



## Half Yearly Report December 31, 2024



DEWAN FAROOQUE SPINNING MILLS LIMITED



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**DEWAN FAROOQUE SPINNING MILLS LIMITED**  
**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Executive Directors	: Syed Maqbool Ali Chief Executive Officer & Director
Non-Executive Director	: Mehmood-Ul-Hassan Asghar - Chairman, Board of Directors Mr. Ghazanfar Baber Siddiqi Mr. Abdul Basit Mr. Muhammad Hanif German Mrs. Nida Jamil
Independent Director	: Mr. Aziz -ul-Haque
Audit Committee	: Mr. Aziz -ul-Haque (Chairman) Mr. Abdul Basit (Member) Mr. Ghazanfar Baber Siddiqi (Member)
Human Resources & Remuneration Committee	: Mr. Aziz -ul-Haque (Chairman) Mr. Mehmood-Ul-Hassan Asghar (Member) Syed Maqbool Ali (Member)
Auditors	: Feroze Sharif Tariq & Company Chartered Accountants 4/N/4 Block-6, P.E.C.H.S. Karachi
Company Secretary	: Mr. Muhammad Hanif German
Chief Financial Officer	: Mr. Muhammad Irfan Ali
Tax Advisor	: Abbas & Atif Law Associates
Legal Advisor	: Sharif & Co. Advocates
Bankers	: United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited Askari Bank Limited Allied Bank Limited Soneri Bank Limited Bank Makramah Limited
Registered Office	: Dewan Centre 3-A, Lalazar Beach Hotel Road Karachi.
Shares Registrar & Transfer Agent	: BMF Consultants Pakistan (Private) Limited Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi 75350, Pakistan.
Factory Office	: 54 KM, Multan Road, Phool Nagar By Pass District Kasur, Punjab , Pakistan.
Website	: <a href="http://www.yousufdewan.com">www.yousufdewan.com</a>

## **DIRECTORS' REPORT**

### **IN THE NAME OF ALLAH; THE MOST GRACIOUS AND THE MERCIFUL**

IF YE GIVE THANKS, I WILL GIVE YOU MORE **(HOLY QURAN)**

Dear Shareholder(s),  
Assalam-o-Alykum!

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the half year ended December 31, 2024 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan (SECP).

#### **Economic & Industrial Overview**

Due to ongoing economic pressures, challenges faced by Pakistan's economy continued impacting the Pakistan industry performance during the first half of FY 2024-25. Inconsistent policies, cross subsidization, resource misallocation, expensive raw material, unemployment, rising energy prices, heavy taxation and geopolitical tensions are pressing concerns for Pakistan's Industry. Further, the prevailing political and economic conditions in the country have made the business outlook very challenging, particularly for the textile sector, which is struggling to revive companies with old machine setups. The textile sector has major contribution of around 60 percent in country's exports and employment contribution of around 40 percent of the labor force. It also supports numerous other sectors such as cotton and retail through domestic linkages. As per PCGA cotton arrival report of 31-Jan-25, Pakistan's cotton production for current season has reached at around 5.5 million bales which shows a significant decline of 34% from the previous year mainly due to lack of Govt. patronage of agriculture sector, continuous decrease in cultivated area and drought. In Pakistan, the discontinuation of regionally competitive energy pricing led to a substantial rise in production costs. Further, policy changes disallowing domestic EFS, high interest rates and delayed government refunds strained cash flows, all these factors are leading to an increase in the cost of doing business resultantly undermining our cost competitiveness with regional competitors by ending the profitability of Pakistan textile industry.

#### **Operating results and performance**

Company's net revenue for half year remained to Rs. 76.335 million as compared to net revenue of Rs. 160.544 million of the corresponding period of last year. Company has suffered gross loss of Rs. 162.452 million as compared to the gross loss of Rs. 168.814 million of comparable period, whereas operating expenses of the company have decreased by Rs.1.405 million. Further, due to working capital constraints, the company continued the production of yarn on conversion basis to keep the company operational.

The auditors of the Company have qualified their review report on default in repayment of instalments of restructured liabilities and related non-provisioning of mark-up. They have also added matter of emphasis paragraph in their report regarding doubt about company's ability to continue as going concern.

Company has approached its lenders for further restructuring of its liabilities without markup, which is in process. Management is hopeful that such revision will be finalized soon. Moreover, the markup outstanding up to the date of restructuring is Rs. 208.513 million, for which the company would be liable to pay in the event of default of terms of agreement, the management is confident that upon finalization of revised restructuring, this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements. Further, sponsors also provide the support as and when required to meet the working capital requirements of the company and accordingly, the preparation of these financial statements using going concern assumption is justified.

### **Future Outlook**

The country's long-term economic stability would largely depend on resolving fundamental economic issues, political firmness, proactive & prudent monetary policy, a sound & rationalized policy of the government for taxes, constant supply of utilities at affordable tariff and availability of cost-effective borrowing facilities. In this context, it is important to recognize the criticality of facilitating the export industries including textile which result in net inflow of dollars and foster economic stability. Further, to achieve export targets, it is very crucial to raise awareness on the importance of cotton initiatives for the revival of quality cotton crop in the country. Modern and mechanized cotton farming, the establishment of fiber testing laboratories, as well as seed testing & biotechnology labs of international standards will determine the future productivity of the textile sector and resulting in the economic growth of Pakistan.

### **Conclusion**

With grace of Allah Almighty, the management of the company will put its best endeavors to bring better results in forthcoming half year. In conclusion, we bow beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved Prophet Muhammad (Peace be upon him) for the continued showering of his blessings, Guidance, strength, health and prosperity to us, our company, country and nation, and also pray to Almighty Allah to bestow peace, Harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah; Ameen: Summa Ameen

LO-MY LORD IS INDEED HEARER OF PRAYER (HOLY QURAN)

By and under Authority of the Board of Directors



**Syed Maqbool Ali**  
**Chief Executive Officer & Director**



**Mehmood-ul-Hassan Asghar**  
**Chairman - Board of Directors**

Dated: February 26, 2025

**REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REVIEW REPORT**  
**TO THE MEMBERS OF DEWAN FAROOQUE SPINNING MILLS LIMITED****Introduction**

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Farooque Spinning Mills Limited ("the company") as at December 31, 2024 and the related Condensed interim statement of profit or loss, Condensed interim statement of comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis of Qualified Opinion**

- a) The company defaulted in repayment of instalments of restructured liabilities of Financial institutions, hence as per clause 10.2 of the Compromise Agreement of the company, the entire outstanding restructured liabilities of Rs.393.602 (June 30, 2024: Rs.393.602) million along with markup of Rs. 208.531 June 30, (2024:Rs.208.531) million (eligible for waiver outstanding as of date of restructuring) become immediately payable, therefore provision for markup should be made in these financial statements. The Company has defaulted in restructured liabilities as per compromise agreement, the lenders filed suits for execution of consent decrees therefore, and the Balance Confirmations from Financial Institutions have not been received. Further, the short term finance facilities have expired and not been renewed by banks amounting to Rs. 267.10 (June 30, 2024:Rs. 267.10) million. The company is facing litigations from its lenders; the aggregate suit amount is Rs. 37.405 (June 30, 2024: Rs. 37.405) million, the company has also not provided markup on the same amount as disclosed in Para (b) of this report and the execution has been filed by the lenders of the Company amounting to Rs. Rs.549.874 million and markup thereon of Rs.208.531 million (eligible for waiver outstanding as of date of Restructuring).
- b) Had the provisions for the mark up, as discussed in preceding paragraph (a), and along with markup not booked in these financial statements as per note 9 to the financial Statements, the loss after taxation would have been higher by Rs. 491.129 (June 30, 2024: Rs 452.030) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. Rs. 491.129 (June 30, 2024: Rs 452.030).

**Qualified Conclusion**

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) and its effects, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2024 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

**Material Uncertainty Relating to Going Concern**

Without further qualifying our opinion, we draw attention of the members to note 2 to the interim financial Statements which indicates that as of December 31, 2024 the company incurred a loss after taxation of Rs. 153.296 (December 31, 2023 Rs. . 139.537) million and as of that date it has accumulated losses amounting to Rs. 2.120 (June 30, 2024 Rs. 1.995) billion and its current liabilities exceeded its current assets by Rs. 1.732 (June 30, 2024: Rs. 1.613) billion without providing mark up of Restructured and other liabilities and as refer in above para (a) and (b). Furthermore, the company defaulted in repayments of instalments of restructured liabilities and short term finance facilities which has been expired and not renewed by banks amounting to Rs. 267.10 million as discussed in Para (a) above. The Company is in litigation with its lenders and the lenders filed suits for execution of consent decrees. Following Course, the company has started manufacturing of yarn on Contract basis due to working Capital constraints note 1 in the financial statements. These conditions, along with other matters as set forth in note 2 indicate the existence of material uncertainty which may cast significant doubt about Company's ability to Continue as going concern therefore the company may be unable to realize its assets and discharge its liabilities in normal Course of Business. The amounts of the current liabilities and Loss reported in said note do not include the effect of matters discussed in Basis for Qualified opinion. Our opinion is not modified in respect of this matter.

**Other matter**

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income and the notes forming part thereof for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed and we do not express a conclusion on them, we are required to review only the cumulative figures for the Six month ended December 31, 2024.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Ghalib.

Place: Karachi:  
Dated: February 27, 2025  
UDIN: RR202410161mP3MO0GCy



(Muhammad Ghalib)

CHARTERED ACCOUNTANTS




**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
Notes	----- (Rupees) -----	
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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
<b>NON-CURRENT LIABILITIES</b>		
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
<b>CURRENT LIABILITIES</b>		
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
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-
	3,118,847,588	3,214,195,510
<b><u>ASSETS</u></b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7	2,928,889,620
Long term deposits		48,270,516
<b>CURRENT ASSETS</b>		
Stores & spares		25,044,776
Stock in trade		15,516,540
Trade debts- unsecured, considered good		10,395,149
Loans and advances - unsecured, considered good		5,703,420
Trade deposits and other receivables - considered good		39,421,159
Taxes recoverable		39,935,984
Cash and bank balances	8	5,670,424
		141,687,452
	3,118,847,588	3,214,195,510

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

  
**Syed Maqbool Ali**  
**Chief Executive Officer & Director**

  
**Muhammad Irfan Ali**  
**Chief Financial Officer**

  
**Mehmood-ul-Hassan Asghar**  
**Chairman Board of Directors**



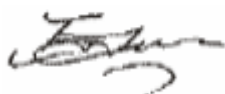
**DEWAN FAROOQUE SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31ST DECEMBER 2024**

	<b>Half Year Ended</b>		<b>Quarter Ended</b>	
	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>	<b>Dec 31, 2024</b>	<b>Dec 31, 2023</b>
<b>Notes</b>	<b>------(Rupees)-----</b>			
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)
<b>Operating expenses</b>				
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)
<b>Other income</b>	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)
<b>Taxation - Net</b>	11,360,780	12,606,418	5,680,390	6,303,209
<b>(Loss) after taxation</b>	<b>(153,296,260)</b>	<b>(139,537,006)</b>	<b>(64,199,399)</b>	<b>(76,157,952)</b>
<b>(Loss) per share - basic and diluted</b>	<b>(1.57)</b>	<b>(1.43)</b>	<b>(0.66)</b>	<b>(0.78)</b>

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



**Syed Maqbool Ali**  
**Chief Executive Officer & Director**



**Muhammad Irfan Ali**  
**Chief Financial Officer**



**Mehmood-ul-Hassan Asghar**  
**Chairman Board of Directors**

**DEWAN FAROOQUE SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31ST DECEMBER 2024**

	<b>Half Year Ended</b>		<b>Quarter Ended</b>	
	<b>Dec 31,</b>	<b>Dec 31,</b>	<b>Dec 31,</b>	<b>Dec 31,</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>------(Rupees)-----</b>			
(Loss) after taxation	(153,296,260)	(139,537,006)	(64,199,399)	(76,157,952)
<b>Items that will not be subsequently reclassified to profit or loss:</b>				
<b>Other Comprehensive Income</b>				
Remeasurement of defined benefit liability	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>(153,296,260)</u></b>	<b><u>(139,537,006)</u></b>	<b><u>(64,199,399)</u></b>	<b><u>(76,157,952)</u></b>

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



**Syed Maqbool Ali**  
**Chief Executive Officer & Director**



**Muhammad Irfan Ali**  
**Chief Financial Officer**



**Mehmood-ul-Hassan Asghar**  
**Chairman Board of Directors**

**DEWAN FAROOQUE SPINNING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31ST DECEMBER 2024**

	December 31, 2024	December 31, 2023
Notes	------(Rupees)-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(163,702,852)	(150,136,624)
<b>Adjustments for non cash and other items:</b>		
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)
<b>Working Capital changes</b>		
<b>(Increase) / Decrease in current assets:</b>		
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
<b>Increase / (Decrease) in current liabilities:</b>		
Trade and other payables	76,282,883	59,996,329
Cash generated from / (used in) operations	12,058,051	11,552,557
<b>Payments for:</b>		
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
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
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)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
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
<b>Cash and Cash equivalents at the end of the period</b>	<b>5,670,424</b>	<b>9,217,880</b>

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

**Syed Maqbool Ali**  
**Chief Executive Officer & Director**

**Muhammad Irfan Ali**  
**Chief Financial Officer**

**Mehmood-ul-Hassan Asghar**  
**Chairman Board of Directors**

**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

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



**Syed Maqbool Ali**  
**Chief Executive Officer & Director**



**Muhammad Irfan Ali**  
**Chief Financial Officer**



**Mehmood-ul-Hassan Asghar**  
**Chairman Board of Directors**

**DEWAN FAROOQUE SPINNING MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31ST DECEMBER 2024**

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**1 THE COMPANY AND ITS OPERATIONS**

Dewan Farooque Spinning Mills Limited is incorporated in Pakistan on December 22, 2003 as public limited company, under the Companies Ordinance, 1984. The shares of the company are listed on the Pakistan Stock Exchange Limited. The registered office of the company is located at Dewan Centre, 3-A, Lalazar Beach Hotel, Road, Karachi, Pakistan; while its manufacturing facilities are located at 54 km Multan Road, near the Phool Nagar By-pass, District Kasur, near the city of Lahore in Pakistan. The principal activity of the company is manufacturing and sale of fine quality yarn. Company also manufactures yarn on contract basis.

**2 GOING CONCERN ASSUMPTION**

The condensed interim financial statements for the half year ended December 31, 2024 reflect that company sustained net loss after taxation of Rs. 153.296 million (2024: Rs. 383.059 million) and as of that date it has negative reserves of Rs. 2,120.399 million and its current liabilities exceeded its current assets by Rs. 1,731.460 million (2024: 1,612.657 million). Furthermore, the short term facilities of the company have expired and not been renewed by banks and it had defaulted in repayment of restructured liabilities. Following course, the company is facing litigations with its lenders. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

These condensed interim financial statements have been prepared on going concern assumption as the Company approached its lenders for further restructuring of its liabilities and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore, the preparation of condensed interim financial statement using going concern assumption is justified.

**3 BASIS OF PREPARATION**

**3.1** These condensed interim financial statements of the Company for the half year ended 31, December 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2024.

**4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

**4.1** The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2024.

**4.2 Application of new and revised International Financial Reporting Standards**

**4.2.1 Standards, amendments to standards and interpretations becoming effective during the period**

There are certain new standards, amendments to existing standards and new interpretations on approved accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2024 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

#### 4.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

### 5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

**5.1** The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events, revision to accounting estimates are recognized prospectively commencing from the period of revision.

**5.2** Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2024.

**5.3** The Company's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company for the year ended June 30, 2024.

<b>Un-Audited</b>	<b>Audited</b>
<b>Dec. 31,</b>	<b>Jun 30,</b>
<b>2024</b>	<b>2024</b>
<b>Rupees</b>	

### 6 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2024.

### 7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	<b>7.1</b>	<b>2,928,889,620</b>	2,920,320,860
Capital work in progress		-	70,880,000
		<b>2,928,889,620</b>	<b>2,991,200,860</b>

#### 7.1 Operating fixed assets

Opening balance - WDV		<b>2,920,320,860</b>	3,050,959,357
Additions / Transfer during the period	<b>7.2</b>	<b>74,322,600</b>	2,123,680
Deletion during the period		<b>(4,002,011)</b>	-
Depreciation during the period		<b>(61,751,829)</b>	(132,762,177)
Closing balance		<b>2,928,889,620</b>	<b>2,920,320,860</b>

#### 7.2 Additions / Transfer from CWIP

Plant & Machinery	<b>73,563,900</b>	2,037,180
Computer Equipment	<b>758,700</b>	86,500
	<b>74,322,600</b>	<b>2,123,680</b>

<b>Un-Audited</b>	<b>Un-Audited</b>
<b>Dec. 31,</b>	<b>Dec. 31,</b>
<b>2024</b>	<b>2023</b>

### 8 CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>5,670,424</b>	2,572,725
	<b>5,670,424</b>	<b>2,572,725</b>

### 9 FINANCE COST

The Company has not made the provision of markup for the period amounting to Rs. 39.099 million (up to June 30, 2024: Rs.243.499 million) in respect of bank borrowings. The management has approached its lenders for restructuring of its debts and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks. Had the provision been made the loss for the period would have been higher by Rs.39.099 million and accrued markup would have been higher and shareholders' equity would have been lower by Rs.282.598 million.

	<u>Un-Audited</u> <u>Dec. 31,</u> <u>2024</u>	<u>Un-Audited</u> <u>Dec. 31,</u> <u>2023</u>
	<b>Rupees</b>	
<b>10 BASIC EARNINGS PER SHARE</b>		
Loss after taxation	<b>153,296,260</b>	(63,379,054)
Weighted average number of ordinary shares	<b>97,750,726</b>	97,750,726
Basic loss per share	<b>(1.57)</b>	(0.65)

No figure for diluted earning per share has been presented as the company has not yet issued any instruments which would have an impact on basic earning per share when exercised.

**11 RELATED PARTY TRANSACTIONS**

Provident Fund	<b>924,554</b>	1,010,222
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**12 CORRESPONDING FIGURES**

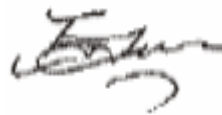
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", statement of financial position has been compared with the balances of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

**13 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorized for issue on February 26, 2025 by the Board of Directors of the company.



**Syed Maqbool Ali**  
Chief Executive Officer & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Mehmood-ul-Hassan Asghar**  
Chairman Board of Directors



مشینی کاشتکاری، فابریکسنگ لیبارٹریوں کا قیام، اور بین الاقوامی معیار کی سیڈ ٹیسٹنگ اور بائیو ٹیکنالوجی لیبرز کا قیام ٹیکسٹائل سیکٹر کی مستقبل کی پیداواری صلاحیت کا تعین کرے گا اور پاکستان کی اقتصادی ترقی میں معاون ثابت ہوگا۔

نتیجہ:

اللہ تعالیٰ کے فضل و کرم سے کمپنی کی انتظامیہ آئندہ ششماہی میں بہتر نتائج کیلئے اپنی پوری کوششیں جاری رکھے گی۔ نتیجہ کے حوالے سے ہم اللہ تعالیٰ رحمٰن و رحیم سے دعا کرتے ہیں وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کمپنی اور ہمارے ملک پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم امہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثناء آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے



محمود الحسن اصغر

چیئر مین، بورڈ آف ڈائریکٹرز



سید مقبول علی

چیف ایگزیکٹو آفیسر بورڈ آف ڈائریکٹرز

مورخہ: 26 فروری 2025ء

عملی نتائج اور کارکردگی:

دورانِ ششماہی کمپنی کی خالص آمدنی 76.335 ملین روپے رہی، جو گزشتہ سال کی اسی مدت کے دوران 160.544 ملین روپے تھی۔ کمپنی کو اس مدت میں 162.452 ملین روپے کا مجموعی خسارہ ہوا، جبکہ گزشتہ سال کے اسی عرصے میں یہ خسارہ 168.814 ملین روپے تھا۔ تاہم، کمپنی کے آپریٹنگ اخراجات میں 1.405 ملین روپے کی کمی واقع ہوئی۔ مزید یہ کہ ورکنگ کیپیٹل کی رکاوٹوں کے باعث، کمپنی نے کونٹریکٹ کی بنیاد پر کمپنی کو آپریٹنگ رکھنے کے لیے کپاس کی پیداوار جاری رکھی۔

کمپنی کے آڈیٹرز نے اپنی جائزہ رپورٹ میں ری اسٹرکچرڈ واجبات کی قسطوں کی عدم ادائیگی اور اس سے متعلق مارک اپ کی عدم فراہمی پر اعتراض کیا ہے۔ مزید برآں، انہوں نے اپنی رپورٹ میں ایک matter of emphasis پیرا گراف شامل کیا ہے، جس میں کمپنی کی مستقبل میں بطور فعال ادارہ کام جاری رکھنے کی صلاحیت پر عدم یقین کا اظہار کیا گیا ہے۔

کمپنی نے اپنے قرض دہندگان سے بغیر مارک اپ کے واجبات کی مزید تشکیل نو کے لیے رابطہ کیا ہے، جو اس وقت زیرِ عمل ہے۔ انتظامیہ پر امید ہے کہ یہ نظر ثانی جلد حتمی شکل اختیار کر لے گی۔ مزید برآں، تشکیل نو کی تاریخ تک بقایا مارک اپ 208.513 ملین روپے ہے، جس کی ادائیگی کمپنی پر معاہدے کی شرائط کی خلاف ورزی کی صورت میں لازم ہوگی۔ تاہم، انتظامیہ کو یقین ہے کہ تشکیل نو کی نظر ثانی مکمل ہونے کے بعد یہ رقم معافی کے لیے اہل رہے گی، لہذا ان مالیاتی گوشواروں میں اس کی کوئی گنجائش شامل نہیں کی گئی۔ مزید یہ کہ، اسپانسرز بھی کمپنی کی ورکنگ کیپیٹل ضروریات کو پورا کرنے کے لیے حسبِ ضرورت معاونت فراہم کرتے ہیں، اسی لیے ان مالیاتی گوشواروں کی تیاری "جاری ادارہ" کے مفروضے کے تحت کرنا درست ہے۔

مستقبل کا نظریہ:

ملک کی طویل المدتی اقتصادی استحکام کا دار و مدار بنیادی معاشی مسائل کے حل، سیاسی استحکام، متحرک اور دانشمندانہ مالیاتی پالیسی، حکومت کی متوازن اور منطقی ٹیکس پالیسی، مناسب ٹیرف پر مسلسل یوٹیلٹی کی فراہمی اور کم لاگت قرضہ جات کی دستیابی پر ہوگا۔ اس تناظر میں، برآمدی صنعتوں، بالخصوص ٹیکسٹائل سیکٹر، کو سہولت فراہم کرنے کی اہمیت کو تسلیم کرنا نہایت ضروری ہے، کیونکہ یہ صنعت ڈالر کی خالص آمدنی بڑھانے اور معاشی استحکام کو فروغ دینے میں کلیدی کردار ادا کرتی ہے۔ مزید برآں، برآمدی اہداف کے حصول کے لیے ملک میں معیاری کپاس کی بحالی کے اقدامات کی اہمیت کو اجاگر کرنا ناگزیر ہے۔ جدید اور

## دیوان فاروق اسپننگ ملز لمیٹڈ

### ڈائریکٹر رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے  
اگر تم شکر ادا کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

آپ کی کمپنی کے بورڈ آف ڈائریکٹر اختتامی مالیاتی سال 31 دسمبر 2024ء کو ختم ہونے والی ششماہی کیلئے کمپنیز ایکٹ 2017ء کے سیکشن 237 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے غیر معیادی عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔

### عملی نتائج اور کارکردگی:

پاکستان کی معیشت کو درپیش جاری اقتصادی دباؤ کے باعث مالی سال 2024-25 کی پہلی ششماہی میں پاکستان کی صنعتی کارکردگی پر منفی اثرات مرتب ہوتے رہے۔ غیر مستحکم پالیسیاں، کراس سبسڈائزیشن، وسائل کی غلط تقسیم، مہنگا خام مال، بے روزگاری، بڑھتی ہوئی توانائی کی قیمتیں، بھاری ٹیکسوں کا بوجھ اور جغرافیائی سیاسی کشیدگی پاکستان کی صنعت کے لیے اہم مسائل ہیں۔ مزید برآں، ملک میں موجودہ سیاسی اور اقتصادی حالات نے کاروباری منظر نامے کو بہت مشکل بنا دیا ہے، خصوصاً ٹیکسٹائل کے شعبے کے لیے، جو پرانے مشینی اسٹرکچر والی کمپنیوں کی بحالی میں مشکلات کا سامنا کر رہا ہے۔ ملک کی برآمدات میں ٹیکسٹائل سیکٹر تقریباً 60 فیصد اور محنت کش طبقے میں روزگاری فراہمی میں تقریباً 40 فیصد حصہ رکھتا ہے۔ یہ شعبہ ملکی سطح پر کپاس اور ریٹیل سمیت متعدد دیگر صنعتوں کی بھی معاونت کرتا ہے۔ پی سی جی اے کی 31 جنوری 2025 کی کپاس آمد رپورٹ کے مطابق، پاکستان میں رواں سیزن کے دوران کپاس کی پیداوار تقریباً 5.5 ملین گانٹھوں تک پہنچ چکی ہے، جو گزشتہ سال کے مقابلے میں 34 فیصد کی نمایاں کمی ظاہر کرتی ہے۔ اس کی بنیادی وجوہات میں زرعی شعبے کے لیے حکومتی سرپرستی کی کمی، زیر کاشت رقبے میں مسلسل کمی اور خشک سالی شامل ہیں۔ پاکستان میں خطے کے مطابق مسابقتی توانائی قیمتوں کے خاتمے سے پیداواری لاگت میں نمایاں اضافہ ہوا۔ مزید برآں، پالیسی تبدیلیوں کے تحت مقامی ای ایف ایس کی عدم دستیابی، بلند شرح سود اور حکومت کی جانب سے ریفرنڈز میں تاخیر نے کیش فلو کو متاثر کیا۔ ان تمام عوامل کے نتیجے میں کاروباری لاگت میں اضافہ ہو رہا ہے، جس سے پاکستان کی ٹیکسٹائل صنعت کی منافع بخشی ختم ہو رہی ہے اور یہ شعبہ خطے کے حریف ممالک کے مقابلے میں اپنی لاگت کے لحاظ سے مسابقت کھو رہا ہے۔