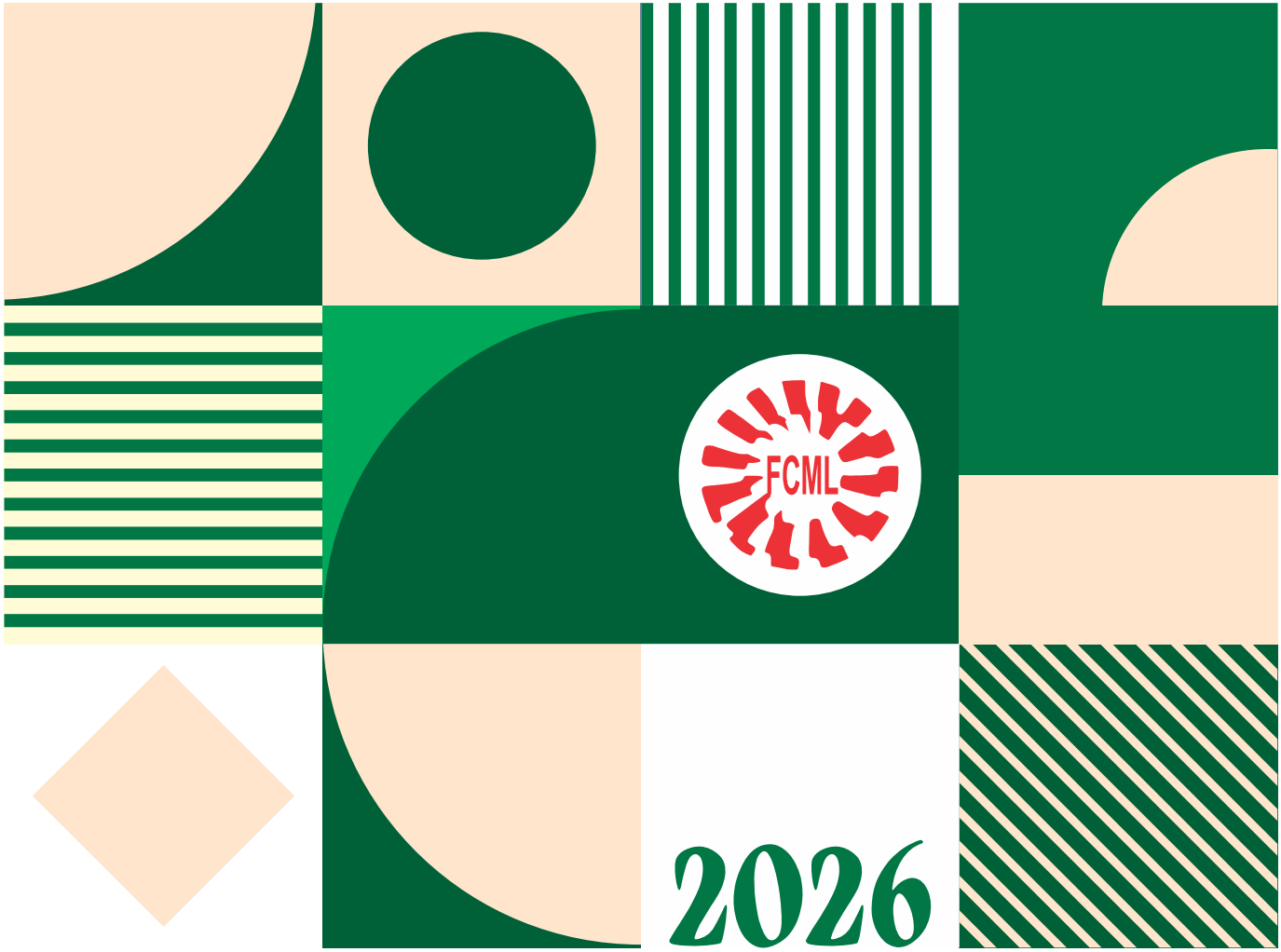


FOR THE THREE MONTHS ENDED SEPTEMBER 30

From Fibre to Future

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

FAZAL CLOTH MILLS LIMITED

Contents

Corporate **Page #**

Company Information 02
Directors' Report 03

Unconsolidated Condensed Interim Financial Statements

Unconsolidated Condensed Interim Statement of Financial Position (Un-audited) 06
Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited) 07
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) 08
Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited) 09
Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited) 10
Unconsolidated Notes to the Condensed Interim Financial Information (Un-audited) 11

Consolidated Condensed Interim Financial Statements

Consolidated Condensed Interim Statement of Financial Position (Un-audited) 28
Consolidated Condensed Interim Statement of Profit or Loss (Un-audited) 29
Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) 30
Consolidated Condensed Interim Statement of Changes in Equity (Un-audited) 31
Consolidated Condensed Interim Statement of Cash Flows (Un-audited) 32
Consolidated Notes to the Condensed Interim Financial Information (Un-audited) 33

CONTENTS

Board of Directors

Sheikh Naseem Ahmad	Chairman/ NE-Director
Rehman Naseem	CEO / Executive Director
Aamir Naseem Sheikh	NE – Director
Faisal Ahmed	NE – Director
Muhammad Mukhtar Sheikh	Executive Director
Abbas Mukhtar	Executive Director
Muhammad Shaukat	Independent Director
Masood Karim Shaikh	Independent Director
Parveen Akhter Malik	Independent Director

Human Resource & Remuneration Committee

Muhammad Shaukat	Chairperson
Aamir Naseem Sheikh	Member
Abbas Mukhtar	Member

Audit Committee

Parveen Akhter Malik	Chairperson
Muhammad Shaukat	Member
Aamir Naseem Sheikh	Member
Faisal Ahmed	Member

Sustainability & ESG Committee

Rehman Naseem	Chairperson
Parveen Akhtar Malik	Member
Masood Karim Shaikh	Member
Muhammad Shaukat	Member

Risk Management & Strategic Planning Committee

Masood Karim Shaikh	Chairperson
Rehman Naseem	Member
Muhammad Shaukat	Member
Parveen Akhter Malik	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
BankIslami 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:

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

DIRECTORS' REVIEW

For the First Quarter Ended September 30, 2026

Dear Members,

On behalf of the Board of Directors of Fazal Cloth Mills Ltd, we are pleased to present the interim financial information (individual) of the Company for the three months period ended September 30, 2026 along with consolidated interim financial information with Fazal Gas Distribution Company Ltd.

1. OPERATIONAL REVIEW & FINANCIAL PERFORMANCE ANALYSIS

- Revenue & Gross Profit: During the period under review, your Company achieved a net sales revenue of Rs. 25.21 billion compared to Rs. 24.33 billion in the corresponding period of the previous year, showing an increase of 3.60%. Efficient operational management and cost control led to a decrease in the cost of sales by 1.84% to Rs. 22.13 billion. As a result, Gross Profit surged significantly by 72.26%, reaching Rs. 3.07 billion against Rs. 1.79 billion recorded in SPLY (Same Period Last Year).
- Operating Expenses & Other Income: Operating expenses (selling, administrative, and other expenses) totaled Rs. 694.75 million compared to Rs. 415.92 million in SPLY. The increase in selling and administrative expenses was primarily driven by inflation and higher regulatory charges, whereas other expenses rose explicitly linked to the rise in profitability (e.g., higher profit-related levies/provisions such as WPPF/WWF). Other income stood at Rs. 56.14 million against Rs. 454.10 million in the comparative period. Operating profit remained robust at Rs. 2.44 billion, showing a growth of 33.63% over SPLY. Finance cost decreased significantly, reflecting a reduction in finance cost due to TUF subsidy received related to prior years. other income decreased as the company have not received dividend from an associate.
- Finance Cost: A significant contributing factor to bottom-line profitability was the substantial reduction in Finance Costs, which dropped by 67.14% from Rs. 1.21 billion to Rs. 399.15 million. The reduction is primarily due to the adjustment of mark-up support claims of Rs. 827.731 million, credited during the period by the State Bank of Pakistan under the Technology Up-Gradation Fund (TUF) Scheme against the term loans utilized for import of the eligible machinery between September 1, 2009 and June 30, 2014.
- Profitability: Consequently, Profit After Taxation saw an extraordinary growth of 759.41%, reaching Rs. 1.54 billion compared to Rs. 179.57 million in the corresponding quarter of last year.
- Earnings Per Share (EPS): Earnings per share for the quarter stood at Rs. 51.44 per share as compared to Rs. 5.99 per share in the corresponding period.
- Consolidated Financial Statements: The consolidated financial statements include the results of Fazal Gas Distribution Company Limited, a subsidiary company incorporated on 24 June 2026 to deal in petroleum and petroleum products, which has yet to start commercial operations. On a consolidated basis, the Group reported profit after tax of Rs. 1,543.24 million (EPS Rs. 51.44) and total assets of Rs. 138,976.31 million. The subsidiary's pre-operational expenses of Rs. 0.02 million had no material impact on Group results.

2. FUTURE OUTLOOK

Management remains focused on optimizing production efficiencies, cost-saving measures, and managing currency and raw material risk proactively. Despite macroeconomic uncertainties, the management is committed to maintaining performance and enhancing value for all shareholders.

3. ACKNOWLEDGEMENTS

The Directors take this opportunity to place on record their appreciation for the dedication, hard work, and support of the officers, staff, and workers of the Company. We also extend our gratitude to our banks, business partners, and financial institutions for their continued support and cooperation.

For and on behalf of the Board of Directors,

Rehman Naseem
(Chief Executive Officer)

Sheikh Naseem Ahmed
(Director)

ڈائریکٹرز کا جائزہ

30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے لیے

محترم اراکین،

فضل کلاتھ ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 30 ستمبر 2026 کو ختم ہونے والی تین ماہ کی مدت کے لیے کمپنی کی عبوری مالیاتی معلومات (انفرادی)، فضل گیس ڈسٹری بیوشن کمپنی لمیٹڈ کے ساتھ مجموعی (کنسولیڈیٹڈ) عبوری مالیاتی معلومات کے ہمراہ پیش کرتے ہوئے مسرت ہو رہی ہے۔

1۔ آپریشنل جائزہ اور مالیاتی کارکردگی کا تجزیہ

• **آمدنی اور مجموعی منافع:** زیرِ جائزہ مدت کے دوران آپ کی کمپنی نے 25.21 ارب روپے کی خالص فروخت حاصل کی، جبکہ گزشتہ سال کی اسی مدت میں یہ 24.33 ارب روپے تھی، جو 3.60 فیصد اضافہ ظاہر کرتی ہے۔ مؤثر آپریشنل انتظام اور لاگت پر کنٹرول کے نتیجے میں فروخت کی لاگت 1.84 فیصد کمی کے ساتھ 22.13 ارب روپے رہی۔ نتیجتاً مجموعی منافع میں 72.26 فیصد کا نمایاں اضافہ ہوا اور یہ 3.07 ارب روپے تک پہنچ گیا، جبکہ گزشتہ سال کی اسی مدت (SPLY) میں یہ 1.79 ارب روپے تھا۔

• **آپریٹنگ اخراجات اور دیگر آمدنی:** آپریٹنگ اخراجات (فروخت، انتظامی اور دیگر اخراجات) مجموعی طور پر 694.75 ملین روپے رہے، جبکہ گزشتہ سال کی اسی مدت میں یہ 415.92 ملین روپے تھے۔ فروخت اور انتظامی اخراجات میں اضافے کی بنیادی وجہ افراطِ زر اور ریگولیٹری چارجز میں اضافہ ہے، جبکہ دیگر اخراجات میں اضافہ براہِ راست منافع میں اضافے سے منسلک ہے (مثلاً منافع سے متعلق لیویز/پروویژنز، جیسے ورکرز پرافٹ پارٹیسپیشن فنڈ (WPPF) اور ورکرز ویلفیئر فنڈ (WWF) میں اضافہ)۔ دیگر آمدنی 56.14 ملین روپے رہی، جبکہ تقابلی مدت میں یہ 454.10 ملین روپے تھی۔ آپریٹنگ منافع 2.44 ارب روپے کے ساتھ مستحکم رہا، جو گزشتہ سال کی اسی مدت کے مقابلے میں 33.63 فیصد اضافہ ظاہر کرتا ہے۔ مالیاتی لاگت میں نمایاں کمی واقع ہوئی، جو گزشتہ برسوں سے متعلق موصول ہونے والی ٹی یو ایف (TUF) سبسڈی کے باعث مالیاتی لاگت میں کمی کی عکاسی کرتی ہے۔ دیگر آمدنی میں کمی کی وجہ یہ ہے کہ زیرِ جائزہ مدت کے دوران کمپنی کو ایک ایسوسی ایٹ کمپنی سے منافع منقسمہ (ڈیویڈنڈ) موصول نہیں ہوا۔

• مالیاتی لاگت: خالص منافع میں بہتری کا ایک اہم سبب مالیاتی لاگت میں نمایاں کمی تھی، جو 67.14 فیصد کمی کے ساتھ 1.21 ارب روپے سے کم ہو کر 399.15 ملین روپے رہ گئی۔ یہ کمی بنیادی طور پر 827.731 ملین روپے کے مارک اپ سپورٹ کلیمز کی ایڈجسٹمنٹ کی وجہ سے ہوئی، جو اسٹیٹ بینک آف پاکستان نے ٹیکنالوجی اپ گریڈیشن فنڈ (TUF) اسکیم کے تحت یکم ستمبر 2009 سے 30 جون 2014 کے درمیان اہل مشینری کی درآمد کے لیے استعمال کیے گئے طویل مدتی قرضوں کے سلسلے میں اس مدت کے دوران کریڈٹ کیے۔

• **منافع:** نتیجتاً بعد از ٹیکس منافع میں 759.41 فیصد کا غیر معمولی اضافہ ہوا اور یہ 1.54 ارب روپے تک پہنچ گیا، جبکہ گزشتہ سال کی اسی سہ ماہی میں یہ 179.57 ملین روپے تھا۔

• **فی حصص آمدنی (EPS):** اس سہ ماہی کے لیے فی حصص آمدنی 51.44 روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ 5.99 روپے فی حصص تھی۔

• مجموعی مالیاتی گوشوارے: مجموعی مالیاتی گوشواروں میں فضل گیس ڈسٹری بیوشن کمپنی لمیٹڈ کے نتائج شامل ہیں، جو کمپنی کی ملکیتی ذیلی کمپنی ہے اور پٹرولیم و پٹرولیم مصنوعات کے کاروبار کے لیے 24 جون 2026 کو قائم کی گئی۔ ذیلی کمپنی نے تاحال تجارتی سرگرمیوں کا آغاز نہیں کیا۔ مجموعی بنیاد پر گروپ نے 1,543.24 ملین روپے بعد از ٹیکس منافع (فی حصص آمدنی 51.44 روپے) حاصل کیا، جبکہ گروپ کے کل اثاثہ جات 138,976.31 ملین روپے رہے۔ ذیلی کمپنی کے 0.02 ملین روپے کے قبل از آغازِ کاروبار اخراجات کا گروپ کے نتائج پر کوئی نمایاں اثر نہیں پڑا۔

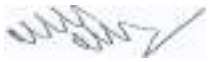
2۔ مستقبل کا منظرنامہ

انتظامیہ پیداواری استعداد کو بہتر بنانے، لاگت میں بچت کے اقدامات، اور کرنسی و خام مال سے متعلق خطرات کے پیشگی انتظام پر بھرپور توجہ دے رہی ہے۔ معاشی غیر یقینی صورتحال کے باوجود انتظامیہ کارکردگی کو برقرار رکھنے اور تمام شیئر ہولڈرز کے لیے قدر میں اضافے کے لیے پُرعزم ہے۔

3۔ اظہارِ تشکر

ڈائریکٹرز اس موقع پر کمپنی کے افسران، عملے اور کارکنان کی لگن، محنت اور تعاون پر ان کی تحسین کو ریکارڈ پر لانا چاہتے ہیں۔ ہم اپنے بینکوں، کاروباری شراکت داروں اور مالیاتی اداروں کے بھی ان کے مسلسل تعاون اور اشتراک پر شکر گزار ہیں۔

برائے و منجانب بورڈ آف ڈائریکٹرز



رحمان نسیم
(چیف ایگزیکٹو آفیسر)

شیخ نسیم احمد
(ڈائریکٹر)

Unconsolidated Condensed Interim Financial Information (Un-audited)

September 30, 2026

Unconsolidated Condensed Interim Statement of Financial Position

As at 30 September 2026

	Note	*(Un-audited)* ***30 September 2026*** ***Rupees***	*(Audited)* *30 June 2026* *Rupees*
Assets			
Non-current assets			
Property, plant and equipment	4	68,873,965,672	68,121,301,064
Long term investments	5	11,870,522,618	12,999,375,653
Long term loans and advances		-	-
Long term deposits		25,733,193	25,733,193
		80,770,221,483	**81,146,409,910**
Current assets			
Stores, spares and loose tools		2,318,039,105	2,361,907,044
Stock-in-trade	6	35,170,742,867	29,564,029,613
Trade debts	7	16,521,637,311	15,240,449,784
Loans and advances		240,189,174	372,535,068
Deposits, prepayments and other receivables		583,278,701	456,797,456
Mark-up accrued		34,917,286	28,949,068
Short term investment	8	901,965,600	1,011,636,000
Sales tax refundable and adjustable		892,812,392	1,203,795,079
Advance taxation - net		-	190,577,425
Cash and bank balances	9	1,542,603,149	1,843,903,430
		58,206,185,585	**52,274,579,967**
Total assets		**138,976,407,068**	**133,420,989,877**
Equity and liabilities			
Share capital and reserves			
Authorized share capital		1,700,000,000	1,700,000,000
Issued, subscribed and paid-up capital		300,000,000	300,000,000
Other capital reserves		21,297,571,472	22,426,424,507
Revaluation surplus on property, plant and equipment		38,286,807,968	38,641,229,404
Unappropriated profits - revenue reserve		16,207,309,581	14,309,625,467
		76,091,689,021	**75,677,279,378**
Non-current liabilities			
Long term financing - *secured*	10	11,902,166,085	11,775,026,476
Long term musharika - *secured*	11	12,986,643,396	12,783,883,426
Lease liability - *unsecured*		57,800,785	59,976,512
Deferred liabilities:			
- *Staff retirement benefit*		508,217,321	571,560,377
		25,454,827,587	**25,190,446,791**
Current liabilities			
Current portion of non-current liabilities	12	5,589,719,349	5,314,333,841
Short term borrowings - secured		19,470,677,070	16,342,042,625
Contract liabilities		1,460,281,264	1,402,712,995
Trade and other payables	13	9,964,363,118	8,739,995,892
Unclaimed dividend		21,913,439	21,977,192
Accrued mark-up		880,529,450	732,201,163
Provision for taxation - net		42,406,770	-
		37,429,890,460	**32,553,263,708**
Contingencies and commitments	14		
Total equity and liabilities		**138,976,407,068**	**133,420,989,877**

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

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

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

For the three months ended 30 September 2026

	Note	Three months ended 30 September 2026 Rupees	30 September 2025 Rupees
Revenue from contracts with customers - *net*	15	25,208,860,262	24,333,547,974
Cost of sales	16	(22,133,913,616)	(22,548,467,475)
Gross profit		**3,074,946,646**	**1,785,080,499**
Selling and distribution expenses		(133,550,370)	(81,500,591)
Administrative expenses		(270,084,243)	(246,230,882)
Other expenses		(291,115,064)	(88,193,093)
		(694,749,677)	**(415,924,566)**
Other income		56,135,184	454,101,653
Profit from operations		**2,436,332,153**	**1,823,257,586**
Finance cost		(399,154,559)	(1,214,597,295)
Profit before levies and income tax		**2,037,177,594**	**608,660,291**
Levies		**(315,232,103)**	**(364,810,757)**
Profit before income tax		**1,721,945,491**	**243,849,534**
Income tax		(178,682,813)	(64,275,816)
Profit after taxation		**1,543,262,678**	**179,573,718**
Earnings per share - *basic and diluted*	17	51.44	5.99

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three months ended 30 September 2026

	Three months ended	
	30 September 2026	*30 September 2025*
	Rupees	*Rupees*
Profit after taxation	**1,543,262,678**	**179,573,718**
Other comprehensive income - net of tax		
Items that will never be reclassified to statement of profit or loss:		
- Net change in fair value of financial assets at FVOCI	(1,128,853,035)	1,814,858,033
Total comprehensive income / (loss) for the period	**414,409,643**	**1,994,431,751**

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-Audited)

For the three months ended 30 September 2026

	Share capital	Capital reserves					Sub - total	Revenue reserve	Total
		Share premium	Capital redemption reserve	Fair value reserve - net of tax	Capital reserve against capacity expansion	Revaluation surplus on property, plant and equipment		Un-appropriated profits	
					Rupees				
Balance as at 30 June 2025 - restated	**300,000,000**	**77,616,000**	**175,000,000**	**4,422,662,292**	**15,000,000,000**	**24,671,468,956**	**44,646,747,248**	**11,790,510,792**	**56,437,258,040**
Total comprehensive income for the period :									
Profit for three months ended 30 September 2025	-	-	-	-	-	-	-	179,573,718	179,573,718
Other comprehensive income for three months ended 30 September 2025	-	-	-	1,814,858,033	-	-	1,814,858,033	-	1,814,858,033
	-	**-**	**-**	**1,814,858,033**	**-**	**-**	**1,814,858,033**	**179,573,718**	**1,994,431,751**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period	-	-	-	-	-	(216,563,901)	(216,563,901)	216,563,901	-
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2025	**300,000,000**	**77,616,000**	**175,000,000**	**6,237,520,325**	**15,000,000,000**	**24,454,905,055**	**46,245,041,380**	**12,186,648,411**	**58,431,689,791**
Total comprehensive income for the period :									
Profit for nine months ended 30 June 2026	-	-	-	-	-	-	-	1,393,523,815	1,393,523,815
Other comprehensive income for nine months ended 30 June 2026	-	-	-	936,288,182	-	14,902,603,674	15,838,891,856	13,173,916	15,852,065,772
	-	**-**	**-**	**936,288,182**	**-**	**14,902,603,674**	**15,838,891,856**	**1,406,697,731**	**17,245,589,587**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period	-	-	-	-	-	(647,118,114)	(647,118,114)	647,118,114	-
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	-	(69,161,211)	(69,161,211)	69,161,211	-
Balance as at 30 June 2026	**300,000,000**	**77,616,000**	**175,000,000**	**7,173,808,507**	**15,000,000,000**	**38,641,229,404**	**61,367,653,911**	**14,309,625,467**	**75,677,279,378**
Balance as at 30 June 2026	**300,000,000**	**77,616,000**	**175,000,000**	**7,173,808,507**	**15,000,000,000**	**38,641,229,404**	**61,367,653,911**	**14,309,625,467**	**75,677,279,378**
Total comprehensive income for the period :									
Profit for three months ended 30 September 2026	-	-	-	-	-	-	-	1,543,262,678	1,543,262,678
Other comprehensive income for three months ended 30 September 2026	-	-	-	(1,128,853,035)		-	(1,128,853,035)	-	(1,128,853,035)
	-	**-**	**-**	**(1,128,853,035)**	**-**	**-**	**(1,128,853,035)**	**1,543,262,678**	**414,409,643**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period	-	-	-	-	-	(344,991,031)	(344,991,031)	344,991,031	-
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	-	(9,430,405)	(9,430,405)	9,430,405	-
Balance as at 30 September 2026	**300,000,000**	**77,616,000**	**175,000,000**	**6,044,955,472**	**15,000,000,000**	**38,286,807,968**	**59,884,379,440**	**16,207,309,581**	**76,091,689,021**

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Unconsolidated Condensed Interim Statement of Cash Flows (Un-Audited)

For the three months ended 30 September 2026

	Three months ended	
	30 September 2026	*30 September 2025*
	Rupees	*Rupees*
Cash flows from operating activities		
Profit before taxation	2,037,177,594	608,660,291
Adjustments for:		
Depreciation on property, plant and equipment	685,439,949	551,071,909
Unrealized loss / (gain) on re-measurement of short term investment	109,670,400	(176,317,200)
Provision for gratuity	76,219,539	77,440,386
Provision for infrastructure cess	150,076,687	144,432,807
Provision for workers' profit participation fund	108,934,296	11,087,393
Provision for workers' welfare fund	37,269,076	12,647,912
Loss / (gain) on disposal of property, plant and equipment	7,431,331	(535,636)
Dividend income	-	(241,899,109)
Loss allowance on interest income for the period	875,136	836,605
Finance income	(37,755,895)	(22,554,966)
Finance cost	399,154,559	1,214,597,295
Cash generated from operations before working capital changes	**3,574,492,672**	**2,179,467,687**
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	43,867,939	(121,916,521)
Stock-in-trade	(5,606,713,254)	384,449,959
Trade debts	(1,281,187,527)	(1,597,605,792)
Loans and advances	132,345,894	(50,750,665)
Deposits, prepayments and other receivables	(126,481,245)	71,091,408
	(6,838,168,193)	**(1,314,731,611)**
Increase / (decrease) in current liabilities:		
Trade and other payables	928,087,167	60,065,060
Contract liability	57,568,269	(912,412,672)
Cash (used in) / generated from operations	**(2,278,020,085)**	**12,388,464**
Gratuity paid to employees	(139,562,595)	(53,068,913)
Taxes paid - *net*	50,051,972	1,328,363,865
	(89,510,623)	**1,275,294,952**
Net cash (used in) / generated from operating activities	**(2,367,530,708)**	**1,287,683,416**
Cash flows from investing activities		
Fixed capital expenditure	(1,457,975,970)	(1,460,316,241)
Proceeds from sale of property, plant and equipment	12,440,082	671,518
Finance income received	30,912,541	1,401,691
Dividend received from associated company	-	241,899,109
Net cash used in investing activities	**(1,414,623,347)**	**(1,216,343,923)**
Cash flows from financing activities		
Long term financing obtained	846,322,145	1,671,544,997
Long term financing repaid	(708,349,210)	(754,990,807)
Long term musharika obtained	729,164,144	2,258,415,000
Long term musharika repaid	(262,500,000)	(100,000,000)
Short term borrowings - *net*	2,306,824,297	(5,540,368,228)
Lease rentals paid	(3,890,614)	(3,536,922)
Finance cost paid - *net*	(248,463,377)	(1,281,252,455)
Dividend paid	(63,753)	-
Net cash generated from / (used in) financing activities	**2,659,043,632**	**(3,750,188,415)**
Net decrease in cash and cash equivalents	**(1,123,110,423)**	**(3,678,848,922)**
Cash and cash equivalents at beginning of the period	**(1,464,024,761)**	**1,122,291,188**
Cash and cash equivalents at end of the period	**(2,587,135,184)**	**(2,556,557,734)**
Cash and cash equivalents at period end comprises of:		
Cash and bank balances	1,542,603,149	1,176,041,696
Running finance / running musharika	(4,129,738,333)	(3,732,599,430)
	(2,587,135,184)	**(2,556,557,734)**

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

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

For the three months ended 30 September 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 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 the Pakistan Stock Exchange Limited ('PSX'). The Company is principally engaged in the manufacture and sale of yarn and fabric.

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

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

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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

2.2 Basis of presentation

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2026. These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by section 237 of the Act.

The comparative statement of financial position is extracted from the annual audited financial statements for the year ended 30 June 2026, whereas the comparative unconsolidated condensed interim statements of profit or loss, comprehensive income, changes in equity and cash flows are extracted from the un-audited unconsolidated condensed interim financial statements for the three months ended 30 September 2025.

2.3 Basis of measurement and functional currency

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except for certain items of property, plant and equipment carried at revalued amounts, staff retirement benefits carried at present value and certain financial instruments carried at fair value. These are presented in Pak Rupees ('Rs.'), which is the Company's functional and presentation currency.

2.4 Material accounting policies

The material accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2026, except for the adoption of the amendments stated in note 2.5.

2.5 Amendments to approved accounting standards effective in the current period

The following amendments to IFRS Accounting Standards, as notified under the Act, have become effective for the Company's accounting period beginning on 1 July 2026:

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026): clarify the timing of recognition and derecognition of certain financial assets and liabilities, introduce an exception for some financial liabilities settled through electronic cash transfers, provide additional guidance on assessing the Solely Payments of Principal and Interest ('SPPI') criterion, and require new disclosures for instruments with cash flows linked to Environmental, Social and Governance ('ESG') targets and for equity instruments designated at FVOCI.

These amendments do not have any significant impact on these unconsolidated condensed interim financial statements.

2.6 Standards and amendments to approved accounting standards that are not yet effective

The following standards and amendments, as notified under the Act, will be effective for accounting periods beginning on or after the dates mentioned against each and have not been early adopted by the Company:

- IFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027): replaces IAS 1 and focuses on updates to the statement of profit or loss. It introduces a defined structure for the statement of profit or loss, required disclosures for management-defined performance measures reported outside the financial statements, and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.
- Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency (effective 1 January 2027): clarify how an entity translates its financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.

Management anticipates that the adoption of the above standards and amendments in future periods will have no material impact on the Company's financial statements other than in presentation and disclosures.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3.2 In preparing these unconsolidated condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements for the year ended 30 June 2026.

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
4 Property, plant and equipment			
Operating Property, plant and equipment	4.1	64,829,729,009	65,386,789,477
Right of use of asset	4.2	27,282,008	28,717,903
Capital work-in-progress	4.3	4,016,954,655	2,705,793,684
		68,873,965,672	**68,121,301,064**
4.1 Opening net book value		**65,386,789,477**	**50,716,603,453**
Additions during the period / year:			
Factory building on free hold land		1,264,632	141,329,913
Non-factory building on free hold land		-	5,015,179
Non-factory building on lease hold land		30,035	2,320,453
Plant and machinery		114,309,963	1,971,123,890
Electric fittings and installations		-	6,570,949
Tools, laboratory equipment and arms		-	49,415
Fire extinguishing equipment and scales		376,750	2,714,400
Office equipment		19,567,827	21,895,318
Vehicles		11,265,791	18,257,140
		146,814,998	**2,169,276,657**
Addition on revaluation surplus		-	14,902,603,674
Carrying value of assets disposed off during the period / year		(19,871,412)	(157,706,566)
Depreciation charge for the period / year		(684,004,054)	(2,243,987,741)
Closing net book value		**64,829,729,009**	**65,386,789,477**
4.2 Right of use of assets			
Opening net book value		28,717,903	34,461,484
Depreciation charge for the period		(1,435,895)	(5,743,581)
Closing net book value		**27,282,008**	**28,717,903**
4.3 Breakup of capital work-in-progress:			
Building on free hold land		482,614,845	314,277,335
Non-factory building on free hold land		89,743,086	81,711,958
Plant and machinery		2,310,038,249	1,351,661,312
Electric fittings and Installations		13,178,141	6,375,100
Office equipment		9,088,164	13,356,437
Vehicles - cost & expenses		113,346	-
Advances to suppliers - unsecured, considered good	4.3.1	1,112,178,824	938,411,542
		4,016,954,655	**2,705,793,684**

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

5 Long term investments	Note	*(Un-audited)* ***30 September 2026*** ***Rupees***	*(Audited)* *30 June 2026* *Rupees*
Subsidiary company - at cost method			
Fazal Gas Distribution Company Ltd			
10,000 ordinary shares of Rs. 10 each			
Equity held 100%	5.1	100,000	100,000
At fair value through OCI			
Fatima Fertilizer Company Limited - *quoted*		9,284,060,289	10,412,913,324
Fatima Energy Limited - *unquoted*		2,146,435,459	2,146,435,459
Fatima Transmission Company Limited - *unquoted*		60,139,569	60,139,569
Multan Real Estate (Private) Limited - *unquoted*		339,787,301	339,787,301
		11,830,422,618	**12,959,275,653**
Associated companies - at equity method			
Fatima Transmission Company Limited - unquoted (Ordinary shares)		-	-
Fatima Electric Company Limited - unquoted		-	-
		-	**-**
At fair value through P&L			
Term finance certificates		40,000,000	40,000,000
		11,870,522,618	**12,999,375,653**

5.1 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.

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
6 Stock-in-trade			
Raw material [In-transit: Rs. 5,344.36 million (30 June 2026: Rs. 5,874.05 million)]		24,023,262,479	19,024,267,194
Work-in-process		1,234,313,910	1,164,735,768
Finished goods [In-transit: Rs. 7.46 million (30 June 2026: Rs. Nil)]			
Yarn		7,671,010,823	7,387,005,615
Fabric		1,372,077,218	1,159,777,804
Waste		870,078,437	828,243,232
		9,913,166,478	**9,375,026,651**
		35,170,742,867	**29,564,029,613**
7 Trade debts			
Export debtors - secured against letters of credit:			
Considered good		3,578,053,149	2,720,304,719
Local debtors - unsecured			
Related parties - considered good	7.1	2,371,772,257	1,896,978,892
Others - considered good		10,571,811,905	10,623,166,173
Others - considered doubtful		49,681,610	49,681,610
		12,993,265,772	**12,569,826,675**
Allowance for impairment of trade debts		(49,681,610)	(49,681,610)
		16,521,637,311	**15,240,449,784**
7.1 Trade debts due from following related parties on account of trading activities.			
Ahmed Fine Textile Mills Limited		2,207,815,614	1,841,402,690
Reliance Weaving Mills Limited		163,623,331	55,242,890
Fatima Fertilizer Company Limited		333,312	333,312
		2,371,772,257	**1,896,978,892**
8 Short term investment			
Investment at fair value through profit or loss			
Fatima Fertilizer Company Limited - quoted *6,120,000 (30 June 2026: 6,120,000) fully paid ordinary shares of Rs. 10 each* *Equity held 0.29% (30 June 2026: 0.29%) Market value per share Rs.147.38 (30 June 2026: Rs.165.30)*		901,965,600	1,011,636,000
		901,965,600	**1,011,636,000**
9 Cash and bank balances			
Cash in hand		42,622,149	34,627,084
Cash at banks			
- Current accounts		260,772,972	542,388,233
- Saving accounts		75,958,028	103,638,113
		336,731,000	**646,026,346**
Term deposit receipt		1,163,250,000	1,163,250,000
		1,542,603,149	**1,843,903,430**

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
10 Long term financing - *secured*			
Opening balance		15,348,310,909	14,432,252,534
Loan obtained during the period / year	10.1	846,322,145	4,284,894,465
Repayments made during the period / year		(708,349,210)	(3,368,836,090)
Closing balance		**15,486,283,844**	**15,348,310,909**
Less: current portion grouped under current liabilities	12	(3,584,117,759)	(3,573,284,433)
		11,902,166,085	**11,775,026,476**

10.1 - Markup bearing finances availed during the period:

Lender	Amount	Rate of Mark Up Per Annum	Security
	--Rupees--		
Bank Alfalah Limited			
- SBP's LTFF	**818,805,545**	Policy Rate -3.00%	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.
MCB Bank Limited			
- Syndicated Term finance	**10,136,505**	6 Months KIBOR + 0.75%	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.
- SBP's LTFF	**3,621,795**	Policy Rate -3.00%	
Allied Bank Limited			
- Syndicated Term finance	**13,758,300**	6 Months KIBOR + 0.75%	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.
	846,322,145		

	Note	*(Un-audited)* ***30 September 2026*** ***Rupees***	*(Audited)* *30 June 2026* *Rupees*
11 Long term musharika - *secured*			
Opening balance		14,518,466,901	8,999,190,673
Loan obtained during the period / year	11.1	729,164,144	6,562,320,295
Repayments made during the period / year		(262,500,000)	(1,043,044,067)
Closing balance		**14,985,131,045**	**14,518,466,901**
Less: current portion grouped under current liabilities	12	(1,998,487,649)	(1,734,583,475)
		12,986,643,396	**12,783,883,426**

11.1 - Profit bearing finances availed during the period:

Lender	Amount	Rate of Profit Per Annum	Security
	--Rupees--		
Meezan Bank Limited			
- Diminishing musharika	**183,080,544**	6 Months KIBOR + 1.00%	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.
Dubai Islamic Bank Pakistan Limited			
- Diminishing musharika	**500,000,000**	3 Months KIBOR + 1.25%	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.
BankIslami Pakistan Limited			
- Diminishing musharika	**46,083,600**	6 Months KIBOR + 1.00%	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.
	729,164,144		

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
12 Current portion of non-current liabilities			
Long term financing - secured		3,584,117,759	3,573,284,433
Long term musharika - secured		1,998,487,649	1,734,583,475
Current portion of lease liability		7,113,941	6,465,933
		5,589,719,349	**5,314,333,841**
13 Trade and other payables			
Trade creditors		1,564,031,082	1,212,641,634
Accrued liabilities		1,604,279,782	1,133,953,878
Due to associated undertakings	13.1	-	282,722,047
Bills payable		2,738,907,143	2,372,478,395
Tax deducted at source		48,991,940	26,275,035
Infrastructure cess		3,690,604,051	3,540,527,364
Workers' profit participation fund		225,803,022	116,868,726
Workers' welfare fund		84,046,405	46,777,329
Loan from Director		399,693	399,693
Others		7,300,000	7,351,791
		9,964,363,118	**8,739,995,892**
13.1 Due to associated undertakings			
Fatima Energy Limited		-	274,259,547
Fazal Farms (Private) Limited		-	8,412,000
Fazal-ur-Rehman Foundation		-	50,500
		-	**282,722,047**

14 Contingencies and commitments

14.1 ***Contingencies***

14.1.1 There has been no change in the status of contingencies since the annual audited financial statements as at 30 June 2026.

	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
14.2 Commitments		
14.2.1 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies.	**4,373,297,654**	**4,372,034,854**
14.2.2 Commitments against irrevocable letters of credit:		
- capital expenditure	963,062,954	1,124,297,037
- raw material and stores and spares	6,182,980,664	3,185,591,463
	7,146,043,618	**4,309,888,500**
14.2.3 Commitments against foreign bills discounting	**95,342,675**	**-**

14.2.4 Commitments in respect of Fatima Energy Limited (FEL):

The Company through sponsors support agreement commits to lenders of FEL, in case of default by FEL, to pay amount outstanding up to Rs 6,000 million (30 June 2026: Rs 6,000 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in annual general meeting dated 26 November 2020.

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

The Company through sponsors support agreement commits to MCB Bank Limited, in case of default by FTCL, to pay amount outstanding up to Rs 250 million (30 June 2026: Rs. 250 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in extraordinary general meeting held on 25 March 2017.

	Note	Three months ended (Un-audited) 30 September 2026 Rupees	(Un-audited) 30 September 2025 Rupees
15 Revenue from contracts with customers - net			
Gross sales			
Local sales		24,725,977,502	22,636,492,348
Direct exports		3,395,408,372	4,007,983,059
Indirect exports	15.1	1,194,956,678	1,560,138,825
		29,316,342,552	**28,204,614,232**
Sales tax			
Local sales		(3,771,103,893)	(3,432,479,845)
Indirect export		(182,281,527)	(237,987,278)
		(3,953,385,420)	**(3,670,467,123)**
Sales return		(154,096,870)	(200,599,135)
		25,208,860,262	**24,333,547,974**

15.1 It includes sales made to direct exporters against Export Facilitation Scheme (EFS) to a related party under S.R.O 957(1)/ 2021 dated 30 July 2021, amounting Rs. 1,194.96 million (30 September 2025: Rs. 1,560.14 million).

	Three months ended (Un-audited) 30 September 2026 Rupees	(Un-audited) 30 September 2025 Rupees
16 Cost of sales		
Raw material consumed	16,040,593,232	13,979,845,440
Packing material consumed	296,156,591	243,993,815
Salaries, wages and benefits	1,278,882,128	1,113,976,871
Freight outward charges	186,997,390	183,364,128
Travelling and conveyance	8,368,825	6,495,637
Vehicle running and maintenance	24,009,300	19,141,389
Power and fuel	2,378,728,309	2,868,959,207
Stores and spares consumed	661,608,737	626,869,081
Processing charges	36,804,393	37,142,674
Repair and maintenance	37,192,035	14,975,107
Insurance	32,780,063	32,055,518
Depreciation on property, plant and equipment	654,538,857	521,243,132
Others	10,594,158	11,894,301
	21,647,254,018	**19,659,956,300**
Work-in-process:		
Opening balance	1,164,735,768	1,090,597,209
Closing balance	(1,234,313,910)	(1,103,971,123)
	(69,578,142)	**(13,373,914)**
Cost of goods manufactured	**21,577,675,876**	**19,646,582,386**
Finished goods:		
Opening balance	9,375,026,651	13,442,908,874
Finished goods purchased	1,032,466,251	407,022,099
Closing balance	(9,913,166,478)	(11,528,048,426)
	494,326,424	**2,321,882,547**
Cost of goods sold	**22,072,002,300**	**21,968,464,933**
Cost of raw material sold	61,911,316	580,002,542
	22,133,913,616	**22,548,467,475**

17 Earnings per share - basic and diluted		
Profit after taxation	1,543,262,678	179,573,718
Weighted average number of ordinary shares	30,000,000	30,000,000
Earnings per share - basic and diluted	51.44	5.99

18 Financial risk management

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

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

19 Fair value measurement

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

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

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

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

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

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

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

	Carrying amount					Fair value			
	Financial assets at amortised cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 September 2026				*Rupees*					
Financial assets - measured at fair value									
Short term investment	-	901,965,600	-	-	901,965,600	901,965,600	-	-	901,965,600
Long term investments	-	40,000,000	11,830,422,618	-	11,870,422,618	9,324,060,289	-	2,546,362,329	11,870,422,618
Financial assets - measured at amortized cost									
Long term deposits	25,733,193	-	-	-	25,733,193	-	-	-	-
Trade debts	16,521,637,311	-	-	-	16,521,637,311	-	-	-	-
Deposits and other receivables	480,151,129	-	-	-	480,151,129	-	-	-	-
Mark-up accrued	34,917,286	-	-	-	34,917,286	-	-	-	-
Cash and bank balances	1,542,603,149	-	-	-	1,542,603,149	-	-	-	-
	18,605,042,068	**941,965,600**	**11,830,422,618**	**-**	**31,377,430,286**	**10,226,025,889**	**-**	**2,546,362,329**	**12,772,388,218**
Financial liabilities - measured at amortized cost									
Long term financing - *secured*	-	-	-	15,486,283,844	15,486,283,844	-	-	-	-
Long term musharika - *secured*	-	-	-	14,985,131,045	14,985,131,045	-	-	-	-
Trade and other payables	-	-	-	5,914,917,700	5,914,917,700	-	-	-	-
Unclaimed dividend	-	-	-	21,913,439	21,913,439	-	-	-	-
Short term borrowings - *secured*	-	-	-	19,470,677,070	19,470,677,070	-	-	-	-
Accrued mark-up	-	-	-	880,529,450	880,529,450	-	-	-	-
	-	**-**	**-**	**56,759,452,548**	**56,759,452,548**	**-**	**-**	**-**	**-**

	Carrying amount					Fair value			
	Financial assets at amortised cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2026				*Rupees*					
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**	**-**	**-**	**-**	**-**

20 Segment reporting

20.1 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.

20.2 Information about reportable segments

	Spinning		Weaving		Total	
	(Un-audited) 30 September 2026	*(Un-audited) 30 September 2025*	***(Un-audited) 30 September 2026***	*(Un-audited) 30 September 2025*	***(Un-audited) 30 September 2026***	*(Un-audited) 30 September 2025*
			Rupees			
External revenues	21,972,791,763	21,285,878,854	3,236,068,499	3,047,669,120	25,208,860,262	24,333,547,974
Intersegment revenues	2,211,379,532	1,566,076,386	3,188,850	5,141,150	2,214,568,382	1,571,217,536
Cost of sales	(21,345,371,400)	(21,372,172,059)	(788,542,216)	(1,176,295,416)	(22,133,913,616)	(22,548,467,475)
Intersegment cost of sales	(3,188,850)	(5,141,150)	(2,211,379,532)	(1,566,076,386)	(2,214,568,382)	(1,571,217,536)
Selling and distribution expenses	(95,737,313)	(57,967,268)	(37,813,057)	(23,533,323)	(133,550,370)	(81,500,591)
Administrative expenses	(243,301,079)	(223,295,509)	(26,783,164)	(22,935,373)	(270,084,243)	(246,230,882)
Other expense	(291,115,064)	(88,193,093)	-	-	(291,115,064)	(88,193,093)
Other income	49,406,031	450,746,849	6,729,153	3,354,804	56,135,184	454,101,653
Finance cost	(306,816,287)	(1,130,833,065)	(92,338,272)	(83,764,230)	(399,154,559)	(1,214,597,295)
Profit before taxation	**1,948,047,333**	**425,099,945**	**89,130,261**	**183,560,346**	**2,037,177,594**	**608,660,291**

20.2.1 The accounting policies of the reportable segments are the same as those described in the annual financial statements for the preceding year ended 30 June 2026.

21 Related party transactions

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

Name of parties	Relationship	Transactions	Three months ended (Un-audited) 30 September 2026	Three months ended (Un-audited) 30 September 2025
			Rupees	
Fatima Energy Limited	Sponsor / associated Undertaking	Purchase of electricity	1,016,920,107	1,498,497,091
		Payments against purchase of electricity	1,291,179,654	1,872,119,258
Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services	428,383,847	446,011,556
		Sale of goods and services	4,158,482,191	3,365,039,601
		Receipts against goods and services - net	3,363,685,420	2,794,880,680
Reliance Weaving Mills Limited	Common Directorship	Purchase of goods and services	6,683,520	11,050,700
		Sale of goods and services	168,688,552	40,996,722
		Receipts against goods and services	52,903,558	69,339,357
Fatima Fertilizer Company Limited	Common Directorship	Reimbursable expenses	206,529	320,507
		Payments against reimbursable expenses	206,529	404,316
		Dividend income	-	241,899,109
Fazal-ur-Rehman Foundation Multan	Common Directorship	Donations paid	106,500	750,000
Pak Arab Energy Limited	Common Directorship	Markup accrued	875,136	836,605
Fazal Farms (Private) Limited	Common Directorship	Purchase of goods and services	1,199,470	3,026,811
		Payments against purchase of goods and services	9,611,470	7,869,714
Key management personnel		Remuneration and other benefits	15,613,250	14,897,673
Relative of director		Lease rental paid	3,890,614	3,336,922

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

Name	Relationship	% of shareholding in the Company
Mr. Rehman Naseem	CEO/Director/Key Management Personnel	10.34%
Mr. Aamir Naseem Sheikh	Director/Key Management Personnel	0.28%
Mr. Sheikh Naseem Ahmad	Director/Key Management Personnel	0.03%
Mr. Muhammad Mukhtar Sheikh	Director/Key Management Personnel	3.38%
Mr. Faisal Ahmed	Director/Key Management Personnel	6.80%
Mr. Abbas Mukhtar	Director/Key Management Personnel	2.26%
Mrs. Mahnaz Amir Sheikh	Spouse of Director/Key Management Personnel	0.01%
Ms. Parveen Akhter Malik	Independent Director/Key Management Personnel	0.03%
Mr. Masood Karim Shaikh	Independent Director/Key Management Personnel	0.01%
Mr. Muhammad Shaukat	Independent Director/Key Management Personnel	0.00003%
Mr. Muhammad Azam	CFO / Key Management Personnel	N/A
Mr. Basharat Hashmi	Company Secretary / Key Management Personnel	N/A

22 Shariah Screening Disclosure

	(Un-audited) 30 September 2026		(Audited) 30 June 2026	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	Rupees	Rupees	Rupees	Rupees
Statement of Financial Position - Assets				
Long term investments	40,000,000	11,830,522,618	40,000,000	12,959,375,653
Short term investment		901,965,600		1,011,636,000
Bank balances	1,392,199,512	107,781,488	1,662,919,993	146,356,353
Statement of Financial Position - Liabilities				
Long term finances	15,486,283,844	14,985,131,045	15,348,310,909	14,518,466,901
Short term borrowings	12,538,430,516	2,802,508,221	11,498,147,544	1,535,966,890
Running finances under mark-up arrangements	2,315,265,895	1,814,472,438	1,616,431,014	1,691,497,177
Accrued mark-up	482,572,640	397,956,810	483,014,528	249,186,635

	(Un-audited) 30 September 2026		(Un-audited) 30 September 2025	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	Rupees	Rupees	Rupees	Rupees
Statement of Profit and Loss and other Comprehensive Income				
Revenue from contracts with customers - *net*	-	25,208,860,262	-	24,333,547,974
Unrealized (loss) gain on investments				
a) Long term investment	-	(1,128,853,035)		1,814,858,033
b) Short term investment	-	(109,670,400)		176,317,200
Realised gain on investments				
a) Long term investment	-	-	-	-
b) Short term investment	-	-	-	-
Other income / (expenses)				
a) Profit on bank deposits	36,880,759	-	22,554,966	-
b) Dividend Income		-		241,899,109
c) Gain / (loss) on sale of operating fixed assets		(7,431,331)		535,636
d) Reversal of loss / (loss) allowance against trade debts		-		-
e) Reversal of / (loss) provision of stores, spares and loose tools		-		-
f) Gain / (loss) on sale of investment property		-		-
g) Mark-up on advance to PAEL	875,136		836,605	
h) Loss allowance on long term markup accrued	(875,136)		(836,605)	

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

a) Meezan Bank Limited
b) BankIslami Pakistan Limited
c) Dubai Islamic Bank Pakistan Limited
d) Faysal Bank Limited
e) MCB Islamic Bank Limited

Conventional Banks which provided Conventional and Islamic Financing

f) National Bank of Pakistan
g) United Bank Limited
h) Habib Bank Limited
i) Askari Bank Limited
j) The Bank of Khyber
k) The Bank of Punjab

23 Date of authorization for issue

This unconsolidated condensed interim financial information was authorized for issue by the Board of Directors on 30 October 2026.

24 General

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Consolidated Condensed Interim Financial Statements (Un-audited)

September 30, 2026

Consolidated Condensed Interim Statement of Financial Position

As at 30 September 2026

	Note	*(Un-audited)* ***30 September 2026*** ***Rupees***	*(Audited)* *30 June 2026* *Rupees*
Assets			
Non-current assets			
Property, plant and equipment	4	68,873,965,672	68,121,301,064
Long term investments	5	11,870,422,618	12,999,275,653
Long term loans and advances		-	-
Long term deposits		25,733,193	25,733,193
		80,770,121,483	**81,146,309,910**
Current assets			
Stores, spares and loose tools		2,318,039,105	2,361,907,044
Stock-in-trade	6	35,170,742,867	29,564,029,613
Trade debts	7	16,521,637,311	15,240,449,784
Loans and advances		240,189,174	372,535,068
Deposits, prepayments and other receivables		583,278,701	456,797,456
Mark-up accrued		34,917,286	28,949,068
Short term investment	8	901,965,600	1,011,636,000
Sales tax refundable and adjustable		892,812,392	1,203,795,079
Advance taxation - net		-	190,577,425
Cash and bank balances	9	1,542,603,149	1,843,903,430
		58,206,185,585	**52,274,579,967**
Total assets		**138,976,307,068**	**133,420,889,877**
Equity and liabilities			
Share capital and reserves			
Authorized share capital		1,700,000,000	1,700,000,000
Issued, subscribed and paid-up capital		300,000,000	300,000,000
Other capital reserves		21,297,571,472	22,426,424,507
Revaluation surplus on property, plant and equipment		38,286,807,968	38,641,229,404
Unappropriated profits - revenue reserve		16,207,132,727	14,309,471,219
		76,091,512,167	**75,677,125,130**
Non-current liabilities			
Long term financing - *secured*	10	11,902,166,085	11,775,026,476
Long term musharika - *secured*	11	12,986,643,396	12,783,883,426
Lease liability - *unsecured*		57,800,785	59,976,512
Deferred liabilities:			
- *Staff retirement benefit*		508,217,321	571,560,377
		25,454,827,587	**25,190,446,791**
Current liabilities			
Current portion of non-current liabilities	12	5,589,719,349	5,314,333,841
Short term borrowings - secured		19,470,677,070	16,342,042,625
Contract liabilities		1,460,281,264	1,402,712,995
Trade and other payables	13	9,964,439,972	8,740,050,140
Unclaimed dividend		21,913,439	21,977,192
Accrued mark-up		880,529,450	732,201,163
Provision for taxation - net		42,406,770	-
		37,429,967,314	**32,553,317,956**
Contingencies and commitments	14		
Total equity and liabilities		**138,976,307,068**	**133,420,889,877**

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

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

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

For the three months ended 30 September 2026

	Note	Three months ended 30 September 2026 Rupees	30 September 2025 Rupees
Revenue from contracts with customers - *net*	15	25,208,860,262	24,333,547,974
Cost of sales	16	(22,133,913,616)	(22,548,467,475)
Gross profit		**3,074,946,646**	**1,785,080,499**
Selling and distribution expenses		(133,550,370)	(81,500,591)
Administrative expenses		(270,106,849)	(246,230,882)
Other expenses		(291,115,064)	(88,193,093)
		(694,772,283)	**(415,924,566)**
Other income		56,135,184	454,101,653
Profit from operations		**2,436,309,547**	**1,823,257,586**
Finance cost		(399,154,559)	(1,214,597,295)
Profit before levies and income tax		**2,037,154,988**	**608,660,291**
Levies		**(315,232,103)**	**(364,810,757)**
Profit before income tax		**1,721,922,885**	**243,849,534**
Income tax		(178,682,813)	(64,275,816)
Profit after taxation		**1,543,240,072**	**179,573,718**
Earnings per share - *basic and diluted*	17	51.44	5.99

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three months ended 30 September 2026

	Three months ended	
	30 September 2026	*30 September 2025*
	Rupees	*Rupees*
Profit after taxation	**1,543,240,072**	**179,573,718**
Other comprehensive income - net of tax		
Items that will never be reclassified to statement of profit or loss:		
- Net change in fair value of financial assets at FVOCI	(1,128,853,035)	1,814,858,033
Total comprehensive income / (loss) for the period	**414,387,037**	**1,994,431,751**

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)

For the three months ended 30 September 2026

	Share capital	Capital reserves					Sub - total	Revenue reserve	Total
		Share premium	Capital redemption reserve	Fair value reserve - net of tax	Capital reserve against capacity expansion	Revaluation surplus on property, plant and equipment		Un-appropriated profits	
					Rupees				
Balance as at 30 June 2025 - restated	**300,000,000**	**77,616,000**	**175,000,000**	**4,422,662,292**	**15,000,000,000**	**24,671,468,956**	**44,646,747,248**	**11,790,510,792**	**56,437,258,040**
Total comprehensive income for the period :									
Profit for three months ended 30 September 2025	-	-	-	-	-	-	-	179,573,718	179,573,718
Other comprehensive income for three months ended 30 September 2025	-	-	-	1,814,858,033	-	-	1,814,858,033	-	1,814,858,033
	-	**-**	**-**	**1,814,858,033**	**-**	**-**	**1,814,858,033**	**179,573,718**	**1,994,431,751**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period	-	-	-	-	-	(216,563,901)	(216,563,901)	216,563,901	-
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2025	**300,000,000**	**77,616,000**	**175,000,000**	**6,237,520,325**	**15,000,000,000**	**24,454,905,055**	**46,245,041,380**	**12,186,648,411**	**58,431,689,791**
Total comprehensive income for the period :									
Profit for nine months ended 30 June 2026	-	-	-	-	-	-	-	1,393,369,567	1,393,369,567
Other comprehensive income for nine months ended 30 June 2026	-	-	-	936,288,182	-	14,902,603,674	15,838,891,856	13,173,916	15,852,065,772
	-	**-**	**-**	**936,288,182**	**-**	**14,902,603,674**	**15,838,891,856**	**1,406,543,483**	**17,245,435,339**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period	-	-	-	-	-	(647,118,114)	(647,118,114)	647,118,114	-
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	-	(69,161,211)	(69,161,211)	69,161,211	-
Balance as at 30 June 2026	**300,000,000**	**77,616,000**	**175,000,000**	**7,173,808,507**	**15,000,000,000**	**38,641,229,404**	**61,367,653,911**	**14,309,471,219**	**75,677,125,130**
Balance as at 30 June 2026	**300,000,000**	**77,616,000**	**175,000,000**	**7,173,808,507**	**15,000,000,000**	**38,641,229,404**	**61,367,653,911**	**14,309,471,219**	**75,677,125,130**
Total comprehensive income for the period :									
Profit for three months ended 30 September 2026	-	-	-	-	-	-	-	1,543,240,072	1,543,240,072
Other comprehensive income for three months ended 30 September 2026	-	-	-	(1,128,853,035)		-	(1,128,853,035)	-	(1,128,853,035)
	-	**-**	**-**	**(1,128,853,035)**	**-**	**-**	**(1,128,853,035)**	**1,543,240,072**	**414,387,037**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period	-	-	-	-	-	(344,991,031)	(344,991,031)	344,991,031	-
Transfer from surplus on revaluation of fixed assets on disposal	-	-	-	-	-	(9,430,405)	(9,430,405)	9,430,405	-
Balance as at 30 September 2026	**300,000,000**	**77,616,000**	**175,000,000**	**6,044,955,472**	**15,000,000,000**	**38,286,807,968**	**59,884,379,440**	**16,207,132,727**	**76,091,512,167**

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

Consolidated Condensed Interim Statement of Cash Flows (Un-Audited)

For the three months ended 30 September 2026

	Three months ended	
	30 September 2026	30 September 2025
	Rupees	Rupees
Cash flows from operating activities		
Profit before taxation	2,037,154,988	608,660,291
Adjustments for:		
Depreciation on property, plant and equipment	685,439,949	551,071,909
Unrealized loss / (gain) on re-measurement of short term investment	109,670,400	(176,317,200)
Provision for gratuity	76,219,539	77,440,386
Provision for infrastructure cess	150,076,687	144,432,807
Provision for workers' profit participation fund	108,934,296	11,087,393
Provision for workers' welfare fund	37,269,076	12,647,912
Loss / (gain) on disposal of property, plant and equipment	7,431,331	(535,636)
Dividend income	-	(241,899,109)
Loss allowance on interest income for the period	875,136	836,605
Finance income	(37,755,895)	(22,554,966)
Finance cost	399,154,559	1,214,597,295
Cash generated from operations before working capital changes	**3,574,470,066**	**2,179,467,687**
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	43,867,939	(121,916,521)
Stock-in-trade	(5,606,713,254)	384,449,959
Trade debts	(1,281,187,527)	(1,597,605,792)
Loans and advances	132,345,894	(50,750,665)
Deposits, prepayments and other receivables	(126,481,245)	71,091,408
	(6,838,168,193)	**(1,314,731,611)**
Increase / (decrease) in current liabilities:		
Trade and other payables	928,109,773	60,065,060
Contract liability	57,568,269	(912,412,672)
Cash (used in) / generated from operations	**(2,278,020,085)**	**12,388,464**
Gratuity paid to employees	(139,562,595)	(53,068,913)
Taxes paid - *net*	50,051,972	1,328,363,865
	(89,510,623)	**1,275,294,952**
Net cash (used in) / generated from operating activities	**(2,367,530,708)**	**1,287,683,416**
Cash flows from investing activities		
Fixed capital expenditure	(1,457,975,970)	(1,460,316,241)
Proceeds from sale of property, plant and equipment	12,440,082	671,518
Finance income received	30,912,541	1,401,691
Dividend received from associated company	-	241,899,109
Net cash used in investing activities	**(1,414,623,347)**	**(1,216,343,923)**
Cash flows from financing activities		
Long term financing obtained	846,322,145	1,671,544,997
Long term financing repaid	(708,349,210)	(754,990,807)
Long term musharika obtained	729,164,144	2,258,415,000
Long term musharika repaid	(262,500,000)	(100,000,000)
Short term borrowings - *net*	2,306,824,297	(5,540,368,228)
Lease rentals paid	(3,890,614)	(3,536,922)
Finance cost paid - *net*	(248,463,377)	(1,281,252,455)
Dividend paid	(63,753)	-
Net cash generated from / (used in) financing activities	**2,659,043,632**	**(3,750,188,415)**
Net decrease in cash and cash equivalents	**(1,123,110,423)**	**(3,678,848,922)**
Cash and cash equivalents at beginning of the period	**(1,464,024,761)**	**1,122,291,188**
Cash and cash equivalents at end of the period	**(2,587,135,184)**	**(2,556,557,734)**
Cash and cash equivalents at period end comprises of:		
Cash and bank balances	1,542,603,149	1,176,041,696
Running finance / running musharika	(4,129,738,333)	(3,732,599,430)
	(2,587,135,184)	**(2,556,557,734)**

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR

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

For the three months ended 30 September 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of:

		Shareholding	Nature of business
-	Fazal Cloth Mills Limited ('Holding Company')		Spinning and weaving
-	Fazal Gas Distribution Company Limited ('Subsidiary Company')	100%	Petroleum and petroleum products

1.2 Fazal Cloth Mills Limited ("the Holding 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 Holding Company are quoted on the Pakistan Stock Exchange Limited ('PSX'). The Holding Company is principally engaged in the manufacture and sale of yarn and fabric.

1.3 Fazal Gas Distribution Company Limited is a wholly owned Subsidiary Company incorporated in Pakistan on June 24, 2026. The registered office of the Subsidiary Company is situated at 59/3, Abdali Road, Multan. The Subsidiary Company 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.

1.4 Geographical location and addresses of major business units, including mills / plants of the Holding Company, are as under:

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

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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

2.2 Basis of presentation

These consolidated condensed interim financial statements do not include all the information and disclosures required in annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Holding Company for the year ended 30 June 2026. These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by section 237 of the Act.

The comparative statement of financial position is extracted from the annual audited financial statements for the year ended 30 June 2026, whereas the comparative consolidated condensed interim statements of profit or loss, comprehensive income, changes in equity and cash flows are extracted from the un-audited condensed interim financial statements for the three months ended 30 September 2025.

2.3 Basis of measurement and functional currency

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except for certain items of property, plant and equipment carried at revalued amounts, staff retirement benefits carried at present value and certain financial instruments carried at fair value. These are presented in Pak Rupees ('Rs.'), which is the Group's functional and presentation currency.

2.4 Material accounting policies

The material accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Holding Company for the year ended 30 June 2026, except for the adoption of the amendments stated in note 2.5.

2.5 Amendments to approved accounting standards effective in the current period

The following amendments to IFRS Accounting Standards, as notified under the Act, have become effective for the Group's accounting period beginning on 1 July 2026:

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026): clarify the timing of recognition and derecognition of certain financial assets and liabilities, introduce an exception for some financial liabilities settled through electronic cash transfers, provide additional guidance on assessing the Solely Payments of Principal and Interest ('SPPI') criterion, and require new disclosures for instruments with cash flows linked to Environmental, Social and Governance ('ESG') targets and for equity instruments designated at FVOCI.

These amendments do not have any significant impact on these consolidated condensed interim financial statements.

2.6 Standards and amendments to approved accounting standards that are not yet effective

The following standards and amendments, as notified under the Act, will be effective for accounting periods beginning on or after the dates mentioned against each and have not been early adopted by the Group:

- IFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027): replaces IAS 1 and focuses on updates to the statement of profit or loss. It introduces a defined structure for the statement of profit or loss, required disclosures for management-defined performance measures reported outside the financial statements, and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.
- Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency (effective 1 January 2027): clarify how an entity translates its financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.

Management anticipates that the adoption of the above standards and amendments in future periods will have no material impact on the Group's financial statements other than in presentation and disclosures.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 The preparation of consolidated condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies

and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3.2 In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements for the year ended 30 June 2026.

	Note	*(Un-audited)* ***30 September 2026*** ***Rupees***	*(Audited)* *30 June 2026* *Rupees*
4 Property, plant and equipment			
Operating Property, plant and equipment	4.1	64,829,729,009	65,386,789,477
Right of use of asset	4.2	27,282,008	28,717,903
Capital work-in-progress	4.3	4,016,954,655	2,705,793,684
		68,873,965,672	**68,121,301,064**
4.1 Opening net book value		**65,386,789,477**	**50,716,603,453**
Additions during the period / year:			
Factory building on free hold land		1,264,632	141,329,913
Non-factory building on free hold land		-	5,015,179
Non-factory building on lease hold land		30,035	2,320,453
Plant and machinery		114,309,963	1,971,123,890
Electric fittings and installations		-	6,570,949
Tools, laboratory equipment and arms		-	49,415
Fire extinguishing equipment and scales		376,750	2,714,400
Office equipment		19,567,827	21,895,318
Vehicles		11,265,791	18,257,140
		146,814,998	**2,169,276,657**
Addition on revaluation surplus		-	14,902,603,674
Carrying value of assets disposed off during the period / year		(19,871,412)	(157,706,566)
Depreciation charge for the period / year		(684,004,054)	(2,243,987,741)
Closing net book value		**64,829,729,009**	**65,386,789,477**
4.2 Right of use assets			
Opening net book value		28,717,903	34,461,484
Depreciation charge for the period		(1,435,895)	(5,743,581)
Closing net book value		**27,282,008**	**28,717,903**
4.3 Breakup of capital work-in-progress:			
Building on free hold land		482,614,845	314,277,335
Non-factory building on free hold land		89,743,086	81,711,958
Plant and machinery		2,310,038,249	1,351,661,312
Electric fittings and Installations		13,178,141	6,375,100
Office equipment		9,088,164	13,356,437
Vehicles - cost & expenses		113,346	-
Advances to suppliers - unsecured, considered good	4.3.1	1,112,178,824	938,411,542
		4,016,954,655	**2,705,793,684**

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

		(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
5	**Long term investments**		
	At fair value through OCI		
	Fatima Fertilizer Company Limited - *quoted*	9,284,060,289	10,412,913,324
	Fatima Energy Limited - *unquoted*	2,146,435,459	2,146,435,459
	Fatima Transmission Company Limited - *unquoted*	60,139,569	60,139,569
	Multan Real Estate (Private) Limited - *unquoted*	339,787,301	339,787,301
		11,830,422,618	**12,959,275,653**
	Associated companies - at equity method		
	Fatima Transmission Company Limited - unquoted (Ordinary shares)	-	-
	Fatima Electric Company Limited - unquoted	-	-
		-	**-**
	At fair value through P&L		
	Term finance certificates	40,000,000	40,000,000
		11,870,422,618	**12,999,275,653**

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
6 Stock-in-trade			
Raw material [In-transit: Rs. 5,344.36 million (30 June 2026: Rs. 5,874.05 million)]		24,023,262,479	19,024,267,194
Work-in-process		1,234,313,910	1,164,735,768
Finished goods [In-transit: Rs. 7.46 million (30 June 2026: Rs. Nil)]			
Yarn		7,671,010,823	7,387,005,615
Fabric		1,372,077,218	1,159,777,804
Waste		870,078,437	828,243,232
		9,913,166,478	**9,375,026,651**
		35,170,742,867	**29,564,029,613**
7 Trade debts			
Export debtors - secured against letters of credit:			
Considered good		3,578,053,149	2,720,304,719
Local debtors - unsecured			
Related parties - considered good	7.1	2,371,772,257	1,896,978,892
Others - considered good		10,571,811,905	10,623,166,173
Others - considered doubtful		49,681,610	49,681,610
		12,993,265,772	**12,569,826,675**
Allowance for impairment of trade debts		(49,681,610)	(49,681,610)
		16,521,637,311	**15,240,449,784**
7.1 Trade debts due from following related parties on account of trading activities.			
Ahmed Fine Textile Mills Limited		2,207,815,614	1,841,402,690
Reliance Weaving Mills Limited		163,623,331	55,242,890
Fatima Fertilizer Company Limited		333,312	333,312
		2,371,772,257	**1,896,978,892**
8 Short term investment			
Investment at fair value through profit or loss			
Fatima Fertilizer Company Limited - quoted *6,120,000 (30 June 2026: 6,120,000) fully paid ordinary shares of Rs. 10 each* *Equity held 0.29% (30 June 2026: 0.29%) Market value per share Rs.147.38 (30 June 2026: Rs.165.30)*		901,965,600	1,011,636,000
		901,965,600	**1,011,636,000**

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
9 Cash and bank balances			
Cash in hand		42,622,149	34,627,084
Cash at banks			
- Current accounts		260,772,972	542,388,233
- Saving accounts		75,958,028	103,638,113
		336,731,000	**646,026,346**
Term deposit receipt		1,163,250,000	1,163,250,000
		1,542,603,149	**1,843,903,430**

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
10 Long term financing - *secured*			
Opening balance		15,348,310,909	14,432,252,534
Loan obtained during the period / year	10.1	846,322,145	4,284,894,465
Repayments made during the period / year		(708,349,210)	(3,368,836,090)
Closing balance		**15,486,283,844**	**15,348,310,909**
Less: current portion grouped under current liabilities	12	(3,584,117,759)	(3,573,284,433)
		11,902,166,085	**11,775,026,476**

10.1 - Markup bearing finances availed during the period:

Lender	Amount	Rate of Mark Up Per Annum	Security
	--Rupees--		
Bank Alfalah Limited			
- SBP's LTFF	**818,805,545**	Policy Rate -3.00%	1st joint pari passu charge/ mortgage of Rs.2,058 million on all present and future fixed assets of the Holding Company and personal guarantees of the sponsoring directors.
MCB Bank Limited			
- Syndicated Term finance	**10,136,505**	6 Months KIBOR + 0.75%	1st joint pari passu charge/ mortgage of Rs.2,321 million on all present and future fixed assets of the Holding Company and personal guarantees of sponsoring directors of the Holding Company.
- SBP's LTFF	**3,621,795**	Policy Rate -3.00%	
Allied Bank Limited			
- Syndicated Term finance	**13,758,300**	6 Months KIBOR + 0.75%	1st joint pari passu charge/ mortgage of Rs.5,783 million on all present and future fixed assets of the Holding Company and personal guarantees of sponsoring directors of the Holding Company.
	846,322,145		

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
11 Long term musharika - *secured*			
Opening balance		14,518,466,901	8,999,190,673
Loan obtained during the period / year	11.1	729,164,144	6,562,320,295
Repayments made during the period / year		(262,500,000)	(1,043,044,067)
Closing balance		**14,985,131,045**	**14,518,466,901**
Less: current portion grouped under current liabilities	12	(1,998,487,649)	(1,734,583,475)
		12,986,643,396	**12,783,883,426**

11.1 - Profit bearing finances availed during the period:

Lender	Amount	Rate of Profit Per Annum	Security
	--Rupees--		
Meezan Bank Limited			
- Diminishing musharika	**183,080,544**	6 Months KIBOR + 1.00%	1st joint pari passu charge/ mortgage of Rs.3,956 million on all present and future fixed assets of the Holding Company and personal guarantees of the sponsoring directors.
Dubai Islamic Bank Pakistan Limited			
- Diminishing musharika	**500,000,000**	3 Months KIBOR + 1.25%	1st joint pari passu charge/ mortgage of Rs.1,967 million on all present and future fixed assets of the Holding Company and personal guarantees of the sponsoring directors.
BankIslami Pakistan Limited			
- Diminishing musharika	**46,083,600**	6 Months KIBOR + 1.00%	1st joint pari passu charge/ mortgage of Rs.3,334 million on all present and future fixed assets of the Holding Company and personal guarantees of the sponsoring directors of the Holding Company.
	729,164,144		

	Note	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
12 Current portion of non-current liabilities			
Long term financing - secured		3,584,117,759	3,573,284,433
Long term musharika - secured		1,998,487,649	1,734,583,475
Current portion of lease liability		7,113,941	6,465,933
		5,589,719,349	**5,314,333,841**
13 Trade and other payables			
Trade creditors		1,564,031,082	1,212,641,634
Accrued liabilities		1,604,329,782	1,134,003,878
Due to associated undertakings	13.1	-	282,722,047
Bills payable		2,738,907,143	2,372,478,395
Tax deducted at source		48,991,940	26,275,035
Infrastructure cess		3,690,604,051	3,540,527,364
Workers' profit participation fund		225,803,022	116,868,726
Workers' welfare fund		84,046,405	46,777,329
Loan from Director		426,547	403,941
Others		7,300,000	7,351,791
		9,964,439,972	**8,740,050,140**
13.1 Due to associated undertakings			
Fatima Energy Limtied		-	274,259,547
Fazal Farms (Private) Limited		-	8,412,000
Fazal-ur-Rehman Foundation		-	50,500
		-	**282,722,047**

14 Contingencies and commitments

14.1 ***Contingencies***

14.1.1 There has been no change in the status of contingencies since the annual audited financial statements as at 30 June 2026.

	(Un-audited) 30 September 2026 Rupees	(Audited) 30 June 2026 Rupees
14.2 Commitments		
14.2.1 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Group, to various institutions and corporate bodies.	**4,373,297,654**	**4,372,034,854**
14.2.2 Commitments against irrevocable letters of credit:		
- capital expenditure	963,062,954	1,124,297,037
- raw material and stores and spares	6,182,980,664	3,185,591,463
	7,146,043,618	**4,309,888,500**
14.2.3 Commitments against foreign bills discounting	**95,342,675**	**-**

14.2.4 Commitments in respect of Fatima Energy Limited (FEL):

The Holding Company through sponsors support agreement commits to lenders of FEL, in case of default by FEL, to pay amount outstanding up to Rs 6,000 million (30 June 2026: Rs 6,000 million), This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in annual general meeting dated 26 November 2020.

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

The Holding Company through sponsors support agreement commits to MCB Bank Limited, in case of default by FTCL, to pay amount outstanding up to Rs 250 million (30 June 2026: Rs. 250 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in extra ordinary general meeting held on 25 March 2017.

	Note	Three months ended (Un-audited) 30 September 2026 Rupees	(Un-audited) 30 September 2025 Rupees
15 Revenue from contracts with customers - net			
Gross sales			
Local sales		24,725,977,502	22,636,492,348
Direct exports		3,395,408,372	4,007,983,059
Indirect exports	15.1	1,194,956,678	1,560,138,825
		29,316,342,552	**28,204,614,232**
Sales tax			
Local sales		(3,771,103,893)	(3,432,479,845)
Indirect export		(182,281,527)	(237,987,278)
		(3,953,385,420)	**(3,670,467,123)**
Sales return		(154,096,870)	(200,599,135)
		25,208,860,262	**24,333,547,974**

15.1 It includes sales made to direct exporters against Export Facilitation Scheme (EFS) to a related party under S.R.O 957(1)/ 2021 dated 30 July 2021, amounting Rs. 1,194.96 million (30 September 2025: Rs. 1,560.14 million).

	Three months ended (Un-audited) 30 September 2026 Rupees	(Un-audited) 30 September 2025 Rupees
16 Cost of sales		
Raw material consumed	16,040,593,232	13,979,845,440
Packing material consumed	296,156,591	243,993,815
Salaries, wages and benefits	1,278,882,128	1,113,976,871
Freight outward charges	186,997,390	183,364,128
Travelling and conveyance	8,368,825	6,495,637
Vehicle running and maintenance	24,009,300	19,141,389
Power and fuel	2,378,728,309	2,868,959,207
Stores and spares consumed	661,608,737	626,869,081
Processing charges	36,804,393	37,142,674
Repair and maintenance	37,192,035	14,975,107
Insurance	32,780,063	32,055,518
Depreciation on property, plant and equipment	654,538,857	521,243,132
Others	10,594,158	11,894,301
	21,647,254,018	**19,659,956,300**
Work-in-process:		
Opening balance	1,164,735,768	1,090,597,209
Closing balance	(1,234,313,910)	(1,103,971,123)
	(69,578,142)	**(13,373,914)**
Cost of goods manufactured	**21,577,675,876**	**19,646,582,386**
Finished goods:		
Opening balance	9,375,026,651	13,442,908,874
Finished goods purchased	1,032,466,251	407,022,099
Closing balance	(9,913,166,478)	(11,528,048,426)
	494,326,424	**2,321,882,547**
Cost of goods sold	**22,072,002,300**	**21,968,464,933**
Cost of raw material sold	61,911,316	580,002,542
	22,133,913,616	**22,548,467,475**
17 Earnings per share - basic and diluted		
Profit after taxation	1,543,240,072	179,573,718
Weighted average number of ordinary shares	30,000,000	30,000,000
Earnings per share - basic and diluted	51.44	5.99

18 Financial risk management

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

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

19 Fair value measurement

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

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

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

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

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

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

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

	Carrying amount					Fair value			
	Financial assets at amortised cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 September 2026				*Rupees*					
Financial assets - measured at fair value									
Short term investment	-	901,965,600	-	-	901,965,600	901,965,600	-	-	901,965,600
Long term investments	-	40,000,000	11,830,422,618	-	11,870,422,618	9,324,060,289	-	2,546,362,329	11,870,422,618
Financial assets - measured at amortized cost									
Long term deposits	25,733,193	-	-	-	25,733,193	-	-	-	-
Trade debts	16,521,637,311	-	-	-	16,521,637,311	-	-	-	-
Deposits and other receivables	480,151,129	-	-	-	480,151,129	-	-	-	-
Mark-up accrued	34,917,286	-	-	-	34,917,286	-	-	-	-
Cash and bank balances	1,542,603,149	-	-	-	1,542,603,149	-	-	-	-
	18,605,042,068	**941,965,600**	**11,830,422,618**	**-**	**31,377,430,286**	**10,226,025,889**	**-**	**2,546,362,329**	**12,772,388,218**
Financial liabilities - measured at amortized cost									
Long term financing - *secured*	-	-	-	15,486,283,844	15,486,283,844	-	-	-	-
Long term musharika - *secured*	-	-	-	14,985,131,045	14,985,131,045	-	-	-	-
Trade and other payables	-	-	-	5,914,994,554	5,914,994,554	-	-	-	-
Unclaimed dividend	-	-	-	21,913,439	21,913,439	-	-	-	-
Short term borrowings - *secured*	-	-	-	19,470,677,070	19,470,677,070	-	-	-	-
Accrued mark-up	-	-	-	880,529,450	880,529,450	-	-	-	-
	-	**-**	**-**	**56,759,529,402**	**56,759,529,402**	**-**	**-**	**-**	**-**

	Carrying amount					Fair value			
	Financial assets at amortised cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2026				*Rupees*					
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**	**-**	**-**	**-**	**-**

20 Segment reporting

20.1 Reportable segments

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

The Group'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 Group'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.

20.2 Information about reportable segments

	Spinning		Weaving		Total	
	(Un-audited) 30 September 2026	*(Un-audited) 30 September 2025*	***(Un-audited) 30 September 2026***	*(Un-audited) 30 September 2025*	***(Un-audited) 30 September 2026***	*(Un-audited) 30 September 2025*
			Rupees			
External revenues	21,972,791,763	21,285,878,854	3,236,068,499	3,047,669,120	25,208,860,262	24,333,547,974
Intersegment revenues	2,211,379,532	1,566,076,386	3,188,850	5,141,150	2,214,568,382	1,571,217,536
Cost of sales	(21,345,371,400)	(21,372,172,059)	(788,542,216)	(1,176,295,416)	(22,133,913,616)	(22,548,467,475)
Intersegment cost of sales	(3,188,850)	(5,141,150)	(2,211,379,532)	(1,566,076,386)	(2,214,568,382)	(1,571,217,536)
Selling and distribution expenses	(95,737,313)	(57,967,268)	(37,813,057)	(23,533,323)	(133,550,370)	(81,500,591)
Administrative expenses	(243,323,685)	(223,295,509)	(26,783,164)	(22,935,373)	(270,106,849)	(246,230,882)
Other expense	(291,115,064)	(88,193,093)	-	-	(291,115,064)	(88,193,093)
Other income	49,406,031	450,746,849	6,729,153	3,354,804	56,135,184	454,101,653
Finance cost	(306,816,287)	(1,130,833,065)	(92,338,272)	(83,764,230)	(399,154,559)	(1,214,597,295)
Profit before taxation	**1,948,024,727**	**425,099,945**	**89,130,261**	**183,560,346**	**2,037,154,988**	**608,660,291**

20.2.1 The accounting policies of the reportable segments are the same as those described in the annual financial statements for the preceding year ended 30 June 2026.

21 Related party transactions

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

Name of parties	Relationship	Transactions	Three months ended (Un-audited) 30 September 2026	Three months ended (Un-audited) 30 September 2025
			Rupees	
Fatima Energy Limited	Sponsor / associated Undertaking	Purchase of electricity	1,016,920,107	1,498,497,091
		Payments against purchase of electricity	1,291,179,654	1,872,119,258
Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services	428,383,847	446,011,556
		Sale of goods and services	4,158,482,191	3,365,039,601
		Receipts against goods and services - net	3,363,685,420	2,794,880,680
Reliance Weaving Mills Limited	Common Directorship	Purchase of goods and services	6,683,520	11,050,700
		Sale of goods and services	168,688,552	40,996,722
		Receipts against goods and services	52,903,558	69,339,357
Fatima Fertilizer Company Limited	Common Directorship	Reimbursable expenses	206,529	320,507
		Payments against reimbursable expenses	206,529	404,316
		Dividend income	-	241,899,109
Fazal-ur-Rehman Foundation Multan	Common Directorship	Donations paid	106,500	750,000
Pak Arab Energy Limited	Common Directorship	Markup accrued	875,136	836,605
Fazal Farms (Private) Limited	Common Directorship	Purchase of goods and services	1,199,470	3,026,811
		Payments against purchase of goods and services	9,611,470	7,869,714
Key management personnel		Remuneration and other benefits	15,613,250	14,897,673
Relative of director		Lease rental paid	3,890,614	3,536,922

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

Name	Relationship	% of shareholding in the Holding
Mr. Rehman Naseem	CEO/Director/Key Management Personnel	10.34%
Mr. Aamir Naseem Sheikh	Director/Key Management Personnel	0.28%
Mr. Sheikh Naseem Ahmad	Director/Key Management Personnel	0.03%
Mr. Muhammad Mukhtar Sheikh	Director/Key Management Personnel	3.38%
Mr. Faisal Ahmed	Director/Key Management Personnel	6.80%
Mr. Abbas Mukhtar	Director/Key Management Personnel	2.26%
Mrs. Mahnaz Amir Sheikh	Spouse of Director/Key Management Personnel	0.01%
Ms. Parveen Akhter Malik	Independent Director/Key Management Personnel	0.03%
Mr. Masood Karim Shaikh	Independent Director/Key Management Personnel	0.01%
Mr. Muhammad Shaukat	Independent Director/Key Management Personnel	0.00003%
Mr. Muhammad Azam	CFO / Key Management Personnel	N/A
Mr. Basharat Hashmi	Company Secretary / Key Management Personnel	N/A

22 Shariah Screening Disclosure

	(Un-audited) 30 September 2026		(Audited) 30 June 2026	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	Rupees	*Rupees*	*Rupees*	*Rupees*
Statement of Financial Position - Assets				
Long term investments	40,000,000	11,830,422,618	40,000,000	12,959,275,653
Short term investment		901,965,600		1,011,636,000
Bank balances	1,392,199,512	107,781,488	1,662,919,993	146,356,353
Statement of Financial Position - Liabilities				
Long term finances	15,486,283,844	14,985,131,045	15,348,310,909	14,518,466,901
Short term borrowings	12,538,430,516	2,802,508,221	11,498,147,544	1,535,966,890
Running finances under mark-up arrangements	2,315,265,895	1,814,472,438	1,616,431,014	1,691,497,177
Accrued mark-up	482,572,640	397,956,810	483,014,528	249,186,635

	(Un-audited) 30 September 2026		(Un-audited) 30 September 2025	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	Rupees	*Rupees*	*Rupees*	*Rupees*
Statement of Profit and Loss and other Comprehensive Income				
Revenue from contracts with customers - *net*	-	25,208,860,262	-	24,333,547,974
Unrealised (loss) gain on investments				
a) Long term investment	-	(1,128,853,035)		1,814,858,033
b) Short term investment	-	(109,670,400)		176,317,200
Realised gain on investments				
a) Long term investment	-	-	-	-
b) Short term investment	-	-	-	-
Other income / (expenses)				
a) Profit on bank deposits	36,880,759	-	22,554,966	-
b) Dividend Income		-		241,899,109
c) Gain / (loss) on sale of operating fixed assets		(7,431,331)		535,636
d) Reversal of loss / (loss) allowance against trade debts		-		-
e) Reversal of / (loss) provision of stores, spares and loose tools		-		-
f) Gain / (loss) on sale of investment property		-		-
g) Mark-up on advance to PAEL	875,136		836,605	
h) Loss allowance on long term markup accrued	(875,136)		(836,605)	

The Group has banking relation with the following shariah-compliant financial institutions:

a) Meezan Bank Limited
b) BankIslami Pakistan Limited
c) Dubai Islamic Bank Pakistan Limited
d) Faysal Bank Limited
e) MCB Islamic Bank Limited

Conventional Banks which provided Conventional and Islamic Financing

f) National Bank of Pakistan
g) United Bank Limited
h) Habib Bank Limited
i) Askari Bank Limited
j) The Bank of Khyber
k) The Bank of Punjab

23 Date of authorization for issue

This consolidated condensed interim financial information was authorized for issue by the Board of Directors on 30 October 2026.

24 General

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

(MUHAMMAD AZAM)
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)
DIRECTOR