



# 2025

## ANNUAL REPORT





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**COMPANY PROFILE****BOARD OF DIRECTORS**

Sh. Naseem Ahmad	Chairman/ Non - Executive Director
Mr. Rehman Naseem	Chief Executive Officer
Mr. Amir Naseem Sheikh	Non - Executive Director
Mr. Faisal Ahmed	Non - Executive Director
Mr. Muhammad Mukhtar Sheikh	Executive Director
Mr. Abbas Mukhtar	Executive Director
Mr. Babar Ali	Independent Director
Mr. Masood Karim Shaikh	Independent Director
Ms. Parveen Akhter Malik	Independent Director

**AUDIT COMMITTEE**

Ms. Parveen Akhter Malik	Independent Director/Chairperson
Mr. Sheikh Naseem Ahmad	Non - Executive Director
Mr. Amir Naseem Sheikh	Non - Executive Director
Mr. Babar Ali	Independent Director

**HUMAN RESOURCE AND REMUNERATION COMMITTEE**

Mr. Babar Ali	Independent Director/Chairman
Mr. Amir Naseem Sheikh	Non - Executive Director
Mr. Faisal Ahmad	Non - Executive Director

**STRATEGIC PLANNING COMMITTEE**

Mr. Rehman Naseem	CEO/Chairman
Mr. Masood Karim Shaikh	Independent Director
Ms. Parveen Akhter Malik	Independent Director

**COMPANY SECRETARY**

Mr. Azher Iqbal, ACA

**CHIEF FINANCIAL OFFICER**

Mr. Muhammad Azam, FCA &amp; FCMA

**AUDITORS**

ShineWing Hameed Chaudhri &amp; Co., Chartered Accountants

**BANKERS**

Bank Al Habib Limited	Askari Bank Limited
National Bank of Pakistan	MCB Bank Limited
Meezan Bank Limited	The Bank of Khyber
The Bank of Punjab	JS Bank Limited
Habib Metropolitan Bank Limited	Dubai Islamic Bank Pakistan Limited
Bank Alfalah Limited	Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited	Bank Makramah Limited
Faysal Bank Limited	Saudi Pak Industrial & Agricultural Inv. Company Limited
Allied Bank Limited	Pak Oman Investment Company Limited
Bank Islami Pakistan Limited	Pak Brunei Investment Company Limited
Soneri Bank Limited	Pak Libya Holding Company (Pvt.) Limited
Industrial and Commercial Bank of China Ltd.	Pakistan Kuwait Investment Company (Private) Limited
United Bank Limited	PAIR Investment Company Limited

**HEAD OFFICE & SHARES DEPARTMENT:**

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

**SHARES REGISTRAR:**

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

**REGISTERED OFFICE:**

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

**MILLS:**

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







## CORPORATE VISION / MISSION STATEMENT

### VISION

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

### MISSION

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



## NOTICE OF 60<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that 60<sup>th</sup> Annual General Meeting (“AGM” / “Meeting”) of Fazal Cloth Mills Limited (the “Company”) will be held on **Saturday the October 25, 2025 at 12:00 p.m.** at FG Head Office, E/110, Khayaban-e-Jinnah, Defence Chowk, Lahore to transact the following business:

### **A. ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Auditors' and Directors' Report thereon and Chairman's Review Report.

The Audited Financial Statements, reports and other documents have been uploaded on the Company's website which can be viewed/downloaded using the following link and QR enabled code:



<https://fazalcloth.com/FinancialReports/annual-report-ended-30-2025.pdf>

2. To appoint auditors of the Company and to fix their remuneration. The members are hereby notified that the Board of Directors and Board Audit Committee have recommended the name of retiring auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants for reappointment as auditors of the Company.

### **B. SPECIAL BUSINESS**

1. To ratify and approve the transactions carried out by the Company with related parties during the year ended June 30, 2025 under the authority of the special resolution passed in the annual general meeting held on October 26, 2024 and to pass the special resolution with or without modification(s) as proposed in the statement of material fact.
2. To authorize the Chief Executive of the Company to approve all transactions with Related Parties during the financial year ending June 30, 2026 and till the date of next annual general meeting and to pass the special resolution with or without modification(s) as proposed in the statement of material fact:

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

BY ORDER OF THE BOARD

MULTAN

Dated: October 03, 2025

اعظم اقبال

Azher Iqbal  
Company Secretary



**NOTES:**

**1. CLOSURE OF MEMBERS' REGISTER AND SHARE TRANSFER BOOKS**

The Members' Register and Share Transfer Books of the Company will remain closed from October 18, 2025 to October 25, 2025 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 5-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 17, 2025 will be considered in time for the purpose attending the Meeting.

**2. APPOINTMENT OF PROXIES :**

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

**A. For Attending the Meeting:**

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/ her identity by showing his/ her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**B. For Appointing Proxies:**

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/ her original CNIC or original passport at the time of the AGM.

**3. PARTICIPATION IN THE AGM VIA THE VIDEO CONFERENCING FACILITY:**

As per SECP instructions, the Company shall provide video link facility for attending the annual general meeting. The members / proxies who wish to attend the meeting via video link facility are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) to the Company Secretary through WhatsApp at 0306-7370337 or email ID; corporate@fazalcloth.com by October 17, 2025.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number	Email address

The members who shall be registered after the necessary verification shall be provided a link in email to attend the meeting. The Login facility will remain open from start of the meeting till its proceedings are concluded.

**4. ELECTRONIC VOTING AND POSTAL BALLOT**

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

**i. E-VOTING PROCEDURE**

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 17, 2025.
- The security codes will be communicated to members through SMS from the web portal of M/s. Vision Consulting Ltd. (being the e-voting service provider).
- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

Members shall cast vote online at any time from October 22, 2025, 9:00 a.m. (PST) to October 24, 2025 till 5:00 p.m. (PST). Voting shall close on October 24, 2025, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

**ii. POSTAL BALLOT VOTING PROCEDURE**

- Members may alternatively opt for voting through postal ballot. Ballot Paper is attached with this notice and is also available on the Company's website [www.fazalcloth.com](http://www.fazalcloth.com) within stipulated time to download.
- The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the address, Chairman, Fazal Cloth Mills Limited, FG Head Office, E/110, Khayaban-e-Jinnah, Defence Chowk, Lahore, or email at corporate@fazalcloth.com one (01) day before the meeting, i.e., on October 24, 2025 before 05:00 p.m. A postal ballot received after this time/date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.



**5. UNCLAIMED DIVIDENDS AND BONUS SHARES**

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

**6. E-DIVIDEND MANDATE**

As per Section 242 of the Companies Act, 2017, in the case of a public-listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, through this notice, all shareholders are requested to update their bank account number (IBAN) and details in the Central Depository System through respective participants. In case of physical shares, they are requested to provide bank account details to our Share Registrar, M/s. Vision Consulting Ltd, Lahore. Please ensure an early update of your particulars to avoid any inconvenience.

Members are also request to send zakat declaration to our Share Registrar to claim exemption from compulsory deduction of Zakat.

**7. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM**

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

**8. AVAILABILITY OF FINANCIAL STATEMENTS ON COMPANY'S WEBSITE**

The annual report 2025 containing notice of AGM, audited financial statements along with directors and auditors reports and the Chairman Review and other document has been placed on the Company's website [www.fazalcloth.com](http://www.fazalcloth.com).

**9. PROHIBITION ON GRANT OF GIFTS TO SHAREHOLDERS**

In accordance with the prohibition under section 185 of the Companies Act, 2017 and as directed by SECP through S.R.O. No. 452(1)/2025 of March 17, 2025, no gifts will be distributed at the Annual General Meeting.

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

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

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

**Special Business No. 1**

The transactions carried out with the related parties were presented to the Board for their review and consideration as recommended by the Audit Committee on quarterly basis pursuant to provisions of applicable laws. All these related party transactions during the mentioned period were executed at Arm's Length Price and in the ordinary course of business in a fair and transparent manner. Accordingly, the transactions were carried out under the authority of the special resolution passed by the shareholders in the last annual general meeting. These related party transactions during the year ended June 30, 2025 are as under:

Name of parties	Names of interested Directors	Relationship	Nature of Transaction	Amount (Rs.)	Pricing Policy
Fatima Fertilizer Company Ltd	- Mr. Faisal Ahmed -Mr. Rehman Naseem -Mr. Muhammad Mukhtar Sheikh	Common Directorship and 3.29 % (2023: 3.29%) shareholding	Dividend Income Reimbursable expenses Payments against expenses Sale of goods and services	483,798,217 288,783 6,628 338,920	N/A Arm's Length N/A Arm's Length
Fatima Energy Limited	Investment in ordinary / Pref. Shares of the Associated Company	Sponsor / Associated undertaking	Purchase of electricity Payment against purchase of goods - net	5,768,933,866 5,653,231,508	Arm's Length N/A
Reliance Weaving Mills Limited	-Mr. Faisal Ahmed -Mr. Abbas Mukhtar -Mr. Muhammad Mukhtar Sheikh	Common Directorship	Purchase of goods Sale of goods Receipts against sale of goods - net	75,223,596 387,896,609 311,139,216	Arm's Length Arm's Length N/A
Ahmed Fine Textile Mills Limited	-Sh. Naseem Ahmad -Mr. Aamir Naseem Sheikh -Mr. Rehman Naseem	Common Directorship	Purchase of goods and services Sale of goods Receipts against sale of goods and services - net Payment against expenses	2,996,414,100 14,323,088,155 11,392,543,853 185,416	Arm's Length Arm's Length N/A N/A
Fazal-ur-Rehman Foundation	-Sh. Naseem Ahmad -Mr. Rehman Naseem	Common Directorship/	Donations	2,920,000	N/A
Pak Arab Energy Limited	-Mr. Faisal Ahmed	Common Directorship	Mark-up accrued on long term advance	4,355,107	Arm's Length
Fazal Farms (Private) Limited	-Mr. Rehman Naseem	Common Directorship	Purchase of goods Payment against purchase of goods - net	21,485,628 16,922,400	Arm's Length N/A
Fatima Management Company Ltd	-Mr. Muhammad Mukhtar Sheikh	Common Directorship	Reimbursable expenses Payment against reimbursable expenses	344,903 344,903	Arm's Length N/A
Key Management Personnel	-Mr. Rehman Naseem -Mr. Abbas Mukhtar -Mr. Muhammad	Key Management Personnel	Remuneration and other benefits	63,498,496	Approved Directors' remuneration / contract of
Relative of director	-Sh. Naseem Ahmad	Spouse	Lease rental paid	12,861,533	Arm's length/under approved agreement with related Party



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

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

**“RESOLVED THAT** the above related party transactions carried out by the Company during the year ended June 30, 2025 as detailed in note 45 to the audited financial statements be and are hereby ratified, confirmed and approved”.

#### **Special Business No.2**

The Company shall be continuing to transact transactions with the related parties during the year ending June 30, 2026 and till the date of next annual general meeting on an arm's length basis as per approved policy with respect to 'transactions with related parties' in the ordinary course of business. The majority of the directors are interested in the related party transactions and the transactions shall be placed before the shareholders in next Annual General Meeting for their formal ratification / approval.

The interest of directors has been mentioned herein above.

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

**“RESOLVED THAT** the Chief Executive of the Company be and is hereby authorized to approve the transactions to be carried out with Related Parties as and when required in the ordinary course of business at arm's length basis during the financial year ending June 30, 2026 and till the next Annual General Meeting, without any limitation on the amounts to the transactions.”

**“RESOLVED FURTHER THAT** the related party transaction shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval”.

**“RESOLVED FURTHER THAT** the Chief Executive, Chief Financial Officer and Company Secretary be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) with the Related Parties after approval of the transactions by the Chief Executive and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.”





**STATEMENT UNDER REGULATION 4 (2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017**

Name of Associated Company / Undertaking: **Fatima Transmission Company Limited (FTCL)**

Sr.No.	Description	Loans / advances	
a)	Total investment approved	250,000,000	
b)	Amount of investment made to date	0	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specific time.	Facility is in the nature of Sponsor Support Agreement and the Company as sponsor has committed with the NIB Bank, in case of default by FTCL, to pay the outstanding amount. Aforesaid facility shall remain valid and in full force and effect and shall be subject to the Company's obligations under Sponsors Support.	
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	<b>2024</b>	<b>2023</b>
		----- Rupees -----	
i	Earnings (loss) per share - basic & diluted	1.43	1.32
ii	Net profit / (loss)	32,830,648	30,398,533
iii	Shareholders' Equity	337,246,342	304,415,694
iv	Total Assets	659,525,555	680,274,933
v	Break-up value	14.66	13.24



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

Sr. No.	Description	Equity		Loans / advances	
a)	Total investment approved	2,000,000,000	282,000,000	500,000,000	6,000,000,000
b)	Amount of investment made to date	1,050,523,553	0	442,077,112	400,000,000
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specific time	Conversion of future markup into preference shares of FEL on loans / advances. Period of Investment renew till Oct 31, 2026.	Amount will be invested in preference shares of FEL offered to the Company as right shares or otherwise than right shares in future. Period of Investment renew till Oct 31, 2027.	Further funds request has not yet been made by the investee company. Period of Investment till renew Oct 31, 2027.	Facility is in the nature of Sponsor Support Agreement and the Company as sponsor commits to pay FEL's lender Banks in case of default by FEL. Aforesaid facility shall remain valid and in full force and effect and shall be subject to the Company's obligations under Sponsors Support
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	2024	2023	2024	2023
i	Loss per share - Rupees	(2.09)	(4.65)	(2.09)	(4.65)
ii	Net Loss - Rs. In '000	(1,193,772)	(2,649,159)	(1,193,772)	(2,649,159)
iii	Shareholders' Equity - Rs. In '000	7,652,400	7,572,373	7,652,400	7,572,373
iv	Total Assets - Rs. In '000	28,988,336	29,762,754	28,988,336	29,762,754
v	Break-up value - Rs. In '000	13.43	13.28	13.43	13.28

**POSTAL BALLOT PAPER**

**FOR VOTING THROUGH POST FOR SPECIAL BUSINESS AT ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, OCTOBER 25, 2025 AT 12:00 P.M. AT FG HEAD OFFICE, E/110, KHAYABAN-E-JINNAH, DEFENCE CHOWK, LAHORE**

**Attention: Company Secretary designated email address: [shares@fazalcloth.com](mailto:shares@fazalcloth.com)**

**Ph: +92 61 4781637 Fax No. +92 61 4541832**

**Website: [www.fazalcloth.com](http://www.fazalcloth.com)**

Email address of the Chairman at which duly filled ballot paper may be sent: [corporate@fazalcloth.com](mailto:corporate@fazalcloth.com)

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

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

<b><u>Agenda item no. 1</u></b> “RESOLVED THAT the above related party transactions carried out by the Company during the year ended June 30, 2025 as detailed in note 45 to the audited financial statements be and are hereby ratified, confirmed and approved”.	No of ordinary shares for which votes cast	I/We assent to the Resolutions (For)	I/We dissent to the Resolutions (Against)
<b><u>Agenda item no. 2</u></b> “RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to approve the transactions to be carried out with Related Parties as and when required in the ordinary course of business at arm's length basis during the financial year ending June 30, 2026 and till the next Annual General Meeting, without any limitation on the amounts to the transactions.”  “RESOLVED FURTHER THAT the related party transaction shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval”.  “RESOLVED FURTHER THAT the Chief Executive, Chief Financial Officer and Company Secretary be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) with the Related Parties after approval of the transactions by the Chief Executive and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.”	No of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)



**NOTES:**

1. Dully filled postal ballot should be sent to chairman, Fazal Cloth Mills Ltd., FG Head Office, E/110, Khayaban-e-Jinnah, Defence Chowk, Lahore or email at [corporate@fazalcloth.com](mailto:corporate@fazalcloth.com)
2. Copy of CNIC / Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before October 24, 2025. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC / Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. In case of corporate entity, Ballot Paper Form must be accompanied by the Board of Directors' resolution / power of attorney with specimen signature and copy of CNIC of the nominee etc. in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable.
7. Ballot Paper Form has also been placed on company's website i.e. [www.fazalcloth.com](http://www.fazalcloth.com). Members may download Ballot Paper Form from the website or use the original / photocopy as published in newspapers.



## CHAIRMAN'S REVIEW

On behalf of the Board, I am pleased to present the Annual Report and Audited Financial Statement of the Company for the year ended June 30, 2025 including role of the Board of Directors in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

The Company follows the best practices relating to corporate governance and complies with the relevant requirements of Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to composition, meetings and procedures of the Board of Directors (the "Board") and its Committees. The Directors of your company are well aware with their responsibilities, under the applicable regulations, for governance of the company in an effective and efficient manner. Evaluation of the board of Directors is aimed to measure the Board overall performance and conduct of the company's affairs in accordance with the best practices of corporate governance. For the year under review, based on the evaluation, the overall performance and effectiveness of the Board has been assessed as satisfactory.

The Board is actively involved in formulation of appropriate policies and procedures and ensures due compliance with all the regulatory requirements. It closely monitors the performance of its committees and is committed to uphold and stable operation.

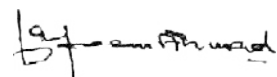
The Board has nine members, with diverse background having core competencies, knowledge, skills and experience relevant to the business of the Company that were elected at the Extra Ordinary General Meeting held on May 30, 2023, for the next term of three years, under the provisions of Section 159 of the Companies Act, 2017. The Board together with its committees was fully involved in the planning process and in developing the vision for the Company. The board of directors met six times during the year to review the overall performance, appraise financial results, and the overall effectiveness of the role played by the board in achieving the company's objectives. Meeting agendas and supporting papers were received in a timely manner for the Board meetings.

I am thankful to the members of the Board of Directors of the Company, shareholders, bankers, financial institutions, our valued customers and suppliers for their support and assistance. I also thank the executives and other employees of the Company for their dedication and hard work and look forward to getting the same cooperation in future.

The Board looks forward to the next year with increased confidence in meeting the challenges ahead.

Multan:

Dated: September 29, 2025

  
(Sh. Naseem Ahmed)  
Chairman

## چیئرمین کا جائزہ

بورڈ کی جانب سے، مجھے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارہ پیش کرتے ہوئے خوشی ہو رہی ہے جس میں انتظامیہ کو اس کے اسٹیک ہولڈرز کے فائدے کے لیے اپنی ذمہ داری نبھانے میں رہنمائی کرنے میں بورڈ آف ڈائریکٹرز کا کردار شامل ہے۔

کمپنی کارپوریٹ گورننس سے متعلق بہترین طریقوں کی پیروی کرتی ہے اور بورڈ آف ڈائریکٹرز کی تشکیل، بورڈ میٹنگز اور اس کی کمیٹیاں اور طریقہ کار کے حوالے سے کمپنیز ایکٹ، 2017 اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی متعلقہ ضروریات کی تعمیل کرتی ہے۔ آپ کی کمپنی کے ڈائریکٹر قابل اطلاق ضوابط کے تحت، کمپنی کو موثر اور موثر انداز میں چلانے کے لیے اپنی ذمہ داریوں سے بخوبی واقف ہیں۔ بورڈ آف ڈائریکٹرز کی تشخیص کا مقصد کارپوریٹ گورننس کے بہترین طریقوں کے مطابق بورڈ کی مجموعی کارکردگی اور کمپنی کے معاملات کے طرز عمل کی پیمائش کرنا ہے۔ زیر جائزہ سال کے لیے، تشخیص کی بنیاد پر، بورڈ کی مجموعی کارکردگی اور تاثیر کو تسلی بخش قرار دیا گیا ہے۔

بورڈ مناسب پالیسیوں اور طریقہ کار کی تشکیل میں سرگرم عمل ہے اور تمام ریگولیٹری تقاضوں کی مناسب تعمیل کو یقینی بناتا ہے۔ یہ اپنی کمیٹیوں کی کارکردگی پر کڑی نظر رکھتا ہے اور اسے برقرار رکھنے اور مستحکم آپریشن کے لیے پر عزم ہے۔

بورڈ کے نوارا کین ہیں، جن میں متنوع پس منظر کے ساتھ بنیادی قابلیت، علم، مہارت اور کمپنی کے کاروبار سے متعلق تجربہ ہے جنہیں 30 مئی 2023 کو منعقدہ ایکسٹرا آرڈینری جنرل میٹنگ میں منتخب کیا گیا تھا، جو تین سال کی اگلی مدت کے لیے کمپنیز ایکٹ 2017 کے سیکشن 159 کی دفعات۔ بورڈ اپنی کمیٹیوں کے ساتھ مل کر منصوبہ بندی کے عمل میں اور کمپنی کے وژن کو تیار کرنے میں مکمل طور پر شامل تھا۔ بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کا جائزہ لینے، مالیاتی نتائج کا جائزہ لینے اور کمپنی کے مقاصد کے حصول میں بورڈ کے ذریعے ادا کیے گئے کردار کی مجموعی تاثیر کا جائزہ لینے کے لیے سال کے دوران 6 بار ملاقات ہوئی۔ بورڈ کے اجلاسوں کے لیے میٹنگ کا ایجنڈا اور معاون کاغذات بروقت موصول ہوئے۔

میں کمپنی کے بورڈ آف ڈائریکٹرز کے ممبران، شیئر ہولڈرز، بینکرز، مالیاتی اداروں، ہمارے قابل قدر صارفین اور سپلائرز کا تعاون اور مدد کے لیے ان کا شکریہ ادا کرتا ہوں۔ میں کمپنی کے ایگزیکٹوز اور دیگر ملازمین کا بھی ان کی لگن اور محنت کے لیے شکریہ ادا کرتا ہوں اور مستقبل میں بھی ایسا ہی تعاون حاصل کرنے کا منتظر ہوں۔

بورڈ آگے آنے والے چیلنجوں کا مقابلہ کرنے میں بڑھتے ہوئے اعتماد کے ساتھ اگلے سال کا منتظر ہے۔

شیخ نسیم احمد

شیخ نسیم احمد

چیئرمین

ملتان:

تاریخ: 29 ستمبر 2025



## DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, we are pleased to present the Directors' Report together with the 60<sup>th</sup> Annual Report of the Company along with the Annual Audited Financial Statements of the Company for the year ended June 30, 2025.

### OVERVIEW

The core operations of your Company involve the manufacturing and sale of yarn and fabric, with production facilities and warehouses situated in two districts in Punjab.

During the year under review, the textile sector, especially the spinning segment, encountered multiple challenges. The Company's revenue came under slight pressure, declining to Rs. 90.002 billion compared to Rs. 97.161 billion in the Same Period Last Year (SPLY). This was largely driven by a drop in local demand, following the influx of duty-free imported yarn. Additionally, a significant increase in energy costs negatively affected the cost-efficiency and competitiveness of spinning operations.

Despite these headwinds, the Company managed to navigate the difficult environment effectively. Coupled with a reduction in interest rates, these efforts resulted in a net profit of Rs. 117 million, as compared to Rs. 1,785 million in the SPLY.

### FINANCIAL RESULTS

A comparison of the key financial results of the Company for the year ended June 30, 2025, are as under:

Rupees in thousand	Year ended June, 30		Increase / (decrease) %
	2025	2024	
Sales - net	90,002,393	97,160,875	(7.37%)
Cost of sales	(82,305,647)	(86,143,905)	(4.46%)
Gross Profit	7,696,746	11,016,971	(30.14%)
EBIDTA	9,175,443	13,385,820	(31.45%)
Depreciation	2,293,297	2,222,503	3.19%
Finance Cost	(5,276,230)	(8,337,428)	(36.72%)
Profit before taxation	1,605,915	2,825,889	(43.17%)
Profit after taxation	117,137	1,785,288	(93.44%)
Earnings per share - Rs.	3.90	59.51	(93.44%)

The sales revenue has decreased during the year, the sales volume of fabric has slightly improved whereas, the yarn sales value has declined in this year as compared to last year.

The significant portion of the cost of goods manufactured consists of Raw material, which is 72.95% and power cost is 13.85%, which has always been the concern for the management to control. The gross margins have declined from 11.34% to 8.55% mainly on account of increased raw material prices, power cost (on account of increase in gas tariff and electricity rates) and other conversion costs as compared to previous year.

**SEGMENTAL REVIEW OF BUSINESS PERFORMANCE**

The operations of your Company are primarily divided into two operating segments:

- Spinning segment: manufacturing and sale of yarn
- Weaving segment: manufacturing and sale of fabric

The segment wise results of the reportable segments of the Company are as follows:

	Spinning	Weaving	Spinning	Weaving
	2025		2024	
	Rupees in thousand			
Revenue (net)	76,075,431	13,926,962	83,083,335	14,077,540
Profit / (loss) before tax	1,135,951	469,964	2,885,926	(60,037)

The net profit margins for the spinning division have experienced decline as yarn prices remained under pressure during the year under review. However, the weaving division has seen improvement as the Company earned better gross margins.

**EARNINGS PER SHARE**

The Company has earned profit after tax of Rs. 117.137 million as compared to profit after tax of Rs. 1,785.288 million in same period of last year. This resulted in earnings per share of Rs. 3.90 in the current year as compared to earnings per share of Rs. 59.51 in the last year.

**DIVIDENDS**

The Board of Directors after assessing the financial position of the Company, considered it prudent not to recommend the payment of any dividend as Company has to focus on expanding the business while maintaining solvency, steady cash flows, lowering outstanding debt, financial expenses and maximizing shareholders' wealth. The directors hope to resume the dividend payout in future.

Accordingly, the appropriation of profit will be as under:"

	Year ended June 30,	
	2025	2024
	---- (Rupees in '000) ----	
Profit after tax	117,137	1,785,288
Other comprehensive Loss - remeasurement of defined benefit liability	(110,293)	(80,631)
Total comprehensive income	6,844	1,704,657
Un-appropriated profit brought forward from last year	23,457,161	21,140,137
Transfer of reserves	(15,000,000)	0
Surplus transferred to un -appropriated profit on account of incremental depreciation charged during the year - net of tax	557,497	589,643
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	27,214	22,724
	<u>9,048,716</u>	<u>23,457,161</u>
<b>APPROPRIATION:</b>		
Cash Dividend Nil (2023: Nil%)	0	0
Leaving un-appropriated profit	<u>9,048,716</u>	<u>23,457,161</u>
	<u>9,048,716</u>	<u>23,457,161</u>





## ECONOMY OVERVIEW

Pakistan's economy entered FY2026 on a positive note, building on the steady progress made throughout FY2025. These developments set an encouraging tone for the months ahead. Consumer Price Index (CPI) inflation remained moderate, reflecting well-anchored inflation expectations due to sound economic management, effective administrative actions, and ongoing policy reforms. In July FY2026, the external sector demonstrated encouraging performance, marked by a reduced current account deficit and a stable exchange rate. Additionally, the Federal Board of Revenue (FBR) reported robust growth in tax collections.

These trends indicate a stable macroeconomic foundation at the beginning of FY2026. The stability achieved in the previous fiscal year, along with continued improvement in key indicators, led international credit rating agencies to upgrade Pakistan's sovereign outlook—underscoring confidence in the country's economic trajectory and lending credibility to its reform agenda.

Large-Scale Manufacturing (LSM) sector registered a year-on-year (YoY) increase of 4.1 percent in June 2025 while month-on-month (MoM), it declined by 3.7 percent. Cumulatively, LSM output declined by 0.74 percent during FY2025, compared to a marginal growth of 0.78 percent last year. Out of 22 sectors, 12 experienced positive growth, including textiles.

The State Bank of Pakistan (SBP) reduced policy rates by a cumulative 850 basis points, from 19.5% to 11%, in response to inflation easing more than anticipated during the FY 2025. This action significantly alleviated financial pressure on industries and restored business confidence.

## FUTURE PROSPECTS

Pakistan's economy entered FY2026 with stable macroeconomic conditions and improved growth prospects, supported by a stronger external and fiscal position. On YoY basis, LSM has been on a steady recovery since April 2025, peaking in June, and is expected to gain further momentum. Government measures for investment facilitation along with reforms to support private sector-led growth, easing inflation, and accommodative monetary policy may likely to further reinforce business confidence. A favourable global environment, stronger demand from trading partners, and the recent trade deal of Pakistan with the U.S. are expected to boost exports, while workers' remittances will help contain trade deficit pressures from tariff rationalization-driven imports. However, flood-related damages may add fiscal pressures and disrupt food supplies in affected areas. Inflation is projected to remain within the range of 4.0 to 5.0 percent in August, 2025. Steady fiscal consolidation efforts continued, bolstering the fiscal position. While the new record is galore in Pakistan Stock Market.

The Monetary Policy Committee (MPC), in its meeting on September 15, 2025, kept the policy rate unchanged at 11 percent. The status quo is in line with market anticipations as inflation is projected to increase due to recent flooding.

Global economic growth is projected at 3.0 percent in 2025 and 3.1 percent in 2026, as per the IMF's July 2025 World Economic Outlook (WEO), an upward revision from April. Downside risks persist in the form of higher effective tariffs, elevated policy uncertainty, supply chain disruptions, tighter financial conditions, and commodity price volatility amid geopolitical tensions. On the upside, growth could strengthen if trade predictability improves, tariffs ease out, and fiscal buffers are rebuilt alongside needed structural reforms. In July, global growth accelerated on the back of stronger services activity, while manufacturing slipped back into contraction.



Recently, an agreement was achieved in trade talks between Pakistan and the United States that reduced the tariffs on Pakistani exports from 29% to 19%. Considering the higher tariffs placed on its regional rivals, this can be seen as a positive result for Pakistan. Reaffirming its place in the U.S. market might provide Pakistan's textile industry a competitive advantage.

Pakistan's cotton production for the 2025-26 season, is expected to be 4.8 million bales, a significant decrease from the previous year, driven by widespread damage from recent monsoons and floods, as well as virus attacks. The full impact on arrivals will be cleared after the flood waters recede and more detailed reports are released, potentially by early October. As of September 15, 2025, Pakistan's cotton production has increased by 40% year-on-year, with higher inflows from both Punjab and Sindh. The country will be able to earn a sizable amount of foreign exchange if the weather stays fair and the production target is met. This would assist stabilize cotton prices and encourage the growth of the local textile sector.

Cotton prices will remain under pressure during FY 2025-26. International oil prices will also remain on the lower side and resultantly, polyester prices will also reduce. Demand from Pakistani textile goods will increase in FY 2025-26.

Pakistan's textile exports for the fiscal year 2024-25 reached a total of approximately \$17.88 billion, marking a 7.39% increase from the previous year. This growth was propelled by strong performance in value-added segments though some traditional products like cotton cloth experienced declines.

The Company plans to add 29 MWh of new solar capacity this year, bringing the total installed solar capacity to 51.2 MWh. With this expansion, 21% of the company's energy requirements will be met through green solar energy.

The management expects the sales revenue to grow during the year ending June 30, 2026 and the liquidity position will further strengthen to run the operations of the Company in a sustainable manner. Going forward, we remain committed to improve our operations, to be more innovative, efficient and profitable to deliver sustainable returns to our shareholders.

#### CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors confirm compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG Regulations) for the following matters:

1. The financial statements, prepared by the management of Fazal Cloth Mills Ltd., present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgments.
3. The Company has maintained proper books of account.
4. International accounting standards, as applied in Pakistan, have been followed in preparation of these financial statements and departures there from have been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as on-going process with objective to strengthen the controls and bring improvements in the system.



6. There are no doubts about the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of the CCG Regulations.
8. There are no statutory payments on account of taxes, duties levies and charges which are outstanding as at June 30, 2025, except for those disclosed in the financial statements.

#### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has established an effective and efficient system of internal and financial controls to safeguard the assets of the Company, prevent and detect fraud and ensure compliance with all statutory and legal requirements. The internal control structure is regularly reviewed and monitored by the Internal Audit function duly established by the Board. Audit Committee reviews the internal control system on quarterly basis in accordance with the term of its reference.

#### COMPOSITION OF THE BOARD

The Directors of the Company were elected in Extraordinary General meeting of the Company held on May 30, 2023. The composition of the Board complies with the requirements of the CCG Regulations. The Board comprises of nine directors as follows:

- a) Female.....1
- b) Male..... 8

#### Composition

Independent Directors..... 3  
 Non-Executive Directors.....3  
 Executive Directors..... 3

#### AUDIT COMMITTEE

The Audit Committee (AC) assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control, risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The committee has reviewed all related party transactions prior to approved by the board. The Chief Financial Officer regularly attends the Audit Committee meetings by invitation to present the financial statements. After each meeting, the Chairperson of the Committee reports to the Board. The Committee met four (04) times during the year 2024-2025. The names of committee members are as follows:

- |  |             |
|--|-------------|
| i. Ms. Parveen Akhtar Malik (Independent Director)   | Chairperson |
| ii. Sheikh Naseem Ahmad (Non-executive Director)     | Member      |
| iii. Mr. Amir Naseem Sheikh (Non-executive Director) | Member      |
| iv. Mr. Babar Ali (Independent Director)             | Member      |

The Audit committee has reviewed the quarterly, half-yearly and annual financial statements, besides the internal audit plan, material audit findings and recommendation of internal audit department. In addition to above meetings, Audit Committee met with external auditors without Chief Financial Officer (CFO) and Head of Internal Audit (HIA). Audit Committee also met the head of internal audit and other members of the internal audit function without the CFO and the external auditors being present.

**HR AND REMUNERATION COMMITTEE**

The HR and Remuneration Committee (HR&RC) meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the executive directors. The CEO of the Company also attended the Human Resource and Remuneration Committee meeting held during the year. The Committee met one (01) time during the year 2024-2025. The names of committee members are as follows:

- |   |          |
|---|----------|
| i. Mr. Babar Ali (Independent Director)             | Chairman |
| ii. Mr. Amir Naseem Sheikh (Non-executive Director) | Member   |
| iii. Mr. Faisal Ahmad (Non-executive Director)      | Member   |

**STRATEGIC PLANNING COMMITTEE**

The Strategic Planning Committee (SPC) is an advisory committee to the Board of Directors that assists the Board in setting and maintaining the strategic direction of the Company by reviewing the Company's long-term strategic planning, significant changes in the operating environment, identifying new risks and opportunities and to provide opinions thereon. The Committee met one (02) times during the year 2024-2025. The names of committee members are as follows:

- |  |          |
|--|----------|
| i. Mr. Rehman Naseem (Chief Executive)               | Chairman |
| ii. Mr. Masood Karim Sheikh (Independent Director)   | Member   |
| iii. Ms. Parveen Akhtar Malik (Independent Director) | Member   |

**MEETINGS OF BOARD AND ITS COMMITTEES IN 2024-25**

During the year 2024-2025 four board meetings, four audit committee meetings, one HR & Remuneration Committee meeting and two Strategic Planning Committee meetings were held. The names of directors during the year and their attendance are given here under:

Sr. No.	Director	Status (BOD)	Committee Members			Attendance			
			AC	HR & RC	SPC	Board Meetings	AC	HR & RC	SPC
1	Mr. Sheikh Naseem Ahmad	Re-appointed on May 30, 2023	✓			4 / 4	4 / 4		
2	Mr. Aamir Naseem Sheikh	Re-appointed on May 30, 2023	✓	✓		1 / 4	2 / 4	1 / 1	
3	Mr. Rehman Naseem	Re-appointed on May 30, 2023			✓	4 / 4			2 / 2
4	Mr. Faisal Ahmed	Re-appointed on May 30, 2023		✓		1 / 4		1 / 1	
5	Mr. Muhammad Mukhtar Sheikh	Re-appointed on May 30, 2023				4 / 4			
6	Mr. Babar Ali	Re-appointed on May 30, 2023	✓	✓		3 / 4	2 / 4	1 / 1	
7	Mr. Masood Karim Shaikh	Re-appointed on May 30, 2023			✓	4 / 4			2 / 2
8	Ms. Parveen Akhter Malik	Re-appointed on May 30, 2023	✓		✓	4 / 4	4 / 4		2 / 2
9	Mr. Abbas Mukhtar	Co-opted on November 29, 2023				1 / 4			



Leave of absence was granted to the directors unable to attend the board meetings.

#### PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Pursuant to the CCG Regulations, the Board recognizes that it continually needs to monitor and improve its performance. The performance of the Board of our Company is evaluated annually along the following parameters, both individually and collectively:

1. Effectiveness in bringing in a mix of gender, talents, skills and diversified perspectives.
2. Integrity, credibility, trustworthiness and active participation of members.
3. Follow-up and review of annual targets set by the management.
4. Ability to provide guidance and direction to the Company.
5. Ability to identify aspects of the organization's performance requiring action.
6. Review of succession planning of management.
7. Ability to assess and understand the risk exposures of the Company.
8. Contribution and interest in regard to improving health safety and environment, employment and other policies and practices in the Company.
9. Safeguarding the Company against unnecessary litigation and reputational risk.

During the year, the Board has appraised the performance of Board as a whole as well as individual director and its committees. The overall conclusion of this year's review based on available feedback has been found satisfactory.

#### DIRECTORS' REMUNERATION

The Company has an approved 'Remuneration Policy for Directors'; the salient features and elements of which are:

- The Company will not pay any remuneration to its non-executive directors including independent directors except as meeting fee for attending the Board and its Committee meetings. As per the policy, Independent Directors are paid an after-tax remuneration of PKR 75,000 for attending each meeting of the Board or its committees.
- The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.
- A Director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by her / him for attending meetings of the Board and its Committees.
- Any Director who performs services which, in the opinion of the Board, are outside the scope of the statutory duties of a director, may be paid such extra remuneration.

#### DETAIL OF DIRECTORS REMUNERATION

The Company has three Executive Directors, including Chief Executive of the Company. Following are the details of remuneration paid to the Chief Executive of the Company during the year:



	2025			2024			
	Chief Executive	Muhammad Mukhtar Sheikh	Abbas Mukhtar	Chief Executive	Muhammad Mukhtar Sheikh	Fahd Mukhtar	Abbas Mukhtar
	----- Rupees in million -----						
Managerial remuneration	15.180	15.180	15.180	13.800	13.800	5.750	8.050
House rent and utilities	5.636	0	0	5.233	0	0	0
Medical	0.266	0	0	0.259	0	0	0
	21.082	15.180	15.180	19.292	13.800	5.750	8.050

No remuneration has been paid to non-Executive Directors of the Company except meeting fee of Rs. 1.47 million (2024: Rs. 0.94 million) was paid to two independent directors. Further refer to note 43 of annexed financial statements.

### PRINCIPAL RISKS & UNCERTAINTY

Businesses face numerous risks and uncertainties, which, if not properly addressed, might cause serious loss to the Company. The Board of Directors of the Company has carried out a vigilant and thorough assessment of both internal and external risks that the Company might face. Following are some of the risks which the Company is facing:

- Declining export sales due to geopolitical tensions (between US / China, Russia / Ukraine war), imposition of tariffs and decreased global demand due to global recessionary conditions.
- Increased competition at global as well as regional levels to be cost effective.
- Currency volatility causing Rupee devaluation, resulting in an increased cost of imported raw-material, stores & spares and plant & machinery.
- The declining cotton production and rising raw material prices, including yarn and fabric, impact the sector's competitive edge.
- Implementation of Custom Duties / Regulatory Duties on import of Cotton / Man-made fibers making raw material more costly.
- Rising trend of conversion, power cost on account of increasing fuel / gas prices and other inflationary impacts.
- The world demand is increasingly shifting towards synthetic fibers, but Pakistan remains heavily dependent on cotton-based products, risking market share erosion.
- Uncertain taxation measures including the imposition of super tax. Further delay in processing sales tax and income tax refunds, increasing the liquidity crunch.
- Climate change, unreliable weather, and low yields make the cotton supply vulnerable and hinder growth. Erratic weather conditions can result in scarcity and necessitate costly cotton imports, due to heavy dependence on cotton.
- High inflation in preceding years impacted the purchasing power of common man thereby reducing the demand for the Company's product.





## SUBSEQUENT EVENTS

There have been no material changes and commitments affecting the financial position of the company since June 30, 2025 to the date of this report.

## COMMUNICATION

The Company places great importance on the communication with the shareholders. Annual, half yearly and quarterly reports are communicated through electronic means to them within the time specified in the Companies Act, 2017. The Company's activities are updated on its web site [www.fazalcloth.com](http://www.fazalcloth.com), on a timely basis.

## HEALTH, SAFETY AND ENVIRONMENT

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate. The Company is committed to run its business in an environmentally sound and sustainable manner and promote preservation of the environment. The Company shall prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products on the ecological environment in accordance with the applicable laws. Associates must adhere strictly to all applicable environmental laws and regulations that impact the Company's operations, promote preservation and sustainability of the environment.

## CORPORATE SOCIAL RESPONSIBILITY

The Company considers social, environmental and ethical matters in the context of the overall business environment. The Company is committed to make conscious effort to consider and balance the interest of all stakeholders, in particular the community in which we live and who form our customer base.

As a leading textile company in the spinning & weaving sector, the Company is committed ensuring Corporate Social Responsibility (CSR), integrating sustainable and ethical practices into our core operations. The company's main goals are to improve corporate practices, the environment and the communities it serves. The management assesses overall CSR activities, ensuring they support the Company's long-term goals of sustainability and inclusivity.

During the FY 24-25, the Company carried out several activities, some of which are disclosed below:

- The Company actively contributed to the greenbelt development with plants along a 5-kilometer stretch National Highway. This environmental initiative reflects our commitment to sustainability and giving back to the community.
- The Company operates water treatment plants across various locations in Multan, playing a significant role in providing clean and safe drinking water to the local population.
- To promote road safety awareness, the Company organized an educational seminar in partnership with the City Traffic Police Multan. This initiative aimed at fostering a culture of safety and responsible road usage.
- On the account of breast cancer awareness, the Company organized an insightful Breast Cancer Awareness session and in-house health checkup for the female employees and their families. The session was educational and interactive, based on crucial topics including early detection, self-examination, support initiatives, and the latest advancements in breast cancer research.



- To support the agenda of inclusivity and diversity on International Women's Day 2024, the Company by providing a platform devoted to exhibiting the amazing journey of women's empowerment and celebrating the accomplishments of women from all social statuses and professions.
- As part of our commitment to quality education, the Company continues its collaboration with the Progressive Education Network (PEN) to support the Aligarh Model High School in Multan. This initiative, undertaken in partnership with the District Government Multan, aims transformation of an institution with a rich educational legacy.
- For the welfare of general public, Company collaborated with Rescue 1122 for the supplies which are essential for life savings including medicines, oxygen cylinders, etc.

### SUSTAINABILITY-RELATED RISKS

Environmental, Social and Governance (ESG) considerations are part of the risks associated with sustainability. The Company hopes to contribute to a sustainable future through implementing green initiatives, renewable energy policies and best operating practices. The management has set specific and measurable ESG targets that align with the Company's strategic objective to achieve greater sustainable resilience and positive social impact. The Company has invested a large amount of money in innovative, environment friendly technologies that uphold the values of ethical production and consumption. Such sustainable activities may put pressure on short-term profitability or margins but the Company believes that in the long run, it will enhance business value through customer acquisition & retention and a competitive edge. The Company conducts a comprehensive analysis of both present and future sustainability related risks, identifying particular areas of concern and measures are taken to address the same.

Sustainability related risk & opportunities helps to identify and manage risks related to environmental, social, and governance (ESG) factors, which are increasingly important to investors, regulators, and consumers. Under the context of this approach, the Company is mainly exposed to the following sustainability risks.

#### Environmental Risks:

Carbon Emissions, Pollution, Water Usage, Waste Management and Chemical Use

#### Social Risks:

Labor Practices, Human Rights, Health, and Safety.

#### Governance Risks:

Regulatory Compliance, Supply Chain Transparency.

The aforesaid considerations present a danger to the company; non-compliance may result in penalties in the short term, but in the long term, it may cause significant fines, legal fees and reputational harm, including the loss of clients and business. Inadequate transparency and monitoring of sustainability policies may also eventually reduce investor confidence and restrict access to funding. Risks are opportunities, so taking advantage of the ones mentioned above by adopting sustainable practices and increasing energy efficiency can result in cost savings and boost a company's reputation. Long-term opportunities draw attention to the possibility of maintaining a competitive edge by adhering to ESG principles consistently. This can boost investor confidence, decrease financial volatility and guarantee long-term profitability.





In order to effectively discharge sustainability related duties, the Board assigned additional responsibilities to Audit Committee for sustainability related risks for review. The Audit Committee periodically monitors and reviews sustainability related risks, opportunities and initiatives and submit to the board a report, annually, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.

### **DIVERSITY, EQUITY, & INCLUSION (DE&I)**

The Company advocates for diversity, equity, and inclusion (DE&I) because of its varied workforce and community. The Company places a high priority on DE&I since it is essential to its ethical and sustainable business operations. We are committed to fostering a diverse, equitable, and inclusive workplace where every individual is valued, respected, and empowered to thrive. A comprehensive strategy aimed at increasing gender and ethnic diversity and inclusion at all levels, with quantifiable and transparent goals, is now under development. By celebrating diverse cultural and faith-based occasions, Christmas, Eid ul-Fitr, Eid ul-Adha, Women's Day, Mother's Day, and Father's Day, the Company fostered a culture of belonging and respect.

Promoting DE&I is a key priority for the Company and is integral to its sustainable and ethical business practices. A comprehensive DE&I strategy with clear and measurable goals, targeting increased gender and ethnic diversity and inclusion at all levels, is in process. The Company implements inclusive recruitment practices, such as using diverse job boards, blind hiring processes, and diverse interview panels. Multiple DE&I training sessions are provided for all employees, covering topics like unconscious bias, cultural competency, and inclusive leadership. Human Resource & Remuneration Committee is also responsible for reviewing and monitoring the Diversity, Equity & Inclusion strategies and targets of the Company.

The Company views gender diversity as a strategic priority that enhances decision-making and problem-solving, contributing to a sustainable competitive advantage. Our commitment to DE&I has been central to our talent acquisition and engagement strategies. The Company promoted a culture of belonging and respect. This dedication was also reflected in its talent movements, ensuring diverse representation at all levels. Participation in career fairs and collaborations with reputable organizations further underscored the Company's commitment to creating an inclusive workplace where every individual is valued. During the year, gender representation was 0.25% of the total workforce. Our target is to increase women's representation on Board and will endeavor to increase female representation in workforce to 2% as soon as possible but not later than next two years.

The Company is committed to ensure that all employees feel valued, respected, and empowered and in this regard has established a comprehensive framework to regulate its DE&I agenda. The Company has various policies embedded within the organization including maternity leave and a gender diversity policy, to foster an inclusive workplace environment.

Our Company is committed to keep a workplace free from gender discrimination and there is no salary disparities based on gender. The pay of an employee is determined by considering a number of factors, including the employees' performance, market conditions, tenure, education, professional experience and geographical location. The Company makes sure that there is no gender discrimination and that compensation is determined by objective, merit-based standards and no discrimination on the basis of gender. The workforce comprises of 0.25% females, with a 1.83% representation at Executive Management Team level and the Company is committed for increasing these numbers in order to broaden and enhance its pool of talent. The Company adheres to all relevant laws and regulations, ensuring compliance through systematic evaluations at key employment touchpoints, including:



- Hiring: Implementation of stringent, non-discriminatory assessment standards to guarantee gender parity in recruiting new staff members.
- Salary Reviews: Salary reviews are carried out strictly in accordance with fair standards, guaranteeing that any adjustments are free from gender prejudice.
- Career Advancement: Keep an equal chance while evaluating role changes and promotions using transparent and fair criteria, providing an equal opportunity for advancement to all employees. The company is unswerving in its commitment to giving all of its employees' equal opportunities and is committed to openness in its pay practices.
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#### STATEMENT OF GENDER PAY GAP

Please refer to the Annual Report for the Statement of Gender Pay Gap under Circular no. 10 of 2024 issued by the Securities and Exchange Commission of Pakistan.

#### KEY OPERATING AND FINANCIAL DATA (SIX YEARS SUMMARY)

Key operating and financial data of last six years in enclosed.

#### APPOINTMENT OF AUDITORS

The present External Auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants have completed the annual audit for the year ended June 30, 2025, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and, being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their re-appointment as auditors of the Company in the Annual General Meeting.

#### PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2025 is annexed to this report.

#### RELATED PARTIES TRANSACTIONS

The transactions carried out with the related parties were presented to the Board for their review and consideration as recommended by the Audit Committee on quarterly basis pursuant to provisions of applicable laws. All these related party transactions were executed at Arm's Length Price and in the ordinary course of business in a fair and transparent manner. Details are provided in Note 45 to the financial statements.

#### TRANSACTION / TRADE IN COMPANY'S SHARES

All the trades in shares of the Company carried out by the Directors, Executives and their spouses and minor children (if any) during the financial year 2025 are disclosed in pattern of shareholding annexed to the Annual Report. Executives include Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary and certain other employees drawing salary of Rs. 8.000 million or more annually as per the threshold set by the Board of Directors are regarded as Executives.



### THANKS AND APPRECIATION

We would like to place on record deep appreciation for the efforts of the executives, officers and other staff members and workers for their hard work, co-operation and sincerity to the Company in achieving the best possible results. The Board also wishes to place on record the appreciations to all banks, customers and suppliers for continued support to the Company with zeal and dedication. The Management is quite confident that these relations and co-operation will continue in the years to come.

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On behalf of the Board of Directors

**Sheikh Naseem Ahmed**  
(Director)

Multan | September 29, 2025

On behalf of the Board of Directors

**Rehman Naseem**  
(Chief Executive)

## ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کی 60 ویں سالانہ رپورٹ اور سالانہ آڈٹ شدہ مالی گوشواروں کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## جائزہ

آپ کی کمپنی کے بنیادی کاموں میں سوت اور کپڑے کی تیاری اور فروخت شامل ہے، جس کی پیداواری سہولیات اور گودام پنجاب کے دواضلاع میں واقع ہیں۔ زیر جائزہ سال کے دوران، ٹیکسٹائل کے شعبے، خاص طور پر اسپننگ کے حصے کو، کئی چیلنجوں کا سامنا کرنا پڑا۔

کمپنی کی آمدنی معمولی دباؤ میں آئی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 97.161 بلین روپے سے کم ہو کر 90.002 بلین روپے رہ گئی۔ اس کی بڑی وجہ ڈیوٹی فری درآمد شدہ سوت کی آمد کے بعد مقامی مانگ میں کمی تھی۔ اس کے علاوہ، توانائی کے اخراجات میں نمایاں اضافے نے اسپننگ کے کاموں کی لاگت کی کارکردگی اور مسابقت کو منفی طور پر متاثر کیا۔

ان مشکلات کے باوجود، کمپنی نے مؤثر طریقے سے اس مشکل ماحول میں کام کیا۔ شرح سود میں کمی کے ساتھ، ان کوششوں کے نتیجے میں 117 بلین روپے کا خالص منافع حاصل ہوا، جبکہ گزشتہ سال کی اسی مدت میں یہ 1,785 بلین روپے تھا۔

## مالی کارکردگی

30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے اہم مالی نتائج کا موازنہ درج ذیل ہے

اضافہ / کمی %	30 جون کے اختتامی نتائج		-- روپے ہزاروں میں --
	30 جون 2025	30 جون 2024	
(7.37%)	90,002,393	97,160,875	خالص فروخت
(4.46%)	(82,305,647)	(86,143,905)	لاگت فروخت
(30.14%)	7,696,746	11,016,971	مجموعی منافع
(31.45%)	9,175,443	13,385,820	EBIDTA
3.19%	2,293,297	2,222,503	فرسودگی
(36.72%)	(5,276,230)	(8,337,428)	مالی لاگت
(43.17%)	1,605,915	2,825,889	ٹیکس سے پہلے (منافع)
(93.44%)	117,137	1,785,288	ٹیکس کے بعد (منافع)
(93.44%)	3.90	59.51	آمدنی فی حصص (روپے)



رواں سال کے دوران فروخت کی آمدنی میں کمی واقع ہوئی ہے، کپڑے کی فروخت کا حجم قدرے بہتر ہوا ہے جبکہ اس سال سوت کی فروخت کی قیمت گزشتہ سال کے مقابلے میں کم ہوئی ہے۔

تیار شدہ سامان کی لاگت کا ایک اہم حصہ خام مال پر مشتمل ہے، جو 72.95% ہے اور بجلی کی لاگت 13.85% ہے، جس پر کنٹرول کرنا ہمیشہ انتظامیہ کے لیے تشویش کا باعث رہا ہے۔ مجموعی منافع کا تناسب گزشتہ سال کے 11.34% سے کم ہو کر 8.55% رہ گیا، جس کی بنیادی وجہ خام مال کی قیمتوں، بجلی کی لاگت (گیس کے نرخ اور بجلی کی شرحوں میں اضافے کی وجہ سے) اور دیگر تبادلوں کے اخراجات میں اضافہ ہے۔

### کاروباری کارکردگی کا شعبہ وار جائزہ

آپ کی کمپنی کے کاموں کو بنیادی طور پر دو آپریٹنگ حصوں میں تقسیم کیا گیا ہے:

- سپننگ سیگمنٹ: سوت کی تیاری اور فروخت

- ویونگ سیگمنٹ: کپڑے کی تیاری اور فروخت

کمپنی کے قابل رپورٹ حصوں کے سیگمنٹ وار نتائج درج ذیل ہیں:

ویونگ	سپنگ	ویونگ	سپنگ	
2024		2025		
-- روپے ہزاروں میں --				
14,077,540	83,083,335	13,926,962	76,075,431	ریونیو (خالص)
(60,037)	2,885,926	469,964	1,135,951	منافع / نقصان ٹیکس سے پہلے

زیر جائزہ سال کے دوران سوت کی قیمتوں پر دباؤ برقرار رہنے کی وجہ سے اسپننگ ڈویژن کے خالص منافع کے تناسب میں کمی کا سامنا کرنا پڑا۔ تاہم، بنائی کے ڈویژن میں بہتری آئی ہے کیونکہ کمپنی نے بہتر مجموعی منافع کمایا ہے۔

### فی حصص آمدنی

کمپنی نے گزشتہ سال کی اسی مدت میں 1,785.288 ملین روپے کے منافع کے مقابلے میں 117.137 ملین روپے کا ٹیکس کے بعد منافع کمایا ہے۔ اس کے نتیجے میں فی حصص آمدنی گزشتہ سال کے 59.51 روپے کے مقابلے میں موجودہ سال میں 3.90 روپے رہی۔

### ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے کمپنی کی مالی پوزیشن کا جائزہ لینے کے بعد یہ فیصلہ کیا کہ کوئی منافع دینے کی سفارش نہ کی جائے کیونکہ کمپنی کو اپنی حل پذیری، مستحکم کیش



فلو کو برقرار رکھتے ہوئے، بقایا قرضوں اور مالیاتی اخراجات کو کم کرتے ہوئے اور حصص یافتگان کی دولت کو زیادہ سے زیادہ بڑھاتے ہوئے کاروبار کو بڑھانے پر توجہ دینی ہے۔ ڈائریکٹرز کو امید ہے کہ مستقبل میں منافع کی ادائیگی دوبارہ شروع ہو جائے گی۔

سال کا اختتام 30 جون

اس کے مطابق منافع کی تخصیص حسب ذیل ہوگی:

2025	2024	روپے ہزاروں میں
117,137	1,785,288	ٹیکس کے بعد کا خالص منافع
(110,293)	(80,631)	دیگر جامع نقصان - متعین فائدے کی ذمہ داری کی دوبارہ پیمائش
6,844	1,704,657	کل جامع آمدنی
23,457,161	21,140,137	کیپٹل ریزرو صلاحیت میں غیر مختص منافع (پچھلے سال سے آگے لایا گیا)
(15,000,000)	0	توسیع کے لیے تقسیم کے لیے دستیاب نہیں ہے۔
557,497	589,643	سال کے دوران چارج کیے جانے والے اضافی فرسودگی کی وجہ سے سرپلس
27,214	22,724	غیر مختص شدہ منافع میں منتقل کیا گیا (ٹیکس کا نیٹ)
9,048,716	23,457,161	تصرف پر مقررہ اثاثوں کی دوبارہ تخصیص پر سرپلس سے منتقلی۔ (ٹیکس کا نیٹ)
0	0	تخصیص:
9,048,716	23,457,161	کیش ڈیویڈنڈ صفر (Nil%:2023)
9,048,716	23,457,161	غیر مختص منافع کی چھوٹ

## معیشت کا جائزہ:

پاکستان کی معیشت 2026 میں ایک مثبت انداز میں داخل ہوئی، 2025 کے دوران ہونے والی مسلسل پیشرفت کی بنیاد پر۔ کنزیومر پرائس انڈیکس افراط زر معتدل رہا، جو کہ مضبوط معاشی انتظام، موثر انتظامی اقدامات، اور جاری پالیسی اصلاحات کی وجہ سے مہنگائی کی توقعات کی عکاسی کرتا ہے۔ جولائی 2026 میں، بیرونی شعبے نے حوصلہ افزا کارکردگی کا مظاہرہ کیا، جس کی نشاندہی کرنٹ اکاؤنٹ خسارے میں کمی اور ایک مستحکم شرح مبادلہ ہے۔ مزید برآں، فیڈرل بورڈ آف ریونیو (ایف بی آر) نے ٹیکس وصولیوں میں زبردست اضافے کی اطلاع دی۔

یہ رجحانات مالی سال 2026 کے آغاز میں ایک مستحکم وسیع اقتصادی بنیاد کی نشاندہی کرتے ہیں۔ گزشتہ مالی سال میں حاصل کردہ استحکام، اور اہم اشاریوں میں مسلسل بہتری کے ساتھ، بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں نے پاکستان کے خود مختار نقطہ نظر کو بہتر بنایا۔ جس سے ملک کے اقتصادی راستے پر اعتماد اور اس کے اصلاحاتی ایجنڈے کو ساکھ ملی۔

بڑے پیمانے پر مینوفیکچرنگ سیکٹر نے جون 2025 میں سال بہ سال 4.1 فیصد کا اضافہ درج کیا جبکہ ماہ بہ ماہ اس میں 3.7 فیصد کی کمی واقع ہوئی۔ مجموعی طور پر، مالی سال 2025 کے دوران ایل ایس ایم کی پیداوار میں 0.74 فیصد کی کمی واقع ہوئی، گزشتہ سال 0.78 فیصد کی معمولی نمو کے مقابلے میں۔ 22 شعبوں میں سے 12 نے بشمول ٹیکسٹائل مثبت ترقی کا تجربہ کیا۔

اسٹیٹ بینک آف پاکستان نے مالی سال 2025 کے دوران افراط زر میں متوقع سے زیادہ کمی کے جواب میں پالیسی ریٹ کو مجموعی طور پر 850 بیس پوائنٹس سے کم کر کے 19.5 فیصد سے 11 فیصد کر دیا۔ اس اقدام نے صنعتوں پر مالی دباؤ کو نمایاں طور پر کم کیا اور کاروباری اعتماد بحال کیا۔

## مستقبل کے امکانات

پاکستان کی معیشت نے مالی سال 2026 میں مستحکم وسیع اقتصادی حالات اور بہتر ترقی کے امکانات کے ساتھ داخلہ لیا، جو ایک مضبوط بیرونی اور مالی پوزیشن سے حمایت یافتہ ہے۔ سال بہ سال کی بنیاد پر، LSM اپریل 2025 سے مسلسل بحالی پر ہے، جو جون میں عروج پر پہنچی، اور اس میں مزید رفتار حاصل ہونے کی امید ہے۔

حکومت کے سرمایہ کاری کی سہولت کے اقدامات کے ساتھ ساتھ نجی شعبے کی زیر قیادت ترقی، مہنگائی میں کمی، اور موافق مالیاتی پالیسی کو فروغ دینے کے لیے اصلاحات سے کاروباری اعتماد کو مزید تقویت ملنے کا امکان ہے۔ ایک سازگار عالمی ماحول، تجارتی شراکت داروں سے مضبوط مانگ، اور امریکہ کے ساتھ پاکستان کے حالیہ تجارتی معاہدے سے برآمدات کو فروغ ملنے کی توقع ہے، جبکہ کارکنوں کی ترسیلات زر ٹیرف کی منطقی پسندی سے چلنے والی درآمدات سے تجارتی خسارے کے دباؤ کو قابو میں رکھنے میں مدد کریں گی۔ تاہم، سیلاب سے متعلق نقصانات مالی دباؤ میں اضافہ کر سکتے ہیں اور متاثرہ علاقوں میں خوراک کی فراہمی میں خلل ڈال سکتے ہیں۔

اگست 2025 میں افراط زر کے 4.0 سے 5.0 فیصد کی حد میں رہنے کا امکان ہے۔ مالیاتی استحکام کو مستحکم کرنے کی کوششیں جاری رہیں، جس سے مالیاتی پوزیشن کو تقویت ملی۔ جبکہ پاکستان اسٹاک مارکیٹ میں نیاریکارڈ بہت زیادہ ہے۔ مانیٹری پالیسی کمیٹی میں پالیسی ریٹ کو 11 فیصد پر برقرار رکھا۔ یہ صورتحال مارکیٹ کی توقعات کے مطابق ہے کیونکہ حالیہ سیلاب کی وجہ سے مہنگائی میں اضافہ ہونے کا امکان ہے۔

آئی ایم ایف کے جولائی 2025 ورلڈ اکنامک آؤٹ لک کے مطابق، عالمی اقتصادی ترقی کا تخمینہ 2025 میں 3.0 فیصد اور 2026 میں 3.1 فیصد ہے۔ منفی خطرات اعلیٰ موثر ٹیرف، بلند پالیسی کی غیر یقینی صورتحال، سپلائی چین میں رکاوٹیں، سخت مالی حالات، اور جغرافیائی سیاسی کشیدگی کے درمیان اشیاء کی قیمتوں میں اتار چڑھاؤ کی صورت میں برقرار رہتے ہیں۔ اس کے برعکس، اگر تجارتی پیش گوئی بہتر ہوتی ہے، ٹیرف میں آسانی ہوتی ہے، اور ضروری ساختی اصلاحات کے ساتھ ساتھ مالیاتی بفرز کو دوبارہ بنایا جاتا ہے تو ترقی مضبوط ہو سکتی ہے۔ جولائی میں، مضبوط خدمات کی سرگرمیوں کی پشت پر عالمی نمو میں تیزی آئی، جبکہ مینوفیکچرنگ دوبارہ سکڑاؤ میں چلی گئی۔

حال ہی میں، پاکستان اور امریکہ کے درمیان تجارتی مذاکرات میں ایک معاہدہ طے پایا جس میں پاکستانی برآمدات پر ٹیرف کو 29% سے کم کر کے 19% کر دیا گیا۔ اس کے علاقائی حریفوں پر لگائے گئے زیادہ ٹیرف کو مدنظر رکھتے ہوئے، اسے پاکستان کے لیے ایک مثبت نتیجہ سمجھا جاسکتا ہے۔ امریکی مارکیٹ میں اپنی جگہ کو دوبارہ سے مضبوط کرنا پاکستان کی ٹیکسٹائل صنعت کو ایک مسابقتی فائدہ فراہم کر سکتا ہے۔

**2025-26 سیزن** کے لیے پاکستان کی کپاس کی پیداوار **4.8** ملین گانٹھیں ہونے کی توقع ہے، جو پچھلے سال کے مقابلے میں ایک نمایاں کمی ہے، جس کی وجہ حالیہ مون سون اور سیلاب کے وسیع پیمانے پر نقصانات کے ساتھ ساتھ وائرس کے حملے بھی ہیں۔

سیلاب کا پانی کم ہونے کے بعد آمد پر مکمل اثر صاف ہو جائے گا اور ممکنہ طور پر اکتوبر کے اوائل تک مزید تفصیلی رپورٹس جاری کی جائیں گی۔ **15 ستمبر 2025** تک، پاکستان کی کپاس کی پیداوار میں سال بہ سال **40** فیصد اضافہ ہوا ہے، جس میں پنجاب اور سندھ دونوں سے زیادہ آمد ہوئی ہے۔ اگر موسم سازگار رہتا ہے اور پیداوار کا ہدف پورا ہوتا ہے تو ملک کافی مقدار میں غیر ملکی زرمبادلہ کمانے کے قابل ہو جائے گا۔ اس سے کپاس کی قیمتوں کو مستحکم کرنے اور مقامی ٹیکسٹائل کے شعبے کی ترقی کی حوصلہ افزائی میں مدد ملے گی۔

مالی سال **2025-26** کے دوران کپاس کی قیمتوں پر دباؤ برقرار رہے گا۔ بین الاقوامی تیل کی قیمتیں بھی خلیجی سطح پر رہیں گی اور اس کے نتیجے میں، پولی ایسٹر کی قیمتیں بھی کم ہو جائیں گی۔ مالی سال **2025-26** میں پاکستانی ٹیکسٹائل سامان کی مانگ میں اضافہ ہوگا۔ مالی سال **2024-25** کے لیے پاکستان کی ٹیکسٹائل برآمدات تقریباً **17.88** بلین ڈالر تک پہنچ گئیں، جو پچھلے سال کے مقابلے میں **7.39%** کا اضافہ ہے۔ یہ ترقی ویلیو ایڈڈ حصوں میں مضبوط کارکردگی کی وجہ سے ہوئی حالانکہ کپاس کے کپڑے جیسی کچھ روایتی مصنوعات میں کمی کا تجربہ ہوا۔

کمپنی اس سال **29** میگا واٹ نئی سولر صلاحیت شامل کرنے کا منصوبہ رکھتی ہے، جس سے کل نصب شدہ سولر صلاحیت **51.2** میگا واٹ ہو جائے گی۔ اس توسیع کے ساتھ، کمپنی کی توانائی کی ضروریات کا **21%** سبز سٹمشی توانائی کے ذریعے پورا کیا جائے گا۔ انتظامیہ کو توقع ہے کہ **30 جون 2026** کو ختم ہونے والے سال کے دوران فروخت کی آمدنی میں اضافہ ہوگا اور کمپنی کے کاموں کو پائیدار طریقے سے چلانے کے لیے لیکویڈیٹی کی پوزیشن مزید مضبوط ہوگی۔ آگے بڑھتے ہوئے، ہم اپنے آپریشنز کو بہتر بنانے، زیادہ اختراعی، مؤثر اور منافع بخش ہونے کے لیے پرعزم ہیں تاکہ اپنے حصص یافتگان کو پائیدار منافع فراہم کر سکیں۔

## کارپوریٹ اور مالی رپورٹنگ فریم ورک

ڈائریکٹرز درج ذیل معاملات کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور لسٹڈ کمپنیوں (کارپوریٹ گورننس کوڈ) ریگولیشنز، **2019 (CCG)** ریگولیشنز کے کارپوریٹ اور مالی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں

- (1) فضل کلاتھ ملز لمیٹڈ کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں اس کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کیا گیا ہے۔



- ( 2 ) ان مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- ( 3 ) کمپنی نے حساب کتاب کی مناسب دیکھ بھال کی ہے۔
- ( 4 ) بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، ان مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے روایتیوں کو مناسب طور پر ظاہر کیا گیا ہے۔
- ( 5 ) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل جاری رہے گا جس کا مقصد کنٹرول کو مضبوط کرنا اور نظام میں بہتری لانا ہے۔
- ( 6 ) ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- ( 7 ) سی سی جی ریکولیشنز کی بہترین طریقوں سے کوئی اہم انحراف نہیں ہوا ہے۔
- ( 8 ) ٹیکسز، ڈیوٹی لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو 30 جون 2025 تک بقایا ہیں، سوائے ان مالیاتی گوشواروں کے جن کا انکشاف کیا گیا ہے۔

### اندرونی مالی کنٹرولز کی مناسبت

کمپنی نے کمپنی کے اثاثوں کی حفاظت، دھوکہ دہی کو روکنے اور پتہ لگانے اور تمام قانونی اور قانونی ضروریات کی تعمیل کو یقینی بنانے کے لیے اندرونی اور مالی کنٹرولز کا ایک مؤثر اور کارآمد نظام قائم کیا ہے۔ اندرونی کنٹرول کا ڈھانچہ بورڈ کے ذریعہ قائم کردہ اندرونی آڈٹ فنکشن کے ذریعہ باقاعدگی سے جائزہ لیا جاتا ہے اور نگرانی کی جاتی ہے۔ آڈٹ کمیٹی اپنی شرائط کے مطابق سہ ماہی بنیادوں پر اندرونی کنٹرول سسٹم کا جائزہ لیتی ہے۔

### بورڈ کی تشکیل

کمپنی کے ڈائریکٹرز کا انتخاب 30 مئی 2023 کو ہونے والی کمپنی کی غیر معمولی جنرل میٹنگ میں کیا گیا۔ بورڈ کی تشکیل ضوابط کے تقاضوں کے مطابق ہے۔

بورڈ مندرجہ ذیل نو ڈائریکٹرز پر مشتمل ہے:

(a) عورت ..... 1

(b) مرد ..... 8

کمپوزیشن:

آزاد ڈائریکٹرز ..... 3

نان ایگزیکٹو ڈائریکٹرز ..... 3

ایگزیکٹو ڈائریکٹرز ..... 3

## آڈٹ کمیٹی

آڈٹ کمیٹی (AC) آڈٹ کمیٹی بورڈ کو اپنی نگرانی کی ذمہ داریوں کو پورا کرنے میں، بنیادی طور پر شیئر ہولڈرز کو مالی اور غیر مالیاتی معلومات کا جائزہ لینے اور رپورٹ کرنے میں، اندرونی کنٹرول کے نظام، رسک مینجمنٹ اور آڈٹ کے عمل میں مدد کرتی ہے۔ اسے انتظامیہ سے معلومات طلب کرنے اور بیرونی آڈیٹرز یا مشیروں سے براہ راست مشورہ کرنے کی خود مختاری حاصل ہے جیسا کہ مناسب سمجھا جائے۔ کمیٹی نے بورڈ کی منظوری سے قبل تمام متعلقہ فریقین کے لین دین کا جائزہ لیا ہے۔ چیف فنانشل آفیسر باقاعدگی سے مالی گوشوارے پیش کرنے کے لیے دعوت پر آڈٹ کمیٹی کی میٹنگز میں شرکت کرتے ہیں۔ ہر میٹنگ کے بعد، کمیٹی کی چیئر پرسن بورڈ کو رپورٹ کرتی ہیں۔

کمیٹی نے سال 2024-2025 کے دوران چار (04) بار ملاقات کی۔ کمیٹی کے اراکین کے نام مندرجہ ذیل ہیں

i	محترمہ پروین اختر ملک	چیئر پرسن
ii	جناب شیخ نسیم احمد	ممبر
iii	جناب عامر نسیم شیخ	ممبر
iv	جناب بابر علی	ممبر

آڈٹ کمیٹی نے سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا جائزہ لیا، اس کے علاوہ انٹرنل آڈٹ پلان، میٹریل آڈٹ فائنڈنگز اور انٹرنل آڈٹ ڈیپارٹمنٹ کی سفارشات کا بھی جائزہ لیا۔ مندرجہ بالا میٹنگوں کے علاوہ، آڈٹ کمیٹی نے چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ کے بغیر بیرونی آڈیٹرز سے ملاقات کی۔ آڈٹ کمیٹی نے انٹرنل آڈٹ کے سربراہ اور اندرونی آڈٹ فنکشن کے دیگر ممبران سے بھی ملاقات کی جس میں سی ایف او اور بیرونی آڈیٹرز موجود نہیں تھے۔

## ایچ آر اور ریمونریشن کمیٹی:

ایچ آر اور معاوضے کی کمیٹی کا اجلاس سینئر ایگزیکٹوز کے معاوضے سے متعلق معاوضے، تنظیم اور ملازمین کی ترقی کی پالیسیوں کے تمام عناصر کا جائزہ لینے اور سفارش کرنے اور ایگزیکٹوز ایگزیکٹوز کے معاوضوں سے متعلق تمام معاملات کی منظوری کے لیے ہوتا ہے۔ کمپنی کے سی ای او نے سال کے دوران منعقدہ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے اجلاس میں بھی شرکت کی۔ کمیٹی نے سال 2024-2025 کے دوران ایک (01) مرتبہ ملاقات کی۔ کمیٹی کے ارکان کے نام درج ذیل ہیں۔

i	جناب بابر علی	چیئر مین
ii	جناب عامر نسیم شیخ	ممبر
iii	جناب فیصل احمد	ممبر

## اسٹریٹجک پلاننگ کمیٹی

اسٹریٹجک پلاننگ کمیٹی بورڈ آف ڈائریکٹرز کی ایک مشاورتی کمیٹی ہے جو کمپنی کی طویل مدتی اسٹریٹجک منصوبہ بندی، آپریٹنگ ماحول میں نمایاں تبدیلیوں، نئے خطرات اور مواقع کی نشاندہی کر کے اور اس پر رائے فراہم کر کے کمپنی کی اسٹریٹجک سمت کو ترتیب دینے اور اسے برقرار رکھنے میں بورڈ کی مدد کرتی ہے۔ کمیٹی کا سال 2024-2025 کے دوران (02) مرتبہ اجلاس ہوا۔ کمیٹی کے ارکان کے نام درج ذیل ہیں

- i جناب رحمان نسیم چیئرمین
- ii جناب مسعود کریم شیخ ممبر
- iii محترمہ پروین اختر ملک ممبر

## 25-2024 میں بورڈ اور اس کی کمیٹیوں کے اجلاس

سال 2024-2025 کے دوران بورڈ کے چار اجلاس، آڈٹ کمیٹی کے چار اجلاس، ایک ایچ آر اینڈ ریمونزیشن کمیٹی کا اجلاس اور اسٹریٹجک پلاننگ کمیٹی کے دو اجلاس منعقد ہوئے۔ سال کے دوران ڈائریکٹرز کے نام اور ان کی حاضری ذیل میں دی گئی ہے:

سیریل نمبر	ڈائریکٹر	حیثیت (بی او ڈی)	کمیٹی ممبران			حاضری			
			آڈٹ کمیٹی	ایچ آر اور آر سی	SPC	بورڈ میٹنگز	آڈٹ کمیٹی	ایچ آر اور آر سی	SPC
1	جناب شیخ نسیم احمد	30 مئی 2023 کو دوبارہ تقرری	✓			4 / 4	4 / 4		
2	جناب عامر نسیم شیخ	30 مئی 2023 کو دوبارہ تقرری	✓	✓		1 / 4	2 / 4	1 / 1	
3	جناب رحمان نسیم	30 مئی 2023 کو دوبارہ تقرری			✓	4 / 4			2 / 2
4	جناب فیصل احمد	30 مئی 2023 کو دوبارہ تقرری		✓		1 / 4		1 / 1	
5	جناب محمد مختار شیخ	30 مئی 2023 کو دوبارہ تقرری				4 / 4			
6	جناب بابر علی	30 مئی 2023 کو دوبارہ تقرری	✓	✓		3 / 4	2 / 4	1 / 1	
7	جناب مسعود کریم شیخ	30 مئی 2023 کو دوبارہ تقرری			✓	4 / 4	-		2 / 2
8	محترمہ پروین اختر ملک	30 مئی 2023 کو دوبارہ تقرری	✓		✓	4 / 4	4 / 4		2 / 2
9	جناب عباس مختار	29 نومبر 2023 کو مشترکہ انتخاب				1 / 4			

بورڈ کی میٹنگز میں شرکت کرنے سے قاصر ڈائریکٹرز کو غیر حاضری کی اجازت دی گئی۔

## بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

- سی سی جی ریگولیشنز کے مطابق، بورڈ اس بات کو تسلیم کرتا ہے کہ اسے مسلسل اپنی کارکردگی کی نگرانی اور اسے بہتر بنانے کی ضرورت ہے۔ ہماری کمپنی کے بورڈ کی کارکردگی کا سالانہ جائزہ مندرجہ ذیل پیرامیٹرز کے ساتھ، انفرادی اور اجتماعی طور پر کیا جاتا ہے
- 1- جنس، ہنر، مہارت اور متنوع نقطہ نظر کے امتزاج کو لانے میں تاثیر۔
  - 2- دیانتداری، ساکھ، اعتماد اور اراکین کی فعال شرکت۔
  - 3- انتظامیہ کی طرف سے مقرر کردہ سالانہ اہداف کا فالو اپ اور جائزہ۔
  - 4- کمپنی کو رہنمائی اور رہنمائی فراہم کرنے کی صلاحیت۔
  - 5- تنظیم کی کارکردگی کے ان پہلوؤں کی نشاندہی کرنے کی اہلیت جس کے لیے کارروائی کی ضرورت ہے۔
  - 6- انتظامیہ کی جانشینی کی منصوبہ بندی کا جائزہ۔
  - 7- کمپنی کے خطرے کی نمائش کا اندازہ لگانے اور سمجھنے کی صلاحیت۔
  - 8- کمپنی میں صحت کی حفاظت اور ماحولیات، روزگار اور دیگر پالیسیوں اور طریقوں کو بہتر بنانے کے سلسلے میں شراکت اور دلچسپی۔
  - 9- غیر ضروری قانونی چارہ جوئی اور شہرت کے خطرے سے کمپنی کی حفاظت کرنا۔
- سال کے دوران، بورڈ نے بحیثیت مجموعی بورڈ کے ساتھ ساتھ انفرادی ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لیا۔ دستیاب رائے کی بنیاد پر اس سال کے جائزے کا مجموعی نتیجہ اطمینان بخش پایا گیا ہے۔

## ڈائریکٹرز کا معاوضہ

- کمپنی کے پاس ڈائریکٹرز کے لیے ایک منظور شدہ 'معاوضہ پالیسی' ہے؛ جس کی اہم خصوصیات اور عنصریہ ہیں
- کمپنی اپنے غیر ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت کے لیے مینٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کرے گی۔
  - پالیسی کے مطابق، آزاد ڈائریکٹرز کو بورڈ یا اس کی کمیٹیوں کی ہر مینٹنگ میں شرکت کے لیے 75,000 روپے بعد از ٹیکس معاوضہ دیا جاتا ہے۔
  - بورڈ آف ڈائریکٹرز یا اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹر کا معاوضہ وقتاً فوقتاً بورڈ آف ڈائریکٹرز کے ذریعے طے اور منظور کیا جائے گا۔
  - ایک ڈائریکٹر کو بورڈ اور اس کی کمیٹیوں کی مینٹنگوں میں شرکت کے لیے اس کے/اس کے ذریعے کیے گئے تمام سفر، بورڈنگ، قیام اور دیگر اخراجات کے لیے فراہم یا معاوضہ دیا جائے گا۔
  - کوئی بھی ڈائریکٹر جو خدمات انجام دیتا ہے، جو بورڈ کی رائے میں، ڈائریکٹر کے قانونی فرائض کے دائرہ سے باہر ہے، اس طرح کا اضافی معاوضہ ادا کیا جاسکتا ہے۔

## ڈائریکٹرز کے معاوضے کی تفصیل

کمپنی میں چیف ایگزیکٹو سمیت تین ایگزیکٹو ڈائریکٹرز ہیں۔ سال کے دوران کمپنی کے چیف ایگزیکٹو کو ادائیگے معاوضے کی تفصیلات مندرجہ ذیل ہیں



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	2025			2024			
	ایگزیکٹو چیف	محمد مختار شیخ	عباس مختار	ایگزیکٹو چیف	محمد مختار شیخ	فہد مختار	عباس مختار
	----- ملین روپے -----						
انتظامی معاوضہ مکان کا کرایہ اور یوٹیلیٹیز میٹیکل	15.180	15.180	15.180	13.800	13.800	5.750	8.050
	5.636	0	0	5.233	0	0	0
	0.266	0	0	0.259	0	0	0
	21.082	15.180	15.180	19.292	13.800	5.750	8.050

کمپنی کے نان ایگزیکٹو ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کیا گیا ہے سوائے مینٹنگ فیس کے جو 1.47 ملین روپے (2024: 0.94 ملین روپے) دو آزاد ڈائریکٹرز کو ادا کی گئی۔ مزید تفصیلات کے لیے منسلک مالی گوشواروں کے نوٹ 43 سے رجوع کریں۔

### اہم خطرات اور غیر یقینی

کاروباروں کو متعدد خطرات اور غیر یقینی صورتحال کا سامنا ہوتا ہے، جو اگر مناسب طریقے سے حل نہ کیے جائیں تو کمپنی کو سنگین نقصان پہنچا سکتے ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز نے ان اندرونی اور بیرونی خطرات کا محتاط اور مکمل جائزہ لیا ہے جن کا کمپنی کو سامنا ہو سکتا ہے۔

• جغرافیائی سیاسی کشیدگی (امریکہ/چین، روس/یوکرین کے درمیان جنگ)، محصولات کا نفاذ اور عالمی کساد بازاری کے حالات کی وجہ سے عالمی طلب میں کمی کی وجہ سے برآمدی فروخت میں کمی۔

• عالمی اور علاقائی سطحوں پر مسابقت میں اضافہ تاکہ لاگت سے موثر ہو۔

• کرنسی میں اتار چڑھاؤ روپے کی قدر میں کمی کا باعث بنتا ہے، جس کے نتیجے میں درآمد شدہ خام مال، اسٹورز اور اسپیرز اور پلانٹ اور مشینری کی قیمت میں اضافہ ہوتا ہے۔

• کپاس کی گرتی ہوئی پیداوار اور خام مال کی بڑھتی ہوئی قیمتیں، بشمول سوت اور فیبرک، اس شعبے کی مسابقتی برتری کو متاثر کرتی ہیں۔

• کاٹن/انسانی ساختہ ریشوں کی درآمد پر کسٹم ڈیوٹی/ریگولیٹری ڈیوٹیز کا نفاذ جس سے خام مال زیادہ مہنگا ہوتا ہے۔

• ایندھن/گیس کی بڑھتی ہوئی قیمتوں اور دیگر افراط زر کے اثرات کی وجہ سے تبادلوں کا رجحان، بجلی کی قیمت میں اضافہ ہو رہا ہے۔

• عالمی مانگ تیزی سے مصنوعی ریشوں کی طرف بڑھ رہی ہے، لیکن پاکستان کپاس پر مبنی مصنوعات پر بہت زیادہ انحصار کر رہا ہے، جس سے مارکیٹ شیئر میں کمی کا خطرہ ہے۔

• غیر یقینی ٹیکس کے اقدامات بشمول سپر ٹیکس کا نفاذ۔ سیلز ٹیکس اور انکم ٹیکس ریفرنڈم کی کارروائی میں مزید تاخیر، لیکویڈیٹی کی کمی میں اضافہ۔

• موسمیاتی تبدیلی، ناقابل اعتبار موسم، اور کم پیداوار کپاس کی سپلائی کو کمزور اور ترقی میں رکاوٹ بناتی ہے۔ بے ترتیب موسمی حالات کے نتیجے میں کپاس پر

بھاری انحصار کی وجہ سے قلت پیدا ہو سکتی ہے اور مہنگی روئی کی درآمد کی ضرورت پڑ سکتی ہے۔

• پچھلے سالوں میں بلند افراط زر نے عام آدمی کی قوت خرید کو متاثر کیا جس سے کمپنی کی مصنوعات کی مانگ میں کمی واقع ہوئی۔

## بعد کے واقعات

30 جون، 2025 سے اس رپورٹ کی تاریخ تک کمپنی کی مالی پوزیشن کو متاثر کرنے والے کوئی اہم تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

## مواصلات:

کمپنی شیئر ہولڈرز کے ساتھ بات چیت کو بہت اہمیت دیتی ہے۔ کمپنیز ایکٹ 2017 میں بیان کردہ وقت کے اندر سالانہ، ششماہی اور سہ ماہی رپورٹیں الیکٹرانک ذرائع سے ان تک پہنچائی جاتی ہیں۔ کمپنی کی سرگرمیوں کو اس کی ویب سائٹ [www.fazalcloth.com](http://www.fazalcloth.com) پر بروقت اپ ڈیٹ کیا جاتا ہے۔

## صحت، حفاظت اور ماحول

ہم صحت، حفاظت اور ماحولیات میں اعلیٰ ترین معیارات کو برقرار رکھنے پر پختہ یقین رکھتے ہیں تاکہ ہمارے ساتھ کام کرنے والے لوگوں کے ساتھ ساتھ ان کمیونٹی کی فلاح و بہبود کو یقینی بنایا جائے جہاں ہم کام کرتے ہیں۔ کمپنی اپنے کاروبار کو ماحولیاتی طور پر درست اور پائیدار طریقے سے چلانے اور ماحول کے تحفظ کو فروغ دینے کے لیے پرعزم ہے۔ کمپنی قدرتی وسائل کے بے جا استعمال کو روکے گی اور قابل اطلاق قوانین کے مطابق اپنی کسی بھی مصنوعات کی تیاری، پیداوار، استعمال اور تلفی کے کسی بھی خطرناک اثر کو کم کرے گی۔ ساتھیوں کو تمام قابل اطلاق ماحولیاتی قوانین اور قواعد و ضوابط پر سختی سے عمل کرنا چاہیے جو کمپنی کے آپریشنز کو متاثر کرتے ہیں، ماحول کے تحفظ اور پائیداری کو فروغ دیتے ہیں۔

## کارپوریٹ سماجی ذمہ داری

کمپنی مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیاتی اور اخلاقی معاملات پر غور کرتی ہے۔ کمپنی تمام اسٹیک ہولڈرز، خاص طور پر اس کمیونٹی کے مفادات پر غور کرنے اور انہیں متوازن کرنے کی شعوری کوشش کرنے کے لیے پرعزم ہے جس میں ہم رہتے ہیں اور جو ہمارے کسٹمر ہیں کو تشکیل دیتے ہیں۔

اسپینگ اور ویونگ سیکٹر میں ایک سرکردہ ٹیکسٹائل کمپنی کے طور پر، کمپنی کارپوریٹ سماجی ذمہ داری کو یقینی بنانے، پائیدار اور اخلاقی طریقوں کو ہمارے بنیادی کاموں میں ضم کرنے کے لیے پرعزم ہے۔ کمپنی کے بنیادی اہداف کارپوریٹ طریقوں، ماحولیات اور ان کمیونٹی کو بہتر بنانا ہیں جن کی یہ خدمت کرتی ہے۔ انتظامیہ مجموعی طور پر کارپوریٹ سماجی ذمہ داری کی سرگرمیوں کا جائزہ لیتی ہے، اس بات کو یقینی بناتے ہوئے کہ وہ کمپنی کے پائیداری اور شمولیت کے طویل مدتی اہداف کی حمایت کرتے ہیں

مالی سال 24-25 کے دوران، کمپنی نے کئی سرگرمیاں کیں، جن میں سے کچھ کا انکشاف ذیل میں کیا جاتا ہے:

- کمپنی نے پودوں کے پانچ کلومیٹر طویل قومی شاہراہ کے ساتھ گرین بیلٹ کی ترقی میں فعال طور پر تعاون کیا۔ یہ ماحولیاتی اقدام پائیداری اور کمیونٹی کو واپس دینے کے لیے ہمارے عزم کی عکاسی کرتا ہے۔

- کمپنی ملتان کے مختلف مقامات پر وائرڈ ٹینٹ پلانٹس چلاتی ہے، جو مقامی آبادی کو پینے کا صاف اور محفوظ پانی فراہم کرنے میں اہم کردار ادا کرتی ہے۔
- سڑک کی حفاظت سے متعلق آگاہی کو فروغ دینے کے لیے، کمپنی نے سٹی ٹریفک پولیس ملتان کے ساتھ شراکت میں ایک تعلیمی سیمینار کا انعقاد کیا۔ اس اقدام کا مقصد حفاظت اور ذمہ دارانہ سڑک کے استعمال کی ثقافت کو فروغ دینا ہے۔
- چھاتی کے کینسر سے متعلق آگاہی کے پیش نظر، کمپنی نے خواتین ملازمین اور ان کے خاندانوں کے لیے ایک بصیرت انگیز بریسٹ کینسر آگاہی سیشن اور ان ہاؤس ہیلتھ چیک اپ کا اہتمام کیا۔ یہ سیشن تعلیمی اور انٹرایکٹو تھا، جس میں اہم موضوعات پر مبنی تھا جس میں جلد پتہ لگانے، خود جانچ، معاون اقدامات، اور چھاتی کے کینسر کی تحقیق میں تازہ ترین پیش رفت شامل ہیں۔
- بین الاقوامی یوم خواتین 2024 کے موقع پر شمولیت اور تنوع کے ایجنڈے کی حمایت کرنے کے لیے، کمپنی خواتین کے بااختیار بنانے کے حیرت انگیز سفر کی نمائش اور تمام سماجی حیثیتوں اور پیشوں سے تعلق رکھنے والی خواتین کی کامیابیوں کا جشن منانے کے لیے وقف ایک پلیٹ فارم فراہم کر رہی ہے۔
- معیاری تعلیم کے لیے ہماری وابستگی کے حصے کے طور پر، کمپنی ملتان میں علی گڑھ ماڈل ہائی اسکول کی مدد کے لیے پروگریسو ایجوکیشن نیٹ ورک کے ساتھ اپنا تعاون جاری رکھے ہوئے ہے۔ ڈسٹرکٹ گورنمنٹ ملتان کے اشتراک سے شروع کیے گئے اس اقدام کا مقصد ایک بھرپور تعلیمی میراث کے حامل ادارے کی تبدیلی ہے۔
- عام لوگوں کی فلاح و بہبود کے لیے، کمپنی نے ریسکیو 1122 کے ساتھ ان سپلائرز کے لیے تعاون کیا جو زندگی بچانے کے لیے ضروری ہیں بشمول ادویات، آکسیجن سلنڈر وغیرہ۔

## پائیداری سے متعلق خطرات

ماحولیاتی، سماجی اور گورننس (ESG) تحفظات پائیداری سے وابستہ خطرات کا حصہ ہیں۔ کمپنی سبز اقدامات، قابل تجدید توانائی کی پالیسیوں اور بہترین آپرینگ طریقوں پر عمل درآمد کے ذریعے ایک پائیدار مستقبل میں حصہ ڈالنے کی امید رکھتی ہے۔ انتظامیہ نے مخصوص اور قابل پیمائش (ESG) اہداف مقرر کیے ہیں جو زیادہ پائیدار لچک اور مثبت سماجی اثرات کو حاصل کرنے کے لیے کمپنی کے اسٹریٹجک مقصد کے مطابق ہیں۔ کمپنی نے اختراعی، ماحول دوست ٹیکنالوجیوں میں بڑی رقم کی سرمایہ کاری کی ہے جو اخلاقی پیداوار اور کھپتی کی اقدار کو برقرار رکھتی ہے۔ اس طرح کی پائیدار سرگرمیاں مختصر مدت کے منافع یا مارجن پر دباؤ ڈال سکتی ہیں لیکن کمپنی کا خیال ہے کہ طویل مدت میں، یہ کسٹمر کے حصول کو برقرار رکھنے اور مسابقتی برتری کے ذریعے کاروباری قدر میں اضافہ کرے گی۔ کمپنی موجودہ اور مستقبل کے خطرات کا ایک جامع تجزیہ کرتی ہے، تشویش کے مخصوص شعبوں کی نشاندہی کرتی ہے۔

ماحولیاتی، سماجی، اور گورننس (ESG) عوامل پائیداری سے متعلق خطرے اور مواقع سے متعلق خطرات کی شناخت کرنے میں مدد کرتے ہیں، جو سرمایہ کاروں، ریگولیٹرز اور صارفین کے لیے تیزی سے اہم ہوتے جا رہے ہیں۔ اس نقطہ نظر کے تناظر میں، کمپنی بنیادی طور پر درج ذیل پائیداری کے خطرات سے دوچار ہے۔

## ماحولیاتی خطرات

کاربن اخراج، آلودگی، پانی کا استعمال، فضلہ کا انتظام اور کیمیکل کا استعمال۔

## سماجی خطرات

مزدوروں کے طریق کار، انسانی حقوق، صحت، اور حفاظت۔

## گورننس کے خطرات

ریگولیٹری تعمیل، سپلائی چین کی شفافیت۔

مذکورہ بالا تحفظات کمپنی کے لیے خطرہ ہیں۔ عدم تعمیل کے نتیجے میں مختصر مدت میں جرمانے لگ سکتے ہیں، لیکن طویل مدتی میں، یہ اہم جرمانے، قانونی فیس اور ساکھ بشمول کلائنٹس اور کاروبار کو نقصان پہنچا سکتا ہے۔ پائیداری کی پالیسیوں کی ناکافی شفافیت اور نگرانی بالآخر سرمایہ کاروں کے اعتماد کو کم کر سکتی ہے اور فنڈنگ تک رسائی کو محدود کر سکتی ہے۔ لہذا پائیدار طریقوں کو اپنا کر اور توانائی کی کارکردگی میں اضافہ کر کے مذکورہ بالا خطرات سے فائدہ اٹھانا لاگت کی بچت اور کمپنی کی ساکھ کو بڑھا سکتا ہے۔ طویل مدتی مواقع ESG اصولوں پر مسلسل عمل کرتے ہوئے مسابقتی برتری کو برقرار رکھنے کے امکان کی طرف توجہ مبذول کراتے ہیں۔ یہ سرمایہ کاروں کے اعتماد کو بڑھا سکتا ہے، مالی اتار چڑھاؤ کو کم کر سکتا ہے اور طویل مدتی منافع کی ضمانت دے سکتا ہے۔

پائیداری سے متعلق فرائض کو مؤثر طریقے سے ادا کرنے کے لیے، بورڈ پائیداری سے متعلق خطرات کے لیے موجودہ بورڈ کمیٹی کو اضافی ذمہ داریاں تفویض کرے گا، جس کا جائزہ لیا جا رہا ہے اور اسے بورڈ کو منظوری کے لیے پیش کیا جائے گا۔ بورڈ کمیٹی وقفہ وقتاً پائیداری سے متعلق خطرات، مواقع اور اقدامات کی نگرانی اور جائزہ لے گی اور کارپوریٹ ویلیو کو بڑھانے کے لیے تنظیم کی حکمت عملی اور کارروائیوں میں پائیداری کے اصولوں کو شامل کرنے کے بارے میں سالانہ ایک رپورٹ بورڈ کو پیش کرے گی۔

## تنوع، مساوات اور شمولیت (DE&I)

کمپنی اپنی متنوع افرادی قوت اور کمیونٹی کی وجہ سے تنوع، مساوات اور شمولیت کی وکالت کرتی ہے۔ کمپنی تنوع، مساوات اور شمولیت کو اعلیٰ ترجیح دیتی ہے کیونکہ یہ اس کی اخلاقی اور پائیدار کاروباری کارروائیوں کے لیے ضروری ہے۔ ہم ایک متنوع، مساوی، اور جامع کام کی جگہ کو فروغ دینے کے لیے پرعزم ہیں جہاں ہر فرد کی قدر، عزت، اور ترقی کے لیے اختیار ہو۔ ایک جامع حکمت عملی جس کا مقصد صنفی اور نسلی تنوع کو بڑھانا اور تمام سطحوں پر قابل مقدار اور شفاف اہداف کے ساتھ شامل کرنا ہے، اب ترقی کے مراحل میں ہے۔ متنوع ثقافتی اور عقیدے پر مبنی مواقع، کرسمس، عید الفطر، عید الاضحیٰ، یوم خواتین، مدرز ڈے، اور فادرز ڈے مناکر، کمپنی نے تعلق اور احترام کے کلچر کو فروغ دیا ہے۔

تنوع، مساوات اور شمولیت کو فروغ دینا کمپنی کے لیے ایک اہم ترجیح ہے اور یہ اس کے پائیدار اور اخلاقی کاروباری طریقوں کے لیے لازمی ہے۔ واضح اور قابل پیمائش اہداف کے ساتھ ایک جامع تنوع، مساوات اور شمولیت کی حکمت عملی، جس میں صنفی اور نسلی تنوع میں اضافہ اور ہر سطح پر شمولیت کو ہدف بنایا جا رہا ہے۔ کمپنی بھرتی کے جامع طریقوں کو نافذ کرتی ہے، جیسے کہ متنوع جاب بورڈز، بلاسٹڈ ہائرنگ کے عمل، اور متنوع انٹرویو پیچیدہ کا استعمال۔ متعدد تنوع، مساوات، اور شمولیت کے تربیتی سیشن تمام ملازمین کے لیے فراہم کیے جاتے ہیں، جن میں لاشعوری تعصب، ثقافتی قابلیت، اور جامع قیادت جیسے موضوعات کا احاطہ کیا جاتا ہے۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کمپنی کی تنوع، ایکویٹی اور شمولیت کی حکمت عملیوں اور اہداف کا جائزہ لینے اور ان کی نگرانی کے لیے بھی ذمہ دار ہے۔



کمپنی صنفی تنوع کو ایک سٹرٹیجک ترجیح کے طور پر دیکھتی ہے جو فیصلہ سازی اور مسائل کے حل کو بہتر بناتی ہے اور پائیدار مسابقتی فائدہ میں حصہ ڈالتی ہے۔ DE&I سے ہماری وابستگی ہمارے ہنر کے حصول اور مشغولیت کی حکمت عملیوں میں مرکزی حیثیت رکھتی ہے۔ کمپنی نے تعلق اور احترام کے کلچر کو فروغ دیا۔ یہ لگن اس کی ٹیلنٹ کی نقل و حرکت میں بھی جھلکتی تھی، جس نے ہر سطح پر متنوع نمائندگی کو یقینی بنایا۔ کیریئر میلوں میں شرکت اور معروف تنظیموں کے ساتھ تعاون نے ایک جامع کام کی جگہ بنانے کے لیے کمپنی کے عزم کو مزید واضح کیا جہاں ہر فرد کی قدر کی جائے۔ سال کے دوران، صنفی نمائندگی کل افرادی قوت کا 1% سے کم تھی۔ ہمارا ہدف بورڈ میں خواتین کی نمائندگی کو 25% تک بڑھانا ہے اور 2026 تک افرادی قوت میں خواتین کی نمائندگی کو 2% تک بڑھانے کی کوشش کریں گے۔

کمپنی اس بات کو یقینی بنانے کے لیے پرعزم ہے کہ تمام ملازمین قابل قدر، قابل احترام، اور بااختیار محسوس کریں اور اس سلسلے میں اس نے اپنے DE&I ایجنڈے کو منظم کرنے کے لیے ایک جامع فریم ورک قائم کیا ہے۔ کمپنی کے پاس تنظیم کے اندر متعدد پالیسیاں شامل ہیں جن میں زچگی کی چھٹی اور صنفی تنوع کی پالیسی شامل ہے، تاکہ کام کی جگہ کے ایک جامع ماحول کو فروغ دیا جاسکے۔

ہماری کمپنی کام کی جگہ کو صنفی امتیاز سے پاک رکھنے کے لیے پرعزم ہے اور جنس کی بنیاد پر تنخواہ میں کوئی تفاوت نہیں ہے۔ ملازم کی تنخواہ کا تعین متعدد عوامل پر غور کرتے ہوئے کیا جاتا ہے، بشمول ملازمین کی کارکردگی، مارکیٹ کے حالات، مدت ملازمت، تعلیم، پیشہ ورانہ تجربہ اور جغرافیائی محل وقوع۔ کمپنی اس بات کو یقینی بناتی ہے کہ کوئی صنفی امتیاز نہیں ہے اور معاوضے کا تعین معروضی، میرٹ پر مبنی معیار سے ہوتا ہے اور صنف کی بنیاد پر کوئی امتیاز نہیں برتا جاتا ہے۔ افرادی قوت 0.25% خواتین پر مشتمل ہے، جس میں ایگزیکٹو مینجمنٹ ٹیم کی سطح پر 1.83% نمائندگی ہے اور کمپنی اپنے ٹیلنٹ کو وسیع اور بڑھانے کے لیے ان تعداد میں اضافے کے لیے پرعزم ہے۔ کمپنی تمام متعلقہ قوانین اور ضوابط کی پابندی کرتی ہے، اہم روزگار ٹچ پوائنٹس پر منظم تشخیص کے ذریعے تعمیل کو یقینی بناتی ہے، بشمول:

- بھرتی کرنا: عملے کے نئے ارکان کی بھرتی میں صنفی برابری کی ضمانت دینے کے لیے سخت، غیر امتیازی تشخیصی معیار کا نفاذ۔
- تنخواہ کے جائزے: تنخواہ کے جائزے منصفانہ معیار کے مطابق سختی سے کیے جاتے ہیں، اس بات کی ضمانت دیتے ہیں کہ کوئی بھی ایڈجسٹمنٹ صنفی تعصب سے پاک ہے۔

- کیریئر کی ترقی: کردار کی تبدیلیوں اور ترقیوں کا جائزہ لیتے ہوئے، شفاف اور منصفانہ معیار کا استعمال کرتے ہوئے تمام ملازمین کو ترقی کے مساوی موقع فراہم کرتے ہیں۔ کمپنی اپنے تمام ملازمین کو یکساں مواقع فراہم کرنے کے اپنے عزم میں ڈٹ رہی ہے اور اپنے تنخواہ کے طریقوں میں کھلے پن کے لیے پرعزم ہے۔

### صنفی تنخواہ کا فرق

براہ کرم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سرکلر نمبر 10 برائے 2024 کے تحت صنفی تنخواہ کے فرق کے بیان کے لیے سالانہ رپورٹ دیکھیں۔

### اہم آپریٹنگ اور مالی ڈیٹا (چھ سال کا خلاصہ)

گزشتہ چھ سالوں کا اہم آپریٹنگ اور مالی ڈیٹا منسلک ہے۔

## آڈیٹرز کی تقرری

موجودہ ایکسٹرل آڈیٹرز، شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 30 جون، 2025 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کیا ہے، اور صاف آڈٹ رپورٹ جاری کی ہے۔ آڈیٹرز کمپنی کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہوتے ہوئے، انہوں نے دوبارہ تقرری کے لیے خود کو پیش کر دیا ہے۔ جیسا کہ آڈٹ کمیٹی کی تجویز ہے، بورڈ سالانہ جنرل میٹنگ میں کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کرتا ہے۔

## حصص کی ملکیت کا طریقہ کار

30 جون، 2025 تک کمپنی کی حصص کی ملکیت کا طریقہ کار اس رپورٹ کے ساتھ منسلک ہے۔

## متعلقہ فریقین کے لین دین

متعلقہ فریقوں کے ساتھ کیے گئے لین دین کو ان کے جائزے اور غور کے لیے بورڈ کے سامنے پیش کیا گیا جیسا کہ قابل اطلاق قوانین کی دفعات کے مطابق سہ ماہی بنیادوں پر آڈٹ کمیٹی نے تجویز کیا تھا۔ ان تمام متعلقہ فریقوں کے لین دین کو آرم کی لینتھ پرائس اور کاروبار کے عام کورس میں منصفانہ اور شفاف طریقے سے انجام دیا گیا تھا۔ مالی بیانات کی تفصیلات نوٹ 45 میں فراہم کی گئی ہیں۔

## کمپنی کے حصص میں لین دین / تجارت

مالی سال 2025 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں (اگر کوئی ہیں) کی طرف سے کمپنی کے حصص میں کی گئی تمام تجارتیں سالانہ رپورٹ کے ساتھ منسلک حصص کی ملکیت کے طریقہ کار میں ظاہر کی گئی ہیں۔ ایگزیکٹوز میں چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، ہیڈ آف انٹرل آڈٹ اور کمپنی سیکرٹری اور کچھ دیگر ملازمین شامل ہیں جو بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ حد کے مطابق سالانہ 8,000 ملین روپے یا اس سے زیادہ تنخواہ حاصل کرتے ہیں۔

## شکریہ اور تعریف

ہم بہترین ممکنہ نتائج حاصل کرنے میں کمپنی کے ساتھ محنت، تعاون اور خلوص کے لیے ایگزیکٹوز، افسران اور دیگر عملے کے اراکین اور کارکنوں کی کاوشوں کو ریکارڈ پر خراج تحسین پیش کرنا چاہتے ہیں۔ بورڈ تمام بینکوں، صارفین اور سپلائرز کے لیے جوش اور لگن کے ساتھ کمپنی کی مسلسل حمایت کے لیے تعریفیں ریکارڈ پر رکھنا چاہتا ہے۔ انتظامیہ کو پورا یقین ہے کہ یہ تعلقات اور تعاون آنے والے سالوں میں بھی جاری رہے گا۔

منجانب بورڈ آف ڈائریکٹرز

(شیخ نسیم احمد)

ڈائریکٹر

ملتان: 29 ستمبر 2025

منجانب بورڈ آف ڈائریکٹرز

(رحمن نسیم)

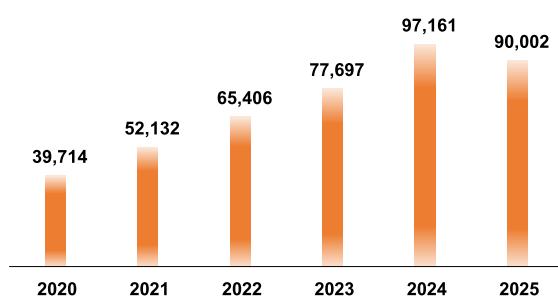
چیف ایگزیکٹو آفیسر



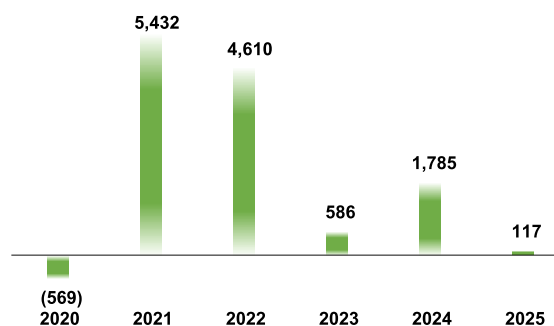
## Key Financial Performance Indicators

	2025	2024	2023	2022	2021	2020
Rupees In Millions						
Sales	90,002	97,161	77,697	65,406	52,132	39,714
Gross Profit	7,697	11,017	10,086	11,168	8,005	4,561
EBIT	6,882	11,163	6,669	8,821	7,357	3,003
EBITDA	9,175	13,386	8,422	10,485	8,793	4,242
Profit Before Tax	1,606	2,826	1,595	5,899	5,563	58
Profit After Tax	117	1,785	586	4,610	5,432	(569)
Net Assets	46,935	44,321	44,647	40,529	34,697	20,680

SALES - RUPEES IN MILLIONS

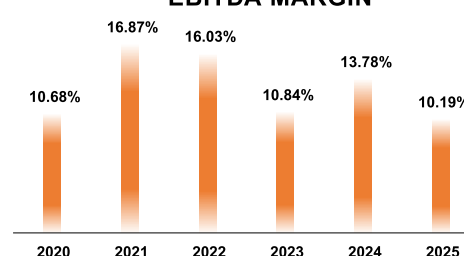
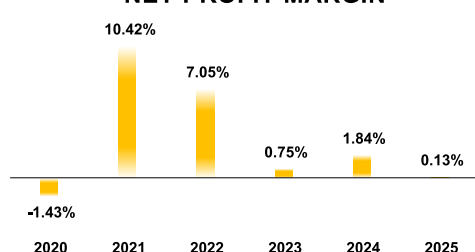
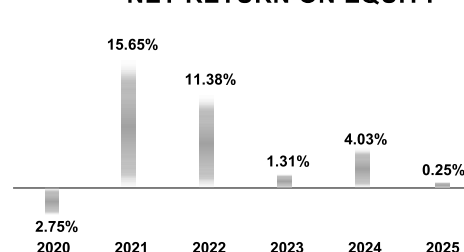


PROFIT AFTER TAX - RUPEES IN MILLIONS

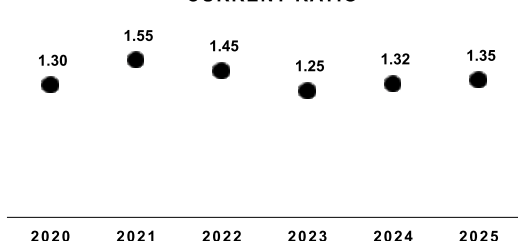
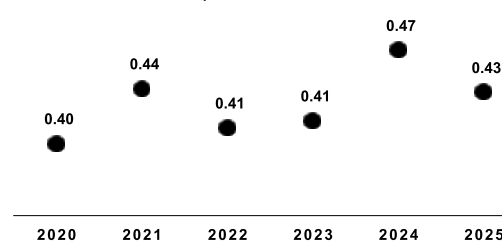


Profitability

	2025	2024	2023	2022	2021	2020
Gross Profit Margin	8.55%	11.34%	12.98%	17.07%	15.36%	11.49%
EBITDA Margin	10.19%	13.78%	10.84%	16.03%	16.87%	10.68%
EBIT to Sales	7.65%	11.49%	8.58%	13.49%	14.11%	7.56%
Pre Tax Profit	1.78%	2.91%	2.05%	9.02%	10.67%	0.15%
Net Profit Margin	0.13%	1.84%	0.75%	7.05%	10.42%	-1.43%
Net Return on Equity	0.25%	4.03%	1.31%	11.38%	15.65%	-2.75%
Net Return on Asset	0.10%	1.79%	0.54%	5.27%	8.09%	-1.03%
Return on Capital Employed	9.03%	16.08%	9.72%	14.48%	14.04%	7.81%

**GROSS PROFIT MARGIN****EBITDA MARGIN****NET PROFIT MARGIN****NET RETURN ON EQUITY**Liquidity

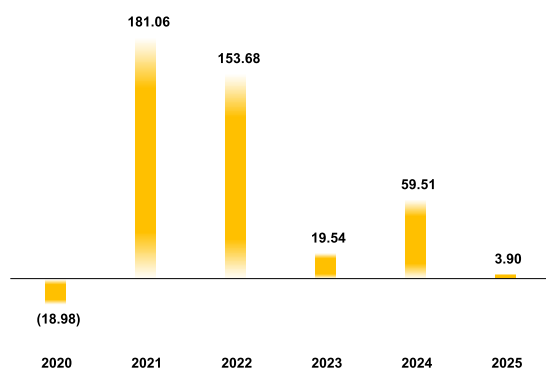
	2025	2024	2023	2022	2021	2020
Current Ratio	1.35	1.32	1.25	1.45	1.55	1.30
Quick Ratio	0.43	0.47	0.41	0.41	0.44	0.40

**CURRENT RATIO****QUICK RATIO**

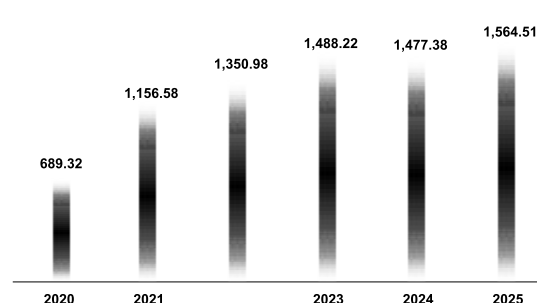
Investment

		2025	2024	2023	2022	2021	2020
Earning Per Share	Rupees	<b>3.90</b>	59.51	19.54	153.68	181.06	(18.98)
Price Earning Ratio	Times	<b>53.53</b>	2.13	8.50	1.57	1.62	(7.36)
Dividend Yield Ratio	%	-	-	-	4.15	10.20	-
Dividend Payout Ratio	%	-	-	-	6.51	16.57	-
Dividend Cover Ratio	Times	-	-	-	15.37	6.04	-
Dividend Per Share	Rupees	-	-	-	10.00	30.00	-
Break-Up Value	Rupees	<b>1,564.51</b>	1,477.38	1,488.22	1,350.98	1,156.58	689.32
Proposed Dividend/Interim Dividend	Rupees In Millions	-	-	-	300.00	900.00	-
Market Value Per Share at Year End	Rupees	<b>209.02</b>	127.00	166.00	241.00	294.00	139.75

EARNINGS PER SHARE - RUPEES



BREAK-UP VALUE PER SHARE - RUPEES

Activity /Turnover Ratios

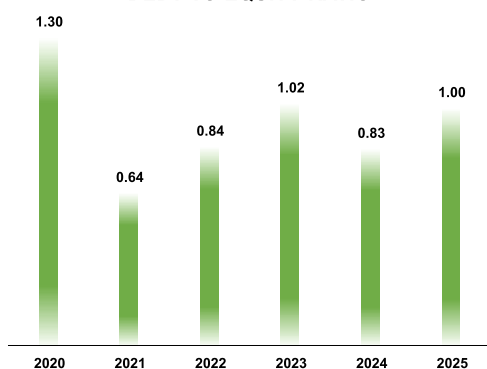
		2025	2024	2023	2022	2021	2020
Inventory Turnover Ratio	Times	<b>2.87</b>	3.13	2.33	2.57	2.94	2.55
No. of Days in Inventory	Days	<b>127.26</b>	116.62	156.91	142.27	123.97	142.96
Debtors Turnover Ratio	Times	<b>7.39</b>	8.29	8.34	10.90	10.55	7.04
No. of Days in Receivables	Days	<b>49.37</b>	44.04	43.78	33.50	34.60	51.83
Creditors Turnover Ratio	Times	<b>9.50</b>	8.22	7.52	8.93	8.69	7.68
No. of Days in Creditors	Days	<b>38.42</b>	44.41	48.54	40.88	42.02	47.56
Operating Cycle	Days	<b>138.20</b>	116.26	152.15	134.89	116.55	147.23
Total Assets Turnover Ratio	Times	<b>0.78</b>	0.97	0.72	0.75	0.78	0.72
Fixed Assets Turnover Ratio	Times	<b>1.44</b>	1.62	1.32	1.33	1.17	1.19



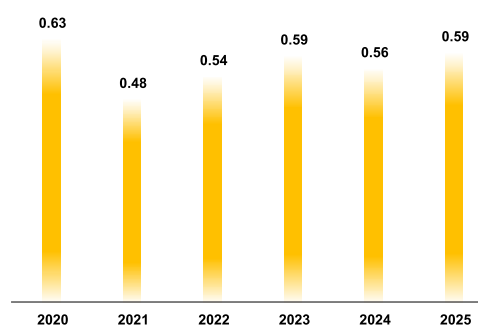
Capital Structure

		2025	2024	2023	2022	2021	2020
Debt to Equity Ratio	Times	1.00	0.83	1.02	0.84	0.64	1.30
Long Term Liabilities to Equity	Times	0.62	0.57	0.54	0.50	0.51	0.86
Interest Cover Ratio	Times	1.30	1.34	1.31	3.02	4.10	1.02
Debt Service Coverage	Times	1.00	1.16	1.03	1.56	2.82	0.91
Total Liabilities to Total Assets	Ratio	0.59	0.56	0.59	0.54	0.48	0.63
Gearing Ratio	%	62%	53%	66%	56%	43%	70%

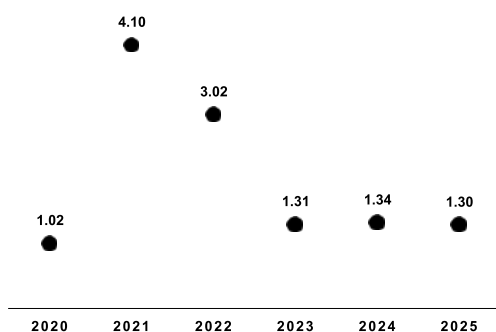
DEBT TO EQUITY RATIO



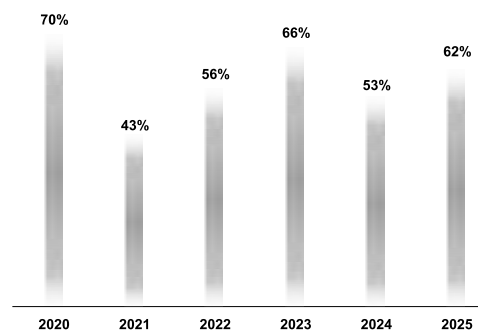
TOTAL LIABILITIES TO TOTAL ASSETS



INTEREST COVER RATIO

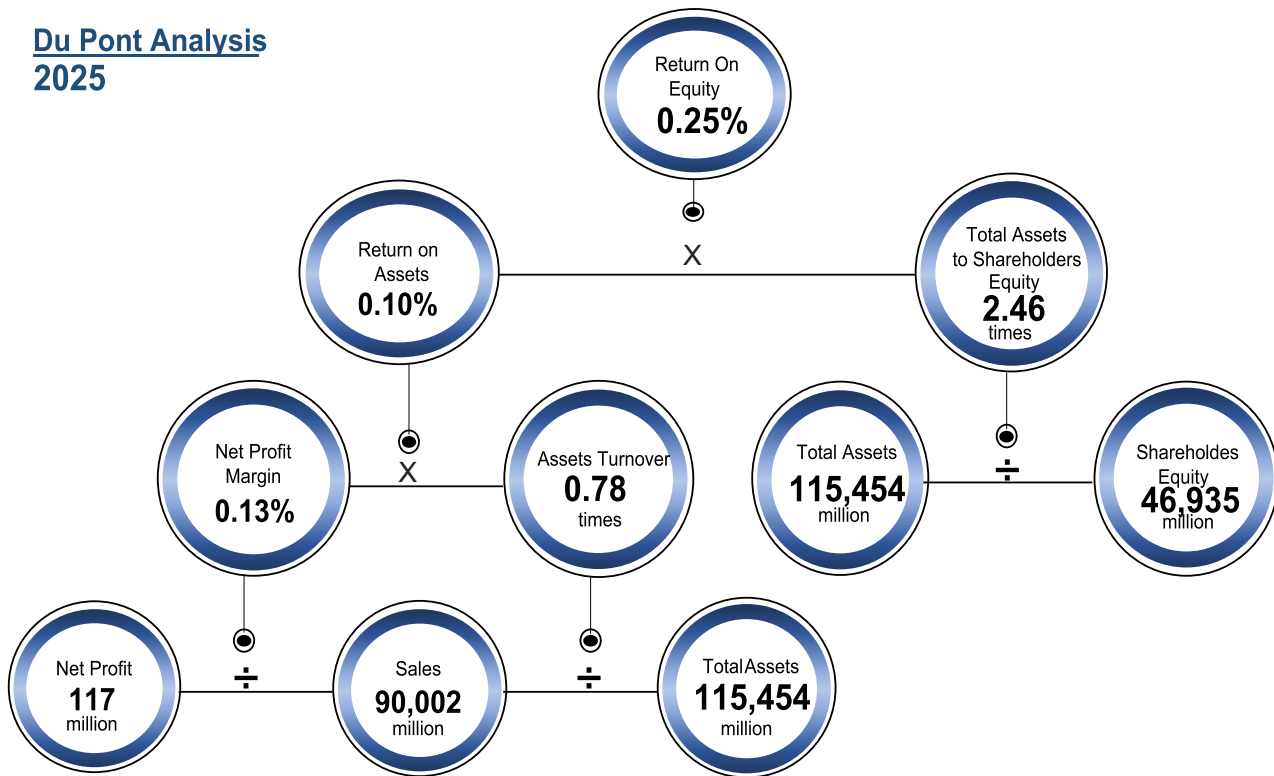


Gearing Ratio

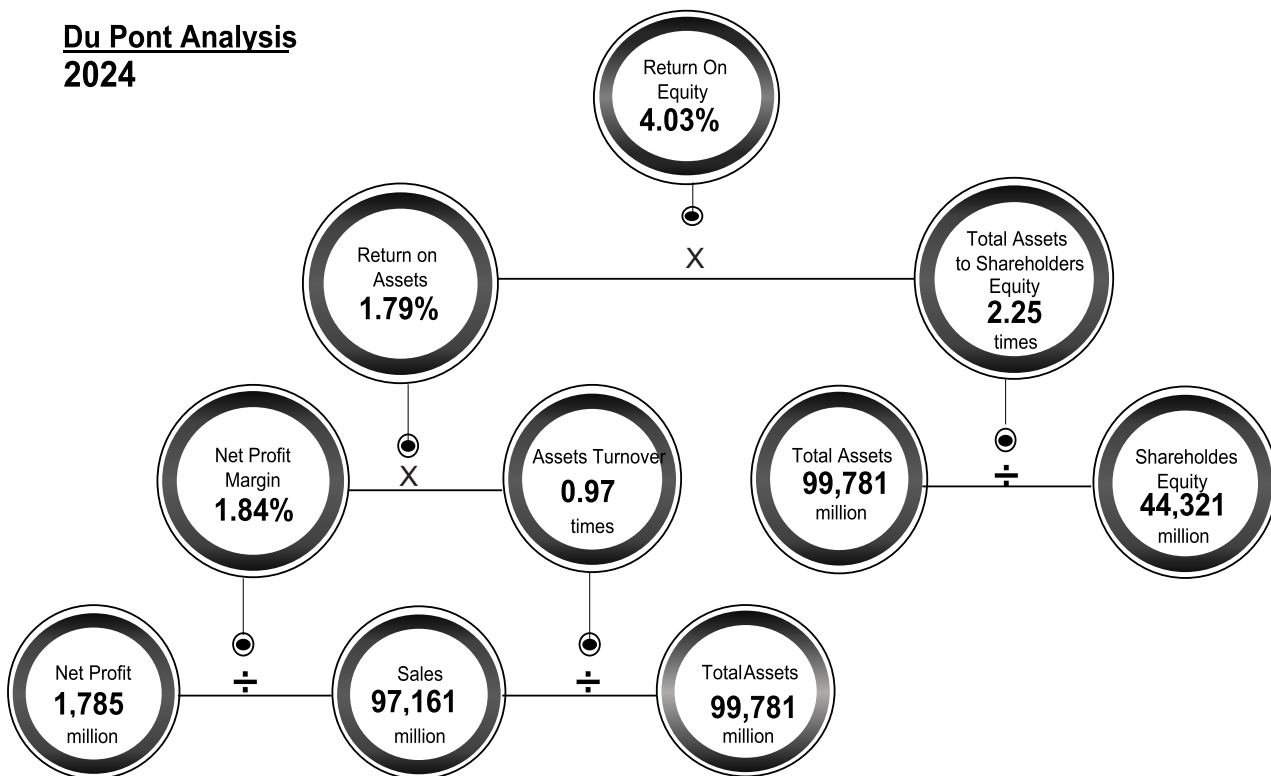




### Du Pont Analysis 2025



### Du Pont Analysis 2024



Horizontal Analysis

For The Last Six Financial Years

**Statement of Financial Position**

	2025		2024		2023		2022		2021		2020	
		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions
Property, Plant and Equipment	0	52,167	(1)	52,090	27	52,833	8	41,518	36	38,416	10	28,197
Long Term Investments and Advances	34	10,248	27	7,639	(20)	5,999	26	7,485	15	5,929	14	5,151
Long Term Deposits	(77)	26	333	111	-	26	6	26	-	24	0	24
<b>Total Non Current Assets</b>	<b>4</b>	<b>62,441</b>	<b>2</b>	<b>59,840</b>	<b>20</b>	<b>58,857</b>	<b>11</b>	<b>49,029</b>	<b>33</b>	<b>44,370</b>	<b>10</b>	<b>33,371</b>
Stores, Spares and Loose Tools	13	2,311	43	2,047	77	1,430	(5)	807	22	850	29	699
Stock in Trade	42	33,662	(24)	23,730	17	31,318	73	26,813	7	15,470	40	14,504
Loans and Advances	49	324	(1)	217	(45)	218	77	400	10	226	24	205
Short Term Investments	93	608	73	316	(21)	182	31	231	8	176	(18)	164
Trade Debts	2	12,267	6	12,079	56	11,369	53	7,268	(8)	4,738	(2)	5,146
Other Current Assets	147	3,841	(65)	1,552	50	4,399	127	2,940	17	1,294	(42)	1,107
<b>Total Current Assets</b>	<b>33</b>	<b>53,013</b>	<b>(18)</b>	<b>39,942</b>	<b>27</b>	<b>48,917</b>	<b>69</b>	<b>38,461</b>	<b>4</b>	<b>22,754</b>	<b>18</b>	<b>21,824</b>
Non-Current Assets Held for Sale	-	-	-	-	-	-	-	54	-	-	-	-
<b>Total Assets</b>	<b>16</b>	<b>115,454</b>	<b>(7)</b>	<b>99,781</b>	<b>23</b>	<b>107,774</b>	<b>30</b>	<b>87,543</b>	<b>22</b>	<b>67,124</b>	<b>13</b>	<b>55,196</b>
No. of Ordinary Shares	30		30		30		30		30		30	
Shareholder's Equity	6	46,935	(1)	44,321	10	44,647	17	40,529	68	34,697	(0)	20,680
Long Term Financing	26	19,124	(9)	15,225	8	16,755	22	15,538	(11)	12,689	55	14,261
Deferred Tax	3	9,502	38	9,234	50	6,682	2	4,445	39	4,357	42	3,126
Other Non-Current Liabilities	4	671	25	647	25	518	(38)	416	76	672	42	382
<b>Total Non-Current Liabilities</b>	<b>17</b>	<b>29,297</b>	<b>5</b>	<b>25,106</b>	<b>17</b>	<b>23,956</b>	<b>15</b>	<b>20,399</b>	<b>(0)</b>	<b>17,717</b>	<b>52</b>	<b>17,769</b>
Short Term Borrowings	33	23,538	(31)	17,718	66	25,569	156	15,371	(48)	6,007	8	11,537
Current Portion of Long Term Liabilities	12	4,311	18	3,835	5	3,239	(16)	3,095	263	3,664	(54)	1,011
Trade Payable and Bills Payable	41	8,996	(23)	6,387	12	8,279	56	7,369	29	4,721	25	3,669
Other Current Liabilities	(2)	2,376	16	2,414	167	2,084	145	780	(40)	318	60	531
<b>Total Current Liabilities</b>	<b>29</b>	<b>39,222</b>	<b>(23)</b>	<b>30,354</b>	<b>47</b>	<b>39,172</b>	<b>81</b>	<b>26,615</b>	<b>(12)</b>	<b>14,710</b>	<b>3</b>	<b>16,747</b>
<b>Total Equity and Liabilities</b>	<b>16</b>	<b>115,454</b>	<b>(7)</b>	<b>99,781</b>	<b>23</b>	<b>107,774</b>	<b>30</b>	<b>87,543</b>	<b>22</b>	<b>67,124</b>	<b>13</b>	<b>55,196</b>

**Statement of Profit or Loss**

	2025		2024		2023		2022		2021		2020	
		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions
Sales	(7)	90,002	25	97,161	19	77,697	25	65,406	31	52,132	19	39,714
Cost of Sales	(4)	82,306	27	86,144	25	67,611	23	54,238	26	44,127	17	35,153
<b>Gross Profit</b>	<b>(30)</b>	<b>7,697</b>	<b>9</b>	<b>11,017</b>	<b>(10)</b>	<b>10,086</b>	<b>40</b>	<b>11,168</b>	<b>76</b>	<b>8,005</b>	<b>42</b>	<b>4,561</b>
EBITDA	(31)	9,175	59	13,386	(20)	8,422	19	10,485	107	8,793	8	4,242
Depreciation	3	2,293	27	2,223	5	1,753	16	1,664	16	1,436	21	1,239
<b>EBIT</b>	<b>(38)</b>	<b>6,882</b>	<b>67</b>	<b>11,163</b>	<b>(24)</b>	<b>6,669</b>	<b>20</b>	<b>8,821</b>	<b>145</b>	<b>7,357</b>	<b>3</b>	<b>3,003</b>
Other Income	(46)	906	345	1,665	(33)	374	(13)	561	(6)	644	41	685
Finance Cost	(37)	5,276	64	8,337	74	5,074	63	2,923	(39)	1,795	115	2,945
<b>Profit Before Tax</b>	<b>(43)</b>	<b>1,606</b>	<b>77</b>	<b>2,826</b>	<b>(73)</b>	<b>1,595</b>	<b>6</b>	<b>5,899</b>	<b>9,514</b>	<b>5,563</b>	<b>(96)</b>	<b>58</b>
<b>Profit After Tax</b>	<b>(93)</b>	<b>117</b>	<b>(205)</b>	<b>1,785</b>	<b>(87)</b>	<b>586</b>	<b>(15)</b>	<b>4,610</b>	<b>(1,054)</b>	<b>5,432</b>	<b>(145)</b>	<b>(569)</b>





**Vertical Analysis**  
For The Last Six Financial Years  
**Statement of Financial Position**

	2025		2024		2023		2022		2021		2020	
		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions
Property, Plant and Equipment	45	52,167	52	52,090	49	52,833	47	41,518	57	38,416	51	28,197
Long Term Investments and Advances	9	10,248	8	7,639	6	5,999	9	7,485	9	5,929	9	5,151
Long Term Deposits	0	26	0	111	0	26	0	26	0	24	0	24
<b>Total Non Current Assets</b>	<b>54</b>	<b>62,441</b>	<b>60</b>	<b>59,840</b>	<b>55</b>	<b>58,857</b>	<b>56</b>	<b>49,029</b>	<b>66</b>	<b>44,370</b>	<b>60</b>	<b>33,371</b>
Stores, Spares and Loose Tools	2	2,311	2	2,047	1	1,430	1	807	1	850	1	699
Stock in Trade	29	33,662	24	23,730	29	31,318	31	26,813	23	15,470	26	14,504
Loans and Advances	0	324	0	217	0	218	0	400	0	226	0	205
Short Term Investments	1	608	0	316	0	182	0	231	0	176	0	164
Trade Debts	11	12,267	12	12,079	11	11,369	8	7,268	7	4,738	9	5,146
Other Current Assets	3	3,841	2	1,552	4	4,399	3	2,940	2	1,294	2	1,107
<b>Total Current Assets</b>	<b>46</b>	<b>53,013</b>	<b>40</b>	<b>39,942</b>	<b>45</b>	<b>48,917</b>	<b>44</b>	<b>38,461</b>	<b>34</b>	<b>22,754</b>	<b>40</b>	<b>21,824</b>
Non-Current Assets Held for Sale	-	-	-	-	-	-	-	54	-	-	-	-
<b>Total Assets</b>	<b>100</b>	<b>115,454</b>	<b>100</b>	<b>99,781</b>	<b>100</b>	<b>107,774</b>	<b>100</b>	<b>87,489</b>	<b>100</b>	<b>67,124</b>	<b>100</b>	<b>55,196</b>
No. of Ordinary Shares	30		30		30		30		30		30	
Shareholder's Equity	41	46,935	44	44,321	41	44,647	46	40,529	52	34,697	37	20,680
Long Term Financing	17	19,124	15	15,225	16	16,755	18	15,538	19	12,689	26	14,261
Deferred Tax	8	9,502	9	9,234	6	6,682	5	4,445	6	4,357	6	3,126
Other Non-Current Liabilities	1	671	1	647	0	518	0	416	1	672	1	382
<b>Total Non-Current Liabilities</b>	<b>25</b>	<b>29,297</b>	<b>25</b>	<b>25,106</b>	<b>22</b>	<b>23,956</b>	<b>23</b>	<b>20,399</b>	<b>26</b>	<b>17,717</b>	<b>32</b>	<b>17,769</b>
Short Term Borrowings	20	23,538	18	17,718	24	25,569	18	15,371	9	6,007	21	11,537
Current Portion of Long Term Liabilities	4	4,311	4	3,835	3	3,239	4	3,095	5	3,664	2	1,011
Trade Payable and Bills Payable	8	8,996	6	6,387	8	8,279	8	7,369	7	4,721	7	3,669
Other Current Liabilities	2	2,376	2	2,414	2	2,084	1	780	0	318	1	531
<b>Total Current Liabilities</b>	<b>34</b>	<b>39,222</b>	<b>30</b>	<b>30,354</b>	<b>36</b>	<b>39,172</b>	<b>30</b>	<b>26,615</b>	<b>22</b>	<b>14,710</b>	<b>30</b>	<b>16,747</b>
<b>Total Equity and Liabilities</b>	<b>100</b>	<b>115,454</b>	<b>100</b>	<b>99,781</b>	<b>100</b>	<b>107,774</b>	<b>100</b>	<b>87,543</b>	<b>100</b>	<b>67,124</b>	<b>100</b>	<b>55,196</b>

**Statement of Profit or Loss**

	2025		2024		2023		2022		2021		2020	
		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions		Rs. in % millions
Sales	100	90,002	100	97,161	100	77,697	100	65,406	100	52,132	100	39,714
Cost of Sales	91	82,306	89	86,144	87	67,611	83	54,238	85	44,127	89	35,153
Gross Profit	9	7,697	11	11,017	13	10,086	17	11,168	15	8,005	11	4,561
EBITDA	10	9,175	14	13,386	11	8,422	16	10,485	17	8,793	11	4,242
Depreciation	3	2,293	2	2,223	2	1,753	3	1,664	3	1,436	3	1,239
EBIT	8	6,882	11	11,163	9	6,669	13	8,821	14	7,357	8	3,003
Other Income	1	906	2	1,665	0	374	1	561	1	644	2	685
Finance Cost	6	5,276	9	8,337	7	5,074	4	2,923	3	1,795	7	2,945
Profit Before Tax	2	1,606	3	2,826	2	1,595	9	5,899	11	5,563	0	58
Profit After Tax	0	117	2	1,785	1	586	7	4,610	10	5,432	-1	(569)



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

Name of Company : Fazal Cloth Mills Limited  
 Year Ended : June 30, 2025

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

1. The total number of directors are nine (9) as per the following:
  - a. Male: Eight
  - b. Female: One
2. The composition of board as at June 30, 2025 is as follows:

Category	No.	Names
Independent Director (excluding Female Director)	2	Mr. Babar Ali Mr. Masood Karim Shaikh
Female Director (Independent Director)	1	Ms. Parveen Akhtar Malik
Non-Executive Directors	3	Mr. Sh. Naseem Ahmed Mr. Faisal Ahmed Mr. Aamir Naseem Sheikh
Executive Directors	3	Mr. Rehman Naseem Mr. Muhammad Mukhtar Sheikh Mr. Abbas Mukhtar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these regulations;
7. The meetings of the Board of Directors were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The Board of Directors has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Directors Training Program for the following seven Directors and one Director is exempt from this requirement due to 14 years of education and 15 years of experience on the Board.



- |                           |                                |
|---------------------------|--------------------------------|
| - Sheikh Naseem Ahmed     | - Mr. Aamir Naseem Sheikh.     |
| - Mr. Rehman Naseem       | - Mr. Muhammad Mukhtar Sheikh. |
| - Mr. Masood Karim Shaikh | - Ms. Parveen Akhter Malik     |
| - Mr. Babar Ali           |                                |
| - Mr. Faisal Ahmed        | - Exempt                       |

Further, the Company intends to arrange Directors' Training Program for the remaining Director, female executive and head of department.

10. The Board has approved appointment of Head of Internal Audit, including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There was no change in the position of Chief Financial Officer and Company Secretary.

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

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

**A. Audit Committee**

Ms. Parveen Akhter Malik (Independent Director)	Chairperson
Mr. Babar Ali (Independent Director)	Member
Mr. Sheikh Naseem Ahmed	Member
Mr. Aamir Naseem Sheikh	Member

**B. Human Resource and Remuneration Committee**

Mr. Babar Ali (Independent Director)	Chairman
Mr. Aamir Naseem Sheikh	Member
Mr. Faisal Ahmed	Member

**C. Strategic Planning Committee**

Mr. Rehman Naseem (CEO)	Chairman
Mr. Masood Karim Sheikh (Independent Director)	Member
Ms. Parveen Akhter Malik (Independent Director)	Member

Separate Nomination Committee, Risk Management Committee, and Sustainability Committee, as required under non-mandatory regulations 29, 30, and 10A respectively, are not constituted. The functions of the Nomination Committee are being dealt with by the Human Resource and Remuneration Committee, while the functions of the Risk Management Committee and Sustainability Committee are being dealt by the Audit Committee.

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

14. The frequency of meetings of the Committees were as per following:

- Board Audit Committee: Quarterly
- Human Resource and Remuneration Committee: Annually
- Strategic Planning Committee: Semi-annually



15. The Board has set up an effective internal audit function which is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are mentioned in note no. 9 and 12 above.

**Sheikh Naseem Ahmed**  
(Director)  
Multan. September 29, 2025

**Rehman Naseem**  
(Chief Executive)



**SW** PAKISTAN

**SHINEWING HAMEED CHAUDHRI & CO.**

CHARTERED ACCOUNTANTS

HM House, 7-Bank Square,

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Phone: +92 42 37235084-87

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Fazal Cloth Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fazal Cloth Mills Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Lahore:

Date: September 30, 2025

UDIN: CR20241010429n16Czew

*Shinewing Hameed Chaudhri & co.*

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

Audit Engagement Partner: Osman Hameed Chaudhri



**SW** PAKISTAN

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **Fazal Cloth Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2025, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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





S. No.	Description	How the matter was addressed in our audit
1.	<p><b>Valuation of stock-in-trade</b></p> <p>The total value of stock in trade as at the reporting date amounted to Rs.33.661 billion, representing 63.49% of the Company's total current assets. Stock in trade as at reporting date included raw material and finished goods. Refer note 9 to the financial statements.</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of raw material and finished goods and in determining the appropriate value of slow moving and obsolete stocks.</p> <p>We identified this matter as key in our audit due to the judgement and assumption applied by the Company in determining the cost and NRV of stock in trade at the year-end.</p>	<p>We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> <li>- Assessed whether the Company's accounting policy for inventory valuation is in line with the applicable financial reporting standards.</li> <li>- Attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data.</li> <li>- Assessed the historical costs recorded in the inventory valuation by checking purchase invoices on sample basis.</li> <li>- Tested the reasonability of assumptions applied by the management in the allocation of labour and other various overhead costs to the inventories.</li> <li>- Assessed the management determination of NRV of raw material thereon by performing tests on the subsequent purchase price.</li> <li>- Tested the cost of inventories for finished goods and performed NRV test to assess whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices.</li> </ul> <p>We reviewed the Company's disclosure in the financial statement in respect of stock in trade.</p>



S. No.	Description	How the matter was addressed in our audit
2.	<p><b>Contingencies</b></p> <p>The Company is subject to material litigations including taxation and other matters at different courts which require management to make assessment and judgements with respect to likelihood and impact of such litigations on the financial statements of the Company.</p> <p>The details of contingencies along with management's assessment thereon are disclosed in note 29 to the financial statements.</p> <p>Management engaged independent legal consultants on these matters.</p> <p>The accounting for and disclosure of contingencies is complex and is a matter of significance in our audit because of the judgements required to determine the level of certainty on these matters.</p> <p>Due to the magnitude of amount involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts we have considered above referred contingencies as one of the key audit matters.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Discussed legal cases with the legal department to understand the management's view point and obtained management's assessment regarding their implications on the Company.</li> <li>- Obtained independent opinion of legal advisors dealing with such cases in the form of confirmations.</li> <li>- Examined legal expense ledgers to assess any litigations or claims which may result in material misstatement of the financial statements.</li> <li>- Reviewed the documents for legal and tax proceedings maintained by the management, including Judgements passed by different courts.</li> <li>- Assessed the disclosures of legal exposures and provisions for completeness and accuracy.</li> </ul>
3.	<p><b>Revenue recognition</b></p> <p>The principal activity of the Company is to manufacture and sale of yarn and fabrics. Revenue from sale of goods is recognised as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time. Revenue is measured at fair value of the consideration received or receivable and the payment is typically due on the satisfaction of performance obligation.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and due to the reason that revenue increased significantly as compared to last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition.</li> <li>- Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices.</li> <li>- Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period.</li> <li>- Performed audit procedures to analyse variation in the price and quantity sold during the year.</li> <li>- Performed recalculations of discounts as per the Company's policy on test basis.</li> <li>- Understood and evaluated the accounting policy with respect to revenue recognition.</li> <li>- Assessed the adequacy of disclosures made in the financial statements related to revenue.</li> </ul>





### Information Other than the Financial Statements and Auditors' Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

### Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

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

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

Lahore: September 30, 2025  
UDIN: AR202510104LdrPf0BaG

*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.,**  
**CHARTERED ACCOUNTANTS**





# Fazal Cloth Mills Limited

## Audited Financial Statements for the year ended 30 June 2025

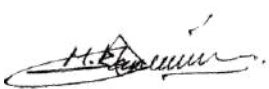


## Statement Of Financial Position


### As at June 30, 2025

	Note	2025 ---- Rupees ----	2024
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	6	52,167,363,593	52,090,033,687
Long term investments	7	10,248,129,438	7,639,002,089
Long term advances and mark-up accrued	8	-	-
Long term deposits		25,733,193	110,640,293
		<u>62,441,226,224</u>	<u>59,839,676,069</u>
<b>Current assets</b>			
Stores, spare parts and loose tools	9	2,310,844,034	2,046,801,806
Stock-in-trade	10	33,661,545,599	23,730,084,196
Trade debts	11	12,266,998,305	12,079,342,689
Advances and other receivables	12	324,107,024	217,229,996
Deposits, prepayments and other receivables	13	642,810,677	269,417,471
Mark-up accrued	14	19,085,522	4,281,883
Short term investment	15	608,389,200	315,914,400
Sales tax refundable and adjustable		2,056,456,838	565,170,561
Cash and bank balances	16	1,122,291,188	713,418,102
		<u>53,012,528,387</u>	<u>39,941,661,104</u>
<b>Total assets</b>		<u>115,453,754,611</u>	<u>99,781,337,173</u>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital		1,700,000,000	1,700,000,000
30,000,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	17	300,000,000	300,000,000
Other capital reserves	18	19,616,563,165	2,009,381,395
Revaluation surplus on property, plant and equipment	19	17,970,136,770	18,554,848,169
Unappropriated profit - revenue reserves		9,048,716,202	23,457,160,434
<b>Total equity</b>		<u>46,935,416,137</u>	<u>44,321,389,998</u>
<b>Non current liabilities</b>			
Long term financing - secured	20	11,168,050,617	12,715,332,537
Long term musharika - secured	21	7,956,146,606	2,509,641,813
Lease liability - unsecured	22	66,442,445	70,677,725
Deferred liabilities:			
-Staff retirement benefit	23	604,292,806	576,427,439
-Deferred taxation	23	9,501,841,903	9,234,269,159
		<u>29,296,774,377</u>	<u>25,106,348,673</u>
<b>Current liabilities</b>			
Current portion of non-current liabilities	24	4,311,481,264	3,835,167,740
Short term borrowings - secured	25	23,537,764,673	17,717,675,277
Contract liabilities	26	1,294,316,323	438,053,016
Trade and other payables	27	8,996,266,832	6,387,042,998
Unclaimed dividend		21,977,192	22,002,980
Accrued mark-up	28	882,273,218	1,320,363,612
Provision for income tax and levies - net		177,484,595	633,292,879
		<u>39,221,564,097</u>	<u>30,353,598,502</u>
<b>Total liabilities</b>		<u>68,518,338,474</u>	<u>55,459,947,175</u>
<b>Contingencies and commitments</b>	29		
<b>Total equity and liabilities</b>		<u>115,453,754,611</u>	<u>99,781,337,173</u>

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

  
(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

  
(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

  
(SHEIKH NASEEM AHMAD)  
DIRECTOR



### Statement Of Profit Or Loss For the Year Ended June 30, 2025

	Note	2025 - - - - R u p e e s - - - -	2024
Revenue from contracts with customers - net	30	90,002,392,849	97,160,875,498
Cost of sales	31	(82,305,647,102)	(86,143,904,773)
<b>Gross profit</b>		<b>7,696,745,747</b>	<b>11,016,970,725</b>
Selling and distribution expenses	32	(516,633,533)	(559,628,231)
Administrative expenses	33	(900,286,707)	(780,681,536)
Other income	34	906,337,549	1,665,202,999
Other expenses	35	(304,017,262)	(178,546,961)
<b>Profit from operations</b>		<b>6,882,145,794</b>	<b>11,163,316,996</b>
Finance cost	36	(5,276,230,315)	(8,337,427,848)
<b>Profit before levies and income tax</b>		<b>1,605,915,479</b>	<b>2,825,889,148</b>
Levies	37.1	(1,201,635,991)	(1,330,579,074)
<b>Profit before income tax</b>		<b>404,279,488</b>	<b>1,495,310,074</b>
Income tax	37.2	(287,142,029)	289,977,481
<b>Profit after taxation</b>		<b>117,137,459</b>	<b>1,785,287,555</b>
<b>Earnings per share - basic and diluted</b>		<b>3.90</b>	<b>59.51</b>

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

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)  
DIRECTOR



## Statement Of Other Comprehensive Income For the Year Ended June 30, 2025

	2025	2024
	----- Rupees -----	
<b>Profit after taxation</b>	<b>117,137,459</b>	<b>1,785,287,555</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to statement of profit or loss subsequently</b>		
Re-measurement of defined benefit liability	<b>(110,293,090)</b>	(80,631,210)
Net change in fair value of financial assets at FVOCI - net of tax	<b>2,607,181,770</b>	933,636,238
<b>Total comprehensive income for the year</b>	<b><u>2,614,026,139</u></b>	<b><u>2,638,292,583</u></b>

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

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)  
DIRECTOR





## Statement Of Changes In Equity For the Year Ended June 30, 2025

	Capital reserves						Revenue reserve		
	Share capital	Share premium	Redemption reserve	Fair value reserve - net of tax	Revaluation surplus on property, plant and equipment - net of tax	Reserve against capacity expansion	Sub-total	Unappropriated profit	Total
	-----R u p e s -----								
Balance as at July 01, 2023	300,000,000	77,616,000	175,000,000	823,129,157	22,130,639,044	-	23,206,384,201	21,140,136,577	44,646,520,778
Total comprehensive income for the year ended June 30, 2024									
Profit for the year	-	-	-	-	-	-	-	1,785,287,555	1,785,287,555
Other comprehensive income / (loss)	-	-	-	933,636,238	-	-	933,636,238	(80,631,210)	853,005,028
Change in effective tax rate	-	-	-	933,636,238	-	-	933,636,238	1,704,656,345	2,638,292,583
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	-	-	(2,963,423,363)	-	(2,963,423,363)	-	(2,963,423,363)
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(589,643,452)	-	(589,643,452)	589,643,452	-
Balance as at June 30, 2024	300,000,000	77,616,000	175,000,000	1,756,765,395	18,554,848,169	-	20,564,229,564	23,457,160,434	44,321,389,998
Total comprehensive income for the year ended June 30, 2025									
Profit for the year	-	-	-	-	-	-	-	117,137,459	117,137,459
Other comprehensive income / (loss)	-	-	-	2,607,181,770	-	-	2,607,181,770	(110,293,090)	2,496,888,680
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	-	2,607,181,770	-	-	2,607,181,770	6,844,369	2,614,026,139
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	(557,497,107)	-	(557,497,107)	557,497,107	-
Transfer of reserves	-	-	-	-	(27,214,292)	-	(27,214,292)	27,214,292	-
Balance as at June 30, 2025	300,000,000	77,616,000	175,000,000	4,363,947,165	17,970,136,770	15,000,000,000	15,000,000,000	(15,000,000,000)	46,935,416,137

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

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)  
DIRECTOR






## Statement of Cash Flows

### For the year ended June 30, 2025

	2025	2024
Note	----- Rupees -----	
<b><u>Cash flows from operating activities</u></b>		
Profit before taxation	1,605,915,479	2,825,889,148
Adjustments for:		
Depreciation on property, plant and equipment	6.1.1 2,293,296,740	2,222,502,935
Unrealized gain on re-measurement of short term investment	15.1 (292,474,800)	(133,477,200)
(Reversal) / loss allowance against trade debts	(51,935,105)	44,295,308
Provision for gratuity	23.1.3 268,930,768	251,945,737
Provision for infrastructure cess	813,832,944	343,510,946
Provision for workers' profit participation fund	35 45,837,857	33,645,019
Provision for workers' welfare fund	35 33,709,232	56,984,574
Loss on disposal of property, plant and equipment	6.2 36,855,339	15,503,332
Reversal of loss allowance against long term advance	-	(307,129,396)
Gain on de-recognition of mark-up upon conversion into preference shares	-	(451,348,607)
Dividend income	34 (483,798,217)	(311,013,140)
Provision for slow moving store items	6,372,038	-
Finance income on Term finance certificate	(42,990,435)	(15,443,032)
Finance cost	5,276,230,315	8,337,427,848
<b>Cash generated from operations before working capital changes</b>	<b>9,509,782,155</b>	<b>12,913,293,472</b>
<b><u>Effect on cash flows due to working capital changes</u></b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(270,414,266)	(616,901,169)
Stock-in-trade	(9,931,461,403)	7,588,073,778
Trade debts	(135,720,511)	(755,017,227)
Advances and other receivable	(106,877,028)	1,121,463
Deposits, prepayments and other receivables	(373,393,206)	332,075,284
	#####	6,549,352,129
Increase / (decrease) in current liabilities:		
Trade and other payables	2,572,107,108	(2,648,143,171)
<b>Cash generated from operations</b>	<b>1,264,022,849</b>	<b>16,814,502,430</b>
Gratuity paid to employees	23.1.2 (351,358,491)	(201,370,182)
Taxes paid - net	(3,170,245,416)	1,909,033,290
	(3,521,603,907)	1,707,663,108
<b>Net cash (used in) / generated from operating activities</b>	<b>(2,257,581,058)</b>	<b>18,522,165,538</b>
<b><u>Cash flows from investing activities</u></b>		
Fixed capital expenditure	6.2 (2,444,240,116)	(1,537,019,766)
Proceeds from sale of property, plant and equipment	36,758,131	41,710,000
Long term deposits	84,907,100	(85,100,000)
Finance income received	28,186,796	12,359,533
Dividend received from associated company	483,798,217	311,013,140
<b>Net cash used in investing activities</b>	<b>(1,810,589,872)</b>	<b>(1,257,037,093)</b>
<b><u>Cash flows from financing activities</u></b>		
Long term financing obtained	2,774,638,954	2,217,188,000
Long term financing repaid	(2,993,242,097)	(2,522,089,107)
Long term musharika obtained	5,489,548,859	77,739,800
Long term musharka repaid	(897,210,735)	(708,333,335)
Short term borrowings - net	3,858,713,895	(5,357,144,668)
Lease rentals paid	(12,861,533)	(11,692,302)
Finance cost paid	(5,703,893,040)	(8,281,044,015)
Dividend paid	(25,788)	(548,284)
<b>Net cash generated from / (used in) financing activities</b>	<b>2,515,668,515</b>	<b>(14,585,923,911)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,552,502,415)</b>	<b>2,679,204,534</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>(542,880,740)</b>	<b>(3,222,085,274)</b>
<b>Cash and cash equivalents at end of the year</b>	<b>(2,095,383,155)</b>	<b>(542,880,740)</b>
<b>Cash and cash equivalents at year end comprises of:</b>		
Cash and bank balances	1,122,291,188	713,418,102
Running finance / running musharika	(3,217,674,343)	(1,256,298,842)
	<b>(2,095,383,155)</b>	<b>(542,880,740)</b>

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

  
(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

  
(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

  
(SHEIKH NASEEM AHMAD)  
DIRECTOR



## Notes to the Financial Statements For the Year Ended June 30, 2025

### 1. CORPORATE AND GENERAL INFORMATION

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

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentation currency

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



### 3. ACCOUNTING ESTIMATES, JUDGEMENTS & MEASUREMENT OF FAIR VALUES

#### Use of estimates and judgements

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

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

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

#### (a) Property, plant and equipment

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

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

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

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

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

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

The Company reviews the stores, spares, loose tools and stock-in-trade for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores, spares and loose tools and stock-in-trade with a corresponding effect on the provision.



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

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

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

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

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

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

**(d) Provisions and Contingencies**

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

**(e) Employee benefits**

The Company operates an un-funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits. The Projected Unit Credit method used for the valuation of the scheme is based on assumptions stated in note 23.1. Calculations are sensitive to change in underlying assumptions.

**(f) Taxation**

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

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

**(g) Fair value of investments**

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

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

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

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after July 01, 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

##### **a) IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures Effective: January 01, 2024**

Amendments in IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures; Supplier Finance Arrangements, disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The amendments are supplement requirements already in IFRS Accounting Standards and require a company to disclose:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

**b) IFRS 16 Leases****Effective: January 01, 2024**

Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

**c) IAS 1 Presentation of Financial Statements****Effective: January 01, 2024**

Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification; and
- Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

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

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

The following amendments with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.





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

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

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

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

**c) IFRS S1 General Requirement for Disclosure of Sustainability-Related Financial Information** **Effective: July 01, 2025**

**IFRS S2 Climate Related Disclosures**

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

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

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





The management anticipate that adoption of the above standards, amendments and interpretations in the future period will not have any material effect on the financial statement of the Company other than the presentations and disclosures.

## 5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been consistently applied to all periods presented in these financial statements.

### 5.1 Property, plant and equipment

#### Owned assets

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

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

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

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

Depreciation is charged on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the economic benefits are consumed by the Company, at the rates specified in note 6.1. Depreciation on additions is charged when available for use and is discontinued when the asset is disposed off.

An item of property, plant and equipment is de-recognized when permanently retired from use. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the statement of profit or loss.

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

The asset's residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant. The Company's estimate of residual values of property, plant and equipment as at June 30, 2025 does not require any adjustment as its impact is considered insignificant.

**Capital work-in-progress**

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

**5.1.1 Revaluation surplus on property, plant and equipment**

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

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

**5.2 Lease**

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

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



In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in note 6.1 of the financial statements.

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

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note 22 to these financial statements for disclosure of lease liability.

#### **Short term leases and leases of low value assets**

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

### **5.3 Intangible assets**

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

### **5.4 Borrowing cost**

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



## 5.5 Taxation

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

### 5.5.1 Current

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

The Company designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognizes it as current income tax expense. The amount calculated not on the basis of taxable income, is recognized as a levy falling under the scope of IFRIC 21/IAS 37.

### 5.5.2 Deferred

Deferred tax is recognized using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Further, the Company recognizes deferred tax asset/ liability on deficit/ surplus on revaluation of property, plant and equipment which is adjusted against the related deficit/ surplus.

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

## 5.6 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the



functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

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

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

### **5.7 Employee retirement benefits**

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

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

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

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

### **5.8 Provisions**

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



## 5.9 Contingent liabilities

A contingent liability is disclosed when:

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

## 5.10 Financial instruments

### 5.10.1 Recognition and initial measurement

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

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

### 5.10.2 Classification and subsequent measurement

#### Financial assets

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

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

#### Amortized cost

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

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

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

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



### **Debt Instrument - FVOCI**

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

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

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

### **Equity Instrument - FVOCI**

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

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

The Company's investments measured at FVOCI are included in note 7 of these financial statements.

### **Fair value through profit or loss (FVTPL)**

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

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

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

Financial asset measured at FVTPL comprises of investment in term finance certificate and short term investments in equity instrument as detailed in note 7 and 15 of these financial statements.

### **Financial assets – Business model assessment:**

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money





and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

### **Financial liabilities**

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

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

### **5.10.3 Derecognition**

#### **Financial assets**

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

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



### Financial liabilities

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

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

#### 5.10.4 Impairment

##### Financial assets

The Company recognizes loss allowances for ECLs on:

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

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

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

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

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

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



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

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

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

### **Non-financial assets**

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

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

### **5.10.5 Offsetting of financial instruments**

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

### **5.11 Acquisition of assets that do not constitute a business**

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

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



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

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

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

## 5.12 Investments in associates

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

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

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

## 5.13 Stores, spares and loose tools

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

**5.14 Stock-in-trade**

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

Cost has been determined as follows:

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

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

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

**5.15 Trade Debts**

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

**5.16 Revenue recognition**

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

**5.17 Other income**

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

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

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

**5.18 Cash and cash equivalents**

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

**5.19 Contract liabilities**

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers



goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

## 5.20 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The details related to operating segments are disclosed in note 46.

## 5.21 Earnings per share ('EPS')

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

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

## 5.22 Dividend distribution

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

## 6. PROPERTY, PLANT AND EQUIPMENT

		2025	2024
	Note	- - - R u p e e s - - -	
Operating fixed assets	6.1	50,716,603,453	51,701,058,121
Right of use Asset	6.1	34,461,484	40,205,064
Capital work-in-progress	6.3	1,416,298,656	348,770,502
		<u>52,167,363,593</u>	<u>52,090,033,687</u>



## 6.1 Operating fixed assets

	Cost/ revalued amount				Rate %	Accumulated depreciation		Net book value	
	Balance as at July 01, 2024	Additions	Reclassification	Disposals		Balance as at July 01, 2024	For the year	Balance as at June 30, 2025	Balance as at June 30, 2025
	Rupees					Rupees		Rupees	
Freehold land									
- cost	694,452,742	371,043,270	1,740,000	-		-	-	-	1,067,236,012
- revaluation surplus	7,488,565,939	-	-	-		-	-	-	7,488,565,939
	8,183,018,681	371,043,270	1,740,000	-		-	-	-	8,555,801,951
Factory building on free hold land									
- cost	3,872,439,132	43,676,616	-	-		1,172,471,811	136,268,638	-	1,308,740,449
- revaluation surplus	7,982,678,558	-	-	-	5	2,331,683,728	199,825,685	-	4,185,990,532
	11,855,117,690	43,676,616	-	-		5,158,636,658	336,094,323	-	5,494,730,981
Non-factory building on free hold land									
- cost	1,330,016,185	257,502,959	-	-		427,643,130	50,512,317	-	478,155,447
- revaluation surplus	4,698,008,596	-	-	-	5	2,331,683,728	118,316,242	-	2,449,999,970
	6,028,024,781	257,502,959	-	-		2,759,326,858	168,828,559	-	2,928,155,417
Non-factory building on lease hold land									
- cost	150,655,612	-	-	-		65,664,852	12,748,614	-	78,413,466
- revaluation surplus	194,078,546	-	-	-	15	110,249,326	12,574,383	-	122,823,709
	344,734,158	-	-	-		175,914,178	25,322,997	-	201,237,175
Plant and machinery									
- cost	28,515,866,610	617,430,005	(1,740,000)	(103,109,247)		8,495,900,636	1,011,300,406	9,427,075,013	19,601,372,355
- revaluation surplus	18,906,382,608	-	-	(79,359,003)	5	8,596,895,294	513,948,814	9,076,098,698	9,750,924,907
	47,422,249,218	617,430,005	(1,740,000)	(182,468,250)		17,092,795,930	1,525,249,220	(114,871,439)	29,352,297,262
Electric fittings and installations									
- cost	1,423,896,543	9,375,644	-	(304,035)		420,538,733	50,412,524	(209,573)	470,741,684
- revaluation surplus	2,423,957,667	-	-	-	5	1,251,823,413	58,606,712	-	1,310,430,125
	3,847,854,210	9,375,644	-	(304,035)		1,672,362,146	109,019,236	(209,573)	1,781,171,809
Sui gas installations									
- cost	21,785,018	-	-	-		11,401,425	519,180	-	11,920,605
- revaluation surplus	36,867,296	-	-	-	5	21,600,893	763,320	-	22,364,213
	58,652,314	-	-	-		33,002,318	1,282,500	-	34,284,818
Tools, laboratory equipment and arms									
- cost	190,219,108	32,300	-	-		75,541,899	5,735,526	-	81,277,425
- revaluation surplus	367,376,264	-	-	-	5	195,658,190	8,585,903	-	204,244,093
	557,595,372	32,300	-	-		271,200,089	14,321,429	-	285,521,518
Fire extinguishing equipment and scales									
- cost	49,519,708	3,700,000	-	-		12,363,796	1,952,431	-	14,316,227
- revaluation surplus	64,163,405	-	-	-	5	37,990,930	1,308,624	-	39,299,554
	113,683,113	3,700,000	-	-		50,354,726	3,261,055	-	53,615,781
Office equipments									
Furniture and fittings	157,078,044	26,388,970	(126,875)	(3,877,312)	20	62,300,704	21,884,523	(2,648,535)	81,536,692
Vehicles	42,041,523	-	126,875	-	10	22,427,064	1,974,130	-	24,401,194
Right of use asset - building	663,606,591	47,562,198	-	(11,383,894)	20	274,276,903	80,315,188	(6,690,474)	347,901,617
	68,922,967	-	-	-		28,717,903	5,743,580	-	34,461,483
2025	79,342,578,662	1,376,711,962	-	(198,033,491)		27,601,315,477	2,293,296,740	(124,420,021)	29,770,192,196
									50,751,064,937





	Cost/ revalued amount				Rate %	Accumulated depreciation			Net book value	
	Balance as at July 01, 2023	Additions	Reclassification	Disposals		Balance as at July 01, 2023	For the year	Disposals	Balance as at June 30, 2024	Balance as at June 30, 2024
	Rupees					Rupees				
Freehold land										
- cost	693,934,062	518,680	-	-		-	-	-	-	694,452,742
- revaluation surplus	7,488,565,939	-	-	-		-	-	-	-	7,488,565,939
	8,182,500,001	518,680	-	-		-	-	-	-	8,183,018,681
Factory building on free hold land										
- cost	3,074,244,192	798,194,940	-	-		1,049,890,025	122,581,786	-	1,172,471,811	2,699,967,321
- revaluation surplus	7,982,678,558	-	-	-	5	3,775,822,020	210,342,827	-	3,986,164,847	3,996,513,711
	11,056,922,750	798,194,940	-	-		4,825,712,045	332,924,613	-	5,158,636,658	6,696,481,032
Non-factory building on free hold land										
- cost	1,242,329,824	87,686,361	-	-		383,122,479	44,520,651	-	427,643,130	902,373,055
- revaluation surplus	4,698,008,596	-	-	-	5	2,207,140,315	124,543,413	-	2,331,683,728	2,366,324,868
	5,940,338,420	87,686,361	-	-		2,590,262,794	169,064,064	-	2,759,326,858	3,268,697,923
Non-factory building on lease hold land										
- cost	140,676,443	9,979,169	-	-		51,158,351	14,506,501	-	65,664,852	84,990,760
- revaluation surplus	194,078,546	-	-	-	15	95,455,934	14,793,392	-	110,249,326	83,829,220
	334,754,989	9,979,169	-	-		146,614,285	29,299,893	-	175,914,178	168,819,980
Plant and machinery										
- cost	23,957,647,105	4,629,537,342	-	(71,317,837)		7,619,818,794	929,289,585	(53,207,743)	8,495,900,636	20,019,965,974
- revaluation surplus	18,967,857,923	-	-	(61,475,315)	5	8,077,079,135	544,038,916	(24,222,757)	8,596,895,294	10,309,487,314
	42,925,505,028	4,629,537,342	-	(132,793,152)		15,696,897,929	1,473,328,501	(77,430,500)	17,092,795,930	30,329,453,288
Electric fittings and installations										
- cost	1,153,642,353	270,254,190	-	-		372,904,986	47,633,747	-	420,538,733	1,003,357,810
- revaluation surplus	2,423,957,667	-	-	-	5	1,190,132,137	61,691,276	-	1,251,823,413	1,172,134,254
	3,577,600,020	270,254,190	-	-		1,563,037,123	109,325,023	-	1,672,362,146	2,175,492,064
Sui gas installations										
- cost	21,785,018	-	-	-		10,854,920	546,505	-	11,401,425	10,383,593
- revaluation surplus	36,867,296	-	-	-	5	20,797,398	803,495	-	21,600,893	15,266,403
	58,652,314	-	-	-		31,652,318	1,350,000	-	33,002,318	25,649,996
Tools, laboratory equipment and arms										
- cost	168,016,230	22,202,878	-	-		69,851,094	5,690,805	-	75,541,899	114,677,209
- revaluation surplus	367,376,264	-	-	-	5	186,620,397	9,037,793	-	195,658,190	171,718,074
	535,392,494	22,202,878	-	-		256,471,491	14,728,598	-	271,200,089	286,395,283
Fire extinguishing equipment and scales										
- cost	34,160,832	15,358,876	-	-		10,753,459	1,610,337	-	12,363,796	37,155,912
- revaluation surplus	64,163,405	-	-	-	5	36,613,431	1,377,499	-	37,990,930	26,172,475
	98,324,237	15,358,876	-	-		47,366,890	2,987,836	-	50,354,726	63,328,387
Office equipments										
- cost	126,131,242	30,946,802	-	-	20	43,117,896	19,182,808	-	62,300,704	94,777,340
Furniture and fittings	34,470,327	7,571,196	-	-	10	20,685,151	1,741,913	-	22,427,064	19,614,459
Vehicles	449,372,028	236,975,219	-	(22,740,656)	20	232,340,774	62,826,105	(20,889,976)	274,276,903	389,329,688
Right of use asset - building	68,922,967	-	-	-		22,974,322	5,743,581	-	28,717,903	40,205,064
2024	73,388,886,817	6,109,225,653	-	(155,533,808)		25,477,133,017	2,222,502,935	(98,320,476)	27,601,315,477	51,741,263,185



**6.1.1 Depreciation for the year has been allocated as under:**

	2025	2024
	- - - R u p e e s - - -	
Cost of sales	2,158,056,322	2,103,708,635
Administrative expense	135,240,418	118,794,300
	<u>2,293,296,740</u>	<u>2,222,502,935</u>

**6.1.2** All assets of the Company as at June 30, 2025 are located in Pakistan.

**6.1.3** The latest valuation of the Company's assets was carried out on June 30, 2023. The Category wise gross revalued amounts along with forced sale values, as at that date, are given below:

	Gross revalued	Forced sales
	- - - - - R u p e e s - - - - -	
Freehold land	8,182,500,001	6,553,200,601
Factory building on free hold land	6,231,210,705	4,990,452,029
Non-factory building on free hold land	3,350,075,626	2,683,008,567
Non-factory building on lease hold land	188,140,704	150,678,127
Plant and machinery	27,228,607,099	21,806,846,853
Electric fittings and installations	2,014,562,897	1,613,423,133
Sui gas installations	26,999,996	21,623,757
Tools, laboratory equipment and arms	278,921,003	223,382,253
Fire extinguishing equipment and scales	50,957,347	40,810,720
	<u>47,551,975,378</u>	<u>38,083,426,041</u>

**6.1.4** Had there been no revaluation of the freehold land, factory building on freehold land, non-factory building on free hold and leasehold land, thereon and plant and machinery, electric fittings and installations, sui gas installations, tools laboratory equipment and arms, fire fighting and weighing scales, the net book value as of June 30, 2025 would have been as follows:



	2025	2024
	--- Rupees ---	
Freehold land	1,067,236,012	694,452,742
Factory building	2,607,375,299	2,699,967,321
Non-Factory building - freehold land	1,109,363,697	902,373,055
Non-Factory building- leasehold land	72,242,146	84,990,760
Plant & machinery	19,601,372,355	20,019,965,974
Electric fitting & installations	962,226,468	1,003,357,810
Sui gas installations	9,864,413	10,383,593
Tools, lab equipments & arms	108,973,983	114,677,209
Fire extinguishing equipment & scale	38,903,481	37,155,912
	<b>25,577,557,854</b>	<b>25,567,324,376</b>

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

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

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



## 6.2 The following assets were disposed of during the year

Particulars of assets	Cost/ revalued amount	Accumulated depreciation	Net book value	Sale proceeds/ Insurance claim	Gain/ (loss)	Mode of disposal	Particulars of purchaser	Relationship
----- Rupees -----								
<b>Assets having net book value exceeding Rs.500,000 each</b>								
<b>Plant and machinery</b>								
Ring Machine	30,393,079	20,722,549	9,670,530	5,340,000	(4,330,530)	Negotiation	M/s.Ahmed Fine Textile Mills Ltd	Related party
Cards	35,556,493	22,644,810	12,911,683	8,600,000	(4,311,683)	Negotiation	M/s.Ahmed Fine Textile Mills Ltd	Related party
Drawing Frames Rieter	6,954,559	4,036,406	2,918,153	1,272,000	(1,646,153)	Negotiation	M/s.Ahmed Fine Textile Mills Ltd	Related party
Murata Mach Coner	15,302,208	9,704,843	5,597,365	1,400,000	(4,197,365)	Negotiation	M/s.Ahmed Fine Textile Mills Ltd	Related party
Murata Mach Coner	20,833,813	13,822,445	7,011,368	932,377	(6,078,991)	Negotiation	Mr. Muhammad Hafeez	Third party
Ring Frames Zinser spindles / Machine Auto Doffer Zinser	53,496,921	31,363,399	22,133,522	6,557,377	(15,576,145)	Negotiation	Mr. Shoukat Ali	Third party
Automatic Cone Winder Orion Savio	18,321,750	12,289,292	6,032,458	963,115	(5,069,343)	Negotiation	Mr. Sanwal Efu General	Third party
Solar plates	1,609,427	287,695	1,321,732	335,000	(986,732)	Insurance Claim	Insurance Co. Ltd	Third party
<b>Vehicles</b>								
Hundai Sonata	7,507,240	3,616,821	3,890,419	5,000,000	1,109,581	Negotiation	M/s Multan Packages	Third party
Shehzore Pickup	2,073,254	1,483,151	590,103	610,000	19,897	Negotiation	Mr. Aurag Zaib	Third party
<b>Various assets having net book value up to Rs. 500,000 each</b>								
	198,033,491	124,420,021	73,613,470	36,758,131	(36,855,339)			
<b>2025</b>	<b>198,033,491</b>	<b>124,420,021</b>	<b>73,613,470</b>	<b>36,758,131</b>	<b>(36,855,339)</b>			
2024	155,533,808	98,320,475	57,213,333	41,710,000	(15,503,332)			

**6.3 Capital work-in-progress - cost**

	Note	2025 --- R u p e e s ---	2024
Balance as at July 01,		348,770,502	4,920,976,390
Additions during the year		2,444,240,116	1,537,019,765
Transfers during the year	6.1	(1,376,711,962)	(6,109,225,653)
Balance as at July 30,	6.4	<u>1,416,298,656</u>	<u>348,770,502</u>

**6.4 Breakup of capital work-in-progress:**

Building on free hold land		92,393,493	19,429,843
Non-factory building on free hold land		37,145,587	163,687,695
Plant and machinery {(Including in transit aggregating Rs. 659.848 million)}		1,071,186,694	114,126,028
Electric fittings and installations		773,548	-
Tools, lab, equipment & arms		49,415	49,415
Furniture and fixtures		25,424	52,626
Office equipment		1,635,990	6,355,973
Advances to suppliers - unsecured, considered good	6.4.1	213,088,505	45,068,922
	6.4.2	<u>1,416,298,656</u>	<u>348,770,502</u>

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

**6.4.2** During previous financial year, borrowing cost capitalized amounting to Rs. 290 million incurred on bank borrowings at an effective rate of 22.21% to 25.01%.

**7. LONG TERM INVESTMENT**

	Note	2025 --- R u p e e s ---	2024
<b><u>At fair value through OCI</u></b>			
Fatima Fertilizer Company Limited - quoted	7.1	6,262,236,622	3,251,751,880
Fatima Energy Limited (FEL) - unquoted	7.2	3,520,811,224	3,926,005,673
Fatima Transmission Company Limited (FTCL) - unquoted	7.3	97,758,789	98,910,398
Multan Real Estate (Private) Limited Limited (MREL) - unquoted	7.4	327,322,803	322,334,138
		<u>10,208,129,438</u>	<u>7,599,002,089</u>



	Note	2025 --- R u p e e s ---	2024
<b><u>Associated companies - at equity method</u></b>			
<b>Fatima Transmission Company Limited - unquoted</b>			
- Ordinary shares - unquoted	7.5	-	-
<b>Fatima Electric Company Limited - unquoted</b>			
- Ordinary shares - unquoted	7.5	-	-
<b><u>At fair value through P&amp;L</u></b>			
Term finance certificates	7.7	40,000,000	40,000,000
		<b>10,248,129,438</b>	<b>7,639,002,089</b>

### 7.1 At fair value through OCI

		Shares		Market value		Market value per share		Percentage of holding	
		2025	2024	2025	2024	2025	2024	2025	2024
Note	Number			Rupees					
Fatima Fertilizer Company Limited									
- related party, quoted	7.1.1	62,994,031	62,994,031	6,262,236,622	3,251,751,880	99.41	51.62	3.00%	3.00%

**7.1.1** The investments in Fatima Fertilizer Company Limited '(FFCL)' has been designated as fair value through OCI under IFRS 9. FFCL is an associated undertaking of the Company as per the Companies Act 2017, however, for the purpose of measurement it has been classified as investment at fair value through OCI. The Company does not have significant influence on FFCL. These shares are pledged as security with commercial bank as referred in note 25.

### 7.2

		Shares		Fair value		Percentage of holding	
		2025	2024	2025	2024	2025	2024
Fatima Energy Limited	Note	-----Number-----		-----Rupees-----			
- related party, unquoted							
Ordinary Shares - unquoted		108,300,000	108,300,000	696,369,000	776,511,000	19.00%	19.00%
Non voting, non cumulative, redeemable, convertible Preference Shares -	7.2.1	439,260,066	439,260,066	2,824,442,224	3,149,494,673	36.86%	36.86%
		547,560,066	547,560,066	3,520,811,224	3,926,005,673		

**7.2.1** The Company holds 36.86% preference shares in FEL, however the Company believes that it does not have significant influence in the investee company. This investment in FEL (ordinary shares and preference shares) has been designated at fair value through OCI under IFRS 9. The fair value at reporting date has been determined by an independent valuer and has been designated at Level 3 as mentioned in note 39.



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

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

**Fatima Energy Limited**  
**- Preference Shares**

	2025	2024
	- - - R u p e e s - - -	
Balance as at 01 July	3,149,494,673	2,767,239,847
De-recognition of markup on long term advance	-	307,129,396
Gain on de-recognition of mark-up upon conversion into preference shares - recognized in P&L	-	451,348,607
	3,149,494,673	3,525,717,850
Fair value loss recognized in Statement of Comprehensive Income'	(325,052,449)	(376,223,177)
Balance as at June 30,	<u>2,824,442,224</u>	<u>3,149,494,673</u>





## 7.3

	Note	Shares		Fair value		Percentage of holding	
		2025	2024	2025	2024	2025	2024
		-----Number-----		-----Rupees-----			
<b>Fatima Transmission Company Limited</b>							
<b>- unquoted (preference shares)</b>							
Non voting, non cumulative, redeemable convertible Preference Shares - unquoted							
	7.3.1	12,795,653	12,795,653	97,758,789	98,910,398	30.71%	30.71%

**7.3.1** The Company holds 30.71% of preference shares in FTCL, however the Company believes that it does not have significant influence as preference shares currently do not carry any voting rights nor any current access to the returns associated with an underlying ownership interest. This investment in FTCL's preference shares has been designated at fair value through OCI under IFRS 9. The fair value at reporting date has been determined by an independent valuer and has been designated at Level 3 as mentioned in note 39.

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

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



**Fatima Transmission Company Limited**  
**- Preference Shares**

	2025	2024
	- - - R u p e e s - - -	
Balance as at July 01,	98,910,398	101,213,615
Fair value loss recognized in 'Statement of Comprehensive Income'	(1,151,609)	(2,303,217)
Balance as at June 30,	<u>97,758,789</u>	<u>98,910,398</u>

- 7.4** This represents 17.04% (2024: 17.04%) ordinary shares of Multan Real Estate (Private) Limited (MREPL), which is a dormant entity. The latest valuation is based on adjusted net asset value of MREPL as at June 30, 2025 and has been designated at level 3 as mentioned in note 39.

**7.5 Associated companies with significant influence - under equity method**

		Shares		Carrying value		Percentage of holding	
		2025	2024	2025	2024	2025	2024
	Note	Number		Rupees			
Fatima Transmission Company Limited - <i>unquoted</i>							
Ordinary Shares - unquoted	7.5.1	5,520,000	5,520,000	-	-	24.00%	24.00%
Fatima Electric Company Limited - <i>unquoted</i>	7.5.2	7,000	7,000	-	-	20.00%	20.00%
		<u>5,527,000</u>	<u>5,527,000</u>	<u>-</u>	<u>-</u>		

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

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

- 7.6** Investments of the Company in associated companies has been accounted for under equity method of accounting based on their un-audited management financial statements for the year ended June 30, 2025.

- 7.6.1** Reconciliation of carrying value of investments in associated companies accounted for under equity method:



	2025	
	FTCL (Un-audited)	FECL (Un-audited)
	----- Rupees -----	
Cost of investment		
- Ordinary shares	55,200,000	70,000
	55,200,000	70,000
<b>Company's share of loss - post acquisition:</b>		
Balance at July 01,	(55,200,000)	(70,000)
<i>Statement of profit or loss</i>		
- share of loss	-	-
- share of tax	-	-
	-	-
	(55,200,000)	(70,000)
<b>Net investment at June 30,</b>		
- Ordinary shares	-	-
	2024	
	FTCL (Audited)	FECL (Audited)
	----- Rupees -----	
Cost of investment		
- Ordinary shares	55,200,000	70,000
	55,200,000	70,000
Company's share of loss - post acquisition:		
Balance at 01 July	(55,200,000)	(70,000)
<i>Statement of profit or loss</i>		
- share of loss	-	-
- share of tax	-	-
	-	-
	(55,200,000)	(70,000)
Balance at June 30,	-	-

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

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

**8. LONG TERM ADVANCES AND MARK-UP ACCRUED****2025****2024**

	<b>Note</b>	<b>--- R u p e e s ---</b>	
Fatima Transmission Company Limited - associate	<b>8.1</b>	<b>13,748,696</b>	13,748,696
Pak Arab Energy Limited - associate	<b>8.2</b>	<b>25,904,160</b>	25,904,160
		<b>39,652,856</b>	39,652,856
Less: Loss allowance for the year	<b>8.4</b>	<b>(39,652,856)</b>	(39,652,856)
		<b>-</b>	<b>-</b>

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

**8.2** This represents advances disbursed to Pak Arab Energy Limited to meet the working capital requirements, operational / capital nature needs. The loan carries mark-up at the rate of average borrowing cost of the Company. Effective mark-up rate charged by the Company during the year ranged from 12.88% to 22.35% per annum (2024: 23.60% to 24.27% per annum). Balance of advance and the related markup has been fully provided for being doubtful of recovery.

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

	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Month</b>	<b>Month</b>	<b>Rupees</b>	<b>Rupees</b>
Fatima Transmission Company Limited	<b>Jun-25</b>	Jun-24	<b>13,748,696</b>	13,748,696
Pak Arab Energy Limited (PAEL)	<b>Jun-25</b>	Jun-24	<b>25,904,160</b>	25,904,160

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

**9. STORES, SPARES AND LOOSE TOOLS****2025****2024**

	<b>Note</b>	<b>--- R u p e e s ---</b>	
Stores		<b>346,069,559</b>	318,320,517
Spares [ In-transit: Rs. 188.18 million (2024: Rs. 234.96 million)]		<b>1,972,945,902</b>	1,730,599,560
Loose tools		<b>1,416,171</b>	1,097,289
		<b>2,320,431,632</b>	2,050,017,366
Provision for slow moving items		<b>(9,587,598)</b>	(3,215,560)
		<b>2,310,844,034</b>	2,046,801,806



		2025	2024
		--- Rupees ---	
<b>9.1 Provision for slow moving items</b>	<b>Note</b>		
Balance as at July 01,		3,215,560	3,215,560
Provision made during the year		6,372,038	-
Balance as at June 30,		<u>9,587,598</u>	<u>3,215,560</u>
<b>10. STOCK IN TRADE</b>			
Raw material [In-transit: Rs. 4,954.033 million (2024: Rs. 4,598.66 million)]	<b>10.1</b>	<b>19,128,039,516</b>	11,590,822,784
Work-in-process		<b>1,090,597,209</b>	1,170,146,399
Finished goods [In-transit: Rs. 91.606 million (2024: Rs. 56.21 million)]			
Yarn	<b>10.1</b>	<b>11,464,519,087</b>	8,696,511,663
Fabric		<b>1,021,542,292</b>	1,391,550,050
Waste		<b>956,847,495</b>	881,053,300
		<b>13,442,908,874</b>	10,969,115,013
		<u><b>33,661,545,599</b></u>	<u>23,730,084,196</u>
<b>10.1</b>	It includes stock amounting to Rs. 4.753 billion (2024: Rs. 7.077 billion) pledged as security against borrowings from banking companies.		
<b>11. TRADE DEBTS</b>			
	<b>Note</b>	<b>2025</b>	<b>2024</b>
		--- Rupees ---	
Export debtors - secured against letters of credit:			
Considered good		<b>2,248,569,443</b>	2,375,451,933
Local debtors - unsecured			
Related Parties - considered good	<b>11.1 &amp; 11.2</b>	<b>1,478,389,088</b>	1,542,290,156
Others - considered good		<b>8,540,039,774</b>	8,161,600,600
Others - considered doubtful		<b>44,665,120</b>	96,600,225
		<b>10,063,093,982</b>	9,800,490,981
Loss allowance against trade debts	<b>11.4</b>	<b>(44,665,120)</b>	(96,600,225)
		<u><b>12,266,998,305</b></u>	<u>12,079,342,689</u>

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

	2025	2024
	--- Rupees ---	
Ahmad Fine Textile Mills Limited	1,413,863,233	1,479,547,608
Reliance Weaving Mills Limited	64,276,346	62,742,548
Fatima Fertilizer Company Limited	249,509	-
	<u>1,478,389,088</u>	<u>1,542,290,156</u>

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

	2025	2024	2025	2024
	Month	Month	Rupees	Rupees
Ahmad Fine Textile Mills Limited	Sep-24	Apr-24	2,873,919,549	2,577,860,801
Reliance Weaving Mills Limited	Nov-24	Sep-23	137,861,396	102,639,850
Fatima Fertilizer Company Limited	Nov-24		338,919	-

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

	Note	2025	2024
		--- Rupees ---	
Not yet due		1,110,603,620	1,529,876,741
1 to 90 days		359,976,935	12,385,037
91 to 180 days		446,682	-
181 to 270 days		7,361,851	-
270 days and above		-	28,378
		<u>1,478,389,088</u>	<u>1,542,290,156</u>

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

Balance as at July 01,	96,600,225	52,304,917
(Reversal) / loss allowance for the year	(51,935,105)	44,295,308
Balance as at June 30,	<u>44,665,120</u>	<u>96,600,225</u>



	Note	2025 --- R u p e e s ---	2024
<b>12. ADVANCES AND OTHER RECEIVABLES</b>			
- Considered good			
Advances to suppliers and contractors - unsecured	12.1	299,157,916	203,281,276
Advances to employees against salaries - secured		16,553,368	8,283,617
Advance against letter of credit		8,395,740	5,665,103
		<u>324,107,024</u>	<u>217,229,996</u>

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

	Note	2025 --- R u p e e s ---	2024
<b>13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Deposits against LC / guarantee margin		150,206,538	214,355,440
Prepayments		-	1,375,443
Deposit to supplier	13.1	228,506,292	-
Import claim receivable		256,663,714	43,407,477
Other receivable		7,434,133	10,279,111
		<u>642,810,677</u>	<u>269,417,471</u>

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

#### 14. MARK-UP ACCRUED

Mark-up accrued on:

Advance to associated company (PAEL)		29,691,993	25,336,886
Less: Loss allowance on markup accrued	14.1	<u>(29,691,993)</u>	<u>(25,336,886)</u>
		-	-

Term finance certificates  
and term deposit receipt

14.2	19,085,522	4,281,883
	<u>19,085,522</u>	<u>4,281,883</u>

14.1 This represents loss allowance on markup balance of advance to Associated Company (Pak Arab Energy Limited) in accordance with the requirements of IFRS 9. Mark-up is accrued on the basis as described in note 8.2 of these financial statements.

14.2 Mark-up is accrued on the basis as described in note 7.7 of these financial statements.



**15. SHORT TERM INVESTMENT**

	Note	2025 --- R u p e e s ---	2024
<b>Investment at fair value through P&amp;L</b>			
Fatima Fertilizer Company Limited - quoted 6,120,000 (2024: 6,120,000) fully paid ordinary shares of Rs. 10 each Equity held 0.29% (2024: 0.29%) Market value per share Rs.99.41 (2024: Rs.51.62)			
		<b>608,389,200</b>	315,914,400
<b>15.1</b>	Movement in short term investment at fair value through profit or loss is as follows :		
	Market value as at July 01,	<b>315,914,400</b>	182,437,200
	Unrealized fair value gain on re-measurement of investments	<b>292,474,800</b>	133,477,200
	Market value as at June 30,	<b>608,389,200</b>	315,914,400
<b>15.2</b>	These shares are pledged as security against short borrowings from banking companies as disclosed in note 25.1.		

**16. CASH AND BANK BALANCES**

	Note	2025 --- R u p e e s ---	2024
Cash in hand		<b>50,256,125</b>	39,455,989
<b>Cash at banks</b>			
Current accounts			
- foreign currency		<b>18,421,841</b>	68,166,428
- local currency		<b>246,682,446</b>	452,158,082
		<b>265,104,287</b>	520,324,510
Saving accounts	<b>16.1</b>	<b>93,680,776</b>	69,137,603
		<b>358,785,063</b>	589,462,113
Term deposit receipts	<b>16.2</b>	<b>713,250,000</b>	84,500,000
		<b>1,122,291,188</b>	713,418,102
<b>16.1</b>	Rate of interest and mark-up on saving account is 0.15% to 19% (2024: 0.15% to 20.5%) per annum.		
<b>16.2</b>	These carry mark-up at the rate ranging from 7% to 20% per annum.		

**17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

	2025	2024	2025	2024
	---- (Number of shares) ----		----- (Rupees) -----	
Ordinary shares of Rs. 10 each fully paid in cash	1,000,000	1,000,000	10,000,000	10,000,000
Ordinary shares of Rs. 10 each fully paid as right shares	9,187,200	9,187,200	91,872,000	91,872,000
Ordinary shares of Rs. 10 each issued as fully paid bonus shares	19,812,800	19,812,800	198,128,000	198,128,000
	<u>30,000,000</u>	<u>30,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>

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

	2025	2024	2025	2024
	--(Number of shares)--		---(Percentage of holding)---	
Fazal Holdings (Private) Ltd.	7,352,041	7,352,041	24.51	24.51
Mr. Rehman Naseem	3,101,320	3,101,320	10.34	10.34
Mr. Fawad Ahmed Mukhtar	2,415,422	2,415,422	8.05	8.05
Mr. Fazal Ahmed Sheikh	2,041,611	2,041,611	6.81	6.81
Mr. Faisal Ahmed	2,039,865	2,039,865	6.80	6.80
Mr. Muhammad Yousaf Amir S/O Amir Naseem Sheikh	1,421,643	1,421,643	4.74	4.74
Mr. Abdullah Amir Fazal S/O Amir Naseem Sheikh	1,414,139	1,414,139	4.71	4.71
Mr. Asad Muhammad Sheikh S/O Fazal Ahmed Sheikh	1,012,970	1,012,970	3.38	3.38
Mr. Muhammad Mukhtar Sheikh S/O Fazal Ahmed Sheikh	1,012,969	1,012,969	3.38	3.38
Mr. Muhammad Fazeel Mukhtar S/O Faisal Ahmed	675,895	675,895	2.25	2.25
Mr. Ibrahim Mukhtar S/O Faisal Ahmed	675,895	675,895	2.25	2.25
Mr. Mohid Muhammad Ahmed S/O Faisal Ahmed	675,895	675,895	2.25	2.25
Mr. Fahd Mukhtar	579,715	579,715	1.93	1.93



	2025 ------(Number of shares)-	2024	2025 ---(Percentage of holding)---	2024
Mr. Ali Mukhtar S/O Fawad Ahmed Mukhtar	536,207	536,207	1.79	1.79
Mr. Abbas Mukhtar S/O Fawad Ahmed	536,206	536,206	1.79	1.79
Fatima Trading Company (Private) Ltd.	392,283	392,283	1.31	1.31
Farrukh Trading Company Ltd.	392,282	392,282	1.31	1.31
Fatima Management Company Ltd.	392,282	392,282	1.31	1.31
Mr. Aamir Naseem Sheikh	82,828	82,828	0.28	0.28
Mr. Sheikh Naseem Ahmad	8,820	8,820	0.03	0.03
Mrs. Mahnaz Amir Sheikh	4,447	4,447	0.01	0.01
Mr. Babar Ali	2,501	2,501	0.01	0.01
Ms. Parveen Akhter Malik	7,501	2,501	0.03	0.01
Mr. Masood Karim Sheikh	2,501	2,501	0.01	0.01
Reliance Commodities (Private) Ltd.	500	500	0.002	0.002
Fatima Holding Ltd.	5	5	0.00002	0.00002

**18. OTHER CAPITAL RESERVES**

	Note	2025 --- R u p e e s ---	2024
<b>Share premium</b>			
Issue of 3,168,000 ordinary shares of Rs. 10 each at premium of Rs. 20 per share issued during the year 2001		63,360,000	63,360,000
Issue of 2,851,200 ordinary shares of Rs. 10 each at premium of Rs. 5 per share issued during the year 2002		14,256,000	14,256,000
	18.1	77,616,000	77,616,000
Capital redemption reserve	18.2	175,000,000	175,000,000
Fair value reserve - net of tax	18.3	4,363,947,165	1,756,765,395
Transfer of reserves	18.4	15,000,000,000	-
		<u>19,616,563,165</u>	<u>2,009,381,395</u>



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

**19. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT**

**2025                      2024**  
**--- R u p e e s ---**

Gross surplus

Balance at July 01, **25,630,012,233**    26,633,893,401

Effect of disposal of operating fixed assets during the year - net of deferred tax

**(27,214,292)**    (22,724,060)

Related deferred tax liability

**(17,399,301)**    (14,528,498)

**(44,613,593)**    (37,252,558)

Transferred to unappropriated profits in respect of incremental depreciation charge for the year - net of deferred tax

**(557,497,107)**    (589,643,452)

Related deferred tax liability

**(356,432,577)**    (376,985,158)

**(913,929,684)**    (966,628,610)

Balance at June 30, **24,671,468,956**    25,630,012,233

Deferred tax liability on revaluation surplus

Balance at July 01, **7,075,164,064**    4,503,254,357

Related deferred tax liability:

- Effect of disposal of operating fixed assets during the year - net of deferred tax

**(17,399,301)**    (14,528,498)

- Transferred to unappropriated profits in respect of incremental depreciation charge for the year - net of deferred tax

**(356,432,577)**    (376,985,158)

**(373,831,878)**    (391,513,656)

Effect of change in proration rate

**-**    2,963,423,363

Balance at June 30, **6,701,332,186**    7,075,164,064

Revaluation surplus on property, plant and equipment - net of tax

**17,970,136,770**    18,554,848,169



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

**Freehold land**

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

**Factory and non-factory building**

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

**Plant and machinery and others fixed assets**

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

**20. LONG TERM FINANCING - SECURED**

	Note	2025 --- Rupees ---	2024
Long term financing:			
- banking companies	20.1	11,894,393,406	12,834,814,006
- other financial institutions	20.2	2,537,859,128	2,816,041,671
		14,432,252,534	15,650,855,677
Accrued mark-up			
- banking companies	20.1	290,254,150	464,857,160
- other financial institutions	20.2	46,225,620	89,020,922
		336,479,770	553,878,081
Total long term financing including accrued mark-up		14,768,732,304	16,204,733,758
Less:			
Current portion of long term financing	24	(3,264,201,917)	(2,935,523,140)
Accrued mark-up presented separately in the financial statements	28	(336,479,770)	(553,878,081)
		11,168,050,617	12,715,332,537



20.1 Banking companies:

Lender	2025	2024	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
<b>Askari Bank Limited</b>					
- Term finance - TF	-	66,666,669	6 Months KIBOR + 1.00%	Loan has been repaid during the year	1st joint pari passu charge/ mortgage of Rs.1,294 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Term finance - TF	208,333,335	291,666,667	6 Months KIBOR + 1.00%	Balance principal amount is payable in five equal half yearly instalments ending on November 26, 2027.	
- SBP's LTFF loan	248,701,301	331,601,735	SBP Rate + 1.00% (fixed rate)	Balance principal amount is payable in six equal half yearly instalments ending on June 22, 2028.	
- Term finance - TF	-	1,188,299	6 Months KIBOR + 1.00%	Loan has been repaid during the year	
- SBP's LTFF loan	-	30,956,730	SBP Rate + 1.00% (fixed rate)	Loan has been repaid during the year	
Accrued markup on loan	9,796,490	24,469,351			
	466,831,126	746,549,451			
<b>Soneri Bank Limited</b>					
- Term finance - TF	300,000,000	400,000,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in six equal half yearly instalments ending on April 01, 2028	1st joint pari passu charge/ mortgage of Rs.1,269 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- SBP's LTFF loan	246,055,676	307,569,608	SBP rate + 1.10% (fixed rate)	Balance principal amount is payable in sixteen equal quarterly instalments ending on June 20, 2029.	
Accrued markup on loan	11,849,155	24,812,827			
	557,904,831	732,382,435			
<b>Habib Bank Limited</b>					
- SBP's LTFF loan	133,883,427	187,436,801	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in five equal half yearly instalments ending on September 29, 2027.	1st joint pari passu charge/ mortgage of Rs.1,651 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Demand Finance	458,333,333	500,000,000	3 Month KIBOR + 0.75%	Balance principal amount is payable in eleven equal half yearly instalments ending on September 11, 2030.	
TF for Solar	451,682,582	-	6 Month KIBOR + 1%	Principal amount is payable in ten equal half yearly instalments beginning on April 03, 2027.	
Accrued markup on loan	28,111,435	29,540,462			
	1,072,010,777	716,977,263			





Lender	2025	2024	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
<b>National Bank of Pakistan</b>					
- SBP's LTFF loan	500,000,000	600,000,000	SBP rate + 0.60% (fixed rate)	Balance principal amount is payable in twenty equal quarterly instalments ending on April 08, 2030.	1st joint pari passu charge/ mortgage of Rs.4,834 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Demand finance - XII	937,500,000	1,000,000,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in fifteen equal half yearly instalments ending on November 02, 2032.	
- SBP's LTFF loan	750,000,000	875,000,000	SBP rate + 0.80% (fixed rate)	Balance principal amount is payable in twelve equal half yearly instalments ending on February 23, 2031.	
- Demand finance - XI	187,500,000	225,000,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in ten equal half yearly instalments ending on February 24, 2030.	
Accrued markup on loan	47,216,000	79,599,070			
	2,422,216,000	2,779,599,070			
<b>United Bank Limited</b>					
- SBP's LTFF loan	173,156,926	346,313,797	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in three equal half yearly instalments ending on December 31, 2026.	1st joint pari passu charge/ mortgage of Rs.5,548 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
- Demand finance - V	-	1,000,000,000	3 Months KIBOR + 1.50%	Demand finance has been converted to diminishing musharika during the year.	
Accrued markup on loan	759,286	51,426,464			
	173,916,212	1,397,740,261			
<b>MCB Bank Limited</b>					
- Syndicated term finance	80,986,125	-	6 Months KIBOR + 0.75%	Principal amount is payable in ten equal half yearly instalments beginning on September 30, 2027.	1st joint pari passu charge/ mortgage of Rs.1,920 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
Accrued markup on loan	1,075,692	296,583			
	82,061,817	296,583			



Lender	2025	2024	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
<b>Allied Bank Limited</b>					
- Term loan - VII	165,985,493	221,313,991	6 Months KIBOR + 0.65%	Balance principal amount is payable in six equal half yearly instalments ending on March 02, 2028.	1st joint pari passu charge/ mortgage of Rs.6,285 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company.
- SBP's LTFF loan	155,330,302	199,710,390	SBP Rate+0.50% (fixed rate)	Balance principal amount is payable in seven equal half yearly instalments ending on September 02, 2028.	
- SBP's LTFF loan	344,997,197	431,246,479	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in eight equal half yearly instalments ending on January 04, 2029.	
- SBP's LTFF loan	261,830,472	324,097,334	SBP rate + 0.75% (fixed rate)	Balance principal amount is payable in ten equal half yearly instalments ending on March 27, 2030.	
- SBP's REPP loan	109,980,038	131,976,044	SBP rate + 0.75% (fixed rate)	Balance principal amount is payable in ten equal half yearly instalments ending on March 25, 2030.	
- Term finance - XVI	350,000,000	450,000,000	6 Months KIBOR + 1.50%	Balance principal amount is payable in seven equal half yearly instalments ending on July 10, 2028.	
- Term finance - II	-	25,000,000	6 Months KIBOR + 1.25%	Loan has been repaid during the year.	
- SBP's LTFF loan	-	25,000,000	SBP Rate + 1.25% (fixed rate)	Loan has been repaid during the year.	
- SBP's LTFF loan	21,875,000	28,125,000	SBP Rate + 1.00% (fixed rate)	Balance principal amount is payable in seven equal half yearly instalments ending on December 11, 2028.	
- Term loan - XVII	2,000,000,000	-	6 Months KIBOR + 0.70%	Principal amount is payable in eight equal half yearly instalments beginning on May 08, 2026.	
- Syndicated term finance	80,986,125	-	6 Months KIBOR + 0.75%	Principal amount is payable in ten equal half yearly instalments beginning on September 30, 2027.	
Accrued markup on loan	91,412,412	50,546,559			
	3,582,397,039	1,887,015,797			
<b>The Bank of Khyber</b>					
- SBP's LTFF loan	105,000,000	175,000,000	SBP rate + 0.60% (fixed rate)	Balance principal amount is payable in three equal half yearly instalments ending on August 27, 2026.	1st joint pari passu charge/ mortgage of Rs.607 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- SBP's LTFF loan	350,000,000	450,000,000	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in seven equal half yearly instalments ending on July 19, 2028.	
Accrued markup on loan	3,966,040	5,278,569			
	458,966,040	630,278,569			



Lender	2025	2024	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
<b>The Bank of Punjab</b>					
- SBP's LTFF loan	187,500,010	250,000,008	SBP rate + 0.50% (fixed rate)	Balance principal amount is payable in six equal half yearly instalments ending on December 05, 2027.	1st joint pari passu charge/ mortgage of Rs. 3,225 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Term finance	150,000,000	250,000,000	6 Months KIBOR + 0.75%	Balance principal amount is payable in three equal half yearly instalments ending on October 25, 2026.	
- SBP's LTFF loan	218,712,081	281,201,233	SBP rate + 0.75% (fixed rate)	Balance principal amount is payable in seven equal half yearly instalments ending on October 12, 2028.	
- SBP's LTFF loan	275,578,222	336,817,816	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in nine equal half yearly instalments ending on December 27, 2029.	
- Term finance	704,185,820	812,522,100	6 Months KIBOR + 1.75%	Balance principal amount is payable in thirteen equal half yearly instalments ending on November 29, 2031	
- SBP's LTFF loan	101,488,041	117,101,587	SBP rate + 1.75% (fixed rate)	Balance principal amount is payable in fourteen equal half yearly instalments ending on January 24, 2032.	
- SBP's LTFF loan	7,351,224	8,401,400	SBP rate + 2.25% (fixed rate)		
Accrued markup on loan	37,048,458	71,659,572			
	1,681,863,856	2,127,703,716			
<b>Bank Al Habib Limited</b>					
- Term finance	100,000,000	200,000,000	6 Months KIBOR + 1.00%	Balance principal amount is payable in two equal half yearly instalments ending on January 17, 2026.	1st joint pari passu charge/ mortgage of Rs. 1,576 million on all present and future fixed assets of the Company.
- Term finance	10,803,748	12,604,374	6 Months KIBOR + 2.00%	Balance principal amount is payable in twelve equal half yearly instalments ending on June 16, 2031.	
- SBP's LTFF loan	176,696,252	206,145,626	SBP rate + 2.00% (fixed rate)	Balance principal amount is payable in twelve equal half yearly instalments ending on June 16, 2031.	
- SBP's REPP loan	313,055,754	357,778,000	SBP rate + 1.75% (fixed rate)	Balance principal amount is payable in fourteen equal half yearly instalments ending on June 14, 2032.	
Accrued markup on loan	9,539,552	18,404,195			
	610,095,306	794,932,195			
<b>Bank Alfalah Limited</b>					
- Term finance	350,000,000	490,000,000	6 Months KIBOR + 1.50%	Balance principal amount is payable in five equal half yearly instalments ending on November 02, 2027.	1st joint pari passu charge/ mortgage of Rs. 958 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- SBP's REPP loan	239,404,922	274,872,318	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in twenty seven equal quarterly instalments ending on February 23, 2032.	
Accrued markup on loan	15,612,408	32,641,797			
	605,017,330	797,514,115			
<b>Habib Metropolitan Bank Limited</b>					
- Term finance	437,500,000	612,500,000	6 Months KIBOR + 1.20%	Balance principal amount is payable in ten equal quarterly instalments ending on October 15, 2027.	1st joint pari passu charge/mortgage of Rs. 984 million on all present and future fixed assets of the Company.
Accrued markup on loan	33,867,222	76,181,711			
	471,367,222	688,681,711			
	12,184,647,556	13,299,671,166			
Long term financing at year end	11,894,393,406	12,834,814,006			
Accrued mark up	290,254,150	464,857,160			



## 20.2 Other financial institutions:

Lender	2025	2024	Rate of mark up per annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
Pak Brunei Investment Company Limited					
- Term finance	255,000,000	300,000,000	3 Months KIBOR + 2.00%	Balance principal amount is payable in seventeen equal quarterly instalments ending on August 18, 2029.	1st joint pari passu charge/ mortgage of Rs.627 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Term finance	200,000,000	200,000,000	3 Months KIBOR + 2.00%	Principal amount is payable in twenty equal quarterly instalments beginning on February 27, 2026	
Accrued markup on loan	6,727,363	12,958,639			
	461,727,363	512,958,639			
Pak Oman Investment Company Limited					
- Term finance	-	17,500,000	3 Months KIBOR + 0.90%	Loan has been repaid during the year.	1st joint pari passu charge/ mortgage of Rs.323 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Term finance	75,000,000	175,000,000	6 Months KIBOR + 0.90%	Balance principal amount is payable in three equal quarterly instalments ending on January 24, 2026.	
- Term finance	145,833,339	229,166,671	3 Months KIBOR + 2.00%	Balance principal amount is payable in seven equal quarterly instalments ending on March 09, 2027.	
Accrued markup on loan	2,986,888	10,564,711			
	223,820,227	432,231,382			
Saudi Pak Industrial & Agricultural Investment Co. Limited					
- Term finance	100,000,000	150,000,000	6 Months KIBOR + 2.25%	Balance principal amount is payable in four equal half yearly instalments ending on January 23, 2027.	1st joint pari passu charge/ mortgage of Rs.665 million on all present and future fixed assets of the Company.
- SBP's LTFF loan	398,125,000	459,375,000	SBP rate + 1.50% (fixed rate)	Balance principal amount is payable in thirteen equal half yearly instalments ending on August 29, 2031	
Accrued markup on loan	6,210,877	19,196,324			
	504,335,877	628,571,324			
PAIR Investment Company Limited					
- Term finance	255,000,000	285,000,000	3 Months KIBOR + 1.90%	Balance principal amount is payable in fourteen quarterly instalments ending on October 03, 2028.	1st joint pari passu charge/ mortgage of Rs.677 million on all present and future fixed assets of the Company.
- Term finance	160,984,122	-	3 Months KIBOR + 1.90%	principal amount is payable in twenty quarterly instalments beginning on October 23, 2025.	
Accrued markup on loan	12,941,040	16,501,110			
	428,925,162	301,501,110			
Pak Libya Holding Company (Private) Limited					
- Term finance	479,166,667	500,000,000	3 Months KIBOR + 2.10%	Balance principal amount is payable in twenty three equal quarterly instalments ending on January 02, 2031.	1st joint pari passu charge/ mortgage of Rs.667 million on all present and future fixed assets of the Company.
Accrued markup on loan	16,684,452	29,192,487			
	495,851,119	529,192,487			
Pakistan Kuwait Investment Company (Private) Limited					
- Term finance	468,750,000	500,000,000	3 Months KIBOR + 2.00%	Balance principal amount is payable in thirty equal quarterly instalments ending on December 29, 2032.	1st joint pari passu charge/ mortgage of Rs.667 million on all present and future fixed assets of the Company.
Accrued markup on loan	675,000	607,651			
	469,425,000	500,607,651			
	2,584,084,748	2,905,062,593			
Long term financing at year end	2,537,859,128	2,816,041,671			
Accrued mark up	46,225,620	89,020,922			



- 20.3** The above financing facilities have been obtained to meet capital expenditure including balancing, modernization and replacement of manufacturing facilities, balance sheet reprofiling and long term working capital requirements of the Company.

**21. LONG TERM MUSHARIKA - SECURED**

LONG TERM MUSHARIKA - SECURED		2025	2024
	Note	- - - R u p e e s - - -	
<u>Islamic mode of financing</u>			
Long term musharika - banking companies	21.1	8,999,190,673	3,406,852,548
Accrued mark-up	21.1	180,723,636	150,333,209
Total long term financing including accrued mark-up		9,179,914,309	3,557,185,757
Less:			
Current portion of long term musharika	24	(1,043,044,067)	(897,210,735)
Accrued mark-up presented separately in the financial statements	28	(180,723,636)	(150,333,209)
		7,956,146,606	2,509,641,813



## 21.1 Banking companies:

Lender	2025	2024	Rate of profit per Annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
<b>Meezan Bank Limited</b>					
- Diminishing musharika	-	62,500,000	6 Months KIBOR + 1.25%	Loan has been repaid during the year	1st joint pari passu charge/ mortgage of Rs.2,445 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Diminishing musharika	833,333,334	1,000,000,000	6 Months KIBOR + 1.25%	Balance Principal amount is payable in ten equal half yearly instalments ending on April 22, 2030.	
- Diminishing musharika	500,000,000	700,000,000	6 Months KIBOR + 1.25%	Balance principal amount is payable in five equal half yearly instalments ending on November 29, 2027	
Accrued mark up on loans	27,029,087	59,506,335			
	1,360,362,421	1,822,006,335			
<b>Dubai Islamic Bank Pakistan Limited</b>					
- Diminishing musharika	-	75,000,000	6 Months KIBOR + 2.00%	Loan has been repaid during the year	1st joint pari passu charge/ mortgage of Rs.1,900 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.
- Diminishing musharika	125,000,000	225,000,000	3 Months KIBOR + 1.50%	Balance principal amount is payable in five equal quarterly instalments ending on 06 September 2026.	
- Diminishing musharika	250,000,000	350,000,000	3 Months KIBOR + 1.50%	Balance principal amount is payable in ten equal quarterly instalments ending on 27 December 2027.	
- Diminishing musharika	1,000,000,000	-	3 Months KIBOR + 1.50%	Principal amount is payable in twenty equal quarterly instalments beginning on 30 November 2025.	
Accrued mark up on loans	12,586,167	9,607,548			
	1,387,586,167	659,607,548			
<b>Faysal Bank Limited</b>					
- Diminishing musharika	651,308,480	744,352,548	3 Months KIBOR + 0.75%	Balance Principal amount is payable in fourteen equal half yearly instalments ending on June 30, 2032.	1st joint pari passu charge/ mortgage of Rs.3,130 million over all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Accrued mark up on loans	10,828,102	53,590,320			
	662,136,582	797,942,868			



Lender	2025	2024	Rate of profit per Annum	Tenure and basis of principal repayments	Security
----- Rupees -----					
<b>National Bank of Pakistan</b>					
- Diminishing musharika	150,000,000	250,000,000	6 Months KIBOR + 0.85%	Balance principal amount is payable in three equal half yearly instalments ending on July 02, 2026.	1st joint pari passu charge/ mortgage of Rs.4,834 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Diminishing musharika	750,000,000	-	6 Months KIBOR + 1.00%	Principal amount is payable in twelve equal half yearly instalments beginning on July 02, 2026.	
Accrued profit on loan	61,089,713	27,619,811			
	961,089,713	277,619,811			
<b>Bank Islami Pakistan</b>					
- Diminishing musharika	1,000,000,000	-	6 Months KIBOR + 1.00%	Principal amount is payable in twelve equal half yearly instalments beginning on June 18, 2026.	1st joint pari passu charge/ mortgage of Rs.1,334 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
Accrued mark up on loans	4,320,656	-			
	1,004,320,656	-			
<b>United Bank Limited</b>					
- Diminishing musharika	1,000,000,000	-	3 Months KIBOR + 1.50%	Demand finance has been converted to diminishing musharika during the year. Principal amount is payable in twenty equal quarterly instalments beginning on April 15, 2026.	1st joint pari passu charge/ mortgage of Rs.5,548 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors of the Company.
- Diminishing musharika	2,500,000,000	-	3 Months KIBOR + 1.50%	Principal amount is payable in thirty two equal quarterly instalments beginning on November 28, 2026.	
- Diminishing musharika	239,548,859	-	3 Months KIBOR + 1.50%	Principal amount is payable in thirty two equal quarterly instalments beginning on February 14, 2027.	
Accrued mark up on loans	64,860,716	-			
	3,804,409,575	-			
	9,179,914,309	3,557,185,757			
Long term financing at year end	8,999,190,673	3,406,852,548			
Accrued mark up	180,723,636	150,333,209			





- 21.2** The above financing facilities have been obtained to meet capital expenditure including balancing, modernization and replacement of manufacturing facilities, balance sheet reprofiling and long term working capital requirements of the Company.

**22. LEASE LIABILITY - UNSECURED**

	Note	2025	2024
		--- Rupees ---	
Lease liability against right of use asset		70,677,725	73,111,590
Current portion of lease liability	24	(4,235,280)	(2,433,865)
	22.1	66,442,445	70,677,725
		2025	
		Minimum lease payments	Finance charge
			Present value of minimum lease payments
Lease liability - unsecured		----- (Rupees) -----	
Not later than one year		14,147,686	9,912,406
Later than one year and not later than five years		72,225,353	27,353,752
Above five years		22,784,990	1,214,146
		109,158,029	38,480,304
		2024	
		Minimum lease payments	Finance charge
			Present value of minimum lease payments
Lease liability - unsecured		----- (Rupees) -----	
Not later than one year		12,861,533	10,427,668
Later than one year and not later than five years		65,659,411	33,189,035
Above five years		43,498,618	5,291,269
		122,019,562	48,907,972



- 22.1** The Company has recognized right of use on account of head office land obtained by the Company on lease. The remaining tenure of contract is 6 years and the rent is payable quarterly. Lease liability is calculated at discount rate of 15.11% per annum.

<b>23. DEFERRED LIABILITIES:</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>--- Rupees ---</b>	
Staff retirement benefit - Gratuity	<b>23.1</b>	<b>604,292,806</b>	576,427,439
Deferred taxation	<b>23.2</b>	<b>9,501,841,903</b>	9,234,269,159
		<b>10,106,134,709</b>	<b>9,810,696,598</b>

**23.1 Staff retirement benefit - Gratuity**

The latest actuarial valuation of the Company's defined benefit plan, was conducted at 30 June 2025 using 'Projected Unit Credit' method. Detail of obligation for defined benefit plan is as follows:

**23.1.1 The amounts recognized in the 'Statement of financial position' is as follows:**

	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>--- Rupees ---</b>	
Present value of defined benefit obligation liability at June 30,		<b>604,292,806</b>	<b>576,427,439</b>

**23.1.2 Movement in the liability for defined benefit obligation recognized in the 'Statement of financial position' is as follows:**

Liability for defined benefit obligation at July 01,		<b>576,427,439</b>	445,220,674
Current service cost	<b>23.1.3</b>	<b>209,820,409</b>	195,958,705
Interest cost on defined benefit obligation	<b>23.1.3</b>	<b>59,110,359</b>	55,987,032
Actuarial loss charged to 'Other Comprehensive Income'	<b>23.1.5</b>	<b>110,293,090</b>	80,631,210
Benefits paid during the year		<b>(351,358,491)</b>	(201,370,182)
Liability for defined benefit obligation at June 30,		<b>604,292,806</b>	<b>576,427,439</b>

**23.1.3 The amounts recognized in the 'Statement of profit or loss' against defined benefit plan are as follows:**

Current service cost		<b>209,820,409</b>	195,958,705
Interest cost		<b>59,110,359</b>	55,987,032
		<b>268,930,768</b>	<b>251,945,737</b>



2025                      2024  
 --- R u p e e s ---

**23.1.4 Charge to 'Statement of profit or loss' against defined benefit plan has been allocated as under**

Cost of sales	253,302,637	240,113,611
Selling and distribution expense	2,295,864	1,918,739
Administrative expense	13,332,267	9,913,387
	<b>268,930,768</b>	<b>251,945,737</b>

**23.1.5 Remeasurement loss recognized in the 'Other comprehensive income' against defined benefit plan are as follows:**

Remeasurement gain on defined benefit obligation due to:

- changes in financial assumptions	(2,236,622)	(1,035,001)
- change in experience adjustment	112,529,712	81,666,211
	<b>110,293,090</b>	<b>80,631,210</b>

**23.1.6 Actuarial assumptions used for valuation of liability at June 30, against defined benefit obligation are as under :**

The following are the principal actuarial assumptions at statement of financial position date:

	2025	2024
Discount rate used for interest cost	14.75% per annum	16.25% per annum
Discount rate used for year end obligation	11.75% per annum	14.75% per annum
Expected rate of growth per annum in future salaries	9.75% per annum	12.75% per annum
Mortality rates	SLIC (2001 - 05) Setback 1 Year	SLIC (2001 - 05) Setback 1 Year
Retirement assumption	Age 60	Age 60

**23.1.7 Sensitivity analysis of defined benefit obligation to changes in the actuarial assumptions**

Reasonably possible changes at the statement of financial position date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:



	2025			2024		
	Impact on defined benefit obligation			Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	Percentage	----- Rupees -----		Percentage	----- Rupees -----	
Discount rate	1.00%	<u>563,641,734</u>	<u>647,890,047</u>	1.00%	<u>537,650,884</u>	<u>618,014,309</u>
Salary growth rate	1.00%	<u>647,875,722</u>	<u>563,634,810</u>	1.00%	<u>618,000,643</u>	<u>537,644,280</u>

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognized in the statement of financial position.

**23.1.8** The Company expects to charge Rs.240.15 million against current service cost and Rs. 71.00 million against net interest cost, aggregating to Rs. 311.15 million, to 'Statement of Profit or Loss' in respect of defined benefit plan in 2026.

**23.1.9** The Company exposure to the actuarial risks are as follows:

**a) Salary risks**

The risk that the final salary at the time of cessation of service is greater than the assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

**b) Demographic risks**

**Mortality Risk**

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

**Withdrawal Risk**

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

**23.1.10** Gratuity scheme entitles members of staff retirement benefit plan on resignation, termination, retirement, early retirement, retrenchment, death and dismissal based, on the Company's service rules, for staff gratuity. Gratuity is based on the last month basic salary for each year of service.

## 23.2 Deferred taxation

	<b>2025</b>			
	<b>Balance at July 01</b>	(Reversal from)/ charge to		<b>Balance at June 30</b>
		'Statement of profit or loss'	'Statement of comprehensive income'	
		- - - - - Rupees - - - - -		
<b>Taxable temporary differences arising in respect of :</b>				
Revaluation surplus on property, plant and equipment	7,075,164,064	(373,831,877)	-	6,701,332,187
Long term investment	56,769,548	-	1,945,579	58,715,127
Tax depreciation allowance	2,165,474,095	638,647,879	-	2,804,121,974
	<b>9,297,407,707</b>	<b>264,816,002</b>	<b>1,945,579</b>	<b>9,564,169,288</b>

**Deductible temporary difference arising in respect of :**

Provisions and others	(63,138,548)	811,163	-	(62,327,385)
Deferred tax liability	9,234,269,159	265,627,165	1,945,579	9,501,841,903

2024					
Balance at July 01	Effect of change in proration rate		(Reversal from) / charge to		Balance at June 30
	Equity	'Statement of profit or loss'	'Statement of profit or loss'	'Statement of comprehensive income'	
----- Rupees -----					

Taxable temporary differences arising in respect of :

Revaluation surplus on property, plant and equipment	4,503,254,357	2,963,423,363	-	(391,513,656)	-	7,075,164,064
Long term investment	109,032,986	-	-	-	(52,263,438)	56,769,548
Tax depreciation allowance	2,783,862,778	-	1,831,956,017	(2,450,344,700)	-	2,165,474,095
	<u>7,396,150,121</u>	<u>2,963,423,363</u>	<u>1,831,956,017</u>	<u>(2,841,858,356)</u>	<u>(52,263,438)</u>	<u>9,297,407,707</u>

Deductible temporary difference in respect of :

Minimum tax -note 23.2.1	(612,431,572)	-	-	612,431,572	-	-
Provisions and others	(101,249,687)	-	(66,628,618)	104,739,757	-	(63,138,548)
Deferred tax liability	6,682,468,862	2,963,423,363	1,765,327,399	(2,124,687,027)	(52,263,438)	9,234,269,159

**23.2.1** The Company as not booked deferred tax asset amounting Rs. 2.524 billion pertaining to minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 based on its assessment that in future sufficient taxable profits would not be available against which this asset may be utilised.



24. CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2025 --- R u p e e s ---	2024
Mark-up bearing finances from conventional banks:			
Long term financing - secured	20	3,264,201,917	2,935,523,140
Islamic mode of financing:			
Long term musharika - secured	21	1,043,044,067	897,210,735
Current portion of lease liability	22	4,235,280	2,433,865
		<b>4,311,481,264</b>	<b>3,835,167,740</b>

## 25. SHORT TERM BORROWINGS - SECURED

	Limits (in million)	Nominal interest rate %		
<b>Banking Companies</b>				
<b>Mark-up based borrowings from conventional banks</b>				
Cash finance	8,800	11.58 - 21.60	1,611,195,107	496,522,264
Running finance	10,950	11.58 - 22.67	1,018,634,532	408,800,942
Foreign currency export finance	5,450	2.50 - 10.00	1,804,771,769	3,808,515,426
Finance against imported merchandise	8,400	6.00 - 24.96	2,241,226,163	2,186,970,823
Finance against trust receipt	12,759	4.80 - 21.60	8,052,522,296	2,308,250,194
Money market loan	Sub- Limit	11.26 - 22.60	3,699,999,997	5,089,999,997
Accrued mark-up			312,465,357	461,711,960
			<b>18,740,815,221</b>	<b>14,760,771,606</b>
<b>Islamic mode of financing</b>				
Running musharika	2,450	10.24 - 22.24	2,199,039,811	847,497,900
Karobar finance/ Import murabaha/ Musawammah	7,851	10.69 - 22.68	2,910,374,998	2,571,117,731
Accrued mark-up			52,604,455	154,440,362
			<b>5,162,019,264</b>	<b>3,573,055,993</b>
Total short term borrowings			<b>23,902,834,485</b>	<b>18,333,827,599</b>
Less: accrued mark-up/profit			<b>(365,069,812)</b>	<b>(616,152,322)</b>
			<b>23,537,764,673</b>	<b>17,717,675,277</b>



- 25.1** The Company has limits for funded short term borrowing facilities of aggregate amount of Rs. 56,660 million and facilities for opening of letters of credit of aggregate amount of Rs. 1,650 million having aggregate sanctioned limit of Rs.58,310 million (2024: Rs.49.031 million). Further, the company has aggregate limit of bank guarantees of Rs. 6,322 million (2024: Rs 4,272 million). These facilities are secured against different securities including pledge of stocks, hypothecation of stocks, stores and spares, hypothecation charge on all other current assets, lien on debtors, lien on imports and exports documents and personal guarantees of the sponsoring directors. The pledge based outstanding borrowings out of the above outstanding borrowings are secured against pledge of stocks amounting to Rs.4,753 million and 69 million shares of Fatima Fertilizer Company Limited. Short term borrowing funded facilities of aggregate amount of Rs.29,631 million and non-funded letters of credit facilities of aggregate amount of Rs. Nil having an aggregate of Rs.29,631 million (2024: Rs.28,175 million) remained unutilized at year end. Further, the bank guarantee facilities of aggregate amount of Rs.2,406 million (2024: Rs. 1,207 million) remained unutilized at year end. These facilities are expiring on various dates by October 31, 2027.

<b>26. CONTRACT LIABILITIES</b>		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>--- Rupees ---</b>	
Contract liabilities	<b>26.1</b>	<b><u>1,294,316,323</u></b>	<b><u>438,053,016</u></b>

- 26.1** The amount of Rs. 189.9 million included in contract liabilities as at June 30, 2024 has been recognized as revenue in the year ended June 30, 2025. (2024: Rs. 548.26 million ).

<b>27. TRADE AND OTHER PAYABLES</b>		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>--- Rupees ---</b>	
Trade creditors		<b>883,302,869</b>	1,051,425,482
Accrued liabilities	<b>27.1</b>	<b>1,716,247,361</b>	1,775,460,506
Due to associated undertakings	<b>27.2</b>	<b>378,465,070</b>	258,503,042
Bills payable		<b>3,117,084,261</b>	1,228,556,665
Tax deducted at source		<b>29,571,730</b>	9,799,560
Infrastructure cess	<b>27.3</b>	<b>2,778,901,401</b>	1,965,068,457
Workers' profit participation fund	<b>27.4</b>	<b>45,837,853</b>	33,645,019
Workers' welfare fund	<b>27.5</b>	<b>39,256,594</b>	56,984,574
Loan from Director	<b>27.6</b>	<b>299,693</b>	299,693
Others		<b>7,300,000</b>	7,300,000
		<b><u>8,996,266,832</u></b>	<b><u>6,387,042,998</u></b>





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

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

<b>27.2 Due to associated undertakings</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>--- R u p e e s ---</b>	
Fatima Energy Limited		<b>373,622,167</b>	257,919,809
Fatima Fertilizer Company Limited		-	123,558
Fazal Farm (Private) Limited		<b>4,842,903</b>	279,675
Fazal-ur-Rehman Foundation		-	180,000
	<b>27.2.1</b>	<b>378,465,070</b>	<b>258,503,042</b>

- 27.2.1** These are unsecured and in the normal course of business for goods and services.

- 27.3** This represent provision against 'Sindh Infrastructure Cess', levied under section 9 of 'Sindh Finance Act, 1994' and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017 at the rate specified of total value of goods as assessed by the 'Custom Authorities' while considering net weight and distance for carriage of goods through the province of 'Sindh'. The Company has filed an appeal before the 'Honourable Sindh High Court' against levy, which passed order dated June 04, 2021 against the Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others has filed petition for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. The Supreme court in its order dated September 01, 2021 granted interim relief to the Company against the order of Honourable Sindh High Court subject to provision of bank guarantees equivalent of Cess amount. However, the probable amount has been fully recognized in the financial

**27.4 Workers' profit participation fund**

	Note	2025 --- Rupees ---	2024
Balance as at July 01		33,645,019	81,895,334
Provision for the year	35.	45,837,857	33,645,019
Interest on funds utilized by the company		2,098,896	16,996,087
		<b>81,581,772</b>	132,536,440
Payment made during the year		(35,561,762)	(98,804,987)
Deposited in 'Government Treasury'		(182,157)	(86,434)
Balance as at June 30		<b>45,837,853</b>	33,645,019

**27.5 Workers' welfare fund**

Balance as at July 01		56,984,574	155,865,153
Adjustment during the year		(51,437,212)	(155,865,153)
Allocation for the year	35	33,709,232	56,984,574
Balance as at June 30		<b>39,256,594</b>	56,984,574

**27.6** This represents interest free loan from a director of the company. The loan is unsecured and repayable on demand.

**28. ACCRUED MARK-UP**

2025                      2024  
--- Rupees ---

**Mark-up based loans from conventional bank:**

Long term financing - secured	336,479,770	553,878,081
Short term borrowings - secured	312,465,357	461,711,960
	<b>648,945,127</b>	1,015,590,041

**Islamic mode of financing:**

Long term musharika - secured	180,723,636	150,333,209
Short term borrowings - secured	52,604,455	154,440,362
	<b>233,328,091</b>	304,773,571
	<b>882,273,218</b>	1,320,363,612



## 29. CONTINGENCIES AND COMMITMENTS

### 29.1 Contingencies

#### Income Tax

- 29.1.1** The officials of Large Taxpayer Unit (LTU) through order on July 27, 2022 under Section 170 of the Income Tax Ordinance, 2001 have curtailed income tax refunds on account of disallowance of the brought-forward minimum tax for tax years 2016 through tax year 2020 and the curtailment of taxes paid or suffered at source for tax year 2021 amounting to Rs. 854.14 million and Rs. 46.98 respectively. Being aggrieved, the company preferred an appeal against the said order before the Commissioner of Inland Revenue Appeals (CIR (A)). During the preceding year, the CIR (A) remand the case back to the assessing officer for denovo consideration. However, the company preferred an appeal before the Appellate Tribunal for Inland Revenue (ATIR). During pendency of the case with ATIR, the department through order u/s 170 dated July 29, 2024 has accepted refund of Rs. 350.10 million by adjusting against advance tax u/s 147 for tax year 2024. The company has preferred an appeal before ATIR on account of disallowance of the brought forward minimum tax for tax years 2016 through tax year 2020 amounting to Rs. 550,271,897 and disallowance of tax credit of Rs. 2.16 million on donations claimed under section 61 of the Ordinance. On January 21, 2025, the ATIR remand the case back to the department, which is pending adjudication.
- 29.1.2** The officials of LTU, through a notice dated August 31, 2021, initiated proceedings under Section 4B of the Ordinance against the company, which was duly responded to by the company's tax advisor on the company's behalf. Such proceedings were concluded through an order dated September 17, 2021, passed under Section 4B of the Ordinance, whereby a tax demand of Rs 23.97 million imposing super tax and default surcharge was raised against the company. The company assailed the subject order in appeal before CIR(A), which was accepted and vacated against the departmental action by CIR(A) through an appellate order dated 13 April, 2022. The department preferred further appeal against the said appellate order before ATIR which is pending adjudication.
- 29.1.3** The officials of LTU, initiated proceedings under section 122(5A) of the Ordinance through notice dated February 11, 2025, through which Company's treatment of apportionment of 'other income' between normal tax regime and final tax regime in return of total income for tax year 2021 was disputed, which was duly responded through letter dated April 28, 2025. Such proceedings have been concluded through order dated July 18, 2025 and department raised the demand for Rs. 131.5 million and adjusted the same amount against the refunds available for this year. The Company has preferred appeal before CIR(A) against the order dated July 18, 2025, passed by assessing officer u/s 122(5A) of the Ordinance which is pending for disposal.
- 29.1.4** The officials of Large Taxpayers Unit, Lahore ('LTU - Lahore') raised income tax demands of Rs. 8.8 million for tax year 2013, Rs. 49.78 million for tax year 2016, and Rs. 93.49 million for tax year 2019 against the Company through separate orders, dated June 28, 2019, June 29, 2018, and December 29, 2020 respectively, under Section 161/205 of the Income Tax



Ordinance, 2001 ('Ordinance') on grounds that income tax has not been deducted against certain payments during tax years 2013, 2016 and 2019 respectively. The Company agitated the orders in appeal before Commissioner Inland Revenue Appeals (CIR(A)). For tax year 2013, the Company's appeal against order was disposed of by CIR(A) for which the Company has filed appeal before ATIR which is pending adjudication. For tax year 2016, CIR(A) has vacated the departmental action to the extent of Rs. 39.12 million and for remaining amount of Rs. 10.78 million the Company has filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') which is pending adjudication. For tax year 2019, the Company's appeal against order was disposed of by CIR(A), through appellate order dated April 28, 2022. Through such order CIR(A) upheld the departmental action on all accounts. Company assailed the said appellate order in appeal before ATIR. ATIR, through order dated September 11, 2023, has decided the case in company's favor by deleting the demand.

- 29.1.5** The officials of LTU - Lahore, started proceedings against the company and FWML under Section 161/205 of the Income Tax Ordinance, 2001, by issuing notices dated December 29, 2020, and November 17, 2020. These notices were responded to by the company's tax advisor on behalf of the Company on March 01 and March 22, 2021. Proceedings concluded with an order passed on March 31, 2021, whereby a tax demand of Rs. 55.78 million was raised against the Company. The Company preferred an appeal against this order before the Commissioner of Inland Revenue Appeals (CIR(A)).

However, CIR(A), through an appellate order dated October 13, 2021, upheld the departmental action, affirming the tax demand. Subsequently, the Company preferred an appeal against the CIR(A)'s decision before the Appellate Tribunal for Inland Revenue (ATIR). ATIR's decision, dated April 29, 2022, vacated both the earlier orders and remitted the matter back to the tax department for consideration afresh. On June 23, 2023, the tax department maintained its previous decision and issued a tax demand of Rs 55.8 million against the Company. Being aggrieved, the Company preferred an appeal before the CIR(A). On August 3, 2023, CIR (A) upheld the department's decision and passed an order against the company. The company subsequently appealed against the said order before the ATIR which is pending adjudication.

- 29.1.6** The officials of LTU - Lahore raised income tax demands of Rs. 32.03 million against the Company through amendment order, dated June 28, 2019 under section 122(5A) of the Ordinance for tax year 2013. The Company has preferred appeal against the orders before CIR(A) which was disposed off by CIR(A) through appellate order dated December 31, 2021. Through such order CIR(A) has deleted/ annulled the departmental actions on all the issue except the issue regarding the time limitation of such proceedings and apportionment of expenses under rule 231 of the Income Tax Rules, 2002 ('the Rules'). Feeling aggrieved with the order, Company preferred an appeal before ATIR in accordance with the available remedial course. The department has also filed against the said appellate order before ATIR, both appeals are pending adjudication.
- 29.1.7** The officials of LTU-Lahore after concluding an income tax audit under Section 177 of the Ordinance, raised an income tax demand of Rs. 7.98 million against the company through an amended order dated April 26, 2018, under Section 122(5) of the Ordinance for the tax year 2014. The company has preferred an appeal against the orders before CIR(A). Through



such an order, CIR(A) has deleted or annulled the departmental action on all issues except the ones regarding the time limitation of such proceedings and the apportionment of expenses under Rule 231 of the Income Tax Rules, 2002. Feeling aggrieved with the aforesaid action, the Company has preferred appeal before ATIR in accordance with the available remedial course. The department has also filed an appeal against the said appellate order before ATIR; both appeals are presently pending adjudication.

- 29.1.8** Consequent to the amendment of the deemed income tax assessment of tax years 2006 to 2012 via separate orders dated April 30, 2010, September 30, 2010, May 14, 2012, October 23, 2012, March 30, 2015, June 23, 2014 and January 29, 2016, respectively, involving an income tax of Rs. 324.80 million, the company has been extended significant relief by the CIR(A). The issues in respect of which CIR(A) did not allow relief have been taken up in appeals before the ATIR, and such appeals are pending adjudication.
- 29.1.9** The officials of LTU - Lahore, while giving effect to CIR-A's appellate orders under Section 124/129 of the Ordinance in the context of amendments made under Section 122(5A) of the Ordinance, have arbitrarily made disallowances/ increase in income (i.e. exchange loss, notional profit of associates etc.) for tax years 2010 and 2012 vide separate orders, dated June 30, 2018, involving sum of Rs. 657 million. The issue was taken up in appeals before CIR(A). CIR(A) has deleted the departmental action on all issues except for disallowance for exchange loss amounting to Rs. 122.97 million which was remanded back and for which the Company preferred appeal before ATIR which is pending adjudication.
- 29.1.10** Admissibility of 'payment to preference share-holders' has been disputed in income tax amendment orders, dated September 30, 2010, May 14, 2012, October 23, 2012, March 30, 2015, June 23, 2014 and January 29, 2016 respectively, for tax years 2007 to 2013 involving a sum of Rs. 209 million. The first appellate authority has maintained departmental stance, the Company's appeals are lying with ATIR except for tax year 2013 was furnished with CIR(A) which was decided in the favour of the Company.
- 29.1.11** Proceedings were initiated by officials of LTU-Lahore through orders dated December 29, 2018 under Section 122(5A) of the Ordinance regarding the apportionment of deductions claimed on account of WPPF to export income amounting to Rs. 16.12 million and Rs. 12.50 million for tax years 2015 and 2017, respectively. The Company filed an appeal before CIR(A), which was decided against the company by CIR(A) through an appellate order dated August 24, 2020. The Company has assailed the said appellate order in appeal before ATIR, which is pending for adjudication.
- 29.1.12** Through an order dated June 28, 2019 under Section 132/162/205 of the Ordinance, the LTU-Lahore officials raised an income tax demand of Rs. 10.11 million for the tax year 2009 on the grounds that tax under Section 148 of the Ordinance at the import stage was short paid. The Company filed an appeal before CIR(A), and through an appellate order dated October 23, 2019, the tax demand was vacated by CIR(A). The department has assailed the appellate order of CIR(A) in appeal before ATIR, which has not yet been fixed for hearing.



### **Sales Tax**

**29.1.13** The Deputy Commissioner of Inland Revenue (DCIR) initiated proceedings against the Company under Section 11 of the Sales Tax Act, 1990, for the subject tax periods through notice dated March 22, 2022, whereby intentions were shown to adjudge sales tax default in connection with the claim of input sales tax of Rs. 38.65 million, by relying on the provisions of section 8(1)(a), (f) to (m) of the Act. Such notice was duly responded by the Company's tax advisors on Company's behalf, and proceedings were concluded through Order-In-Original No. ('ONO') 64/2021-22 dated June 17, 2022, whereby the confronted default was adjudged against the Company. The Company preferred an appeal against the subject ONO before CIR(A) as per the available remedial course.

The proceedings concluded with the issuance of Order-In-Original No. 64/2021-22 dated June 17, 2022, where the alleged default was confirmed against the Company. Being aggrieved, the Company preferred an appeal against this order before the Commissioner of Inland Revenue Appeals (CIR(A)) following the available remedial course. CIR(A) issued Order No. 44 dated December 30, 2022, ruling in favour of the Company on most of the issues.

However, one specific issue regarding the inadmissibility of input tax was not accepted by CIR(A), and the case was remanded back to the assessing officer for further consideration. However, the tax department preferred an appeal before the Appellate Tribunal for Inland Revenue (ATIR) against the order passed by the Commissioner of Inland Revenue Appeals (CIR(A)), which is pending adjudication.

**29.1.14** The Assistant Commissioner Inland Revenue ('ACIR') as a result of sales tax audit for tax year July 2013 to June 2014 raised a sales tax demand of Rs. 71.60 million through order dated July 31, 2017. The Company filed an appeal before CIR(A) which was disposed off through appellate order dated March 06, 2019 passed under Section 45B of the Sales Tax Act ('Act') whereby such order was annulled, and the matter was remanded back to department for denovo consideration which is pending adjudication. Meanwhile, the Company preferred an appeal in ATIR for the disposal of the case as reasonable grounds exists, however, the matter is pending adjudication.

**29.1.15** The Deputy Commissioner Inland Revenue ('DCIR') issued Order-In-Original No. 14/2019-20 dated April 15, 2020 ('ONO') under Section 11 of the Sales Tax Act 1990, disallowing the input tax of Rs. 143.63 million claimed under various heads from tax periods July 2013 to August 2018. The Company preferred an appeal before CIR(A) which was disposed off through appellate order dated June 29, 2020 passed under Section 45B of the Act whereby ONO was annulled, and the matter was remanded back to department for denovo consideration. However, the Company preferred an appeal in ATIR and the matter is pending adjudication.

**29.1.16** The Commissioner of Inland Revenue ('CIR') through an order dated December 28, 2017, rejected the admissibility of input tax aggregating to Rs 7.27 million, primarily on account of a mismatch between buyer and seller declarations and building materials, subsequent to the audit of the tax period from July 2013 to June 2014. The Company agitated for such an order in appeal before the CIR(A). The Company's appeal against the subject ONO, which was disposed of by CIR(A) through an appellate order dated October 29, 2020, annulling/deleting the departmental action on the majority of the issues taken up in the appeal, while certain





other matters were upheld by CIR(A). The Company has agitated for such an order in appeal before ATIR, which is pending adjudication.

**29.1.17** The CIR-A, through its order dated April 14, 2016, has maintained departmental rejection of the input tax of Rs 18.10 million (primarily comprising building materials) in terms of the provisions contained in SRO 450(I)/2013 for the tax period March 2014, June 2014, October 2014, through February 2015. The Company has agitated for such an order in appeal before ATIR, which is pending adjudication.

**29.1.18** The DCIR issued Order-In-Original No. 23/2019-20 dated June 11, 2021, under Section 11 of the Act, disallowing the input tax on construction/ building materials of Rs. 8.07 million for the tax periods July 2019 to June 2020. The Company agitated such order in appeal before the CIR(A). The Company's appeal against the subject ONO which was disposed of by CIR(A), through appellate order dated January 11, 2022. The Company assailed the said order in appeal before ATIR and case has been paid off during the year.

**29.1.19** DCIR initiated proceedings against the company under section 11 of the Act, where intentions were shown to adjudge sales tax default in connection with claim of input by relying on sections 8 (Tax Credits Not Allowed).

CIR-A through order no. 2404-ST dated October 19, 2023 has upheld the impugned disallowance of Rs. 55M by DCIR along with default surcharge and has deleted the penalty involved therein.

ATIR through an order dated February 15, 2024 has decided in company's favour and vacated the order passed by the DCIR / CIR-A. ATIR based its ruling on the provisions of section 11(5) of the Act, 1990 (limitation on passing the orders within the statutory time limit).

**29.1.20** CIR-A through his order no. 01 dated January 16, 2024 has partially allowed inputs on insurance and other services and also provided relief on sales of Yarn to unregistered persons. Demand has been created for input tax on building materials and sales of Greige Fabric and Waste to unregistered persons. The remaining demand stands at Rs. 115 million.

The company being aggrieved filed an appeal with ATIR. Request for appeal effect of the orders of CIR-A also filed with the DCIR. The department has also filed an appeal with ATIR and communicated the same to us through letter no. 8682 dated February 12, 2024.

Based on the opinion of the Company's legal and tax advisors the management is confident of favourable outcome in all aforesaid matters, hence no provision is recognized in respect of these matters in the financial statements.



**29.2 Commitments**

2025 2024

--- Rupees ---

**29.2.1** Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies.

<b>3,915,715,954</b>	<b>3,064,875,034</b>
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**29.2.2 Commitments against irrevocable letters of credit:**

- capital expenditures

<b>346,393,440</b>	<b>-</b>
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- raw material and stores and spares

<b>5,141,588,662</b>	<b>3,138,309,936</b>
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**29.2.3 Commitments against foreign bills discounting**

<b>410,563,243</b>	<b>568,788,269</b>
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**29.2.4 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 (2024: Rs 6,000 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in annual general meeting dated November 26, 2020.

**29.2.5 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 (2024: Rs. 250 million). This commitment was already approved by the shareholders under section 199 of the Companies Act, 2017 in extra ordinary general meeting held on March 25, 2017.

**30. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET**

2025 2024

--- Rupees ---

**Local:**

Yarn

<b>73,308,621,296</b>	<b>55,190,129,423</b>
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Fabric

<b>14,140,400,146</b>	<b>13,538,155,589</b>
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Waste

<b>742,446,368</b>	<b>1,132,303,234</b>
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Comber noil

<b>372,594,877</b>	<b>827,334,469</b>
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<b>88,564,062,687</b>	<b>70,687,922,715</b>
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Cotton and other products

<b>650,761,062</b>	<b>204,481,443</b>
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<b>89,214,823,749</b>	<b>70,892,404,158</b>
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**Less:**

Sales return

<b>(376,851,114)</b>	<b>(326,965,687)</b>
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Sales tax

<b>(13,652,971,307)</b>	<b>(10,987,045,435)</b>
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<b>(14,029,822,421)</b>	<b>(11,314,011,122)</b>
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Net local sales

<b>75,185,001,328</b>	<b>59,578,393,036</b>
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**Export Facilitation Scheme (EFS)**

	Note	2025 --- R u p e e s ---	2024
- Yarn		5,596,942,135	18,764,163,649
- Fabric		-	1,647,724,170
	30.1	5,596,942,135	20,411,887,819
Less:			
Sales return		-	(51,360,711)
Sales tax		(857,342,070)	-
		(857,342,070)	(51,360,711)
		4,739,600,065	20,360,527,108
<b>Export:</b>			
Yarn		8,217,025,564	16,393,116,918
Fabric		1,860,765,892	828,838,436
		10,077,791,456	17,221,955,354
Revenue from contracts with customers - net		90,002,392,849	97,160,875,498

**30.1** It includes sales made under EFS to a related party under S.R.O 957(1)/ 2021 dated July 30, 2021 amounts to Rs. 5,596.94 million (2024: Rs. 6,740.89 million).

**30.2** All revenue is recognized by the Company at a point in time.

**31. COST OF SALES**

	Note	2025 --- R u p e e s ---	2024
Raw material consumed	31.1	59,446,428,328	63,465,070,102
Packing material consumed		1,025,145,792	1,113,672,309
Salaries, wages and benefits	31.2	4,147,868,946	4,052,484,960
Freight outward charges	31.3	486,258,563	562,154,856
Travelling and conveyance		24,688,638	21,542,663
Vehicle running and maintenance		81,928,362	80,531,437
Power and fuel		11,288,903,314	9,930,561,051
Stores and spares consumed		2,289,256,975	2,041,629,413
Processing charges		205,840,900	521,117,053
Repair and maintenance		61,340,922	85,292,083
Insurance		155,792,269	177,107,444
Depreciation on property, plant and equipment	6.1.1	2,158,056,322	2,103,708,635
Others		29,669,856	30,687,219
		81,401,179,187	84,185,559,225
<b>Work-in-process:</b>			
Balance at July 01		1,170,146,399	855,950,908
Balance at June 30		(1,090,597,209)	(1,170,146,399)
		79,549,190	(314,195,491)
<b>Cost of goods manufactured</b>		81,480,728,377	83,871,363,734



	Note	2025 --- R u p e e s ---	2024
<b>Finished goods:</b>			
Balance at July 01,		10,969,115,013	10,679,299,882
Finished goods purchased		2,986,504,930	2,338,563,583
Insurance claim	31.4	(236,789,000)	-
Balance at June 30,		(13,442,908,874)	(10,969,115,013)
		275,922,069	2,048,748,452
Cost of goods sold		81,756,650,446	85,920,112,186
Cost of raw material sold		1,105,900,656	223,792,587
Insurance claim	31.4	(556,904,000)	
		548,996,656	223,792,587
		82,305,647,102	86,143,904,773
		2025	2024
<b>31.1 Raw material consumed</b>	<b>Note</b>	<b>--- R u p e e s ---</b>	
Raw material as at July 01,		11,590,822,784	19,782,907,185
Purchases and expenses		66,983,645,060	55,272,985,701
Insurance claim	31.4	-	-
		78,574,467,844	75,055,892,886
Add:			
Raw material as at June 30,		(14,174,006,885)	(6,992,160,610)
Stock-in-transit		(4,954,032,631)	(4,598,662,174)
		(19,128,039,516)	(11,590,822,784)
		59,446,428,328	63,465,070,102
<b>31.2</b>	These include Rs. 253.30 million (2024: Rs. 240.11 million) in respect of staff retirement benefits.		
<b>31.3</b>	This represents freight on export sales amounting to Rs. 312.77 million (2024: Rs. 392.07 million) and freight on local sales amounting to Rs. 173.49 million (2024: Rs. 170.09 million).		
<b>31.4</b>	On April 16, 2025, a fire incident occurred at Spinning Unit # 11, Khanpur Bagga Sher, Muzaffargarh, which resulted in loss / damage to raw materials and waste. The Company had adequate insurance coverage in place and lodged an insurance claim with the insurer. The claim has been fully settled, and the insurance proceeds amounting to Rs. 556.904 million pertaining to raw materials and Rs. 236.789 million pertaining to waste have been received during the year.		



32. SELLING AND DISTRIBUTION EXPENSES		2025	2024
	Note	---	---
		R u p e e s	
Export sales:			
Commission		136,446,286	157,839,948
Export development surcharge		25,246,761	48,243,362
Insurance		3,105,230	7,101,871
Local sales:			
Commission		282,271,997	266,368,071
Insurance		19,939,701	28,235,629
Salaries and benefits - marketing staff	32.1	49,623,558	51,839,350
		<u>516,633,533</u>	<u>559,628,231</u>

32.1 These include Rs. 2.30 million (2024: Rs. 1.92 million) in respect of staff retirement benefits.

33. ADMINISTRATIVE EXPENSES		2025	2024
	Note	---	---
		R u p e e s	
Salaries and benefits	33.1	318,295,264	288,499,567
Travelling and conveyance	33.2	100,160,815	60,099,819
Vehicle running and maintenance		48,141,465	51,953,711
Rent, rates, taxes and fees		66,537,544	62,484,762
Electricity, gas and water		21,191,010	21,969,429
Entertainment / guest house expenses		23,207,541	20,467,725
Communication		23,707,487	19,893,053
Printing and stationery		11,087,278	14,189,371
Insurance		14,385,860	13,206,825
Repair and maintenance		95,509,717	74,853,193
Subscription/ advertisement		5,914,459	8,061,570
Auditors' remuneration	33.3	5,859,480	4,474,370
Legal and professional charges		24,339,857	8,231,535
Depreciation on property, plant and equipment	6.1.1	135,240,418	118,794,300
Others		6,708,512	13,502,306
		<u>900,286,707</u>	<u>780,681,536</u>

33.1 These include Rs. 13.33 million (2024: Rs. 9.91 million) in respect of staff retirement

33.2 These include Directors' traveling expense of Rs. 72.91 million (2024: Rs. 31.65 million).

**33.3 Auditors' remuneration**

	Note	2025 --- R u p e e s ---	2024
Annual Audit fee		3,522,750	3,201,660
Half yearly review fee		1,091,475	995,000
Prior year under provision		394,130	-
Code of corporate governance review fee		105,000	-
Other certification / services		433,125	-
Out of pocket expenses		313,000	277,710
		<b>5,859,480</b>	<b>4,474,370</b>

**34. OTHER INCOME****Income from financial assets**

Dividend income	34.1	483,798,217	311,013,140
Reversal of loss allowance against long term advances		-	307,129,396
Mark-up on advance to PAEL	14	4,355,107	-
Gain on de-recognition of mark-up upon conversion into preference shares	7.2.1	-	451,348,607
Income on investment in TFC		38,635,328	15,443,032
Exchange gain - net		-	407,448,955
Gain on remeasurement of short term investment	15.1	292,474,800	133,477,200
Reversal of loss allowance against trade debts	11.4	51,935,105	-
Liabilities written back		-	10,106,450
		<b>871,198,557</b>	<b>1,635,966,780</b>

**From non-financial assets**

Scrap sales		35,138,992	29,236,219
		<b>906,337,549</b>	<b>1,665,202,999</b>

**34.1** This represents interim dividend for the period ended June 30, 2024 and annual dividend for the year ended December 31, 2024 declared by Fatima Fertilizer Limited 'an associated undertaking'.



35. OTHER EXPENSES	Note	2025 --- R u p e e s ---	2024
Workers' Profit participation fund	27.4	45,837,857	33,645,019
Workers welfare fund	27.5	33,709,232	56,984,574
Provision against mark-up on advance to PAEL	14.1	4,355,107	-
Loss on disposal of property, plant and equipment	6.2	36,855,339	15,503,332
Bad debts written off		920,677	6,388,370
Exchange loss - net	35.2	160,452,650	-
Donations	35.1	15,514,362	21,730,358
Loss allowance against trade debts	11.4	-	44,295,308
Provision for slow moving store items		6,372,038	-
		<u>304,017,262</u>	<u>178,546,961</u>

#### 35.1 Donations for the year have been given to:

Fazal Rahman Foundation Multan	35.1.1	2,920,000	2,798,500
Taarey Zameen Par Trust		570,000	1,835,868
Progressive Education Network		1,000,000	4,373,427
Al-Noor Special Children School Multan		1,580,000	1,650,000
All Pakistan Women Association		-	1,000,000
All Pakistan Textile Mills Association (The Flood Relief Activities)		-	500,563
Al-Hilal Industries (Pvt.) Ltd (Ramzan Packages)		1,309,440	-
S.O.S Children Village Multan		1,050,000	1,050,000
Saleem Memorial Trust Hospital		1,000,000	2,000,000
Al-Hafiz Flour Mills (Ramzan Packages)		721,271	-
Others	35.1.2	5,363,651	6,522,000
		<u>15,514,362</u>	<u>21,730,358</u>



**35.1.1** Mr. Rehman Naseem (Chief Executive Officer) and Mr. Sheikh Naseem Ahmad (Chairman) are amongst the trustees of the Fazal Rehman Foundation.

**35.1.2** Others' includes donations paid to various institutions. The aggregate amount paid during the current year and last year to a single institution does not exceed Rs. 0.5 million.

**35.2** Breakup of exchange Loss / (gain) is as follows:

	2025		
	Realized	Unrealized	Total
	----- Rupees -----		
Exports	(54,654,475)	(22,655,749)	(77,310,224)
Imports	111,004,534	13,791,827	124,796,361
Foreign currency export finance	103,279,922	13,877,591	117,157,513
Foreign currency account	(3,190,953)	2,554,906	(636,047)
Forward contracts	(3,554,953)	-	(3,554,953)
	<b>152,884,075</b>	<b>7,568,575</b>	<b>160,452,650</b>

### 36. FINANCE COST

FINANCE COST		2025	2024
	Note	- - - R u p e e s - - -	
Mark-up based loans from conventional banks:			
- Long term financing - secured		1,951,173,833	2,078,307,819
- Short term borrowings - secured		1,929,198,628	4,340,331,899
		3,880,372,461	6,418,639,718
Islamic mode of financing:			
- Musharika - secured		958,796,126	833,241,903
- Short term borrowings - secured		314,672,569	921,545,904
		1,273,468,695	1,754,787,807
Bank charges		109,862,595	136,303,386
Interest on workers' profit participation fund	27.4	2,098,896	16,996,087
Markup on lease liability		10,427,668	10,700,850
		5,276,230,315	8,337,427,848





	Note	2025	2024
		--- Rupees ---	
<b>37. LEVIES AND INCOME TAXATION</b>			
<b>37.1 Final tax levy</b>			
Levy:			
- for the year		1,235,524,183	1,328,268,242
- for prior year		(33,888,192)	2,310,832
		<u>1,201,635,991</u>	<u>1,330,579,074</u>
<b>37.2 Income tax</b>			
Current tax			
- for the year		14,651,260	69,382,147
- for prior year		6,863,604	-
Deferred tax		265,627,165	(359,359,628)
		<u>287,142,029</u>	<u>(289,977,481)</u>
<b>37.3 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognized in the profit and loss account, is as follows:</b>			



	2025	2024
	--- Rupees ---	
Current tax liability for the year as per applicable tax laws	1,216,287,251	1,399,961,221
Portion of current tax liability as per tax laws, representing income tax under IAS 12	14,651,260	69,382,147
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	1,201,635,991	1,330,579,074
Difference	-	-
<b>37.4 Numerical reconciliation between tax expense and accounting profit:</b>		
Profit before taxation	1,605,915,479	2,825,889,148
Applicable tax rate	29%	29%
Tax at the applicable tax rate	465,715,489	819,507,853
Tax effect of amounts that are:		
- Change in effective tax rate due to change in proration of local and export sales and super tax	-	1,765,327,399
- Difference between normal tax and minimum tax / final tax regime	-	356,761,434
- Effect of super tax @ 10%	52,136,555	230,078,228
- Effect of prior year tax	(27,024,588)	2,310,832
- Temporary differences	(67,731,750)	-
- Others	1,065,682,314	(2,133,384,153)
	1,488,778,020	1,040,601,593
<b>38. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
<b>38.1 Basic earnings per share</b>	<b>2025</b>	<b>2024</b>
Profit after taxation	Rupees 117,137,459	1,785,287,555
Weighted average number of ordinary shares	No. of shares 30,000,000	30,000,000
Earnings per share	Rupees 3.90	59.51
<b>38.2 Diluted earnings per share</b>		
There is no dilution effect on the basic earnings per share of the current year as the Company has no such commitments.		



### 39. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### A. Accounting classifications and fair values

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

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

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

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

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

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

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



Carrying amount					Fair value																	
Financial assets					Fair value	Other financial			Total	Level 1	Level 2	Level 3	Total									
at amortized cost					through Profit or loss	through OCI	liabilities															
----- Rupees -----																						
<u>As at June 30, 2025</u>																						
<u>Financial assets - measured at fair value</u>																						
Short term investment														608,389,200	-	-	608,389,200	608,389,200	-	-	608,389,200	
Long term investments														40,000,000	10,208,129,438	-	10,248,129,438	6,302,236,622	-	3,945,892,816	10,248,129,438	
<u>Financial assets - measured at amortized cost</u>																						
Long term deposits														25,733,193	-	-	25,733,193	-	-	-	-	
Trade debts														12,266,998,305	-	-	12,266,998,305	-	-	-	-	
Deposits and other receivables														642,810,677	-	-	642,810,677	-	-	-	-	
Mark-up accrued														19,085,522	-	-	19,085,522	-	-	-	-	
Cash and bank balances														1,122,291,188	-	-	1,122,291,188	-	-	-	-	
					648,389,200	10,208,129,438	-	24,933,437,523	6,910,625,822	-	3,945,892,816	10,856,518,638										
<u>Financial liabilities - measured at amortized cost</u>																						
Long term financing - secured														-	-	14,432,252,534	14,432,252,534	-	-	-	-	
Long term musharika - secured														-	-	8,999,190,673	8,999,190,673	-	-	-	-	
Trade and other payables														-	-	6,102,699,254	6,102,699,254	-	-	-	-	
Unclaimed dividend														-	-	21,977,192	21,977,192	-	-	-	-	
Short term borrowings - secured														-	-	23,537,764,673	23,537,764,673	-	-	-	-	
Accrued mark-up														-	-	882,273,218	882,273,218	-	-	-	-	
					-	-	53,976,157,544	53,976,157,544	-	-	-	-	-									



Carrying amount		Fair value			
Financial assets at amortized cost	Fair value through Profit or loss	Fair value through OCI	Other financial liabilities	Total	Total
----- Rupees -----					

As at June 30, 2024

**Financial assets - measured at fair value**

Short term investment	-	315,914,400	-	315,914,400	-	-	315,914,400
Long term investments	-	40,000,000	7,599,002,089	-	7,639,002,089	3,291,751,880	4,347,250,209
							7,639,002,089

**Financial assets - measured at amortized cost**

## Long term loan and advances

Long term deposits	110,640,293	-	-	-	110,640,293	-	-
Trade debts	12,079,342,689	-	-	-	12,079,342,689	-	-
Deposits and other receivables	268,042,028	-	-	-	268,042,028	-	-
Mark-up accrued	4,281,883	-	-	-	4,281,883	-	-
Cash and bank balances	713,418,102	-	-	-	713,418,102	-	-
	13,175,724,995	355,914,400	7,599,002,089	-	21,130,641,484	3,607,666,280	4,347,250,209
							7,954,916,489

**Financial liabilities - measured at amortized cost**

Long term financing - secured	-	-	-	15,650,855,677	15,650,855,677	-	-
Long term musharika - secured	-	-	-	3,406,852,548	3,406,852,548	-	-
Trade and other payables	-	-	-	4,321,545,388	4,321,545,388	-	-
Unclaimed dividend	-	-	-	22,002,980	22,002,980	-	-
Short term borrowings - secured	-	-	-	17,717,675,277	17,717,675,277	-	-
Accrued mark-up	-	-	-	1,320,363,612	1,320,363,612	-	-
	-	-	-	42,439,295,482	42,439,295,482	-	-



### 39.1 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### B. Measurement of fair values

##### I. Valuation techniques and significant unobservable inputs

The following table shows valuation techniques used in measuring Level 3 fair values for financial instruments of financial position, as well as the significant unobservable inputs used. Related valuation process have been described below:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement	significant measurement
<u>Long term investments - Ordinary and preference shares</u> - Fatima Energy Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using risk-adjusted discount rate.	- Expected cash flows: Rs. nil to Rs. 72,426 million (2024: Rs. nil to Rs. 30,948 million). - Risk-adjusted discount rate including specific risk premium: 25.41% (2024: 22.81%).	The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk-adjusted discount rate were lower (higher).	
<u>Long term investments - preference</u> - Fatima Transmission Company Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using risk-adjusted discount rate.	- Expected cash flows: Rs. 17 million to Rs. 419 million (2024: Rs. 32.24 million to Rs. 428 million). - Risk-adjusted discount rate including specific risk premium: 20.42% (2024: 20.99%).	- the expected cash flows were higher (lower); or - the risk-adjusted discount rate were lower (higher)	
Long term investments - Multan Real Estate (Private) Limited	Market comparison technique: The valuation is based on market multiples derived from comparable investments/properties, adjusted for the effect of non-marketability of the equity securities.	- Adjusted market multiple.	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).	

**II. Level 3 recurring fair values**

## Reconciliation of Level 3 fair values

The following table shows a reconciliation from opening balances to the closing balances for Level 3 fair values.

**Long term investments - under income approach (FEL + FTCL)**

	2025	2024
	--- Rupees ---	
Balance at July 01	4,024,916,071	3,765,177,462
Additions	-	758,478,003
Fair value loss recognized in Statement of Comprehensive Income	(406,346,058)	(498,739,394)
Balance as at June 30	3,618,570,013	4,024,916,071

**Long term investments - under market comparison technique (MREL)**

Balance at July 01	322,334,138	316,121,760
Additions	-	-
Fair value gain recognised in Statement of Comprehensive Income	5,000,762	6,212,378
Balance as at June 30	327,334,900	322,334,138

**Sensitivity analysis**

The effect of changes in the unobservable inputs used in the fair value of long term investment in Multan Real Estate (Private) Limited cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented. For the fair value of long term investment in Fatima Energy Limited and Fatima Transmission Company Limited, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	2025			2024		
	Long term investments			Long term investments		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	Percentage	----- Rupees -----		Percentage	----- Rupees -----	
<b>As at June 30,</b>						
Expected cash flows (Discounted)	10.00%	360,163,138	(360,163,138)	10.00%	398,620,299	(404,095,900)
Risk adjusted discount rate	1.00%	(366,507,905)	424,590,781	1.00%	(416,938,919)	466,860,109





## 39.2 FAIR VALUE MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Freehold land, buildings on freehold land and plant and machinery have been carried at revalued amounts determined by professional valuers (Level 3) based on their assessment of market value as disclosed in note 19. The valuations are conducted by the valuation experts appointed by the company. The valuation experts used a market based approach to arrive at the fair value of the company's properties. This revaluation was carried out by Joseph Lobo (Private) Limited (Independent valuers). The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery and other assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a disclosure of sensitivity has not been presented in these financial statements.

## 40. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

### 40.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's exposure to financial risk, the way these risks affect the financial position and performance and the manner in which such risks are managed is as follows:

**40.2 Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Most of the customers are also secured, where possible, by way of letters of credit.

Total financial assets of Rs. 13,798.16 million (2024: Rs. 13,137.64 million) are subject to credit risk.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date is:

**Financial assets at amortized cost**

	2025	2024
	--- Rupees ---	
Trade debts	12,266,998,305	12,079,342,689
Bank balances	1,072,035,063	673,962,113
Deposits and other receivables	642,810,677	269,417,471
Mark-up accrued	19,085,522	4,281,883
Long term deposits	25,733,193	110,640,293
	<b>14,026,662,760</b>	<b>13,137,644,449</b>



#### 40.2.1 Counterparties with external credit rating

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating		Rating agency	2025	2024
	Short term	Long term		Rupees	Rupees
Allied Bank Limited	A-1+	AAA	PACRA	4,633,724	6,589,789
National Bank of Pakistan	A-1+	AAA	PACRA	16,405,892	86,958,053
MCB Bank Limited	A-1+	AAA	PACRA	8,001,370	2,666,330
Meezan Bank Limited	A-1+	AAA	VIS	45,810,932	41,142,561
United Bank Limited	A-1+	AAA	VIS	5,023,251	106,606,061
Standard Chartered Bank Pakistan Limited	A-1+	AAA	PACRA	430,356	6,616,657
Habib Bank Limited	A-1+	AAA	VIS	6,518,331	2,317,231
Soneri Bank Limited	A-1+	AA-	PACRA	7,206,801	43,339,497
Bank Al Falah Limited	A-1+	AAA	PACRA	41,134,306	42,605,184
Askari Bank Limited	A-1+	AA+	PACRA	34,490,468	51,004,356
The Bank of Punjab	A-1+	AA+	PACRA	26,613,602	6,755,242
The Bank of Khyber	A-1	AA-	VIS	1,683,372	17,737,717
Bank Al Habib Limited	A-1+	AAA	PACRA	98,279,641	72,059,184
Bank Islamic Limited	A-1	AA-	PACRA	21,722,726	39,580,163
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	20,667,914	1,528,973
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	2,626,080	17,350,469
Faysal Bank Limited	A-1+	AA	PACRA	-	1,535,520
Samba Bank Limited	A-1	AA	PACRA	2,059	4,659
Silk Bank Limited	A-2	A-	VIS	73,295	73,295
AlBaraka Bank Pakistan Limited	A-1	AA-	VIS	24,132	40,872
AlBaraka Bank Pakistan Limited	A-1	A+	VIS	624,124	1,614,538
JS Bank Limited	A-1+	AA	PACRA	16,666,707	41,189,782
Industrial Commercial Bank of China	F1+	A	Fitch	145,980	145,980
				<b>358,785,063</b>	<b>589,462,113</b>



#### 40.2.2 Counterparties without external credit rating

These mainly include customers which are counter parties to local and foreign trade debts against sale of yarn and fabric. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. The management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Company has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors. Out of total trade debts of Rs. 12,311.67 million (2024: Rs. 12,175.94 million), Rs. 2,248.57 million (2024: Rs. 2,375.45 million) are majorly secured against letter of credits. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2025 was determined as follows:

The aging of trade debts at the reporting date is:

	2025		2024	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
	----- Rupees -----		----- Rupees -----	
Export debtors - secured				
Not past due	2,248,569,443	-	2,375,451,933	-
Local debtors				
Not past due	6,790,683,188	281,764	6,664,994,544	5,353,014
Past due				
1- 90 days	2,925,773,011	4,438,174	2,779,925,336	2,221,058
91 - 180 days	247,058,034	41,804	243,163,301	455,409
181 - 270 days	62,289,527	3,413,491	14,784,665	339,488
271 - 365 days	3,748,332	3,684,512	14,784,665	5,357,887
366 - above days	33,541,890	32,805,375	82,838,470	82,873,369
	<b>12,311,663,425</b>	<b>44,665,120</b>	<b>12,175,942,914</b>	<b>96,600,225</b>



Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

Credit risk on loans and advances and related markup accrued from related parties are measured under General Approach based on assessment of factors related to increase in significant risk and impairment at reporting date. These loans were given to related parties to meet their operational and financial needs after approval of shareholders and the board of directors after assessing the business case, financial vulnerability and credit worthiness. In the financial year 2022, the outstanding advances to FEL and FTCL have been converted into preference shares. In the financial year 2024, markup accrued on advances to FEL was converted into preference shares. Based on the assessment of factors related to credit risk under IFRS 9, a provision has been recognized during the year against the remaining advances and mark-up.

Other receivables and deposit are mostly from utility companies and insurance. Impairment on the assets has been measured on a 12 months expected credit loss basis and reflect the shortest maturities. Based on past experience the management believes that no impairment allowance is necessary in respect of these financial assets.

#### **40.2.3 Concentration of credit risk**

Concentration of credit risk exists when the changes in economic or industry factors similarly affect Company's of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

#### **40.3 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations/ commitments of the Company are restricted to the extent of available liquidity. In addition, the Company has obtained various short term facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

##### **Exposure to liquidity risk**

The following are the contractual maturities of the financial liabilities, including estimated interest payments:



Weighted average effective rate of interest	2025				
	Carrying value	Contractual cash flows	Less than one year	One to five years	Above five years
	Rupees				
<b>Financial liabilities</b>					
Long term financing	23,431,443,207	31,546,109,397	6,685,631,639	20,394,348,880	4,466,128,878
Short term borrowings	23,537,764,673	23,902,834,485	23,902,834,485	-	-
Lease liability	70,677,725	109,158,029	14,147,686	72,225,353	22,784,990
Trade and other payables	6,102,699,254	6,102,699,254	6,102,699,254	-	-
Unclaimed dividend	21,977,192	21,977,192	21,977,192	-	-
Accrued markup	882,273,218	882,273,218	882,273,218	-	-
	<b>54,046,835,269</b>	<b>62,565,051,575</b>	<b>37,609,563,474</b>	<b>20,466,574,233</b>	<b>4,488,913,868</b>
					<b>62,565,051,575</b>
Weighted average effective rate of interest	2024				
	Carrying value	Contractual cash flows	Less than one year	One to five years	Above five years
	Rupees				
<b>Financial liabilities</b>					
Long term financing	19,057,708,225	27,846,483,742	6,587,848,741	17,522,156,431	3,736,478,570
Short term borrowings	17,717,675,277	18,333,824,196	18,333,824,196	-	-
Lease liability	73,111,590	122,019,562	12,861,533	65,659,411	43,498,618
Trade and other payables	4,321,545,388	4,321,545,388	4,321,545,388	-	-
Unclaimed dividend	22,002,980	22,002,980	22,002,980	-	-
Accrued markup	1,320,363,612	1,320,363,612	1,320,363,612	-	-
	<b>42,512,407,072</b>	<b>51,966,239,480</b>	<b>30,598,446,450</b>	<b>17,587,815,842</b>	<b>3,779,977,188</b>
					<b>51,966,239,480</b>



It is not expected that the cash flows on the maturity analysis could occur significantly earlier, or at significant different amount.

#### 40.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. Market risk comprises of currency risk, interest rate risk and other price risk.

##### 40.4.1 Currency risk

Pakistani Rupee is the functional currency of the Company and exposure arises from transactions and balances in currencies other than Pakistani Rupee as foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

##### Exposure to currency risk

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

	2025		
	Total	USD to Rupees	EUR to Rupees
<b>Statement of financial position items</b>			
Finance against imported merchandise & finance against trust receipt	1,940,706,768	1,940,706,768	-
Foreign currency export finance	1,804,771,769	1,804,771,769	-
Bank balance	(18,421,841)	(17,105,533)	(1,316,308)
Foreign debtors	(2,248,569,443)	(2,087,881,246)	(160,688,197)
Exposure at reporting date	1,478,487,253	1,640,491,758	(162,004,505)
<b>Off statement of financial position items</b>			
Outstanding letters of credit	5,487,982,102	5,270,805,759	217,176,343





Statement of financial position items	2024		
	Total	USD to Rupees	EUR to Rupees
Finance against imported merchandise	2,092,498,099	2,092,498,099	-
Foreign currency export finance	3,808,515,426	3,808,515,426	-
Bank balance	(68,166,427)	(66,986,286)	(1,180,141)
Foreign debtors	(2,375,451,933)	(2,293,565,067)	(81,886,866)
Exposure at reporting date	3,457,395,165	3,540,462,172	(83,067,007)
<b>Off statement of financial position items</b>			
Outstanding letters of credit	3,138,309,936	2,648,294,990	490,014,946

The following significant exchange rate has been applied:

Average and spot rate

	Average rate		Spot rate	
	2025	2024	2025	2024
	----- Rupees -----			
USD to Rupee	<b>283.97</b>	278.14	<b>284.10</b>	278.30
EUR to Rupee	<b>333.13</b>	297.45	<b>332.83</b>	297.88

#### Sensitivity analysis of on balance sheet items:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, (loss) / profit for the year would increase / (decrease) by the amount shown below, mainly as a result of net foreign exchange loss on translation of on balance sheet items exposure in foreign currency as above.

Effect on statement of profit or loss	2025	2024
	--- Rupees ---	
USD to Rupee	<b>164,049,176</b>	354,046,217
EUR to Rupee	<b>(16,200,451)</b>	(8,306,700)

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Company.

**Currency risk management**

Since the maximum amount exposed to currency risk is only 1.28% (2024: 2.83%) of the Company's total assets, any adverse/ favourable movement in functional currency with respect to US dollar will not have any material impact on the operational results.

**40.4.2 Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

Financial Instruments	2025	2024	2025	2024
	Effective rate (in Percentage)		Carrying amount (Rupees)	
<b><u>Financial liabilities</u></b>				
Fixed rate instruments:				
Long term loan	2.50 - 6.25	2.50 - 6.25	5,318,721,845	6,735,726,906
Variable rate instruments:				
Long term loan	11.90 - 24.01	18.07 - 25.38	18,112,721,362	12,321,981,319
Short term borrowings	2.5 - 24.96	3.00 - 25.01	23,537,764,673	17,717,675,277
			41,650,486,035	30,039,656,596
<b><u>Financial assets</u></b>				
Variable rate instruments:				
Saving accounts	0.15 - 19.00	0.15 - 20.50	93,680,776	69,137,603

**40.4.3 Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

**40.4.4 Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or (loss) for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.



	<b>Increase / (decrease)</b>	<b>Profit or loss</b>
	<b>100 bps</b>	<b>100 bps</b>
	<b>Increase</b>	<b>Decrease</b>
	<b>----- Rupees -----</b>	
<b>As at June 30, 2025</b>	<b><u>(415,568,053)</u></b>	<b><u>415,568,053</u></b>
As at June 30, 2024	<u>(299,705,190)</u>	<u>299,705,190</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Company.

#### 40.4.5 Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

#### 40.5 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to equity price risk because of investments held by the Company and classified on the statement of financial position at fair value through profit or loss and fair value through OCI. To manage its price risk arising from investments in ordinary and preference equity securities, the Company diversifies its portfolio within the eligible stocks in accordance with the risk investment guidelines approved by the investment committee.

#### Sensitivity analysis

The table below summarizes the Company's equity price risk as of June 30, 2025 and June 30, 2024 and shows the effects of a hypothetical 10% increase and a 10% decrease in fair values as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in the Company's equity investment portfolio.

	<b>2025</b>			
	<b>Fair value</b>	<b>Price change</b>	<b>Estimated fair value after change in prices</b>	<b>Increase (decrease) in profit or (loss)/ equity</b>
	<b>-----Rupees-----</b>			
Financial assets at fair value through profit or loss	<b>648,389,200</b>	<b>10% increase</b>	<b>713,228,120</b>	<b>64,838,920</b>
		<b>10% decrease</b>	<b>583,550,280</b>	<b>(64,838,920)</b>
Financial assets at fair value through OCI	<b>10,208,129,438</b>	<b>10% increase</b>	<b>11,228,942,382</b>	<b>1,020,812,944</b>
		<b>10% decrease</b>	<b>9,187,316,494</b>	<b>(1,020,812,944)</b>
	<b><u>10,856,518,638</u></b>			



2024				
	Fair value	Price change	Estimated fair value after change in prices	Increase (decrease) in profit or (loss)/ equity
-----Rupees-----				
Financial assets at fair value through profit or loss	355,914,400	10% increase 10% decrease	391,505,840 320,322,960	35,591,440 (35,591,440)
Financial assets at fair value through OCI	7,599,002,089	10% increase 10% decrease	8,358,902,298 6,839,101,880	759,900,209 (759,900,209)
	<u>7,954,916,489</u>			

#### 40.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

#### 41. CAPITAL MANAGEMENT

The Board of Directors' policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.



The Company's objectives when managing capital are:

- i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio - calculated as a ratio of total debt to capital employed.

**41.1** Gearing ratio as at June 30, 2025 and as at June 30, 2024 are as follows:

	2025	2024
	--- R u p e e s ---	
Total debt	<b>47,922,158,823</b>	38,168,858,704
Total equity including revaluation surplus	<b>46,935,416,137</b>	44,321,389,998
Total capital employed	<b>94,857,574,960</b>	<b>82,490,248,702</b>
Gearing ratio	<b>51%</b>	46%

Total debt comprises of long term financing from conventional banks, long term musharika including current portion of long term financing, short term borrowings, accrued mark-up and lease liability.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, commonly imposed by the providers of debt finance.

#### 42. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2025						
	Long term financing	Long term musharika	Short term borrowing	Lease liability	Unclaimed dividend	Accrued markup	Total
	-----Rupees-----						
<b>Balance at July 01, 2024</b>	15,650,855,677	3,406,852,548	17,717,675,277	73,111,590	22,002,980	1,320,363,613	<b>38,190,861,685</b>
<b>Changes from financing cash flows</b>							
Short term borrowings - net	-	-	3,858,713,895	-	-	-	<b>3,858,713,895</b>
Financial charges paid - net	-	-	-	-	-	(5,703,893,040)	<b>(5,703,893,040)</b>
Proceeds from long term financing	2,774,638,954	5,489,548,859	-	-	-	-	<b>8,264,187,813</b>
Long term financing repaid	(2,993,242,097)	(897,210,735)	-	-	-	-	<b>(3,890,452,832)</b>
Lease rentals paid	-	-	-	(12,861,533)	-	-	<b>(12,861,533)</b>
Dividend paid	-	-	-	-	(25,788)	-	<b>(25,788)</b>
<b>Total changes from financing cash flows</b>	<b>(218,603,143)</b>	<b>4,592,338,124</b>	<b>3,858,713,895</b>	<b>(12,861,533)</b>	<b>(25,788)</b>	<b>(5,703,893,040)</b>	<b>2,515,668,515</b>
<b>Other changes</b>							
Finance cost	-	-	-	10,427,668	-	5,265,802,647	<b>5,276,230,315</b>
Dividend declared	-	-	-	-	-	-	<b>-</b>
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,427,668</b>	<b>-</b>	<b>5,265,802,647</b>	<b>5,276,230,315</b>
<b>Balance at June 30, 2025</b>	<b>15,432,252,534</b>	<b>7,999,190,672</b>	<b>21,576,389,172</b>	<b>70,677,725</b>	<b>21,977,192</b>	<b>882,273,220</b>	<b>45,982,760,515</b>

	2024						
	Long term financing	Long term musharika	Short term borrowing	Lease liability	Unclaimed dividend	Accrued markup	Total
	----- Rupees -----						
<b>Balance at July 01, 2023</b>	15,955,756,784	4,037,446,083	21,818,521,103	74,103,042	22,551,264	1,274,680,630	43,183,058,906
<b>Changes from financing cash flows</b>							
Proceeds from short term borrowings - net	-	-	(4,100,845,826)	-	-	-	(4,100,845,826)
Financial charges paid - net	-	-	-	-	-	(8,281,044,015)	(8,281,044,015)
Proceeds from long term financing	2,217,188,000	77,739,800	-	-	-	-	2,294,927,800
Long term financing repaid	(2,522,089,107)	(708,333,335)	-	-	-	-	(3,230,422,442)
Lease rentals paid	-	-	-	(11,692,302)	-	-	(11,692,302)
Dividend paid	-	-	-	-	(548,284)	-	(548,284)
<b>Total changes from financing cash flows</b>	(304,901,107)	(630,593,535)	(4,100,845,826)	(11,692,302)	(548,284)	(8,281,044,015)	(13,329,625,069)
<b>Other changes</b>							
Finance cost	-	-	-	10,700,850	-	8,326,726,998	8,337,427,848
Dividend declared	-	-	-	-	-	-	-
Total liability related other changes	-	-	-	10,700,850	-	8,326,726,998	8,337,427,848
<b>Balance at June 30, 2024</b>	15,650,855,677	3,406,852,548	17,717,675,277	73,111,590	22,002,980	1,320,363,613	38,190,861,685



**43. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the Chief Executive Officer and Directors and Executives of the Company are as follows:

	2025				2024			
	Chief Executive	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration	15,180,000	30,360,000	167,636,924	213,176,924	13,800,000	27,600,000	157,437,092	198,837,092
House rent and utilities	5,636,027	-	31,764,500	37,400,527	5,233,392	-	25,945,222	31,178,614
Medical	265,815	-	18,809,206	19,075,021	259,297	-	15,363,995	15,623,292
Bonus paid	-	-	14,265,168	14,265,168	-	-	-	-
	<b>21,081,842</b>	<b>30,360,000</b>	<b>232,475,798</b>	<b>283,917,640</b>	<b>19,292,689</b>	<b>27,600,000</b>	<b>198,746,309</b>	<b>245,638,998</b>
Numbers	1	2	72	75	1	2	60	69

**43.1** In addition to above, two non-executive / independent directors were paid Rs.1.47 million (2024: Rs. 0.94 million) as meeting fee.

**43.2** Chief Executive Officer, directors and some of the executives are also provided with Company maintained cars and telephones at their residences for the Company business purposes.

**43.3** The contribution of employer towards the Gratuity for executive employee amounts to Rs. 45.613 million (2024: Rs. 28.551 million).

**44. NUMBER OF EMPLOYEES**

**2025** **2024**

**- - - Number - - -**

Total number of employees as at June 30,	<b>6,048</b>	6,538
Average number of employees during the year	<b>6,293</b>	6,733

**45. RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties comprise of entities of same group, directors of the Company, key management personnel and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:



Name of parties		Relationship	Transaction	2025 Rupees	2024 Rupees
a)	Fatima Fertilizer Company Ltd	Common Directorship and 3.29 % (2024: 3.29%) shareholding	Dividend Income Reimbursable expenses Payments against expenses Sale of goods and services	483,798,217 288,783 322,930 338,920	311,013,140 124,584 6,628 -
b)	Fatima Energy Limited	Sponsor / Associated	Purchase of electricity Payment against purchase of goods - net Preference shares issued on conversion of long term advance - at cost	5,768,933,866 5,653,231,508 -	6,173,113,185 5,947,602,647 1,050,523,553
c)	Reliance Weaving Mills Limited	Common Directorship	Purchase of goods Sale of goods Receipts against sale of goods - net	75,223,596 387,896,609 311,139,216	74,958,202 472,612,876 450,259,954
d)	Ahmed Fine Textile Mills Limited	Common Directorship	Purchase of goods and services Sale of goods Receipts against sale of goods and services - net Payment against expenses	2,996,414,100 14,323,088,155 11,392,543,853 185,416	2,643,892,138 12,872,715,139 10,039,927,575 -
e)	Fazal-ur-Rehman Foundation	Common Directorship/ Trustees	Donations	2,920,000	2,798,500
f)	Pak Arab Energy Limited	Common Directorship	Mark-up accrued on long term advance	4,355,107	6,183,968
g)	Fazal Farm (Private) Limited	Common Directorship	Purchase of goods Payment against purchase of goods - net	21,485,628 16,922,400	15,183,380 14,903,705
i)	Hussain Gineries Limited	Common Directorship	Reimbursable expenses	-	13,250,970
k)	Fatima Management Company Ltd	Common Directorship	Reimbursable expenses Payment against reimbursable expenses	344,903 344,903	3,655,840 3,655,840
l)	Key Management Personnel	Key Management Personnel	Remuneration and other benefits	63,498,496	58,022,750
n)	Relative of director	Spouse	Lease rental paid	12,861,533	11,692,304



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

Name	Relationship	% shareholding in the company	Number of shares
Mr. Rehman Naseem	CEO/Director/Key Management Personnel	10.34%	3,101,320
Mr. Aamir Naseem Sheikh	Director/Key Management Personnel	0.28%	82,828
Mr. Sheikh Naseem Ahmad	Director/Key Management Personnel	0.03%	8,820
Mr. Muhammad Mukhtar Sheikh	Director/Key Management Personnel	3.38%	1,012,969
Mr. Faisal Ahmed	Director/Key Management Personnel	6.80%	2,039,865
Mr. Abbas Mukhtar	Director/Key Management Personnel	1.79%	536,206
Mr. Babar Ali	Director/Key Management Personnel	0.01%	2,501
Ms. Parveen Akhter Malik	Director/Key Management Personnel	0.03%	7,501
Mr. Masood Karim Shaikh	Director/Key Management Personnel	0.01%	2,501
Mr. Muhammad Azam	CFO / Key Management Personnel	N/A	1
Mr. Azher Iqbal	Company secretary / Key Management Personnel	N/A	N/A

Certain directors have provided personal guarantee against loan provided by the financial institution to the Company (refer note 20, 21 and 25).



Certain directors have provided personal guarantee against loan provided by the financial institution to the Company (refer note 20, 21 and 25).

## 46. SEGMENT REPORTING

### 46.1 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.

### 46.2 Information about reportable segments

	Spinning		Weaving		Total	
	2025	2024	2025	2024	2025	2024
	----- Rupees -----					
External revenues	76,075,430,697	83,083,335,851	13,926,962,152	14,077,539,647	90,002,392,849	97,160,875,498
Intersegment revenues	7,901,219,939	8,947,450,760	30,077,850	58,643,621	7,931,297,789	9,006,094,381
Cost of sales	(77,443,444,401)	(81,771,312,985)	(4,862,202,702)	(4,372,591,788)	(82,305,647,102)	(86,143,904,773)
Intersegment cost of sales	(30,077,850)	(58,643,621)	(7,901,219,939)	(8,947,450,760)	(7,931,297,789)	(9,006,094,381)
Selling and distribution expense	(377,248,411)	(440,532,845)	(139,385,122)	(119,095,386)	(516,633,533)	(559,628,231)
Administrative expenses	(804,319,803)	(700,227,236)	(95,966,904)	(80,454,300)	(900,286,707)	(780,681,536)
Other expense	(304,017,262)	(178,546,961)	-	-	(304,017,262)	(178,546,961)
Other income	896,487,120	1,645,245,194	9,850,429	19,957,805	906,337,549	1,665,202,999
Finance cost	(4,778,078,847)	(7,640,842,219)	(498,151,468)	(696,585,629)	(5,276,230,315)	(8,337,427,848)
Profit before taxation	1,135,951,182	2,885,925,938	469,964,297	(60,036,790)	1,605,915,479	2,825,889,148

**46.2.1** The accounting policies for disclosure of the reportable segments are the same as the Company's accounting policies described in note 5.20 to the financial statements. Expenditures are allocated on the basis of actual amounts incurred for the segments. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

### 46.2.2 Reconciliation of reportable segment revenues and profits

	2025	2024
	--- Rupees ---	
Total revenue from reportable segments	97,933,690,638	106,166,969,879
Elimination of inter segment revenue	(7,931,297,789)	(9,006,094,381)
	<u>90,002,392,849</u>	<u>97,160,875,498</u>
<b>Statement of profit or loss</b>		
Total profit of reportable segments	1,605,915,479	2,825,889,148
Taxation for the year	(1,488,778,020)	(1,040,601,593)
	<u>117,137,459</u>	<u>1,785,287,555</u>

**46.3 Segment assets and liabilities**

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

	Spinning	Weaving	Total
	----- Rupees -----		
For the year ended June 30, 2025			
Segment assets for reportable segment	83,388,249,985	4,751,503,241	88,139,753,226
Unallocated corporate assets	-	-	27,314,001,385
Total assets as per statement of financial position			115,453,754,611
Segment liabilities for reportable segment	9,584,624,373	-	9,584,624,373
Unallocated corporate liabilities	-	-	58,933,714,101
Total liabilities as per statement of financial position			68,518,338,474
For the year ended June 30, 2024			
Segment assets for reportable segment	72,234,087,138	5,440,501,006	77,674,588,144
Unallocated corporate assets	-	-	22,106,749,029
Total assets as per statement of financial position			99,781,337,173
Segment liabilities for reportable segment	10,435,681,393	-	10,435,681,393
Unallocated corporate liabilities	-	-	45,024,265,782
Total liabilities as per statement of financial position			55,459,947,175

For the purposes of monitoring segment performance and allocating resources between segments

- all assets are held under unallocated corporate assets except property, plant and equipment, stores spares and loose tools, and stock in trade which are allocated to reportable segments; and
- all liabilities are held under unallocated corporate liabilities except for long term loans obtained specifically for spinning unit.



## Other segment information

	Spinning	Weaving	Total
	----- Rupees -----		
<b>For the year ended June 30, 2025</b>			
Capital expenditure	<u>2,436,065,582</u>	<u>8,174,534</u>	<u>2,444,240,116</u>
<b><u>Depreciation</u></b>			
Cost of sales	<u>1,996,838,495</u>	<u>161,217,827</u>	<u>2,158,056,322</u>
Administrative expenses	<u>132,950,520</u>	<u>2,289,898</u>	<u>135,240,418</u>
	<u>2,129,789,015</u>	<u>163,507,725</u>	<u>2,293,296,740</u>
<b>For the year ended June 30, 2024</b>			
Capital expenditure	<u>1,536,590,405</u>	<u>429,361</u>	<u>1,537,019,766</u>
<b><u>Depreciation</u></b>			
Cost of sales	<u>1,934,137,783</u>	<u>169,570,852</u>	<u>2,103,708,635</u>
Administrative expenses	<u>116,386,704</u>	<u>2,407,596</u>	<u>118,794,300</u>
	<u>2,050,524,487</u>	<u>171,978,448</u>	<u>2,222,502,935</u>

## 47. GEOGRAPHICAL INFORMATION

The Company operates in one principal geographical area. The Company's gross revenue from external customers by geographical location is detailed below:

	Note	2025	2024
		--- Rupees ---	
Domestic Sales	30	75,185,001,328	59,578,393,036
Export Sales	30 & 47.1	<u>14,817,391,521</u>	<u>37,582,482,462</u>
		<u>90,002,392,849</u>	<u>97,160,875,498</u>

## 47.1 Country wise export sales are as under:

China	4,452,366,100	12,496,355,897
America	1,427,599,747	2,094,889,121
Portugal	423,942,407	616,502,030
Turkey	390,657,553	243,268,371
Hong Kong	413,678,747	121,691,175
Germany	468,081,948	293,902,491
Italy	537,345,035	426,642,694
Japan	111,244,842	106,377,177



	Note	2025 --- R u p e e s ---	2024
Bangladesh		1,028,856,513	293,833,972
Singapore		30,931,100	54,465,477
Switzerland		-	2,080,183
Colombia		213,004,464	33,747,589
Tunisia		119,268,444	62,485,258
Kenya		-	43,818,236
Belgium		-	63,789,206
Malaysia		107,000,791	43,658,503
Others		353,813,765	224,447,974
Indirect exports	30.1	4,739,600,065	20,360,527,108
		<b>14,817,391,521</b>	<b>37,582,482,462</b>

47.1.1 All export sales during the year other than indirect are secured against letter of credit.

#### 48. CAPACITY AND PRODUCTION

		2025	2024
<b>Spinning:</b>			
Number of spindles installed		276,300	277,980
Number of rotors and MVS spindles installed		10,572	10,572
Number of shifts worked		1,094	1,097
Number of spindles - shifts worked		302,272,200	304,944,060
Capacity at 20's count	Kgs.	137,923,004	138,574,902
Actual production of all counts	Kgs.	114,165,331	109,711,127
Actual production converted into 20's count	Kgs.	135,050,860	140,766,137

Capacity disclosed is estimated in 20's count however it is difficult to describe precisely the production capacity in spinning mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist and raw materials used etc. It also varies according to the pattern of production adopted in a particular year.





<b>Weaving:</b>		<b>2025</b>	<b>2024</b>
Number of looms installed		<b>224</b>	224
Number of looms worked		<b>224</b>	224
Number of shifts worked		<b>1,094</b>	1,094
Standard cloth production	Mtr.	<b>47,517,734</b>	45,747,513
Actual cloth production	Mtr.	<b>44,029,933</b>	42,389,646

Capacity of weaving has not been disclosed as it is difficult to describe precisely the production capacity in weaving mills since it fluctuates widely depending on various factors such as count of yarn weaved, loom speed, reed change and raw materials used etc. It also varies according to the pattern of production adopted in a particular year.

#### 49. SHARIAH SCREENING DISCLOSURE

	<b>2025</b>		<b>2024</b>	
	<b>Conventional</b>	<b>Shariah Compliant</b>	<b>Conventional</b>	<b>Shariah Compliant</b>
<b>----- Rupees -----</b>				
Long Term Finances	<b>14,432,252,534</b>	<b>8,999,190,673</b>	15,650,855,677	3,406,843,353
Short term borrowings	<b>18,428,349,864</b>	<b>5,109,414,809</b>	14,299,059,646	3,418,615,631
Running finances under				
mark-up arrangements	<b>80,960,087</b>	<b>26,751,960</b>	86,038,602	36,193,188
Accrued mark-up	<b>231,505,270</b>	<b>25,852,495</b>	375,673,358	118,247,174
Bank balances	<b>256,032,494</b>	<b>102,752,574</b>	476,829,697	112,632,416
Other income				
a) Profit on bank deposits	<b>13,272,441</b>	-	19,522,791	-
b) Dividend Income	-	<b>483,798,217</b>	-	311,013,140
c) Exchange (loss) / gain on				
actual currency	<b>(145,164,734)</b>	<b>(7,719,341)</b>	449,059,817	(13,326,295)
Mark-up on running finances				
under mark-up arrangements	<b>305,005,404</b>	<b>173,892,039</b>	1,409,259,378	273,005,155
Mark-up on short term finances	<b>1,624,193,224</b>	<b>140,780,530</b>	2,931,072,521	648,540,749
Mark-up on long term finances	<b>1,951,173,833</b>	<b>958,796,126</b>	2,078,307,819	833,241,903

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

- Meezan Bank Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Pakistan Limited
- Faysal Bank Limited
- Bank Makramah Limited

Conventional banks that offer both conventional and Islamic financing

- National Bank of Pakistan
- United Bank Limited
- Habib Bank Limited



**50. NON ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE**

The Board of Directors of the Company in their meeting held on 29 September 2025 has proposed a final cash dividend of Rs. Nil per share (2024: Rs.Nil) for the year ended 30 June 2025 for approval of the members in the Annual General Meeting to be held on 25 October 2025.

**51. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 29 September 2025. by the Board of Directors of the Company.

**52. GENERAL**

Figures have been rounded off to the nearest Rupee, except stated otherwise.

(MUHAMMAD AZAM)  
CHIEF FINANCIAL OFFICER

(REHMAN NASEEM)  
CHIEF EXECUTIVE OFFICER

(SHEIKH NASEEM AHMAD)  
DIRECTOR

**Pattern of Shareholdings****As on:- June 30, 2025**

Number of Shareholders	Shareholdings	Total Number of Share Held	%age of Total Capital
813	Shareholdings from 1 to 100	17,131	0.06
360	Shareholdings from 101 to 500	99,411	0.33
127	Shareholdings from 501 to 1000	96,768	0.32
133	Shareholdings from 1001 to 5000	300,939	1.00
20	Shareholdings from 5001 to 10000	135,330	0.45
4	Shareholdings from 10001 to 15000	48,687	0.16
4	Shareholdings from 15001 to 20000	68,072	0.23
1	Shareholdings from 20001 to 25000	21,384	0.07
3	Shareholdings from 40001 to 45000	132,368	0.44
1	Shareholdings from 45001 to 50000	48,208	0.16
1	Shareholdings from 55001 to 60000	59,804	0.20
1	Shareholdings from 80001 to 85000	82,828	0.28
1	Shareholdings from 130001 to 135000	132,191	0.44
1	Shareholdings from 160001 to 165000	161,680	0.54
1	Shareholdings from 295001 to 300000	300,000	1.00
3	Shareholdings from 390001 to 395000	1,176,847	3.92
3	Shareholdings from 535001 to 540000	1,605,037	5.35
3	Shareholdings from 670001 to 675000	2,024,102	6.75
2	Shareholdings from 1010001 to 1015000	2,022,355	6.74
1	Shareholdings from 1310001 to 1315000	1,312,476	4.37
1	Shareholdings from 1410001 to 1415000	1,414,139	4.71
1	Shareholdings from 1420001 to 1425000	1,421,638	4.74
1	Shareholdings from 1765001 to 1770000	1,768,488	5.89
2	Shareholdings from 1995001 to 2000000	3,993,810	13.31
1	Shareholdings from 2415001 to 2420000	2,415,422	8.05
1	Shareholdings from 3100001 to 3105000	3,101,320	10.34
1	Shareholdings from 6035001 to 6040000	6,039,565	20.13
<b>1,491</b>		<b>30,000,000</b>	<b>100.00</b>

Categories of Share Holders	No Of Share Holders	Shares Held
Directors, Chief Executive, Spouses & Minor Children	14	6,798,958
Associated Companies, Undertakings and Related Parties	26	19,978,785
NIT & ICP	2	1,768,951
Banks, Development Financial Institutions, Non-Banking Finance Companies	8	173,822
Mutual Funds	3	18,006
Individuals	1,426	1,193,690
Joint Stock Companies	12	67,788
<b>Grand Total</b>	<b>1,491</b>	<b>30,000,000</b>

**Azher Iqbal, ACA**  
(Company Secretary)

**Pattern Of Shareholding (POSH)****As at June 30, 2025****Categories of shareholders**

	Number of Shares	Percentage
<b>DIRECTORS, CHIEF EXECUTIVE, SPOUSES &amp; MINOR CHILDREN</b>		
Sheikh Naseem Ahmad	8,820	0.03%
Mr. Amir Naseem Sheikh	82,828	0.28%
Mrs. Mahnaz Amir Sheikh (Spouse)	4,447	0.01%
Mr. Rehman Naseem	3,101,320	10.34%
Mr. Faisal Ahmed Mukhtar	2,039,865	6.80%
Mr. Muhammad Mukhtar Sheikh	1,012,969	3.38%
Mr. Abbas Mukhtar	536,206	1.79%
Ms. Parveen Akhter Malik	7,501	0.03%
Mr. Masood Karim Sheikh	2,501	0.01%
Mr. Babar Ali	2,501	0.01%
	<b>6,798,958</b>	<b>22.66%</b>
<b>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>		
Mr. Fazal Ahmed Sheikh	2,041,611	6.81%
Mr. Fawad Ahmed Mukhtar	2,415,422	8.05%
Mr. Abdullah Amir Fazal	1,414,139	4.71%
Mr. Muhammad Yousaf Amir	1,421,643	4.74%
Mr. Asad Muhammad Sheikh	1,012,970	3.38%
Mr. Fahd Mukhtar	579,715	1.93%
Mr. Ali Mukhtar	536,207	1.79%
Mr. Ibrahim Mukhtar	675,895	2.25%
Mr. Mohid Mohammad Ahmed	675,895	2.25%
Mr. Muhammad Fazeel Mukhtar	675,895	2.25%
Fazal Holdings (Pvt.) Limited	7,352,041	24.51%
Farrukh Trading Company Limited	392,282	1.31%
Fatima Holding Limited	5	0.00%
Fatima Management Company Limited	392,282	1.31%
Fatima Trading Company (Pvt.) Limited	392,283	1.31%
Reliance Commodities (Pvt) Ltd	500	0.00%
	<b>19,978,785</b>	<b>66.60%</b>
<b>NIT &amp; ICP</b>		
CDC - Trustee National Investment (Unit) Trust	1,768,488	5.90%
IDBL (ICP Unit)	463	0.00%
	<b>1,768,951</b>	<b>5.90%</b>
<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCE COMPANIES</b>		
Industrial Development Bank Limited	613	0.00%
United Bank Limited	788	0.00%
Escorts Investment Bank Limited	196	0.00%
National Bank Of Pakistan	993	0.00%
Trustee National Bank Of Pakistan Employees Pension Fund	161,680	0.54%
The Trustee, Ghulaman-E-Abbas Educational & Medical Trust	379	0.00%
NCC - Pre Settlement Delivery Account	3,500	0.01%
Trustee National Bank Of Pakistan Emp Benevolent Fund Trust	5,673	0.02%
	<b>173,822</b>	<b>0.58%</b>
<b>MUTUAL FUNDS</b>		
CDC - Trustee AKD Opportunity Fund	600	0.00%
CDC - Trustee Golden Arrow Stock Fund	12,406	0.04%
Rafi Securities (Private Limited) - MF	5,000	0.02%
	<b>18,006</b>	<b>0.06%</b>
<b>INDIVIDUALS</b>		
Local	1,193,690	3.98%
Foreign	0	0.00%
	<b>1,193,690</b>	<b>3.98%</b>
<b>JOINT STOCK COMPANIES</b>		
Freedom Enterprises (Pvt) Ltd	6,309	0.02%
Fazal Vegetable Ghee Mills Ltd	7,689	0.03%
Fateh Textile Mills Limited	258	0.00%
Molasses Trading & Export Co. Ltd.	135	0.00%
Khoja (Pirhai) Shia Isna Ashari Jamat	2,602	0.01%
Naeems Securities (Pvt) Ltd	763	0.00%
Sarfraz Mahmood (Private) Ltd	100	0.00%
H M Investments (Pvt) Limited	45	0.00%
Akram Cotton Mills Limited	10	0.00%
Deputy Administrator Abandoned Properties Organization	48,208	0.16%
Maple Leaf Capital Limited	1	0.00%
Fikrees (Private) Limited	1,668	0.01%
	<b>67,788</b>	<b>0.23%</b>
	<b>30,000,000</b>	<b>100.00%</b>
<b>SHAREHOLDERS HOLDING 10 % OR MORE</b>		
Fazal Holdings Pvt Ltd (Associated Company)	7,352,041	24.51%
Mr. Rehman Naseem	3,101,320	10.34%
	<b>10,453,361</b>	<b>34.85%</b>

\*During the year Ms. Parveen Akhter Malik, an independent director purchased 5,000 shares of the Company. The requisites returns in this respect were filed with the regulatory authorities in addition to informing the Board and Pakistan Stock Exchange of the said transaction as required under the CCGO other than these, the directors, CEO & CFO Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the financial year.





## GENDER PAY GAP STATEMENT UNDER SECP'S CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2025:

Mean Gender Pay gap: (47.96%)  
Median Gender Pay Gap: (67.00%)

The above percentages reflect the gender pay gap of relevant male versus female employees across the organization.

Chief Executive Officer  
Date: September 29, 2025







## FORM OF PROXY FAZAL CLOTH MILLS LIMITED

I \_\_\_\_\_, of \_\_\_\_\_ being a member of the  
**Fazal Cloth Mills Limited** and holder of \_\_\_\_\_ Shares as per Folio No. \_\_\_\_\_  
 and/or CDC Participation ID # \_\_\_\_\_ and Sub Account # \_\_\_\_\_ do hereby  
 appoint \_\_\_\_\_ of \_\_\_\_\_  
 having Folio No. \_\_\_\_\_ or and/or CDC Participation ID # \_\_\_\_\_ and Sub  
 Account # \_\_\_\_\_ failing him/her \_\_\_\_\_ of  
 \_\_\_\_\_ having Folio No. \_\_\_\_\_ or and/or CDC Participation ID #  
 \_\_\_\_\_ and Sub Account # \_\_\_\_\_ as my/our proxy to attend, speak and vote for  
 me/us and on my/our behalf at the Annual General Meeting of the company scheduled  
 to be held on Saturday, October 25, 2025 at 12.00 pm. , and at any adjournment  
 thereof at registered office of the Company FG Head Office, E/110, Khayaban -e-  
 Jinnah, Defence Chowk, Lahore.

At witness my/our hand this \_\_\_\_\_ day of October 2025.

1. Name \_\_\_\_\_

N.I.C \_\_\_\_\_

Address \_\_\_\_\_

Please affix  
Revenue Stamps

2. Name \_\_\_\_\_

N.I.C \_\_\_\_\_

Address \_\_\_\_\_

### Member's signature

(This signature should agree  
with specimen registered with  
the Company)

Notes: \_\_\_\_\_

1. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her. A proxy must be a member of the Company.
2. A member shall not be entitled to appoint more than one proxy.
3. The instrument appointing a proxy must be duly signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished along with the proxy form.
5. Proxies in order to be valid, must be received at head office 59/3, Abdali Road, Multan not later than forty eight (48) hours before the time scheduled for the meeting.
6. The proxy shall produce his original CNIC or original Passport at the time of the Meeting.





پراکسی فارم  
60 واں سالانہ عمومی اجلاس

## فضل کا اتھ ملز لمیٹڈ

میں 1 ہم .....  
ساکن ..... بطور ممبر (ز) فضل کا اتھ ملز لمیٹڈ .....  
حامل ..... عام حصص، محترم 1 محترمہ .....  
ساکن ..... یا ان کے حاضر نہ ہو سکنے کی صورت میں .....  
ساکن ..... کو اپنے / ہمارے ایپکار کمپنی کے مورخہ 25 اکتوبر 2025 بروز ہفتہ  
دو پہر 12 بجے کو ہونے والے کسی یا بھی التوا کی صورت میں 60 سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کیلئے اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

بطور گواہ آج ..... بتاریخ ..... 2025 ..... کی موجودگی میں دستخط ہوئے۔

دس روپے کے رسیدی  
ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط  
کے نمونے سے مشابہت ہونا لازمی ہے۔

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر
	شراکت دار کی شناخت اکاؤنٹ نمبر

اہم نکات:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے سیکریٹریز رجسٹرار کے دفتر موصول ہو جانا چاہیے،
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کا عدم قرار یہی جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔  
- پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔  
- پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔  
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اتارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کروانی ہوگی۔





## **Fazal Cloth Mills Limited**

### **Head Office / Shares Department:**

59/3, Abdali Road, Multan  
Ph: +92 61 4579001-7, 4781637  
Fax: +92 61 4541832

### **Registered Office:**

69/7, Abid Majeed Road, Survey # 248/7  
Lahore Cantt, Lahore. +92 (42) 36684909