



FAZAL TE



Fazal Textile Mills Limited

2010
ANNUAL
REPORT





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48th Annual Report 2010



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. M. Yunus A. Aziz	(Chairman)
Mr. Sohail M. Yunus	(Chief Executive)
Mr. Muhammad Ali A. Razzak	
Mr. Imran M. Yunus	
Mr. Javed M. Yunus	
Miss Mariam Razzak	
Mr. Ilyas Ismail	
Mrs. Raheela Aleem	
Mr. Abdul Rahman Yaqoob	

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Toufique Yusuf
FCA FICS

AUDIT COMMITTEE

Mr. Sohail M. Yunus	Chairman
Mr. Muhammad Ali A. Razzak	Member
Mr. Imran M. Yunus	Member

AUDITORS

Hyder Bhimji Co.
Chartered Accountants

LEGAL ADVISOR

Mr. Mohammad Aleem
(Advocate)

BANKERS

Bank Al-Habib Limited
Bank Al-Falah Limited (Islamic Division)
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited

REGISTERED OFFICE AND MILLS

LA-2/B Block # 21,
Rashid Minhas Road,
Federal 'B' Area, Karachi - 75950.
Phones : 6321311-6322048
Fax : 92-21-6313372
E-mail : finance@fazaltextile.com
Website : www.fazaltextile.com



MISSION STATEMENT

Fazal Textile Mills Limited through its innovative technology and effective resource management has maintained high ethical and professional standards. The core values are its commitment, integrity, excellence, teamwork, transparency and creativity.

Fazal Textile is committed to:-

- produce quality and fault free products for its valued customers by continual improvements by providing proper training and development programmes, upgrading of resources, setting quality objectives by analyzing customer's feedback.
- provides good returns and security to its shareholders
- fulfill obligation towards creditors, employees and the society.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 48th Annual General Meeting of the Members of the Fazal Textile Mills Limited will be held at Registered office of the Company located at L-A, 2/B, Block 21, Rashid Minhas Road, Federal "B" Area, Karachi on Tuesday the 26th October 2010 at 11.00 a.m to transact the following business.

1. To confirm the minutes of the Extra Ordinary General Meeting held on 14th September 2010.
2. To receive consider and adopt the Audited accounts for the year ended June 30, 2010 together with the Directors and Auditors report thereon.
3. To approve cash dividend of Rs 10.00 per share of Rs 10/- each for the year ended 30th June 2010 as recommended by the Board.
4. To appoint Auditors for the year ending 30th June 2011 and to fix their remuneration.
5. To elect eight directors as fixed by the Board of Directors in accordance with the provisions of the Companies Ordinance 1984 for a period of three years commencing from December 27, 2010. The following nine directors will retire and are eligible for reappointment.

- 1) Mr. M. Yunus A. Aziz
- 2) Mr. Sohail M. Yunus
- 3) Mr. M. Ali A. Razzak
- 4) Mr. Imran M. Yunus
- 5) Mr. Jawed M. Yunus
- 6) Mrs. Mariam Razzak
- 7) Mrs. Raheela Aleem
- 8) Mr. Ilyas Ismail
- 9) Mr. A. Rahman Yaqoob

6. To transact any other business with the permission of the Chairman

By order of the Board
M. Toufique Yusuf
Company Secretary

Karachi : September 24, 2010

Notes :

1. The share transfer books of the Company will remain closed from October 21, 2010 to October 27, 2010 (both days inclusive)
2. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote for him/her. Proxy forms must be deposited at the registered office of the Company not later than 48 hours before the time of holding the meeting.
3. Nomination from shareholders for the office of Director must be received at least 14 days before the time of meeting at the Registered Office of the Company.
4. An individual beneficial owner of shares from CDC must bring his/her original NIC or Passport, Account and Participant's I.D numbers to prove his/her identity. A representative of Corporate member of the Company or CDC must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee.
5. Members are requested to notify the Company of any change in their addresses immediately.



DIRECTORS' REPORT TO THE MEMBERS

We are pleased to welcome the Members at the 48th Annual General Meeting and have pleasure in presenting the Annual Report together with the Company's audited accounts for the year ended June 30, 2010.

Financial and operational results

The financial results for the year under review are as follows:

	(Rs in 000)	
	Year Ended 30 June 2010	Year Ended 30 June 2009
Sales	4,075,778	2,819,019
Gross Profit	839,111	220,351
Profit before taxation	675,792	48,219
Provision for taxation	51,209	22,926
Profit after taxation	624,583	25,293
Unappropriated profit brought forward	4,804	3,792
Profit Accumulated Loss available for appropriation	629,387	29,085
Appropriation:		
Proposed Cash Dividend	61,875	9,281
Transfer from general reserve	560,000	15,000
	621,875	24,281
Unappropriated profit carried forward	7,512	4,804

Overview

By the Grace of Almighty God, your Company achieved another milestone in operating performance, outstripping all past records. The Company recorded an incredible growth in turnover, scaling an all time high of Rs 4.075 billion (2009 : Rs 2.819 billion) an increase of 44.58%. The gross margin increase to Rs 839.111 million as compared to Rs 220.351 million in the corresponding year. Your Company earned a record profit after tax of Rs 624.583 million as compared to Rs 25.292 million in the corresponding year.

This one-off scintillating performance during the year is attributable to an upbeat yarn market and inventory gain. With well-focused raw material planning and procurement policies in place and aided by comfortable liquidity position, the Company took full advantage of the buying the raw material at cheaper price early in the season.

Earning per share

The profit per share after tax was Rs. 100.94 for the year ended June 30, 2010 as compared to Rs 4.09 for the year ended June 30, 2009.

Dividend

The Board of Directors have recommended a dividend of Rs 10.00 per shares (i.e. 100%) for the year ended June 30, 2010.



Future Prospects

The devastation caused by one of the worst floods in the country, the crop for the coming season was estimated to be around 14.00 million bales, has been revised at less than 10 million bales which has resulted prices of lint cotton soared to Rs 7,500 per mds. The situation has further worsened due to higher global prices, consequently the prices of cotton are soaring day by day. Given the short supply against the demand, the spinners will not have easy time finding lint at a reasonable price without compromising quality. The energy crisis, inflation, erosion of value of Pak rupee etc could effect the profitability of coming periods. Notwithstanding the foregoing constraints, your director would like to assure you that every endeavour will be made to achieve better results in the coming year.

Shifting of production facilities

Your Company has recently received the approval from the members for carrying out the construction of the Mall and the Apartments. In order to begin the construction activity the production facilities will be relocated to Nooriabad (Super Highway) very soon, the civil work, electrification & humidification etc at Nooriabad (Super Highway) has been already completed.

Election of directors

The three years term of the office of existing Board of Directors is been completed on December 26, 2010 and an election of Directors for the next three years commencing from December 27, 2010 has been schedule on October 26, 2010 as per Article 90 and 97 of the Article of Association of the Company and section 174 and 178 of the Companies Ordinance 1984. The Board has fixed 8 number of directors to be elected in the coming election of Directors.

Statement of Compliance with Code of Corporate Governance

The management is fully aware of the Company's obligation for compliance with the Code of Corporate Governance as incorporated in the Listing Regulations of all Stock Exchanges in Pakistan and step are being taken for its effective implementation within the allowed time frame. The various statements, as required by the Code, are given below:

- " **Presentation of financial statements.** The financial statements under review have been prepared by the management and are in accordance with the provisions of the Companies Ordinance 1984. These financial statements present fairly the Company's state of affairs, the results of its operation, cash flow and changes in equity.
- " **Books of account.** The Company has maintained proper books of account.
- " **Accounting policies.** Appropriate accounting policies have been applied in preparation of financial statements.
- " **Compliance of International Accounting Standards (IAS).** International Accounting Standards (IAS) as applicable in Pakistan have been followed in preparation of financial statements.
- " **Internal Control System.** The system of internal control of the company is in place and is sound in design and is being effectively monitored.
- " **Going Concern.** There are no significant doubts upon the Company's ability to continue as a going concern.
- " **Best practices of Corporate Governance.** There has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations wherever applicable to the Company for the period ended June 30, 2005.
- " **Outstanding statutory dues.** The Company has paid all the statutory dues due, there are no unpaid disputed balances payable. The amount payable if any but not due are disclosed in note no 18 to the annexed audited financial statements.
- " **BOD meetings.** During the period under review the Board convened 5 times and the attendance of the respective Directors was as under :-



Fazal Textile Mills Limited

S. No	Name of Directors	Meetings attended
1	Mr. M. Yunus A. Aziz	2
2	Mr. M. Sohail Yunus	5
3	Mr. Muhammad Ali A Razzak	4
4	Mr. Imran M. Yunus	3
5	Mr Jawed M Yunus	4
6	Miss Mariam Razzak	3
7	Mrs Raheela Amin	3
8	Mr. Ilyas Ismail	2
9	Mr. Abdul Rahman Yaqoob	2

Leaves of absence in accordance to the law were granted to the Directors who could not attend the Board Meeting.

Pattern of shareholding.

The pattern of shareholding and the additional information as required by the Code of Corporate Governance is enclosed.

Auditors.

The present auditors Hyder Bhimji & Co., Chartered Accountants, retire and have offered themselves for reappointment.

As suggested by the audit committee, the Board recommends their appointment as Auditors for of the Company for the year ended June 30, 2011.

Thanks and appreciation

We would like to place on record our 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 best possible results. The Board also wishes to place in record the appreciation to all banks for continued support to the company with zeal and dedications. The management is quite confident that these relation and cooperation will continue in the years to come.

**On behalf of the Board
Sohail M. Yunus
Chief Executive**

Dated : September 24, 2010



KEY FINANCIAL AND OPERATIONAL DATA

Rupees "000"

PARTICULARS	Y E A R S										
	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Export Sales	2,890,868	1,815,119	1,910,247	1,805,767	1,328,054	1,001,278	1,565,173	1,360,729	1,127,193	1,486,691	1,614,582
Local Sales	1,381,290	1,130,386	672,118	575,401	801,791	801,963	936,049	916,739	1,021,300	826,276	631,732
Gross Sales	4,272,158	2,945,505	2,582,365	2,381,168	2,129,845	1,803,241	2,501,222	2,277,468	2,148,493	2,312,967	2,246,314
Net Sales	4,075,778	2,819,019	2,444,146	2,263,195	2,027,303	1,642,382	2,265,602	2,060,705	1,915,960	2,090,444	2,051,484
Gross Profit	839,111	220,351	139,904	121,177	175,570	162,291	91,857	172,892	146,329	225,159	509,142
Gross Profit Ratio	20.59	7.82	5.72	5.35	8.66	9.88	4.05	8.39	7.64	10.77	24.82
Profit Before Tax	675,792	48,219	26,361	1,236	51,459	78,167	21,743	104,111	63,317	107,768	391,196
Profit Before Tax Ratio	16.58	1.71	1.08	0.05	2.54	4.76	0.96	5.05	3.30	5.16	19.07
Profit/(Loss) After Tax	624,583	25,293	10,040	(20,461)	48,619	40,882	29,828	86,967	43,838	63,905	282,955
Profit/(Loss) After Tax Ratio	15.32	0.90	0.41	(0.90)	2.40	2.49	1.32	4.22	2.29	3.06	13.79
Cost of Fixed Assets	1,636,775	1,625,504	1,597,122	1,550,952	1,407,892	1,395,754	1,284,882	1,141,310	1,126,429	998,738	887,793
Book Value of Fixed Assets	629,584	672,849	719,115	741,516	652,327	666,272	602,889	514,066	535,231	445,411	364,500
Total Assets Employed	3,679,757	2,884,682	3,328,731	1,824,287	1,868,796	1,699,360	1,387,082	1,087,737	1,019,702	1,209,972	1,156,566
Shareholders Equity	1,351,262	735,960	719,948	709,908	745,838	712,688	681,087	657,447	585,663	530,397	497,429
Breakup Value Per Share	218.38	119.10	116.35	114.73	120.54	115.18	110.07	106.25	94.65	85.72	80.39
Earning Per Share Before Tax	109.22	7.79	4.42	0.20	8.31	12.63	3.51	16.82	10.23	17.41	63.22
Earning/(Loss) Per Share After Tax	100.94	4.09	1.62	(3.31)	7.86	6.61	4.82	14.06	7.08	10.33	45.73
Production Capacity (20/s) (lbs)	48,990,026	48,990,026	48,990,026	47,879,424	48,341,510	34,725,150	45,397,909	43,970,027	41,869,613	41,414,443	41,414,443
Production converted into 20/s (lbs)	48,858,410	48,739,567	48,607,000	47,425,336	48,032,726	34,454,142	45,380,876	43,811,943	41,758,683	41,412,415	41,189,365
Capacity Utilization	99.73	99.49	99.22	99.05	99.36	99.22	99.96	99.64	99.74	100.00	99.46



**PATTERN OF SHAREHOLDING
FORM "34"
SHAREHOLDERS STATISTICS
AS AT JUNE 30, 2010**

NUMBER OF SHARE HOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
403	1	- 100	23,102
150	101	- 500	50,329
28	501	- 1000	22,186
39	1001	- 5000	96,473
10	5001	- 10000	74,501
4	10001	- 15000	49,378
2	15001	- 20000	38,715
3	20001	- 25000	65,791
1	30001	- 35000	31,300
1	40001	- 45000	40,977
1	65001	- 70000	67,755
1	70001	- 75000	70,785
3	135001	- 140000	407,806
1	160001	- 165000	160,174
2	165001	- 170000	333,504
1	170001	- 175000	172,996
4	175001	- 180000	712,556
1	200001	- 205000	201,346
3	225001	- 230000	683,912
1	240000	- 245000	241,395
2	260001	- 265000	524,534
1	270001	- 275000	272,250
1	350001	- 355000	351,656
1	400001	- 405000	403,553
1	1105001	- 1110001	1,090,529
665			6,187,503

S.NO.	CATAGORIES OF SHAREHOLDERS	NUMBER OF SHARE HOLDERS	TOTAL SHARES HELD	PERCENTAGE
1	Individual	633	4,468,108	72.21
2	Investment Companies	1	300	0.00
3	Joint Stock Companies	17	1,157,567	18.71
4	Financial Institutions	8	136,499	2.21
5	Modaraba Companies	1	907	0.01
6	Others	5	424,122	6.85
		665	6,187,503	100.00



DETAIL OF PATTERN OF SHAREHOLDING AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

CATEGORIES OF SHAREHOLDER	NOS	SHARES HELD	%
DIRECTORS, CEO, THEIR SPOUSE AND CHILDREN			
Mr. M. Yunus s/o A. Aziz - Director	1	272,250	4.40
Mr. M. Sohail s/o M. Yunus - Chief Executive	1	262,267	4.24
Mr. Muhammad Ali s/o A. Razzak - Director	2	351,656	5.68
Mr. M. Imran s/o M. Yunus - Director	2	440,406	7.12
Mr. M. Jawed s/o M. Yunus - Director	1	419,534	6.78
Miss Mariam A Razzak - Director	1	172,996	2.80
Mr. M. Ilyas s/o Ismail Moten - Director	1	228,242	3.69
Mr. A. Rahman Yaqoob s/o M. Yaqoob - Director	1	2,500	0.04
Mrs Kulsum A. Razzak	1	160,174	2.59
Miss Amina A. Razzak	2	344,328	5.56
Miss Zulekha A Razzak	1	201,346	3.25
Miss Raheela A Razzak	2	345,454	5.58
Mrs Khairunnissa M Yunus	1	70,785	1.14
Mrs. Maimoona Siddiqui	1	136,050	2.20
Mrs. Nasreen Abdul Rauf	1	136,050	2.20
Mrs. Yasmeen Ismail	1	135,706	2.19
Mrs. Aslam Ismail	1	227,428	3.68
Mr. Arif Ismail	1	228,242	3.69
ASSOCIATED COMPANY			
Lucky Energy (Pvt) Limited	2	1,111,411	17.96
Yunus Textile Mills Limited	1	31,300	0.51
NIT/ICP			
National Bank of Pakistan	2	67,836	1.10
Investment Corporation of Pakistan	1	300	0.00
PUBLIC SECTOR COMPANIES & CORPORATION			
	4	43,144	0.70
BANK, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS.			
	2	25,519	0.41
MODARABAS AND MUTUAL FUND			
	1	907	0.01
General Public (local)			
	611	332,694	5.38
Others			
	19	438,978	7.09
Total	665	6187503	100.00
SHARHOLDERS HOLDING MORE THAN 10% OR MORE			
Lucky Energy (Pvt) Limited	2	1,111,411	17.96



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner :

1. The board comprises nine directors, including the CEO. The number of executive director on the board is one.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Company has prepared a "Statement of Ethics and Business Practices", which has been adopted by the board of directors and signed by all the directors and employees of the Company.
6. The Board has developed a vision/mission statement. Overall corporate strategy and significant policies of the Company are under process of approval.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive director, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for the purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Chief Executive recommends that members of the Board should approach him, should they feel any necessity to conduct other orientation courses in this regard.
10. The appointment of head of internal audit and his remuneration and terms and conditions have been approved by the Board.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.



13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed on the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Audit Committee comprises of three members including the Chairman.
16. The meeting of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirmed that all other material principles contained in the Code have been complied with.

Sohail M. Younus
Chief Executive



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Fazal Textile Mills Limited** to comply with the Listing Regulation no 37 of the Karachi Stock Exchange and (Chapter XIII) of the Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. 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 Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub Regulation (xiii a) of Listing Regulation No. 35 of Karachi and Lahore Stock Exchanges require the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required to check the approval of the related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not. 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 best practices contained in the Code of Corporate Governance, as applicable to the Company for the period ended June 30, 2010.

Hyder Bhimji.

HYDER BHIMJI CO.
CHARTERED ACCOUNTANTS



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **Fazal Textile Mills Limited** as at June 30, 2010 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2008 and of the loss its cash flows and changes in equity for the year then ended; and
- d). in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited with the Central Fund established under section 7 of the Ordinance.

Hyder Bhimji.

HYDER BHIMJI & CO
Chartered Accountants



BALANCE SHEET

AS AT JUNE 30, 2010

	Note	June 2010	June 2009
Rs in 000			
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and equipment	3	629,583	679,842
Operating fixed assets	4	1,685,793	1,325,830
Capital work in progress		2,315,376	2,005,672
LONG TERM LOANS AND ADVANCES	5	9,456	9,213
LONG TERM DEPOSITS - Security deposits		532	532
		2,325,364	2,015,417
CURRENT ASSETS			
Stores, spares and loose tools	6	50,677	43,078
Stock in trade	7	408,158	501,080
Trade debts	8	458,638	204,001
Loans & advances	9	102,111	106,409
Deposits, prepayments and other receivables	10	28,111	8,050
Taxation- Net	11	7,563	824
Cash and bank balances	12	299,135	3,610
		1,354,393	867,052
TOTAL ASSETS		3,679,757	2,882,469
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital	13	150,000	150,000
Issued, subscribed and paid-up capital	14	61,875	61,875
Reserves	15	1,289,387	674,085
		1,351,262	735,960
NON-CURRENT LIABILITIES			
Long Term Finance	16	-	1,000,000
Deferred gratuity	17	40,802	38,796
Deferred taxation	18	62,633	44,032
		103,435	1,082,828
CURRENT LIABILITIES			
Current maturity of loang term loan	16	1,000,000	-
Trade and other payables	19	622,182	664,494
Accrued markup		38,114	42,434
Short term finances	20	564,764	356,753
		2,225,060	1,063,681
Contingencies and Commitment	21	-	-
TOTAL EQUITY AND LIABILITIES		3,679,757	2,882,469

The annexed notes from 1 to 40 forms an integral part of these financial statements

M. Yunus A. Aziz
Chairman

Sohail M. Yunus
Chief Executive

Karachi : September 24, 2010



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2010

	Note	June 2010	June 2009
Rupees "000"			
Sales - net	22	4,075,778	2,819,019
Cost of sales	23	3,236,667	2,598,668
Gross profit		<u>839,111</u>	<u>220,351</u>
Selling & distribution expenses	24	48,251	17,353
General & administrative expenses	25	51,064	35,614
Other operating expenses	26	33,598	2,538
		<u>132,913</u>	<u>55,505</u>
		706,198	164,846
Other operating income	27	<u>6,979</u>	<u>4,191</u>
Operating profit		713,177	169,037
Finance cost	28	<u>37,385</u>	<u>120,819</u>
Profit before taxation		675,792	48,218
Taxation :			
Current	29	42,140	29,324
Prior (Provision reversed back)		(9,532)	16
Deferred (Note 18)		18,601	(6,414)
		<u>51,209</u>	<u>22,926</u>
Profit after taxation		<u>624,583</u>	<u>25,292</u>
Earning per share-basic and diluted (Rupees)	30	100.94	4.09

The annexed notes from 1 to 40 forms an integral part of these financial statements

M. Yunus A. Aziz
Chairman

Sohail M. Yunus
Chief Executive

Karachi : September 24, 2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Note	June 2010	June 2009
Rupees "000"			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operation	31	558,725	1,570,434
Gratuity paid		(8,882)	(7,355)
Finance Cost paid		(41,705)	(127,321)
Taxes paid		(39,347)	(29,671)
Net cash In/(Outflow) from operating activities		<u>468,791</u>	<u>1,406,087</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(14,268)	(30,198)
Capital Work in progress		(359,963)	(411,048)
Sale proceeds from fixed assets		2,190	997
Net cash In/(Outflow) from investing activities		<u>(372,041)</u>	<u>(440,249)</u>
CASH FLOW FROM FINANCIAL ACTIVITIES			
Payment of dividend		(9,236)	(9,310)
Net cash In/(Outflow) from financial activities		<u>(9,236)</u>	<u>(9,310)</u>
Net increase(decrease) in cash and cash equivalents		<u>87,514</u>	<u>956,528</u>
Cash and cash equivalents at the beginning of the year		(353,143)	(1,309,671)
Cash and cash equivalents at the end of the year	32	<u>(265,629)</u>	<u>(353,143)</u>

The annexed notes from 1 to 40 forms an integral part of these financial statements

M. Yunus A. Aziz
Chairman

Sohail M. Yunus
Chief Executive

Karachi : September 24, 2010



STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2010

Rupees in thousand

Description	Paidup Capital	Capital Reserve	Revenue Reserves	Uappropriated Profit	Total
Balance as on July 01, 2008	61,875	34,416	610,584	13,073	719,948
Final Dividend for the year ended June 30, 2008	-	-	-	(9,281)	(9,281)
Transfer to/(from) profit and loss account	-	-	-	-	-
Profit after tax for the year ended June 30, 2009	-	-	-	25,293	25,293
Balance as on June 30, 2009	61,875	34,416	610,584	29,085	735,960
Final Dividend for the year ended June 30, 2009	-	-	-	(9,281)	(9,281)
Transfer to/(from) profit and loss account	-	-	15,000	(15,000)	-
Profit after tax for the year ended June 30, 2010	-	-	-	624,583	624,583
Balance as on June 30, 2010	61,875	34,416	625,584	629,387	1,351,262

The annexed notes from 1 to 40 forms an integral part of these financial statements

M. Yunus A. Aziz
Chairman

Sohail M. Yunus
Chief Executive

Karachi : September 24, 2010



Notes to the financial statements

for the year ended June 30, 2010.

I. LEGAL STATUS AND OPERATION:

The Company was incorporated on July 6, 1963 as a Private Limited Company under the Companies Act, 1913 (Companies Ordinance, 1984) and was converted into a Public Limited Company on May 04, 1966. The Company is quoted on stock exchanges in Pakistan since 1971. The Company is engaged in manufacturing, selling, buying and dealing in all types of yarn and knitted fabrics. The address of its registered office is LA-2/B, Block 21, Rashid Minhas Road, federal "B" Area, Karachi, Pakistan

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared on historical cost convention except for the recognition of certain staff retirement benefits at present value.

2.2 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. Wherever, the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence.

2.3 Standards and interpretations to published approved accounting standards that are not yet effective

The following standards and interpretations of approved accounting standards, effective for accounting periods beginning on or after January 01, 2009 are either not relevant to Company's operation or are not expected to have significant impact on the Company's financial statements other than increased disclosure in certain cases:-

(i) IAS I (Revised), 'Presentation of Financial Statements' (effective January 1, 2009) IAS I (Revised) prohibits the presentation of items of income and expenses (i.e., 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a statement of other comprehensive income, but entities can choose whether to present one statement of comprehensive income or two statements (the statement of comprehensive income and statement of other comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement of financial position as at the beginning of the earliest comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period. The company has applied IAS I (Revised) from July 1, 2009.

(ii) IAS 19 (Amendment), 'Employee benefits' (effective from January 1, 2009).



· The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. Adoption of the amendment is not expected to have any effect on the company's financial statements. 19

· The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. Adoption of the amendment is not expected to have any effect on the company's financial statements.

· The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered. The adoption of this amendment will only impact the presentation of the financial statements.

· IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed and not recognized. IAS 19 has been amended to be consistent with IAS 37.

(iii) IAS 36 (Amendment), 'Impairment of assets' (effective from January 1, 2009). In accordance with the new requirements, disclosures equivalent to those for value-in-use calculation should be made where fair value less costs to sell is calculated on the basis of discounted cash flows. Adoption of the amendment is not expected to have any effect on the company's financial statements.

(iv) IAS 23 (Amendment) 'Borrowing costs' (effective from January 1, 2009). This amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. On adoption of the above amendment, the option of immediately expensing those borrowing costs will be withdrawn. This amendment is not expected to have a significant effect on the company's financial statements.

(v) IAS 38 (Amendment) 'Intangible assets' (effective from January 1, 2009). This amendment states that a prepayment may only be recognized in the event that prepayment has been made in advance of obtaining right of access to goods or receipt of services. This amendment is not expected to have any effect on the company's financial statements.

(vi) IFRS 7 'Financial instruments - Disclosures' (amendment) (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, the amendment is not expected to have a significant effect on the company's financial statements.

(vii) IFRS 8, 'Operating segments'. This standard replaces IAS 14, 'Segment reporting' and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker (i.e. Chief Executive) of the company. The company considers the business from a product wise perspective. However, these operating segments meet the aggregation criteria set forth in IFRS 8, therefore, the company is not required to make segment wise disclosures.

Standards, amendments to published approved accounting standards and interpretations becoming effective in the year ended June 30, 2010 but not relevant:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the year and are mandatory for accounting periods beginning on or after July 1, 2009 but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements. Standards, amendments to published approved accounting standards and interpretations as adopted in Pakistan, that are not yet effective:



The following standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after January 1, 2010 or later periods:

(i) IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. This amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. This amendment is not considered to have any impact on entity's financial statements being irrelevant.

(ii) IAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the IASB's annual improvements project published in April 2009. This amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. This amendment is not considered to have any impact on the company's financial statements being irrelevant to company's operations.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or do not have any significant effect on company's operations and are therefore not mentioned in these financial statements.

2.4 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimate and judgements are continually evaluated and are based on

historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the company's accounting policies, management has made following estimates and judgments which are significant to the financial statements.

a) Income Taxes

The company takes into account relevant provision of current income tax laws while providing for current and deferred taxes as explained in note 2.6 of these financial statements.

b) Defined Benefit Plan

Certain actuarial assumptions have been adopted as disclosed in note 2.5 and 17 of these financial statements for valuation of present value of defined benefit obligation and fair value of plan assets. Any change in these assumptions in future years might affect actuarial gain/losses recognized in those years.

2.5 Staff retirement benefits

The Company operates unfunded gratuity scheme covering all employees eligible to the benefit. The present value of the defined benefit obligation has been determined on the basis of actuarial valuation carried out on the Balance Sheet date. In accordance with the requirements of IAS 19, Employees Benefits actuarial valuation has been carried out using Projected Unit Credit Actuarial Cost Method. Main valuation assumption used for actuarial valuation were as under :

Discount Rate	13.00% per annum.
Expected rate on increase in salaries	11.00% per annum



2.6 Taxation Current

Provision for current taxation is based on taxable income at current rates of taxation after taking in to account tax credits available rebate and exemption if any, subject to treatment in respect of tax deducted at source on export as final discharge of tax liabilities.

Deferred

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax assets and liabilities and their carrying values for financial reporting purposes and amount used for taxation purpose.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

2.7 Foreign currency translation

Assets and liabilities in foreign currencies are translated into rupee at the rates of exchange ruling on the balance sheet date except for liabilities covered under forward exchange contracts which are translated at the contract rates. The gain or loss due to the rate fluctuation is adjusted against the plant and machinery acquired under the loan.

2.8 Property, Plant & Equipment

These are stated at cost less accumulated depreciation except leasehold land and capital work-in-progress, which are stated at cost.

Depreciation is charged at normal tax rates on diminishing balance method. In respect of addition/deletion during the year, depreciation is charged from the month of acquisition and upto the month preceding the disposal respectively.

Maintenance and normal repairs are charged to income as and when incurred. Gain or loss on disposal of assets is included in income currently.

2.9 Capital Work-in-progress

All cost/expenditure connected with the assets, incurred during the implementation period are carried under this head. These are transferred to specific assets as and when assets are available for use.

2.10 Stores, spares, loose tools and packing materials

These are valued at cost. Cost is determined on first in first out (FIFO) basis.

2.11 Stocks

These are valued as follows:

- | | |
|------------------------|---|
| Raw materials | - At lower of cost or market value on FIFO basis. |
| Finished goods | - At lower of average cost and net realizable value including portion of related factory overheads. |
| Work-in-process | - At average cost of raw material and proportionate manufacturing overheads. |
| Waste | - At net realizable value. |

2.12 Trade debts and other receivables

Trade debts and other receivables are recognized and carried at original invoice amount less any estimated allowance made for doubtful receivables based on review of outstanding amount at the year end. Balances considered bad and irrecoverable are written off when identified.



2.13 Cash and Cash equivalent

Cash and cash equivalent are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments and bank overdraft in the balance sheet, bank overdrafts are included in borrowing in current liabilities.

2.14 Revenue Recognition

Sales are recorded on dispatch of goods to customers, Rental Income is recognized as and when earned on annual basis and Income of deposits is recognized on receipt basis.

2.15 Financial instruments

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured as fair value or cost, as the case may be.

2.16 Employees Leave Entitlement

Employees entitlement to annual leaves are recognized when they accrue to employee. A provision is made for the estimated liability as a result of services rendered by employees up to the balance sheet date.

2.17 Borrowing Cost

Interest, Markup and other charges long term/short term liabilities are Capitalized upto the date of Commissioning of respective fixed assets acquired out of the proceeds of such long term/short term liabilities, all other interest, markup and other charges cost are charged to profit and loss account.

2.18 Provisions

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

2.19 Impairment of Assets

The carrying amount of assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exist, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts and impairment losses are taken to profit and loss account.

2.20 Dividend

Dividend distribution to the company shareholder's is recognized as a liability in the company's financial statements in the period in which the dividends are approved.

2.21 Related Party Transaction

Transactions and Contracts with related party are carried out at arms length prices determined in accordance with comparable uncontrolled price method.

2.22 Offsetting

Financial asset and financial liability are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and the Company intends to settle either on a net basis or realize the assets and settle the liability simultaneously.

2.23 Functional and Presentation Currency

These financial statements are presented in Pakistani Rupee which is the Company's Functional Currency.



3 OPERATING FIXED ASSETS - TANGIBLE

(Rs in 000)

Particulars	Cost as on 01-07-2009	Additions (Deletions)	Cost as on 30-06-2010	Accumulated depreciation 30-06-2010	Written down book value 30-06-2010	Depreciation for the period	Rate %
Land (lease hold)	6,591	-	6,591	-	6,591	-	-
Main factory building (on lease hold land)	31,250	-	31,250	27,434	3,816	424	10
Other factory building (on lease hold land)	171,389	-	171,389	71,086	100,303	5,279	5
Plant & machinery	1,368,270	8,453	1,376,723	874,057	502,666	55,521	10
Testing equipment, scales and weighments	7,488	-	7,488	6,415	1,073	119	10
Office equipments	5,008	164	5,172	3,464	1,708	176	10
Furniture & fixtures	2,158	-	2,158	1,880	278	31	10
Vehicles	25,407	5,176 (2,997)	27,586	15,476	12,110	2,022	20
Computer equipments	7,943	475	8,418	7,379	1,039	375	33
Total June 2010	1,625,504	14,268 (2,997)	1,636,775	1,007,191	629,584	63,947	
Total June 2009	1,597,122	30,198 (1,816)	1,625,504	945,662	679,842	68,976	

3. A. Depreciation charge for the year has been allocated as follows :

	June 2010	June 2009
	Rs "000"	
Cost of sales	61,343	66,079
Administrative, selling and general expenses	2,604	2,897
	<u>63,947</u>	<u>68,976</u>



3-B Disposal of operating fixed assets.

(Rs in 000)

Particulars	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
Motor Vehicle	Arif Mannan Karachi	848	810	38	405	Negotiation
Motor Vehicle	Tariq Gagai Karachi	245	241	4	255	Negotiation
Motor Vehicle	Mohammad Muneeb Karachi	839	766	73	530	Negotiation
Motor Vehicle	New Jubilee Insurance Co. Karachi	1,065	602	463	1,000	Negotiation
Total June 2010		2,997	2,419	578	2,190	
Total June 2009		1,816	1,321	495	997	

June 2010 **June 2009**
Rs in "000"

4 CAPITAL WORK IN PROGRESS

KARACHI PROJECT	4.1	843,662	633,472
NOORIABAD PROJECT	4.2	842,131	692,358
TOTAL C.W.I.P		1,685,793	1,325,830

4.1 KARACHI PROJECT

Opeining Balance	633,472	483,219
Expenses For The Year	146,409	52,461
Borrowing Cost Capitalized	63,781	97,792
Closing Balance	843,662	633,472

This represents commercialization, development and other charges of land situated at the existing premises for the purpose of construction of shopping mall/residential towers.



4.2 NOORAIBAD PROJECT

	OPENING	ADDITIONS	CLOSING
2010			
Plant & Machinery	107,676	10,908	118,584
Building	489,738	42,248	531,986
Advance to Contractors	-	32,851	32,851
Other Accumulated expenses	94,929	63,781	158,710
Total	<u>692,343</u>	<u>149,788</u>	<u>842,131</u>
2009			
Plant & Machinery	15,090	92,586	101,616
Building	366,425	123,313	495,813
Other Accumulated expenses	50,048	44,881	94,929
Total	<u>431,563</u>	<u>260,780</u>	<u>692,358</u>

Other accumulated expenses are to be capitalized proportionately between plant & machinery and building at the end of project.

		June 2010	June 2009
5 LONG TERM LOAN & ADVANCE			
(Unsecured - Consided Good)			
Rs in "000"			
Loan to Executives (5-A)	5.1	<u>5,787</u>	<u>6,204</u>
Loan to Employees (5-A)		<u>9,775</u>	<u>5,018</u>
		<u>15,562</u>	<u>11,222</u>
Less: Current maturity of Long Term Loan and Advances		<u>6,106</u>	<u>2,009</u>
		<u>9,456</u>	<u>9,213</u>
5.1 Loan to executives			
Opeining Balance		<u>6,204</u>	<u>9,350</u>
ADD : Additional during the year		<u>3,100</u>	<u>-</u>
		<u>9,304</u>	<u>9,350</u>
Less :Recovery during the year		<u>3,517</u>	<u>3,146</u>
Closing Balance		<u>5,787</u>	<u>6,204</u>

5-A These interest free loan represents for house assistance, medical expenses and support for children marriage and are repayble within 3 years

The maximum amount due from Executive at the end of any month during the year was Rs 6.305 million (2009 : Rs 9.350 million)



Fazal Textile Mills Limited

	June 2010	June 2009
	Rupees in "000"	
6 STORES, SPARES AND LOOSE TOOLS		
Stores	10,500	8,599
Spares	35,836	29,662
Loose tools	241	121
Packing material	6,077	4,696
	<u>52,654</u>	<u>43,078</u>
Less : Provision for obsolete & slow moving items	1,977	-
	<u>50,677</u>	<u>43,078</u>
7 STOCK IN TRADE		
Raw material	220,462	362,207
Work in process	10,090	5,354
Finished goods	177,606	133,519
	<u>408,158</u>	<u>501,080</u>
8 TRADE DEBTS		
Considered good		
Export - secured against L/C	407,760	132,720
Local - unsecured	50,878	71,281
	<u>458,638</u>	<u>204,001</u>
Considered doubtful		
Against Local sales - unsecured	4,248	-
	<u>462,886</u>	<u>204,001</u>
Less : Provision for impairment of trade debts	4,248	-
	<u>458,638</u>	<u>204,001</u>
Trade Debts include ;		
Amount due from related parties	4,021	2,462
Amount due from others parties	454,617	201,539
	<u>458,638</u>	<u>204,001</u>

The maximum amount due to associated undertaking at the end of any month during the year was Rs. 243.783 million (2009 : Rs. 117.343 million) .



	June 2010	June 2009
9 LOANS AND ADVANCES	Rupees in "000"	
Considered good		
Current maturity of Long Term Loan	6,106	2,009
Advances to employees	-	4,276
Advances to suppliers	96,005	100,124
	<u>102,111</u>	<u>106,409</u>
10 DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposits	12,937	3,433
Sales tax refundable	14,582	4,612
Other receivables	592	5
	<u>28,111</u>	<u>8,050</u>
11 TAXATION - Net		
Income tax refundable at beginning	824	493
Add : Paid / Deducted in advance	39,347	29,671
Less : Provision for the year - Note 29	42,140	29,340
Provision for prior years reversed back	(9,532)	-
	<u>(32,608)</u>	<u>(29,340)</u>
	<u>7,563</u>	<u>824</u>
<p>The income tax assessment of the company has been finalized upto and including Tax Year 2008 corresponding to income year June 2008.</p>		
12 CASH AND BANK BALANCES		
Cash in hand	881	1,330
Balance with bank in :		
Current Account	298,248	2,274
Deposits Account	6	6
	<u>298,254</u>	<u>2,280</u>
	<u>299,135</u>	<u>3,610</u>
13 AUTHORIZED CAPITAL		
15,000,000 Ordinary shares of Rs 10/- each	<u>150,000</u>	<u>150,000</u>
14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
4,579,094 Ordinary shares of Rs 10/- each fully paid issued for cash.	45,791	45,791
1,608,409 Ordinary shares of Rs 10/- each issued as fully paid bonus shares	16,084	16,084
	<u>61,875</u>	<u>61,875</u>

Out of the total share capital of the Company, associated undertaking held 1,093,529 (2009 : 1,093,529) ordinary shares of Rs 10.00 each as at June 30, 2010.



Fazal Textile Mills Limited

	June 2010	June 2009
	Rupees in "000"	
15 RESERVES		
Capital Reserve		
Share premium	34,416	34,416
Revenue Reserve		
General Reserve		
Opening balance	610,584	610,584
Transfer from profit & loss account	15,000	-
	625,584	610,584
Unappropriated profit	629,387	29,085
	1,289,387	674,085
16 LONG TERM FINANCE	-	1,000,000

This represents term finance facility availed from National Bank of Pakistan to finance the BMR of the company. It is secured by way of First parri passu hypothecation charge over its plant & machinery located at its present premises, in transit and installed/to be installed on the new premises of the company. Equitable mortgage over land & building situated at Karachi and building situated at Super Highway, Nooriabad. It carries markup charges at Base Rate plus 0.25%. Base Rate represents Ask Rate of one month KIBOR on last on day of each month. This loan is repayable in four equal quarterly installments of Rs 250 million each beginning from July 2010.

17 STAFF RETIREMENT GRATUITY

As mentioned in Note 2.5 the company operates an unfunded gratuity scheme for all its permanent employees. Actuarial valuation of scheme is carried out and the latest actuarial valuation was carried out as at June 30, 2009.

The fair value of scheme's assets and the present value of obligation under the scheme at balance sheet date were as follows:



	June 2010	June 2009
	Rupees in "000"	
Reconciliation of Payable to / (Receivable from) Defined Benefit Plan		
Present Value of Defined Benefit Obligation	40,802	38,864
Net Actuarial Gains/(Losses) not recognized	(68)	(68)
Net Liability For Gratuity	<u>40,734</u>	<u>38,796</u>
Movement in Net Liability		
Opening Net Liability	38,796	29,032
Expenses/(Income) for the year	10,888	17,119
Benefit paid	(8,882)	(7,355)
Closing Net Liability	<u>40,802</u>	<u>38,796</u>
Charge for / (Income from) the Defined Benefit Plan		
Current service cost	8,928	14,091
Interest cost	1,960	3,028
	<u>10,888</u>	<u>17,119</u>
Actuarial Assumptions:		
Valuation Discount Rate	13.00%	13.00%
Salary Increase Rate	11.00%	11.00%
<p>Since the gratuity is unfunded therefore no plan assets are recognised and no contributions as a consequence are made. The unrecognised actuarial gains and losses are recognised in accordance with the directions of IAS 19 that is when they exceed the corridor and ceiling limit</p>		
18 DEFERRED TAXATION		
Opening Balance	44,032	50,446
Expense / (Income) for the year	18,601	(6,414)
Closing Balance	<u>62,633</u>	<u>44,032</u>
19 TRADE AND OTHER PAYABLES		
Trade creditors	49,896	76,934
Accrued expenses	363,745	200,858
Advance from customers Note 19-A	170,710	380,893
Unclaimed dividend	1,823	1,778
Workers profit participation fund Note 19-B	33,598	2,538
Workers Welfare Fund	558	558
Advances from employees under vehicle scheme 19-C	1,852	935
	<u>622,182</u>	<u>664,494</u>



Fazal Textile Mills Limited

June 2010 June 2009

Rs in "000"

19-A Includes amount due to associated undertaking Rs 170.710 million (2009 : Rs 379.458 million)

19-B Workers Profit Participation Fund

Opening balance	2,538	1,470
Contribution for the year	<u>33,598</u>	<u>2,538</u>
Add : Markup provided during the year	<u>116</u>	<u>70</u>
	<u>33,714</u>	<u>2,608</u>
	<u>36,252</u>	<u>4,078</u>
Less : Paid during the year	<u>2,654</u>	<u>1,540</u>
	<u><u>33,598</u></u>	<u><u>2,538</u></u>

19-C This amount represents the accumulation of monthly installments adjustable after a specified period against vehicles to be disposed under vehicle scheme.

20 SHORT TERM FINANCES

(Secured Note 20-A)

Running finances	43,827	40,242
Export Finance & Import bills	<u>520,937</u>	<u>316,511</u>
	<u><u>564,764</u></u>	<u><u>356,753</u></u>

20-A The markup on bank finances is payable on quarterly basis at rates ranging from 7.50% to 14.00%. (2009 : 7.50% to 14.00%)

The above finances are secured by first parri passu hypothecation charge over stock and book debts of the company. Lien on Export documents and import documents/ duly accepted bill of discount.

The overall limit of Rs 3.105 billion (2009 : 2.468 billion) applies on running, export pre/post shipment finances.

The carrying amount of inventories and book debts hypothecated as security for the bank borrowings is Rs 0.908 billion (2009 : 0.748 billion)

21 CONTINGENCIES AND COMMITMENTS

21-A Guarantees and counter guarantees	49,446	44,946
21-B Letter of credits	<u>1,098,027</u>	<u>54,750</u>
	<u><u>1,147,473</u></u>	<u><u>99,696</u></u>

21-C The Company has made a reference in the Honourable High Court of Sindh at Karachi u/s 133(i) of the Income Tax Ordinance, 2001 against rejection of loss of Rs 1,461,000 by the Appellate Tribunal vide M.A (Rect) No 402/KB/2005 dated January 25, 2006 for the assessment year 2002-03. The case is pending before Court for adjudication.



	June 2010	June 2009
	Rs in "000"	
22 SALES - Net		
Export	2,890,868	1,815,119
Local	1,381,290	1,130,386
Export rebate	1,318	923
Research & Development Support	5,132	1,104
Gross sales	4,278,608	2,947,532
Less : Export freight	113,367	67,667
Sales tax	-	-
Export duty and surcharge	5,680	5,477
Commission	83,783	55,369
	202,830	128,513
	4,075,778	2,819,019
23 COST OF SALES		
Raw material consumed		
Opening inventory	362,207	499,835
Purchases	2,241,225	1,715,415
Available for consumption	2,603,432	2,215,250
Closing inventory	(220,462)	(362,207)
Raw material consumed	2,382,970	1,853,043
Manufacturing expenses		
Stores, spares and packing	154,309	114,306
Salaries, wages & other benefits Note 23-A	216,102	203,689
Power and electricity	324,485	303,410
Knitting, dyeing and printing expenses	123,345	79,602
Insurance	2,914	2,624
Repair and maintenance	13,259	9,719
Labour welfare	3,935	2,875
Depreciation	61,344	66,079
Other manufacturing expenses	2,826	845
	902,519	783,149
	3,285,489	2,636,192
Work in process - opening inventory	5,354	8,087
Work in process - closing inventory	(10,090)	(5,354)
	(4,736)	2,733
Cost of goods sold	3,280,753	2,638,925
Finished goods - opening inventory	133,519	93,262
Available for sales	3,414,272	2,732,187
Finished goods - closing inventory	(177,605)	(133,519)
	3,236,667	2,598,668

23-A This includes Rs 10.886 million in respect of staff retirement benefits (2009 : 15.946 million)



Fazal Textile Mills Limited

	June 2010	June 2009
	Rs in "000"	
24 SELLING & DISTRIBUTION EXPENSES		
Forwarding and other selling expenses	48,251	17,353
	<u>48,251</u>	<u>17,353</u>
25 GENERAL & ADMINISTRATIVE EXPENSES		
Salaries, wages & other benefits Note 25-A	16,462	13,634
Postages, telegram and telephone	3,130	2,866
Printing and stationery	5,354	2,479
Fees and subscriptions	705	635
Travelling and conveyance	8,703	6,572
Entertainment	1,851	959
Rent, rates and taxes	726	726
Motor car expenses	2,850	2,397
Insurance	752	788
Legal and professional charges	1,725	641
Audit fee - Note 25-B	415	140
Advertisements	85	249
Donations - Note 25-C	752	296
Depreciation	2,604	2,897
Other expenses	4,950	335
	<u>51,064</u>	<u>35,614</u>
25-A This includes Rs 1.577 million in respect of staff retirement benefits (2009 : Rs 1.173 million)		
25-B Auditors remuneration		
Audit fee	300	100
Half Yearly Review fee	60	40
Other certification	55	-
	<u>415</u>	<u>140</u>
25-C Donation		
None of the directors and their spouses had any interest in the donees fund.		
26 OTHER OPERATING EXPENSES		
Workers profit participation fund	33,598	2,538
	<u>33,598</u>	<u>2,538</u>
27 OTHER OPERATING INCOME		
Gain on sale of fixed assets	1,611	502
Misc income	781	781
Doubling charges	4,587	2,908
	<u>6,979</u>	<u>4,191</u>



	June 2010	June 2009
	Rs in "000"	
28 FINANCIAL COST		
Markup on short term finances	27,550	109,749
Markup on workers profit participation fund	116	70
Bank charges and commission	9,719	11,000
	<u>37,385</u>	<u>120,819</u>
29 TAXATION		
29.1 Current Tax	<u>42,140</u>	<u>29,324</u>
The charge for the year/period is as under.		
Tax charge on direct exports	26,158	24,334
Tax charge on indirect exports	7,577	-
Tax charge on local turnover treated as exports	6,236	4,990
Tax charge on Other income not falling under P.T.R	2,169	-
	<u>42,140</u>	<u>29,324</u>
29.2 The Company has filed writ petitions in High Courts challenging the levy of tax U/S 80(d) and 80(cc) of the Income Tax Ordinance 1979.		
30 EARNING PER SHARE		
There is no dilutive effect on the basic earnings per shares of the Company which is based on :-		
Profit after taxation (Rs in "000")	<u>624,583</u>	<u>25,294</u>
Weighted average number of ordinary shares	<u>6,187,503</u>	<u>6,187,503</u>
Earning per share (Rs)	<u>100.94</u>	<u>4.09</u>
31 CASH GENERATED FROM OPERATION		
Profit before taxation	675,792	48,219
Adjustment for non cash charges :		
Depreciation	63,947	68,976
Provision for obsolete and slow moving items	1,977	-
Provision for doubtful debts	4,248	-
(Profit)/loss on sale of fixed assets	(1,611)	(502)
Provision for gratuity	10,888	17,119
	79,449	85,593
Finance cost	37,385	120,819
Long term loan & advances	(243)	4,716
Changes in working capital - Note 31-A	(233,658)	1,311,087
	<u>558,725</u>	<u>1,570,434</u>



	June 2010	June 2009
	Rs in "000"	
31-A Changes in working capital		
(Increase)/Decrease in current assets		
Stores, spares and loose tools	(9,576)	(5,198)
Stock in trade	92,922	100,204
Trade debts	(258,885)	637,739
Loans & advances considered good	4,298	59,901
Trade deposits & short term prepayments	(20,061)	7,851
	<u>(191,302)</u>	<u>800,497</u>
Increase/(Decrease) in current liabilities		
Trade and other payables	(42,356)	510,590
	<u>(233,658)</u>	<u>1,311,087</u>

32 CASH AND CASH EQUIVALENTS

Cash & cash equivalent comprise the following items as included in the balance sheet

Cash and bank balances	299,135	3,610
Short term borrowing	(564,764)	(356,753)
	<u>(265,629)</u>	<u>(353,143)</u>

33 TRANSACTION WITH ASSOCIATED UNDERTAKINGS

Nature of Transaction	Relationship with the Company	2010	2009
Sale of Goods and Providing of services			
Lucky Knits (Pvt) Ltd.	Associate	223,046	193,619
Lucky Textile Mills	Associate	105,479	52,511
Gadoon Textile Mills Ltd.	Associate	576	122
Younus Textile Mills Ltd.	Associate	236,815	93,733
		<u>565,916</u>	<u>339,985</u>
Purchase of Goods and Receipt of Services			
Lucky Cement Ltd.	Associate	4,768	12,243
Lucky Textile Mills	Associate	85	2,351
Gadoon Textile Mills Ltd.	Associate	339,854	134,703
Lucky Knits (Pvt) Ltd.	Associate	33,711	19,476
Lucky Energy (pvt) Ltd.	Associate	320,702	298,733
		<u>699,120</u>	<u>467,506</u>
Rent, Allied and Other Charges Received			
Lucky Energy (pvt) Ltd.	Associate	781	781
Employee Benefits			
Staff Retirement Gratuity (Unfunded)	Employee Benefit	10,888	17,119
Donations			
workers support	Workers	303	0



		June 2010	June 2009
		Rs in "000"	
Benefits to key management personnel			
Long Term Loans to Executives	Key management	3,100	0
Bonus & Earned leaves	personnel	1,404	1261
Dividends Paid			
Lucky Energy (pvt) Ltd.	Associate	1,667	1,667

All material transactions with associated undertaking are at arm's length.

The maximum amount due to associated undertaking at the end of any month during the year was Rs 243.783 million (2009 : Rs 117.343 million)

34 CAPACITY AND ACTUAL PRODUCTION

SPINNING

Total numbers of spindles at the end of the year	59,160	59,160
Average number of spindles worked	59,150	59,150
Capacity after conversion into 20's (lbs)	48,990,026	48,990,026
Production after conversion into 20's (lbs)	48,858,410	48,739,567

KNITTING

Total number of knitting machines installed	12	12
Average number of days worked	202	154
Installed capacity (kgs)	1,485,000	1,485,000
Actual production (kgs)	916,961	740,923

The under utilization of capacity is due to normal maintenance and shut down. It is difficult to describe precisely the production capacity in textile spinning industry, since it fluctuates widely depending on various factors such as count spun, spindles speed, twist and type of raw material.

35 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

	June 2010		June 2009	
	CHIEF EXECUTIVE	EXECUTIVES	CHIEF EXECUTIVE	EXECUTIVES
Rs in "000"				
Remuneration	1,000	4,935	1,000	3,557
House rent	400	1,974	400	1,423
Bonus/leaves encashment	-	1,404	-	1,261
Utilities	100	493	100	355
	1,500	8,806	1,500	6,596
Number of persons	1	10	1	9

Chief Executive and other executives are provided company maintained car and security guards.

No meeting fee and remuneration is paid to any director.



36 FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company finance its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

Taken as a whole, risk arising from the Company's financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

	June 2010	June 2009
	Rs in "000"	
FINANCIAL ASSETS		
Long Term Loans and Advances	9,456	9,213
Long Term Deposits	532	532
Trade Debts	458,638	204,001
Loans and Advances	102,111	106,409
Trade Deposits and Prepayments	28,111	8,050
Cash and Bank Balances	299,135	3,610
	897,983	331,815
FINANCIAL LIABILITIES		
Long Term Loan	-	1,000,000
Current Maturity of Long Term Loan	1,000,000	-
Trade and Other Payables	622,182	664,494
Accrued Mark-up	38,114	42,434
Short Term Finance	564,764	356,753
	2,225,060	2,063,681

37 FINANCIAL INSTRUMENT AND RELATED DISCLOSURE

The Company's objective it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programmes focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Risk management is carried out by the Treasury Sub Committee (the Committee) of the Executive Committee (EXCO) of the Board of Directors (the Board) under policies approved by the board. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.



37.1 Credit risk and concentration of 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 manages credit risk inter alia by limiting significant exposure to any customers and by obtaining advance against sales and also obtains collaterals, where considered necessary. Also the company does not have significant exposure in relation to individual customer. Consequently, the Company believes that it is not exposed to any major concentration of credit risk.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including trade receivables and committed transactions. Out of the total financial assets of Rs. 900,447 thousand (2009 : Rs.331,815 thousand) the financial assets that are subject to credit risk amounted to Rs. 899,566 thousand (2009 : Rs. 330,485 thousand). These figures have been counted by subtracting the Cash In hand figure from total financial assets figure stated above.

Due to strong business relationship with these counterparties since long whereas giving due consideration to their financial soundness the management does not expect non-performance by these counter parties on their obligations to the company.

37.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The management forecasts liquidity risks on the basis of expected cashflow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financial liabilities in accordance with their contractual maturities are presented below.

Financial liabilities	Interest / Mark-up bearing						Non-Interest / Mark-up bearing		
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total June 2010	Total June 2009	
	Current Maturity of Long Term Loan	1,000,000	-	1,000,000	-	-	-	1,000,000	-
Trade and other payable	-	-	-	622,182	-	622,182	622,182	1,664,494	
Accrued markup	-	-	-	38,114	38,114	38,114	42,434		
Short term borrowings **	564,764	-	564,764	-	-	-	564,764	356,753	
	1,564,764	-	1,564,764	660,296	-	660,296	2,225,060	2,063,681	

Rs in "000"

Off Balance Sheet Item	Interest / Mark-up bearing			Non-Interest / Mark-up bearing			Total June 2010	Total June 2009
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total		
	Guarantees and counter guarantees ***	-	44,946	44,946	-	-		
Letter of Credits ***	1,098,027	-	1,098,027	-	-	1,098,027	105,450	
	1,098,027	44,946	1,142,973	-	-	-	1,142,973	150,396

The effective interest/markup rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.



37.3 Market Risk

37.3.1 Foreign exchange risk management

Foreign exchange risk is the risk that the fair value of future cash flows of a financial statements will fluctuate because of changes in foreign exchange rates. Foreign exchange arises mainly from future economical transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances, the amounts receivable / payable from / to the foreign entities and outstanding letters of credit. Most of the Company's foreign exchange risk arises out of import letters of credit, FE-25 loans & BILLS PAYABLE.

37.3.2 Price risk

Price risk represents the risk that the fair value of 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer. The Company is not exposed to equity price risk since there are no investment in equity securities. The Company is also not exposed to commodity price risk since it has a diverse portfolio of commodity supplier.

37.3.3 Interest / Markup rate risk management

Interest / Markup rate risk arises from the possibility of changes in Interest / Markup rates which may effect the value of financial instruments. As at June 30, 2010 the company's financial instruments mainly affected due to changes in the interest rates are short term borrowings the most of which are associated with kibor rates the fluctuations in which are not considered as material by management, therefore no any special efforts are made by m,anagement in this area.

37.4 Fair value of Financial Assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value except Long term Investment which are carried at cost.

37.5 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust capital structure, the company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt. Consistent with others in industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of shareholders.

During 2010 the Company's strategy was to maintain leveraged gearing. The gearing ratio as at June 30, 2008 and 2007 were as follows:



	June 2010	June 2009
	Rs in "000"	
Total borrowings	1,564,764	1,356,753
Cash and bank	<u>(299,135)</u>	<u>(3,610)</u>
Net debt / (cash)	1,265,629	1,353,143
Total equity	<u>1,334,972</u>	<u>735,931</u>
Total capital	<u>2,600,601</u>	<u>2,089,074</u>
Gearing ratio	49%	65%

38 PROPOSED DIVIDEND AND APPROPRIATION OF PROFIT

The Board of Directors at their meeting held on September 24, 2010 have proposed a cash dividend of Rs 10 per share |(2009 : Rs 1.50 per share) for the year ended June 30, 2010, amounting to Rs. 61.875 million (2009 : Rs.9.281 million), and transfer to general reserve of Rs 560 million (2009 : Rs 15 million) subject to the approval of members at the annual general meeting to be held on October 26, 2010.

39 DATE OF AUTHORIZATION FOR ISSUE

The financial statement were authorized for issue by the Board of Directors on 24 September , 2010

40 GENERAL

Figures have been rounded off to the nearest thousand rupees.

M. Yunus A. Aziz
Chairman

Sohail M. Yunus
Chief Executive

Karachi : September 24, 2010



FORM OF PROXY

The Company Secretary
FAZAL TEXTILE MILLS LTD.
 LA-2/B Block # 21, Rashid Minhas Road,
 Federal 'B' Area, Karachi - 75950.

I/We _____
 of _____ (full address)

being a member of **FAZAL TEXTILE MILLS LTD.** hereby appoint _____
 of _____ (full address)
 or failing him _____
 of _____ (full address)

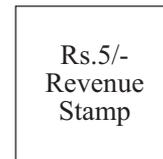
another member of the Company to attend and vote for me / us and on my / our behalf at the 48th Annual General Meeting of the Company to be held on October 26, 2010 at 11:00 Hrs and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2010.

Witness No.1

Name _____
 Address _____

 NIC No. _____



Signature of Member(s)

Witness No. 2

Name _____
 Address _____

 NIC No. _____

(Name in Block letters)

Folio No _____
 Participant ID No _____
 Account No. in CDS _____

Important:

1. A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him / her. No person shall act as a Proxy (except for a corporation) unless he / she is entitled to be present and vote in his / her own right.
2. Members are requested:
 - (a) to affix Revenue Stamp of Rs. 5/- at the place indicated above.
 - (b) to sign across the Revenue Stamp in the same style of signature as is registered with the Company.
 - (c) to write down their Folio Numbers/Participant ID Numbers/Account Numbers in CDS(as applicable) at the place indicated above.
3. The instrument appointing a proxy, together with the Board of Directors' resolution / Power of Attorney (if any) under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time for holding the meeting.
4. CDC Account Holders are requested to strictly follow the guidelines mentioned in Circular No.1 dated January 26, 2000 of SECP.
5. CDC Account Holders or their proxies are each requested to attach an attested photocopy of their National Identity Card or Passport to this proxy form when submitting the same to the Company.



If undelivered please return to:

FAZAL TEXTILE MILLS LIMITED

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