

**YD****A YOUSUF DEWAN COMPANY**

## *Vision Statement*

*To be the leader in textile industry by building the Companys' image through quality, competitive prices, customer's satisfaction and meeting social obligation.*

## *Mission Statement*

*Our Mission is to be recognized as a premium quality yarn manufacturing unit.*

*The Unit is setup with an idea to cater to the premium market of fine count compact yarn to satisfy the valuable customers.*

*To assume leadership role in the technological advancement of the industry.*

*To benefit the customers, employees and shareholders and to fulfill our commitments to the society.*

*Our trademark is honesty, innovation, fairness, teamwork of our people and integrity in relationship with our customers, associates, shareholders, community and stake holders.*

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## 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 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>

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that 22nd Annual General Meeting of **Dewan Farooque Spinning Mills Limited** will be held at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan on **Monday, October 27, 2025 at 3:00 p.m.** to transact the following businesses;

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, November 28, 2024;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2026, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

*By order of the Board*



**Muhammad Hanif German**  
*Director & Company Secretary*

Karachi: September 29, 2025

### NOTES:

- a. The share transfer books of the company will remain closed from October 20, 2025 to October 27, 2025 (both days inclusive). Transfers received in order at the share registrar office M/s. BMF Consultants Pakistan (Private) Limited, Located at Anum Estate Building, Room No.310 & 311,3rd Floor,49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. proxies in order to be effective must be received at the Shares Registrar Office duly stamped and signed not less than 48 hours (Working days only) before the time of holding of the meeting.  
**CDC Account Holder will further have to follow the guidelines as laid down in Circular 1 dated January 26,2000 issued by Securities and Exchange commission of Pakistan for attending the meeting and appointment of proxies.**
- c. members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.
- d. **Electronic Transmission of Financial Statements Etc.:**  
SECP through its notification No. SRO 389(1)/2023 dated March 21, 2023 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility? The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/Dfsml/index.html>
- e. **Video Conference Facility:**  
Pursuant to the provisions of the Companies Act, 2017, member can avail video conference facility to participate in this Annual General Meeting provided that the company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7) days prior to the date of meeting. Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.



**f. Attendance through Zoom:**

The members may attend the AGM online through ZOOM, by following the below guidelines:

- (i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID [dfsml.corp@yousufdewan.com](mailto:dfsml.corp@yousufdewan.com) as per Standard Request Form available on the Company's website (<http://www.yousufdewan.com/DFSML/index.html>) or can send his/her request to the Company Secretary at Dewan Centre, 3-A Lalazar Beach Hotel Road Karachi along with a legible copy of CNIC not later than October 25, 2025.
- (ii) Zoom link shall be sent by the Company only on email ID or Mobile/WhatsApp Number mentioned in Standard request Form.

**g. Deposit of physical Shares into CDC Account;**

Section 72 of the Companies Act, 2017, requires all listed companies to replace the shares held in physical form with the shares to be issued in Book-Entry Form (i.e. CDC Account) within four (4) years from the date of the promulgation of the Companies Act, 2017. Pursuant to the SECP letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their Shares in Book-Entry Form (i.e. CDC Account) in order to comply with the provisions of the Companies Act, 2017. Shareholders are again requested to contact the Company's Share Registrar to understand and complete the process of conversion of shares held in physical form, into the Book-Entry Form.

**h. Updating of Particulars:**

The Shareholders are requested to promptly notify change in their address, if any, to the Company's Share Registrar. In case of corporate entity, the shareholders are requested to promptly notify change in their particulars of their authorized representative, if applicable.

**i. Restriction on Distribution of Gifts:**

In accordance with the directive issued by the SECP Vide SRO 452 (1)/2025 dated 17th March 2025 the Company would like to inform all the shareholders that no gifts will be distributed at the AGM.

## CHAIRMAN'S REVIEW

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the company's objectives. The board of directors is responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavour to contribute towards the aim of the Company with the best of their abilities.

An annual self-evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

During financial year ended June 30, 2025, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the board and its committee meetings. All Directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.



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

**Date:** September 29, 2025

**Place:** Karachi



## 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 are pleased to present the Annual Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Auditors' Report thereon.

### Economic Overview

The global economy recorded moderate growth amidst persistent challenges. Global inflation gradually eased however global trade remained sluggish due to weaker demand and supply chain realignments, primarily influenced by continuously evolving U.S. trade policies. Oil prices remained volatile, driven by regional conflicts and fluctuating global demand. Geopolitical tensions continued to exert pressure, disrupting commodity flows and contributing to heightened uncertainty across global markets.

For Pakistan, financial year 2024-25 marked the early signs of modest macroeconomic stability after years of volatility, with a sharp decline in inflation from last year's record highs to multi-year lows, enabling the State Bank of Pakistan to reduce its policy rate from 19.5% to 11%. GDP growth stood at 2.68%, reflecting cautious recovery in economic activity. The substantial turnaround in the current account balance, closing in with a surplus of USD 2.1 billion, its first in 14 years, primarily driven by robust 27% rise of foreign remittances, which rose to USD 38.3 billion, strong export performance particularly 7.4% increase in textile exports to USD 17.9 billion, strict governed import management, improved external balances and structural reforms have contributed to replenishing foreign reserves and stabilizing the exchange rate. The moderation in interest rates, along with exchange rate stability have contributed to improved macroeconomic spectrum. Furthermore, upgradation in Country's credit rating and continuity of IMF program has resulted in restoring investor confidence in business and promote macroeconomic stability. However, despite of the above, on the global front, elevated energy prices driven by ongoing conflicts in Eastern Europe and the Middle East, continued to affect input costs and supply chain stability. The introduction of new US tariffs on certain textile and manufacturing imports from the region, coupled with weaker global demand in key export markets, posed additional headwinds. Domestically, structural challenges persisted, including a modest GDP growth rate, political uncertainty, high energy tariffs, hefty tax burden continued to exert pressure on input costs. These factors combined with weak consumer purchasing power, contributed to subdued demand across key sectors.

### Industrial Overview

Pakistan's textile sector remained challenged by global demand softness, tight monetary conditions, and high energy costs. The sector recorded a 7.4 percent growth in FY 2025, however, structural weaknesses in the sector persisted resulting a decline in the exports of some key raw material-based products; cotton yarn (reduced by 28.8%), cotton cloth (dropped by 3.1%). In FY2024-25 the cotton crop experienced a severe decline due to devastating impact of the climatic change. The downward trajectory has been continuing in the FY-2025-26 due to monsoon floods which have severely disrupted agricultural output by significant drop. This major decline not only jeopardizes Country's textile industry, the cornerstone of Pakistan's economy, contributing around 55% of total export earnings, but also increases dependence on imported cotton, putting additional pressure on the national economy by billions of dollars.

### Operating results and performance:

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

	2025	2024
	------(Rupees)-----	
REVENUE	219,248,591	446,380,125
COST OF REVENUE	(458,929,085)	(887,457,918)
<b>GROSS LOSS</b>	<b>(239,680,494)</b>	<b>(441,077,793)</b>
OPERATING EXPENSES	(34,459,534)	(41,495,317)
<b>OPERATING LOSS</b>	<b>(274,140,028)</b>	<b>(482,573,110)</b>
OTHER INCOME	38,353,825	79,848,618
FINANCE COST	(134,372)	(267,486)
LEVIES	(2,740,607)	(5,279,752)
<b>LOSS BEFORE TAXATION</b>	<b>(238,661,182)</b>	<b>(408,271,730)</b>
TAXATION - NET	25,359,606	25,212,835
<b>LOSS AFTER TAXATION</b>	<b>(213,301,576)</b>	<b>(383,058,895)</b>



During the year ended 30th June 2025, Company's net revenue has decreased to Rs.219.249 million from Rs. 446.380 million of last year. Company has suffered gross loss of Rs. 239.680 million, against Rs. 441.078 million of last year, whereas operating expenses of the company marked at Rs. 34.460 million as compared to Rs. 41.495 million of corresponding year. During the year company has replaced outdated ring spinning technology with Auto Coro Spinning, aiming to enhance production efficiency, cost competitiveness, increased productivity. Autocoro spinning is designed for high-speed operation with comparatively low manufacturing cost, allowing for efficient production of quality yarn much faster than traditional ring spinning. Your company has also planned for further addition / replacement of high-speed automated machines to strengthen the Company's position in the market, driving growth and sustainability in upcoming years to profitable unit. Due to working capital constraints, the company continued the production of yarn on contract basis to keep the company operational.

In financial year ended 2012, Company had settled with its lenders through Compromise Agreement against which consent decrees had been passed by the Honorable High Court of Sindh, Karachi. Company's short term and long term loans had been rescheduled in the form of long term loans, however certain lenders having suits of Rs.37.405 million, did not accept the restructuring proposal at that time. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for executions of consent decrees. The Company filed suits in Honorable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.

The Auditors of the company have expressed qualified opinion in their report on default in repayment of installments of restructured liabilities and related non-provisioning of mark-up as explained in their report. 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 obligations without markup, which is in advance stage and expected to finalized soon. Moreover, the markup outstanding up to the date of restructuring is Rs.208.531 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, the Company has not made any provision for markup as the markup will not be payable in accordance with the terms of restructuring.

The conditions referred by auditors are temporary and would reverse in foreseeable future, as the management is taking measures for reduction of its cost of production. Further, sponsors also provide the support as and when required to meet the working capital requirements and Company is in active negotiations with lenders for restructuring of its liabilities and is quiet hopeful that the same will be finalized soon. Accordingly, these financial statements have been prepared on a going concern basis

### Future Outlook

FY 2026 unfolded within a complex global economic environment shaped by evolving monetary policies, geopolitical uncertainty, and a resurgence of protectionist trade measures. Pakistan's economic outlook for FY 2025–26 reflects cautious optimism, with GDP expected to grow by 3.6% as per the latest estimates by the International Monetary Fund. Domestically, Pakistan faced a series of macro and sectoral challenges, devastating monsoon floods in mid-2026 severely disrupted agricultural output, transport infrastructure, and rural supply chains. The textile sector, which forms the backbone of Pakistan's exports, was especially impacted by significant losses in the local cotton crop, resulting in increased dependency on imports and rising input costs on account of unreasonably high taxes, duties, fuel and power costs, high interest rates, and the imposition of additional fiscal measures including the rollback of export incentives in EFS scheme further added to operational strain across the industry.

Further, for the globally competitiveness in the wake of prevalent economic conditions, we expect the government will focus on structural reforms, addressing the fundamental flaws those lead to recurring economic crises. Additionally, the underperformance of agricultural sector and continuous struggle of large-scale manufacturing underscores the importance of reforms in legacy structural weaknesses, fiscal discipline, consistent policy implementation, and fairer direct and indirect taxation by the government to ensure inclusive and sustainable growth. The elimination of zero-rating on the import of yarn will restore level playing field for the local spinning industry. However, the Country's spinning industry will continue to face challenges mainly due to continuous escalation in gas prices for captive power plants, volatility in domestic cotton production and intense competition from regional players. Addressing these challenges is crucial to fully capitalize on opportunities for export-led growth.

**Corporate Social Responsibilities**

We are also committed to Corporate Social Responsibility (CSR) and integrating sound social practices in our day to day business activities. The Company is committed to make conscious effort to consider and balance the interest of all stakeholders, in particular the community in which we live and workers who are the core of our business. We measure our success not only in terms of financial criteria but also in building customer satisfaction and supporting the communities we serve.

**Health, Safety and Environment**

The management of the company is aware of its responsibility to provide a safe and healthy working environment to our associates and give highest priority to it. Our safety culture is founded on the premise that all injuries are preventable if due care is taken. Continual efforts for provision of safe, healthy and comfortable working conditions for the employees are made. We follow up and investigate on all incidents and injuries to address their root causes. We believe that safety and health is a journey of continuous improvement and eternal diligence. We will continue to take steps to improve the safety and health of our associates.

**Human Resource**

The management of the Company is committed to excellence and has a clear vision that human resources and strong leadership practices are important enablers of high productivity and sustainable competitive advantage of our Company. Therefore, management of the Company gives much importance to the optimal use of human resources by way of training proper guidance, motivation and incentive schemes for the employees.

**Gender Pay Gap**

In line with the Securities and Exchange Commission of Pakistan's disclosure requirements, we assessed our remuneration practices to identify and address any gender-based pay disparities. The Company follows a rigorous, merit-based process for all employment practice including recruitment, annual salary reviews, and career advancement, ensuring there is no discrimination based on gender, race, or ethnicity – thereby compensating employees fairly and equitably. Currently company is operating with limited operations and working with limited staff and without females. Necessary comparative disclosures will be made as and when the Company resumes its full operations.

**Corporate and Financial Reporting**

Your Company is committed to good corporate governance. The Board acknowledges its responsibility in respect of Corporate and Financial Reporting Framework. The Directors confirm that:

1. The financial Statements presented by the management of the Company give a fair account of the state of affairs, the results of its operations, cash flow and changes in equity.
2. Proper books of accounts have been maintained.
3. Accounting policies have been consistently applied in the preparation of financial statements, except for certain changes whose impact have been appropriately disclosed in the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from, if any, has been adequately disclosed.
5. The system of internal controls, which is in place, is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of the corporate governance, except as disclosed in auditors review report.
7. The Company has constituted an Audit Committee from amongst the non-executive members of its Board.
8. The Board has prepared and circulated a Statement of Ethics and Business Practices amongst its members and the company's employees.
9. Doubts upon the company's Going Concern and mitigating factors have appropriately been disclosed in the financial statements.

10. Information regarding the outstanding taxes and Levies is given in the notes to the financial statements.

11. As required under the Code of Corporate Governance, the following information has been presented in this report:

- i) Pattern of Shareholding;
- ii) Shares held by associated undertaking and related persons;

### Board

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities. Complete details of remuneration of CEO and directors are given in note 34 to the financial statements.

The Board of Directors as of June 30, 2025, consisted of the following:

Directors		Numbers
a)	Male	6
b)	Female	1
Composition		Numbers
a)	Independent Director	1
b)	Other Non-executive Directors	5
c)	Executive Director	1

During the year Four meetings of the Board were held. Name of the persons who, at any time during the year, were directors of the Company, number of meeting held and their attendance in the said meetings are as under:

Names	Attendance in Four (4) Meetings held
Mr. Aziz-ul-Haque	4
Mr. Ghazanfar Baber Siddiqi	4
Mr. Abdul Basit	4
Syed Maqbool Ali	4
Mr. Mehmood-ul-Hassan Asghar	4
Mr. Muhammad Hanif German	4
Mrs. Nida Jamil	4

Leave of absence was granted to directors who could not attend these meetings.

### Audit Committee

Audit committee was established by the Board to assist the Directors in discharging their responsibilities for Corporate Governance, Financial Reporting and Corporate Control. The committee consists of three members. Majority of members including the chairman of the committee are non-executive directors.

During the year, four Audit Committee meetings were held and attendance was as follows.

Names	No. of Meetings attended
Mr. Aziz-Ul Haque Chairman	4
Mr. Abdul Basit	4
Mr. Ghazanfar Baber Siddiqi	4

**Human Resource and Remuneration Committee**

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies. It also assists Board in selection, evaluation, compensation and succession planning of key management personnel.

The committee consists of three members. During the year one Human Resource and Remuneration committee meeting was held and attendance was as follows:

Names	No. of Meetings attended
Mr. Aziz-Ul Haque Chairman	1
Syed Maqbool Ali	1
Mr. Mehmood-ul-Hassan Asghar	1

**Earnings per Share**

(Loss) per share during the period under review worked out to Rs (2.18) [2024: Rs. (3.92)]

**Appointment of Auditors**

The present auditors, M/s. Feroze Sharif Tariq & Co., Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors of your company, based on the recommendations of the Audit Committee of the board, proposes M/s. Feroze Sharif Tariq & Co., Chartered Accountants, for reappointment as auditors of the company for the ensuing year.

**Pattern of Shareholding**

The prescribed shareholding information, both under the Companies Act, 2017, and the Listing Regulations, vis-à-vis, Code of Corporate Governance, is attached at the end of this report.

**Key operating and financial data**

Key operating and financial data for preceding six years is annexed.

**Subsequent Events**

Subject to expressly stated elsewhere, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

**Vote of Thanks & Conclusion**

On the behalf of the Board, we appreciate the valuable, loyal, and commendable services rendered to the Company by its executives, members of the staff and workers.

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Ar-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 the 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

**Date:** September 29, 2025

**Place:** Karachi

## FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024	2025
	(Rupees in Thousands)					
Sales (Net)	431,984	602,428	694,230	488,343	446,380	219,249
Gross (Loss)/ Profit	(99,211)	(24,786)	(117,103)	(227,976)	(441,078)	(239,680)
(Loss)/ Profit Before Tax	(210,263)	(119,029)	(216,900)	(308,476)	(402,992)	(235,786)
(Loss)/ Profit After Tax	(197,869)	(112,601)	(192,991)	(286,601)	(383,059)	(213,302)
Current Assets	267,439	252,910	202,744	125,618	184,207	130,351
Shareholder's Equity	739,922	2,001,994	1,808,851	1,524,319	1,146,727	9,731,106
Current Liabilities	1,259,456	1,274,972	1,305,462	1,394,018	1,796,864	1,799,697
(Loss)/ Earning per Share	(2.02)	(1.15)	(1.97)	(2.93)	(3.92)	(2.18)
Breakup value per share (Rs.)	7.57	20.48	18.50	15.59	11.73	99.55
current ratio (Times)	0.21	0.20	0.16	0.09	0.10	0.07
Gross (Loss)/ Profit %	-22.97%	-4.11%	-16.87%	-46.68%	-98.81%	-109.32%
Net (Loss)/ profit%	(0.46)	(0.19)	(0.28)	(0.59)	(0.86)	(0.97)
Debt equity ratio (Times)	1.18	0.44	0.48	0.57	0.76	0.09



## **Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019**

### **For the Year Ended June 30, 2025**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
  - a) Male : 6
  - b) Female : 1
2. The composition of board is as follows:
  - a) Independent Director : Mr. Aziz-ul-Haque
  - b) Other Non-executive Directors : Mr. Ghazanfar Baber Siddiqi  
Mrs. Nida Jamil  
Mr. Abdul Basit  
Mr. Mehmood-Ul-Hassan Asghar  
Mr. Muhammad Hanif German
  - c) Executive Director : Syed Maqbool Ali
3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Director is serving as Director in more than seven listed Yousuf Dewan Companies.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Three Directors are qualified under the Directors training program. During the year the board did not arrange training program for its directors. However, we will arrange the same in the next coming session.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

## DEWAN FAROOQUE SPINNING MILLS LIMITED

- a) Audit Committee : Mr. Aziz-ul-Haque Chairman  
Mr. Abdul Basit Member  
Mr. Ghazanfar Baber Siddiqi Member
- b) HR and Remuneration Committee : Mr. Aziz-ul-Haque Chairman  
Mr. Mehmood-ul-Hassan Asghar Member  
Syed Maqbool Ali Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee : 4 meetings during the financial year ended June 30, 2025  
b) HR and Remuneration Committee : 1 annual meeting held during the financial year ended June 30, 2025

15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board 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 its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No.	Non-Mandatory Requirement	Reg No.	Explanation
1	Directors' Training.-  It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19	Currently, three Directors are qualified under the directors training program. The Company is encouraging and planning to arrange DTP certification for the remaining Directors.



**Syed Maqbool Ali**

Chief Executive Officer & Director

Date :

Place : Karachi



**Mehmood-ul-Hassan Asghar**

Chairman Board of Directors



**YD**

A YOUSUF DEWAN COMPANY

**FEROZE SHARIF TARIQ & CO.**

FEROZE SHARIF TARIQ & CO.  
Chartered Accountants  
4-N/4, BLOCK 6, P.E.C.H.S.,  
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**INDEPENDENT AUDITORS' REVIEW REPORT  
TO THE MEMBERS OF DEWAN FAROOQUE SPINNING MILLS LIMITED**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dewan Farooque Spinning Mills Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of Non-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) The composition of board has includes one independent director Mr. Aziz ul Haque, whereas in our opinion he does not meet the criteria of independence due to his cross director ship in associated Companies.
- b) The chairman of Audit committee and Human Resource and Remuneration Committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not Complied with the criteria of independence as the reason reflects in para (a) above.
- c) The Company is required at least two or one third members of the Board, whichever is higher, as independent directors on its board. However, the Company includes only one independent director as disclosed in Paragraph 2 of Statement of Compliance.

Based on our review, except for the above instances of non-compliance, 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Further, we highlight below instances of non compliances with the requirements of the Code as reflected in the Paragraph reference where these are stated in the Statement of Compliance:

1. One of the Director of the company is serving as directors in more than seven listed Companies as reflected in Paragraph 3 of statement of Compliance
2. Three of the directors are qualified under the Directors' Training Program as reflect in Paragraph 9 of statement of Compliance as on June 30, 2025 as required by the Code all the directors are required to acquire Prescribed Certification.

Dated: September 30, 2025

UDIN: CR202510161eNEJhkvWt

Place: Karachi

CHARTERED ACCOUNTANTS



**FEROZE SHARIF TARIQ & CO.**

FEROZE SHARIF TARIQ & CO.  
Chartered Accountants  
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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEWAN FAROOQUE SPINNING MILLS LIMITED**

Report on the Audit of the Financial Statements

**Qualified Opinion**

We have audited the annexed financial statements of Dewan Farooque Spinning Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Qualified opinion Paragraph of our report and its effects, the statement of financial position, the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, 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, 2025 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Qualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

- a) The company defaulted in repayment of installments 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: 393.602) million as disclosed in note 8.1 to the financial Statements along with markup of Rs. 208.513 June 30, (2024: Rs. 208.513) million (eligible for waiver outstanding as of date of restructuring) become immediately payable and Rs. 92.50 million as disclosed in note 12.1 a, 12.2 and 13.2 to the financial statements, 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, the Balance Confirmations from Financial Institutions/Banks 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 also facing litigation from its lenders; 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. 684.136 million inclusive of Mark up.
- 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 15.1, 15.2 and 29.1 to the financial Statements, the loss after taxation would have been higher by Rs. 523.021 (2024: Rs 452.030) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. Rs. 523.021 (2024: Rs 452.030) million.

**Material Uncertainty Relating to Going Concern**

We draw attention of the members to note 2 to the financial Statements for the year ended June 30, 2025 which indicates loss after taxation of Rs. 213.302 (2024: Rs. 383.059) million and as of that date it has accumulated losses of Rs. 2,136.335 (2024: Rs. 1,994.917) million and its current liabilities exceeded its current assets by Rs. 1,669.347 (2024: Rs. 1,612.657) million (excluding the effect of non-provided markup as disclosed in para (b) above). Furthermore, the company defaulted in repayments of installments of restructured long term 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 as disclosed in Para (a) above and note 15.1 and 15.2 to the financial Statements. Following Course, the company has temporarily suspended its own production to manufacture yarn and started manufacturing of yarn on Contract basis due to working Capital constraints as disclosed in note 1 and 36 to the financial statements. These conditions, along with other matters as set forth in note 2 to the financial Statements coupled with Para (a and (b) above indicates 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to the key audit matters to be communicated in our report

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1.	<b>Contingencies</b>	
	<p><b>Capital Expenditure</b> (Refer Note 16.1. to the annexed Financial Statements)</p> <p>The company's financial statements for the year ended June 30, 2025 disclosed a significant capital expenditure of Rs. 74.832 million incurred during the year deletion of Plant and Machinery of Rs. 68.252 million (on Written Down value which primarily attributed to the establishment of Plant and Machinery for technological advanced machines.</p> <p>The capital expenditure incurred during the year represents significant transactions and requires appropriate application as per applicable financial reporting framework. In view of the above, we have identified this matter as a key audit matter Our key audit procedures in this area amongst others purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> <li>· We evaluated the authorization and approval procedures for capital expenditure, checking compliance with company policies.</li> <li>· We tested samples of capital expenditure transactions to check the accuracy and valuation of the amounts recorded in the financial statements.</li> <li>· We assessed management's criteria for capitalizing expenditure, as per the capitalization policy and evaluated consistency with the relevant accounting standards.</li> <li>· We performed physical verification, on sample basis, of assets acquired to check the existence of assets.</li> <li>· Further, have obtained the documents of deletion in the assets for old machinery of the Company to determine the WDV of the Assets to establish Plant and Machinery for technological advanced machines.</li> </ul> <p>We examined the documentation supporting management's decisions regarding the capitalization of expenditure, such as contracts, and invoices.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have concluded that the other information is materially misstated for the same reason with respect to the matters described in the basis for Qualified Opinion section and in the Material Uncertainty Related to Going Concern section.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting and Reporting Standards as applicable in Pakistan and requirements of companies Act 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit except for the matter discussed in basis for qualified opinion section and Material Uncertainty Relating to Going Concern Section and its effects, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- (c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Dated: September 30, 2025  
UDIN: AR202510161XHDrqREB  
Place: Karachi

  
CHARTERED ACCOUNTANTS

**STATEMENT OF FINANCIAL POSITION****As at 30th June, 2025****EQUITY AND LIABILITIES****SHARE CAPITAL AND RESERVES**

		June 30, 2025	June 30, 2024
	Notes	( Rupees )	
Authorized share capital			
100,000,000 (2024: 100,000,000 ) Ordinary shares of Rs.10/- each	5	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	6	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	7	10,889,933,378	2,164,136,379
		9,731,105,901	1,146,727,046

**NON-CURRENT LIABILITIES**

Long term loan	8	2,656,250	7,968,750
Deferred taxation	9	598,234,002	232,916,919
Deferred liability for staff gratuity	10	21,976,991	29,718,553

**CURRENT LIABILITIES**

Trade and other payables	11	550,535,583	547,702,240
Accrued mark-up		390,303,597	390,303,597
Short term borrowings	12	412,864,219	412,864,355
Current & overdue portion of long term liabilities	13	445,994,050	445,994,050
Provision for taxation	14	-	-
		1,799,697,449	1,796,864,242

**CONTINGENCIES AND COMMITMENTS**

	15	-	-
		12,153,670,593	3,214,195,510

**ASSETS****NON-CURRENT ASSETS**

Property, plant and equipment	16	11,975,049,448	2,991,200,860
Long term deposits	17	48,270,516	38,787,516

**CURRENT ASSETS**

Stores & spares	18	24,861,938	25,328,156
Stock in trade	19	15,516,540	15,516,540
Trade debts- unsecured, considered good	20	889,251	33,111,105
Loans and advances - unsecured, considered good	21	5,904,428	5,374,903
Trade deposits and other receivables - considered good	22	36,529,801	49,547,677
Taxes recoverable		41,658,296	39,662,554
Cash and bank balances	23	4,990,375	15,666,199
		130,350,629	184,207,134
		12,153,670,593	3,214,195,510

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



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



**Muhammad Irfan Ali**  
Chief Financial Officer



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



## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30TH JUNE 2025

	Notes	2025	2024
		(Rupees)	
Sales / Revenue - Net	24	219,248,591	446,380,125
Cost of sales / revenue	25	(458,929,085)	(887,457,918)
Gross (loss)		(239,680,494)	(441,077,793)
<b>Operating expenses</b>			
Administrative expenses	26	(24,390,981)	(29,669,018)
Selling and distribution expenses	27	(10,068,553)	(11,826,299)
		(34,459,534)	(41,495,317)
Operating (loss)		(274,140,028)	(482,573,110)
<b>Other income</b>	28	38,353,825	79,848,618
		(235,786,203)	(402,724,492)
Finance cost	29	(134,372)	(267,486)
(Loss) before taxation		(235,920,575)	(402,991,978)
Levies	30	(2,740,607)	(5,279,752)
Loss before income tax		(238,661,182)	(408,271,730)
<b>Taxation - Net</b>	31	25,359,606	25,212,835
<b>(Loss) after taxation</b>		(213,301,576)	(383,058,895)
<b>(Loss) per share - basic and diluted</b>	32	(2.18)	(3.92)

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

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

**Muhammad Irfan Ali**  
Chief Financial Officer

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

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2025

	2025	2024
	(Rupees)	
(Loss) after taxation	(213,301,576)	(383,058,895)
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
<b>Other Comprehensive Income</b>		
Revaluation during the year	9,179,354,971	-
Related deferred tax	(390,906,942)	-
	8,788,448,030	-
Remeasurement of defined benefit liability	(9,232,401)	(5,466,913)
<b>Total comprehensive income / (loss) for the year</b>	<b>8,565,914,053</b>	<b>(388,525,808)</b>

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



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



**Muhammad Irfan Ali**  
Chief Financial Officer



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





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

	Note	2025 (Rupees)	2024
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(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
<b>Payments for:</b>			
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
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
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)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
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
<b>Cash and Cash equivalents at the end of the year</b>	33	<b>4,990,375</b>	<b>15,666,199</b>

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

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

**Muhammad Irfan Ali**  
Chief Financial Officer

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




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

	Issued subscribed and paid-up capital	Revenue reserve  Accumulated loss	Capital Reserve  Revaluation surplus on property, plant & equipment	Total
	(Rupees)			
<b>Balance as at July 01, 2023</b>	<b>977,507,260</b>	<b>(1,679,052,587)</b>	<b>2,225,864,355</b>	<b>1,524,319,028</b>
<b>Total comprehensive loss for the year</b>				
(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)	--
<b>Balance as at June 30, 2024</b>	<b>977,507,260</b>	<b>(1,994,916,593)</b>	<b>2,164,136,379</b>	<b>1,146,727,046</b>
<b>Balance as at July 01, 2024</b>	<b>977,507,260</b>	<b>(1,994,916,593)</b>	<b>2,164,136,379</b>	<b>1,146,727,046</b>
<b>Total comprehensive loss for the year</b>				
(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)	--
<b>Balance as at June 30, 2025</b>	<b>977,507,260</b>	<b>(2,136,334,737)</b>	<b>10,889,933,378</b>	<b>9,731,105,901</b>

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



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



**Muhammad Irfan Ali**  
Chief Financial Officer



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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### 1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Spinning Mills Limited was incorporated in Pakistan on December 22, 2003 as public limited company, under the Companies Ordinance, 1984 (now Companies Act 2017). The shares of the company are listed on Pakistan Stock Exchange Limited. The principal activity of the company is manufacturing and sale of fine quality yarn. The Company also manufactures yarn on contract basis.

**The geographical Location and address of the company's business units, including mill/plant are as under:**

- 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, Phool Nagar By-pass, District Kasur, Pakistan.

#### 1.1 Summary of significant events and transactions in the current reporting period

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed either in the notes to these financial statements or in the Directors' report.

### 2 GOING CONCERN ASSUMPTION

The financial statements for the year ended June 30, 2025 reflect that company sustained net loss after taxation of Rs. 213.302 million (2024: Rs. 383.059 million) and as of that date its negative reserves of Rs. 2,136.335 (2024: Rs. 1,994.917) million and its current liabilities exceeded its current assets by Rs. 1,669.347 million (2024: 1,612.657). Furthermore the short term facilities of the company have expired and not been renewed by banks and it has defaulted in repayment of restructured liabilities. Following course, the company is facing litigations with its lenders as more fully explained in note 15 to the financial statements. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

These financial statements have been prepared using going concern assumption as these conditions are temporary and would reverse in foreseeable future. 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

### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 29.1 to the financial statements, for which the management concludes that provisioning of mark-up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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 IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except certain items of property, plant and equipment which are carried at revalued amounts.

#### 3.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

### 3.3.1

#### Effective Date (Period beginning on or after)

IAS 21 The Effect of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9 Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IFRS 17 Insurance Contracts	January 1, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (consolidated financial statements) and IAS 7 (statements of cash flows)	January 1, 2026

### 3.3.2

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

### 3.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest rupee.

### 3.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

#### 3.5.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

#### 3.5.2 Trade debts

The Company reviews its doubtful debts at each reporting dates to access whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

**3.5.4 Stock in trade**

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realisable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

**3.5.5 Stores and spares**

The Company reviews the net realizable value (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

**3.5.6 Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates at the value of contingent assets and liabilities which may differ on the occurrence/non occurrence of the uncertain future events.

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from April 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**4.1 Property, plant and equipment*****Owned***

Item of property, plant and equipment is recognized as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

Land (free hold and lease hold), Building and Plant and Machinery are recognized at revalued amounts based on valuation by external independent valuer. Long term leases of land in which the Company obtains control of the land are accounted for as property, plant and equipment and presented as 'leasehold land' and building. Revaluation surplus on property, plant and equipment is credited to shareholders' equity and presented as a separate line item in statement of financial position. Increases in the carrying amounts arising on revaluation of land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation is charged so as to write off the cost or revaluation of assets, other than leasehold land and capital work-in-process, over their estimated useful lives, using the reducing balance method, on the basis of rates specified in note 16 to the financial statements. The depreciation for assets acquired or disposed of during the year is charged from the month of acquisition or up to the month of disposal of such assets respectively.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income.

#### ***Intangible assets***

Computer software acquired by the Company are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the software license and bring them to use. The cost of computer software is amortised over the estimated useful life i.e. 4 years.

Cost associated with maintaining computer software is charged to the profit and loss account.

#### **4.2 Capital work-in-progress**

All expenditure connected with specific assets incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

#### **4.3 Lease**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

##### **4.3.1 Right of use asset**

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right of use asset is subsequently depreciated using the diminishing balance method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

##### **4.3.2 Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:



fixed payments (including in-substance fixed payments), less any lease incentives receivable;  
 variable lease payment that are based on an index or a rate;  
 amounts expected to be payable by the lessee under residual value guarantees;  
 the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and  
 payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments.

#### 4.3.3 Short term leases and low-value assets

The Company has elected not to recognize right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and the leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### 4.4 Stores and spares

These are valued at average cost except for those in transit, which are valued at cost.

#### 4.5 Stock in trade

These are valued at lower of average cost and net realizable values, the cost is determined as follows:

Raw material	- Average cost
Packing material	- Average cost
Work in process	- Cost of direct materials plus conversion cost valued on the basis of equivalent production units.
Waste	- Selling price
Finished goods	- Average cost or net realisable value which ever is the less

Cost of finished goods comprise of prime cost and appropriate portion of production overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the reporting date.

Stock-in-trade is regularly reviewed by the management and obsolete items, if any, are brought down to their NRV. NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 4.6 Staff retirement benefits

##### *Defined benefit plan*

The company has established a recognized provident fund for its permanent employees at head office. Equal contributions are being made in respect thereof by company and employees in accordance with the terms of the fund.

##### *Defined benefit plan*

The Company's operating an unfunded Gratuity Scheme for its permanent factory staff. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method, as required by International Accounting Standards (IAS 19). Remeasurements which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Interest expense and current service cost are recognized in Statement of profit or loss.



#### 4.7 Taxation

##### **Current**

Provision for current taxation is based on current rates of tax after taking into account available tax credits and rebates available, if any.

##### **Deferred**

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### 4.8 Provision

A provision is recognised in the balance sheet when the Company has a 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 can be made of the amount of obligation.

#### 4.9 Financial instruments

##### **4.9.1 Initial measurement of financial asset**

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

##### **Subsequent measurement**

##### **Debt Investments at FVOCI**

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.

##### **Equity Investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.

##### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.

##### **Financial assets measured at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.

**4.9.2 Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

**4.9.2.1 Trade debts, advances and other receivables**

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

**4.9.2.2 Cash and cash equivalents**

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

**4.9.3 Financial liabilities**

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

**4.9.3.1 Mark-up bearing borrowings and borrowing costs**

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

**4.9.3.2 Trade and other payables**

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

**4.9.4 Derivative financial instruments - other than hedging**

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

**4.9.5 Derivative financial instruments - cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the statement of profit or loss account. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.



**4.9.6 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

**4.10 Impairment****4.10.1 Financial assets**

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

**4.10.2 Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

**4.11 Foreign currency translation**

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of transaction. Assets and liabilities in foreign currencies, if any, are translated into rupees at the exchange rates prevailing on the balance sheet date except where forward exchange contracts have been entered into in which case the rates contracted for are used.

**4.12 Transactions with related parties**

All dealings with associated companies are carried out at arm's length using the Comparable Uncontrolled Price method except interest free loan given by the Sponsors of the Company

**4.13 Revenue recognition****Sale of goods**

Revenue from contracts with customers is recognised when the control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods according to the negotiated contractual terms. The Company has generally concluded that it acts as a principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Revenue from Contract basis on performance of Services is recognised upon passing of title of goods manufactured under contract basis manufactured goods, which is generally coincides with physical delivery.

Return on bank deposits / saving accounts is recognised on accrual basis.

Other income, if any, is recognised on accrual basis.

**4.14 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**4.15 Dividends and appropriation to reserve**

Dividend and appropriation to reserve are recognised in the unconsolidated financial statements in the period in which these are approved.

**4.16 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**4.17 Contingent Liability**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**4.18 Operating segments**

For management purposes, the activities of the Company are organised into one reportable operating segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure, and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements are related to the Company's only reportable segment.

## DEWAN FAROOQUE SPINNING MILLS LIMITED

	2025	2024
	Rupees	
<b>5 AUTHORIZED SHARE CAPITAL</b>		
100,000,000 (2024: 100,000,000 ) Ordinary shares of Rs.10/- each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>6 ISSUED, SUBSCRIBED AND PAID UP-CAPITAL</b>		
97,750,726 (2024: 97,750,726) Ordinary shares of Rs.10/- each fully paid in cash	<u>977,507,260</u>	<u>977,507,260</u>
<b>6.1</b> The pattern of shareholding, as required under the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan, is attached at the end of this report.		
<b>6.2</b> Dewan Motors (Private) Limited, an associated company held 37,750,726 ordinary shares of Rs.10 each.		
<b>6.3</b> All ordinary shares rank equally with regard to the Company's residual assets. Holders of the shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Company.		
<b>6.4</b> As of the reporting date 37,750,726 & 3,000 (2024: 37,750,726) & 3,000 ordinary shares of Rs. 10 each were held by associated companies and directors of the Company respectively.		
<b>7 REVALUATION SURPLUS ON PROPERTY PLANT AND EQUIPMENT</b>		
Opening Balance	<b>2,164,136,379</b>	2,225,864,355
Surplus arising on revaluation during the year	<b>9,179,354,971</b>	
Related deferred tax liability	<b>(390,906,942)</b>	
Transferred to accumulated loss in respect of incremental depreciation for the year	<u><b>(62,651,031)</b></u>	<u>(61,727,976)</u>
	<u><b>10,889,933,378</b></u>	<u>2,164,136,379</u>

The assets of the Company have been revalued as on May 30, 2025. The revaluation is carried out by an independent valuer, M/s Anderson Consulting (Private) Limited on the basis of professional assessment of present market values or depreciated replacement values and resulted in a surplus on Revaluation of Property Plant and Equipment over the written down value as follows:

### Land

Valuation of land is based on assessment of present market values from the information of current matured transactions in recent past, pertaining to immediate neighborhood and surrounding areas.

### Building

Valuation of building has been determined by assessment of type of construction, current condition of construction and by applying current construction rates for current replacement value and taking into account depreciation involving the year of construction, physical condition, usage and maintenance.

### Plant and Machinery

Plant and machinery valuation has been determined after making enquiries from agents, local dealers, fabricators, suppliers and manufacturers of comparable plants. Current prices of used and reconditioned plants in the local markets have also been considered. Based on above, market values have been determined and depreciation has been applied as per their condition, usage, and maintenance.

The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

The latest revaluation has resulted in increase in surplus by Rs.9,179.355 million, and forced sale value of revalued assets is Rs.8,372.900 million.



		2025	2024
	Notes	Rupees	
<b>8 LONG TERM LOANS</b>			
Syndicated long term loans - Secured	<b>8.1</b>	-	-
Restructured long term loan - Secured	<b>8.2</b>	<b>2,656,250</b>	7,968,750
		<b>2,656,250</b>	<b>7,968,750</b>
<b>8.1 SYNDICATED LONG TERM LOANS - SECURED</b>			
Syndicated Long Term Loan - Secured	<b>8.1.1, 2&amp;3</b>	<b>393,601,550</b>	398,066,977
Less: Paid during the year		-	(4,465,427)
		<b>393,601,550</b>	<b>393,601,550</b>
Less: Transferred to overdue portion	<b>13</b>	<b>393,601,550</b>	393,601,550
		-	-

**8.1.1** The Compromise Agreement dated December 23, 2011 had been executed between the banks and the company against which consent decrees had been granted by the Honorable High Court of Sindh, Karachi. As per the terms, Company's short term and long term loans had been rescheduled in the form of long term loans of Rs.875.13 million which was to be repaid in six and half years from the date of restructuring with progressive mark up ranging from 6% to 14% over the period on outstanding principal. This loan is secured by way of mortgage charge over immovable properties and hypothecation of movable assets of the company. Moreover banks/financial institution also approved further working capital limit to the Company amounting to Rs. 192.10 million by providing syndicated cash finance against pledge of stocks in proportion to their loan amounts which has been expired on December 31, 2015 and not been renewed. In case of default by the company the entire outstanding mark up as disclosed in the agreement will remain outstanding liability of the company and all amounts in respect of its liabilities shall become payable with immediate effect as disclosed in clause 10.2 of the Compromise Agreement of the company.

**8.1.2** During the year the company has settled the borrowing of the one of the Bank which is part of the compromise decree and discussed in above note and settlement letter Received.

**8.1.3** The company approached its lenders for further restructuring of its liabilities, which is in process. Management is hopeful that such revision will be finalized soon.

		2025	2024
		Rupees	
<b>8.2 RESTRUCTURED LONG TERM LOAN - SECURED</b>			
Restructured long term loan - Secured	<b>8.2.1</b>	<b>13,281,250</b>	16,640,625
Less: Paid during the year		<b>(5,312,500)</b>	(3,359,375)
		<b>7,968,750</b>	<b>13,281,250</b>
Less: Transferred to Current Maturity	<b>13</b>	<b>(5,312,500)</b>	(5,312,500)
		<b>2,656,250</b>	<b>7,968,750</b>

**8.2.1** Suit # 210 filed by M/s Pak Libya Holding was decreed on 23/12/19 by the Banking Court No. IV at Karachi and thereafter M/s Pak Libya Holding preferred an execution application No. 28/2020 at Banking Court No. IV at Karachi and later the same was transferred to Banking Court Lahore. Subsequently both the parties arrived at settlement outside the court vide settlement agreement dated March 21, 2022 for repayment of loan in 20 quarterly installments starting from March 31, 2022.

# DEWAN FAROOQUE SPINNING MILLS LIMITED

## 9 DEFERRED TAXATION

Credit balance arising due to:

- accelerated tax depreciation
- revaluation - Net of related depreciation

Debit balance arising due to

- finance lease transactions
- staff gratuity
- provision and others
- carried over losses

Deferred tax asset not recognized

### 9.1 Movement of deferred tax liabilities

- Balance as at beginning of the year
- Tax charge recognized in statement of profit or loss
- Tax charge recognized in other comprehensive income
- Balance as at end of the year

## 10 DEFERRED LIABILITY FOR STAFF GRATUITY

Opening balance

Provision for the year

Payments during the year

Actuarial gain

### 10.1 Provision for the year

- Current service cost
- Interest cost on defined benefit obligation

### 10.2 Balance sheet liability

Present value of defined benefit obligation

### 10.3 Changes in Net Liability

- Balance sheet liability/(Asset)
- Expense chargeable to P&L
- Remeasurements chargeable in other comprehensive income
- Benefits paid

### 10.4 Significant Actuarial Assumptions

- Discount rate used for interest cost in P&L charge
- Discount rate used for year end obligation
- Salary increase used for year end obligation
- Next salary increased at
- Mortality Rates
- Withdrawal Rates
- Retirement Assumption Age

Notes	2025	2024
	Rupees	
	44,070,478	73,716,934
	598,234,002	232,916,919
	(615,338)	269,425
	(6,373,327)	(8,618,380)
	-	-
	408,856,857	(430,141,277)
	1,044,172,672	(131,856,379)
	(445,938,670)	364,773,298
	598,234,002	232,916,919
	232,916,919	258,129,754
	(25,589,859)	(25,212,835)
	390,906,942	-
	598,234,002	232,916,919
	29,718,553	24,821,967
10.1	13,225,394	13,808,446
	(11,734,555)	(3,444,947)
	(9,232,401)	(5,466,913)
10.2	21,976,991	29,718,553
	10,574,853	10,812,647
	2,650,541	2,995,799
	13,225,394	13,808,446
	21,976,991	29,718,553
	29,718,553	24,821,967
	13,225,394	13,808,446
	(9,232,401)	(5,466,913)
	(11,734,555)	(3,444,947)
	21,976,991	29,718,553
	14.75%	16.25%
	11.75%	14.75%
	N/A	N/A
	July 01, 2025	July 01, 2024
	SLIC 2001 - 2005	SLIC 2001 - 2005
	Setback 1 Year	Setback 1 Year
	Age based	Age based
	60 Years	60 Years



			2025	2024
10.5	Year End Sensitivity Analysis on Defined Benefit Obligation	Notes		Rupees
	Discount Rate + 100 bps		16,250,273	22,824,601
	Discount Rate - 100 bps		16,907,411	23,697,602
	Salary Increase + 100 bps		16,975,962	23,791,489
	Salary Increase - 100 bps		16,178,239	22,726,308
<b>11</b>	<b>TRADE AND OTHER PAYABLES</b>			
	Creditors		224,524,808	222,887,542
	Accrued expenses		256,977,786	255,687,206
	Advance from Customers		68,428,220	68,428,220
	Employees provident fund	11.1	148,238	140,892
	Sales tax payable		456,531	558,380
			<u>550,535,583</u>	<u>547,702,240</u>
11.1	Investments of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.			
<b>12</b>	<b>SHORT TERM BORROWING</b>			
	Short term finances from banks	12.1 & 12.2	75,000,000	75,000,000
	Sponsors loan	12.3	-	337,864,355
	From related party (associated company) - Unsecured	12.4	337,864,219	-
			<u>412,864,219</u>	<u>412,864,355</u>
12.1	The running finance of Rs 30 million obtained from Bank. The facility is secured by way hypothecation charge on the current assets of the company. The markup rate for this facility is 03 Months KIBOR plus 2%.			
12.2	The short term finance of Rs 150 million obtained from Bank. The facility is secured by way hypothecation charge & mortgages against assets of the company. The markup rate for this facility is 03 Months KIBOR plus 3%.			
<b>12.3</b>	<b>SPONSORS LOAN</b>			
	Opening Balance	12.3.1	337,864,355	337,864,355
	Less: Paid during the period		337,864,355	-
			<u>-</u>	<u>337,864,355</u>
12.3.1	This represents unsecured interest free loan for the purpose of working capital requirements and is payable on demand. The interest free and unsecured loan has been provided by sponsor considering financial crunch being faced by the company.			
<b>12.4</b>	<b>From related party (associated company) - Unsecured</b>			
	Non interest bearing	12.4.1	337,864,219	-
			<u>337,864,219</u>	<u>-</u>
12.4.1	This is an unsecured and interest free finance from an associated company and is repayable on demand.			



# DEWAN FAROOQUE SPINNING MILLS LIMITED

		2025	2024
	Notes		Rupees
<b>13 OVERDUE PORTION OF LONG TERM LIABILITIES</b>			
Liabilities against assets subject to finance lease	13.1	29,580,000	29,580,000
Redeemable capital - PPTFCs	13.2	17,500,000	17,500,000
Over due portion of syndicated long term loans	8.1	393,601,550	393,601,550
Current portion of restructured long term loan	8.2	5,312,500	5,312,500
		<b>445,994,050</b>	<b>445,994,050</b>

**13.1** The above represents finance leases for Plant and Machinery of the Company shown under Right of use of Assets, the Company defaulted in repayment of Lease Liability therefore, the Bank filled litigation to recover the remaining amount as disclosed in note 15.2 to the financial Statements

**13.2** This represents remaining amount payable in respect of 14,000 PPTFCs which were not converted into long term loan. Total number of PPTFCs were 130,000 out of which 116,000 were converted into long term loan in accordance with the consent decrees passed by Honorable High Court of Sindh as detailed in notes 8.1.1 & 8.2.1. After obtaining decree one of the Bank restructured its PPTFC Loan as disclosed in note 8.2 to the financial statements and further the Company has settled one of the bank.

## 14 PROVISION FOR TAXATION

Balance at the beginning of the year	5,279,752	6,104,296
Provision made during the year	2,740,607	5,279,752
	<b>8,020,359</b>	<b>11,384,048</b>
Payment / Adjustment during the year	(5,279,752)	(6,104,296)
Adjusted with advance tax	(2,740,607)	(5,279,752)
	<b>-</b>	<b>-</b>

Income tax returns of the company have been filed up to tax year 2024 which are deemed to be assessed u/s 120 of the Income Tax Ordinance 2001.

### 14.1 Relationship between income tax expense and accounting profit

Accounting (loss) as per profit and loss account	(235,920,575)	(402,991,978)
Applicable tax rate	29%	29%
Tax on accounting (loss)	(68,416,967)	(116,867,674)
Tax effect of timing difference on depreciation	30,211,471	31,833,670
Tax effect of expenses / provisions that are not deductible in determining taxable loss charged to profit and loss account	432,343	3,005,415
Effect of Loss carried / (brought) forward	37,773,153	82,028,589
	<b>-</b>	<b>-</b>
Minimum tax payable under Income Tax Ordinance, 2001	2,740,607	5,279,752

**15 CONTINGENCIES AND COMMITMENTS**

- 15.1** In respect of liabilities towards banks / financial institutions disclosed in note 8 to the financial statements, during the year ended 2012, certain lenders have entered into a compromise agreement with the Company for outstanding debt sought by lenders in the suits filed by them and it was agreed that the Company would settle all the liabilities at principle amount of Rs.523.650 million and markup thereon of Rs.208.531 million (eligible for waiver if the Company repays the entire outstanding principal as per term of agreement), consequent to which consent decrees were granted by the Honorable High Court of Sindh, Karachi. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits in Honorable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.
- 15.2** Company has been facing litigation with one of its lenders who had filed suit for recovery of Rs. 37.40 million which is pending in Honorable High Court of Sindh, Karachi. The Company strongly contested the case as bank has filed wrong claim. The management of the Company expects favorable outcome.
- 15.3** The Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance, 2014 to circumvent the earlier decision of Honorable Supreme Court wherein GIDC Act of 2011 was declared unconstitutional and ultra vires. The Government enacted GIDC Act, 2015 which has also been challenged by the Company through writ petition before the Honorable Lahore High Court, which granted the stay against collection of GIDC arrears. Later on in Jul-2020 The Supreme Court of Pakistan has decided the case in favor of SNGPL with directions to recover the arrears under GIDC Act 2015 from the consumers in 24 equal installments from the applicability of GIDC Act 2015 onwards. Further Company has also filed writ petition before the Honorable Lahore High Court for suspension of the bills issued for collection of GIDC Arrears by applying the Captive Power GIDC Rate or without excluding the GIDC amount not collected as required under GIDC Act 2015, stay for the same has been granted by Lahore High Court. In accordance with the stay order granted provision amounting to Rs.12.308 million has been made in financial statements June 30, 2020 against subjected liability and Paid. Furthermore, the SNGPL on the bill shown Charges in respect of Late Payment surcharge, GIDC and Rate Diffrence as on June 30, 2025 amounting to Rs. 336.683 million which company feel unjustified and stay has been taken in this regard. as disclosed in note 15.4
- 15.4** The company alongwith other textile mills has filed writ petition in Honorable Lahore High Court against Sui Northern Gas Pipelines Limited (SNGPL) and others against purported gas charges. The Honorable court has granted stay against said gas charges and company expects favorable outcome hence no provision has been made in these financial statements.
- 15.5** There are no commitments as of balance sheet date which need to be disclosed in the financial statements.

**16 PROPERTY, PLANT AND EQUIPMENT**

	Notes	2025 Rupees	2024
Operating fixed assets	16.1	2,920,320,860	3,050,959,357
Capital work in progress		70,880,000	-
		<u>2,991,200,860</u>	<u>3,050,959,357</u>



## 16.1 Operating Fixed Assets

The following is a statement of operating fixed assets:

	2025										Right of Assets use	Intangible Assets	Total
	Owned												
	Freehold Land	Factory Building	Non Factory Building	Plant & Machinery	Electric Installation	Furniture & Fixtures	Vehicles	Computer Equipment	Office Equipment				
Cost / Revalued Amount													
Cost As at 01 July 2024	1,682,000,000	372,853,584	168,850,967	2,742,066,969	65,076,005	8,795,459	31,120,567	6,334,406	1,211,944	200,449,275	3,000,000	5,281,759,176	
Addition/ Transfer from CWIP	-	-	-	74,543,900	-	-	-	288,000	-	-	-	74,831,900	
Transfers/ Deletion	-	-	-	(559,757,673)	-	-	-	-	-	-	-	(559,757,673)	
Surplus on Revaluation	7,831,400,000	620,007,580	225,219,977	502,727,415	-	-	-	-	-	-	-	9,179,354,971	
As at June 30, 2025	9,513,400,000	992,861,164	394,070,944	2,759,580,611	65,076,005	8,795,459	31,120,567	6,622,406	1,211,944	200,449,275	3,000,000	13,976,188,374	
Accumulated Depreciation													
As at 01 July 2024	-	236,180,671	74,301,256	1,774,209,286	61,213,268	7,520,407	28,102,216	6,036,958	934,029	169,940,225	3,000,000	2,361,438,316	
Charge for the year	-	18,933,109	5,683,899	102,067,731.00	579,411	127,505	603,670	132,434	27,792	3,050,905	-	131,206,456	
Adjustments	-	-	-	(491,505,846)	-	-	-	-	-	-	-	(491,505,846)	
As at June 30, 2025	-	255,113,780	79,985,155	1,384,771,171	61,792,679	7,647,912	28,705,886	6,169,392	961,821	172,991,130	3,000,000	2,001,138,926	
Net book value													
As at June 30, 2025	9,513,400,000	737,747,384	314,085,789	1,374,809,440	3,283,326	1,147,547	2,414,681	453,014	250,123	27,458,145	-	11,975,049,448	
Depreciation rate % per annum	-	10	5	10	15	10	20	30	10	10	25		
	2024										Right of Assets use	Intangible Assets	Total
	Owned												
	Freehold Land	Factory Building	Non Factory Building	Plant & Machinery	Electric Installation	Furniture & Fixtures	Vehicles	Computer Equipment	Office Equipment				
Cost / Revalued Amount													
Cost As at 01 July 2023	1,682,000,000	372,853,584	168,850,967	2,740,029,789	65,076,005	8,795,459	31,120,567	6,247,906	1,211,944	200,449,275	3,000,000	5,279,635,496	
Addition/ Transfer from CWIP	-	-	-	2,037,180	-	-	-	86,500	-	-	-	2,123,680	
Transfers/ Deletion	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus on Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	
As at June 30, 2024	1,682,000,000	372,853,584	168,850,967	2,742,066,969	65,076,005	8,795,459	31,120,567	6,334,406	1,211,944	200,449,275	3,000,000	5,281,759,176	
Accumulated Depreciation													
As at 01 July 2023	-	220,994,792	69,324,955	1,666,707,659	60,531,609	7,378,734	27,347,628	5,937,283	903,149	166,550,330	3,000,000	2,228,676,139	
Charge for the year	-	15,185,879	4,976,301	107,501,627	681,659	141,673	754,588	99,675	30,880	3,389,895	-	132,762,177	
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
As at June 30, 2024	-	236,180,671	74,301,256	1,774,209,286	61,213,268	7,520,407	28,102,216	6,036,958	934,029	169,940,225	3,000,000	2,361,438,316	
Net book value													
As at June 30, 2024	1,682,000,000	136,672,913	94,549,711	967,857,683	3,862,737	1,275,052	3,018,351	297,448	277,915	30,509,050	-	2,920,320,860	
Depreciation rate % per annum	-	10	5	10	15	10	20	30	10	10	25		

**16.2** Had there been no revaluation the related figures of land, building and plant & machinery at Jun 30 would have been as follows:

	Notes	2025	2024
		Rupees	
Free hold land		88,108,490	88,108,490
Factory building on free hold land		68,484,661	76,146,334
Non factory building		52,461,036	55,230,185
Plant and machinery		242,821,046	264,542,000
		<b>451,875,232</b>	<b>484,027,009</b>

## 16.3 Allocation of Depreciation

Depreciation / amortization for the year has been allocated as follows :

Cost of goods manufactured	130,027,203	131,568,941
Administrative expenses	1,179,253	1,193,236
	<b>131,206,456</b>	<b>132,762,177</b>



**16.4** The company's freehold land is located in 54-Km, Multan Road, Phool Nagar By Pass District Kasur, Punjab, area of land is 73.18 Acres.

	Notes	2025	2024
			Rupees
<b>16.5 Capital Work in progress- Plant and Machinery</b>		-	70,880,000
		-	70,880,000
<b>Capital Work in progress - movement</b>			
Opening		70,880,000	-
Additions during the year		3,663,900	70,880,000
Less: Capitalized during the year		(74,543,900)	-
		-	70,880,000

**16.6** During the year, the Company undertook modernization efforts, replacing outdated machinery with high-speed technology. This upgrade is expected to drive significant operational improvements, enhancing cost effectiveness and overall competitiveness.

## **17 LONG TERM DEPOSITS**

Sui Northern Gas Pipelines	45,540,516	36,057,516
Lahore Electric Supply Corporation	2,730,000	2,730,000
	48,270,516	38,787,516

## **18 STORES & SPARES**

Packing material	2,697,771	3,710,320
Stores & spares	22,164,167	21,617,836
	24,861,938	25,328,156

## **19 STOCK IN TRADE**

Raw material	15,516,540	15,516,540
Work-in-process	-	-
Stock in Transit	-	-
Yarn	-	-
	15,516,540	15,516,540

## **20 TRADE DEBTORS - UNSECURED**

Trade debts - local		
- considered good	889,251	33,111,105
- considered doubtful	13,503,343	30,811,486
	14,392,594	63,922,591
Provision for doubtful debts	(13,503,343)	(30,811,486)
	889,251	33,111,105

### **20.1 Provision for doubtful debts**

Opening balance	30,811,486	101,240,486
Provision during the year	-	-
Doubtful debts recovered during the year	(17,308,143)	(70,429,000)
	13,503,343	30,811,486

### **20.2 The aging of debtors at the reporting date:**

Up to one month	-	-
1 to 6 months	889,251	37,198,344
More than 6 months	-	(4,087,239)
	889,251	33,111,105

# DEWAN FAROOQUE SPINNING MILLS LIMITED

	Notes	2025	2024
		Rupees	
<b>21 LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD</b>			
Advances to suppliers of goods & services		7,379,556	5,379,556
Advances to employees	21.1	3,562,997	5,033,472
Others		192,655	192,655
Provision for doubtful advances		(5,230,780)	(5,230,780)
		<u>5,904,428</u>	<u>5,374,903</u>
<b>21.1</b>	Advance to employees includes Rs. 2.900 million (2024: Rs. 4.700) due from the executive of the company.		
<b>22 TRADE DEPOSITS AND OTHER RECEIVABLES - CONSIDERED GOOD</b>			
Trade deposits		-	325,846
Sales tax receivable		36,529,801	49,221,831
		<u>36,529,801</u>	<u>49,547,677</u>
<b>23 CASH AND BANK BALANCES</b>			
In hand - Cash		1,778,440	2,153,880
At banks - Current accounts		1,760,043	12,060,435
At banks - Saving account		1,451,892	1,451,884
		<u>4,990,375</u>	<u>15,666,199</u>
<b>24 SALES / REVENUE - NET</b>			
Spinning charges		258,713,337	526,728,548
Sales Tax		(39,464,746)	(80,348,423)
		<u>219,248,591</u>	<u>446,380,125</u>
<b>25 COST OF SALES / REVENUE</b>			
Opening stock of finished goods		-	-
Cost of goods manufactured	25.1	458,929,085	887,457,918
		<u>458,929,085</u>	<u>887,457,918</u>
Less: closing stock of finished goods		-	-
		<u>458,929,085</u>	<u>887,457,918</u>
<b>25.1 Cost of goods manufactured</b>			
Raw material consumed / sold		-	-
Stores and spares consumed		15,040,255	38,651,713
Packing material consumed		16,274,320	19,143,667
Salaries, wages & other benefits	25.1.1	90,457,922	161,926,922
Insurance		3,677,186	3,575,663
Repair & maintenance		973,587	1,413,512
Fuel & power		198,067,330	525,436,786
Vehicle running & maintenance		2,437,782	3,151,815
Communication		707,547	773,698
Rent, rates & taxes		996,222	1,141,194
Entertainment		181,481	389,584
Travelling & conveyance		55,250	97,715
Other manufacturing expenses		33,000	186,708
Depreciation	16.3	130,027,203	131,568,941
		<u>458,929,085</u>	<u>887,457,918</u>
Work-in-process - Opening		-	-
Work-in-process - Closing		-	-
Cost of Goods Manufactured		<u>458,929,085</u>	<u>887,457,918</u>



	Notes	2025 Rupees	2024
<b>25.1.1</b>	Opening Stock	-	-
	Add: Purchases inclusive of direct expenses	15,516,540	15,516,540
		<u>15,516,540</u>	<u>15,516,540</u>
	Less: Closing Stock	15,516,540	15,516,540
		<u>-</u>	<u>-</u>
<b>25.1.2</b>	Salaries and benefits include Rs. 13.225 million (2024: Rs. 13.808 million) in respect of post employment benefits.		
<b>26 ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	26.1	17,144,264	20,066,718
Travelling & conveyance		38,750	149,766
Printing & stationery		586,741	692,488
Legal & professional		50,000	1,730,000
Auditor's remuneration	26.2	850,000	850,000
Vehicle running expenses		556,638	1,161,364
Communication		248,860	147,293
Fees & subscription		2,117,157	1,878,901
Rent, rates & taxes		739,069	693,156
Donations	26.3	-	15,000
Depreciation / Amortization	16.3	1,179,253	1,193,236
Miscellaneous expenses		250,573	472,443
Other expenses		629,676	618,653
		<u>24,390,981</u>	<u>29,669,018</u>
<b>26.1</b>	Salaries and benefits include Rs.0.442 million (2024: Rs.0.448 million) in respect of post employment benefits.		
<b>26.2</b>	Audit Fee	650,000	650,000
	Half yearly review	125,000	125,000
	Code of Corporate Governance	50,000	50,000
	Out of pocket	25,000	25,000
		<u>850,000</u>	<u>850,000</u>
<b>26.3</b>	(i) None of the directors had any interest in the donee's fund. (ii) Donation Rs. Nil million (2024: Rs.0.015)		
<b>27 SELLING AND DISTRIBUTION EXPENSES</b>			
Salaries and benefits	27.1	8,225,065	8,388,515
Travelling & conveyance		223,130	896,591
Vehicle running expenses		1,421,184	2,353,528
Communication		199,174	187,665
		<u>10,068,553</u>	<u>11,826,299</u>
<b>27.1</b>	Salaries and benefits include Rs.0.474 million (2024: Rs.0.494 million) in respect of post employment benefits.		

# DEWAN FAROOQUE SPINNING MILLS LIMITED

	Notes	2025	2024
		Rupees	
<b>28 OTHER INCOME</b>			
Reversal of provision for doubtful debts		17,308,143	70,429,000
Reversal of provision for doubtful advances		-	9,419,600
Gain on disposal of fixed assets		21,045,673	-
Profit on Saving accounts		9	18
		<u>38,353,825</u>	<u>79,848,618</u>
<b>29 FINANCE COST</b>			
Bank & other charges		134,372	267,486
		<u>134,372</u>	<u>267,486</u>

**29.1** The Company has not made the provision of markup for the year amounting to Rs. 70.991 million on all of its lenders which filed the Execution on the Company from June 30, 2025 upto the last year the company not provided the mark up in respect of borrowings of certain banks who have not yet accepted the restructuring proposal till June 30, 2025 amounting to Rs. 243.499 million. The management of the Company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the year would have been higher by Rs. 70.991 million and accrued markup would have been higher and shareholders' equity would have been lower by Rs.314.490 million.

<b>30 LEVIES</b>			
Minimum tax		<u>2,740,607</u>	<u>5,279,752</u>
<b>31 TAXATION-NET</b>			
- for Current tax		-	-
- for Prior years tax		(230,253)	-
		<u>(230,253)</u>	<u>-</u>
Deferred tax		25,589,859	25,212,835
		<u>25,359,606</u>	<u>25,212,835</u>
<b>32 (LOSS) PER SHARE - Basic and diluted</b>			
(Loss) after taxation		(213,301,576)	(383,058,895)
Weighted average number of ordinary shares		97,750,726	97,750,726
(Loss) per share - Basic and diluted		(2.18)	(3.92)

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.

<b>33 CASH AND CASH EQUIVALENTS</b>			
Cash and Bank balances		<u>4,990,375</u>	<u>15,666,199</u>
		<u>4,990,375</u>	<u>15,666,199</u>

## 34 REMUNERATION OF DIRECTORS & EXECUTIVES

	2025			2024		
	CHIEF EXECUTIVE	DIRECTOR	EXECUTIVES	CHIEF EXECUTIVE	DIRECTOR	EXECUTIVES
Managerial remuneration	-	-	14,324,870	-	-	12,996,279
Staff retirement gratuity	-	-	889,425	-	-	647,438
Provident fund	-	-	715,810	-	-	666,734
House rent allowance	-	-	3,175,308	-	-	2,999,141
Utilities allowance	-	-	1,763,061	-	-	1,599,542
Conveyance	-	-	440,765	-	-	406,826
Others	-	-	729,022	-	-	678,315
	-	-	<u>22,038,261</u>	-	-	<u>19,994,275</u>
Number of persons	-	-	<u>7</u>	-	-	<u>6</u>

Executives are also provided with Company maintained car.

**35 TRANSACTIONS WITH RELATED PARTIES**

Related parties include associated group companies, directors, executives and key management personnel. The remuneration paid to executives has been mentioned in Note 34. During the year aggregate transactions undertaken by the company with the related parties contribution of provident fund amounting to Rs.1.832 million (2024: Rs. 1.748 million), loan from associated company amounting to Rs. 337.864 million (2024: Rs. Nil) and payment of sponsor loan amounting to Rs. 337.864 million (2024: Rs. Nil).

**Name of related party/associate company**  
Dewan Motors (Private) Limited  
Sponsor Loan

**Nature of relationship**  
Shareholding and Common Directorship  
Sponsor of the Company

**36 PLANT CAPACITY AND PRODUCTION**

Installed capacity (Kgs)	5,960,265	11,130,330
Actual production (Kgs)	2,287,717	5,374,539
Total number of spindles installed	-	28,800
Total number of rotors installed	1,524	-
No.of rotors/spindles worked during the period	584.95	18,709
Number of shifts worked per day	3	3
No of days worker	140	196

**36.1** It is difficult to describe precisely the production capacity in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist per inch, raw material used, etc. It also varies according to the pattern of production adopted in a particular year. The production of the Company represent manufacturing of yarn on contract basis.

**36.2** The current year's production capacity is not comparable to the previous year due to the replacement of old technology machines with new machines. The last year's capacity was based on fine count yarn production, whereas the current year's capacity is calculated on coarse count yarn. this upgrade is expected to drive operational efficiencies and improve overall performance. Additionally, the shortfall in production during the year is attributable to the erection and commissioning of modern machinery at the plant

**37 NUMBER OF EMPLOYEES**

Total number of employees as at end of the year	134	220
Average number of employees during the year	148	185

**38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****38.1 Financial risk management Overview**

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

**38.2 Credit risk**

The maximum exposure to credit risk at the reporting date is:

	2025	2024
	<b>Rupees</b>	
Trade Debts - Considered Good	889,251	33,111,105
Loans and Advances - Unsecured - Considered Good	3,755,652	5,226,127
Trade deposits & other receivable - Considered Good.	-	325,846
Cash and bank balances	4,990,375	15,666,199
	<u>9,635,278</u>	<u>54,329,277</u>

Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts due to subsequent recoveries and for the rest of the receivables management believes that the same will be recovered / adjusted in short course of time. The credit quality of the company's receivable can be measured with their past performance of no default. The dealing banks possess good credit ratings.

### 38.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

The company is exposed to liquidity risk in respect of non current interest bearing liabilities, short term borrowings, trade and other payable and mark-up accrued.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

2025					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward
Financial liabilities	Rupees				
Long term loan	445,994,050	687,888,167	679,919,417	5,312,500	2,656,250
Trade and other payables	550,535,583	550,535,583	550,535,583	-	-
Short term Borrowings	412,864,219	450,750,011	450,750,011	-	-
Mark-up payable	390,303,597	390,303,597	390,303,597	-	-
	<b>1,799,697,449</b>	<b>2,079,477,358</b>	<b>2,071,508,608</b>	<b>5,312,500</b>	<b>2,656,250</b>

2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward
Financial liabilities	Rupees				
Long term loan	445,994,050	697,571,978	684,240,728	5,312,500	7,968,750
Trade and other payables	547,702,240	547,702,240	547,702,240	-	-
Short term Borrowings	412,864,355	445,593,877	445,593,877	-	-
Mark-up payable	390,303,597	390,303,597	390,303,597	-	-
	<b>1,796,864,242</b>	<b>2,081,121,692</b>	<b>2,067,840,442</b>	<b>5,312,500</b>	<b>7,968,750</b>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30, 2025. The rates of markup have been disclosed in relevant notes to the financial statements.

### 38.4 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market prices or the market prices due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

### 38.5 Currency risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on foreign currency assets and liabilities.

### 38.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates, majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing accounts with banks. At the balance sheet date the interest rate profile of the company's interest-bearing financial instruments are:





**2025                      2024**  
**Carrying amounts**

Fixed rate instruments	-	-
Variable rate instruments	<b>523,650,300</b>	533,428,227
<b>Financial liabilities</b>	<b><u>523,650,300</u></b>	<b><u>533,428,227</u></b>

**38.7 Risk management policies**

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

**38.8 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and short term borrowings' as shown in the balance sheet). Total capital comprises shareholders' equity as shown in the balance sheet under 'share capital and reserves'.

Total borrowings	<b>523,650,300</b>	533,428,227
Less cash and bank balances	<b>4,990,375</b>	15,666,199
Net debt	<b><u>518,659,925</u></b>	<u>517,762,028</u>
Total equity	<b>9,731,105,901</b>	1,146,727,046
Total capital	<b><u>10,249,765,826</u></b>	<b><u>1,664,489,074</u></b>
Gearing ratio	<b>0.05</b>	0.31

**38.9 Fair value of financial instruments**

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values.

**39 DATE OF AUTHORIZATION**

These financial statements have been authorized for issue on September 29, 2025 by the Board of Directors of the company.

**40 GENERAL**

**40.1** Comparative figures has been rearranged and re-classified wherever necessary for the purpose of better presentation and comparison.

**40.2** Figures have been rounded off to the nearest rupees.

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

**Muhammad Irfan Ali**  
Chief Financial Officer

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

## PATTERN OF SHAREHOLDING UNDER REGULATION 37(XX)(I) OF THE CODE OF CORPORATE GOVERNANCE

AS AT JUNE 30, 2025

Categories	Number of Shareholders	Number of Shares held	Percentage of Shareholding
<b>Directors, CEO, their Spouses &amp; Minor Children</b>			
Mr. Abdul Basit	1	500	0.00%
Mr. Aziz ul Haque	1	500	0.00%
Mr. Ghazanfar Baber Siddiqui	1	500	0.00%
Mr. Syed Maqbool Ali	1	500	0.00%
Mrs. Nida Jamil	1	500	0.00%
Mr. Mehmood-ul-Hassan Asghar	1	500	0.00%
Mr. Muhammad Hanif German (Nominee Director of DMPL)	-	-	0.00%
<b>Associated Companies</b>			
Dewan Motors (Pvt.) Limited	1	37,750,726	38.62%
<b>NIT and ICP</b>	-	-	0.00%
<b>Executives</b>	-	-	0.00%
<b>Banks, Development Financial Institutions, Non-Banking Finance Companies</b>	-	-	0.00%
<b>Insurance Companies</b>	-	-	0.00%
<b>Modarabas and Mutual Funds</b>	-	-	0.00%
<b>General Public</b>			
a. Local	2,152	58,982,476	60.34%
b. Foreign	1	100	0.00%
<b>Others (Joint Stock Companies, Brokrage Houses, Employees Funds &amp; Trustees)</b>	17	1,014,424	1.04%
<b>TOTAL</b>	<b>2,177</b>	<b>97,750,726</b>	<b>100.00%</b>

### SHAREHOLDERS HOLDING FIVE PERCENT OT MORE VOTING RIGHTS

NAME OF SHAREHOLDER	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Dewan Motors (Pvt.) Limited	1	37,750,726	38.62%
Dewan Zia-ur-Rehman Farooqui	2	8,622,727	8.82%
Dewan Muhammad Yousuf Farooqui	2	7,052,951	7.22%
Imran	1	8,028,990	8.21%

### DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.



## PATTERN OF SHAREHOLDING AS ON 30TH JUNE 2025

Number of Shareholders	Shareholding Slab		Total Shares Held	Percentage
	From	To		
233	1	100	5,612	0.01%
771	101	500	368,501	0.38%
254	501	1,000	243,431	0.25%
434	1,001	5,000	1,281,604	1.31%
160	5,001	10,000	1,352,708	1.38%
105	10,001	20,000	1,684,845	1.72%
64	20,001	30,000	1,649,131	1.69%
24	30,001	40,000	893,649	0.91%
32	40,001	50,000	1,538,472	1.57%
3	50,001	60,000	179,969	0.18%
7	60,001	70,000	463,596	0.47%
5	70,001	80,000	372,210	0.38%
4	80,001	90,000	343,010	0.35%
24	90,001	100,000	2,377,336	2.43%
18	100,001	150,000	2,305,831	2.36%
9	150,001	200,000	1,677,960	1.72%
9	200,001	250,000	1,997,772	2.04%
2	250,001	300,000	546,819	0.56%
1	300,001	350,000	325,000	0.33%
3	350,001	400,000	1,142,422	1.17%
2	400,001	500,000	1,000,000	1.02%
1	500,001	600,000	572,727	0.59%
4	600,001	1,100,000	4,200,000	4.30%
1	1,100,001	2,500,000	2,200,000	2.25%
1	2,500,001	3,500,000	3,500,000	3.58%
1	3,500,001	4,000,000	3,552,951	3.63%
2	4,000,001	4,100,000	8,145,454	8.33%
2	4,100,001	8,100,000	16,078,990	16.45%
1	8,100,001	38,000,000	37,750,726	38.62%
<b>2177</b>	<b>TOTAL</b>		<b>97,750,726</b>	<b>100.00%</b>

یہ کمیٹی تین ممبران پر مشتمل ہے، دوران سال ہیومن ریسورس اور اجرتی کمیٹی کی ایک میٹنگ منعقد کی گئی تھی جس میں درج ذیل نے شرکت کی:

میٹنگ میں شرکت کنندہ کی تعداد

نام:

1

جناب عزیز الحق۔ چیئر مین

1

سید مقبول علی

1

جناب محمود الحسن اصغر

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (2.18) (2024: مبلغ (3.92)) فی شیئر خسارہ پایا گیا۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں انہوں نے دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ کی آڈٹ کمیٹی کی سفارشات کی بنیاد پر مجوزہ میسرز فیروز شریف طارق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز کی ہے۔

شیئر ہولڈنگ کا پیٹرن:

کمپنیز ایکٹ 2017ء کے تحت لسٹنگ ریگولیشن، کوڈ آف کارپوریٹ گورننس کے تحت مقررہ شیئر ہولڈنگ کی معلومات مرتب کی گئی ہیں جو کہ اس رپورٹ کے ساتھ منسلک ہیں۔

اہم آپریٹنگ اور مالیاتی تفصیل:

چھ سالہ اہم آپریٹنگ اور مالیاتی تفصیل منسلک ہے۔

بعد از واقعات:

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلیاں نہیں کی گئیں۔

اظہار تشکر اور نتیجہ:

بورڈ کی جانب سے میں تمام ایگزیکٹو، اسٹاف ممبران اور ورکرز کا کمپنی کیلئے ان کی بہترین خدمات پر شکریہ ادا کرتا ہوں۔

نتیجہ کے حوالے سے میں اللہ تعالیٰ جل جلالہ سے دعا کرتا ہوں کہ 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 امت کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین منہ آمین۔

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

بورڈ آف ڈائریکٹرز کی جانب سے



سید مقبول علی

چیف ایگزیکٹو آفیسر ڈائریکٹرز



محمود الحسن اصغر

چیئر مین بورڈ آف ڈائریکٹرز

کراچی؛

مورخہ: 29 ستمبر 2025ء

**YD****A YOUSUF DEWAN COMPANY****30 جون 2025 تک بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل تھے:**

ڈائریکٹرز	ممبرز
☆ مرد	6
☆ عورت	1
تفصیل	ممبرز
☆ آزاد ڈائریکٹر	1
☆ دیگر غیر ایگزیکٹو ڈائریکٹرز	5
☆ ایگزیکٹو ڈائریکٹرز	1

اس سال کے دوران بورڈ کی چار میٹنگوں کا انعقاد ہوا جس میں شرکت کرنے والے ڈائریکٹرز کی تفصیل درج ذیل ہے:

نام: میٹنگ میں شرکت کنندہ کی تعداد

4	جناب عزیز الحق
4	جناب غففر بابر صدیقی
4	جناب عبدالباسط
4	سید مقبول علی
4	جناب محمود الحسن اصغر
4	جناب محمد حنیف بزمین
4	محترمہ ندا جمیل

وہ ڈائریکٹرز جو میٹنگ میں شرکت نہیں کر سکے ان ڈائریکٹرز کو غیر حاضری پر چھٹی عنایت کر دی گئی تھی۔

**آڈٹ کمیٹی:**

بورڈ نے اپنے ڈائریکٹرز کو کارپوریٹ گورننس، مالیاتی رپورٹنگ اور کارپوریٹ کنٹرول کیلئے ان کی ذمہ داریوں کی تکمیل میں تعاون کیلئے آڈٹ کمیٹی تشکیل دی تھی۔ یہ کمیٹی تین ممبران پر مشتمل ہے، ممبران کی اکثریت بشمول کمیٹی کے چیئرمین اور غیر ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔

سال کے دوران آڈٹ کمیٹی کی چار میٹنگوں کا انعقاد کیا گیا تھا جس میں درج ذیل نے شرکت کی تھی:

نام: میٹنگ میں شرکت کنندہ کی تعداد

4	جناب عزیز الحق - چیئرمین
4	عبدالباسط
4	جناب غففر بابر صدیقی

**ہیومن ریسورس اور اجرتی کمیٹی:**

ہیومن ریسورس اور اجرتی کمیٹی کی تشکیل بورڈ نے کی تھی تاکہ ہیومن ریسورس کی پالیسیوں پر مبنی جاذبہ جاذبے سے متعلق ان کی ذمہ داریوں میں تعاون فراہم کر سکیں۔ اس کے علاوہ انتخاب، تنجینہ، معاوضہ اور انتظامیہ کی اہم کامیابی کی منصوبہ بندی بورڈ کے ساتھ تعاون کر سکے۔

### صحت، حفاظت اور ماحول:

کمپنی کی انتظامیہ اپنی ذمہ داری سے آگاہ ہے جس کے تحت ہمارے متعلقین کو محفوظ اور صحت مندانہ ماحول فراہم کرنا ہے۔ ہماری حفاظتی ثقافت کا مقصد یہ ہے کہ ہر طرح کے مسائل سے محفوظ رہا جائے۔ ملازمین کیلئے محفوظ، صحت مندانہ اور پرسکون کام کے حالات پیدا کرنے کیلئے مستقل جدوجہد کرتے ہیں۔ ہم تمام تر حادثات وغیرہ کی صورت میں مکمل تفتیش کرتے ہیں اور اس کا سبب معلوم کرتے ہیں۔ ہمیں یقین ہے کہ تحفظ اور صحت مندانہ عمل بہتری کیلئے مستقل اصلاح کا راستہ ہے۔ ہم اپنے اور اپنے متعلقین کیلئے مستقل بنیاد پر تحفظ اور صحت مندانہ امور کی اصلاح کیلئے اقدامات کرتے رہتے ہیں۔

### انسانی ذرائع (ہیومن ریسورس):

کمپنی کی انتظامیہ اس بات پر واضح یقین رکھتی ہے کہ بہترین پیداواری صلاحیت کیلئے انسانی ذرائع اور مستحکم قیادت بے حد اہم ہے۔ لہذا کمپنی کی انتظامیہ انسانی ذرائع کے استعمال کو بے حد اہمیت دیتی ہے، اس سلسلے میں ملازمین کیلئے مناسب تربیت، ہدایات اور مراعاتی اسکیمیں فراہم کرتے ہیں۔

### جدید رہ پے گیپ:

ایس ای سی پی ڈسکوز کی ہدایت کے مطابق کمپنی باقاعدگی سے داخلی تجزیہ کرتی ہے تاکہ یہ جانچا جاسکے کہ مختلف کیڈرز، درجات اور مسائل عہدوں پر مرد و خواتین کی اجرت میں برابری موجود ہے یا نہیں، اور جہاں ضرورت ہو، اجرت میں مناسب تبدیلیاں کی جاتی ہیں تاکہ خواتین کو اسی کیڈرز میں کام کرنے والے مردوں کے برابر اوسط اجرت دی جائے۔ اس حوالے سے، کمپنی کا ماننا ہے کہ مماثل کیڈرز اور درجات پر مرد و خواتین کے درمیان اجرت میں کوئی قابل ذکر فرق موجود نہیں ہے۔ فی الحال کمپنی اپنے محدود عملے کے ساتھ خواتین کے بغیر محدود آپریشن چلا رہی ہے ضروری تقابلی انکشافات کمپنی کے مکمل آپریشن شروع ہونے پر دیے جائیں گے۔

### کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

آپ کی کمپنی بہتر کارپوریٹ گورننس کیلئے پرعزم ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے سلسلے میں اپنی ذمہ داری بخوبی سمجھتا ہے اور ڈائریکٹرز اس بات کی تصدیق کرتے ہیں:

- ۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ۲۔ کھاتے مناسب طریقہ سے مرتب کئے جاتے ہیں۔
- ۳۔ اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
- ۴۔ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات جیسے پاکستان میں نافذ العمل ہیں، اور باقاعدہ طور پر اس کا لحاظ رکھا جاتا ہے۔
- ۵۔ اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ۶۔ کارپوریٹ گورننس پر عملدرآمد کے حوالے سے کوئی بھی انحراف نہیں کیا گیا سوائے ان کے جن کا ذکر آڈیٹرز کی جائزہ رپورٹ میں ہے۔
- ۷۔ کمپنی نے اپنے بورڈ کے غیر ایگزیکٹو ممبران میں سے ایک آڈٹ کمیٹی تشکیل دی ہے۔
- ۸۔ بورڈ نے اپنے ممبران اور کمپنی کے ملازمین میں سے اسٹیٹمنٹ برائے اصول اور کاروباری عمل کیلئے مرتب کر کے جاری کیا ہے۔
- ۹۔ آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں ماسوائے وہ جس کا انکشاف مالیاتی حسابات میں کیا گیا ہے۔
- ۱۰۔ منیسجر، ڈیوٹیز اور دیگر چارجز سے متعلق معلومات مالیاتی گوشواروں میں دی گئی ہیں۔
- ۱۱۔ کوڈ آف کارپوریٹ گورننس کے حوالے سے مندرجہ ذیل معلومات منسلک ہیں:

(۱) شیئر ہولڈنگ کا پیٹرن

(۲) متعلقین اور دیگر افراد کے شیئرز

### بورڈ:

بورڈ آف ڈائریکٹرز متنوع علم کے حامل افراد اور ماہرین پر مشتمل ہے جو کہ اپنی بہترین مہارت کے تحت کمپنی کے مقاصد پر عملدرآمد کرتے ہیں۔

**YD**

A YOUSUF DEWAN COMPANY

30 جون 2025 کو ختم ہونے والے سال کے دوران کمپنی کی خالص آمدنی 219.249 ملین روپے رہی، جو گزشتہ سال 446.380 ملین روپے تھی۔ کمپنی کو 239.680 ملین روپے کا مجموعی خسارہ ہوا، جو گزشتہ سال کے 441.078 ملین روپے کے مقابلے میں کم ہے، جبکہ کمپنی کے عملی اخراجات 34.460 ملین روپے رہے، جو گزشتہ سال کے 41.495 ملین روپے کے مقابلے میں کم ہیں۔ اس سال کمپنی نے پرانی رنگ اسپننگ مشینز کو آؤٹورڈ اسپننگ سے تبدیل کیا، جس کا مقصد پیداوار کی کارکردگی، لاگت میں مسابقت اور پیداواری صلاحیت میں اضافہ کرنا ہے۔ آؤٹورڈ مشینز سے آپریشنل فوائد کی توقع ہے، جس سے رنگ اسپننگ کے مقابلے میں کم لاگت میں پیداوار میں بہتری آئے گی۔ آپ کی کمپنی نے مارکیٹ میں مضبوط پوزیشن بنانے، ترقی اور استحکام کو فروغ دینے کے لیے تیز رفتار خود کار مشینوں میں مزید اضافہ کا منصوبہ بنایا ہے۔ کام کرنے کے لیے ضروری سرمایہ کی کمی کے باعث، کمپنی نے یارن کی پیداوار معاہدے کی بنیاد پر جاری رکھی تاکہ کمپنی کی کارکردگی برقرار رہے۔

مالی سال 2012 میں، کمپنی نے اپنے قرض دہندگان کے ساتھ ایک مفابہتی معاہدے کے ذریعے تصفیہ کیا، جس کے خلاف سندھ ہائی کورٹ کراچی نے رضامندی کے فیصلے جاری کیے تھے۔ کمپنی کے قلیل مدتی اور طویل مدتی قرضے طویل مدتی قرضوں کی شکل میں از سر نو شیڈول کیے گئے، تاہم کچھ قرض دہندگان، جن کے مقدمات کی مالیت 37.405 ملین روپے تھی، اس وقت دوبارہ ساختی جوہر کو قبول نہیں کیا۔ مفابہتی معاہدے کے مطابق دوبارہ ساخت شدہ ذمہ داریوں کی ادائیگی میں تاخیر کے نتیجے میں، قرض دہندگان نے رضامندی کے فیصلوں کے نفاذ کے لیے درخواست دائر کی۔ کمپنی نے سندھ ہائی کورٹ کراچی میں مقدمات دائر کیے اور موقف اختیار کیا کہ نفاذ کی درخواست غیر منصفانہ اور قانون کے خلاف ہے۔ کمپنی کی انتظامیہ اس سے مثبت نتیجہ نکلنے کی توقع رکھتی ہے۔ کمپنی کے آڈیٹرز نے اپنی رپورٹ میں وضاحت کے ساتھ تنظیم کو ذمہ داریوں کی منطوق کی ادائیگی اور مارک اپ کی عدم فراہمی میں ڈیفالٹ پر اپنی ماہرانہ رائے کا اظہار کیا ہے۔ انہوں نے اپنی رپورٹ میں اہم غیر اگراف کے معاملات کو بھی شامل کیا ہے تاکہ آنے والے وقتوں میں کمپنی کی قابلیت کے بارے میں شکوک و شبہات نہ ہوں۔

کمپنی نے اپنے قرضہ جات کو بلا سود دوبارہ مرتب کرنے کے لئے اپنے قرض خواہوں سے رابطہ کیا ہے جو کہ زیر غور ہے۔ انتظامیہ یہ امید ہے کہ جلد از جلد اسے مکمل کر دیا جائے گا اس کے علاوہ دوبارہ ترتیب کردہ تاریخ تک مبلغ 208.531 ملین روپے واجب الادا سود پر لازم ہو گئے اور کمپنی معاہدہ کی شرائط میں کوتاہی کی صورت میں یہ ادائیگی کرنے کی ذمہ دار ہوگی۔ چونکہ دوبارہ ترتیب کا عمل زیر غور ہے لہذا انتظامیہ کو یقین ہے کہ یہ رقم واجب الادا نہیں ہوگی۔ اسی لئے ان مالیاتی حسابات میں مذکور سود کو ریکارڈ نہیں کیا گیا ہے۔

جو شرائط آڈیٹر نے ظاہر کی ہیں وہ عارضی ہیں اور مستقبل قریب میں بدل جائیں گی۔ مزید برآں اسپانسر ضرورت کے وقت ورکنگ کپینٹل کی ضروریات کو پورا کرنے میں مدد کرتے رہے ہیں۔ چونکہ دوبارہ ترتیب کا عمل زیر غور ہے لہذا انتظامیہ کو یقین ہے کہ یہ عمل جلد مکمل ہوگا لہذا اثرائتگی کے مفروضے کا استعمال کرتے ہوئے مالیاتی حسابات کی تیاری جائز ہے۔

### مستقبل کا نظریہ:

مالی سال 2026 ایک پیچیدہ عالمی اقتصادی ماحول میں گزرا، جسے بدلتی ہوئی مالی پالیسیاں، جغرافیائی سیاسی غیر یقینی صورتحال، اور پریکٹیشن ازم پڑتی تجارتی اقدامات نے تشکیل دیا۔ پاکستان کا اقتصادی منظر نامہ مالی سال 2025-26 کے لیے محتاط امید افزائی ظاہر کرتا ہے، جس کے مطابق انٹرنیشنل مانیٹری فنڈ (IMF) کے تنازعہ تخمینوں کے مطابق جی ڈی پی کی نمو 3.6 فیصد متوقع ہے۔ ملکی سطح پر، پاکستان کو کئی نیکرو اور شعبہ جاتی چیلنجز کا سامنا رہا۔ سال 2026 کے وسط میں آنے والے شدید مون سون کے سیلاب نے زراعت کی پیداوار، نقل و حمل کے بنیادی ڈھانچے، اور دیہی سہولتی چیلن کو بری طرح متاثر کیا۔ یکسٹائل شعبہ، جو پاکستان کی برآمدات کی بنیاد ہے، خاص طور پر مقامی کاشن کی فصل میں بڑے نقصان سے متاثر ہوا، جس کے نتیجے میں درآمدات پر انحصار بڑھ گیا اور ان پٹ لاگت میں اضافہ ہوا۔ اس کے علاوہ غیر معقول بلند ٹیکس، ڈیوٹیز، ایندھن اور بجلی کے اخراجات، بلند سود کی شرح، اداری ایف ایس اسکیم میں برآمدی مراعات کی واپسی جیسے اضافی مالی اقدامات نے صنعت پر آپریشنل دباؤ مزید بڑھا دیا۔

عالمی مقابلے کے پیش نظر، موجودہ اقتصادی حالات کے تناظر میں توقع ہے کہ حکومت ساختی اصلاحات پر توجہ دے گی اور ان بنیادی کمزوریوں کو دور کرے گی جو بار بار اقتصادی بحران کی وجہ بنتی ہیں۔ اس کے علاوہ، زراعت کے شعبے کی کم کارکردگی اور بڑے پیمانے پر مینوفیکچرنگ کی مسلسل جدوجہد سے ظاہر ہوتا ہے کہ ملک میں ساختی کمزوریوں، مالی نظم و ضبط، پالیسیوں کے تسلسل، اور منصفانہ براہ راست وبلا واسطہ ٹیکس کے نفاذ کے لیے اصلاحات ضروری ہیں تاکہ شمولیتی اور پائیدار نمو کو یقینی بنایا جاسکے۔ یارن کی درآمد پر صفر ریٹنگ کے خاتمے سے مقامی اسپننگ صنعت کے لیے مساوی مواقع پیدا ہوں گے۔ تاہم، ملک کی اسپننگ صنعت کو مسلسل گیس کی قیمتوں میں اضافہ، مقامی کپاس کی پیداوار میں اتار چڑھاؤ، اور علاقائی حربوں کے سخت مقابلے کی وجہ سے چیلنجز کا سامنا رہے گا۔ ان چیلنجز کو حل کرنا برآمدات کی قیادت والی نمو کے مواقع سے بھرپور فائدہ اٹھانے کے لیے انتہائی ضروری ہے۔

### کارپوریٹ معاشرتی ذمہ داریاں:

ہم کارپوریٹ معاشرتی ذمہ داریوں (CSR) کے حوالے سے اس بات کا بھی عہد کرتے ہیں کہ ہم اپنی معمول کے مطابق کاروباری سرگرمیوں کے عمل کو مضبوط کرنا چاہتے ہیں۔ کمپنی تمام اسٹیک ہولڈرز، خاص طور پر جس معاشرے میں ہم رہتے ہیں اور ایسے ورکرز جو ہمارے کاروبار کا محور ہیں، کے مفادات پر غور اور توازن پیدا کرنے کیلئے شعوری طور پر کوشش کرنے کیلئے پرعزم ہیں۔ ہم نے اپنی کامیابی کو نہ صرف مالیاتی سرگرمیوں کیلئے وقف کیا ہے بلکہ ہم اپنے صارفین کا اطمینان بھی چاہتے ہیں اور ان تمام برادر یوں کو بھی سپورٹ کرنا چاہتے ہیں جن کی ہم خدمت کرتے ہیں۔



## ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کہنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2025ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات جمع آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### اقتصادی جائزہ:

عالمی معیشت نے معتدل رفتار سے ترقی کی، حالانکہ مختلف چیلنجز برقرار رہے۔ عالمی ہوٹلنگ میں بتدریج کمی آئی، لیکن عالمی تجارت سست رہی کیونکہ مانگ کم تھی اور سپلائی چین میں تہدیلیاں ہو رہی تھیں، جس پر خاص طور پر امریکہ کی بدلتی ہوئی تجارتی پالیسیوں کا اثر تھا۔ تیل کی قیمتیں غیر مستحکم رہیں، جس کی وجہ خطے میں تنازعات اور عالمی طلب میں اتار چڑھاؤ تھا۔ جغرافیائی سیاسی کشیدگیاں بھی جاری رہیں، جس سے خام مال کی ترسیل متاثر ہوئی اور عالمی منڈیوں میں غیر یقینی صورتحال بڑھی۔

پاکستان کے لیے مالی سال 2024-25 میں کئی سالوں کی اقتصادی اتار چڑھاؤ کے بعد میکرو اکنامک استحکام کے ابتدائی آثار دیکھنے کو ملے۔ افراط زر میں گزشتہ سال کے ریکارڈ بلند ترین سطح سے نمایاں کمی آئی اور یہ کئی سالوں کی کم ترین سطح تک پہنچ گئی، جس کے نتیجے میں اسٹیٹ بینک آف پاکستان نے اپنی پالیسی ریٹ 19.5 فیصد سے کم کر کے 11 فیصد کر دی۔ جی ڈی پی کی شرح نمو 2.68 فیصد رہی، جو معیشت میں بھٹا بھالی کی نشاندہی کرتی ہے۔ کرنٹ اکاؤنٹ بیلنس میں واضح بہتری آئی اور یہ پہلی بار 14 سال میں 2.1 بلین امریکی ڈالر کے سرپلس کے ساتھ بند ہوا، جس کی بڑی وجہ بیرون ملک ترسیلات میں مضبوط 27 فیصد اضافہ تھا جو 38.3 بلین امریکی ڈالر تک پہنچ گیا، برآمدات کی بہتر کارکردگی، خصوصاً ٹیکسٹائل برآمدات میں 7.4 فیصد اضافہ کے ساتھ 17.9 بلین امریکی ڈالر تک پہنچا، سخت درآمدی کنٹرول، بیرونی بیلنس میں بہتری اور ساختی اصلاحات نے زرمبادلہ کے ذخائر کو بڑھانے اور کرنسی کے استحکام میں مدد دی۔ سود کی شرح میں کمی اور کرنسی کے استحکام نے میکرو اکنامک استحکام کو مزید مضبوط کیا۔ مزید برآں، ملک کی کریڈٹ ریٹنگ میں بہتری اور آئی ایم ایف پروگرام کے تسلسل نے سرمایہ کاروں کے اعتماد کو بحال کیا اور میکرو اکنامک استحکام کو فروغ دیا۔ تاہم عالمی سطح پر، مشرقی یورپ اور مشرق وسطیٰ میں جاری تنازعات کی وجہ سے توانائی کی بلند قیمتیں ان پٹ لاگت اور سپلائی چین کی استحکام کو متاثر کرتی رہیں۔ امریکہ کی طرف سے مخصوص ٹیکسٹائل اور مینوفیکچرنگ درآمدات پر نئے ٹیرفز کا نفاذ، اور اہم درآمدی منڈیوں میں کمزور عالمی مانگ نے مزید مشکلات پیدا کیں۔ ملکی سطح پر ساختی چیلنجز برقرار رہے، جن میں معمولی جی ڈی پی کی نمو، سیاسی غیر یقینی صورتحال، بلند توانائی کے نرخ، بھاری ٹیکس بوجھ، اور سست رفتاری سے ہونے والی ساختی اصلاحات شامل ہیں۔ ان تمام عوامل نے کاروباری لاگت پر دباؤ ڈالا اور کمزور صارفین کی خریداری کی طاقت کے ساتھ مل کر اہم شعبوں میں مانگ کو کمزور کیا۔

### صنعت کی کارکردگی کا جائزہ:

پاکستان کا ٹیکسٹائل شعبہ عالمی سطح پر کمزور مانگ، سخت مالی حالات اور بلند توانائی کے اخراجات کی وجہ سے مشکلات کا شکار رہا۔ مالی سال 2025 میں اس شعبے نے 7.4 فیصد نمو ریکارڈ کی، تاہم شعبے میں ساختی کمزوریاں برقرار رہیں کیونکہ کچھ اہم خام مال یعنی مصنوعات کی برآمدات میں کمی دیکھی گئی؛ کاشن یارن میں 28.8 فیصد کمی کی آئی جبکہ کاشن کپڑے کی برآمدات میں 3.1 فیصد کمی ہوئی۔ مالی سال 2024-25 میں کپاس کی فصل میں شدید کمی دیکھنے میں آئی، جس کی بڑی وجہ موسمیاتی تبدیلیوں کے تباہ کن اثرات تھے۔ یہ مندی مالی سال 2025-26 میں بھی جاری رہے گی، کیونکہ شدید موسون کے سیلاب نے زراعت کی پیداوار کو بری طرح متاثر کیا اور پیداوار میں نمایاں کمی پیدا کی۔ یہ بڑی کمی نہ صرف ملک کی ٹیکسٹائل صنعت، جو پاکستان کی معیشت کی بنیاد ہے اور کل برآمدی آمدنی کا تقریباً 55 فیصد حصہ فراہم کرتی ہے، کو خطرے میں ڈالتی ہے بلکہ درآ مد شدہ کپاس پر انحصار بھی بڑھاتی ہے، جس سے قومی معیشت پر باروں ڈالر کا اضافی دباؤ پڑتا ہے۔

### مالیاتی نتائج اور کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)

219,248,591	446,380,125	آمدنی
(458,929,085)	(887,457,918)	آمدنی کی لاگت
<b>(239,680,494)</b>	<b>(441,077,793)</b>	کل خسارہ
(34,459,534)	(41,495,317)	آپریٹنگ اخراجات
<b>(274,140,028)</b>	<b>(482,573,110)</b>	آپریٹنگ خسارہ
38,353,825	79,848,618	دیگر آمدنی
(134,372)	(267,486)	مالیاتی لاگت
(2,740,607)	(5,279,752)	لیویز
<b>(238,661,182)</b>	<b>(408,271,730)</b>	قبل از ٹیکس خسارہ
25,359,606	25,212,835	ٹیکسیشن
<b>(213,301,576)</b>	<b>(383,058,895)</b>	بعد از ٹیکس خسارہ

**YD****A YOUSUF DEWAN COMPANY**

(ii) کمپنی کی طرف سے معیاری درخواست فارم پر درج ای میل آئی ڈی یا موبائل/وائس ایپ نمبر پر زوم کالنگ بھیجا جائے گا۔

(جی) فزیکل شیئر کی بک انٹری (CDC اکاؤنٹ) فارم میں منتقلی

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام لسٹڈ کمپنیوں کے لیے ضروری ہے کہ وہ کمپنیز ایکٹ 2017 کے نفاذ کی تاریخ سے چار سال کے اندر فزیکل شیئرز کو بک انٹری فارم میں منتقل کریں۔ ایس ای سی پی کی طرف سے جاری کردہ مراسلہ نمبر CSD/ED/Misc/2016-639-640 بتاریخ 26 مارچ 2021 کی تعمیل میں تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم میں منتقل کریں تاکہ کمپنیز ایکٹ 2017 کی شقوں کی تعمیل ہو۔ شیئر ہولڈرز فزیکل شیئر کی بک انٹری فارم میں منتقلی کے عمل کو سمجھنے اور اس کے فوائد کے بارے میں جاننے کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

(ایچ) کوائف کی تبدیلی

حصص یافتگان سے درخواست ہے کہ اپنے رجسٹرڈ ڈاک کے پتے میں کسی تبدیلی کے متعلق کمپنی کے شیئر رجسٹرار کو باری ادارے کی صورت میں شیئر ہولڈرز سے درخواست ہے کہ اپنے مجاز نمائندے کے کو بروقت مطلع کر دیں۔ کوائف میں کسی تبدیلی سے متعلق مطلع کریں، اگر قابل اطلاق ہو۔

(آئی) تحائف کی تقسیم پر پابندی

ایس ای سی پی کی طرف سے جاری کردہ ہدایت نامہ SRO 452(I)/2025 مورخہ 17 مارچ 2025 کے مطابق کمپنی تمام شیئر ہولڈرز کو مطلع کرنا چاہتی ہے کہ اجلاس عام میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔

## دیوان فاروق اسپننگ ملز لمیٹڈ سالانہ اجلاس عام

بذریعہ نوٹس ہذا کو مطلع کیا جاتا ہے کہ دیوان فاروق اسپننگ ملز لمیٹڈ کا 22 واں سالانہ اجلاس عام بروز پیر 27 اکتوبر، 2025 دوپہر 03:00 بجے دیوان سینٹ فیکٹری سائٹ، دیہہ ڈھنڈو، دھانیجی، ضلع ملیر، کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

### عمومی امور

- 1) جمعرات 28 نومبر 2024 کو منعقدہ کمپنی کے سالانہ اجلاس عام کی کارروائی کی توثیق۔
- 2) 30 جون، 2025 کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- 3) 30 جون، 2026 کو مکمل ہونے والے سال کیلئے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- 4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ



محمد حنیف جومان  
ڈائریکٹر اور کمپنی سیکریٹری

کراچی

29 ستمبر 2025

### نوٹ:

(الف) کمپنی کی حصص منتقلی کی کتب 20 اکتوبر، 2025 سے 27 اکتوبر، 2025 تک (بشمول دونوں دن) بند رہیں گی۔ شیئرز رجسٹر کے دفتر واقع میسرز بی ایم ایف کنسلٹنٹ پاکستان (پرائیویٹ) لمیٹڈ، واقع انجم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، تیسری منزل، 49 دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی پاکستان میں موصول ہونیوالی منتقلیاں اجلاس میں شرکت اور رائے دہی کیلئے بروقت بھیجی جائیں گی۔

(بی) اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ مکمل پراکسی فارم اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار آفس میں جمع کرانا ہوگا۔

سی ڈی سی حصص یافتگان کو اجلاس میں شرکت اور پراکسیوں کی تعیناتی کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 26 جنوری، 2000 کو جاری کردہ سرکلر 1 میں دی گئیں مندرجہ ذیل ہدایات پر عمل درآمد کرنا ہوگا۔

(سی) اراکین سے درخواست ہے کہ پتہ میں کسی قسم کی تبدیلی سے فوری طور پر کمپنی کے شیئرز رجسٹرار کو مطلع کریں

(ڈی) مالی گوشواروں کی الیکٹرانک ترسیل

ایس ای سی پی نے اپنے نوٹیفکیشن نمبر SRO 389 (1)/2023 بتاریخ 21 مارچ، 2023 کے ذریعے کمپنیوں کو اجازت دی ہے کہ سالانہ اجلاس عام کے نوٹس کے ہمراہ سالانہ آڈٹ شدہ مالی گوشوارے ڈاک کی بجائے ای میل کے ذریعے ان اراکین کو ارسال کیے جائیں۔ ای میل کے ذریعے مذکورہ بالا گوشوارے اور ای ایم جی ایم کے نوٹس وصول کرنے کے خواہشمند اراکین سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/dfsml/index.html> پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔ ویب سائٹ <http://www.yousufdewan.com/dfsml/index.html> پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

(ای) ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ 2017 کی دفعات کی تعمیل میں اراکین سالانہ اجلاس عام میں ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کر سکتے ہیں بشرطیکہ 10 فیصد یا زائد حصص رکھنے اور شہر میں رہنے والے اراکین اجلاس کی تاریخ سے کم سے کم 7 روز قبل اپنی رضامندی فراہم کریں گے۔ مذکورہ بالا شرائط کی تعمیل کی صورت میں تمام ضروری معلومات اور جگہ کے بارے میں آگاہ کیا جائے گا، درخواست کا فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

(ایف) زوم اپیلی کیشن کے ذریعے اجلاس میں شرکت

اراکین درج ذیل ہدایات پر عمل درآمد کر کے زوم کے ذریعے سالانہ اجلاس عام میں آن لائن شرکت کر سکتے ہیں۔

(ی) اراکین 25 اکتوبر، 2025 سے قبل کمپنی کی ویب سائٹ

<http://www.yousufdewan.com/dfsml/index.html> پر دستیاب معیاری درخواست فارم کے مطابق اپنی درخواست ای میل

[dfsml.corp@yousufdewan.com](mailto:dfsml.corp@yousufdewan.com) پر یا دیوان سینٹر 3-A، لالہ زار بیچ ہوٹل روڈ کراچی میں کمپنی سیکرٹری کے نام پر اپنی درخواست ارسال کر کے خود رجسٹر کر سکتے ہیں۔

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**DEWAN FAROOQUE SPINNING MILLS LIMITED**  
**22nd ANNUAL GENERAL MEETING**  
**PROXY FORM**

**IMPORTANT**

This form of Proxy duly completed must be deposited at our Shares Registrar Transfer Agent **BMF Consultants Pakistan (Private) Ltd.** Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi-75350, Pakistan. Not later than 48 hours before the time of holding the meeting A Proxy should also be a member of the Company.

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of **Dewan Farooque Spinning Mills Limited** and holder of \_\_\_\_\_ Ordinary shares as per Registered Folio No./CDC Participant's ID and Account No \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ who is also member of **Dewan Farooque Spinning Mills Limited** vide Registered Folio No./CDC Participant's ID and Account No. \_\_\_\_\_ my/our proxy to vote for me/our behalf at the 22nd Annual General Meeting of the Company to be held on **Monday, October 27, 2025, at 3:00 p.m.** And any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Affix  
Revenue  
Stamp  
Rs. 5/-

Signature \_\_\_\_\_

Witness: \_\_\_\_\_

**Signature**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Witness: \_\_\_\_\_

**Signature**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

## پراکسی فارم ۲۲ واں سالانہ اجلاس عام

### اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئر ٹرانسفر ایجنٹ، بی ایم ایف کنسلٹنٹ (پرائیوٹ) لمیٹڈ، انعم اسٹیٹ بلڈنگ، روم نمبر 310 اور 311، تیسری منزل، 49، دارالمان سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پل، کراچی۔ 75350، پاکستان۔ کے آفس میں، میٹنگ کے انعقاد سے اڑتالیس گھنٹے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

میں / ہم \_\_\_\_\_ کا (مکمل پتہ)

\_\_\_\_\_ بحیثیت ممبر

دیوان فاروق اسپیننگ ملز لمیٹڈ کے \_\_\_\_\_ حصص کے مالک، رجسٹرڈ فو لیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر \_\_\_\_\_ میں

بطور پراکسی تقرر کرتا / کرتی ہوں \_\_\_\_\_ کا (مکمل پتہ)

\_\_\_\_\_ جو بذات خود بھی

\_\_\_\_\_ دیوان فاروق اسپیننگ ملز لمیٹڈ

\_\_\_\_\_ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۲۲ واں سالانہ اجلاس عام جو کہ بروز پیر، ۲۷ اکتوبر ۲۰۲۵ کو دوپہر ۱۲:۰۰ بجے، ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ ۲۰۲۵ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

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Revenue  
Stamp  
Rs. 5/-

دستخط \_\_\_\_\_

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نام: \_\_\_\_\_

مکمل پتہ: \_\_\_\_\_

گواہ: \_\_\_\_\_

نام: \_\_\_\_\_

مکمل پتہ: \_\_\_\_\_