<u>153,328,716</u>	<u>2,127,397,824</u>
Administrative expenses	<u>120,247,215</u>	<u>2,086,283</u>	<u>122,333,498</u>
	<u>2,094,316,323</u>	<u>155,414,999</u>	<u>2,249,731,322</u>
For the year ended June 30, 2025			
Capital expenditure	<u>2,436,065,582</u>	<u>8,174,534</u>	<u>2,444,240,116</u>
Depreciation			
Cost of sales	<u>1,996,838,495</u>	<u>161,217,827</u>	<u>2,158,056,322</u>
Administrative expenses	<u>132,950,520</u>	<u>2,289,898</u>	<u>135,240,418</u>
	<u>2,129,789,015</u>	<u>163,507,725</u>	<u>2,293,296,740</u>

**48. GEOGRAPHICAL INFORMATION**

The Company operates in one principal geographical area. The Company's gross revenue from external customers by geographical location is detailed below:

	Note	2026	2025
		--- Rupees ---	
Domestic Sales	31	79,637,341,588	75,185,001,328
Export Sales	31 & 48.1	16,386,360,837	14,817,391,521
		<u>96,023,702,425</u>	<u>90,002,392,849</u>

48.1 Country wise export sales are as under:

	Note	2026	2025
		--- Rupees ---	
China		7,120,997,081	4,452,366,100
United State of America		1,022,097,015	1,427,599,747
Portugal		504,410,007	423,942,407
Turkey		433,468,293	390,657,553
Hong Kong		272,751,603	413,678,747
Germany		562,552,635	468,081,948
Italy		592,911,818	537,345,035
Japan		35,811,205	111,244,842
Bangladesh		829,445,636	1,028,856,513
Singapore		690,468,621	30,931,100
Colombia		315,227,806	213,004,464
Tunisia		123,329,834	119,268,444
Malaysia		163,563,931	107,000,791
Madagascar		373,258,358	-
Korea		278,747,640	-
Spain		188,033,119	-
Oman		41,224,916	-
Others		62,727,303	353,813,765
Indirect exports	31.1	2,775,334,016	4,739,600,065
		<u>16,386,360,837</u>	<u>14,817,391,521</u>



48.1.1 All export sales during the year other than indirect are secured against letter of credit.

49. CAPACITY AND PRODUCTION

		2026	2025
Spinning:			
Number of spindles installed		275,724	276,300
Number of rotors and MVS spindles installed		10,572	10,572
Number of shifts worked		1,094	1,094
Number of spindles - shifts worked		301,642,056	302,272,200
Capacity at 20's count	Kgs.	137,699,496	137,923,004
Actual production of all counts	Kgs.	113,607,038	114,165,331
Actual production converted into 20's count	Kgs.	138,352,178	135,050,860

Capacity disclosed is estimated in 20's count however it is difficult to describe precisely the production capacity in spinning mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist and raw materials used etc. It also varies according to the pattern of production adopted in a particular year.

		2026	2025
Weaving:			
Number of looms installed		224	224
Number of looms worked		224	224
Number of shifts worked		1,094	1,094
Standard cloth production	Mtr.	46,517,252	47,517,734
Actual cloth production	Mtr.	43,102,886	44,029,933

Capacity of weaving has not been disclosed as it is difficult to describe precisely the production capacity in weaving mills since it fluctuates widely depending on various factors such as count of yarn weaved, loom speed, reed change and raw materials used etc. It also varies according to the pattern of production adopted in a particular year.



50. SHARIAH DISCLOSURE UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Audited June 30, 2026		Audited June 30, 2025	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees -----			
Statement of Financial Position - Assets				
Long term investments	40,000,000	12,959,375,653	40,000,000	10,208,129,438
Short term investment	-	1,011,636,000	-	608,389,200
Bank balances	1,662,919,992	146,356,353	256,032,494	102,752,574
Statement of Financial Position - Liability				
Long Term Finances	15,348,310,908	14,518,466,901	14,432,252,534	8,999,190,673
Short term borrowings	11,498,147,544	1,535,966,890	18,428,349,864	5,109,414,809
Running finances under mark-up arrangements	1,616,431,014	1,691,497,177	80,960,087	26,751,960
Accrued mark-up	483,014,528	249,186,635	231,505,270	25,852,495
Statement of Profit and Loss and other Comprehensive Income				
Revenue from contracts with customers - net	-	96,023,702,425	-	90,002,392,849
Un-realised gain on investments				
a) Long term investment	-	2,751,146,215	-	2,609,127,349
b) Short term investment	-	403,246,800	-	292,474,800
Realised gain on investments				
a) Long term investment	-	-	-	-
b) Short term investment	-	-	-	-
Other income / (expenses)				
a) Profit on bank deposits	118,895,257	86,301	51,907,769	-
b) Dividend Income	-	414,684,186	-	483,798,217
c) Gain / (loss) on sale of operating fixed assets	-	(133,508,608)	-	(36,855,339)
d) Reversal of loss / (loss) allowance against trade debts	-	(5,016,490)	-	51,935,105
e) Provision for slow moving store items	-	-	-	(6,372,038)
f) Gain / (loss) on sale of investment property	-	-	-	-
g) Mark-up on advance to PAEL	3,316,194	-	4,355,107	-
h) Loss allowance on long term markup accrued	(3,316,194)	-	(4,355,107)	-
i) Rental income	-	-	-	-
j) Exchange (loss) / gain on actual currency	(41,392,849)	(23,609,620)	(145,164,734)	(7,719,341)
k) Scrape sales	-	63,564,100	-	35,138,992
l) Others	-	-	-	-
Mark-up on running finances under mark-up arrangements	89,417,768	218,766,528	1,409,259,378	273,005,155
Mark-up on short term finances	1,329,210,029	429,230,147	519,939,250	41,667,414
Mark-up on long term finances	1,482,528,386	1,414,841,730	1,951,173,833	958,796,126
Markup on lease liability	-	9,912,406	-	10,427,668

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

- Meezan Bank Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Bank Pakistan Limited
- Faysal Bank Limited
- MCB Islamic Bank Limited

Conventional Banks which provided Conventional and Islamic Financing:

- National Bank of Pakistan
- United Bank Limited
- Habib Bank Limited
- Askari Bank Limited
- The Bank of Khyber
- The Bank of Punjab



51. NON ADJUSTING EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

51.1 Subsequent to the reporting date, a fire incident occurred in the Blow Room of Unit No. 10 of the Company, situated at Muzaffargarh. The fire was promptly controlled, and the unit was restored back to its full production capacity instantly. The Company promptly notified its insurer and assessment for claim is underway. The management does not anticipate any financial impact on the Company. As the incident took place after the balance sheet date, it does not require any adjustment to the financial statements.

51.2 The Board of Directors of the Company in their meeting held on September 30, 2026 has proposed a final cash dividend of Rs.15 per share (2025: Rs.Nil) for the year ended June 30, 2026 for approval of the members in the Annual General Meeting to be held on October 28, 2026.

52. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made in these financial statements except for reclassification of Rs.13.272 millions from finance cost to other income. The amount represents profit on saving accounts which was netted-off against bank charges in the proceeding year.

53. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 30, 2026 by the Board of Directors of the Company.

54. GENERAL

Figures have been rounded off to the nearest Rupee, except stated otherwise.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**Pattern of Shareholdings****As on:- June 30, 2026**

Number of Shareholders	Shareholdings Category	Number of Shares Held	%Age
914	Shareholdings from 1 to 100	18,042	0.06%
375	Shareholdings from 101 to 500	98,858	0.33%
127	Shareholdings from 501 to 1000	97,386	0.32%
136	Shareholdings from 1001 to 5000	295,095	0.98%
23	Shareholdings from 5001 to 10000	155,536	0.52%
6	Shareholdings from 10001 to 15000	73,104	0.24%
3	Shareholdings from 15001 to 20000	48,532	0.16%
4	Shareholdings from 40001 to 50000	180,576	0.60%
1	Shareholdings from 55001 to 60000	58,344	0.19%
1	Shareholdings from 80001 to 85000	82,828	0.28%
2	Shareholdings from 130001 to 165000	296,500	0.99%
1	Shareholdings from 295001 to 300000	300,000	1.00%
3	Shareholdings from 390001 to 395000	1,176,847	3.92%
9	Shareholdings from 630001 to 680000	6,044,561	20.15%
2	Shareholdings from 1010001 to 1015000	2,022,355	6.74%
1	Shareholdings from 1300001 to 1315000	1,312,476	4.37%
1	Shareholdings from 1410001 to 1415000	1,414,139	4.71%
1	Shareholdings from 1420001 to 1425000	1,421,638	4.74%
1	Shareholdings from 1765001 to 1770000	1,768,488	5.89%
2	Shareholdings from 1995001 to 2000000	3,993,810	13.31%
1	Shareholdings from 3100001 to 3105000	3,101,320	10.34%
1	Shareholdings from 6035001 to 6040000	6,039,565	20.13%
1615	Grand Total	30,000,000	100.00%

Categories of Shareholders	Number	Shares Held
Directors, Chief Executive, Spouses & Minor Children	10	6,938,186
Associated Companies, Undertakings And Related Parties	18	19,835,066
NIT & ICP	2	1,768,951
Banks, Development Financial Institutions, Non-Banking Finance Companies	7	170,322
Mutual Funds	1	12,406
Individuals	1,564	1,199,166
Joint Stock Companies	13	75,903

1,615 30,000,000

Basharat Hashmi
(Company Secretary)



Pattern Of Shareholding
As at June 30, 2026

Categories of shareholders	Number of Shares	Percentage
DIRECTORS, CHIEF EXECUTIVE, SPOUSES & MINOR CHILDREN		
Mr. Sheikh Naseem Ahmed	8,820	0.0294%
Mr. Amir Naseem Sheikh	82,828	0.2761%
Mrs. Mahnaz Amir Sheikh (Spouse)	4,447	0.0148%
Mr. Rehman Naseem	3,101,320	10.3377%
Mr. Faisal Ahmed	2,039,865	6.7996%
Mr. Muhammad Mukhtar Sheikh	1,012,969	3.3766%
Mr. Abbas Mukhtar	677,925	2.26%
Ms. Parveen Akhter Malik	7,501	0.0250%
Mr. Masood Karim Sheikh	2,501	0.0083%
Mr. Muhammad Shaukat	10	0.0000%
	6,938,186	23.13%
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		
Mr. Fahd Mukhtar	677,925	2.2598%
Mr. Abdullah Amir Fazal	1,414,139	4.71%
Mr. Ali Mukhtar	677,925	2.26%
Mr. Asad Muhammad Sheikh	1,012,970	3.38%
Mr. Ibrahim Mukhtar	675,895	2.25%
Mr. Mohid Mohammad Ahmed	675,895	2.25%
Mr. Muhammad Fazeel Mukhtar	675,895	2.25%
Ms. Ambreen Fawad	677,925	2.26%
Mr. Muhammad Yousaf Amir	1,421,643	4.74%
Ms. Meraj Fatima	677,925	2.26%
Fawad Ahmed Mukhtar	675,925	2.25%
Fazal Ahmed Sheikh	2,041,611	6.81%
Farrukh Trading Company Limited	392,282	1.31%
Fatima Holding Limited	5	0.00%
Fatima Management Company Limited	392,282	1.31%
Fatima Trading Company (Pvt.) Limited	392,283	1.31%
Fazal Holdings (Pvt.) Limited	7,352,041	24.51%
Reliance Commodities (Pvt) Ltd	500	0.00%
	19,835,066	66.12%
NIT & ICP		
CDC - Trustee National Investment (Unit) Trust	1,768,488	5.89%
IDBL (ICP Unit)	463	0.00%
	1,768,951	5.89%
BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCE COMPANIES		
Industrial Development Bank Limited	613	0.00%
United Bank Limited	788	0.00%
Escorts Investment Bank Limited	196	0.00%
National Bank Of Pakistan	993	0.00%
Trustee National Bank Of Pakistan Employees Pension Fund	161,680	0.54%
The Trustee, Ghulam-e-Abbas Educational & Medical Trust	379	0.00%
Trustee National Bank Of Pakistan Emp Benevolent Fund Trust	5,673	0.02%
	170,322	0.56%
MUTUAL FUNDS		
CDC - Trustee Golden Arrow Stock Fund	12,406	0.04%
	12,406	0.04%
INDIVIDUALS		
Local	1,199,166	4.00%
Foreign	0	0.00%
	1,199,166	4.00%
JOINT STOCK COMPANIES		
Freedom Enterprises (Pvt) Ltd	6,309	0.02%
Fazal Vegetable Ghee Mills Ltd	7,689	0.03%
Fateh Textile Mills Limited	258	0.00%
Molasses Trading & Export Co. Ltd.	135	0.00%
Khoja (Pirhas) Shia Isna Ashari Jamat	2,602	0.01%
MRA SECURITIES LIMITED - MF	5,500	0.02%
Sarfraz Mahmood (Private) Ltd	100	0.00%
H M Investments (Pvt) Limited	45	0.00%
Akram Cotton Mills Limited	10	0.00%
Maple Leaf Capital Limited	1	0.00%
HAAF IMPORT & EXPORTS (PRIVATE) LIMITED	3,378	0.01%
Deputy Administrator Abandoned Properties Organization	48,208	0.16%
Fikrees (Private) Limited	1,668	0.01%
	75,903	0.26%
	30,000,000	100.00%
SHAREHOLDERS HOLDING 10 % OR MORE		
Fazal Holdings Pvt Ltd (Associated Company)	7,352,041	24.51%
Mr. Rehman Naseem (CEO)	3,101,320	10.34%




**FORM OF PROXY
FAZAL CLOTH MILLS LIMITED**

I _____, of _____ being a member of the Fazal Cloth Mills Limited and holder of _____ Shares as per Folio No. _____ and/or CDC Participation ID # _____ and Sub Account # _____ do hereby appoint _____ of _____ having Folio No. _____ or and/or CDC Participation ID # _____ and Sub Account # _____ failing him/her _____ of _____ having Folio No. _____ or _____ and/or CDC Participation ID # _____ and Sub Account # _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the company scheduled to be held on Wednesday, October 28, 2026 at 11.30 pm. , and at any adjournment thereof at registered office of the Company FG Head Office, E/110, Khayaban-e-Jinnah, Defence Chowk, Lahore.

At witness my/our hand this _____ day of October 2026.

1. Name _____
N.I.C _____
Address _____

2. Name _____
N.I.C _____
Address _____

Note: _____

A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her.

A member shall not be entitled to appoint more than one proxy.

The instrument appointing a proxy must be duly signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished along with the proxy form.

Proxies in order to be valid, must be received at head office 59/3, Abdali Road, Multan not later than forty eight (48) hours before the time scheduled for the meeting.

The proxy shall produce his original CNIC or original Passport at the time of the Meeting.

Please affix
Revenue Stamps

Member's signature
(This signature should
agree with specimen
registered with the
Company)





پراکسی فارم فضل کلاتھ ملز لمیٹڈ

میں/ہم _____ ساکن _____ بحیثیت رکن فضل کلاتھ ملز
لمیٹڈ اور حامل _____ حصص، بمطابق فولیو نمبر _____ اور/یا سی ڈی سی
پارٹیسپینٹ ائی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____، بذریعہ ہذا
_____ ساکن _____ حامل فولیو نمبر _____ یا
اور/یا سی ڈی سی پارٹیسپینٹ ائی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____،
اور ان کی عدم دستیابی کی صورت میں _____ ساکن _____ حامل فولیو
نمبر _____ یا اور/یا سی ڈی سی پارٹیسپینٹ ائی ڈی نمبر _____ اور سب اکاؤنٹ نمبر
_____ کو اپنا/ہمارا پراکسی مقرر کرتا/کرتی/کرتے ہیں، تاکہ وہ کمپنی کے سالانہ اجلاس عام میں، جو
بروز بدھ، 28 اکتوبر 2026 کو صبح 11:30 بجے کمپنی کے رجسٹرڈ دفتر ایف جی بیڈ آفس، E/110، خیابان جناح،
ڈیفنس چوک، لاہور میں منعقد ہونا طے ہے، اور اس کے کسی بھی ملٹوی شدہ اجلاس میں میری/ہماری جانب سے
شرکت کرے، اظہار خیال کرے اور ووٹ دے۔

بطور گواہ آج مورخہ _____ اکتوبر 2026 کو میرے/ہمارے دستخط ثبت کیے گئے۔

گواہان:

براہ کرم ریونیو اسٹامپ
چسپل کریں

1. نام: _____

شناختی کارڈ نمبر: _____

پتہ: _____

دستخط رکن

2. نام: _____

(بہ دستخط کمپنی کے پاس رجسٹرڈ نمونہ دستخط کے مطابق
ہونے چاہئیں)

شناختی کارڈ نمبر: _____

پتہ: _____

نوٹ:

1. اس اجلاس میں شرکت اور ووٹ دینے کا حقدار رکن اپنی جگہ شرکت، اظہار خیال اور ووٹ دینے کے لیے کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کا کمپنی کا رکن ہونا لازمی ہے۔
2. کوئی رکن ایک سے زائد پراکسی مقرر کرنے کا حقدار نہیں ہوگا۔
3. پراکسی مقرر کرنے والی دستاویز پر باقاعدہ دستخط اور دو افراد کی گواہی لازمی ہے، جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج کیے جائیں گے۔
4. بینیفیشل اونرز اور پراکسی کے شناختی کارڈ یا پسنپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ جمع کرانی جائیں گی۔ کارپوریٹ ادارے کی صورت میں بورڈ کی قرارداد/مختار نامہ مع نمونہ دستخط پراکسی فارم کے ساتھ جمع کرایا جائے گا۔





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