

DEWAN FAROOQUE SPINNING MILLS LIMITED

February 26, 2025

FORM-3

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi, Pakistan.

Subject: **Financial Results for the Half Yearly, un-audited, condensed interim Financial Statements of the Company for the period ended December 31, 2024**

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on Wednesday, February 26, 2024 at 07:30 p.m. at Karachi, recommended the following:

- | | |
|---|-----|
| (i) CASH DIVIDEND | Nil |
| AND/OR | |
| (ii) BONUS SHARES | Nil |
| AND/OR | |
| (iii) RIGHT SHARES | Nil |
| AND/OR | |
| (iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION | Nil |
| AND/OR | |
| (v) ANY OTHER PRICE-SENSITIVE INFORMATION | Nil |



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A YOUSUF DEWAN COMPANY

DEWAN FAROOQUE SPINNING MILLS LIMITED

Registered Office: Dewan Centre, 3-A, Lalazar Beach Hotel, Road, Karachi - 74000 Pakistan

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DEWAN FAROOQUE SPINNING MILLS LIMITED

The Half Yearly, un-audited, condensed interim Financial Statements of the Company for the period ended December 31, 2024, are as follows:

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED 31ST DECEMBER 2024

| | Half Year Ended | | Quarter Ended | |
|---|----------------------|----------------------|---------------------|---------------------|
| | Dec 31, 2024 | Dec 31, 2023 | Dec 31, 2024 | Dec 31, 2023 |
| | ------(Rupees)----- | | | |
| Sales / Revenue - Net | 76,335,050 | 160,544,025 | 5,756,000 | 160,544,025 |
| Cost of sales / revenue | (238,786,860) | (329,357,955) | (83,453,986) | (269,161,415) |
| Gross (loss) | (162,451,810) | (168,813,930) | (77,697,986) | (108,617,390) |
| Operating expenses | | | | |
| Administrative expenses | (13,350,880) | (15,508,945) | (5,880,216) | (9,061,661) |
| Selling and distribution expenses | (6,905,579) | (6,151,948) | (3,522,591) | (3,157,225) |
| Reversal of Provision for doubtful debts | 17,308,143 | 40,429,000 | 17,308,143 | 40,429,000 |
| | (2,948,316) | 18,768,107 | 7,905,336 | 28,210,114 |
| Operating (loss) | (165,400,126) | (150,045,823) | (69,792,650) | (80,407,276) |
| Other income | 1,757,989 | - | - | - |
| | (163,642,137) | (150,045,823) | (69,792,650) | (80,407,276) |
| Finance cost | (60,715) | (90,801) | (15,189) | (47,085) |
| (Loss) before taxation | (163,702,852) | (150,136,624) | (69,807,839) | (80,454,361) |
| Levies | (954,188) | (2,006,800) | (71,950) | (2,006,800) |
| Loss before income tax | (164,657,040) | (152,143,424) | (69,879,789) | (82,461,161) |
| Taxation - Net | 11,360,780 | 12,606,418 | 5,680,390 | 6,303,209 |
| (Loss) after taxation | (153,296,260) | (139,537,006) | (64,199,399) | (76,157,952) |
| (Loss) per share - basic and diluted | (1.57) | (1.43) | (0.66) | (0.78) |



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DEWAN FAROOQUE SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2024

| | Un-Audited December 31, 2024 | Audited June 30, 2024 |
|--|------------------------------------|-----------------------------|
| | ------(Rupees)----- | |
| <u>EQUITY AND LIABILITIES</u> | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized share capital | | |
| 100,000,000 (2024: 100,000,000) Ordinary shares of Rs.10/- each | 1,000,000,000 | 1,000,000,000 |
| Issued, subscribed and paid-up capital | 977,507,260 | 977,507,260 |
| Revenue reserve - accumulated loss | (2,120,398,532) | (1,994,916,593) |
| Capital reserve - revaluation surplus on property, plant and equipment | 2,136,322,058 | 2,164,136,379 |
| | 993,430,786 | 1,146,727,046 |
| NON-CURRENT LIABILITIES | | |
| Long term loan | 5,312,500 | 7,968,750 |
| Deferred taxation | 221,556,139 | 232,916,919 |
| Deferred liability for staff gratuity | 25,401,038 | 29,718,553 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 623,985,123 | 547,702,240 |
| Accrued mark-up | 390,303,597 | 390,303,597 |
| Short term borrowings | 412,864,355 | 412,864,355 |
| Current & overdue portion of long term liabilities | 445,994,050 | 445,994,050 |
| Provision for taxation | - | - |
| | 1,873,147,125 | 1,796,864,242 |
| CONTINGENCIES AND COMMITMENTS | | |
| | - | - |
| | 3,118,847,588 | 3,214,195,510 |
| <u>ASSETS</u> | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 2,928,889,620 | 2,991,200,860 |
| Long term deposits | 48,270,516 | 38,787,516 |
| CURRENT ASSETS | | |
| Stores & spares | 25,044,776 | 25,328,156 |
| Stock in trade | 15,516,540 | 15,516,540 |
| Trade debts- unsecured, considered good | 10,395,149 | 33,111,105 |
| Loans and advances - unsecured, considered good | 5,703,420 | 5,374,903 |
| Trade deposits and other receivables - considered good | 39,421,159 | 49,547,677 |
| Taxes recoverable | 39,935,984 | 39,662,554 |
| Cash and bank balances | 5,670,424 | 15,666,199 |
| | 141,687,452 | 184,207,134 |
| | 3,118,847,588 | 3,214,195,510 |



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DEWAN FAROOQUE SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 31ST DECEMBER 2024

| | Issued, subscribed and Paid-up Capital | Revenue reserve | Capital Reserve | Total |
|---|--|------------------|--|---------------|
| | | Accumulated loss | Revaluation surplus on property, plant & equipment | |
| (Rupees) | | | | |
| Balance as at July 01, 2023 | 977,507,260 | (1,679,052,587) | 2,225,864,355 | 1,524,319,028 |
| Total comprehensive loss for the period | | | | |
| (Loss) for the period | -- | (139,537,006) | -- | (139,537,006) |
| Other comprehensive income | -- | -- | -- | -- |
| | -- | (139,537,006) | -- | (139,537,006) |
| Transfer to accumulated loss in respect of incremental depreciation - net of tax | -- | 30,863,988 | (30,863,988) | -- |
| Balance as at December 31, 2023 | 977,507,260 | (1,787,725,605) | 2,195,000,367 | 1,384,782,022 |
| Balance as at July 01, 2024 | 977,507,260 | (1,994,916,593) | 2,164,136,379 | 1,146,727,046 |
| Total comprehensive loss for the period | | | | |
| (Loss) for the period | -- | (153,296,260) | -- | (153,296,260) |
| Other comprehensive income | -- | -- | -- | -- |
| | -- | (153,296,260) | -- | (153,296,260) |
| Transfer to accumulated loss in respect of incremental depreciation - net of tax | -- | 27,814,321 | (27,814,321) | -- |
| Balance as at December 31, 2024 | 977,507,260 | (2,120,398,532) | 2,136,322,058 | 993,430,786 |


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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED 31ST DECEMBER 2024

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| | ------(Rupees)----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) before taxation | (163,702,852) | (150,136,624) |
| <i>Adjustments for non cash and other items:</i> | | |
| Gain on sale of fixed assets | (1,757,989) | - |
| Depreciation | 61,751,829 | 66,310,033 |
| Financial charges | 60,715 | 90,801 |
| (Reversal) / Provision for doubtful debts | (17,308,143) | - |
| (Reversal) / Provision for doubtful advances | - | - |
| Provision for gratuity | 6,626,128 | 6,977,148 |
| Cash flow before working capital changes | (114,330,312) | (76,758,642) |
| <i>Working Capital changes</i> | | |
| <i>(Increase) / Decrease in current assets:</i> | | |
| Stores & spares | 283,380 | 550,482 |
| Trade debts | 40,024,099 | 27,564,688 |
| Stock in trade | - | - |
| Loans & advances | (328,517) | (1,066,645) |
| Trade deposits & other receivables | 10,126,518 | 1,266,345 |
| <i>Increase / (Decrease) in current liabilities:</i> | | |
| Trade and other payables | 76,282,883 | 59,996,329 |
| Cash generated from / (used in) operations | 12,058,051 | 11,552,557 |
| Payments for: | | |
| Taxes paid | (1,227,618) | (3,465,808) |
| Gratuity paid | (10,943,643) | (148,192) |
| Financial charges paid | (60,715) | (90,801) |
| | (173,925) | 7,847,756 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred | (3,442,600) | (580,840) |
| Sale proceeds on disposal of fixed assets | 5,760,000 | - |
| Long term deposits | (9,483,000) | (379,600) |
| Net cash outflow from investing activities | (7,165,600) | (960,440) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term loan | (2,656,250) | (468,750) |
| Net cash inflow / (out flow) from financing activities | (2,656,250) | (468,750) |
| Net increase / (decrease) in cash and cash equivalents | (9,995,775) | 6,418,566 |
| Cash and Cash equivalents at the beginning of the period | 15,666,199 | 2,799,314 |
| Cash and Cash equivalents at the end of the period | 5,670,424 | 9,217,880 |



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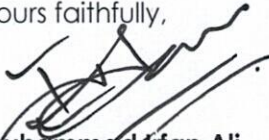
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Auditors have qualified their review report on default in repayment of installments of restructured liabilities and related non-provisioning of mark-up. They have also added matter of emphasis paragraph on going concern assumption.

The Half Yearly Report of the Company for the period ended December 31, 2024 will be transmitted through PUCARS separately, within the specified time.

Yours faithfully,


Muhammad Irfan Ali
Chief Financial Officer


Mehmood-ul-Hassan Asghar
Director



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