

NOTICE OF 60TH ANNUAL GENERAL MEETING

Notice is hereby given that **60th 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

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Dated: October 03, 2025

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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
- 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 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.

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	483,798,217	N/A
			Reimbursable expenses	288,783	Arm's Length
			Payments against expenses	6,628	N/A
			Sale of goods and services	338,920	Arm's Length
Fatima Energy Limited	Investment in ordinary Pref. Shares of the Associated Company	Sponsor / Associated undertaking	Purchase of electricity	5,768,933,866	Arm's Length
			Payment against purchase of goods – net	5,653,231,508	N/A
Reliance Weaving Mills Limited	-Mr. Faisal Ahmed -Mr. Abbas Mukhtar -Mr. Muhammad Mukhtar Sheikh	Common Directorship	Purchase of goods	75,223,596	Arm's Length
			Sale of goods	387,896,609	Arm's Length
			Receipts against sale of goods - net	311,139,216	N/A
Ahmed Fine Textile Mills Limited	-Sh. Naseem Ahmad -Mr. Aamir Naseem Sheikh -Mr. Rehman Naseem	Common Directorship	Purchase of goods and services	2,996,414,100	Arm's Length
			Sale of goods	14,323,088,155	Arm's Length
			Receipts against sale of goods and services - net	11,392,543,853	N/A
			Payment against expenses	185,416	N/A
Fazal-ur-Rehman Foundation	-Sh. Naseem Ahmad -Mr. Rehman Naseem	Common Directorship/ Trustees	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	21,485,628	Arm's Length
			Payment against purchase of goods - net	16,922,400	N/A
Fatima Management Company Ltd	-Mr. Muhammad Mukhtar Sheikh	Common Directorship	Reimbursable expenses	344,903	Arm's Length
			Payment against reimbursable expenses	344,903	N/A
Key Management Personnel	-Mr. Rehman Naseem -Mr. Abbas Mukhtar -Mr. Muhammad Mukhtar Sheikh	Key Management Personnel	Remuneration and other benefits	63,498,496	Approved Directors' remuneration / contract of employment
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.	2024	2023
		----- 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 - Rupees	13.43	13.28	13.43	13.28



FAZAL CLOTH MILLS LIMITED

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

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

Website: www.fazalcloth.com

Email address of the Chairman at which duly filled ballot paper may be sent: 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);

<p><u>Agenda item no. 1</u></p> <p>“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”.</p>	No of ordinary shares for which votes cast	I/We assent to the Resolutions (For)	I/We dissent to the Resolutions (Against)
<p><u>Agenda item no. 2</u></p> <p>“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.”</p> <p>“RESOLVED FURTHER THAT the related party transaction shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval”.</p> <p>“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.”</p>	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.
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. Members may download Ballot Paper Form from the website or use the original / photocopy as published in newspapers.