

DEWAN FAROOQUE SPINNING MILLS LIMITED

September 29, 2025

FORM-3

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Building, Stock Exchange Road
Karachi, Pakistan.

Subject: **Financial Results for the year ended June 30, 2025**

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on September 29, 2025 at 05:30 pm at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan, 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 |

The financial results of the Company for the year ended June 30, 2025 are as follows:

| | 2025 | 2024 |
|---|----------------------|----------------------|
| | ------(Rupees)----- | |
| Sales / Revenue - Net | 219,248,591 | 446,380,125 |
| Cost of sales / revenue | (458,929,085) | (887,457,918) |
| Gross (loss) | (239,680,494) | (441,077,793) |
| Operating expenses | | |
| Administrative expenses | (24,390,981) | (29,669,018) |
| Selling and distribution expenses | (10,068,553) | (11,826,299) |
| | (34,459,534) | (41,495,317) |
| Operating (loss) | (274,140,028) | (482,573,110) |
| Other income | 38,353,825 | 79,848,618 |
| | (235,786,203) | (402,724,492) |
| Finance cost | (134,372) | (267,486) |
| (Loss) before taxation | (235,920,575) | (402,991,978) |
| Levies | (2,740,607) | (5,279,752) |
| Loss before income tax | (238,661,182) | (408,271,730) |
| Taxation - Net | 25,359,606 | 25,212,835 |
| (Loss) after taxation | (213,301,576) | (383,058,895) |
| (Loss) per share - basic and diluted | (2.18) | (3.92) |



YD

A YOUSUF DEWAN COMPANY

DEWAN FAROOQUE SPINNING MILLS LIMITED

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DEWAN FAROOQUE SPINNING MILLS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

| | June 30, 2025 | June 30, 2024 |
|--|---------------------|------------------|
| | ------(Rupees)----- | |
| <u>EQUITY AND LIABILITIES</u> | | |
| <u>SHARE CAPITAL AND RESERVES</u> | | |
| 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 | (2,136,334,737) | (1,994,916,593) |
| Capital reserve - revaluation surplus on property, plant and equipment | 10,889,933,378 | 2,164,136,379 |
| | 9,731,105,901 | 1,146,727,046 |
| <u>NON-CURRENT LIABILITIES</u> | | |
| Long term loan | 2,656,250 | 7,968,750 |
| Deferred taxation | 598,234,002 | 232,916,919 |
| Deferred liability for staff gratuity | 21,976,991 | 29,718,553 |
| <u>CURRENT LIABILITIES</u> | | |
| Trade and other payables | 550,535,583 | 547,702,240 |
| Accrued mark-up | 390,303,597 | 390,303,597 |
| Short term borrowings | 412,864,219 | 412,864,355 |
| Current & overdue portion of long term liabilities | 445,994,050 | 445,994,050 |
| Provision for taxation | - | - |
| | 1,799,697,449 | 1,796,864,242 |
| <u>CONTINGENCIES AND COMMITMENTS</u> | | |
| | 12,153,670,593 | 3,214,195,510 |
| <u>ASSETS</u> | | |
| <u>NON-CURRENT ASSETS</u> | | |
| Property, plant and equipment | 11,975,049,448 | 2,991,200,860 |
| Long term deposits | 48,270,516 | 38,787,516 |
| <u>CURRENT ASSETS</u> | | |
| Stores & spares | 24,861,938 | 25,328,156 |
| Stock in trade | 15,516,540 | 15,516,540 |
| Trade debts- unsecured, considered good | 889,251 | 33,111,105 |
| Loans and advances - unsecured, considered good | 5,904,428 | 5,374,903 |
| Trade deposits and other receivables - considered good | 36,529,801 | 49,547,677 |
| Taxes recoverable | 41,658,296 | 39,662,554 |
| Cash and bank balances | 4,990,375 | 15,666,199 |
| | 130,350,629 | 184,207,134 |
| | 12,153,670,593 | 3,214,195,510 |



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DEWAN FAROOQUE SPINNING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2025

| | 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 year | | | | |
| (Loss) for the year | -- | (383,058,895) | -- | (383,058,895) |
| Other comprehensive income | -- | 5,466,913 | -- | 5,466,913 |
| | -- | (377,591,982) | -- | (377,591,982) |
| Transfer to accumulated loss | | | | |
| in respect of incremental depreciation - net of tax | -- | 61,727,976 | (61,727,976) | -- |
| Balance as at June 30, 2024 | 977,507,260 | (1,994,916,593) | 2,164,136,379 | 1,146,727,046 |
| 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 year | | | | |
| (Loss) for the year | -- | (213,301,576) | -- | (213,301,576) |
| Other comprehensive income | -- | 9,232,401 | 8,788,448,030 | 8,797,680,431 |
| | -- | (204,069,175) | 8,788,448,030 | 8,584,378,855 |
| Transfer to accumulated loss | | | | |
| in respect of incremental depreciation - net of tax | -- | 62,651,031 | (62,651,031) | -- |
| Balance as at June 30, 2025 | 977,507,260 | (2,136,334,737) | 10,889,933,378 | 9,731,105,901 |



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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2025

| | 2025 | 2024 |
|---|---------------------|-------------------|
| | ------(Rupees)----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) before taxation | (235,920,575) | (402,991,978) |
| <i>Adjustments for non cash and other items:</i> | | |
| Gain on sale of fixed assets | (21,045,672) | - |
| Depreciation | 131,206,456 | 132,762,177 |
| Financial charges | 134,372 | 267,486 |
| (Reversal) / Provision for doubtful debts | (17,308,143) | (70,429,000) |
| (Reversal) / Provision for doubtful advances | - | (9,419,600) |
| Provision for gratuity | 13,225,394 | 13,808,446 |
| Cash flow before working capital changes | (129,708,168) | (336,002,469) |
| <i>Working Capital changes</i> | | |
| <i>(Increase) / Decrease in current assets:</i> | | |
| Stores & spares | 466,218 | 2,827,369 |
| Trade debts | 49,529,997 | 80,702,007 |
| Stock in trade | - | (15,516,540) |
| Loans & advances | (529,525) | 14,817,786 |
| Trade deposits & other receivables | 13,017,876 | (42,205,574) |
| <i>Increase / (Decrease) in current liabilities:</i> | | |
| Trade and other payables | 2,833,343 | 405,124,311 |
| Cash generated from / (used in) operations | (64,390,259) | 109,746,890 |
| Payments for: | | |
| Taxes paid | (4,966,602) | (11,477,744) |
| Gratuity paid | (11,734,555) | (3,444,947) |
| Financial charges paid | (134,372) | (267,486) |
| | (81,225,788) | 94,556,713 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred | (3,951,900) | (73,003,680) |
| Sale proceeds on disposal of fixed assets | 89,297,500 | - |
| Long term deposits | (9,483,000) | (560,771) |
| Net cash outflow from investing activities | 75,862,600 | (73,564,451) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term loan | (5,312,636) | (7,824,802) |
| Net cash inflow / (out flow) from financing activities | (5,312,636) | (7,824,802) |
| Net increase / (decrease) in cash and cash equivalents | (10,675,824) | 13,167,460 |
| Cash and Cash equivalents at the beginning of the year | 15,666,199 | 2,498,739 |
| Cash and Cash equivalents at the end of the year | 4,990,375 | 15,666,199 |



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Auditors have expressed qualified opinion on default in repayment of installments of restructured liabilities & related non-provisioning of Mark-up and also have added emphasis para on going concern.

The Annual General Meetings of the Company will be held on Monday, October 27, 2025 at Karachi, Pakistan.

The Share Transfer Books of the Company will be closed from October 20, 2025 to October 27, 2025 (both days inclusive).

We will send you scanned copy of Financial Statements of the Company, in compliance with the PSX circular No. PSX/N-4952 dated August 29, 2018, before 21 days of the AGM.

Yours faithfully,



Muhammad Irfan Ali
Chief Financial Officer



Mehmood-ul-Hassan Asghar
Director



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