


**FAZAL CLOTH
MILLS LIMITED**

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, Khayaban-e-Jinnah Defence More Lahore as well as through Video Conferencing facility to transact the following business:

1. ORDINARY BUSINESS

- To confirm the Minutes of the Extraordinary General Meeting held on June 2, 2026.
- 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 Director, Chairman and Auditors thereon.
- 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.
- In compliance with section 223(6) of the Act and pursuant to the S.R.O. 3809/2023 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 these cases, where email addresses are not available with the Registrar, printed notices of AGM along with the website 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 holds shares in physical form or, to the Member's respective Participant/Investor Account Service, if shares are held in book entry form. The copy of the financial statements of the company can be accessed through the following website and QR enabled code:

<http://fazalcloth.com/financialreports/annual-report-ended-30-06-2026.pdf>



- To appoint Auditors for the ensuing year and to fix their remuneration for the year ending June 30, 2027. The present auditors, M/s. Shauhin 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. Shauhin Hameed Chaudhri & Co., as auditors for the ensuing year.

2. SPECIAL BUSINESS

- 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 facts.
- 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 facts.

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 Transactions (to be received at the Company's Share Registrar, M/s. Vision Consulting Ltd. S.C. LDA Floor, 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 PROXY:

- 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 Fazal Cloth Mills, PG Head Office, E-110, Khayaban-e-Jinnah Defence More, 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
- CDC Account Holders will 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 forms of proxy shall be rendered invalid.
- The proxy shall produce his/her original CNIC or original signature of the proxy 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.
- Attended 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 0300158167 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 POSTAL BALLOT

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.

1. E-VOTING PROCEDURE

- 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 October 22, 2026.
- The security codes are communicated to members through SMS from the web portal of M/s. Vision Consulting Ltd. (being the e-voting service provider).
- Identity of the Members registered to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote online from October 22, 2026, to October 28, 2026 till 11:00 a.m. (PST). Voting shall close on October 28, 2026, at 11 a.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

2. POSTAL BALLOT VOTING PROCEDURE

- 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, PG Head Office, E-110, Khayaban-e-Jinnah Defence More, 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 details about their unclaimed dividends and/or bonus shares if any.

6. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS

The Shareholders having physical shareholdings 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 Report and other documents 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.

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 (the 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. www.fazalcloth.com.

10. WITHHOLDING TAX ON CASH 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 reduced 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 certification issued by the FBR, withholding tax will be determined separately on Active and In-active shares held 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 their 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 Name and CNIC	Shareholding Proportion (No. of Shares)	Joint Shareholder Name and CNIC	Shareholding Proportion (No. of Shares)
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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-compliance, the Company's share registrar, the Company's share registrar will 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 Arms 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	414,884,186 382,337 466,140 -	483,798,217 288,783 322,930 338,929
b) Fatima Energy Limited	Sponsor/Associated undertaking	Purchase of electricity Payment against purchase of goods- net	6,282,832,922 6,382,195,542	5,653,933,896 5,553,231,506
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	75,223,594 387,896,609 - 311,139,216
d) Ahmed Fawcett 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-e-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	4,356,107
g) Fazal Farm (Private) Limited	Common Directorship	Purchase of goods Payment against purchase of goods - net	22,944,911 19,378,814	21,485,628 16,922,490
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	63,496,496
j) Relative of director	Spouse	Lease rental paid	14,147,686	12,861,533

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 45 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 ended June 30, 2027 and till the date of next annual general meeting on an arms 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 the next Annual General Meeting for their formal ratification / approval.

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 arms 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 jointly 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 (d) OF THE COMPANIES INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS REGULATIONS, 2017 Name of Associated Company / Undertaking: Fatima Transmission Company Limited (FTCL)

Sl. 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	2025 2024
i	Earnings (loss) per share - basic & diluted	0.2633 0.3076
ii	Net profit / loss	18,321,448 32,830,648
iii	Shareholders' Equity	355,967,791 337,246,342
iv	Total Assets	612,794,394 689,525,555
v	Break-up value	5.4980 5.2147

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

Sl. No.	Description	Equity	Loans / advances
a)	Total investment approved	2,000,000,000	292,000,000
b)	Amount of investment made to date	1,050,523,553	0
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specific time.	Conversion of future mark up into preference shares of FEL, offered to the Company as right shares or advances. Period of investment review: 18 Oct '21, 2025.	Further funds have not yet been invested by the investee company. Period of investment review: 18 Oct '21, 2025.
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 - Rupees	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 28,989,336	28,229,595 28,989,336
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 4541632 Website: www.fazalcloth.com

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

Name of shareholder(s)/joint shareholders	Registered Address	Number of shares held and folio number	CNIC Number (copy to be attached)	Consent/Intimation and enclosures (in case of representative of body corporate, corporation and Federal Government)
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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	No of ordinary shares for which votes cast	I/We assent to the Resolutions (For)	I/We dissent to the Resolutions (Against)
"RESOLVED THAT the above related party transactions carried out by the Company during the year ended June 30, 2026 as detailed in note 45 to the audited financial statements be and are hereby ratified, confirmed and approved".			
Agenda Item No. 2	No of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
"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 arms 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 jointly 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."			
Signature of Member/Authorise Person			